

Appendix 4D

Half Year Report for the half year ended 30 June 2020 to the Australian Stock Exchange

Part 1 – Details of Entity and Reporting Period

Name of Entity	Vmoto Limited
ABN	36 098 455 460
Half Year Ended	30 June 2020
Previous Corresponding Reporting Period	Half Year Ended 30 June 2019

Part 2 – Results for Announcement to the Market

Key information	Half year ended 30 June 2020 \$'000	Percentage increase /(decrease) over previous corresponding period
Revenue from continuing operations	26,217	55%
Profit from continuing activities after tax attributable to members	1,856	413%
Net profit attributable to members	1,856	413%

Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Record date for determining entitlements to the dividends (if any)	Not Applicable	

Brief explanation of any of the figures reported above necessary to enable the figures to be understood:

Refer to the Review of Activities contained in the Directors' Report which forms part of the attached Half Year Financial Report for details.

Part 3 – Contents of ASX Appendix 4D

Section	Page	Contents
Part 1	1	Details of entity, reporting period
Part 2	1	Results for announcement to the market
Part 3	2	Contents of ASX Appendix 4D
Part 4	3	Commentary on results
Part 5	3	Details relating to dividends
Part 6	3	Net tangible assets per security
Part 7	3	Details of entities over which control has been gained or lost
Part 8	4	Details of associates and joint venture entities
Part 9	4	Information on audit or review
Part 10	4	Attachments forming part of Appendix 4D

Part 4 – Commentary on Results

Refer to the Review of Activities contained in the Directors' Report which forms part of the attached Half Year Financial Report for details.

Part 5 – Details Relating to Dividends

Date the dividend is payable	N/A
Record date to determine entitlement to the dividend	N/A
Amount per security	N/A
Total dividend	N/A
Amount per security of foreign sourced dividend or distribution	N/A
Details of any dividend reinvestment plans in operation	N/A
The last date for receipt of an election notice for participation in any dividend reinvestment plans	N/A

Part 6 – Net Tangible Assets per Security

	2020	2019
Net tangible asset backing per ordinary security	8.7 cents	7.0 cents

Part 7 – Details of Entities over Which Control has been Gained or Lost

Name of entity (or group of entities)	Not applicable
Date control gained or lost	Not applicable
Contribution of the controlled entity (or group of entities) to the profit/(loss) from ordinary activities during the period, from the date of gaining or losing control	Not applicable
Profit (loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	Not applicable
Contribution to consolidated profit/(loss) from ordinary activities from sale of interest leading to loss of control	Not applicable

Part 8 – Details of Associates and Joint Venture Entities

Name of associate and joint venture entities	Ownership Interest		Contribution to net profit/(loss)	
	2020 %	2019 %	2020 \$A'000	2019 \$A'000
Associates	50%	N/A	(103)	N/A
Joint Venture Entities	N/A	N/A	N/A	N/A
Aggregate share of profits/(losses)	N/A	N/A	N/A	N/A

Part 9 – Information on Audit / Review

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited	<input type="checkbox"/>	The accounts have been subject to review	<input checked="" type="checkbox"/>
The accounts are in the process of being audited or subject to review	<input type="checkbox"/>	The accounts have not yet been audited or reviewed	<input type="checkbox"/>

If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:

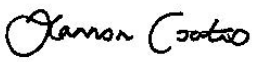
Not applicable

If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:

Not applicable

Part 10 - Attachments Forming Part of Appendix 4D

Attachment #	Details
1	Half Year Financial Report

Signed By Company Secretary 	
Shannon Coates	
Date 30 th August 2020	



VMOTO LIMITED
ABN 36 098 455 460

HALF-YEAR FINANCIAL REPORT
for the six-month period ended 30 June 2020



VMOTO LIMITED
ABN 36 098 455 460

DIRECTORS' REPORT

The Directors present their report together with the financial report for Vmoto Limited ("Vmoto" or "the Company") and its controlled entities (the "Group") for the half-year ended 30 June 2020 ("1H20") and the auditor's review conclusion thereon.

Financial Highlights

- Net profit after tax of \$1,812,704 delivered for 1H20, up 501% on the previous corresponding period.
- Significantly increased EBITDA of \$2,708,394 delivered for 1H20, up 188% on the previous corresponding period.
- Consolidated revenue from continuing operations was up 55% to \$26,217,205 in 1H20, from \$16,924,698 in 1H19.
- Strong positive operating cash flows of \$2,939,138 for 1H20 due to increased sales and orders from international customers and distributors.
- Heavily oversubscribed Share Purchase Plan securing \$3.95 million from existing shareholders.
- \$9.6 million raised in equity placement to strategic investors, institutions and other sophisticated professional investors post 30 June 2020.

Operational Highlights

- Total unit sales of 10,510 units delivered for 1H20, including 9,713 units into international markets representing a 41% increase compared to 1H19 amid Covid-19 global pandemic.
- Vmoto and its long-standing strategic partner, Super Soco Intelligent Technology (Shanghai) Co, Ltd ("Super Soco"), established a new jointly owned manufacturing company, Nanjing Vmoto Soco Intelligent Technology Co, Ltd ("Vmoto Soco Manufacturing"), which is owned 50% by Vmoto and 50% by Super Soco, to strengthen Vmoto's commercial relationship with Super Soco and to achieve additional synergies.
- Delivered 2,000 units to Vmoto's Netherlands ride sharing partner, GO Sharing in 1H20 and secured further order of 1,500 units to be delivered in 2H20.
- Significant increased interest from business customers including food delivery, parcel delivery and ride-sharing companies for Vmoto's B2B products with samples and orders delivered in 1H20 and further orders to be delivered in 2H20.
- The Group sold and delivered 240 units of the *CUX Special Edition Ducati* two-wheel electric vehicle to its international distributors amid Covid-19 global pandemic and the units sold in 1H20 have already exceeded total minimum contracted unit numbers for the full 2020 financial year by 20%.
- Exclusive distribution agreements signed with distributors in Paraguay, UAE, Peru, Russia, Serbia, Kosovo, Montenegro, Bosnia, Herzegovina, Macedonia, Albania, Armenia, Japan, Costa Rica, Panama and Thailand.
- Vmoto and its international distributors have participated in a number of international marketing events which have proven commercially beneficial and provided a large number of business development leads and sales.



VMOTO LIMITED
ABN 36 098 455 460

DIRECTORS' REPORT

1. Directors

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

Name	Period of Directorship
Mr Phillip Campbell <i>Non-Executive Chairman</i>	Appointed 31 May 2017
Mr Charles Chen <i>Managing Director</i>	Appointed 5 January 2007
Mr Ivan Teo <i>Finance Director</i>	Appointed 29 January 2013
Mr Kaijian Chen <i>Non-Executive Director</i>	Appointed 1 September 2011
Ms Shannon Coates <i>Non-Executive Director</i>	Appointed 23 May 2014

2. Results

Strong net profit after tax ("NPAT") growth for the Group was delivered for 1H20, equating \$1,812,704 compared to the net profit after tax of \$301,674 for 1H19, representing an increase of \$1,511,030 and a 501% increase.

Significant increases in earnings before interest, tax, depreciation and amortisation ("EBITDA") for the Group for 1H20 was also delivered, equating \$2,708,394 compared to EBITDA of \$940,856 for 1H19. This represents an increase of \$1,767,538 and a 188% increase.

The following table provides reconciliation between the EBITDA for 1H20:

Net profit after tax for 1H20	\$1,812,704
Add back:	
Interest income	(\$59,699)
Interest expenses	\$67,637
Tax	\$220,790
Depreciation and amortisation	\$666,962
Earnings before interest, tax, depreciation and amortisation for 1H19	<u>\$2,708,394</u>

The consolidated revenue from continuing operations for 1H20 was up 55% to \$26,217,205 (1H19: \$16,924,698).

The Group also achieved positive operating cash flows of \$2.9 million for 1H20 due to increasing sales and orders from international customers and distributors. Loans and borrowings of the Group were RMB 10 million (approximately \$2.1 million) as at 30 June 2020 which remain the same as compared to loans and borrowings at 31 December 2019.



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DIRECTORS' REPORT

3. First Half-Year Activities

Review of Operations

Vmoto continued to delivered strong operational and commercial growth during 1H20, as it continued to progress its strategy of developing, manufacturing and distributing high quality electric two-wheel vehicle products to international Busines-to-Consumer ("B2C") and international Business-to-Business ("B2B") sectors, including delivery, sharing and rental customers in 1H20.

During 1H20, the Group sold a total of 10,510 units to its international customers and distributors, including 9,713 units into international markets representing a 41% increase compared to 1H19 amid Covid-19 global pandemic.

As a result, the Group retained a strong cash position and as at 30 June 2020, the Group had cash of \$7.4 million, up \$0.8 million in total since 31 December 2019.

The net debt of the Group increased to \$1.9 million (31 December 2019: \$1.6 million) mainly due to increase in deposits from customers for increase in orders for the Group's products. These deposits will be earned, and revenue will be recognised by the Group Entity when products are delivered to customers.

Over the half-year ended 30 June 2020, the Group's net assets increased 35% to \$23 million (31 December 2019: \$17 million).

Vmoto and Super Soco establish new manufacturing company

Vmoto entered into a joint investment agreement with its longstanding strategic partner, Super Soco Intelligent Technology (Shanghai) Co, Ltd ("Super Soco"), to establish a new jointly owned Chinese registered manufacturing company, Nanjing Vmoto Soco Intelligent Technology Co Ltd ("Vmoto Soco Manufacturing").

The issued capital of Vmoto Soco Manufacturing is owned 50% by Vmoto and 50% Super Soco and Vmoto Soco Manufacturing is the sole and exclusive manufacturer for both Vmoto's and Super Soco's electric scooter and motorcycle products.

Under the terms of the agreement, Vmoto was required to contribute RMB 30 million (~A\$6.4 million) in cash and/or assets by end of June 2020 to provide the initial working capital for Vmoto Soco Manufacturing. Vmoto has fulfilled this commitment.

Super Soco will also contribute RMB 30 million (~A\$6.4 million) in cash and/or assets progressively by no later than June 2025, based on the commercial requirements of the new company. This may include contributions of Super Soco's intangible assets, including patents and molds as Vmoto Soco Manufacturing grows.

The key strategic objectives and strategic rationale behind establishing Vmoto Soco Manufacturing are:

- To strengthen Vmoto's commercial relationship with Super Soco
- Streamlining of supply chain processes, with Vmoto Soco Manufacturing the sole and exclusive manufacturer for both companies, and Vmoto retaining exclusive sales and marketing rights for E-Max and Super Soco products globally, excluding China;
- To allow the establishment of solid credit and trading terms with suppliers through economies of scale, providing increased purchasing power for components and in turn freeing up capital to enable Vmoto to aggressively pursue its expansion plans, and;
- Ongoing expansion of Vmoto Soco Manufacturing's research and development capabilities, and Vmoto's immediate access to Super Soco's research and development capability.



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DIRECTORS' REPORT

Ride-sharing operations

Go Sharing, Netherlands

The Group's strategic ride-sharing customer in Netherlands, Go Sharing, formally launched its ride sharing offering in Rotterdam, Netherlands and ordered 2,000 units of Vmoto's ride-sharing products.

Go Sharing (www.go-sharing.nl) is a European ride sharing company focused on providing electric scooter rental services through its ride sharing application, which allow users to locate, unlock, ride and return Go Sharing electric scooters to multiple locations. Go Sharing was founded by Greenmo Rent BV, which is an expert in rental and delivery operations, and has been Vmoto's exclusive B2B partner for more than five years. Greenmo Rent is backed by Rabobank, which is the third largest retail bank by market share and second largest by number of current accounts in Netherlands.

All 2,000 units have been delivered in 1H20 and Vmoto has secured an order for a further 1,500 units, expected to be delivered in 2H20.

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.

eMoped, Australia

eMoped officially launched its ridesharing operations in Brisbane, Australia with an initial order of 50 units of Vmoto's CUX model, for which the Group has exclusive international sales and distribution rights.

eMoped is Australia's only motorcycle ride-sharing company and allows users to unlock, ride and return CUX motorcycles in multiple locations.

Zig Zag, Italy

In 1Q20, Vmoto delivered 300 units of its ride-share electric scooters to Zig Zag Italy for its expanding operations. This follows the delivery of approximately 170 initial units of ride-share electric scooters to Zig Zag Italy in 2Q19.

Antik Motosharing, Slovakia

Vmoto delivered further 90 units of its ride-sharing products to Antik Motosharing for use in its ride-sharing operations in Slovakia.

Antik Motosharing is founded by Antik Telecom, which is the largest regional telco operator based in Kosice, Slovakia. Antik Telecom also operates a comprehensive smart solutions and applications named "Smart City" including e-charging stations, e-mobility, parking system, digital signage, smart security camera systems, SOS for seniors, smart streetlamps.

Loopshare, Canada

Vmoto delivered 329 units of its ride-sharing products to Loopshare Ltd based in Vancouver, Canada. Loopshare, (formerly known as Saturna Green Systems Inc), is a North American Telematics high-tech company focused on developing state-of-the-art wireless shared transportation and communication systems for electric two and three-wheel vehicles.

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.



V M O T O L I M I T E D
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D I R E C T O R S ' R E P O R T

International Markets - Existing and New

Vmoto successfully signed a number of exclusive distribution agreements with international distributors for the warehousing, distribution and marketing of the B2C range of electric two-wheel vehicle products in the regions highlighted below.

Paraguay: RTS Risk Trade Services S.A. ("RTS") a Paraguayan based distributor is part of AIB Group and is focused on offering products that involve sustainability, clean energy and environment protection. RTS specifically targets the "Generation Z" market and aims to protect the planet by providing clean, green and sustainable energy.

United Arab Emirates (UAE): Plug Motors LLC is UAE company headquartered in Dubai that operates in the car rental sector. It is a leading car rental company with over 10,000 units on the roads in Dubai and giving it approximately 70% of the market share in Dubai.

Peru: Enercity SAC ("Enercity") is an electric mobility company with over 45 distributors and dealers across Peru. Enercity is extremely experienced within the electric mobility market and has significant experience in electric engineering. Enercity is focused on distributing products with original branding.

Russia: iSputnik LLC is a Russian company that operates electric transportation stores and focuses on selling electric vehicles in Russia. iSputnik stores sell over 15 different types of electric vehicle products and occupies a leading position in the Russia markets for high quality and reliable products.

Serbia, Kosovo, Montenegro, Bosnia, Herzegovina, Macedonia and Albania: Iris Mega d.o.o ("IM") is a Serbian company founded in 1995 and headquartered in Belgrade, Serbia. IM engages in distributing IT and smart product and is part of ComputerLand Group of Companies that have year-on-year growth for 25 years and reaches turnover of Eur54.5m in 2018.

Armenia: Vanitar LLC operates a network of professional and experienced motorcycle distributors and dealers in Armenia. Vanitar also distributed other world-renowned brands including Ducati, Piaggio, Vespa, Aprilia and Moto Guzzi.

Japan: MS Solutions Co, Ltd is a Japanese company that operates in the technology sector in Japan and focuses on developing, producing and distributing consumer electronic products.

Costa Rica: Europa Motors S.A is a large and professional motorcycle distributor in Costa Rica focusing on B2C and B2B sectors with 32 dealers. Europa Motors is also an exclusive distributor for a number of world-renowned brands including Yamaha and Benelli.

Panama: Euro Art Motors S.A. is a large motorcycle distributor in Panama and has an incredibly strong online sales capability which includes over seven dealers across Panama. Euro Art is also exclusive distributor for MV Augusta and Energica in Panama.

Thailand: Clean Vehicle Co, Ltd, a subsidiary of Jiang International Group in Thailand, focuses on distributing electric vehicle products in Thailand. Jiang International Group is a large and professional business group in Thailand distributing some of the world's most famous motorcycle and car brands including Honda, Yamaha, Suzuki, Mitsubishi and Tata.

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.



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DIRECTORS' REPORT

Exhibitions and Marketing

Vmoto and its international distributors actively organised and participated in a number of marketing activities at the beginning of the 2020. These included exhibitions, test ride events and launch events to promote and market Vmoto's products in the respective region.

Due to the outbreak of COVID-19, many of the national and global motorcycle events that were scheduled for later in the year have been unable to take place and were subsequently cancelled or rescheduled. However in lieu of this, Vmoto's management has remained in continuous communication with its partners, distributors and other key industry leaders to ensure the Group is poised to capitalize on any opportunities that may present.

The marketing activities include:

Events	Date	Place
1. 2020 Brussels Motor Show	10-19 Jan 2020	Brussels, Belgium
2. England Newark Show	11-12 Jan 2020	Nottinghamshire, UK
3. Soco TC Ride Over Taiwan Island Event	14-21 Jan 2020	Over Taiwan Island
4. Vienna Auto Show	16-19 Jan 2020	Vienna, Austria
5. MP 20 Motorcycle Show	31 Jan - 2 Feb 2020	Helsinki, Finland
6. Opening of Soco Store in Lyon, France	2 Feb 2020	Lyon, France
7. 2020 Moto-Austria Exhibition	7-9 Feb 2020	Wels, Austria
8. India Auto Expo	7-12 Feb 2020	Greater Noida, India
9. Opening of Soco Store in Paris, France	9 Feb 2020	Paris, France
10. Intellektika Trade Show	13 Feb 2020	Tartu, Estonia
11. Swiss Moto Exhibition	20-23 Feb 2020	Zurich, Switzerland
12. Test ride event at Circuit Ricardo Tormo	22 Feb 2020	Valencia, Spain
13. Test ride event	27 Feb 2020	Fukuoka, Japan
14. Motorbike Istanbul Exhibition	27 Feb 2020	Istanbul, Turkey
15. Test ride event at Misano World Moto GP Circuit	June 2020	Misano Adriatico, Italy
16. Opening of Soco Store in Milan, Italy	June 2020	Milan, Italy

Corporate

In May 2020, Vmoto's Share Purchase Plan closed heavily oversubscribed and successfully raised \$3.95 million from existing shareholders. The Company issued a total of 23,737,844 shares at \$0.166 to participating shareholders.

Subsequent to 30 June 2020, the Company also successfully raised \$9.6 million via an equity placement to strategic investors, institutions and other sophisticated professional investors. As part of the Placement, Vmoto issued 21,411,108 fully paid ordinary shares at an issue price of \$0.45 per Share pursuant to the Company's existing Listing Rule 7.1 placement capacity. The issue price represents a 7.4% discount to the volume weighted average price of Vmoto ordinary shares for the last 10 trading days prior to its trading halt on Monday, 10 August 2020.



VMOTO LIMITED
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DIRECTORS' REPORT

Outlook

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 COVID-19 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 has been favorable to Vmoto and is 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.

The Company is confident following its recent operational successes, it is in strong financial position and poised to continue its growth trajectory and deliver increasing value for its shareholders as it executes its strategy of selling high value, high performance electric two-wheel vehicles into international markets. Vmoto is continuing to build its B2C distribution network worldwide, and is also in discussions with a number of potential B2B customers to increase its sales and profits.

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

The Auditor's Independence Declaration is set out on page 21 and forms part of the Directors' Report for the half year ended 30 June 2020.

Dated at Perth, Western Australia, this 30th day of August 2020

Signed in accordance with a resolution of the Directors:

A handwritten signature in black ink, appearing to read "Charles Chen".

Charles Chen
Managing Director



VMOTO LIMITED
ABN 36 098 455 460

CONDENSED CONSOLIDATED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	30 June 2020 \$	31 December 2019 \$
CURRENT ASSETS			
Cash and cash equivalents		7,394,952	6,648,039
Trade and other receivables		4,222,359	2,129,988
Inventories		3,380,463	4,367,766
Prepayments	9	2,841,360	4,032,493
Total Current Assets		17,839,134	17,178,286
NON-CURRENT ASSETS			
Property, plant and equipment	5	6,908,298	7,244,484
Right-of-use assets		547,367	589,949
Intangible assets	6	223,325	297,766
Investments accounted for using equity method	7	6,083,630	-
Total Non-Current Assets		13,762,620	8,132,199
TOTAL ASSETS		31,601,754	25,310,485
CURRENT LIABILITIES			
Trade and other payables		5,806,962	5,632,650
Loans and borrowings	8	2,060,878	2,045,994
Current tax liabilities		220,790	-
Lease liabilities		119,728	95,132
Total Current Liabilities		8,208,358	7,773,956
NON-CURRENT LIABILITIES			
Lease liabilities		453,640	510,809
Total Non-Current Liabilities		453,640	510,809
TOTAL LIABILITIES		8,661,998	8,284,765
NET ASSETS		22,939,756	17,025,720
EQUITY			
Issued capital	3	79,540,207	75,353,596
Reserves	3	(806,248)	(720,969)
Accumulated losses		(55,806,538)	(57,662,374)
Non-controlling interests		12,335	55,467
TOTAL EQUITY		22,939,756	17,025,720

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



VMOTO LIMITED
ABN 36 098 455 460

CONDENSED CONSOLIDATED STATEMENT OF
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 30 JUNE 2020

	Note	Half-year ended 30 June 2020 \$	Half-year ended 30 June 2019 \$
Continuing Operations			
Revenue from sale of goods		26,217,205	16,924,698
Cost of sales		(20,619,911)	(13,140,456)
Gross profit		5,597,294	3,784,242
Other income	2	942,074	636,883
Operational expenses		(2,657,183)	(1,767,682)
Marketing and distribution expenses		(493,772)	(495,222)
Corporate and administrative expenses		(1,163,974)	(1,156,219)
Occupancy expenses		(79,547)	(126,572)
Impairment of prepayments		-	(569,880)
Other expenses	2	-	(13,331)
Operating profit		2,144,892	292,219
Share of losses from equity accounted investments	7	(103,460)	-
Finance costs		(67,637)	(29,976)
Finance income		59,699	39,431
Profit before tax		2,033,494	301,674
Tax expense		(220,790)	-
Profit for the period		1,812,704	301,674
Other comprehensive income			
Foreign currency translation differences	3	(85,279)	174,019
Other comprehensive income for the period, net of tax		(85,279)	174,019
Total comprehensive income for the period		1,727,425	475,693



VMOTO LIMITED
ABN 36 098 455 460

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR
LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE HALF-YEAR ENDED 30 JUNE 2020

	Note	Half-year ended 30 June 2020 \$	Half-year ended 30 June 2019 \$
Profit / (Loss) attributable to:			
Owners of the Company		1,855,836	361,824
Non-controlling interest		<u>(43,132)</u>	<u>(60,150)</u>
Profit for the period		<u><u>1,812,704</u></u>	<u><u>301,674</u></u>
Total comprehensive income attributable to:			
Owners of the Company		1,770,557	535,843
Non-controlling interest		<u>(43,132)</u>	<u>(60,150)</u>
Total comprehensive income for the period		<u><u>1,727,425</u></u>	<u><u>475,693</u></u>
Earnings per share attributable to the ordinary equity holders of the Company			
Basic Earnings per Share from Continuing Operations		0.79 cents	0.14 cents
Diluted Earnings per Share from Continuing Operations		0.78 cents	0.13 cents

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



VMOTO LIMITED
ABN 36 098 455 460

CONDENSED CONSOLIDATED
STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 30 JUNE 2020

	Note	Half-year ended 30 June 2020 \$	Half-year ended 30 June 2019 \$
Cash flows from operating activities			
Receipts from customers		23,891,746	17,942,200
Payments to suppliers and employees		(21,527,816)	(17,065,441)
Interest received		59,699	39,494
Interest paid		(52,017)	(66,845)
Other cash receipts		567,526	507,980
Net cash generated by operating activities		2,939,138	1,357,388
Cash flows from investing activities			
Payments for property, plant & equipment		(119,579)	(140,976)
Payments for equity-accounted investments		(6,182,635)	-
Net cash used in investing activities		(6,302,214)	(140,976)
Cash flows from financing activities			
Proceeds from issue of shares		4,100,326	-
Proceeds from borrowings		-	1,053,918
Repayment of borrowings		-	(1,321,342)
Other cash payments		(16,528)	-
Net cash generated by financing activities		4,083,798	(267,424)
Net increase/(decrease) in cash and cash equivalents		720,722	948,988
Cash and cash equivalents at beginning of period		6,648,039	4,193,790
Effect of exchange rate fluctuations on cash held		26,191	2,901
Cash and cash equivalents at end of period		7,394,952	5,145,679

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



VMOTO LIMITED
ABN 36 098 455 460

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 30 JUNE 2020

Consolidated	Issued Capital \$	Reserves \$	Accumulated Losses \$	Non-controlling Interests \$	Total \$
Balance as at 1 January 2019	74,814,382	(513,144)	(59,125,561)	121,399	15,297,076
Profit/(Loss) for the period	-	-	361,824	(60,150)	301,674
Other comprehensive income	-	174,019	-	-	174,019
Total comprehensive income for the period	-	174,019	361,824	(60,150)	475,693
Issue of ordinary shares	175,932	-	-	-	175,932
Transfer expired options reserve to accumulated losses	-	(96,419)	96,419	-	-
Vest of share-based expenses	89,884	-	-	-	89,884
Balance as at 30 June 2019	75,080,198	(435,544)	(58,667,318)	61,249	16,038,585
Balance as at 1 January 2020	75,353,596	(720,969)	(57,662,374)	55,467	17,025,720
Profit/(Loss) for the period	-	-	1,855,836	(43,132)	1,812,704
Other comprehensive income	-	(85,279)	-	-	(85,279)
Total comprehensive income for the period	-	(85,279)	1,855,836	(43,132)	1,727,425
Issue of ordinary shares	4,085,300	-	-	-	4,085,300
Vest of share-based expenses	101,311	-	-	-	101,311
Balance as at 30 June 2020	79,540,207	(806,248)	(55,806,538)	12,335	22,939,756

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



VMOTO LIMITED
ABN 36 098 455 460

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

The half year financial report should be read in conjunction with the Annual Financial Report of Vmoto Limited for the year ended 31 December 2019.

It is also recommended that the half year financial report be considered together with any public announcements made by Vmoto Limited and its controlled entities during the half year ended 30 June 2020 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

(a) Basis of Preparation

The half year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134 "Interim Financial Reporting".

(b) Significant changes in accounting policies

The half year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 31 December 2019.

The Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to their operations and effective for the current half year.

The adoption of these amendments and interpretations does not have any material impact on this half year financial report.

(c) Principles of Consolidation

The parent entity and its subsidiaries are collectively referred to as the "Group". The parent of this Group is Vmoto Limited. Entities over which the parent (or the Group) directly or indirectly exercises control are called "subsidiaries". The consolidated financial statements incorporate the assets, liabilities and results of all subsidiaries. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group companies are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. PROFIT FOR THE PERIOD

Profit before income tax expense includes the following revenues and expenses whose disclosure is relevant in explaining the performance of the entity:

	30 June 2020 \$	30 June 2019 \$
(i) Other income		
Contributions from customers	336,633	286,166
Government subsidies	288,400	54,480
Rent income	227,339	245,571
Net foreign exchange gain	89,509	13,296
Other income	193	37,370
	942,074	636,883
(ii) Expenses		
Depreciation and amortisation	666,962	648,637
Employee benefits	1,173,315	1,036,650
(iii) Other Expenses		
Doubtful debts expenses	-	13,331
	-	13,331

3. ISSUED CAPITAL AND RESERVES

	30 June 2020 \$	31 December 2019 \$
Issued Capital		
<i>Ordinary shares</i>		
253,615,175 (31 December 2019: 224,762,983) ordinary shares, fully paid	79,540,207	75,353,596
	Number of Ordinary Fully Paid Shares	Issued Capital \$
<i>Movements in ordinary shares on issue</i>		
Balance 1 January 2020	224,762,983	75,353,596
Issue of Shares at 14.5 cents each	2,850,000	40,177
Issue of Shares at 16.6297 cents each	23,737,844	3,947,500
Issue of Shares at 6.5 cents each	1,982,174	128,841
Issue of Shares at 8.5 cents each	282,174	23,985
Vest of share-based expenses	-	61,134
Share issue costs	-	(15,026)
	253,615,175	79,540,207
Balance 30 June 2020	253,615,175	79,540,207

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Options

There were no options to subscribe for ordinary fully paid shares outstanding at 30 June 2020.

Reserves

	30 June 2020	31 December 2019
	\$	\$
Reserves at the beginning of the period	(720,969)	(513,144)
Transfer expired options reserve to accumulated losses	-	(96,419)
Movements in foreign currency translation reserve	(85,279)	(111,406)
Reserves at the end of the period	<u>(806,248)</u>	<u>(720,969)</u>
Comprises of:		
Foreign currency translation reserve	<u>(806,248)</u>	<u>(720,969)</u>
Reserves at the end of the period	<u>(806,248)</u>	<u>(720,969)</u>

The foreign currency translation reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations.

4. SEGMENT REPORTING

The continuing operations of the Group are predominantly in the electric two-wheel vehicles manufacture and distribution industry.

Reported segments were based on the geographical segments of the Group, being Australia, China, Europe and Singapore. The management accounts and forecasts submitted to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance are split into these components.

The electric two-wheel vehicles segment is managed on a worldwide basis, but operates in four principal geographical areas: Australia, China, Europe and Singapore. In China, manufacturing facilities are operated in Nanjing. In Europe, the warehouse and distribution centre are operated in Netherlands and Italy.

The following table presents revenue and profit or loss in relation to geographical segments for the six-month periods ended 30 June 2020 and 30 June 2019:



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. SEGMENT REPORTING (cont'd)

Half year ended 30 June 2020

	Continuing Operations				Intersegment Elimination	Total Operations
	Australia \$	Nanjing, China \$	Europe \$	Singapore \$		
Revenue						
Sales to external customers	3,355	20,825,981	2,159,463	3,228,406	-	26,217,205
Result						
Segment profit/(loss)	(475,657)	1,955,777	4,585	327,999	-	1,812,704
Assets at 30 June 2020						
Segment assets	1,167,414	50,441,954	3,108,788	1,167,023	(24,283,425)	31,601,754
Liabilities at 30 June 2020						
Segment liabilities	(174,989)	(29,497,752)	(1,317,899)	(1,954,783)	24,283,425	(8,661,998)

Half year ended 30 June 2019

	Continuing Operations				Intersegment Elimination	Total Operations
	Australia \$	Nanjing, China \$	Europe \$	Singapore \$		
Revenue						
Sales to external customers	6,657	15,541,778	2,119,751	-	(743,488)	16,924,698
Result						
Segment profit/(loss)	(543,950)	868,649	(23,025)	-	-	301,674
Assets at 31 Dec 2019						
Segment assets	898,041	40,572,983	3,555,728	1,094,332	(20,810,599)	25,310,485
Liabilities at 31 Dec 2019						
Segment liabilities	(143,744)	(27,064,023)	(1,172,944)	(714,653)	20,810,599	(8,284,765)

The total assets of the Group have increased \$6,291,269 and total liabilities of the Group have increased \$377,233 as compared to that in the last annual financial report for the year ended 31 December 2019.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. PROPERTY, PLANT & EQUIPMENT

	Plant & equipment	Motor vehicles	Land	Building	Total
Half year ended 30 June 2020					
Balance at 1 January 2020	1,367,705	42,781	1,040,852	4,793,146	7,244,484
Additions	21,318	-	-	87,209	108,527
Depreciation for the period	(280,410)	(5,824)	-	(248,519)	(534,753)
Exchange differences	44,868	(678)	7,572	38,278	90,040
Balance at 30 June 2020	<u>1,153,481</u>	<u>36,279</u>	<u>1,048,424</u>	<u>4,670,114</u>	<u>6,908,298</u>
At 30 June 2020					
Cost	2,045,749	101,864	1,048,424	6,861,705	10,057,742
Accumulated depreciation	<u>(892,268)</u>	<u>(65,585)</u>	<u>-</u>	<u>(2,191,591)</u>	<u>(3,149,444)</u>
Net carrying amount	<u>1,153,481</u>	<u>36,279</u>	<u>1,048,424</u>	<u>4,670,114</u>	<u>6,908,298</u>

The land and buildings are currently carried at cost on the balance sheet and at 30 June 2020 account for \$5.7 million. In April 2019, an independent external property valuation company has valued the Group's Nanjing land and Stage 1 & Stage 2 buildings at RMB 62.2 million (A\$12.8 million).

6. INTANGIBLES

	Trademark	Total
Half year ended 30 June 2020		
Balance at 1 January 2020	297,766	297,766
Amortisation	<u>(74,441)</u>	<u>(74,441)</u>
Balance at 30 June 2020	<u>223,325</u>	<u>223,325</u>
At 30 June 2020		
Cost	2,015,687	2,015,687
Accumulated amortisation	<u>(573,777)</u>	<u>(573,777)</u>
Accumulated impairment	<u>(1,218,585)</u>	<u>(1,218,585)</u>
Net carrying amount	<u>223,325</u>	<u>223,325</u>



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

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. Summarised financial information of the Group’s share in Vmoto Soco Manufacturing is as follows:

	Half-year ended 30 June 2020	Half-year ended 30 June 2019
Current assets	9,029,469	-
Non-current assets	6,183,154	-
Current liabilities	(3,045,363)	-
Non-current liabilities	-	-
Net assets (100%)	<u>12,167,260</u>	-
Group’s share of net assets (50%)	<u>6,083,630</u>	-
Carrying amount of interest in equity accounted investments	<u>6,083,630</u>	-
Revenue	9,824,921	-
Cost of sales	(7,544,375)	-
Administrative expenses	(2,487,466)	-
Losses for the period from continuing operations (100%)	<u>(206,920)</u>	-
Other comprehensive income	-	-
Total comprehensive income for the period from continuing operations (100%)	<u>(206,920)</u>	-
Group’s share of losses for the period (50%)	<u>(103,460)</u>	-

Vmoto Soco Manufacturing had no contingent liabilities or capital commitments as at 30 June 2020.

8. LOANS AND BORROWINGS

The following loans and borrowings (current) were issued and repaid during the half year ended 30 June 2020:

<i>Movements in Loans and Borrowings</i>	Carrying Amount \$
Balance at 1 January 2020	2,045,994
New issues:	
Drawn down from bank operating facility	-
Accrued interest	52,018
Effect of movement in foreign exchange rates	14,884
Repayments:	
Loan	-
Interest paid	<u>(52,018)</u>
Balance at 30 June 2020	<u>2,060,878</u>



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The bank operating facility is secured by the Group's Nanjing manufacturing facility, including the land, Stage 1 and Stage 2 of the manufacturing facility. This bank operating facility is a revolving line of credit facility and the undrawn facility is available for draw down throughout the period. The loan facility does not have any bank covenant conditions.

(i) Bank operating facility unutilised at the end of the period was \$3,091,318.

9. PREPAYMENTS

	30 June 2020	31 December 2019
	\$	\$
Prepayments	2,841,360	4,032,493

The prepayments are payments in advance to suppliers for the supply of electric two-wheel vehicle inventories.

10. SUBSEQUENT EVENTS

Issue shares to directors

On 2 July 2020, 378,808 shares were issued to director Mr Phillip Campbell and 242,424 shares were issued to director Mr Kaijian Chen in lieu of their director fees, as approved by shareholders.

Completion of A\$9.6 million placement

On 19 August 2020, the Company completed a A\$9.6 million placement and issued 21,411,108 fully paid ordinary shares to strategic investors, institutions and other sophisticated and professional investors.

Other than the above, there were no other significant events subsequent to the half year ended 30 June 2020 and prior to the date of this report that have not been dealt with elsewhere in this report.

11. FAIR VALUE MEASUREMENT

Financial Instruments

The Group's financial instruments consist of trade and other receivables, trade and other payables and borrowings. These financial instruments are measured at amortised cost, less any provision for non-recovery. The carrying amount of the financial assets and liabilities approximate their fair value.



VMOTO LIMITED
ABN 36 098 455 460

DIRECTORS' DECLARATION

The Directors declare that:

- (a) 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; and
- (b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with Accounting Standard AASB 134: Interim Financial Reporting and giving a true and fair view of the financial position as at 30 June 2020 and of its performance for the half year ended on that date.

Signed in accordance with a resolution of the Directors made pursuant to s303(5) of the Corporations Act 2001.

Dated at Perth, Western Australia, this 30th day of August 2020

On behalf of the Directors

A handwritten signature in black ink, appearing to read "Charles Chen".

Charles Chen
Managing Director

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To The Board of Directors

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

As lead audit partner for the review of the financial statements of Vmoto Limited for the half year ended 30 June 2020, 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



BENTLEYS
Chartered Accountants



DOUG BELL CA
Partner

Dated at Perth this 30th day of August 2020

Independent Auditor's Review Report

To the Members of Vmoto Limited

We have reviewed the accompanying half-year financial report of Vmoto Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and 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.

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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 2020 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.

Independent Auditor's Review Report

To the Members of Vmoto Limited (Continued)



Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Conclusion

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 2020 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.

A blue ink signature of the firm Bentleys, written in a cursive style.

BENTLEYS
Chartered Accountants

A blue ink signature of Doug Bell, written in a cursive style.

DOUG BELL CA
Partner

Dated at Perth this 30th day of August 2020