



POWERING AHEAD

OCTOBER 2013



Global cooling,
one kilometre at a time



Business overview

- Vmoto is a leading global scooter manufacturer and distribution group
 - specialising in high quality “green” electric powered two wheel vehicles
 - chic European designs and German engineering
 - wholly owned, low cost, 30,000sqm Chinese manufacturing facility
 - operating in burgeoning global market
- Recognisable brands and global network of customers, partners and distributors
 - premium quality, value for money products to Asian and Western markets
 - in 27 countries to date
 - also supply customers under original equipment manufacture (OEM) contracts
- Competitive advantage
 - only Western branded electric scooter company operating in China
 - currently ranked no.2 global vendor and regarded as a top competitor in electric scooter sector



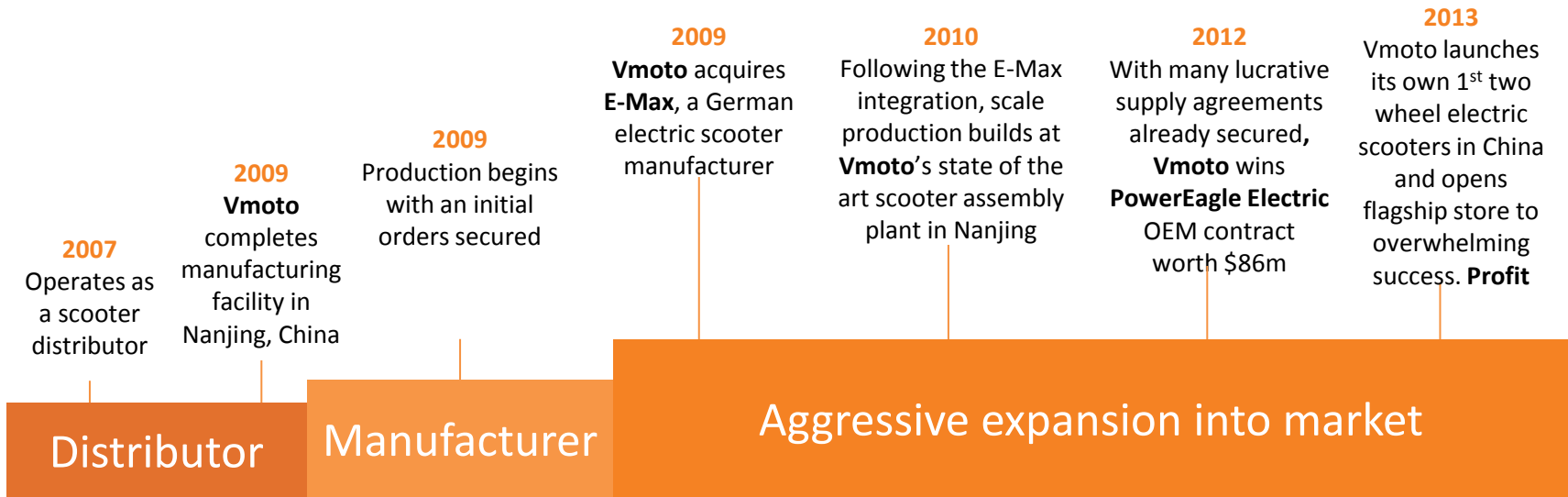
Investment highlights

Well positioned for substantial growth

- Infrastructure in place and paid for
- Critical licences and patented technology and IP
- Strong competitive position
- Strong board and management team
- Strategically placed to access high growth markets in Asia
- Ability to significantly increase scale of manufacturing operations with existing facilities
- Strong financial position and moving into profit and positive cashflows
- Significant organic growth, electric vehicle collaborations and JV opportunities



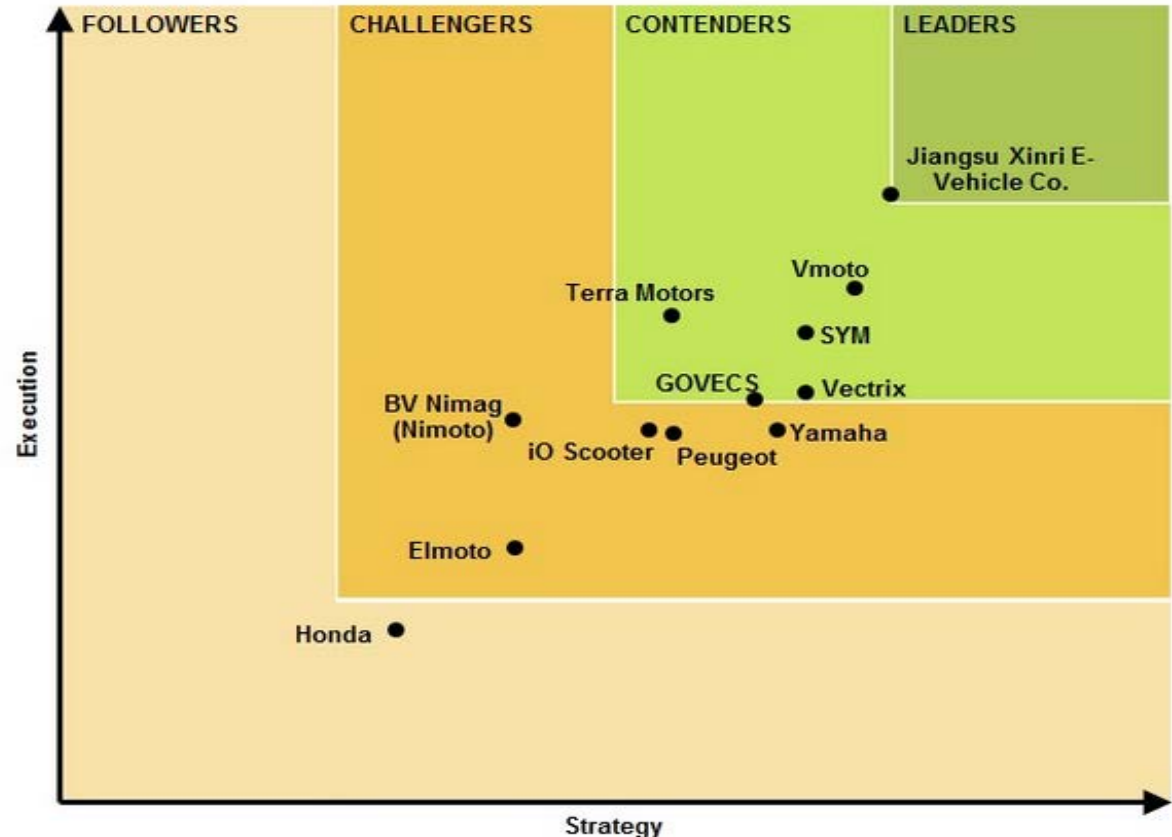
Vmoto's evolution



Strong competitive position in world market

No. 2 global vendor and clear contender to be leader

- Global electric scooter market has developed two distinct vendors:
 - high-powered , higher priced scooters in North / South America and Europe
 - those with cost structures suitable for price-sensitive Asia-Pacific
- Vmoto is one of few vendors that have found a path to compete in both markets with multiple product options



Source: Navigant Research Leaderboard Report: Electric Scooters



Access to massive high growth markets

Strategic position in China provides access to world's largest two wheel vehicle market

- Asia Pacific accounts for more than 99% of global sales
- China is largest global market for electric two wheel vehicles (incl. bicycles) – 30m units produced in 2012; estimated to increase to 40m units in 2015
- Government support for reduced carbon emissions have resulted in petrol scooter bans in >20 major cities
- Vmoto has launched 11 models into Chinese market in last 6 months
- Vmoto opened its first flagship retail store in China in June 2013, with stores 2, 3 and 4 following in July – September 2013 – at least 6 more stores planned in 2013, significantly more in 2014
- Discussions with Electric Vehicle companies/governments on collaborations and joint ventures – eg Nanjing Government trial of electric four-wheel road cleaning vehicles
- JV with private Chinese company, which focuses on research, development and production of technology parts for the electric vehicle market



Access to massive high growth markets (cont'd)

Market opportunity is global

- Navigant Research forecasts that global e-scooter sales will grow from 12m vehicles in 2013 to 18m in 2020
- Vmoto already at forefront of this market with global network of customers, partners and distributors (27 countries to date) including:
 - PowerEagle – Chinese scooter distributor – up to \$86m gross revenue to 2015
 - E-Tropolis – German company – up to \$24m gross revenue to 2015
- Marketing and distribution centre in Bremen (Germany)
 - services major European customers
 - plan to expand further into European market



Ability to scale manufacturing operations

- 30,000sqm state of the art manufacturing facility in Nanjing, China
 - wholly owned, fully paid for, equipped plant in key industrial zone
 - no short term infrastructure requirements; producing >60,000 units in 2013
- Operates under Chinese manufacturing license – significant intangible value
 - key to winning \$86m PowerEagle contract
 - expected to open up further opportunities for consolidation within China
- Production expected to increase to >85,000 units in 2014 and >150,000 units in 2015
- Estimated production capacity of >300,000 scooters pa (depending on model)



Stage 1 built

Stage 2 built

Stage 3 land under option
(not built)



Strong financial position and current trading

Moving into profit and positive cashflows

- Well funded following completion of recent oversubscribed \$5m capital raising
- Monthly net profit (unaudited) of \$80k, \$40k and \$120k for June – August respectively
- Unit sales from first 4 China stores already >1,800 to end of September
- Expect to generate NPAT of \$300k-600k for FY13 (Dec y/e)
- Positive cashflows expected Q1 FY14 (ie Mar 2014 qtr)
- Accelerated growth expected from FY14 on
 - contracted (PowerEagle) ramp up to 72,000 units
 - China retail sales through store roll outs and expansion
 - Government (currently trialing electric cleaning vehicles) and JV (electronic controller)
 - further exploitation of economies of scale will begin to feed through to bottom line... average gross margin ~20%



Significant organic growth opportunities

- Solid market share already in electric scooter market – no. 2 global vendor
- Strategically placed to access huge growth potential of massive Chinese electric two wheel vehicle market
- Discussions ongoing for collaboration and joint ventures in China in the general Electric Vehicle space
- Other opportunities include B2B market – postal, couriers, food delivery, police etc
- Increase global network of customers, partners and distributors
- Further expansion opportunities exist in India, Malaysia, Indonesia and South America



In summary...

- Infrastructure, licensing, branding, patented technology and IP **all** in place
- Strong competitive position
- Strong board and management team
- Strategically placed to access massive high growth markets
- Ability to significantly increase scale of manufacturing operations with existing facilities
- Strong financial position and moving into profit and positive cashflows
- Significant organic growth opportunities





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Appendices



Corporate structure

- **Directors and senior management**
 - Simon Farrell – Non-Executive Chairman
 - Charles Chen – Managing Director
 - Ivan Teo – Finance Director
 - Olly Cairns – Non-Executive Director
 - Jacky Chen – Non-Executive Director
 - Patrick Davin – President of Strategic Development
 - George Hou – General Manager

>100 employees across Australia, China and Europe

- **Capital structure**
 - ASX and AIM listed – “VMT”
 - Shares – 1,200,360,439*
 - Listed Options – 145,592,230 (4c, 31/12/14)
 - Unlisted Options – 20,000,000 (2.5c – 3c)
 - Performance rights – 20,000,000 (3c – 5c)
 - Share price – 2.2c (as at 17 Oct 2013)
 - Market cap - \$26.4m*

* post GM to approve \$5m capital raising

- **Shareholders**
 - Australian / Chinese institution and retail – 73%
 - UK institution and retail – 16%
 - Management – 11%
- **Financials (unaudited)**
 - Cash - A\$1.3m (as at 30/9/13)
 - Pro forma cash* - A\$6.0m
 - Undrawn facility – A\$720k (as at 30/9/13)
 - Facility drawn down – A\$5.2m (as at 30/9/13)
 - Inventory – A\$5.1m (as at 30/6/13)
 - Turnover – A\$9.8m (6 month to 30/6/13)
 - Loss – A\$553k (6 month to 30/6/13)
 - Margin per scooter – 8% – 36%
 - Land & buildings valuation - A\$8.5m (March 2013)
 - **Profit for June 2013 – A\$80k (unaudited)**
 - **Profit for July 2013 – A\$40k (unaudited)**
 - **Profit for August 2013 - A\$120k (unaudited)**
 - **Estimated 2013 annual profit – A\$300k to A\$600k**



Directors and Senior Management

- **Simon Farrell– Non-Executive Chairman (London)**
 - Former Managing Director of Coal of Africa – grew to \$1 billion market cap
 - 30 years' experience in global business
- **Charles Chen – Managing Director (China)**
 - Ex-Honda Sundiro Management, 18 years' experience in motor scooter business
 - Responsible for day to day business operations in China
- **Ivan Teo – Finance Director (China)**
 - Qualified Chartered Accountant/international finance professional with many years of experience in both Western and Chinese accounting/auditing/finance systems
 - Responsible for group financial and accounting management
- **Olly Cairns – Non-Executive Director (Australia)**
 - Involved in numerous IPOs and capitalisations of AIM and ASX companies
 - Strategy, business development, funding & capital markets
- **Jacky Chen – Non-Executive Director (China)**
 - 25 years' experience in the motor/electric scooter manufacturing industry in China
- **Patrick Davin – President of Strategic Business Development (China)**
 - One of the original founders of Vmoto
 - Previously Non-executive director of Ferraus Limited until 2007, and held senior marketing and finance positions in some of Perth's leading mining companies
- **George Hou – General Manager (China)**
 - 17 years' electric vehicle manufacturing experience in China
 - Previously in charge of production at XinRi, a Chinese electric vehicle company (no 1 in the world) which produced over 2 million units in 2011



Key customers

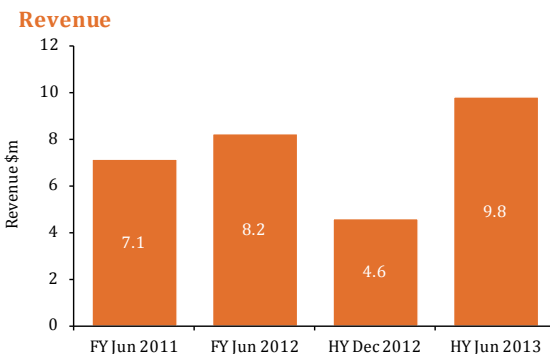
Name	Description
PowerEagle	Chinese company based in Shanghai, China and specialises in electric bicycles/scooters/ motorcycles. Brand name well known in China for product development and quality control
E-Tropolis	Germany electric vehicle company based in Bremen, Germany focuses on electric scooters and solar carport system. Wide distribution network throughout Europe
A prestigious EV company (US)	Founded in 1996 and based in Rhode Island, United States. Vmoto OEM this company's electric scooters for worldwide distribution
E.On (Czech Republic & Sweden)	A global top 500 company and has more than 85,000 employees and generated just under EUR112 billion in total sales in 2011. Electric Mobility a leading part of their future strategy
Nimoto (Netherlands)	Already number one in the Netherlands electric scooter market (the largest in Europe). Importer of Suzuki cars, motorbikes and marine for Netherlands. Part of the Louwmann Group, a leading automotive distributor in Europe, which has a turnover in excess of €2bn per year
Nemax (Italy)	Sole importer of Vmoto's E-Max electric scooters for Italy, a country wide dealer network and with key customers such as "TNT Post Italy"
KLD Energy Technologies (Worldwide)	KLD designs and develops electric motor systems for electric vehicles. Vmoto has close relationship with KLD and supply to them on Semi Knocked Down basis
EV Scandia (Denmark)	Distributes to a key growth market in EVs, has already supplied over 230 units to one B2B customer this year as well as units to Fire Brigade and Copenhagen city
Imperial Green Mobility (Southern Africa)	Part of Imperial Group which was founded in 1948 and had over 47,000 employees spanning several industries in 14 countries
Wattoo (France)	Built itself to be the leading electric scooter distributor in France with Vmoto's E-Max products. Over 100 dealers. Exclusive supplier to Monaco principality
Auteco (Colombia)	Founded in 1941 and was the first motorcycle assembler in Columbia, controls over 85% of the two wheel market and has over 800 dealers. Exclusive importer and assembler of Kawasaki, Indian Bajaj and Kymco. Already has 50 units of E-Max on 6 month trial
Sturay (Australia)	Sole importer of Vmoto E-Max electric scooters for Dominos' Pizza in Australia. Dominos is currently trialing the first batch of electric scooters

- 27 distributors globally and in discussions with further potential distributors

Financial information (1)

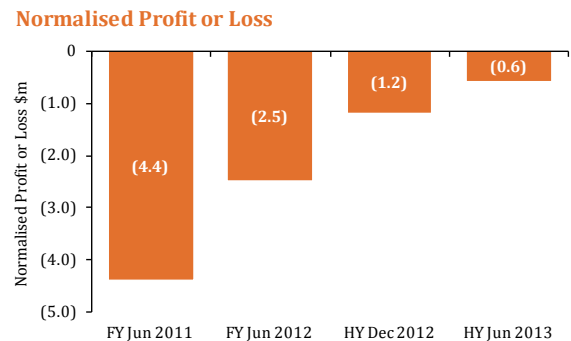
Summary of consolidated profit & loss	Year ended 30 June 2011 A\$ million Audited	Year ended 30 June 2012 A\$ million Audited	6 mths ended * 31 Dec 2012 A\$ million Audited	6 mths ended 30 * Jun 2013 A\$ million Audit Reviewed
Revenue from sale of goods	7.1	8.2	4.6	9.8
Gross Profit	1.5	1.5	1.1	1.1
Gross Profit %	21.1%	18.0%	23.3%	11.2%
Other income	0.3	0.3	0.2	0.3
Operational, marketing, corporate and other expenses	(6.1)	(4.0)	(2.3)	(1.7)
EBIT / (LBIT)	(5.8)	(3.7)	(2.1)	(1.5)
Finance costs	(4.3)	(2.3)	(1.0)	(0.4)
Impairment of goodwill	(0.1)	(0.3)	(0.2)	(0.2)
Income tax	-	(4.6)	-	-
Minority interest	-	-	-	-
Profit / (loss) after tax	-	-	-	-
	(4.4)	(7.1)	(1.2)	(0.6)
Less: Normalisation				
Impairment of goodwill	-	4.6	-	-
Normalised profit / (loss) after tax	(4.4)	(2.5)	(1.2)	(0.6)

* Change of financial year end from June to December



*FY= financial year

*HY=half year



Financial information (2)

Summary of consolidated balance sheet	30 Jun 2011 A\$million Audited	30 Jun 2012 A\$million Audited	31 Dec 2012 A\$million Audited	30 Jun 2013 A\$million Audit Reviewed
CURRENT ASSETS				
Cash and cash equivalents	0.7	1.2	1.8	0.9
Trade and other receivables	1.4	1.7	1.8	2.2
Inventories	3.5	2.5	3.2	5.1
Other assets	1.1	0.6	0.6	0.3
Total Current Assets	<u>6.7</u>	<u>6.0</u>	<u>7.4</u>	<u>8.5</u>
NON CURRENT ASSETS				
Property, plant and equipment	4.9	5.9	5.6	5.6
Intangible assets	7.9	3.3	3.6	3.6
Total Non Current Assets	<u>12.8</u>	<u>9.2</u>	<u>9.2</u>	<u>9.2</u>
TOTAL ASSETS	19.5	15.2	16.6	17.7
CURRENT LIABILITIES				
Trade and other payables	1.7	1.9	2.0	2.6
Loans and borrowings	2.6	3.5	4.2	5.2
Total Current Liabilities	<u>4.3</u>	<u>5.4</u>	<u>6.2</u>	<u>7.8</u>
TOTAL LIABILITIES	4.3	5.4	6.2	7.8
NET ASSETS	<u>15.2</u>	<u>9.8</u>	<u>10.4</u>	<u>9.9</u>



Financial commentary

- **Financial Performance**

- Loss after tax for the six months ended 30 June 2013 approximately A\$553k. Forecast profit between A\$300k – A\$600k in year ending 31 December 2013

- **Cash**

- Cash at Bank as at 30 September 2013 approximately A\$1.3m (unaudited)

- **Facility terms**

- ~A\$6m, A\$5.2m drawn down as at 30 June 2013
- 7.5% interest pa, part repayable each January and May. Secured against land and buildings.

- **Margins**

- Gross margins for electric scooters are 8% (PowerEagle) – 35% (E-Max)
- Margins are expected to improve further as the size of orders for parts increase to achieve economies of scale

- **Wholly owned land and buildings (manufacturing facility)**

- Land and buildings are carried at a cost of A\$4.4m as at 31 December 2012 in the balance sheet
- The current independent valuation for the land and buildings of the manufacturing facility is approximately A\$8.5m (March 2013)

- **Commentary**

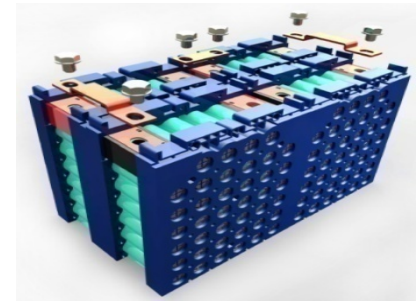
- Increasing revenue in line with forecast as Vmoto executes landmark contracts and moves direct into the Chinese domestic market
- Further exploitation of economies of scale will begin to feed through to bottom line



Patented technology and IP

Market leading technologies that are transferrable

- Patented technology and IP
 - through acquisition of E-Max, Vmoto is producing market leading technology
- Market differentiation based on innovative and functional design features
 - high quality controllers crucial to operation of electric scooters
 - LED lights
 - removable battery design for office or home charging
 - on-board chargers and smart chargers
- Ability to transfer technology to other industries



European operations



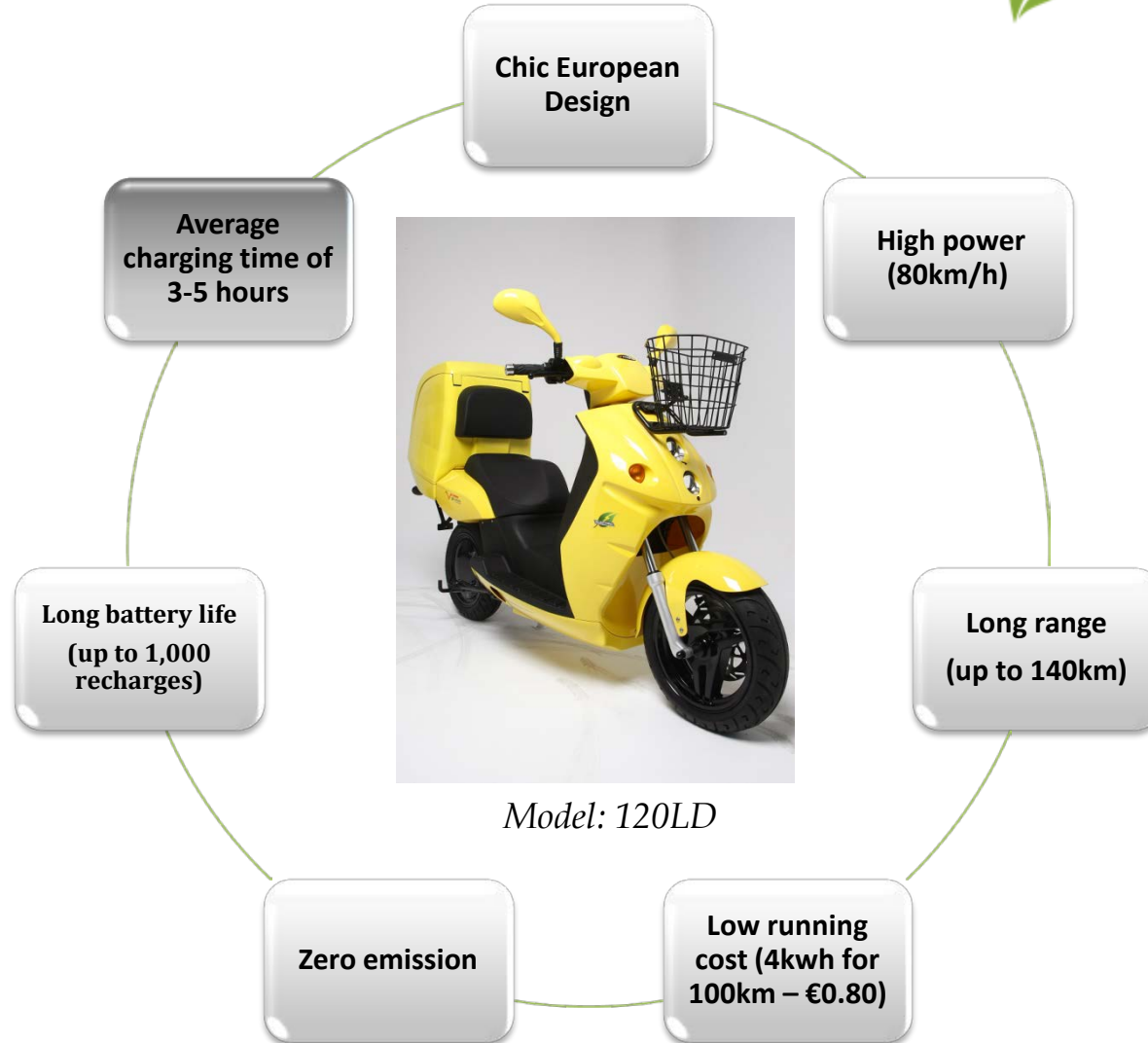
- After Sales Service and Marketing centre for Europe currently based in Bremen, Germany
- Services Vmoto's key customers in Europe
- Provides spare parts and technical support in a timely and efficient manner
- Participates in prestigious exhibitions such as EICMA, Intermot & Post Expo
- Focus on developing markets including UK. Distributors to be appointed in 2014
- European market important for Vmoto due to EU directives and incentives
 - required to reduce global emissions
 - move to greener and more environmentally friendly transportation



Vmoto in China



The Vmoto product



Vmoto products – 80L main features



European Design



Water-proof LCD speedometer



LED Lights



Alum. Frame



Moveable battery pack



Batteries and charging

- Currently silicone & lithium battery packs used
 - modular design
 - high energy density
 - intelligent cooling system
- Moveable battery packs
- On board chargers and smart chargers
- Average range – 45km to 140km
- Average charging time – three to five hours
- Average life of battery (recharge cycles) – silicone (300 deep charges), lithium (800 to 1,000 deep charges)
- Cost to charge – consumed on average approximately 4kwh (economical mode, cost €0.80), 4.67kwh (normal mode, cost €0.94) and 5.7kwh (maximum mode, cost €1.14) per 100km



New models of electric two wheel vehicle products



Model:	COOL electric
Battery type:	Silicone lead-acid
Battery capacity:	48v/20ah
Charging time:	6 hours
Motor (max. power):	800w
Speed:	35kmh
Distance range:	45km



Model:	T6
Battery type:	Silicone lead-acid
Battery capacity:	60v/28ah
Charging time:	6 hours
Motor (max. power):	2,000w
Speed:	55kmh
Distance range:	45km



Model:	Mozhan
Battery type:	Silicone lead-acid
Battery capacity:	64v/20ah
Charging time:	6 hours
Motor (max. power):	1,000w
Speed:	35kmh
Distance range:	70km



Model:	Light Xunying
Battery type:	Silicone lead-acid
Battery capacity:	48v/12ah - 48v/20ah
Charging time:	6 hours
Motor (max. power):	350w
Speed:	35kmh
Distance range:	35km - 55km



Model:	805(new version)
Battery type:	Silicone lead-acid
Battery capacity:	60v/20ah
Charging time:	6 hours
Motor (max. power):	1,000w
Speed:	35kmh - 45kmh
Distance range:	40km - 65km



Model:	120S(new version)
Battery type:	Silicone lead-acid
Battery capacity:	72v/20ah - 72v/28ah
Charging time:	6 hours
Motor (max. power):	2,000w
Speed:	35kmh - 55kmh
Distance range:	40km - 50km



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