



## MARKET UPDATE

ANNOUNCEMENT

18 MAY 2020

Vmoto Limited (ASX: VMT) is pleased to provide the following update on its activities for the quarter ended 31 March 2020 (1Q20), during which time the Company delivered a strong operational and commercial performance and continued to progress its strategy of selling high value electric two-wheel vehicle products into international markets.

### Highlights

- **Positive operational cash flows delivered for 1Q20**
- **Strong cash position of A\$7.9 million as at 31 March 2020, up A\$1.3 million on 4Q19 (not including A\$3.95 million raised in SPP post quarter)**
- **4,121 units sold in 1Q20, up 8% on 1Q19**
- **Firm international orders for 7,245 units as at 31 March 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**
- **eMoped Motosharing launched its ridesharing operations in Brisbane, Australia with an initial 50 units of the CUX model**
- **Successful delivery of the first batch of the additional 2,000 units with deposits received from Netherlands ride-sharing partner, Go Sharing**
- **90 units of ride-sharing electric scooters delivered to Antik Motosharing based in Kosice, Slovakia in 1Q20**
- **329 units sharing electric scooters delivered in 1Q20 to Loopshare, a fully integrated electric scooter sharing company worldwide, based in Vancouver, Canada**
- **FY2020 demand remains strong and international distributors have committed deposits for sales orders**

### 1Q20 Sales Performance

The Company delivered total unit sales of 4,121 for 1Q20, representing an 8% increase compared to 1Q19. Of these, 3,741 units were sold into international markets.

Sales figures from 1Q20 are in line with the Company's expectations and general seasonal fluctuations due to Christmas closures, the Chinese New Year holiday and the delays that were expected due to the Covid-19 outbreak, as announced on 16 March 2020.

Vmoto has remained in continuous communication with its international distributors to finalise initial FY2020 business planning and receive deposits for orders for 2Q20 and beyond.

The Company remains confident in its position and currently boasts an extremely strong order book for the coming quarter.

### A strong strategy with proven results

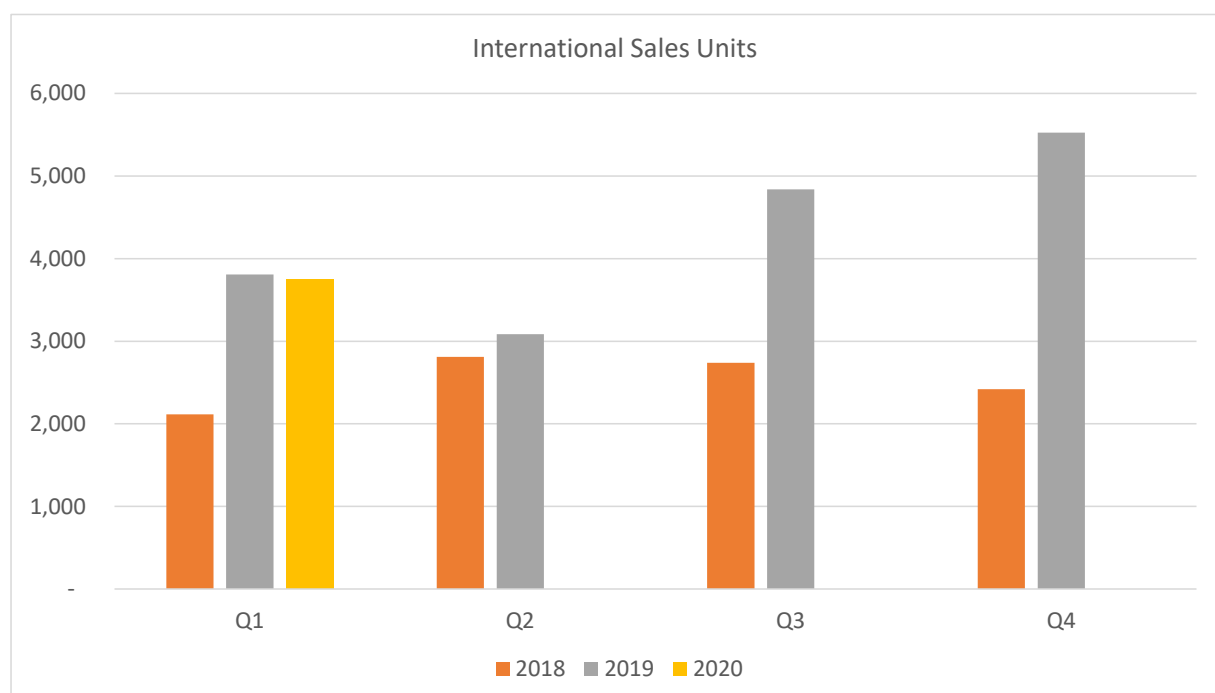
To further support sales growth, the Company is actively pursuing additional opportunities in the B2C and B2B sectors, including the sharing and delivery markets.

**B2B sharing markets:** The Company is now supplying products to 6 sharing operators globally and is actively in advanced discussions with an additional 10 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. This comes as a result of the global increase in use of delivery services due to 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.

The chart below illustrates the Company's sales units in international markets in general comparing Q1-Q4 quarters of 2018, 2019 and 2020:



Unit sales for 1Q20 totalled 4,121 units, comprising:

	1Q20	4Q19	1Q19
European customers and distributors	1,443	2,281	3,122
Non-European customers and distributors	2,298	3,244	686
Chinese customers and distributors	380	1,483	13
<b>Total</b>	<b>4,121</b>	<b>7,008</b>	<b>3,821</b>

## **Order Book**

As at 31 March 2020, the Company had firm international orders for **7,245 units** and has continued to receive additional orders from its existing and new customers post 1Q20.

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

## **Strong External Growth Drivers**

Government policy and initiatives around the world, including the offering of monetary incentives for using electric vehicle, green initiatives, banning petrol vehicles and further investment in charging infrastructure further drives the growth in adoption of electric vehicle as transportation. These factors are expected to further drive the growth in Vmoto's sales. The Company also expects the shift in preference from public transportation to personal transport mode will also drive the growth in Vmoto's sales.

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

As a result of growing orders from customers, Vmoto's sales continue on an upward trend and the Company expects this sales trend to continue in the coming quarters.

## **International Distribution**

As announced on 16 March 2020, the Company successfully signed a number of exclusive distribution agreements with international distributors across Paraguay, United Arab Emirates, Peru, Russia, Serbia, Kosovo, Montenegro, Bosnia, Herzegovina, Macedonia and Albania 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, Egypt, Maldives, Malaysia, Indonesia, Japan, Israel, Singapore, Slovenia, Mexico, Spain, Thailand and Turkey.

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

## **Ride-Sharing Operations**

### **eMoped Motosharing, Australia**

Vmoto received an initial order of 50 units of its ride-sharing products following the launch of eMoped Motosharing ridesharing operations in Brisbane, Australia.

eMoped is Australia's only motorcycle ride-sharing company and is focused on providing a safe, sustainable and economic mode of transport using electric motorcycles.

### **Go Sharing, Netherlands**

The Company successfully delivered the first batch of scooters to Go Sharing, Netherlands in April 2020 following the receipt of an order for 2,000 units of Vmoto's ride-sharing products.

### **Antik Motosharing, Slovakia**

In 1Q20, 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 "SmartCity" including e-charging stations, e-mobility, parking system, digital signage, smart security camera systems, SOS for seniors, smart street lamps.

### **Zig Zag, Italy**

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

### **Loopshare, Canada**

In 1Q20, Vmoto delivered 329 units of its ride-sharing products to Loopshare Ltd based in Vancouver, Canada.

Loop, (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 discussions with a number of potential sharing customers in Brazil, Bulgaria, Czech Republic, Mexico, Slovakia, Spain and Turkey.

### **Financial**

As at 31 March 2020, the Group had cash of A\$7.9 million (4Q19: A\$6.6 million), with the increase driven by cash receipts from customers for firm orders placed and products delivered during the quarter and depreciation of Australian dollar against USD, EUR and RMB. The cash position of the Group remains strong and represents an A\$1.3 million increase on the previous quarter.

As at 31 March 2020, the total amount drawn down under the Company's operating facility was RMB10 million (approximately A\$2.3 million), with RMB15 million (approximately A\$3.4 million) remaining undrawn and available.

Post the end of the quarter, on 15 May 2020, the Company announced that its Share Purchase Plan which sought to raise A\$1 million, had closed on 12 May 2020 heavily oversubscribed, with applications received for approximately A\$3.95 million. The Board has resolved to accept all oversubscriptions without scaleback.

### **Impacts on Vmoto operations from Covid-19**

VMT provided an update to the market regarding operations at its Nanjing manufacturing facility on 13 February 2020 and 16 March 2020 in light of the Covid-19 outbreak.

Since release of that announcement, the Company's manufacturing facility has remained **fully operational and manufacturing has been unaffected**. This followed a successful inspection by the Nanjing Government in which all health and virus precautionary requirements were met. The Company has employed a strict and ongoing testing regime to protect the health of our employees and ensure our operations remain unaffected.

The Company is pleased to advise that to date in FY2020, **demand for Vmoto's products remains strong globally**.

The Company has low fixed costs and the ability to implement aggressive cost reduction initiatives quickly if required and is therefore well placed to counter any unexpected circumstances that may arise from Covid-19.

The Company continues to closely monitor the potential impact of the Covid-19 outbreak and will provide updates as required.

### **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 distribution network worldwide, and in discussions with a number of potential B2B customers.

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

With the launch of the new B2B and B2C products, and newer/upgraded versions for its existing B2C models, the management team is more confident and remains focused on securing further firm orders from new and existing customers and remains confident in its ability to 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 also sees increasing demand from its B2B sharing customers and is in discussions with a number of new potential B2B sharing operators.

For further information, please contact:

Charles Chen, Managing Director  
Hannah Howlett, Investor Relations

+61 8 9226 3865  
+61 4 5064 8064

## **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](http://www.vmoto.com)), Facebook ([www.facebook.com/vmososoco](https://www.facebook.com/vmososoco)), Instagram ([vmososoco](https://www.instagram.com/vmososoco)) and Twitter ([vmososoco](https://twitter.com/vmososoco)).





Photo: Antik Motosharing in Slovakia and Antik's SmartCity comprehensive smart solutions and applications in Kosice, Slovakia





Photo: Pilot Mr Michele Pirro, a motorcycle racer from Italy and Vmoto's brand ambassador Mr Dario Marchetti tested CUX Special Edition Ducati in Cesena, Italy.





Photo: TC Max Press Launch event held in Taipei, Taiwan in 1Q20