

Vmoto 2Q22 Market Update - Continued Sales Momentum

Highlights

- 9,603 units in total sold in 2Q22 (up 22% on 2Q21; up 50% on 2Q20)
- 8,633 international unit sales in 2Q22 (up 15% on 2Q21; up 45% on 2Q20)
- Solid 1H22 performance as Vmoto continued to deliver exceptionally strong unit sales of 17,601 units in total (up 28% on 1H21)
- Continued positive operational cash flows for 2Q22, bringing 1H22 total to A\$6.5 million
- Strong net cash position of A\$25.1 million, with no bank debt as at 30 June 2022
- Firm international orders of 8,654 units as at 30 June 2022, providing a solid sales runway for 3Q22;
- New international distributors appointed, with ongoing discussions and samples shared with a number of potential new B2C and B2B customers
- Strategic advisory and investment agreement executed with Giovanni Castiglioni along with a partnership and investment agreement with Graziano Milone, both well-known and experienced European entrepreneurs, investors and executives in the global motorcycle industry
- Vmoto signed new sponsorship agreement with Ducati Corse racing, a division of Ducati Motor Holding S.p.A. (Ducati), as the official supplier of electric scooters for Team Ducati Corse in the MotoGP World Championship (MotoGP) and the Superbike World Championship (SBK) during the 2022-2023 seasons

Global electric vehicle company **Vmoto Limited (ASX: VMT)** (“Vmoto”, or the “Company”) is pleased to provide the following update on its activities for the quarter ended 30 June 2022 (“2Q22”), during which the Company again delivered strong operational and commercial performance, driven by increasing demand for the Company’s products.

2Q22 Sales Performance

During 2Q22, Vmoto sold a total of 9,603 units from its B2B and B2C product range, with more than 90% of these units being sold into international markets. Total international units sold in 2Q22 of 8,633 units was up 15% on the prior corresponding period (“pcp”) of 2Q21 and up 45% on 2Q20, demonstrating the continued strong momentum in the business.

The Company is continuing to deliver solid sales and revenue growth from international sales, despite ongoing global events including the COVID-19 pandemic and the Ukraine-Russia war. The Company’s manufacturing facility in Nanjing, China, remains fully operational and not impacted by COVID-19 lockdowns. While the Company continues to experience some minor supply chain delay issues, it does not expect this to materially impact on its manufacturing operations or ability to meet customer orders.

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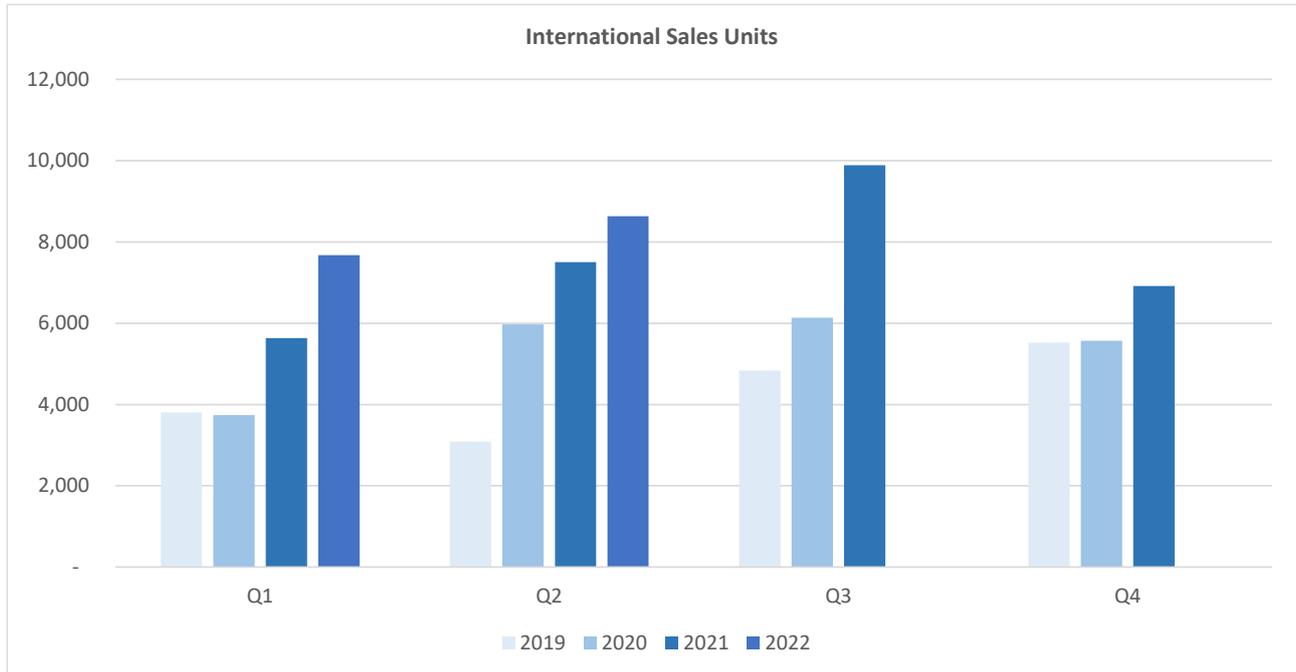


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The chart below illustrates the Company’s historic international unit sales, by quarter, for the current and previous financial years:



Financial

As at 30 June 2022, the Company maintained a strong cash position of A\$25.1 million, with no bank debt.

Since 31 December 2021, total cash held by the Company has increased by A\$6.5 million, largely a result of the positive operational cash flow from receipts from customers, reiterating the Company’s excellent growth and profitability for FY22 and the coming years.

Order Book

As at 30 June 2022, the Company had firm international orders for 8,654 units, which are expected to be delivered in 3Q22.

After the end of the quarter, initial orders were also received from new customers in target markets including the United States and India (see below). The Company expects the sales potential from these important markets will drive future sales and revenue growth.

International Distribution

In 2Q22, the Company signed and renewed distribution agreements with international distributors in Hungary, Croatia and Romania covering the warehousing, distribution and marketing of its B2C range of electric two-wheel vehicles. Post 2Q22, the Company appointed new distributors in United States, Canada and United Arab Emirates for the warehousing, distribution and marketing of its B2C range of electric two-wheel vehicles.

Vmoto’s B2C distributors continue to expand their retail presence with the opening of Vmoto Soco flagship stores and corner shops in Germany, Philippines and Romania. The Company’s B2C distributors have also participated in a number of exhibitions to showcase the Company’s products.



Photo: Retail shop-in-shop in Germany selling the Company's product range

Vmoto has also supplied samples to and/or is in discussions with a number of potential B2C and B2B distributors and customers in Australia, Brazil, Czech Republic, France, Germany, Greece, Laos, Indonesia, India, Italy, Kenya, Luwanda, Malaysia, Poland, Portugal, Singapore, Slovenia, South Africa, South Korea, Spain, Sweden, Switzerland, Thailand, Turkey and United Kingdom.

The Company continues to receive significant interest in Vmoto's B2B fleet products from business operators, which Vmoto is actively pursuing. The Company is in advanced discussions with these business operators and will update the market on material developments as appropriate.

United States and India

India is the largest internal combustion engine (ICE) two-wheeler market in the world, having sold 162.6 million units between 2011 and 2020, and the Indian two-wheel EV market size is expected to reach USD750 million by 2025.¹ Similarly, the United States is the top 5 largest motorcycle and scooter market in the world in USD, having sold 4.1 million units between 2013 and 2021². The United States two-wheel EV market size is expected to reach 538,260 units/year by 2026³.

The Company is actively progressing opportunities to sell Vmoto's product range into these large addressable markets.

The Company had previously signed an Memorandum of Understanding ("MoU") with one of India's largest travel technology companies, Bird Group, regarding the potential exclusive distribution by Bird Group of Vmoto's CUX and CUmini range of two-wheel electric vehicles in India (see ASX announcement 15 March 2021). Due to the impact of the Covid-19 pandemic on Bird Group and resulting delays in concluding the distribution agreement, the Company has ceased the MoU with Bird Group and is instead progressing distribution of the Company's products with new Indian customers, securing first orders post the end of 2Q22.

1 India Electric Two-Wheeler Market – Industry Outlook and Forecast 2020-202 by www.arizton.com

2 Mobility Markets, Motorcycles, United States by www.statista.com

3 Report Linker – Electric Scooter and Motorcycle Market – Global Forecast to 2027

Ducati Corse Sponsorship

During 2Q22, Vmoto signed new sponsorship agreement with Ducati Corse racing, a division of Ducati Motor Holding S.p.A., as the official supplier of electric scooters for Team Ducati Corse in the MotoGP World Championship (and the Superbike World Championship during the 2022-2023 seasons).



Photo: Electric scooters supplied by Vmoto to Team Ducati Corse for the MotoGP World Championship (MotoGP)



Photo: Electric scooters supplied by Vmoto to FIM ENEL MotoE World Cup, events in conjunction with the MotoGP World Championship across Europe each year with an estimated audience of over 158,000 on-track spectators and millions of viewers via live TV broadcast

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Corporate

On 4 April 2022, the Company announced it had entered into a strategic advisory and investment agreement with Giovanni Castiglioni along with a partnership and investment agreement with Graziano Milone, both well-known and experienced European entrepreneurs, investors and executives in the global motorcycle industry. The Company issued 1,500,000 shares and 23,100,000 options pursuant to the strategic partnership and investment agreements on 11 April 2022.

During the quarter, the Company also issued 1,720,000 shares to Chinese and European employees in recognition of and to reward their efforts and contribution to the Company in the year ended 31 December 2021; 94,117 shares to Non-executive Director Mr Kaijian Chen in lieu of Director fees and 2,024,858 performance rights to Executive Directors Mr Charles Chen and Mr Ivan Teo following shareholder approval at the Company's annual general meeting on 13 May 2022; and 1 million options as part consideration for advisory services.

Outlook

Vmoto continues to execute on its strategy of selling high performance and value for money electric motorcycles/mopeds into international markets and expanding both its B2B businesses and B2C distribution network worldwide.

The Company's businesses and operations continue to gain momentum with a significant number of existing distributors and new customers expressing interest in placing orders, deepening their relationships with the Company and to jointly work on projects in order to gain a stronger foothold in the growing electric two wheel vehicle businesses.

The Company also continues to focus on extending its product range to widen its reach and appeal to a broader spectrum of the market for electric vehicle users. This includes developing new products and collaborating with renowned brands and companies.

The global focus on mitigating the impacts of climate change and the transition towards electric vehicles, combined with Vmoto's market leading position, provides a strong platform from which to accelerate growth opportunities. The Company continues to broaden its commercialisation strategy and is confident it will be able to continue delivering strong sales and revenue growth for FY22 and beyond.

The Company's vision is to create a feeling of excitement and joy for riders of Vmoto's zero emission⁴ electric motorcycles and mopeds, to mitigate the risks of climate change and to preserve the environment for future generations.

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The announcement was approved for release by the Board of Vmoto Limited

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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/vmotosoco), Instagram (www.instagram.com/vmotosoco) and YouTube ([Vmoto Soco](https://www.youtube.com/VmotoSoco)).

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.

1. India Electric Two-Wheeler Market – Industry Outlook and Forecast 2020-2025 by www.arizton.com
2. Mobility Markets, Motorcycles, United States by www.statista.com
3. Report Linker – Electric Scooter and Motorcycle Market – Global Forecast to 2027
4. “zero emissions” is a reference to Vmoto’s range of electric motorcycles and mopeds producing zero emissions when operated, not the total lifecycle emissions associated with producing the products or the emissions of the Company itself.

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