

Vmoto 2Q23 Market Update

Highlights

- **8,292 units in total sold in 2Q23, down 14% on 2Q22 and up 6% on 2Q21.**
- **International unit sales of 4,820 units for 2Q23, down 44% on 2Q22 due to increasingly volatile macro-economic environment in Europe.**
- **Positive operational cash flows for 2Q23.**
- **Strong net cash position of A\$28.2 million, with no bank debt as at 30 June 2023.**
- **Firm international orders of 4,341 units as at 30 June 2023.**
- **Vmoto entered into a strategic agreement to acquire industrial land in the Lishui Economic Development Zone in Nanjing, China.**
- **Vmoto's international distributors continue to actively promote the Company's products through various exhibitions and marketing events.**

Global electric vehicle company **Vmoto Limited (ASX: VMT)** (“Vmoto”, or the “Company”) provides an update on its activities for the quarter ended 30 June 2023 (“**2Q23**”).

2Q23 Sales Performance

During 2Q23, Vmoto sold a total of 8,292 units, down 14% on 2Q22 and up 6% on 2Q21. Total international units sold in 2Q23 were 4,820, a decrease of 44% from the prior corresponding period of 2Q22 and decrease of 36% on 2Q21.

Despite the strong economic headwinds clearly impacting sales, particularly in Europe, our largest market, we are optimistic about the positive prospects enabled by the full status of our newly established United Kingdom (**UK**) subsidiary as of July 2023. This development is expected to drive a progressive increase in sales units within the UK, helping to partially offset the current sales decline in mainland Europe.

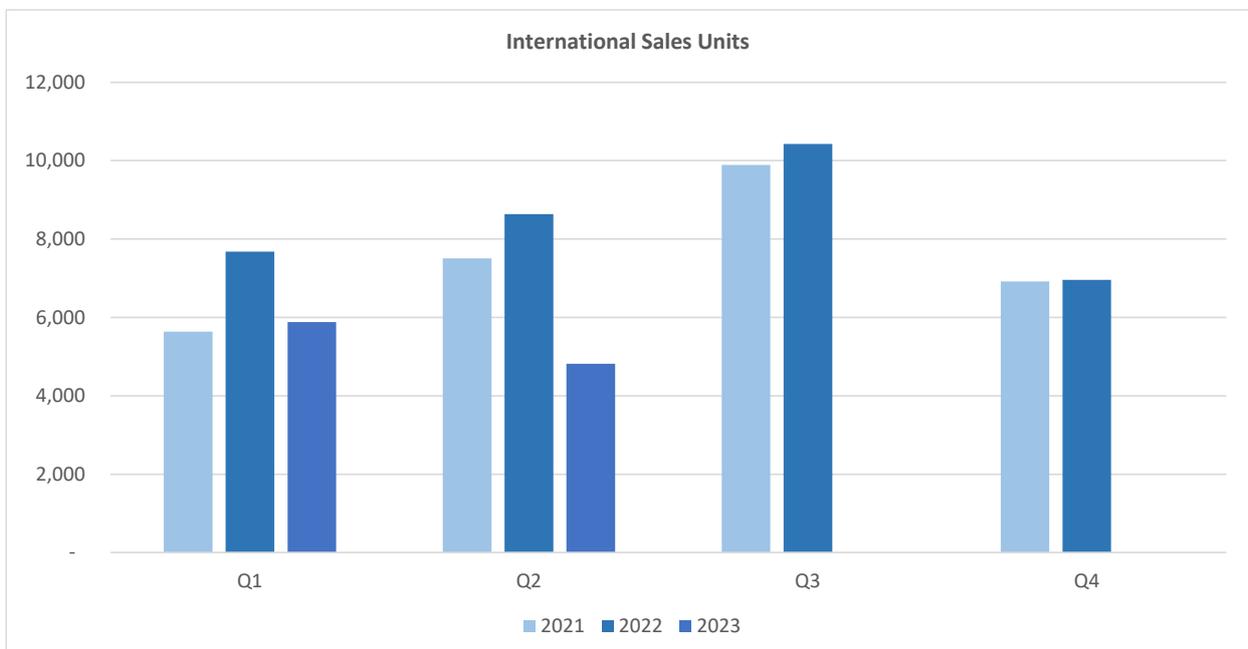
In addition, the Company and its international distributors continue to actively promote the Company's electric vehicle (**EV**) products in its established markets, together with new markets outside of Europe. Promisingly, the Company has observed a growing interest in its products and a rise in orders from the Asian and South American markets, as well as from new B2B businesses. This positive trend further reinforces the Company's confidence in its international expansion efforts.

By carefully managing the existing markets and diversifying into new regions, Vmoto is strategically positioned to navigate the current market environment and capitalise on emerging opportunities for sustained growth. The Company remains of the view that the current climate in Europe is temporary with the long-term trend for EV's remaining robust.



Photo: Vmoto's Hungary distributor showcased Vmoto's products at the eMobility Show Budapest held on 5-7 May 2023

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



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Financial

The Company's balance sheet remains extremely strong, with a closing cash position of A\$28.2 million as at 30 June 2023, with no bank debt. The closing cash position is after the payment of half of the acquisition costs to acquire industrial land in the Lishui Economic Development Zone in Nanjing, China, as announced on 2 May 2023.

Despite the recent decrease in international sales, particularly in Europe, the Company remained operationally cash flow positive for the quarter, reflecting stable margins for products sold and an ongoing focus on cost control.



Photo: Test ride event organised by Vmoto's Peru distributor.

Order Book

As at 30 June 2023, the Company had firm international orders for 4,341 units, which are scheduled for delivery in 3Q23. We again expect international sales to be materially down when compared to 3Q22, but as stated above, this is seen as a function of relatively short-term European headwinds in a poor economic environment, with the longer-term outlook in Europe and across the world remaining strong.

As well as actively providing support to its European distributors and customers, the Company has been promoting its range of products globally. As a result of these efforts, the Company has experienced increased interest and orders from the burgeoning Asian and South American markets. Additionally, by actively pursuing sales opportunities in these regions, the Company has successfully established new partnerships with B2B businesses.

With the momentum gained from these developments, the Company anticipates that these emerging markets will serve as key drivers for increased sales orders in coming quarters.



Photo: Vmoto distributor showcased Vmoto's products at motorcycle show held at Mandalay Convention Center on 10-11 June 2023



Photo: Vmoto's products showcased together with the Ducati Corse racing team around Europe

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International Distribution

In 2Q23, the Company signed and renewed a distribution agreement with an international distributor in Guatemala covering the warehousing, distribution, and marketing of its B2C range of electric two-wheel vehicles.

Post 2Q23, the Company is in advanced discussions to finalise distribution agreements with distributors in Cambodia and Thailand.



Photo: Vmoto's Greece distributor showcased Vmoto's products at the Athens Motorcycle Show 2023

Vmoto acquires industrial land in Nanjing, China

In May 2023, the Company, via its wholly owned subsidiary, Nanjing Vmoto Intelligent Technology Co, Ltd, entered into a strategic agreement to acquire industrial land in the Lishui Economic Development Zone in Nanjing, China.

The 30,045 square metre parcel of land is situated approximately 500 metres north of Vmoto's current Nanjing manufacturing facilities, which comprise 30,121 square metres of manufacturing facilities on a 33,319 square metre parcel of land.

The strategic acquisition provides the Company with capacity to expand its manufacturing capabilities in anticipation of securing market share in the fast growing two-wheel EV markets in Asia and South America in particular, where we are seeing significant interest in Vmoto's range of products.



Photo: Vmoto's products to be showcased at Porsche Carrera Cup Italia

Corporate

On 30 May 2023, 1,000,000 options, exercisable at \$0.55 on or before 20 June 2025, lapsed due to the conditions having not been satisfied.

During the quarter, the Company also issued 107,142 shares to Non-executive Director Mr Erchuan Zhou in lieu of outstanding Directors' fees, 2,873,372 performance rights to Executive Directors Mr Charles Chen and Mr Ivan Teo and 290,834 Shares to Executive Directors Mr Charles Chen and Mr Ivan Teo for a portion of Director remuneration following shareholder approval at the Company's annual general meeting on 30 May 2023.

Outlook

As mentioned above, the current economic climate in Europe is negatively impacting our sales performance and in the short term, this is expected to continue. However, despite this, the long-term trend towards EV products globally remains extremely strong, where government policy is facilitating the continued electrification of the transport industry at large, including the markets in which Vmoto services. In addition, the Company continues to implement various mitigation measures to counter these impacts including pursuing new markets within a stringent cost control environment.

We are encouraged by the increased interest in Vmoto's products, from those operating in some of the largest two-wheel markets in the world, including Asia and South America and expect these markets to be the main driver of increased sales and continued growth.

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-ENDS-

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

For further information, please contact

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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), YouTube (**Vmoto Soco**), Instagram (www.instagram.com/vmotosoco), and Facebook (www.facebook.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.

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