



## MARKET UPDATE 4Q15

ANNOUNCEMENT

3 FEBRUARY 2016

Vmoto Limited (ASX/AIM: VMT), the global scooter manufacturing and distribution group specialising in "green" electric powered two-wheel vehicles, is pleased to provide the following update on its activities for the quarter ended 31 December 2015 (4Q15).

### 4Q15 HIGHLIGHTS

- Trading encouraging and in line with management expectations
- Over 23,300 units sold in 4Q15, up 18% compared with 4Q14
- Launched Vmoto's internet based online sales platform launched at [www.vmotoonline.com](http://www.vmotoonline.com) offering state of the art electric vehicle products in Australia
- Secured order to initially supply approximately 300 units of Vmoto's electric two-wheel vehicle products to a significant European supermarket group with over 300 stores in Europe
- Progressing significant new market entry, distribution and customer opportunities, including North America, Denmark, Netherlands, Sweden, United Kingdom, Costa Rica and New Zealand
- Entered into JV with its long standing Original Equipment Manufacture customer, PowerEagle, securing significant long term future production and opening up a vast network of over 200 distributorships for the Company
- Company remains on track to meet forecast earnings for 2015 of \$4 million - \$6 million underlying NPAT

Managing Director, Charles Chen commented on the Company's activities in 4Q15:

"The December quarter has been a very busy period for Vmoto and interest in our products continues to remain high especially from international markets. A number of new customers visited the factory during the quarter seeking to enter into orders for our electric two-wheel vehicle products and a number of existing customers and distributors plan to visit the factory in early 2016 to further develop their strong cooperation with Vmoto and to progress with new market and project opportunities.



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“We were excited to have secured an international order during the quarter to initially supply approximately 300 units of Vmoto’s electric two-wheel vehicle products to a significant European supermarket group with over 300 stores in Europe and expect more orders to be received in 2016.

“We are also pleased that we have successfully launched our new online sales platform at [www.vmotoonline.com](http://www.vmotoonline.com) during the quarter offering state of the art electric vehicle products in Australia. Vmoto’s new light, foldable and portable electric bicycle, the Vmoto Traveller, was initially launched for distribution in Western Australia and will be followed by the roll-out to other Australian states in 2016.

“The consummation of a new joint venture with PowerEagle was the result of many months of negotiation and hard work and cements a permanent relationship with them to produce all PowerEagle products going forward from new leased facilities in Shanghai.

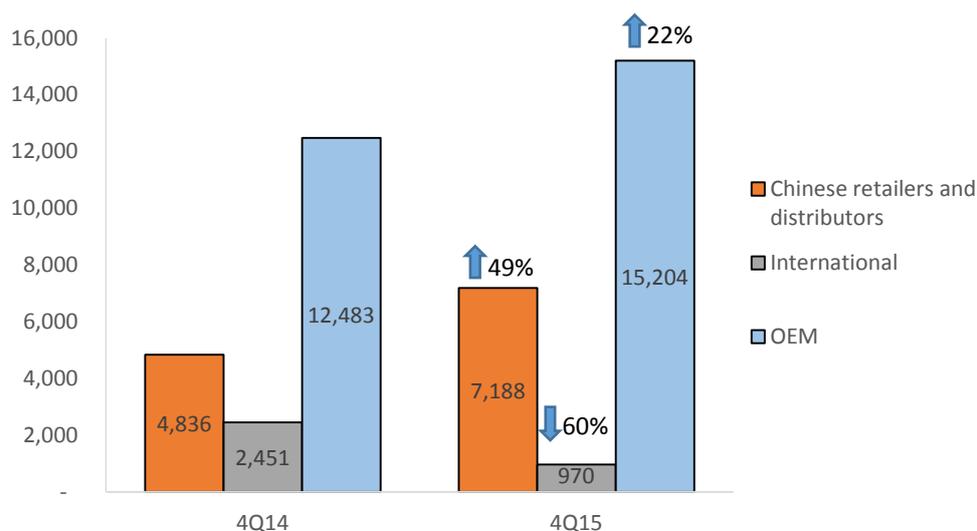
“We are excited by current growth opportunities, including potential significant orders from the European supermarket group and significant market and project opportunities in Denmark, Nepal, Netherlands, United Kingdom and Vietnam, and look forward to capitalising on these and other initiatives over FY16.”

## SALES AND MARKETING

### Quarterly Sales Performance

Unit sales for 4Q15 were 23,362 units, comprising:

OEM	15,204
Chinese retail stores and distributors	7,188
International	970
<b>Total</b>	<b>23,362</b>



4Q15 was a busy quarter for the Company and trading was encouraging and in line with management expectations.

Whilst international unit sales were down on previous quarters, the Company maintains strong relationships with its international B2B and B2C customers, with many placing orders that will flow through in coming quarters.

In addition to existing customers in South America, Europe, United States, South East Asia and the Middle East, Vmoto is also progressing opportunities with potential new customers and distributors from Brazil, Canada, Costa Rica, Denmark, Israel, Italy, Mexico, New Zealand, Portugal and United Kingdom. These potential new customers and opportunities represent significant B2B supply opportunities including scooter sharing projects, vehicle rental companies, delivery companies and OEM for international brands.

In China, the Company now has a sales network of 45 outlets through a combination of its own retail outlets and third party distributors.

The three-wheel and four-wheel electric vehicle company, in which Vmoto holds a 15% equity interest, experienced delays in the development of its own three-wheel electric vehicle models and its sales and production currently comes from its OEM operation in Tianjin. This company focuses on three-wheel and four-wheel electric vehicles that have applications across a number of industries, including freight and goods delivery, leisure and sightseeing and transportation for the aged and disabled population.

## **POWEEAGLE**

During the quarter, Vmoto entered into a joint venture agreement to secure the business of its long standing Original Equipment Manufacturer (OEM) customer, PowerEagle ("JV"), in which Vmoto holds a 51% interest.

Vmoto's JV partner, PowerEagle, is one of the oldest and most recognised two wheel electric vehicle names in and around the Shanghai region. The JV not only secures significant future production of PowerEagle models but also opens up a vast network of over 200 distributorships to Vmoto for the Company to sell its own branded and higher margin electric scooters.

The JV is now operational at the new facility being leased in Shanghai and is targeting production of 100,000 units in 2016.

## **NEW DISTRIBUTORS AND CUSTOMERS**

In 4Q15, Vmoto received orders from a significant European supermarket group to initially supply approximately 300 units of Vmoto's electric two-wheel vehicle products. This European supermarket group has over 300 stores in Europe and the Company expects more orders to be received in 2016.

In 4Q15, Vmoto also delivered samples to new customers in Canada, Costa Rica, Netherlands, Sweden and United States.

## **CORPORATE**

The Company de-listed from AIM on 19 November 2015 following a strategic review of the benefits versus costs of being on AIM. The de-listing was deemed to be in the best interests of all shareholders.

## FINANCIAL

As at 31 December 2015, the total operating facility drawn down was RMB10 million (approximately A\$2.1 million) and the total undrawn operating facility was RMB24 million (approximately A\$5.1 million).

As at 31 December 2015, the Company had cash of A\$6.7 million.

## OUTLOOK

4Q15 was a strong quarter for the Company, with production and sales in line with expectations and management expects 2016 to be another exciting year as cooperations and relationships with customers strengthens and interest in Vmoto products continues to grow.

With the PowerEagle relationship now secure through the JV and China sales expected to show similar growth from past quarters, the Company will continue to assess the multiple growth opportunities currently available to Vmoto in its core electric two-wheel vehicle operations into the international markets. The Company has multiple potential new electric two-wheel vehicle contracts that are at various stages of progress with new significant customers in countries including Brazil, China, Canada, Denmark, Iran, Italy, Mexico, New Zealand, Portugal, Sweden, Switzerland, United Kingdom, United States and Vietnam. While there is no guarantee of signing up all of these opportunities, management is confident of securing some of these in 2016. The financial benefits from these contracts, given timing, will be reflected in 2016 and future years.

The Company intends to release its preliminary results for FY2015 on or before 29 February 2016.

For further information, please contact:

### **Vmoto**

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### **About Vmoto**

Vmoto Limited (ASX/AIM: 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 two primary brands: Vmoto (aimed at the value market in Asia) and E-Max (targeting the Western markets, with a premium end product). As well as operating under its own brands, the Company also sells to a number of customers on an original equipment manufacturer ("OEM") basis.

Vmoto's electric two-wheel vehicle displayed in the shop of its Spanish distributor



Vmoto's electric two-wheel vehicles ready for delivery in Denmark



Vmoto's Vietnamese Distributor event and promotions during Christmas



Vmoto's internet based retail sales network and system ([www.vmotoonline.com](http://www.vmotoonline.com)) Launched in Australia



**Vmoto's light, foldable and portable electric bike model launched in Australia**



**Vmoto's Customer receives her first electric bike in Western Australia**

