



## Vmoto continues to grow over first quarter of 2015

ANNOUNCEMENT

30 April 2015

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 March 2015 (1Q15).

### 1Q15 HIGHLIGHTS

- **Over 19,400 scooters sold**
- **Higher margin international sales continued to grow, accounting for >20% of total sales**
- **Discussions commenced with PowerEagle to extend relationship and enter into new agreement for ongoing manufacture of their two-wheel electric vehicle models post 2015**
- **Progressing significant new market entry opportunities, including North America, Turkey, Ecuador, and United Kingdom**

Commenting on Vmoto's continued growth over the first quarter of 2015, Managing Director, Charles Chen said: "Despite the first quarter of the year always being our slowest due to the Chinese New Year festival taking place in February, we are pleased to report strong unit sales across our various channels."

"What is particularly exciting, and bodes well for our future growth over the remainder of 2015 and beyond, is that a number of significant old and new customers visited the factory seeking to enter into new orders or agreements for our electric two-wheel vehicle products. We look forward to progressing these and other strategic opportunities over the coming months."

### QUARTERLY SALES PERFORMANCE

Unit sales for 1Q15 was 19,462 units, up 37% from 1Q14 (14,257 units), comprising:

OEM	10,444
Vmoto retail stores	2,385
Chinese distributors	2,566
International	4,067
<b>Total</b>	<b>19,462</b>

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Although the first quarter is traditionally the quietest sales season due to winter months and Chinese New Year, trading was encouraging and in line with management expectations. Particularly encouraging was the percentage of international sales, many of which are repeat orders, where the Company makes significantly higher gross margins compared to OEM sales in China.

In China, the Company has a sales network of over 40 outlets through a combination of its own retail stores and third party distributors. This is set to increase over the remainder of the year. In addition, as part of an overall integration of the Company's sales process in China, Vmoto is looking to establish an internet based retail sales network and system that is expected to open up a new sales stream for its products.

Internationally the Company continues its strong relationships with its B2B and B2C customers, with many placing orders that will be satisfied in future quarters. In addition to existing customers in South America, Europe, South East Asia and the Middle East, Vmoto has had visits from new delegate customers or distributors from North America, Ecuador, Sri Lanka, Turkey and the United Kingdom. A number of these potential customers are making repeat visits to the factory in the coming months with the intention of formalising initial orders for their respective countries.

## **POWEREAGLE**

With the current three year OEM agreement with PowerEagle expiring at the end of 2015, Vmoto has begun preliminary discussions to enter into a new agreement with PowerEagle from 2016. Given the successful delivery by Vmoto of PowerEagle's requirements to date, the Directors of Vmoto believe that the relationship between the two companies is strong. The next step in discussions will involve senior teams from both companies planning future models, specifications, unit numbers and pricing that reflects the growing electric two-wheel vehicle market place in China. A final agreement is expected to be completed in the third quarter of this year.

## **3/4 WHEEL JOINT VENTURE**

As announced previously the 3/4 wheel JV that Vmoto is involved with is now formally established and operational. Sales from the first vehicles produced at the factory are expected to start from May 2015.

## **OUTLOOK**

The months ahead will continue to be busy for Vmoto with orders to be fulfilled across various domestic and international sales channels. More international distributors and customers are due to visit the factory with discussions on scooter unit orders to be finalised.

The Company expects to see production increase over the Northern Hemisphere summer months and looks forward to reporting any material developments on its own scooters sales and other opportunities being pursued in the EV space.

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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.