9 October 2023

Vmoto 3Q23 Market Update

For personal use only

Highlights

- **4,937 units in total sold in 3Q23, down 58% on 3Q22.**
- **International unit sales of 3,635 units for 3Q23, down 65% on 3Q22 due to increasingly volatile macro-economic environment in China and Europe.**
- **Positive operational cash flows for 3Q23, reflecting stable margins for products sold and an ongoing focus on cost control.**
- **Strong net cash position of A$28.1 million as at 30 June 2023.**
- **Secured bank operating facility of RMB 20 million (~A$4.3 million) and fully drawn down in 3Q23**
- **Firm international orders of 2,582 units as at 30 September 2023.**
- **Signed memorandum of understanding ("MOU") and exclusive agreement with Ni Hsin EV for assembly, marketing and distribution of CPX-Pro and TC-Max in Malaysia.**
- **Signed construction agreement to build new 32,856 sqm manufacturing facilities in Nanjing, China.**
- **Acquired the business and certain assets of French distributor.**
- **Acquired Soco Shanghai's patents for models currently distributed by Vmoto**
- **Held well attended 2023 ProDay event on 12-13 July 2023, showcasing new products and allowing test riding on the race track**
- **Reached a settlement agreement with the acquirer of business and assets of GreenMo Rent and GreenMo Services**

Global electric vehicle company **Vmoto Limited (ASX: VMT)** ("**Vmoto**", or the "**Company**") provides an update on its activities for the quarter ended 30 September 2023 ("**3Q23**").

3Q23 Sales Performance

During 3Q23, Vmoto sold a total of 4,937 units, down 58% on 3Q22. Total international units sold in 3Q23 were 3,635 units, a decrease of 65% from the prior corresponding period of 3Q22.

Vmoto Limited
Suite 5, 62 Ord Street, West Perth,
Western Australia 6005, Australia

ABN: 36 098 455 460
ASX: VMT
Phone: +61 8 9226 3865
Email: info@vmoto.com
Web: vmoto.com

Vmoto Europe B.V.
Boekweitstraat 95-97
2153 GK Nieuw Vennep
The Netherlands

Vmoto Soco Italy
Viale Fratelli Casiraghi, 427
20099 Sesto San Giovanni - Milan District
Italy

Official Supplier 2021

The Company's sales performance has continued to be adversely impacted by current global economic conditions (including rising interest rates and higher cost-of-living pressures) and war in Europe, which has seen consumer spending reduce, particularly in Europe which is our largest market. Despite this, the Company has continued to focus on positioning itself for long term growth, including development of new landmark electric motorcycle/moped products, actively pursuing sales outside our established European markets and pursuing strategic acquisitions and cooperation agreements to further consolidate Vmoto's position in the electric motorcycle/moped markets, placing the Company it the best possible position for when economic conditions recover.

With the newly established United Kingdom (**UK**) and France subsidiaries, the Company is focused on driving a progressive increase in sales units within the UK and France, seeking 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.

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 long-term trend for EV's remaining robust.



Photo: Vmoto's Thailand distributor showcased Vmoto's products at Bangkok International Grand Motor Sale exhibition held in Thailand from 25 August to 3 September 2023

For personal use only

Vmoto Limited
Suite 5, 62 Ord Street, West Perth,
Western Australia 6005, Australia

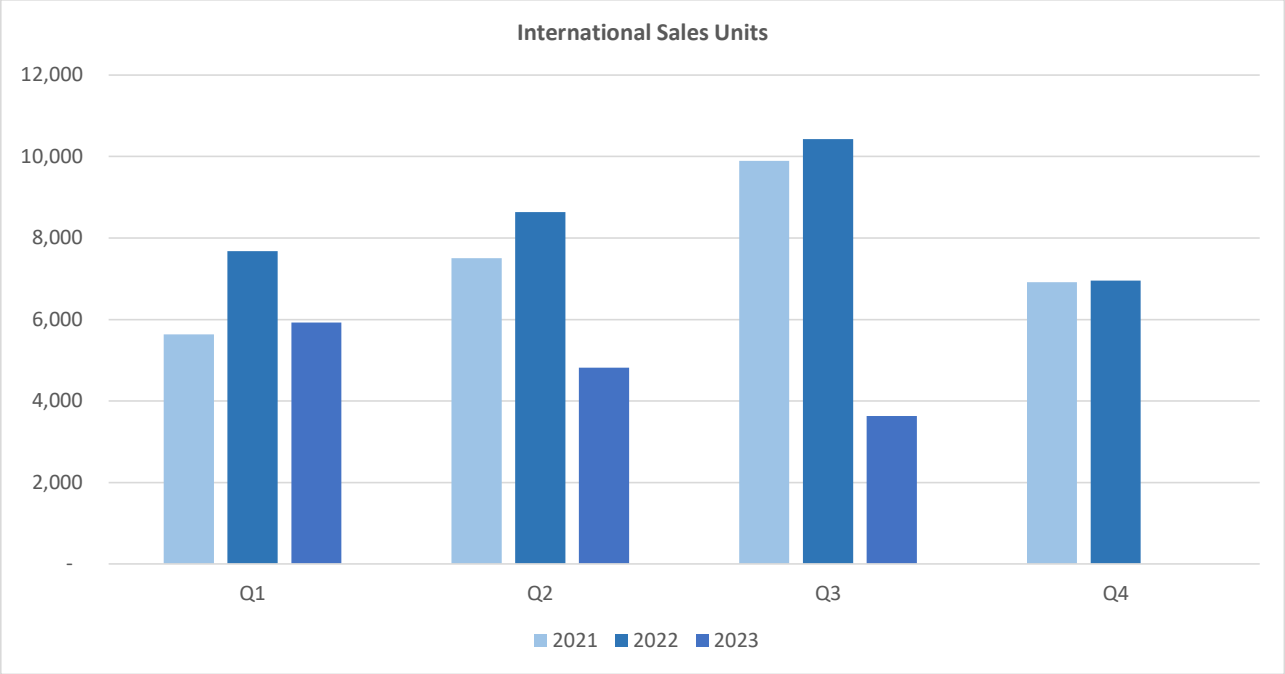
ABN: 36 098 455 460
ASX: VMT
Phone: +61 8 9226 3865
Email: info@vmoto.com
Web: vmoto.com

Vmoto Europe B.V.
Boekweitstraat 95-97
2153 GK Nieuw Vennep
The Netherlands

Vmoto Soco Italy
Viale Fratelli Casiraghi, 427
20099 Sesto San Giovanni - Milan District
Italy

Official Supplier 2021

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



Financial

The Company's balance sheet remains strong, with a closing cash position of A$28.1 million as at 30 September 2023. The closing cash position is after the:

- receipts from draw down of bank operating facility of RMB 20 million (~A$4.3 million) secured in 3Q23;
- payment for remaining half of the acquisition costs of RMB 6.8 million (~A$1.4 million) to acquire industrial land in the Lishui Economic Development Zone in Nanjing, China, as announced on 2 May 2023;
- payment for first phase of construction costs of RMB 6.6 million (~A$1.4 million) to build new manufacturing facilities in the Lishui Economic Development Zone in Nanjing, China, as announced on 6 September 2023;
- payment for acquisition costs of RMB 13.5 million (~A$2.9 million) for Soco Shanghai patents, which include patents, inventions and designs for various models (TS, TC, CU, CUX, TC-MAX, VS1, CPX, CU mini, TS Street Hunter and TC Wanderer) that the Company currently markets and distributes into international markets, as announced on 21 September 2023; and
- prepayment of RMB 5.4 million (~A$1.2 million) to bid for Soco Shanghai trademarks, which is currently being considered by the court governing the collection of debts owed by Soco Shanghai.

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.

For personal use only

Vmoto Limited
Suite 5, 62 Ord Street, West Perth,
Western Australia 6005, Australia

ABN: 36 098 455 460
ASX: VMT
Phone: +61 8 9226 3865
Email: info@vmoto.com
Web: vmoto.com

Vmoto Europe B.V.
Boekweitstraat 95-97
2153 GK Nieuw Vennep
The Netherlands

Vmoto Soco Italy
Viale Fratelli Casiraghi, 427
20099 Sesto San Giovanni - Milan District
Italy

For personal use only

Bank Operating Facility

In 3Q23, the Company secured a bank operating facility for RMB 20 million (~A$4.3 million) from Industrial and Commercial Bank of China, Lishui branch. The key terms of the operating facility are:

- Type of operating facility: Unsecured and revolving;
- Operating facility amount: RMB 20 million (~A$4.3 million);
- Operating facility period: July 2023 to July 2024 with the ability to repay and redraw over the period;
- Interest rate: 3.3% per annum



Photo: Vmoto's Panama distributor supplied products to DHL in Panama.

Order Book

As at 30 September 2023, the Company had firm international orders for 2,582 units, which are scheduled for delivery in 4Q23. International sales orders are materially down when compared to 3Q22 as stated above. However the Company remains positive about the longer-term outlook for electric motorcycle/moped markets in Europe and across the world.

The Company has been providing support to its European distributors and customers and has been promoting its range of products globally. With the momentum gained from these developments, the Company anticipates that the emerging markets in Asia and South America will serve as key drivers for sales orders in coming quarters.

Vmoto Limited
Suite 5, 62 Ord Street, West Perth,
Western Australia 6005, Australia

ABN: 36 098 455 460
ASX: VMT
Phone: +61 8 9226 3865
Email: info@vmoto.com
Web: vmoto.com

Vmoto Europe B.V.
Boekweitstraat 95-97
2153 GK Nieuw Vennep
The Netherlands

Vmoto Soco Italy
Viale Fratelli Casiraghi, 427
20099 Sesto San Giovanni - Milan District
Italy

Official Supplier 2021

For personal use only



Photo: Vmoto's B2B products supplied to To Do Green, a fast-growing logistic operator that works closely with Amazon.

International Distribution

In 3Q23, the Company signed and renewed distribution agreements with international distributor in Jamaica, Thailand and Cambodia covering the warehousing, distribution, and marketing of its B2C range of electric two-wheel vehicles.



Photo: Vmoto's partner in Brazil showcased Vmoto's products at 5th INTERSOLAR Exhibition and Conference held between 29-31 August 2023 in Sao Paulo, Brazil.

Vmoto Limited
Suite 5, 62 Ord Street, West Perth,
Western Australia 6005, Australia

ABN: 36 098 455 460
ASX: VMT
Phone: +61 8 9226 3865
Email: info@vmoto.com
Web: vmoto.com

Vmoto Europe B.V.
Boekweitstraat 95-97
2153 GK Nieuw Vennep
The Netherlands

Vmoto Soco Italy
Viale Fratelli Casiraghi, 427
20099 Sesto San Giovanni - Milan District
Italy

Official Supplier 2021

Strategic alliance with Ni Hsin EV Malaysia by signing MOU and exclusive agreement

As announced on 24 July 2023, the Company signed a non-binding Memorandum of Understanding ("**MOU"**) with Ni Hsin EV Tech Sdn. Bhd. ("**Ni Hsin EV**"), a wholly-owned subsidiary of Malaysia main market-listed **Ni Hsin Group Berhad** (Bursa: NIHSIN, 7215) ("**Ni Hsin**") in relation to the intention to form a strategic alliance to assemble, market and distribute Vmoto products F01, CPX Pro and TC Max electric motorcycle models (**"VMT EV's"**) in Malaysia.

Under the MOU, Vmoto and Ni Hsin EV agreed to exercise their best efforts to form a strategic alliance, which will include executing a distribution agreement and entering into a JV structure, subject to reaching certain sales milestones, to assemble the VMT EV's in Malaysia, and to market and distribute VMT EV's through Business-to-Consumer ("**B2C**"), Business-to-Business ("**B2B**"), and Business-to-Government ("**B2G**") distribution channels in Malaysia.

Further as announced on 19 September 2023, Vmoto signed an exclusive assembly, marketing and distribution agreement ("**EDA**") with Ni Hsin EV in relation to Vmoto products CPX-Pro and TC-Max electric motorcycle models in Malaysia.

Malaysia is the 12th largest ICE two-wheeler market in the world, having sold approximately 4 million units between 2014 and 20221, and two-wheeler EVs only account for 1.7% of the registered motorcycles in Malaysia, which represents huge opportunity for the VMT EV's.

For personal use only

[1] *Statista. (2022). Motorcycles - Malaysia. https://www.statista.com/outlook/mmo/motorcycles/malaysia*

Vmoto Limited
Suite 5, 62 Ord Street, West Perth,
Western Australia 6005, Australia

ABN: 36 098 455 460
ASX: VMT
Phone: +61 8 9226 3865
Email: info@vmoto.com
Web: vmoto.com

Vmoto Europe B.V.
Boekweitstraat 95-97
2153 GK Nieuw Vennep
The Netherlands

Vmoto Soco Italy
Viale Fratelli Casiraghi, 427
20099 Sesto San Giovanni - Milan District
Italy

Official Supplier 2021

For personal use only

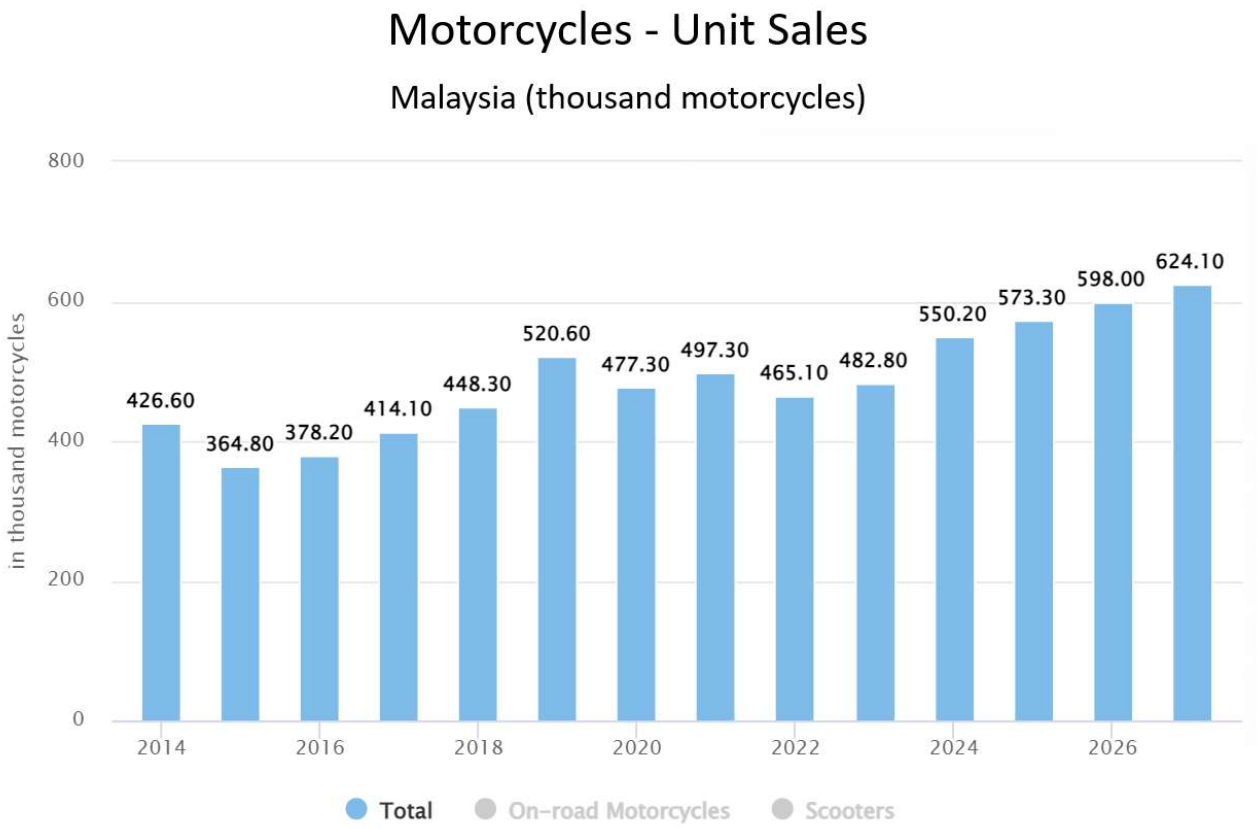


Figure 1. Historical and Forecast Two-wheeler Sales in Malaysia between 2014 and 2027[1]

Expansion of manufacturing capacity with proposed new facilities

As announced on 6 September 2023, the Company signed a construction agreement to build the new 32,856m^2 state-of-the-art manufacturing facilities at the Company's recently acquired industrial land in the Lishui Economic Development Zone in Nanjing, China with total estimated construction costs of RMB66 million (~AUD14 million). The construction costs will be paid in 9 phases linked to construction progress from September 2023 to September 2026, subject to the satisfactory completion of each phase. The new manufacturing facilities are expected to be completed in September 2024 and operational by the end of 2024.

Once completed, Vmoto's manufacturing footprint will more than double to 62,977m^2 and production capacity will increase from up to 150,000 units p.a. to a potential 300,000 units p.a. (depending on model), providing the Company with increased production capacity, which in turn is expected to deliver economies of scale and increased manufacturing margin.

The construction costs will initially be funded via cash reserves. The Company expects to secure bank financing for up to 50% of the construction costs and also to utilise available subsidies from the local government for up to RMB6.8 million (~AUD1.4 million).

Vmoto Limited
Suite 5, 62 Ord Street, West Perth,
Western Australia 6005, Australia

ABN: 36 098 455 460
ASX: VMT
Phone: +61 8 9226 3865
Email: info@vmoto.com
Web: vmoto.com

Vmoto Europe B.V.
Boekweitstraat 95-97
2153 GK Nieuw Vennep
The Netherlands

Vmoto Soco Italy
Viale Fratelli Casiraghi, 427
20099 Sesto San Giovanni - Milan District
Italy

Official Supplier 2021

For personal use only



Photo: Artist impression and conceptual renderings of the new manufacturing facilities

Vmoto Limited
Suite 5, 62 Ord Street, West Perth,
Western Australia 6005, Australia

ABN: 36 098 455 460
ASX: VMT
Phone: +61 8 9226 3865
Email: info@vmoto.com
Web: vmoto.com

Vmoto Europe B.V.
Boekweitstraat 95-97
2153 GK Nieuw Vennep
The Netherlands

Vmoto Soco Italy
Viale Fratelli Casiraghi, 427
20099 Sesto San Giovanni - Milan District
Italy

Official Supplier 2021

For personal use only

Acquisition of business and assets of its French distributor

As announced on 12 September 2023, the Company acquired the business and certain assets of its French distributor for total cash consideration of approximately EUR 195k (~A$325k). The acquisition was funded from the Company's existing cash reserves.

This is a strategic acquisition for the Company as France is an important and large market for electric motorcycle/moped products and this acquisition provides the Company with direct access to over 40 active B2C dealers in France. This also represents a strategic opportunity to purchase the business and assets at a discounted price and coincides with the Company's long term growth strategy in Europe and across the globe.

Acquisition of Soco Shanghai's patents

As announced on 21 September 2023, the Company successfully bid and acquired the patents for various models (TS, TC, CU, CUX, TC-MAX, VS1, CPX, CU mini, TS Street Hunter and TC Wanderer) of Super Soco Intelligent Technology (Shanghai) Co, Ltd ("Soco Shanghai") for a total cash consideration of approximately RMB 13.5 million (~A$2.9 million). The bid has been accepted by the court that governed the collection of debts owed by Soco Shanghai, which Soco Shanghai has failed to repay. The acquisition was funded from the Company's existing cash reserves and owning these patents significantly de-risks the Company's operations and international growth strategy.

The operations of the jointly-owned Chinese registered manufacturing company, Nanjing Vmoto Soco Intelligent Technology Co Ltd ("Vmoto Soco"), are unaffected and continue as normal as Vmoto Soco is independent from Soco Shanghai and Vmoto, and has an independent management team.



Photo: Some of the electric motorcycle/moped models, which patents acquired by Vmoto

2023 ProDay

In July 2023, Vmoto successfully held its 2023 Vmoto Soco ProDay at the Misano World Circuit in Italy; a world-famous racetrack that has held many world class motorcycle racing events. The event was well attended by Vmoto's distributors, partners, professional riders, media and motorcycles enthusiasts.

Vmoto Limited
Suite 5, 62 Ord Street, West Perth,
Western Australia 6005, Australia

ABN: 36 098 455 460
ASX: VMT
Phone: +61 8 9226 3865
Email: info@vmoto.com
Web: vmoto.com

Vmoto Europe B.V.
Boekweitstraat 95-97
2153 GK Nieuw Vennep
The Netherlands

Vmoto Soco Italy
Viale Fratelli Casiraghi, 427
20099 Sesto San Giovanni - Milan District
Italy

Official Supplier 2021

For personal use only



Photo: World champions and professional riders attended and supported 2023 Vmoto Soco ProDay event

The Company also organised a preview of Vmoto's latest range of electric motorcycle/moped products and a 100% electric test ride at Misano World Circuit. Distributors, international press and customers were able to test the new range of Vmoto and Vmoto Fleet electric motorcycles/mopeds under the direction of professional riders.



Vmoto Limited
Suite 5, 62 Ord Street, West Perth,
Western Australia 6005, Australia

ABN: 36 098 455 460
ASX: VMT
Phone: +61 8 9226 3865
Email: info@vmoto.com
Web: vmoto.com

Vmoto Europe B.V.
Boekweitstraat 95-97
2153 GK Nieuw Vennep
The Netherlands

Vmoto Soco Italy
Viale Fratelli Casiraghi, 427
20099 Sesto San Giovanni - Milan District
Italy

Official Supplier 2021

For personal use only



Photo: Preview and test ride of Vmoto latest range of electric motorcycle/moped products



Photo: World champions and professional riders racing with 100% electric motorcycles at 2023 Vmoto Soco ProDay event

Vmoto Limited
Suite 5, 62 Ord Street, West Perth,
Western Australia 6005, Australia

ABN: 36 098 455 460
ASX: VMT
Phone: +61 8 9226 3865
Email: info@vmoto.com
Web: vmoto.com

Vmoto Europe B.V.
Boekweitstraat 95-97
2153 GK Nieuw Vennep
The Netherlands

Vmoto Soco Italy
Viale Fratelli Casiraghi, 427
20099 Sesto San Giovanni - Milan District
Italy

Official Supplier 2021

Update on Vmoto's Netherlands B2B Customer

As announced on 9 February 2023, the Company became aware that GreenMo Group B.V. ("GreenMo Group") and its subsidiary GreenMo Services B.V. ("GreenMo Services") had filed for bankruptcy in the Netherlands. Subsequently, GreenMo Rent B.V ("GreenMo Rent"), a subsidiary of GreenMo Group, also filed for bankruptcy.

GreenMo Group is a strategic B2B partner of Vmoto via its subsidiaries GreenMo Rent and GreenMo Services. GreenMo Rent and GreenMo Services have purchased units and parts respectively for over seven years, with no history of default until 2023. Under the business arrangements, there are outstanding accounts receivables due to Vmoto of approximately USD1.6 million from GreenMo Rent and approximately USD1.1 million from GreenMo Services, and the Company have the retention of title for the vehicles that are not fully paid off by GreenMo Rent and GreenMo Services.

In July 2023, the Company reached a settlement agreement with the acquirer of the business and assets of GreenMo Rent and GreenMo Services (the "Acquirer"). Under the agreement, the Acquirer will pay Vmoto USD 500k (~A$786k) and return 1,101 units of the new CUX ride-sharing moped to Vmoto. In return, Vmoto will grant full and final discharge to the Acquirer and will waive its retention of title claim and any other claims against the assets delivered by Vmoto to GreenMo Rent and GreenMo Services. Vmoto received the USD 500k in August 2023 and 1,101 units of the new CUX ride-sharing moped were returned to Vmoto in September 2023.

Corporate

On 31 August 2023, following the resignation of Ms Loren King, the Company appointed Ms Joan Dabon as company secretary. Ms Dabon is a Chartered Secretary with company secretarial service provider, Source Governance, and has over 7 years' experience in providing company secretarial and corporate advisory services to ASX and NSX listed companies across a variety of sectors including mining, property development, logistics and distribution, manufacturing and agriculture. She has also acted as company secretary for public unlisted and proprietary companies, monitoring and managing their corporate governance and compliance frameworks. Joan has Juris Doctor degree and is an associate member of the Governance Institute of Australia.

On 18 September 2023, the address of the Company's share registry provider, Computershare Investor Services Pty Ltd, changed to Level 17, 221 St Georges Terrace, Perth, WA 6000, Australia. Lodgement of documentation by member organisations, securityholders and other parties must be made at the new address from 18 September 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 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, developing landmark products for long term growth and pursuing strategic acquisitions and cooperations.

For personal use only

Vmoto Limited
Suite 5, 62 Ord Street, West Perth,
Western Australia 6005, Australia

ABN: 36 098 455 460
ASX: VMT
Phone: +61 8 9226 3865
Email: info@vmoto.com
Web: vmoto.com

Vmoto Europe B.V.
Boekweitstraat 95-97
2153 GK Nieuw Vennep
The Netherlands

Vmoto Soco Italy
Viale Fratelli Casiraghi, 427
20099 Sesto San Giovanni - Milan District
Italy

For personal use only



Photo: New VMOTO dedicated store recently opened in Rome, Italy.

-ENDS-

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

For further information, please contact

Company enquiries
Charles Chen
Managing Director
Info@vmoto.com
T: +61 8 6311 9160

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.