



## MARKET UPDATE

ANNOUNCEMENT

1 NOVEMBER 2019

Vmoto Limited (ASX: VMT) is pleased to provide the following update on its activities for the quarter ended 30 September 2019 (3Q19), during which time the Company delivered strong operational and commercial growth and continued to progress its strategy of selling high value electric two-wheel vehicle products into international markets.

### Highlights

- Positive operational cash flows delivered for 3Q19
- Strong cash position of A\$6.4 million as at 30 September 2019, up A\$1.3 million on 2Q19 and up A\$2.2 million in total since 31 December 2018
- Very strong quarter delivers a 94% increase in total unit sales of 6,027 units on prior quarter, with strong growth trajectory expected to continue
- Strong upward sales trend in international markets with 4,839 units sold in international markets, up 57% on 2Q19 and up 77% on 3Q18
- Firm international orders for 4,421 units as at 30 September and continued significant interest received for Vmoto's products worldwide
- New exclusive distributor appointed in Mongolia, expanding international distribution. Discussions and samples shared with a significant number of potential new customers
- ~170 units sharing electric scooters delivered to Go Sharing, a renowned city vehicle rental and sharing service provider in Netherlands, with orders secured for an additional 500 units
- Commenced production and delivery to Vmoto's international distributors of the new *CUX Special Edition Ducati* launched in partnership with Ducati
- On track to develop new models of electric two-wheel vehicles expected to be launched in the upcoming EICMA exhibition to be held in November 2019 in Milan

### 3Q19 Sales Performance

Unit sales for 3Q19 totalled 6,027 units, comprising:

	3Q19	2Q19	3Q18
European customers and distributors	2,099	2,371	700
Non-European customers and distributors	2,740	714	2,039
Chinese customers and distributors	1,188	30	361
<b>Total</b>	<b>6,027</b>	<b>3,115</b>	<b>3,100</b>

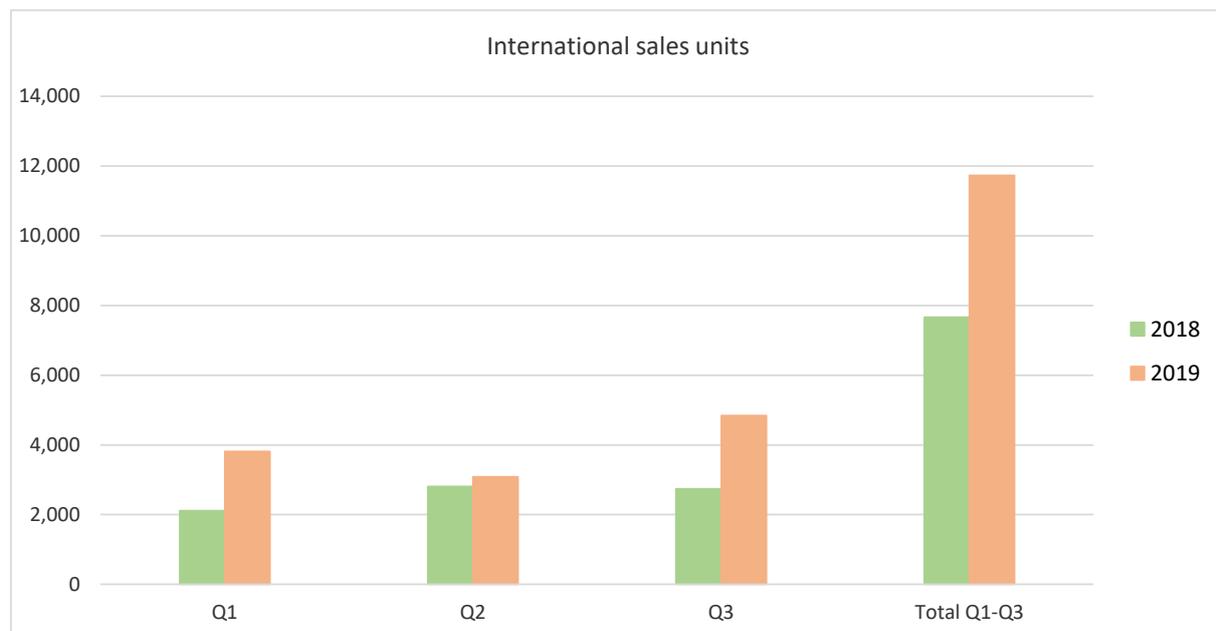
The Company delivered a significant increase in total sales in 3Q19, with 6,027 units sold, representing an increase of 94% on 2Q19. For 3Q19, 4,839 of these units were sold into international markets, representing an increase of 57% on 2Q19 and an increase of 77% on 3Q18.

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As a result of continuous order flows from customers, Vmoto's sales continue to be on an upward trend and the Company expects this sales trend to continue in the coming quarters.

To support European sales growth, the Company is actively pursuing additional sales opportunities in the B2B and B2C sectors, including the sharing and delivery markets. The Company is also actively exploring the potential to collaborate with world-renowned brands in the vehicle and mobility industry.

The chart below illustrates the Company's strong increase in sales units in international markets in general comparing Q1-Q3 quarters of 2018 and 2019:



### Order Book

As at 30 September 2019, the Company had firm orders for 4,421 units and has continued to receive further orders from its existing and new distributors post 3Q19. Vmoto's B2C products continue to generate increased interest among motorcycle enthusiasts and trendy consumers. Further, government policy and initiatives, especially in Europe, including the offering of monetary incentives for using electric vehicle, green initiatives, banning petrol vehicles and further investment in charging infrastructure further drives the growth in adoption of electric vehicle as transportation. These factors are expected to further drive the growth in Vmoto's sales.

Orders received from international customers and distributors for the B2B E-Max and the B2C Soco models are expected to be delivered in the next three to six months.

### International Markets

During the quarter, the Company signed an exclusive distribution agreement signed with Hobbyzone LLC ("Hobbyzone") for the warehousing, distribution and marketing of the B2C range of electric two-wheel vehicle products in Mongolia. Hobbyzone has strong experience importing electric scooters and other high end retail products into Mongolia.

Hobbyzone's wide distribution network includes its own retail stores, hypermarkets, dealers and online stores.

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Vmoto has also supplied samples to and/or is in discussions with a number of potential B2C and B2B distributors and customers in Brazil, Cyprus, Czech Republic, Dominica, Dubai, Egypt, Indonesia, Malaysia, Maldives, Netherlands, Nepal, Panama, Peru, Philippines, Russia, Saudi Arabia, Singapore, Thailand and Vietnam.

The Company will update the market with material developments when appropriate.

### **Vmoto and Ducati Launched CUX Special Edition Ducati electric scooter**

The production for the new CUX Special Edition Ducati has commenced, with over 400 units already delivered to Vmoto's international distributors. The units are expected to be met with strong customer demand from retail consumers, and leverages the internationally recognised, high calibre brand of Ducati.

Production follows the signing of a partnership between Vmoto and Ducati to create the luxury version of Vmoto's current CUX model – the *CUX Special Edition Ducati* electric scooter.

### **European sharing network expanded with Go Sharing Netherlands**

The Company is currently negotiating with Zig Zag Italy, a city vehicle rental service provider for a further order of 300 units of sharing electric scooters for its expanding operations in Italy. This follows the delivery of over 170 units of sharing electric scooters to Zig Zag Italy in 2Q19.

During 3Q19, Vmoto delivered approximately 170 units of sharing electric scooters to Go Sharing Netherlands and secured further orders for 500 additional units to support its expanding operations in Netherlands.

Vmoto's Australian and German distributors are also actively evaluating Vmoto's sharing electric scooter products and technology, with plans to enter the sharing market, which continues to grow globally.

Vmoto is also in discussion with a number of potential sharing customers from Brazil, Chile, Costa Rica, France, Indonesia, Malta, Mexico, Spain and Turkey.

### **Other Exhibitions and Marketing**

Vmoto participated directly in the Parcel and Post Expo held in Amsterdam, Netherlands from 30 September to 4 October 2019. The Parcel and Post Expo is the leading global event for the world's postal, parcel and express business. This expo attracts over 160 exhibitors and more than 3,000 people from more than 100 countries to attend every year.

During the quarter, the Company and its other international distributors also participated in a number of marketing events promoting both consumer models and electric delivery models, including:

- Test ride and stunt performance event held in Poland in July 2019
- Moto GP Netherlands held in July 2019
- Moto GP Czech Republic held in August 2019
- Fidelmov exhibition, first international e-mobility fair held in Chile, from 29-31 August 2019
- NADA Auto Show held in Nepal from 27 August to 1 September 2019
- Expo Prado held in Montevideo, Uruguay from 4-15 September 2019

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## Financial

As at 30 September 2019, the Group had cash of A\$6.4 million (2Q19: A\$5.1 million), with the increase driven by cash receipts from customers for firm orders placed and products delivered during the quarter, and the draw down of operating facilities. The cash position of the Group remains strong and represents an A\$1.3 million increase on the previous quarter, and a total increase of A\$2.2 million since 31 December 2018.

During 3Q19, the Company drew down an additional RMB5 million (approximately A\$1 million) from its operating facility as working capital in preparation for the anticipated step up in production required to meet expected increasing orders from customers. As at 30 September 2019, the total amount drawn down was RMB10 million (approximately A\$2.1 million), with RMB15 million (approximately A\$3.1 million) remaining undrawn and available.

## Outlook

Vmoto continues to execute its strategy of selling high value, high performance electric two-wheel vehicles into international markets and continuing to build its distribution network, with discussions with a number of other potential partners ongoing worldwide.

The Company's strong sales network and ongoing marketing activities continue to increase brand and product awareness and are driving a healthy and growing pipeline of sales leads. The management team remains focused on securing further firm orders from new and existing customers and remains confident in its ability to continue to increase international sales and further consolidate its position as a leading electric two-wheel vehicle manufacturer and provider to the international markets.

The Company sees great potential in the B2B market for its high performance electric two-wheel vehicle delivery products and is in discussions with a number of groups regarding cooperation agreements to secure orders. The Company is also on track to develop a new model of electric delivery scooter expected to be launched in the upcoming EICMA exhibition to be held in November 2019 in Milan.

For further information, please contact:

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## About Vmoto

Vmoto Limited (ASX: 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 three primary brands: Vmoto (aimed at the value market in Asia), E-Max (targeting the Western B2B markets, with a premium end product) and Super Soco (targeting the Western B2C markets).

## 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](http://www.vmoto.com)), Facebook ([www.facebook.com/vmosoco](http://www.facebook.com/vmosoco)), Instagram ([vmosoco](https://www.instagram.com/vmosoco)) and Twitter ([vmosoco](https://twitter.com/vmosoco)).



Photo: Go Sharing launched its sharing operations in Netherlands in September 2019 with sharing products supplied by Vmoto.



Photo: Ducati legend, Mr Dario Marchetti with the new *Cux Special Edition Ducati* launched by Vmoto and Ducati.

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Photo: Vmoto participated in the Parcel and Post Expo held in Amsterdam, Netherlands from 30 September to 4 October 2019

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Photo: Vmoto's electric motorcycles tested by police department in Slovakia.



Photo: Vmoto's distributor participated in NADA Auto Show held in Nepal from 27 August to 1 September 2019.

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Photo: Vmoto's B2C products image shop in Mexico.



Photo: Vmoto's B2C products dealer shop in Uruguay.

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