

Appendix 4D

Half Year Report for the half year ended 30 June 2022 to the Australian Stock Exchange

Part 1 – Details of Entity and Reporting Period

Name of Entity	Vmoto Limited
ABN	36 098 455 460
Half Year Ended	30 June 2022
Previous Corresponding Reporting Period	Half Year Ended 30 June 2021

Part 2 – Results for Announcement to the Market

Key information	Half year ended 30 June 2022 \$'000	Percentage increase /(decrease) over previous corresponding period
Revenue from continuing operations	57,600	46%
Profit from continuing activities after tax attributable to members	7,166	76%
Net profit attributable to members	7,166	76%

Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Record date for determining entitlements to the dividends (if any)	Not Applicable	

Brief explanation of any of the figures reported above necessary to enable the figures to be understood:

Refer to the Review of Activities contained in the Directors' Report which forms part of the attached Half Year Financial Report for details.

Part 3 – Contents of ASX Appendix 4D

Section	Page	Contents
Part 1	1	Details of entity, reporting period
Part 2	1	Results for announcement to the market
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Part 5	3	Details relating to dividends
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Part 7	3	Details of entities over which control has been gained or lost
Part 8	4	Details of associates and joint venture entities
Part 9	4	Information on audit or review
Part 10	4	Attachments forming part of Appendix 4D

Part 4 – Commentary on Results

Refer to the Review of Activities contained in the Directors' Report which forms part of the attached Half Year Financial Report for details.

Part 5 – Details Relating to Dividends

Date the dividend is payable	N/A
Record date to determine entitlement to the dividend	N/A
Amount per security	N/A
Total dividend	N/A
Amount per security of foreign sourced dividend or distribution	N/A
Details of any dividend reinvestment plans in operation	N/A
The last date for receipt of an election notice for participation in any dividend reinvestment plans	N/A

Part 6 – Net Tangible Assets per Security

	2022	2021
Net tangible asset backing per ordinary security	20 cents	14 cents

Part 7 – Details of Entities over Which Control has been Gained or Lost

Name of entity (or group of entities)	Not applicable
Date control gained or lost	Not applicable
Contribution of the controlled entity (or group of entities) to the profit/(loss) from ordinary activities during the period, from the date of gaining or losing control	Not applicable
Profit (loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	Not applicable
Contribution to consolidated profit/(loss) from ordinary activities from sale of interest leading to loss of control	Not applicable

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Part 8 – Details of Associates and Joint Venture Entities

Name of associate and joint venture entities	Ownership Interest		Contribution to net profit/(loss)	
	2022 %	2021 %	2022 \$A'000	2021 \$A'000
Associates	50%	50%	(546)	608
Joint Venture Entities	N/A	N/A	N/A	N/A
Aggregate share of profits/(losses)	N/A	N/A	N/A	N/A

Part 9 – Information on Audit / Review

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited	<input type="checkbox"/>	The accounts have been subject to review	<input checked="" type="checkbox"/>
The accounts are in the process of being audited or subject to review	<input type="checkbox"/>	The accounts have not yet been audited or reviewed	<input type="checkbox"/>

If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:

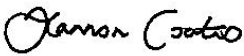
Not applicable

If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:

Not applicable

Part 10 - Attachments Forming Part of Appendix 4D

Attachment #	Details
1	Half Year Financial Report

Signed By Company Secretary 	
Shannon Coates	
Date 30th August 2022	

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VMOTO LIMITED
ABN 36 098 455 460

HALF-YEAR FINANCIAL REPORT
for the six-month period ended 30 June 2022



VMOTO LIMITED
ABN 36 098 455 460

DIRECTORS' REPORT

The Directors present their report together with the financial report for Vmoto Limited ("Vmoto" or "the Company") and its controlled entities (the "Group") for the half-year ended 30 June 2022 ("1H22") and the auditor's review conclusion thereon.

Financial Overview for 1H22

- Strong financial results
 - **Total revenue of \$57.6 million**, up 46% on 1H21
 - **Net profit after tax (NPAT) of \$7.2 million**, up 80% on 1H21
 - **Earnings before interest, tax, depreciation and amortisation (EBITDA) of \$8.5 million**, up 57% on 1H21
 - Strong **positive cash flows** from operating activities of \$6.6 million
- Strong **cash position of \$25 million** as at 30 June 2022, up 35% from \$18.6 million as at 31 December 2021, with no bank debt as at 30 June 2022
- Net tangible assets of \$56.3 million at 30 June 2022, up 22% on 31 December 2021

Operational Overview for 1H22

- **Total unit sales of 17,601 units** delivered for 1H22, including 16,310 units into international markets, up 28% on 1H21.
- Continuing interest from business customers including food delivery, parcel delivery and ride-sharing companies for Vmoto's products regarding the integration of electric vehicles into their delivery fleets, with samples and orders delivered in 1H22 and further orders to be delivered in 2H22.
- **More international distributorships** established via ongoing expansion of Vmoto's international distribution network. Vmoto now has a total of 61 international distributors in over 65 countries.
- Vmoto and select international distributors have participated in a number of international marketing events and opened a number of dedicated stores, which have proven commercially beneficial and provided a large number of business development leads and sales.
- Strategic advisory and investment agreement executed with Giovanni Castiglioni along with a partnership and investment agreement with Graziano Milone, both well-known and experienced European entrepreneurs, investors and executives in the global motorcycle industry.
- New sponsorship agreement signed with Ducati Corse racing, a division of Ducati Motor Holding S.p.A. (Ducati), as the official supplier of electric scooters for Team Ducati Corse in the MotoGP World Championship (MotoGP) and the Superbike World Championship (SBK) during the 2022-2023 seasons



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DIRECTORS' REPORT

1. Directors

The Directors of the Company at any time during or since the end of the half-year are:

Name	Period of Directorship
Mr Charles Chen <i>Managing Director</i>	Appointed 5 January 2007
Mr Ivan Teo <i>Finance Director</i>	Appointed 29 January 2013
Mr Kaijian Chen <i>Non-Executive Director</i>	Appointed 1 September 2011
Ms Shannon Coates <i>Non-Executive Director</i>	Appointed 23 May 2014
Mr Blair Sergeant <i>Non-Executive Director</i>	Appointed 4 November 2020

2. Results

Strong growth in net profit after tax ("NPAT") for the Group was delivered for 1H22 of \$7,150,241 compared to the net profit after tax of \$3,979,283 for 1H21, representing an increase of \$3,170,958 (80%).

Significant increase in earnings before interest, tax, depreciation and amortisation ("EBITDA") for the Group for 1H22 was also delivered, equating to \$8,511,226 compared to EBITDA of \$5,425,169 for 1H21. This represents an increase of \$3,086,057 (57%).

The following table provides a reconciliation between NPAT and EBITDA for 1H22:

Net profit after tax for 1H22	\$7,150,241
Add back:	
Interest income	(\$183,073)
Interest expenses	\$9,920
Tax	\$837,634
Depreciation and amortisation	\$696,504
Earnings before interest, tax, depreciation and amortisation for 1H22	\$8,511,226

The consolidated revenue from continuing operations for 1H22 was up 46% to \$57,600,417 (1H21: \$39,372,424).

The Group also achieved significant positive operating cash flows of \$6.6 million for 1H22 due to increasing sales and orders from international customers and distributors. The cash position of the Group was A\$25 million, with no bank debt as at 30 June 2022.



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DIRECTORS' REPORT

3. First Half-Year Activities

1H22 - Vmoto continues to deliver exceptional growth in revenue and profits and targeting new strategic market opportunities

In HY22, the Company sold a total of 17,601 units of electric two-wheel vehicles in 1H22 translating to total revenue of \$57.6 million. Vmoto continued to deliver strong sales and profit growth, with NPAT for the period of circa \$7.4 million. The Company's international growth strategy has continued to show results, with the majority of sales from international markets.

The Company is targeting new strategic opportunities including:

- Design and manufacture of new Vmoto branded electric motorcycle/moped products to further consolidate the Company's leading market position in the international markets;
- Development of new associated products including battery charging and swapping stations that will complement the Company's existing electric motorcycle/moped products to build an EV ecology system to service the Company's existing and new distributors and customers; and
- Entering new international markets, including India, Middle East and the United States.

all of which have the potential to substantially enhance the Company's product offerings and business reach around the world.

International markets

In 1H22, the Company signed new or renewed existing distribution agreements with international distributors in Paraguay, Morocco, Lebanon, Hungary, Croatia and Romania for the warehousing, distribution and marketing of its B2C range of electric two-wheel vehicles.

Post 1H22, the Company appointed new distributors in the United States, Canada and the United Arab Emirates for the warehousing, distribution and marketing of its B2C range of electric two-wheel vehicles.

Vmoto has also supplied samples to and/or is in discussions with a number of potential B2C and B2B distributors and customers in Australia, Brazil, Czech Republic, Dubai, France, Germany, Greece, Laos, Indonesia, India, Italy, Kenya, Rwanda, Malaysia, Poland, Portugal, Singapore, Slovenia, South Africa, South Korea, Spain, Sweden, Switzerland, Thailand, Turkey and the United Kingdom.

The Company continues to receive significant interest in Vmoto's B2B fleet products from business operators, which Vmoto is actively pursuing.

As at 30 June 2022, the Company had firm international orders for 8,654 units, providing a solid runway for sales growth in the remainder of FY22.

DIRECTORS' REPORT

Vmoto's B2C distributors continue to expand their retail presence with the opening of Vmoto Soco flagship stores and corner shops around the world.



Ducati Corse Sponsorship

During 1H22, Vmoto entered an important sponsorship agreement to become the official supplier of electric scooters to the Ducati Corse Team for the MotoGP and SBK Championship races in the 2022-2023 seasons.

Vmoto will be the official supplier of electric scooters to the Ducati Corse Team for the MotoGP and SBK Championship events during the 2022-2023 seasons. As part of the agreement, the Company will provide the Ducati Corse Team with eleven units of the Company's zero emission scooters which will be used by all team riders, including the technical team, to move around the events. Vmoto logos will be visible on the supplied electric vehicles, Ducati's trucks and on all Ducati Corse's exhibition stands providing significant exposure of Vmoto's brands.





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DIRECTORS' REPORT

Outlook

Vmoto delivered strong 1H22 financial results as the Company continues to execute on its strategy of selling high performance and value electric two-wheel vehicles into international markets.

The Company's businesses and operations continue to gain momentum with a significant number of existing distributors and new customers expressing interest in placing more orders, deepening their relationships and to jointly work on projects in order to gain a stronger foothold in the growing electric two-wheel vehicle industry.

The Company continues to expand its product range and is developing new Vmoto branded electric motorcycle/moped products to further consolidate the Company's leading market position in the international markets.

The Company is also evaluating to develop new products including battery charging and swapping station that will complement the Company's existing electric motorcycle/moped products to build an EV ecology system to service the Company's existing and new distributors and customers.

The Company is also targeting and entering into new international markets, including India, Middle East and the United States, which are large addressable markets and all of which have the potential to substantially enhance the Company's sales and profits.

Vmoto continues to broaden its commercialisation strategy and is confident it will be able to continue delivering strong sales and revenue growth for the remainder of FY22 and beyond.

4. Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The Auditor's Independence Declaration is set out on page 20 and forms part of the Directors' Report for the half year ended 30 June 2022.

Dated at Perth, Western Australia, this 30th day of August 2022

Signed in accordance with a resolution of the Directors:

Charles Chen
Managing Director



VMOTO LIMITED
ABN 36 098 455 460

CONDENSED CONSOLIDATED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	30 June 2022 \$	31 December 2021 \$
CURRENT ASSETS			
Cash and cash equivalents		25,070,079	18,633,879
Trade and other receivables		15,889,200	14,812,971
Inventories		17,624,371	12,527,456
Prepayments	7	8,864,695	3,847,521
Total Current Assets		67,448,345	49,821,826
NON-CURRENT ASSETS			
Property, plant and equipment	5	5,060,967	5,988,074
Right-of-use assets	8	1,081,604	360,509
Investments accounted for using equity method	6	6,602,951	7,132,878
Total Non-Current Assets		12,745,522	13,481,461
TOTAL ASSETS		80,193,867	63,303,287
CURRENT LIABILITIES			
Trade and other payables		10,382,696	6,176,627
Unearned revenue		12,638,836	10,686,808
Current tax liabilities		541,769	9,451
Lease liabilities	8	110,266	110,494
Total Current Liabilities		23,673,567	16,983,380
NON-CURRENT LIABILITIES			
Lease liabilities	8	219,299	282,768
Total Non-Current Liabilities		219,299	282,768
TOTAL LIABILITIES		23,892,866	17,266,149
NET ASSETS		56,301,001	46,037,138
EQUITY			
Issued capital	3	91,337,170	90,559,203
Reserves	3	3,730,607	1,394,952
Accumulated losses		(38,676,970)	(45,842,953)
Non-controlling interests		(89,806)	(74,064)
TOTAL EQUITY		56,301,001	46,037,138

The condensed consolidated statement of financial position is to be read in conjunction with the accompanying notes.



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ABN 36 098 455 460

CONDENSED CONSOLIDATED STATEMENT OF
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 30 JUNE 2022

	Note	Half-year ended 30 June 2022 \$	Half-year ended 30 June 2021 \$
Continuing Operations			
Revenue from sale of goods		57,600,417	39,372,424
Cost of sales		(43,079,708)	(28,704,739)
Gross profit		14,520,709	10,667,685
Other income	2	1,919,322	638,111
Operational expenses		(4,509,665)	(4,699,497)
Marketing and distribution expenses		(648,941)	(476,120)
Corporate and administrative expenses		(2,436,199)	(1,883,099)
Occupancy expenses		(101,640)	(88,112)
Other expenses	2	(383,093)	(236,887)
Operating profit		8,360,494	3,922,081
Share of profits from equity accounted investments	6	(545,771)	608,436
Finance costs		(9,920)	(12,143)
Finance income		183,072	80,401
Profit before tax		7,987,875	4,598,775
Tax expense		(837,634)	(619,492)
Profit for the period		7,150,241	3,979,283
Other comprehensive income			
Foreign currency translation differences	3	1,694,067	1,491,684
Other comprehensive income for the period, net of tax		1,694,067	1,491,684
Total comprehensive income for the period		8,844,308	5,470,967



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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR
LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE HALF-YEAR ENDED 30 JUNE 2022

	Note	Half-year ended 30 June 2022 \$	Half-year ended 30 June 2021 \$
Profit / (Loss) attributable to:			
Owners of the Company		7,165,983	4,063,707
Non-controlling interest		(15,742)	(84,424)
Profit for the period		7,150,241	3,979,283
Total comprehensive income attributable to:			
Owners of the Company		8,860,050	5,555,391
Non-controlling interest		(15,742)	(84,424)
Total comprehensive income for the period		8,844,308	5,470,967
Earnings per share attributable to the ordinary equity holders of the Company			
Basic Earnings per Share from Continuing Operations		2.55 cents	1.43 cents
Diluted Earnings per Share from Continuing Operations		2.51 cents	1.40 cents

The condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.



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CONDENSED CONSOLIDATED
STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 30 JUNE 2022

	Note	Half-year ended 30 June 2022 \$	Half-year ended 30 June 2021 \$
Cash flows from operating activities			
Receipts from customers		64,327,531	46,432,464
Payments to suppliers and employees		(59,320,189)	(45,337,591)
Interest received		179,520	78,973
Interest paid		-	-
Other cash receipts		1,376,881	539,297
Net cash generated by operating activities		6,563,743	1,713,143
Cash flows from investing activities			
Payments for property, plant & equipment		(422,528)	(226,297)
Payments for equity-accounted investments		-	-
Net cash used in investing activities		(422,528)	(226,297)
Cash flows from financing activities			
Proceeds from issue of shares		-	-
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Other cash payments		-	-
Net cash generated by financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		6,141,215	1,486,846
Cash and cash equivalents at beginning of period		18,633,879	14,997,486
Effect of exchange rate fluctuations on cash held		294,985	216,556
Cash and cash equivalents at end of period		25,070,079	16,700,888

The condensed consolidated statement of cash flows is to be read in conjunction with the accompanying notes.



VMOTO LIMITED
ABN 36 098 455 460

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 30 JUNE 2022

Consolidated	Issued Capital \$	Reserves \$	Accumulated Losses \$	Non-controlling Interests \$	Total \$
Balance as at 1 January 2021	89,823,509	(2,711,667)	(53,925,418)	(25,629)	33,160,795
Profit/(Loss) for the period	-	-	4,063,707	(84,424)	3,979,283
Other comprehensive income	-	1,491,684	-	-	1,491,684
Total comprehensive income for the period	-	1,491,684	4,063,707	(84,424)	5,470,967
Issue of ordinary shares	77,500	-	-	-	77,500
Issue of performance rights and options	170,097	616,603	-	-	786,700
Balance as at 30 June 2021	90,071,106	(603,380)	(49,861,711)	(110,053)	39,495,962
Balance as at 1 January 2022	90,559,203	1,394,952	(45,842,953)	(74,064)	46,037,138
Profit/(Loss) for the period	-	-	7,165,983	(15,742)	7,150,241
Other comprehensive income	-	1,694,067	-	-	1,694,067
Total comprehensive income for the period	-	1,694,067	7,165,983	(15,742)	8,844,308
Issue of ordinary shares	777,967	-	-	-	777,967
Issue of performance rights and options	-	641,588	-	-	641,588
Balance as at 30 June 2022	91,337,170	3,730,607	(38,676,970)	(89,806)	56,301,001

The condensed consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.



VMOTO LIMITED
ABN 36 098 455 460

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

The half year financial report should be read in conjunction with the Annual Financial Report of Vmoto Limited for the year ended 31 December 2021.

It is also recommended that the half year financial report be considered together with any public announcements made by Vmoto Limited and its controlled entities during the half year ended 30 June 2022 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

(a) Basis of Preparation

The half year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134 "Interim Financial Reporting".

(b) Significant changes in accounting policies

The half year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 31 December 2021.

The Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to their operations and effective for the current half year.

The adoption of these amendments and interpretations does not have any material impact on this half year financial report.

(c) Principles of Consolidation

The parent entity and its subsidiaries are collectively referred to as the "Group". The parent of this Group is Vmoto Limited. Entities over which the parent (or the Group) directly or indirectly exercises control are called "subsidiaries". The consolidated financial statements incorporate the assets, liabilities and results of all subsidiaries. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group companies are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. PROFIT FOR THE PERIOD

Profit before income tax expense includes the following revenues and expenses whose disclosure is relevant in explaining the performance of the entity:

	30 June 2022 \$	30 June 2021 \$
(i) Other income		
Contributions from customers	758,765	309,214
Government subsidies	904,290	101
Rent income	127,529	325,428
Net foreign exchange gain	82,743	-
Other income	45,995	3,368
	<u>1,919,322</u>	<u>638,111</u>
(ii) Expenses		
Depreciation and amortisation	696,504	894,652
Employee benefits	2,182,703	1,883,099
(iii) Other Expenses		
Net foreign exchange losses	-	236,887
Doubtful debt expenses	383,093	-
	<u>383,093</u>	<u>236,887</u>

3. ISSUED CAPITAL AND RESERVES

	30 June 2022 \$	31 December 2021 \$
Issued Capital		
<i>Ordinary shares</i>		
282,674,201 (31 December 2021: 279,360,084) ordinary shares, fully paid	<u>91,337,170</u>	<u>90,559,203</u>
	Number of Ordinary Fully Paid Shares	Issued Capital \$
<i>Movements in ordinary shares on issue</i>		
Balance 1 January 2022	279,360,084	90,559,203
Issue of Shares at nil consideration	1,720,000	-
Issue of Shares at 35.275 cents each	1,500,000	529,125
Issue of Shares at 43 cents each	94,117	40,000
Vest of share-based expenses	-	208,842
Share issue costs	-	-
Balance 30 June 2022	<u>282,674,201</u>	<u>91,337,170</u>

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Options

At the date of this half year report, options over unissued ordinary shares of the Company are:

Grant Date	Vesting Date	Expiry Date	Exercise Price	Number
11 April 2022	11 April 2022	11 April 2026	45 cents	6,600,000
11 April 2022	11 April 2022	11 April 2027	55 cents	7,700,000
11 April 2022	11 April 2022	11 April 2027	65 cents	8,800,000
21 June 2022	21 June 2022	20 June 2025	55 cents	1,000,000

These options do not confer the right to participate in any share issue or interest issue of the Company or any other entity.

Fair value of options

During the half year ended 30 June 2022, the Company issued 1,000,000 unlisted options as part consideration for advisory services. The fair value of options granted have been valued using a Black Scholes Option Valuation model, taking into account the terms and conditions upon which the options were granted. A summary of the inputs used in the valuation of the options is as follows:

	2022 Options
Grant date	21 June 2022
Share price at grant date	\$0.31
Exercise price	\$0.55
Risk free rate (%)	1.7094
Volatility (%)	70%
Number of options	1,000,000
Total value of options	\$99,000
Value recognised during the period	\$99,000

Service and Performance Rights

The Company has the following service and performance rights issued to directors at 30 June 2022.

Class	Grant date	Expiry date	Number of rights
2020 service rights	16 Dec 2020	18 Dec 2022	850,000
2020 performance rights	16 Dec 2020	31 Dec 2022	4,037,117
2021 performance rights	13 May 2021	31 Dec 2023	1,870,172
2022 performance rights	13 May 2022	31 Dec 2024	2,024,858

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Fair value of rights

The fair value of rights granted have been valued using a Monte Carlo Methodology, taking into account the terms and conditions upon which the rights were granted. A summary of the inputs used in the valuation of the rights is as follows:

	2020 Service Rights	2020 Performance Rights	2021 Performance Rights	2022 Performance Rights
Grant date	16 Dec 2020	16 Dec 2020	13 May 2021	13 May 2022
Vesting period	0-24 months	24 months	36 months	36 months
Share price at grant date	\$0.36	\$0.36	\$0.36	\$0.375
Exercise price	nil	nil	nil	nil
Risk free rate (%)	0.1051	0.1051	0.1051	2.865
Volatility (%)	70%	70%	70%	70%
Number of rights	850,000	4,037,117	1,870,172	2,024,858
Total value of rights	\$306,000	\$1,360,105	\$362,347	\$454,783
Value recognised during the period	\$73,312	\$333,087	\$60,391	\$75,797

Reserves

	30 June 2022	31 December 2021
	\$	\$
Reserves at the beginning of the period	1,394,952	(2,711,667)
Issue of performance rights and options	641,588	1,233,206
Transfer vested service rights to issued capital	-	(306,000)
Movements in foreign currency translation reserve	1,694,067	3,179,413
Reserves at the end of the period	<u>3,730,607</u>	<u>1,394,952</u>
Comprises of:		
Share-based payment reserve	1,615,676	974,088
Foreign currency translation reserve	<u>2,114,931</u>	<u>420,864</u>
Reserves at the end of the period	<u>3,730,607</u>	<u>1,394,952</u>

The foreign currency translation reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations.

4. SEGMENT REPORTING

The continuing operations of the Group are predominantly in the electric two-wheel vehicles manufacture and distribution industry.

Reported segments were based on the geographical segments of the Group, being Australia, China, Europe and Singapore. The management accounts and forecasts submitted to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance are split into these components.

The electric two-wheel vehicles segment is managed on a worldwide basis, but operates in four principal geographical areas: Australia, China, Europe and Singapore. In China, manufacturing facilities are operated in Nanjing. In Europe, the warehouse and distribution centre are operated in Netherlands and Italy.

The following table presents revenue and profit or loss in relation to geographical segments for the six-month periods ended 30 June 2022 and 30 June 2021:



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. SEGMENT REPORTING (cont'd)

Half year ended 30 June 2022

	Continuing Operations				Intersegment Elimination	Total Operations
	Australia \$	China \$	Europe \$	Singapore \$		
Revenue						
Sales to external customers	5,682	53,761,102	3,717,046	116,587	-	57,600,417
Result						
Segment profit/(loss)	117,853	6,790,034	240,419	1,935	-	7,150,241
Assets at 30 June 2022						
Segment assets	4,051,310	101,709,670	6,718,692	368,758	(32,654,563)	80,193,867
Liabilities at 30 June 2022						
Segment liabilities	(116,400)	(51,325,539)	(5,056,793)	(48,697)	32,654,563	(23,892,866)

Half year ended 30 June 2021

	Continuing Operations				Intersegment Elimination	Total Operations
	Australia \$	China \$	Europe \$	Singapore \$		
Revenue						
Sales to external customers	330	36,371,774	2,980,035	20,285	-	39,372,424
Result						
Segment profit/(loss)	(1,053,403)	4,989,511	54,855	(11,680)	-	3,979,283
Assets at 31 Dec 2021						
Segment assets	2,653,678	86,742,638	6,304,838	256,696	(32,654,563)	63,303,287
Liabilities at 31 Dec 2021						
Segment liabilities	(157,175)	(44,996,395)	(4,709,114)	(58,028)	32,654,563	(17,266,149)

The total assets of the Group have increased \$16,505,508 and total liabilities of the Group have increased \$6,241,645 as compared to that in the last annual financial report for the year ended 31 December 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. PROPERTY, PLANT & EQUIPMENT

	Plant & equipment	Motor vehicles	Land	Building	Total
Half year ended 30 June 2022					
Balance at 1 January 2022	423,846	386,640	1,099,950	4,077,638	5,988,074
Additions	466,857	-	-	37,670	504,527
Reclassifications to right-of-use assets	-	-	(1,103,003)	-	(1,103,003)
Depreciation for the period	(49,756)	(50,048)	-	(226,771)	(326,575)
Exchange differences	11,195	120	3,053	(16,424)	(2,056)
Balance at 30 June 2022	852,142	336,712	-	3,872,113	5,060,967
At 30 June 2022					
Cost	2,539,205	431,131	-	7,468,257	10,438,593
Accumulated depreciation	(1,687,063)	(94,419)	-	(3,596,144)	(5,377,626)
Net carrying amount	852,142	336,712	-	3,872,113	5,060,967

6. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

The Group has a 50% equity interest in Nanjing Vmoto Soco Intelligent Technology Co, Ltd (“Vmoto Soco Manufacturing”), which is a jointly owned manufacturing company with Super Soco Intelligent Technology (Shanghai) Co, Ltd. The Group’s interest in Vmoto Soco Manufacturing is accounted for using equity method in the consolidated financial statements as the Group does not control or have joint control over Vmoto Soco Manufacturing. Summarised financial information of the Group’s share in Vmoto Soco Manufacturing is as follows:

	30 June 2022	31 Dec 2021
Current assets	42,885,914	31,320,307
Non-current assets	7,475,355	6,970,398
Current liabilities	(37,155,367)	(24,024,949)
Non-current liabilities	-	-
Net assets (100%)	13,205,902	14,265,756
Group’s share of net assets (50%)	6,602,951	7,132,878
Carrying amount of interest in equity accounted investments	6,602,951	7,132,878
	Half-year ended 30 June 2022	Half-year ended 30 June 2021
Revenue	32,963,873	23,820,799
Cost of sales	(30,919,184)	(17,951,725)
Administrative expenses	(3,500,078)	(4,554,222)
Tax expenses/(income)	363,847	(97,980)
Profit/(Loss) for the period from continuing operations (100%)	(1,091,542)	1,216,872
Other comprehensive income	-	-
Total comprehensive income for the period from continuing operations (100%)	(1,091,542)	1,216,872
Group’s share of profit/(loss) for the period (50%)	(545,771)	608,436

Vmoto Soco Manufacturing had no contingent liabilities or capital commitments as at 30 June 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. PREPAYMENTS

	30 June 2022 \$	31 December 2021 \$
Prepayments	8,864,695	3,847,521

The prepayments are payments in advance to suppliers for the supply of electric two-wheel vehicle inventories.

8. LEASES

The Group leases warehouse and office facilities in Netherlands and Italy for its electric two-wheel vehicle distribution and after sales operations. The leases typically run for a period between 5 and 6 years, with an option to renew the lease after that date. Lease payments are adjusted based on changes in local price indices. The Group is restricted from entering into any sub-lease arrangements.

The Group reclassified its land in China from property, plant and equipment to right-of-use assets during the period as the land in China is essentially land use rights. The purchase price of land use rights represents the operating lease prepayments for the rights to use the land in China and is amortised over the remaining lease term.

With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected in the consolidated statement of financial position as a right-of-use assets and lease liabilities. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Right-of-use assets

	Land	Buildings	Total
Half year ended 30 June 2022			
<i>Gross carrying amount</i>			
Balance at 1 January 2022	-	602,375	602,375
Additions/reclassifications	1,103,002	-	1,103,002
Exchange differences	-	(16,273)	(16,273)
Balance at 30 June 2022	1,103,002	586,102	1,689,104
Depreciation and amortisation			
Balance at 1 January 2022	-	(241,866)	(241,866)
Depreciation and amortisation	(319,870)	(45,764)	(365,634)
Balance at 30 June 2022	(319,870)	(287,630)	(607,500)
Net carrying amount at 30 June 2022	783,132	298,472	1,081,604
Year ended 31 December 2021			
<i>Gross carrying amount</i>			
Balance at 1 January 2021	-	617,497	617,497
Additions	-	-	-
Exchange differences	-	(15,122)	(15,122)
Balance at 31 December 2021	-	602,375	602,375
Depreciation and amortisation			
Balance at 1 January 2021	-	(138,892)	(138,892)
Depreciation and amortisation	-	(102,974)	(102,974)
Balance at 31 December 2021	-	(241,866)	(241,866)
Net carrying amount at 31 Dec 2021	-	360,509	360,509



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. LEASES (cont'd)

Lease liabilities

Lease liabilities are presented in the consolidated statement of financial position as follows:

	30 Jun 2022	31 Dec 2021
	\$	\$
Current	110,266	110,494
Non-current	219,299	282,768
	<u>329,565</u>	<u>393,262</u>

Total cash outflow for leases for the half year ended 30 June 2022 was \$120,447 (HY2021: \$111,312).

9. SUBSEQUENT EVENTS

As at the date of this report, there were no other significant events subsequent to the half year ended 30 June 2022 and prior to the date of this report that have not been dealt with elsewhere in this report.

10. FAIR VALUE MEASUREMENT

Financial Instruments

The Group's financial instruments consist of trade and other receivables, trade and other payables and borrowings. These financial instruments are measured at amortised cost, less any provision for non-recovery. The carrying amount of the financial assets and liabilities approximate their fair value.



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DIRECTORS' DECLARATION

The Directors declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with Accounting Standard AASB 134: Interim Financial Reporting and giving a true and fair view of the financial position as at 30 June 2022 and of its performance for the half year ended on that date.

Signed in accordance with a resolution of the Directors made pursuant to s303(5) of the Corporations Act 2001.

Dated at Perth, Western Australia, this 30th day of August 2022

On behalf of the Directors

Charles Chen
Managing Director

To the Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit Director for the review of the financial statements of Vmoto Limited for the half year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully

Hall Chadwick

Mark Delaurentis

HALL CHADWICK WA AUDIT PTY LTD

MARK DELAURENTIS CA
Director

Dated at Perth this 30th day of August 2022

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF VMOTO LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Vmoto Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 30 June 2022, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the Consolidated Entity, comprising the Company and the entities it controlled during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Vmoto Limited and Controlled Entities is not in accordance with the Corporations Act 2001 including:

- a. Giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2022 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

Basis of Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2022 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the Consolidated Entity, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**HALL CHADWICK WA AUDIT PTY LTD****MARK DELAURENTIS CA**
DirectorDated at Perth this 30th day of August 2022

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