



MARKET UPDATE

ANNOUNCEMENT

27 OCTOBER 2020

Vmoto Limited (ASX: VMT) is pleased to provide the following update on its activities for the quarter ended 30 September 2020 (3Q20), during which time the Company delivered record operational and commercial growth and continued to progress its strategy of selling high value electric two-wheel vehicle products into international markets.

Highlights

- Record international unit sales YTD to September 2020 of 15,847 units, up 35% on the previous corresponding period (pcp) in 2019 and up 107% on pcp 2018
- Record sales with 7,009 units sold in 3Q20, up 10% on 2Q20 and up 16% on 3Q19
- International sales units in 3Q20 exceeded those of Niu Technologies, Vmoto's main competitor, validating Vmoto's leading market position and competitiveness in the international markets
- Positive operational cash flows delivered for 3Q20
- Strong cash position of A\$16.3 million and net cash (cash less debts) of A\$15.3 million as at 30 September 2020
- Largest ever international orders of 6,512 units as at 30 September 2020
- Significant increased interest from business customers including food delivery, parcel delivery and ride-sharing companies for Vmoto's new B2B products and in advanced discussions to secure orders from a number of B2B customers
- New exclusive international distributors appointed, and ongoing discussions and samples shared with a significant number of potential new customers
- Total orders of 4,000 units of Vmoto's ride-sharing products received YTD from Go Sharing, Netherlands
- \$9.6 million placement completed following strong demand
- European governments initiatives including subsidies and grants to consumers buying electric two-wheel vehicles and banning of petrol vehicles, and impact of Covid-19 on personal transportation are expected to have a longer-term positive impact on Vmoto's business

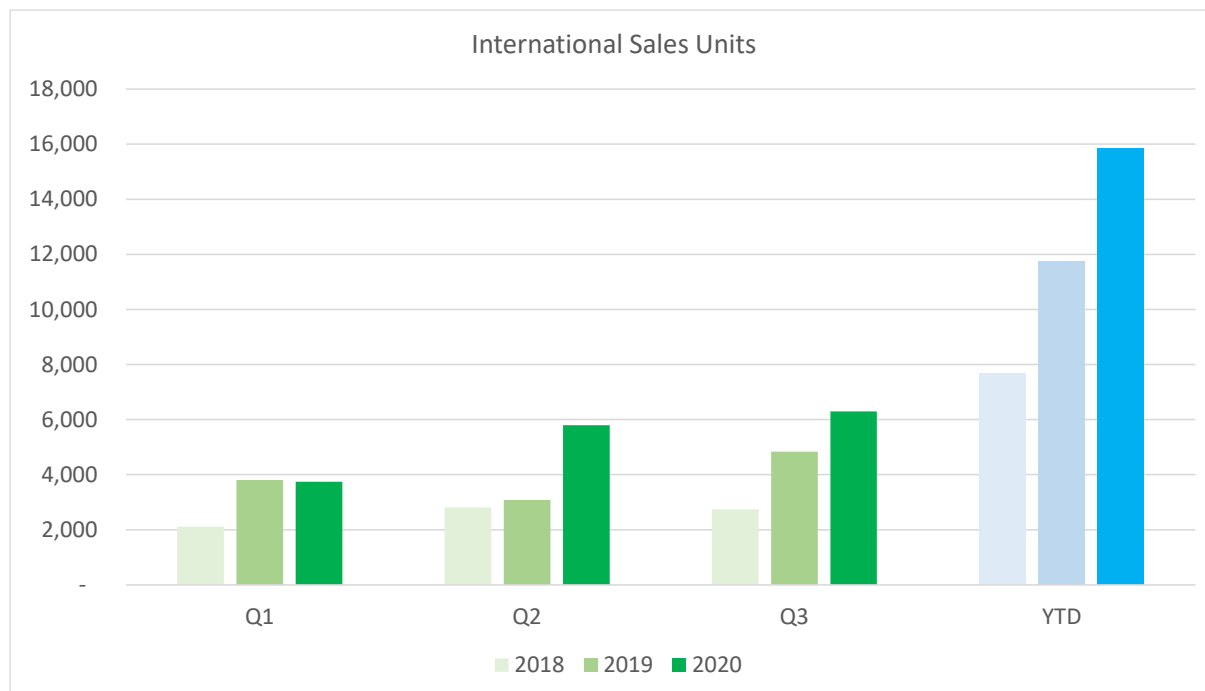
3Q20 Sales Performance

Record sales delivered during the quarter with 7,009 units sold, representing an increase of 10% on 2Q20 and 16% on 3Q19. Of these, 6,134 units were sold into international markets.

Vmoto's international unit sales in 3Q20 exceeded the unit sales (5,596 units)¹ reported by its main competitor, Niu Technologies, validating Vmoto's leading market position and competitiveness in the international markets.

1. Source: Niu Technologies announcements.

The chart below illustrates the Company's unit sales into international markets, comparing Q1-Q3 quarters and YTD to September of FY2018, FY2019 and FY2020:



Order Book

As at 30 September 2020, the Company secured its largest firm international orders to date of 6,512 units and has continued to receive further orders from its existing and new customers post 3Q20.

B2C and B2B continues to grow with proven results

Vmoto's B2C products continue to generate increased interest and recognition among motorcycle enthusiasts and trendy consumers and Vmoto's B2B products received significant increased interest from B2B customers including food delivery, parcel delivery and ride-sharing operators.

The Company is actively pursuing opportunities in the B2C and B2B sectors to further increase sales, including a strong focus on the sharing and delivery markets.

B2B sharing markets: The Company is now supplying products to seven sharing operators globally and is in advanced discussions with an additional thirteen sharing operators.

B2B delivery markets: The Company has seen significant increase in interest from business customers including food delivery and parcel delivery companies for its new delivery electric scooter, E-Max VS1. The Company is currently supplying products to nine delivery customers and is in discussions with an additional twelve potential new customers.



Photo: Vmoto's UK B2B customer fitting delivery box with electronic screens on Vmoto's B2B E-Max VS1.

Vmoto is well positioned to capitalise on the global increase in use of delivery services due to the global lockdown situation resulting from COVID-19 and has continued to improve brand recognition and resultant sales of its world class B2B delivery products.



Photo: Vmoto's electric two-wheel delivery vehicles, heavy duty and high-performance delivery electric powered "working horse" in Italy.

Collaborations: The Company is also actively exploring opportunities to collaborate with world-renowned brands in the vehicle and mobility industry to replicate its Ducati partnership. We are continuing to engage with Ducati regarding a potential extension to the current licence agreement and further cooperation.

International Distribution

In 3Q20, the Company signed a number of exclusive distribution agreements with international distributors across Kazakhstan, Malaysia, Nepal, Philippines and New Caledonia for the warehousing, distribution and marketing of its B2C range of electric two-wheel vehicle products.

Vmoto has also supplied samples to and/or is in discussions with a number of potential B2C and B2B distributors and customers in Argentina, Bahrain, Bangladesh, Bolivia, Brazil, Bulgaria, Columbia, Croatia, Cuba, Czech Republic, Denmark, Dubai, Ecuador, Egypt, Georgia, Greece, India, Indonesia, Lithuania, Mexico, Portugal, Romania, Saudi Arabia, Singapore, Slovenia, South Africa, Spain, Switzerland, Turkey and Ukraine.

The Company will update the market on material developments as appropriate.

Ride-Sharing Operations

Go Sharing, Netherlands

As announced on 28 January 2020, the Company secured an order of 2,000 units for Vmoto's ride-sharing products from Go Sharing, Netherlands, all of which were delivered in 1H20. Vmoto secured a further order of 1,500 units, expected to be fully delivered from July to December 2020. In addition to the above 3,500 units, Vmoto secured further order of 500 units from Go Sharing, Netherlands expected to be delivered in December 2020.



Photo: Vmoto's B2B ride-sharing products in Netherlands



Photo: Vmoto's B2B ride-sharing products in Netherlands

Vmoto is also in discussion with a number of potential sharing customers in Bolivia, Bulgaria, Columbia, France, Greece, Hungary, India, Mexico, Poland, Portugal, Spain, Switzerland and Turkey.

Financial

As at 30 September 2020, the Group had cash of A\$16.3 million, after completion of a \$9.6 million placement as a result of strong demand from strategic investors, institutions and other sophisticated and professional investors, including existing shareholders in August 2020 and a repayment of RMB5 million (approximately A\$1 million) in September 2020.

Pleasingly, the Company achieved and delivered positive operational cash flows of ~\$370k for 3Q20, driven by cash receipts from customers for firm orders placed and products delivered during the quarter.

As at 30 September 2020, the total amount drawn down under the Company's operating facility was RMB5 million (approximately A\$1 million), with RMB20 million (approximately A\$5.2 million) remaining undrawn and available. The net cash (cash less debts) of the Company as at 30 September 2020 was \$15.3 million.

Corporate

As announced on 13 August 2020, the Company secured \$9.6 million following strong demand in a placement to strategic investors, institutions and other sophisticated and professional investors, including existing shareholders. 21,411,108 shares were issued at an issue price of \$0.45 each on 19 August 2020.

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 B2C distribution network worldwide, and in discussions with a number of potential B2B customers.

With the European governments' initiatives encourage consumers to adopt electric vehicles and the impacts from COVID-19 on personal and public transportation and social distancing, the Company and its business are well positioned to benefit from these for longer term.

The Company's products are also obtaining more recognition from the markets as one of the best electric two-wheel vehicle products and the Company will invest further in marketing initiatives to drive wider recognition and traction in sales of its products.

The Company's strong sales network continues to grow and the Company's ongoing and expanding marketing activities continue to increase brand and product awareness and are driving a healthy and growing pipeline of sales leads and opportunities.

Authorised by the Board of Vmoto Limited.

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Photo: France's Les Twins, famous influencer promoting Vmoto's B2C products.



Photo: Vmoto's UK distributor participated in the Distinguished Gentleman Ride (www.gentlemansride.com) (DGR)'s 2020 Ride Solo event in UK. DGR is a global motorcycle fund-raising event, raising funds and awareness prostate cancer research and men's mental health programs on behalf of Charity Partner, the Movember Foundation.



Photo: Vmoto's customer participated in the Distinguished Gentleman Ride in Milan, Italy with the Company's TC Max product.



Photo: The test riding event held nearby Big Fashion Park shopping centre in Belgrade, Serbia that attracted significant interests from public.



Photo: New Super Soco dedicated store recently opened in Paraguay, featuring a full model B2C range.



Photo: Vmoto's Taiwan distributor exhibited in the 2020 Riyueguang Car Free Day to promote B2C products and green transportation in Taiwan.



Photo: Vmoto's Taiwan distributor participated in the 2020 University Campus of Road Racing event in Taiwan.

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 two primary brands: 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), Facebook (www.facebook.com/vmotosoco), Instagram (www.instagram.com/vmotosoco) and YouTube (Vmoto Soco).

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.

Shareholders Communications

Vmoto is committed to communicating with its shareholders regularly and efficiently, and encourage shareholders to adopt electronic form of communication channels. Shareholders can update its communications methods by going to www.computershare.com.au/easyupdate/VMT.