

Vmoto enters strategic partnership and investment agreement with leading European automotive entrepreneurs

Global electric vehicle company Vmoto Limited (ASX: VMT) (Vmoto, or the Company) is pleased to announce that it has entered into a strategic advisory and investment agreement with Giovanni Castiglioni (Castiglioni) along with a partnership and investment agreement with Graziano Milone (Milone), both well-known and experienced European entrepreneurs, investors and executives in the global motorcycle industry.

The Castiglioni family has over thirty years of history in the motorcycle industry, having previously owned some of the most iconic and successful motorcycle brands and companies worldwide such as the iconic and prestigious MV Augusta. The style and design of the most successful MV Agusta motorcycles were conceived during the Castiglioni family management. The strategic agreement with Castiglioni will consist of a direct investment in Vmoto as well as the appointment of an advisor to Vmoto's board of directors with the objective of developing new sales opportunities and marketing strategies, both in the European market and globally. Castiglioni will also share his vast experience in motorcycle designs and collaborate with Vmoto on the development of new motorcycle products for the Company.

At the same time, Vmoto has also appointed Mr. Graziano Milone, partner of Vmoto's joint venture in its Italian distribution company, Vmoto Soco Italy srl (VSI), as the Company's Chief Marketing Officer / President of Strategy and Business Development. Milone is an experienced entrepreneur with a proven history of success in numerous sectors, including the distribution of motorcycles. Milone has successfully developed and increased sales for a number of renowned international trading and manufacturing groups in Italy and Europe. The Company, through VSI, has entered into an investment agreement with Milone.

Along side the direct investment in Vmoto, Castiglioni will also make an investment in VSI. Following the Castiglioni investment into VSI, both Castiglioni and Milone will each own 25% of VSI (together 50%), while Vmoto will retain a 50% interest in VSI.



Photo: Mr Giovanni Castiglioni (left hand side) and Mr Graziano Milone (right hand side) signing the agreements to enter strategic partnership and investment with the Company.

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Giovanni Castiglioni commented: "I have been working unofficially alongside the members of the Vmoto team for some time and I am pleased to formalize this relationship. I am excited about Vmoto's growth potential and confident that with the Company's unique and innovative products, established B2B and B2C markets, and the strong vision of Charles and his team, the Company is on the verge of becoming one of the most successful players in the electric urban mobility space. I want to thank Charles for the trust in me and Milone for his foresight and commitment to the strategic development of Vmoto both in Italy and globally. I am very proud and excited to support them in this fantastic endeavor".

Charles Chen, Managing Director of Vmoto, said: "I am thrilled to have someone as experienced and successful as Giovanni not only joining our share register, but also coming on board as the new team member as a global advisor who focuses on our sales strategies, global marketing and development. His experience and impressive track record in the global motorcycle industry gives me great confidence in his ability to support Vmoto in delivering unprecedented growth and success, enhancing the Company's already bright future. I am also thrilled to consolidate my friendship and collaboration with Graziano Milone who, in addition to playing a strategic and important role for Vmoto, has increased his stake in the Company as a demonstration of the trust he places in Vmoto".

Graziano Milone, CMO / President of Strategy and Business Development commented: "I am very happy that Giovanni joins our team and I am sure that his experience and contribution will be an integral part of Vmoto's growth. His experience in style and image will be important for the development of Vmoto's future products. On this occasion, I thank Charles and his team for the trust he placed in me".

Vmoto recently announced a record preliminary financial result for financial year 2021, confirming its status as a leader in the manufacturing and distribution of zero-emission electric motorcycles/mopeds, both in the B2B and B2C markets. The Company achieved an unaudited net profit after tax of \$8 million, strong operating cash flows, highly liquid working capital and a strong cash balance with no bank debt.

Vmoto's position as a leading electric motorcycle/moped company in Europe, combined with a well-established and competitive manufacturing base in Nanjing, has led to strong financial performance by the Group in recent years and has enabled the Company to take advantage of the incredible opportunity presented with the global electrification of the entire transport industry. The significant and fast growing market opportunity in front of the Company, has attracted Castiglioni to become an investor and shareholder in Vmoto.

The Company recently attended the latest international EICMA show, where it successfully launched the new Vmoto "Stash" project, a 7kw urban electric motorcycle. In addition, the Company has several new models in the pipeline, to be released in the coming 36 months, which will enable Vmoto to consolidate its position as one of the world's most significant producers of premium electric two-wheel vehicles.

Investment Agreement

Castiglioni and Milone have agreed to subscribe for 1.2 million and 300,000 Vmoto Shares respectively, at an issue price of the lower of \$0.36 per share; and the market price per share as at the Completion Date less 15%. They have also subscribed for 21 million and 2.1 million free attaching options respectively (on the material terms set out in Tables 1 and 2 below) which, if exercised, will inject a further \$12.9 million in cash into the Company. The Shares and Options will be issued pursuant to the Company's 15% annual placement capacity.

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Vmoto Soco Italy srl (VSI")

Castiglioni, through his nominee, has also agreed to acquire a 25% interest in Vmoto's Italian distribution company, VSI, from the existing 50% joint venture partner. Mr Milone, through his nominee, will retain a 25% interest in VSI and Vmoto will maintain its 50% interest in VSI.

VSI serves as an important international distribution arm for the Italian market and actively facilitates Vmoto's growth in pursuing business opportunities around the world.

In addition, Vmoto has agreed with each of Castiglioni and Milone, to a put and call option to acquire all of the shares held by Castiglioni's nominee and Milone's nominee in VSI, the share price of which is tied to an EBITDA multiplier based on the 2023 and 2024 performance of VSI. The put and call option periods commence on the date of approval of the financial statements of VSI for the 2024 financial year and lapse 6 months thereafter.

European Design and Products Development

It is important to underline that Vmoto has in addition to the strategic partnership with Castiglioni and the key global appointment of Milone, inaugurated the European design and product development center in Italy. The first products designed for new Vmoto premium series are the result of the collaboration with C-Creative, one of the leading design and engineering centers in the sector, led by the world famous designer, Mr. Adrian Morton and the key engineer, Mr. Paolo Bianchi. Together they have created some of the most iconic and successful motorcycles of the past 20 years.



Photo: First model of VMOTO new premium product series, VMOTO STASH

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Table 1 – Option Terms issued to Mr Giovanni Castiglioni (or his nominee)

Tranche	Issue price	Exercise Price	Option Period
Tranche A 6,000,000	No cash consideration or application monies are payable	\$0.45 per Subscription Option	Vesting 12 months from the issue date and expiring 36 months from Vesting Date
Tranche B 7,000,000		\$0.55 per Subscription Option	Vesting 24 months from the issue date and expiring 36 months from Vesting Date
Tranche C 8,000,000		\$0.65 per Subscription Option	Vesting 36 months from the issue date and expiring 24 months from Vesting Date

Table 2 – Option Terms issued to Mr Graziano Milone (or his nominee)

Tranche	Issue price	Exercise Price	Option Period
Tranche A 600,000	No cash consideration or application monies are payable	\$0.45 per Subscription Option	Vesting 12 months from the issue date and expiring 36 months from Vesting Date
Tranche B 700,000		\$0.55 per Subscription Option	Vesting 24 months from the issue date and expiring 36 months from Vesting Date
Tranche C 800,000		\$0.65 per Subscription Option	Vesting 36 months from the issue date and expiring 24 months from Vesting Date

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

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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](https://www.youtube.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.

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.

1. "zero emissions" is a reference to Vmoto's range of electric motorcycles and mopeds producing zero emissions when operated, not the total lifecycle emissions associated with producing the products or the emissions of the Company itself.

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