



ELECTRIC VEHICLE ⚡ EFFICIENCY

Low Speed Electric Vehicle (LSEV) market totaled \$4.7 billion in sales in 2019 and is expected to

GROW TO \$23.9B BY 2026

AYRO STANDS READY TO REVOLUTIONIZE THE LSEV MARKET

with unparalleled operational efficiency, and an established automotive supply chain

AYRO PARTNERS WITH CLUB CAR™, A SUBSIDIARY OF A GLOBAL \$13 BILLION CONGLOMERATE.

NEW DEAL WITH FORD MOBILITY HUB

provides recurring revenue stream opportunities beyond traditional vehicle margins

AYRO LEVERAGES COMPETITIVE ADVANTAGES TO TARGET DOMESTIC AND INTERNATIONAL EXPANSION WITH FOCUS ON EUROPEAN PARTNERSHIPS.

Rod Keller
CEO OF AYRO

MEET OUR MODELS



AYRO 311

The first all-electric 3-wheeled vehicle of its kind



CLUB CAR 411

A compact all-electric vehicle designed for your campus



AYRO 511 4X4

The 4WD all-electric concept vehicle for superior off-road performance



TARGETING A MULTI-BILLION DOLLAR GLOBAL INDUSTRY

The electric vehicle (EV) market continues to gain traction. Sales are on the rise and consumer demand is driving increased supply from automakers. However, while most automakers are trying to compete for the main roads and highways, AYRO is targeting the low speed electric vehicle (LSEV) market, projected to be worth more than \$23.9 billion annually by 2026.

AYRO is not only *targeting* this market, we're establishing ourselves as an industry leader.



DEAR AYRO SHAREHOLDER

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Dear Readers,

My name is Rod Keller, and you may recognize me from my success in leading companies like Segway™, DELL™, Epson®, Compaq®, Toshiba® and Siemens™ in the past. Today, however, I write this letter in what I believe to be my most exciting role yet; CEO of AYRO, Inc.

AYRO is a fast growing electric vehicle car manufacturer based in Austin, TX that is unlike any company I've had the honor of leading before. That includes my time as president of the globally recognized personal transporter manufacturer Segway before it was acquired by Ninebot in 2015.

As AYRO continues to evolve, we wanted to take a moment and discuss not only why this industry is so profitable, but list out a step-by-step breakdown of how AYRO is already disrupting the status quo. Let's start with the elephant in the room, the multi-billion low speed electric vehicle market, better known as the LSEV market.

We believe we will become a dominant player in this sector for a number of reasons, including (but not

limited to) our strategic partnership with a \$13 billion global brand, operational efficiencies with design and development, and industry-disrupting practices, all of which we will discuss later on in this letter.

There is a consensus among auto industry executives and analysts that a tipping point is approaching where mass adoption will become unavoidable because of falling component costs, pressure from regulators – lead by the EU and China - and generous government subsidies. Today Tesla is the biggest name in the EV sector, but every major brand is investing heavily to bring new models to market. However, these are far from the only opportunities available to investors today -- especially when you consider that the LSEV market totaled \$4.7 billion in sales in 2019 and is expected to grow to \$23.9 billion by 2026.

The major brands may draw attention to the electric consumer automobile, but the need for reliable, sustainable electric transportation goes far beyond highways.

That's where LSEVs come into the picture.

These low speed counterparts provide a more economic, intentional utility vehicle for institutions including universities, business campuses, resorts, municipal fleets, city government and utilities, food services and on-demand last mile deliveries. These more compact LSEVs can venture where full sized vehicles cannot, and eliminate the unnecessary bells and whistles in most standard gas powered trucks and vans that are overkill for most campus applications including maintenance, moving, catering or parking enforcement.

But compact battery-powered cars, trucks, and three-wheeled runabouts are an ideal solution. The same technology that powers big name EVs is behind these vehicles. The LSEVs are even street legal, but by law can only go 25 miles per hour. Inconvenient for highways, but perfect for areas like neighborhoods, resort communities, and college and business campuses.

This all plays directly to the strengths of AYRO, which is why we're already establishing ourselves as a key name within the industry. ➤

FROM CONCEPT TO PRODUCTION

IN RECORD TIME ▶

AYRO has a unique advantage: Time-to-market derived from our team's collective experience. We've taken the most valuable (and profitable) lessons from decades of experience in consumer electronics, wireless communications, enterprise technology and personal transport, combining them to bring a new model of design, development and manufacturing to purpose-built vehicles.



Here at AYRO, we started with a different business model. A model that doesn't come with the baggage of factory re-tooling, entrenched unions or legacy products to manage. Rather, we focused on bringing EVs to market in the same method as a consumer electronics company would a new smartphone or audio device. If you look around our factory in Austin, Texas, there are no exhaust pipes, radiators or fuel tanks. What you will see are batteries, and low energy consuming components like those found in laptop computers. This approach enables AYRO to bring our vehicles to market faster and at a reduced cost than the competition.

This means a faster time to revenue and new profit pools.

Currently, many purpose-built electric vehicle manufacturers have negative gross margins. But AYRO's proprietary production methods generate north of 20% gross margins on our 411 truck, and more than 30% profit on our model 311.

Those margins are projected to grow as production volume increases and new markets are reached.

AYRO's model enables it to bring a vehicle from concept to market in under a year, as opposed to the rest of

the industry, who can take up to three years to take a vehicle from concept to reality. A major factor in this shortened cycle is we use DOT compliant parts in the specification and production of our vehicles. AYRO skips past the high cost, long production times, and trial and error of developing and manufacturing proprietary parts. And as important, it allows us to produce our vehicles at a fraction of the cost of our competition.

AYRO's design and development model and operational efficiencies are the driving force behind some key partnerships. >

MEET THE FLEET

AYRO CURRENTLY PRODUCES A FAMILY OF LIGHT DUTY VEHICLES, WITH NEXT-GENERATION IN DEVELOPMENT.



MODEL 311

The 311 autocycle is a compact, 3-wheel street legal vehicle. This makes it perfect not only for campuses and communities, but for a market that desperately needs help: restaurant delivery.

Morgan Stanley predicts that more than 40% of restaurant sales will be deliveries within the next decade and sales are expected to increase by 20% per year to \$365B worldwide by 2030.

Most people know (and have most likely used) 3rd party delivery services like GrubHub, Doordash or UberEats to order food to their home.

What most people do not know about these delivery services, is that they can diminish a restaurant's brand value and margins rapidly. As a result of the rapid rise of these delivery services, restaurant brands are considering investments in their own fleet of vehicles. Vehicles that can be custom-

fit for their needs and branded to ensure consumer confidence.

This presents a growing opportunity for the AYRO 311. Some nationwide brands have invested in gas powered vehicles for their delivery fleets. With approximately 10X the number of parts in a gas-powered vehicle compared to AYRO's 311, there's more to go wrong translating into higher annual maintenance and repair costs, in addition to ongoing fuel costs. The AYRO 311 can reduce these annual operating costs by 50% - not to mention an overall carbon footprint reduction and 100% elimination of CO2 emissions.



MODEL 411

The 411 is a family of light duty, compact, all-electric and emissions free utility vehicles, which are currently being sold in the US, Canada and Mexico. This truck replacement was designed for a multitude of applications ranging from campus environments, warehouse and logistics

usage, city governments, utilities and university markets.

We also have a strategic partnership with Club Car, a brand that you may recognize because of their golf cars around the world, but they are also a major supplier of commercial utility vehicles to global markets. Club Car markets and sell's AYRO's light duty electric trucks under the name Club Car 411 to their extensive dealer network across North America.

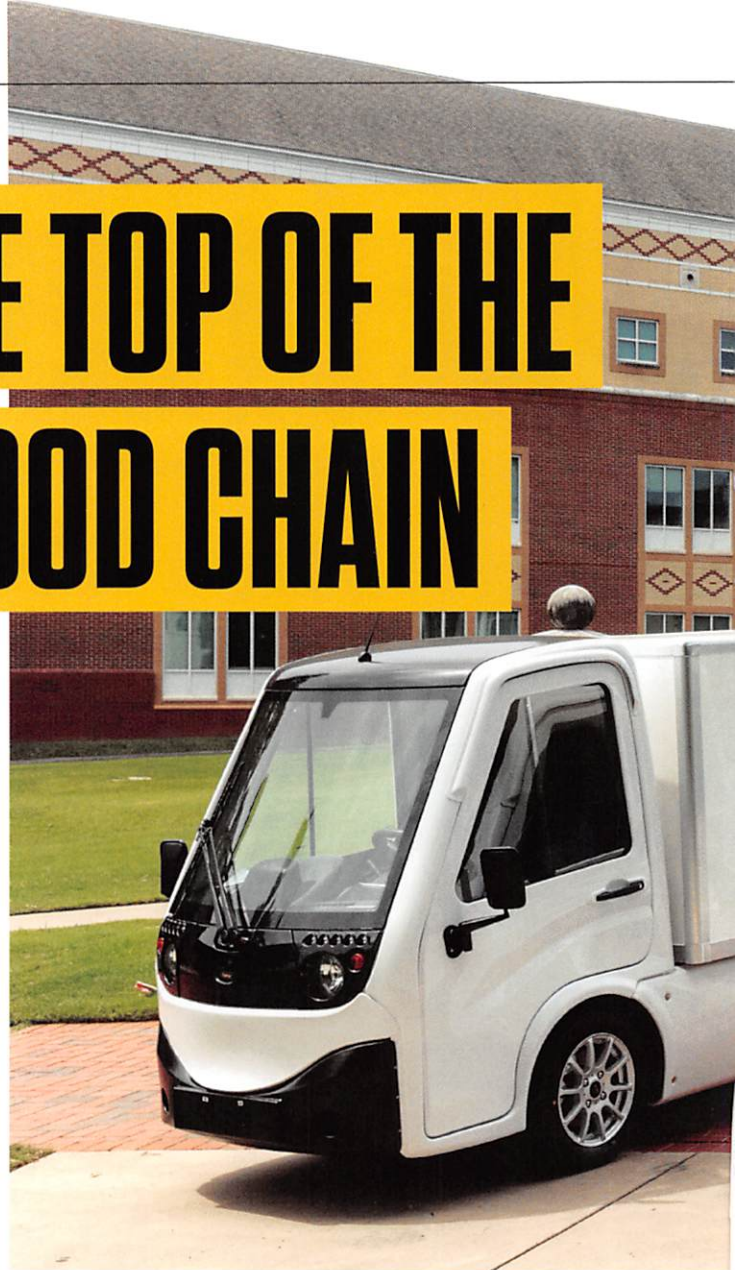


MODEL 511

The Model 511 is a concept all-terrain off-road vehicle that if fully developed, could go places that other EVs simply cannot. Form, function, and aesthetics. The 511 is an ambitious undertaking to take over the outdoor/rugged terrain market. This new market presents AYRO with the opportunity to become a nationwide household name in a niche market known for brand loyalty.

STRAIGHT TO THE TOP OF THE DISTRIBUTION FOOD CHAIN

AYRO has taken steps to ensure lasting success through an announced strategic partnership with one of the most respected low speed vehicle brands, industry titan Club Car. With a mission to expand all-electric utility vehicle innovation to commercial markets around the globe, together we have already begun shipping LSEVs across the US, Canada and Mexico.



Club Car, a global leader in golf, consumer and utility vehicles and a brand of Ingersoll Rand®, the \$13 billion conglomerate, has announced a much-anticipated partnership with AYRO that will provide new, all-electric utility vehicle opportunities for both companies.

The partnership leverages AYRO's expertise in efficiently manufacturing and designing high quality, automotive-grade electric vehicles and combines that with Club Car's extensive, established, and proven, global dealer distribution network.

The first collaboration between the companies focused on a light duty, compact, all-electric and emissions-free utility truck vehicle called the Club Car 411. This truck replacement was designed for a multitude of applications ranging from campus environments, warehouse and logistics usage, city governments, utilities and university markets.

"We partnered with AYRO because of the design, manufacturing and supply chain work they did on the Club Car 411. Complementing our commercial vehicle offerings, AYRO provides automotive electric vehicle expertise

and opportunities to enter new markets faster with innovative products and technologies," said Brant Mitchell, Director of Product Management - Commercial Vehicles at Club Car.

Club Car has more than 60 years of experience in providing innovative solutions that meet ever-evolving customer needs, making them the perfect distribution partner for AYRO's low cost, high quality LSEVs.

The 411 has been deployed at universities, colleges and other campus environments across the US. It also serves the delivery and



transportation needs such as facility and grounds maintenance, moving dorms, delivering mail and packages, mobile merchandising and catering/mobile food deliveries.

Even though Club Car is known around the world for its golf carts, what many consumers may not know about Club Car is that they are also a major supplier of gas-powered maintenance utility vehicles to universities all over the country, many of whom have committed to going green. The market for transitioning gas-powered vehicles at universities to custom-built LSEVs is currently more

than \$2 billion annually and growing rapidly. We believe we can become the dominant player in this industry over the next 5 years because of our strategic partnership with Club Car who already has relationships in-place with these universities.

On top of that, as I mentioned earlier, the Club Car 411 is designed for a multitude of applications ranging from campus environments, warehouse and logistics, city government, utilities, and university markets, which we can utilize Club Car's vast dealer network across the globe to gain access to and drive sales. >



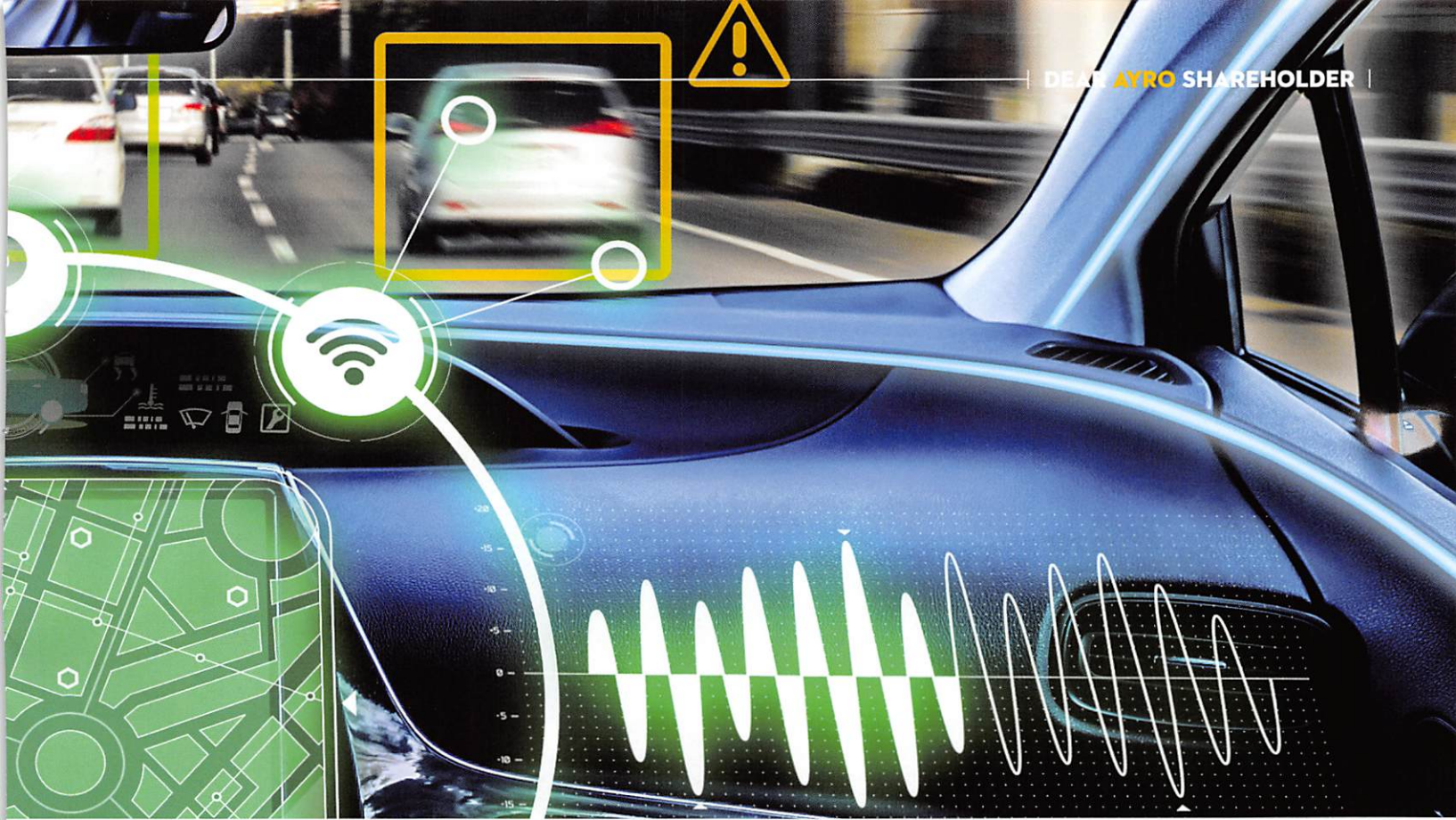
INNOVATIVE REVENUE STREAMS THROUGH INNOVATIVE PARTNERSHIPS

AYRO's focus on user experience keeps us looking for innovative opportunities to provide value to our customers. We believe that when done right, an improved, ongoing customer experience provides monetization opportunities for years. A perfect example of this is AYRO's partnership with Autonomic™, a wholly-owned subsidiary of Ford Smart Mobility™.

Our new partnership with Autonomic, creators of the Transportation Mobility Cloud® (TMC), is the first major partnership between a cloud platform and a maker of compact electric vehicles and together our companies will develop a range of services to enable mobility applications for AYRO vehicles.

Adoption of electric vehicles beyond passenger vehicles for businesses and fleet operators remains dependent not just on the cost-effectiveness, but also the ability to integrate seamlessly with fleet telematics software that enables businesses to operate efficiently.

"At Autonomic, we designed our platform to accelerate the progress of connected vehicles and it's a privilege to work with AYRO, one of the most visionary EV companies on the market," said Gavin Sherry, co-founder and CEO of Autonomic. "Already, they're poised for incredible growth and our Transportation



Mobility Cloud will accelerate that.” To expand the capabilities of clean-energy vehicles for businesses and fleet operators, we will leverage Autonomic’s Transportation Mobility Cloud to create new applications and services which include:

- ▶ Two-way data and telematic exchanges for our fleet customers and individual users
- ▶ Geo-location tools for proximity-based communications for business partners, restaurants and shops
- ▶ Services to monitor use rates, deployment efficiency, fleet and vehicle performance, advanced maintenance and service levels for fleet operators
- ▶ Real-time feedback for range, maintenance, and available services for drivers

Along with the new applications and services, our use of the Transportation Mobility Cloud scales with the data and computing resources of Amazon Web Services™ (AWS) to enable application connectivity and provide a platform for future innovation.

The Transportation Mobility Cloud is the leading transportation and mobility platform for connected vehicles, connecting diverse elements of urban mobility systems with the goal of orchestrating a safer, more efficient and sustainable transportation network. With the Transportation Mobility Cloud, Autonomic delivers a flexible and secure platform that provides automakers and other developers the building blocks necessary for connected mobility applications ranging from car routing and management of large-scale fleets to transit planning and more.

Autonomic’s team will develop custom apps and services that will maximize our fleet owners’ management abilities along with a unique user experience. Autonomic’s experience with cloud-based transportation applications is a tremendous asset for AYRO as we develop the finest user experiences for our current and future customers.

This partnership comes on the heels of Autonomic’s multi-year, global agreement with AWS to expand the availability of cloud connectivity services and connected car application development services for the transportation industry, as well as a joint collaboration with Fujitsu®, a leading Japanese information and communication technology company to support the automotive industry’s transformation to mobility-as-a-service models. ▶



AYRO'S (GLOBAL) EXPANSION AND FUTURE PLANS

AYRO has built a foundation for success around efficiency and scale. We design, develop and produce purpose-built vehicles at a significantly faster rate than the competition.

As AYRO continues to grow, the company's plans are focused on global expansion through process and partnerships.

AYRO will use a process known as semi-knockdown (SKD), to distribute vehicles throughout global markets. SKD is a mostly -- but not completely -- built model that can be modified and fully assembled quickly in local markets.

Our 1st SKD foray will be into Europe, allowing us to sustainably scale expansion at a fast pace because the distributors will perform the final assembly. AYRO works with our partners to ensure their customer vehicles will be sold and supported by the local distributor throughout Europe and other parts of the world. The EU has embraced EVs much faster than the US has. In Amsterdam

and Copenhagen, green vehicles are subsidized by the government, meaning there is very little barrier to entry -- especially with such an effective and efficient manufacturing model. >

WHICH BRINGS US TO THE UNDERLYING AYRO THEME...

As CEO of AYRO, I couldn't be more proud of what we've already accomplished, but more importantly, I couldn't be more optimistic about the direction in which our company is guiding the industry.

The key focus that drives the AYRO team is efficiency, and that is the underlying theme of this letter.

Whether we're looking at efficient production...

Efficient partnerships...

Efficient distribution...

Or efficient expansion...

Efficiency is AYRO's secret weapon. It leads to lower production costs, increased speed to market, and higher margins in all aspects of our business.

By proving our model, AYRO can disrupt and improve the LSEV and purpose-built markets and potentially the EV industry as a whole.

Thank you for taking the time to read this letter, and for being a part of our journey.

So buckle up and enjoy the ride, because we're not pulling over anytime soon.

Sincerely,

Rod Keller
CEO | AYRO

INVESTOR ➤ **HIGHLIGHTS**

- Completed recent NASDAQ merger.
- Closed strategic partnership with Club Car (Brand of Ingersoll Rand, the \$13 billion conglomerate).
- Started shipping Club Car 411 into US, Canada and Mexico.
- Capable of taking a vehicle from concept to market in under a year.
- Proprietary production methods generate north of 20% gross margins on our 411 truck, and more than 30% profit on our model 311.
- Able to lower vehicle operating costs by up to 50% per year vs. existing gas-powered trucks.
- LSEV market totaled \$4.7 billion in sales in 2019 and is expected to grow to \$23.9 billion by 2026.
- Highly experienced team with diverse expertise.
- Our 311 is ideally suited to serve the last mile, urban and food delivery markets. Morgan Stanley predicts that more than 40% of restaurant sales will be deliveries within the next decade and sales are expected to increase by 20% per year to \$365B worldwide by 2030.
- Our partnership with Ford subsidiary, Autonomic, is the first major partnership between a cloud platform and a maker of compact electric vehicles.



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