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Under our weighted voting rights structure, our share capital comprises Class A ordinary shares and Class C ordinary shares. Each Class A ordinary share entitles the holder to exercise one vote, and each Class C ordinary share entitles the holder to exercise eight votes, respectively, on any resolution tabled at our general meetings, except as may otherwise be required by law or by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or provided for in our memorandum and articles of association. Shareholders and prospective investors should be aware of the potential risks of investing in a company with a weighted voting rights structure. Our American depositary shares, each representing one of our Class A ordinary shares, are listed on the New York Stock Exchange in the United States under the symbol NIO.



NIO Inc.

*(A company controlled through weighted voting rights and
incorporated in the Cayman Islands with limited liability)*

(Stock Code: 9866)

ANNOUNCEMENT OF THE 2023 SECOND QUARTER RESULTS

We hereby announce our unaudited results for the three months and six months ended June 30, 2023 (“**Q2 2023 Results**”). The Q2 2023 Results are provided to our shareholders as our interim report for the six months ended June 30, 2023 under Rule 13.48(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”). The Q2 2023 Results are available for viewing at the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and the Company’s website at <http://ir.nio.com>. Set out in Appendix I hereto is information about our weighted voting rights structure as required by the Hong Kong Listing Rules.

By Order of the Board

NIO Inc.

Bin Li

Founder, Chairman and Chief Executive Officer

Hong Kong, August 29, 2023

As of the date of this announcement, the board of directors of the Company comprises Mr. Bin Li as the chairman, Mr. Lihong Qin, Mr. James Gordon Mitchell as the directors, and Mr. Hai Wu, Mr. Denny Ting Bun Lee and Ms. Yu Long as the independent directors.

NIO Inc. Reports Unaudited Second Quarter 2023 Financial Results

Quarterly Total Revenues reached RMB8,771.7 million (US\$1,209.7 million)ⁱ

Quarterly Vehicle Deliveries were 23,520 units

SHANGHAI, China, August 29, 2023 — NIO Inc. (NYSE: NIO; HKEX: 9866; SGX: NIO) (“**NIO**” or the “**Company**”), a pioneer and a leading company in the premium smart electric vehicle market, today announced its unaudited financial results for the second quarter ended June 30, 2023.

Operating Highlights for the Second Quarter of 2023

- **Vehicle deliveries** were 23,520 in the second quarter of 2023, consisting of 10,492 premium smart electric SUVs and 13,028 premium smart electric sedans, representing a decrease of 6.1% from the second quarter of 2022, and a decrease of 24.2% from the first quarter of 2023.

Key Operating Results

	2023 Q2	2023 Q1	2022 Q4	2022 Q3
Deliveries	23,520	31,041	40,052	31,607
	2022 Q2	2022 Q1	2021 Q4	2021 Q3
Deliveries	25,059	25,768	25,034	24,439

Financial Highlights for the Second Quarter of 2023

- **Vehicle sales** were RMB7,185.2 million (US\$990.9 million) in the second quarter of 2023, representing a decrease of 24.9% from the second quarter of 2022 and a decrease of 22.1% from the first quarter of 2023.
- **Vehicle marginⁱⁱ** was 6.2% in the second quarter of 2023, compared with 16.7% in second quarter of 2022 and 5.1% in the first quarter of 2023.
- **Total revenues** were RMB8,771.7 million (US\$1,209.7 million) in the second quarter of 2023, representing a decrease of 14.8% from the second quarter of 2022 and a decrease of 17.8 % from the first quarter of 2023.

- **Gross profit** was RMB87.0 million (US\$12.0 million) in the second quarter of 2023, representing a decrease of 93.5% from the second quarter of 2022 and a decrease of 46.4% from the first quarter of 2023.
- **Gross margin** was 1.0% in the second quarter of 2023, compared with 13.0% in the second quarter of 2022 and 1.5% in the first quarter of 2023.
- **Loss from operations** was RMB6,074.1 million (US\$837.7 million) in the second quarter of 2023, representing an increase of 113.5% from the second quarter of 2022 and an increase of 18.8% from the first quarter of 2023. Excluding share-based compensation expenses, adjusted loss from operations (non-GAAP) was RMB5,464.1 million (US\$753.5 million) in the second quarter of 2023, representing an increase of 132.0% from the second quarter of 2022 and an increase of 20.8% from the first quarter of 2023.
- **Net loss** was RMB6,055.8 million (US\$835.1 million) in the second quarter of 2023, representing an increase of 119.6% from the second quarter of 2022 and an increase of 27.8% from the first quarter of 2023. Excluding share-based compensation expenses, adjusted net loss (non-GAAP) was RMB5,445.7 million (US\$751.0 million) in the second quarter of 2023, representing an increase of 140.2% from the second quarter of 2022 and an increase of 31.2% from the first quarter of 2023.
- **Cash and cash equivalents, restricted cash, short-term investment and long-term time deposits** were RMB31.5 billion (US\$4.3 billion) as of June 30, 2023.

Key Financial Results for the Second Quarter of 2023

(in RMB million, except for percentage)

	<u>2023 Q2</u>	<u>2023 Q1</u>	<u>2022 Q2</u>	<u>% Changeⁱⁱⁱ</u>	
				<u>QoQ</u>	<u>YoY</u>
Vehicle Sales	7,185.2	9,224.5	9,570.8	-22.1%	-24.9%
Vehicle Margin	6.2%	5.1%	16.7%	110bp	-1050bp
Total Revenues	8,771.7	10,676.5	10,292.4	-17.8%	-14.8%
Gross Profit	87.0	162.3	1,340.3	-46.4%	-93.5%
Gross Margin	1.0%	1.5%	13.0%	-50bp	-1200bp
Loss from Operations	(6,074.1)	(5,111.8)	(2,845.6)	18.8%	113.5%
Adjusted Loss from Operations (non-GAAP)	(5,464.1)	(4,522.4)	(2,355.1)	20.8%	132.0%
Net Loss	(6,055.8)	(4,739.5)	(2,757.5)	27.8%	119.6%
Adjusted Net Loss (non-GAAP)	(5,445.7)	(4,150.1)	(2,267.0)	31.2%	140.2%

Recent Developments

Deliveries in July 2023

- NIO delivered 20,462 vehicles in July 2023, representing an increase of 103.6% year-over-year. As of July 31, 2023, NIO's cumulative vehicle deliveries reached 364,579 vehicles.

Launch of the ET5T

- On June 15, 2023, NIO launched the ET5T, a smart electric tourer, and started its deliveries the next day.

Strategic Equity Investment from CYVN

- On July 12, 2023, NIO closed the US\$738.5 million strategic equity investment from CYVN Investments RSC Ltd, an affiliate of CYVN Holdings L.L.C., which is an investment vehicle wholly owned by the Abu Dhabi Government (collectively referred to as “**CYVN Entities**”). CYVN Entities also acquired certain Class A ordinary shares of NIO from an affiliate of Tencent for an aggregate consideration of US\$350 million. Following the aforementioned transactions, CYVN Investments RSC Ltd currently in aggregate beneficially owns approximately 7.0% of NIO’s total issued and outstanding shares.

CEO and CFO Comments

“NIO delivered 23,520 vehicles in the second quarter of 2023. In July 2023, NIO delivered 20,462 vehicles, representing a substantial increase of 103.6% year-over-year, which propelled NIO to the top position in China’s premium electric vehicle market for vehicles priced above RMB300,000,” said William Bin Li, founder, chairman and chief executive officer of NIO.

“Attributed to the product transition based on the NT2.0 Platform, coupled with the expansion of our power network and the strengthening of our sales capabilities, we expect a solid growth in vehicle deliveries in the second half of 2023,” added Mr. Li.

“In July 2023, NIO closed the US\$738.5 million strategic equity investment from CYVN Entities, which demonstrated NIO’s unique values in the smart electric vehicle industry. This transaction further strengthened our balance sheet, powering our continuous endeavors in accelerating business growth, driving technological innovations and building long-term competitiveness,” added Steven Wei Feng, NIO’s chief financial officer, “Meanwhile, we will remain dedicated to improving our operational efficiency while pursuing continuous growth.”

Financial Results for the Second Quarter of 2023

Revenues

- **Total revenues** in the second quarter of 2023 were RMB8,771.7 million (US\$1,209.7 million), representing a decrease of 14.8% from the second quarter of 2022 and a decrease of 17.8 % from the first quarter of 2023.
- **Vehicle sales** in the second quarter of 2023 were RMB7,185.2 million (US\$990.9 million), representing a decrease of 24.9% from the second quarter of 2022 and a decrease of 22.1% from the first quarter of 2023. The decrease in vehicle sales over the second quarter of 2022 was mainly due to lower average selling price as a result of higher proportion of ET5 and 75 kWh standard-range battery pack deliveries and the decrease in delivery volume. The decrease in vehicle sales over the first quarter of 2023 was mainly due to a decrease in delivery volume.

- **Other sales** in the second quarter of 2023 were RMB1,586.5 million (US\$218.8 million), representing an increase of 119.9% from the second quarter of 2022 and an increase of 9.3% from the first quarter of 2023. The increase in other sales over the second quarter of 2022 was mainly due to the increase in sales of used cars, accessories, and provision of power solutions, as a result of continued growth of our users. The increase in other sales over the first quarter of 2023 was mainly due to the increase in sales of used cars, and provision of power solutions, as a result of continued growth of our users, partially offset by a decrease in revenue from provision of auto financing services.

Cost of Sales and Gross Margin

- **Cost of sales** in the second quarter of 2023 was RMB8,684.8 million (US\$1,197.7 million), representing a decrease of 3.0% from the second quarter of 2022 and a decrease of 17.4% from the first quarter of 2023. The decrease in cost of sales over the second quarter of 2022 was mainly driven by the decrease in battery cost per vehicle and the decrease in delivery volume, partially offset by the increase in cost from sales of used cars, provision of power solutions and sales of accessories. The decrease in cost of sales over the first quarter of 2023 was mainly attributed to the decrease in delivery volume.
- **Gross profit** in the second quarter of 2023 was RMB87.0 million (US\$12.0 million), representing a decrease of 93.5% from the second quarter of 2022 and a decrease of 46.4% from the first quarter of 2023.
- **Gross margin** in the second quarter of 2023 was 1.0%, compared with 13.0% in the second quarter of 2022 and 1.5% in the first quarter of 2023. The decrease in gross margin over the second quarter of 2022 was mainly attributed to the decreased vehicle margin. The decrease of gross margin over the first quarter of 2023 was mainly attributed to the increased sales of used cars with lower margin.
- **Vehicle margin** in the second quarter of 2023 was 6.2%, compared with 16.7% in the second quarter of 2022 and 5.1% in the first quarter of 2023. The decrease in vehicle margin from the second quarter of 2022 was mainly attributed to changes in product mix, partially offset by the decreased battery cost per unit. The increase in vehicle margin from the first quarter of 2023 was mainly due to decreased promotion discounts for the previous generation of ES8, ES6 and EC6.

Operating Expenses

- **Research and development expenses** in the second quarter of 2023 were RMB3,344.6 million (US\$461.2 million), representing an increase of 55.6% from the second quarter of 2022 and an increase of 8.7% from the first quarter of 2023. Excluding share-based compensation expenses, research and development expenses (non-GAAP) were RMB2,942.9 million (US\$405.8 million), representing an increase of 57.1% from the second quarter of 2022 and an increase of 8.5% from the first quarter of 2023. The increase in research and development expenses over the second quarter of 2022 and the first quarter of 2023 was mainly attributed to (i) the increased personnel costs in research and development functions and the increased share-based compensation expenses recognized in the second quarter of 2023, and (ii) the incremental design and development costs for new products and technologies.

- **Selling, general and administrative expenses** in the second quarter of 2023 were RMB2,856.6 million (US\$393.9 million), representing an increase of 25.2% from the second quarter of 2022 and an increase of 16.8% from the first quarter of 2023. Excluding share-based compensation expenses, selling, general and administrative expenses (non-GAAP) were RMB2,672.1 million (US\$368.5 million), representing an increase of 28.3% from the second quarter of 2022 and an increase of 19.3% from the first quarter of 2023. The increase in selling, general and administrative expenses over the second quarter of 2022 and the first quarter of 2023 was mainly attributed to (i) the increase in personnel costs related to sales functions, (ii) the increase in sales and marketing activities, including the launch of new products, and (iii) increased rental and related expenses related to the Company's sales and service network expansion.

Loss from Operations

- **Loss from operations** in the second quarter of 2023 was RMB6,074.1 million (US\$837.7 million), representing an increase of 113.5% from the second quarter of 2022 and an increase of 18.8% from the first quarter of 2023. Excluding share-based compensation expenses, adjusted loss from operations (non-GAAP) was RMB5,464.1 million (US\$753.5 million) in the second quarter of 2023, representing an increase of 132.0% from the second quarter of 2022 and an increase of 20.8% from first quarter of 2023.

Net Loss and Earnings Per Share/ADS

- **Net loss** in the second quarter of 2023 was RMB6,055.8 million (US\$835.1 million), representing an increase of 119.6% from the second quarter of 2022 and an increase of 27.8% from the first quarter of 2023. Excluding share-based compensation expenses, adjusted net loss (non-GAAP) was RMB5,445.7 million (US\$751.0 million) in the second quarter of 2023, representing an increase of 140.2% from the second quarter of 2022 and an increase of 31.2% from the first quarter of 2023.
- **Net loss attributable to NIO's ordinary shareholders** in the second quarter of 2023 was RMB6,121.9 million (US\$844.3 million), representing an increase of 123.0% from the second quarter of 2022 and an increase of 27.4% from the first quarter of 2023. Excluding share-based compensation expenses and accretion on redeemable non-controlling interests to redemption value, adjusted net loss attributable to NIO's ordinary shareholders (non-GAAP) was RMB5,437.1 million (US\$749.8 million) in the second quarter of 2023.
- **Basic and diluted net loss per ordinary share/ADS** in the second quarter of 2023 were both RMB3.70 (US\$0.51), compared with RMB1.68 in the second quarter of 2022 and RMB2.91 in the first quarter of 2023. Excluding share-based compensation expenses and accretion on redeemable non-controlling interests to redemption value, adjusted basic and diluted net loss per share/ADS (non-GAAP) were both RMB3.28 (US\$0.45), compared with RMB1.34 in the second quarter of 2022 and RMB2.51 in the first quarter of 2023.

Balance Sheet

- **Balance of cash and cash equivalents, restricted cash, short-term investment and long-term time deposits** was RMB31.5 billion (US\$4.3 billion) as of June 30, 2023.

Share Issuance

- On July 12, 2023, NIO issued 84,695,543 Class A ordinary shares to CYVN Investments RSC Ltd in relation to the closing of the US\$738.5 million strategic equity investment from CYVN Investments RSC Ltd.

Business Outlook

For the third quarter of 2023, the Company expects:

- **Deliveries of vehicles** to be between 55,000 and 57,000 vehicles, representing an increase of approximately 74.0% to 80.3% from the same quarter of 2022.
- **Total revenues** to be between RMB18,898 million (US\$2,606 million) and RMB19,520 million (US\$2,692 million), representing an increase of approximately 45.3% to 50.1% from the same quarter of 2022.

This business outlook reflects the Company's current and preliminary view on the business situation and market condition, which is subject to change.

Conference Call

The Company's management will host an earnings conference call at 8:00 AM U.S. Eastern Time on August 29, 2023 (8:00 PM Beijing/Hong Kong/Singapore Time on August 29, 2023).

A live and archived webcast of the conference call will be available on the Company's investor relations website at <https://ir.nio.com/news-events/events>.

For participants who wish to join the conference using dial-in numbers, please register in advance using the link provided below and dial in 10 minutes prior to the call. Dial-in numbers, passcode and unique access PIN would be provided upon registering.

<https://s1.c-conf.com/diamondpass/10033043-ysg6dg.html>

A replay of the conference call will be accessible by phone at the following numbers, until September 5, 2023:

United States:	+1-855-883-1031
Hong Kong, China:	+852-800-930-639
Mainland, China:	+86-400-1209-216
Singapore:	+65-800-1013-223
International:	+61-7-3107-6325
Replay PIN:	10033043

About NIO Inc.

NIO Inc. is a pioneer and a leading company in the premium smart electric vehicle market. Founded in November 2014, NIO's mission is to shape a joyful lifestyle. NIO aims to build a community starting with smart electric vehicles to share joy and grow together with users. NIO designs, develops, jointly manufactures and sells premium smart electric vehicles, driving innovations in next-generation technologies in autonomous driving, digital technologies, electric powertrains and batteries. NIO differentiates itself through its continuous technological breakthroughs and innovations, such as its industry-leading battery swapping technologies, Battery as a Service, or BaaS, as well as its proprietary autonomous driving technologies and Autonomous Driving as a Service, or ADaaS. NIO's product portfolio consists of the ES8, a six-seater smart electric flagship SUV, the ES7 (or the EL7), a mid-large five-seater smart electric SUV, the ES6, a five-seater all-round smart electric SUV, the EC7, a five-seater smart electric flagship coupe SUV, the EC6, a five-seater smart electric coupe SUV, the ET7, a smart electric flagship sedan, the ET5, a mid-size smart electric sedan, and the ET5 Touring, a smart electric tourer.

Safe Harbor Statement

This press release contains statements that may constitute "forward-looking" statements pursuant to the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as "will," "expects," "anticipates," "aims," "future," "intends," "plans," "believes," "estimates," "likely to" and similar statements. NIO may also make written or oral forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission (the "SEC"), in its annual report to shareholders, in announcements, circulars or other publications made on the websites of each of The Stock Exchange of Hong Kong Limited (the "SEHK") and the Singapore Exchange Securities Trading Limited (the "SGX-ST"), in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Statements that are not historical facts, including statements about NIO's beliefs, plans and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: NIO's strategies; NIO's future business development, financial condition and results of operations; NIO's ability to develop and manufacture a car of sufficient quality and appeal to customers on schedule and on a large scale; its ability to ensure and expand manufacturing capacities including establishing and maintaining partnerships with third parties; its ability to provide convenient and comprehensive power solutions to its customers; the viability, growth potential and prospects of the newly introduced BaaS and ADaaS; its ability to improve the technologies or develop alternative technologies in meeting evolving market demand and industry development; NIO's ability to satisfy the mandated safety standards relating to motor vehicles; its ability to secure supply of raw materials or other components used in its vehicles; its ability to secure sufficient reservations and sales of its vehicles; its ability to control costs associated with its operations; its ability to build the NIO brand; general economic and business conditions globally and in China and assumptions underlying or related to any of the foregoing. Further information regarding these and other risks is included in NIO's filings with the SEC and the announcements and filings on the websites of each of the SEHK and SGX-ST. All information provided in this press release is as of the date of this press release, and NIO does not undertake any obligation to update any forward-looking statement, except as required under applicable law.

Non-GAAP Disclosure

The Company uses non-GAAP measures, such as adjusted cost of sales (non-GAAP), adjusted research and development expenses (non-GAAP), adjusted selling, general and administrative expenses (non-GAAP), adjusted loss from operations (non-GAAP), adjusted net loss (non-GAAP), adjusted net loss attributable to ordinary shareholders (non-GAAP) and adjusted basic and diluted net loss per share/ADS (non-GAAP), in evaluating its operating results and for financial and operational decision-making purposes. The Company defines adjusted cost of sales (non-GAAP), adjusted research and development expenses (non-GAAP), adjusted selling, general and administrative expenses (non-GAAP) and adjusted loss from operations (non-GAAP) and adjusted net loss (non-GAAP) as cost of sales, research and development expenses, selling, general and administrative expenses, loss from operations and net loss excluding share-based compensation expenses. The Company defines adjusted net loss attributable to ordinary shareholders (non-GAAP), adjusted basic and diluted net loss per share/ADS (non-GAAP) as net loss attributable to ordinary shareholders and basic and diluted net loss per share/ADS excluding share-based compensation expenses and accretion on redeemable non-controlling interests to redemption value. By excluding the impact of share-based compensation expenses and accretion on redeemable non-controlling interests to redemption value, the Company believes that the non-GAAP financial measures help identify underlying trends in its business and enhance the overall understanding of the Company's past performance and future prospects. The Company also believes that the non-GAAP financial measures allow for greater visibility with respect to key metrics used by the Company's management in its financial and operational decision-making.

The non-GAAP financial measures are not presented in accordance with U.S. GAAP and may be different from non-GAAP methods of accounting and reporting used by other companies. The non-GAAP financial measures have limitations as analytical tools and when assessing the Company's operating performance, investors should not consider them in isolation, or as a substitute for net loss or other consolidated statements of comprehensive loss data prepared in accordance with U.S. GAAP. The Company encourages investors and others to review its financial information in its entirety and not rely on a single financial measure.

The Company mitigates these limitations by reconciling the non-GAAP financial measures to the most comparable U.S. GAAP performance measures, all of which should be considered when evaluating the Company's performance.

For more information on the non-GAAP financial measures, please see the table captioned "Unaudited Reconciliation of GAAP and Non-GAAP Results" set forth at the end of this press release.

Exchange Rate

This announcement contains translations of certain Renminbi amounts into U.S. dollars at specified rates solely for the convenience of the reader. Unless otherwise stated, all translations from Renminbi to U.S. dollars were made at the rate of RMB7.2513 to US\$1.00, the noon buying rate in effect on June 30, 2023 in the H.10 statistical release of the Federal Reserve Board. The Company makes no representation that the Renminbi or U.S. dollars amounts referred could be converted into U.S. dollars or Renminbi, as the case may be, at any particular rate or at all.

For more information, please visit: <http://ir.nio.com>.

Investor Relations

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Source: NIO

NIO INC.

Unaudited Consolidated Balance Sheets

(All amounts in thousands)

	As of		
	December 31, 2022	June 30, 2023	June 30, 2023
	RMB	RMB	US\$
ASSETS			
Current assets:			
Cash and cash equivalents	19,887,575	13,723,951	1,892,619
Restricted cash	3,154,240	2,119,420	292,281
Short-term investments	19,171,017	13,580,712	1,872,866
Trade and notes receivables	5,118,170	5,664,848	781,218
Amounts due from related parties	1,380,956	1,482,882	204,499
Inventory	8,191,386	8,493,374	1,171,290
Prepayments and other current assets	2,246,408	2,876,692	396,714
Total current assets	59,149,752	47,941,879	6,611,487
Non-current assets:			
Long-term restricted cash	113,478	126,226	17,407
Property, plant and equipment, net.	15,658,666	18,547,515	2,557,819
Intangible assets, net	–	29,648	4,089
Land use rights, net	212,603	209,951	28,954
Long-term investments	6,356,411	5,273,962	727,313
Right-of-use assets – operating lease	7,374,456	9,340,932	1,288,173
Other non-current assets	7,398,559	5,908,818	814,863
Total non-current assets	37,114,173	39,437,052	5,438,618
Total assets	96,263,925	87,378,931	12,050,105

	As of		
	December 31, 2022	June 30, 2023	June 30, 2023
	RMB	RMB	US\$
LIABILITIES			
Current liabilities:			
Short-term borrowings	4,039,210	4,834,210	666,668
Trade and notes payable	25,223,687	19,207,083	2,648,778
Amounts due to related parties	384,611	482,272	66,508
Taxes payable	286,300	256,489	35,371
Current portion of operating lease liabilities	1,025,968	1,346,143	185,642
Current portion of long-term borrowings	1,237,916	7,224,712	996,333
Accruals and other liabilities	13,654,362	14,752,703	2,034,491
Total current liabilities	45,852,054	48,103,612	6,633,791
Non-current liabilities:			
Long-term borrowings	10,885,799	6,544,565	902,537
Non-current operating lease liabilities	6,517,096	8,441,889	1,164,190
Deferred tax liabilities	218,189	216,161	29,810
Other non-current liabilities	5,144,027	5,712,171	787,744
Total non-current liabilities	22,765,111	20,914,786	2,884,281
Total liabilities	68,617,165	69,018,398	9,518,072

NIO INC.

Unaudited Consolidated Balance Sheets

(All amounts in thousands)

	As of		
	December 31,	June 30,	June 30,
	2022	2023	2023
	RMB	RMB	US\$
MEZZANINE EQUITY			
Redeemable non-controlling interests	3,557,221	3,704,458	510,868
Total mezzanine equity	3,557,221	3,704,458	510,868
SHAREHOLDERS' EQUITY			
Total NIO Inc. shareholders' equity	23,868,165	14,451,657	1,992,974
Non-controlling interests	221,374	204,418	28,191
Total shareholders' equity	24,089,539	14,656,075	2,021,165
Total liabilities, mezzanine equity and shareholders' equity	96,263,925	87,378,931	12,050,105

As of June 30, 2023, convertible notes due in 2026 (the “2026 Notes”) with carrying value of RMB3,993 million was classified as current liability as a result of the early redemption right that will effect in February 2024. In connection therewith, the Company also determined that the 2026 Notes should have been classified as a current liability in its previously announced unaudited financial information for the three months ended March 31, 2023, which increases current portion of long-term borrowings and decreases long-term borrowings as of March 31, 2023 by RMB3,795 million, respectively. Nevertheless, this misclassification did not impact the Company’s total liabilities, net equity or funded position, nor did it have any impact upon the reported results of operations as of and for the three months ended March 31, 2023. Moreover, the misclassification did not impact any covenants with any banking institutions with lending or financing arrangements with the Company.

NIO INC.

Unaudited Consolidated Statements of Comprehensive Loss

(All amounts in thousands, except for share and per share/ADS data)

	Three Months Ended			
	June 30, 2022	March 31, 2023	June 30, 2023	June 30, 2023
	RMB	RMB	RMB	US\$
Revenues:				
Vehicle sales	9,570,842	9,224,483	7,185,214	990,886
Other sales	721,522	1,451,988	1,586,521	218,791
Total revenues	10,292,364	10,676,471	8,771,735	1,209,677
Cost of sales:				
Vehicle sales	(7,976,625)	(8,757,407)	(6,738,344)	(929,260)
Other sales	(975,436)	(1,756,775)	(1,946,435)	(268,426)
Total cost of sales	(8,952,061)	(10,514,182)	(8,684,779)	(1,197,686)
Gross profit	1,340,303	162,289	86,956	11,991
Operating expenses:				
Research and development	(2,149,479)	(3,075,611)	(3,344,572)	(461,238)
Selling, general and administrative	(2,282,461)	(2,445,928)	(2,856,603)	(393,944)
Other operating income	246,077	247,402	40,104	5,531
Total operating expenses	(4,185,863)	(5,274,137)	(6,161,071)	(849,651)
Loss from operations	(2,845,560)	(5,111,848)	(6,074,115)	(837,660)
Interest and investment income	292,863	306,762	247,180	34,088
Interest expenses	(64,712)	(68,663)	(82,440)	(11,369)
Share of income of equity investees	48,053	13,599	10,641	1,467
Other (losses)/income, net	(189,955)	128,290	(138,345)	(19,079)
Loss before income tax expense	(2,759,311)	(4,731,860)	(6,037,079)	(832,553)
Income tax benefit/(expense)	1,791	(7,674)	(18,671)	(2,575)
Net loss	(2,757,520)	(4,739,534)	(6,055,750)	(835,128)
Accretion on redeemable non-controlling interests				
to redemption value	(68,899)	(72,465)	(74,772)	(10,312)
Net loss attributable to non-controlling interests	81,411	8,370	8,586	1,184
Net loss attributable to ordinary shareholders of NIO Inc.	(2,745,008)	(4,803,629)	(6,121,936)	(844,256)

	Three Months Ended			
	June 30, 2022	March 31, 2023	June 30, 2023	June 30, 2023
	RMB	RMB	RMB	US\$
Net loss	(2,757,520)	(4,739,534)	(6,055,750)	(835,128)
Other comprehensive income/(loss)				
Change in unrealized losses related to available-for-sale debt securities, net of tax	(4,999)	–	–	–
Change in unrealized (losses)/gains on cash flow hedges	(20)	(1,329)	1,329	183
Foreign currency translation adjustment, net of nil tax	490,549	(54,605)	327,472	45,160
Total other comprehensive income/(loss)	485,530	(55,934)	328,801	45,343
Total comprehensive loss	(2,271,990)	(4,795,468)	(5,726,949)	(789,785)
Accretion on redeemable non-controlling interests to redemption value	(68,899)	(72,465)	(74,772)	(10,312)
Net loss attributable to non-controlling interests	81,411	8,370	8,586	1,184
Comprehensive loss attributable to ordinary shareholders of NIO Inc.	(2,259,478)	(4,859,563)	(5,793,135)	(798,913)
Weighted average number of ordinary shares/ADS used in computing net loss per share/ADS				
Basic and diluted	1,632,803,993	1,649,309,669	1,652,857,917	1,652,857,917
Net loss per share/ADS attributable to ordinary shareholders				
Basic and diluted	(1.68)	(2.91)	(3.70)	(0.51)

NIO INC.

Unaudited Consolidated Statements of Comprehensive Loss

(All amounts in thousands, except for share and per share data)

	Six Months Ended		
	June 30,	June 30,	June 30,
	2022	2023	2023
	RMB	RMB	US\$
Revenues:			
Vehicle sales	18,814,856	16,409,697	2,263,001
Other sales	1,388,096	3,038,509	419,030
Total revenues	20,202,952	19,448,206	2,682,031
Cost of sales:			
Vehicle sales	(15,544,175)	(15,495,751)	(2,136,962)
Other sales	(1,871,635)	(3,703,210)	(510,696)
Total cost of sales	(17,415,810)	(19,198,961)	(2,647,658)
Gross profit	2,787,142	249,245	34,373
Operating expenses:			
Research and development	(3,911,166)	(6,420,183)	(885,384)
Selling, general and administrative	(4,297,265)	(5,302,531)	(731,252)
Other operating income	387,064	287,506	39,649
Total operating expenses	(7,821,367)	(11,435,208)	(1,576,987)
Loss from operations	(5,034,225)	(11,185,963)	(1,542,614)
Interest and investment income	693,551	553,942	76,392
Interest expenses	(142,051)	(151,103)	(20,838)
Share of income of equity investees	74,282	24,240	3,343
Other losses, net	(103,069)	(10,055)	(1,387)
Loss before income tax expense	(4,511,512)	(10,768,939)	(1,485,104)
Income tax expense	(28,668)	(26,345)	(3,633)
Net loss	(4,540,180)	(10,795,284)	(1,488,737)
Accretion on redeemable non-controlling interests to redemption value	(135,674)	(147,237)	(20,305)
Net loss attributable to non-controlling interests	105,808	16,956	2,338
Net loss attributable to ordinary shareholders of NIO Inc.	(4,570,046)	(10,925,565)	(1,506,704)

	Six Months Ended		
	June 30, 2022	June 30, 2023	June 30, 2023
	RMB	RMB	US\$
Net loss	(4,540,180)	(10,795,284)	(1,488,737)
Other comprehensive income			
Change in unrealized gains related to available-for-sale debt securities, net of tax	738,104	–	–
Change in unrealized losses on cash flow hedges	(20)	–	–
Foreign currency translation adjustment, net of nil tax	451,670	272,867	37,630
Total other comprehensive income	1,189,754	272,867	37,630
Total comprehensive loss	(3,350,426)	(10,522,417)	(1,451,107)
Accretion on redeemable non-controlling interests to redemption value	(135,674)	(147,237)	(20,305)
Net loss attributable to non-controlling interests	105,808	16,956	2,338
Other comprehensive income attributable to non-controlling interests	(150,141)	–	–
Comprehensive loss attributable to ordinary shareholders of NIO Inc.	(3,530,433)	(10,652,698)	(1,469,074)
Weighted average number of ordinary shares/ADS used in computing net loss per share/ADS			
Basic and diluted	1,631,602,522	1,651,113,461	1,651,113,461
Net loss per share/ADS attributable to ordinary shareholders			
Basic and diluted	(2.80)	(6.62)	(0.91)

NIO INC.

Unaudited Reconciliation of GAAP and Non-GAAP Results

(All amounts in thousands, except for share and per share/ADS data)

	Three Months Ended June 30, 2023			
	GAAP Result	Share-based compensation	Accretion on redeemable non- controlling interests to redemption value	Adjusted Result (Non-GAAP)
	RMB	RMB	RMB	RMB
Cost of sales	(8,684,779)	23,887	–	(8,660,892)
Research and development expenses	(3,344,572)	401,689	–	(2,942,883)
Selling, general and administrative expenses	(2,856,603)	184,462	–	(2,672,141)
Total	(14,885,954)	610,038	–	(14,275,916)
Loss from operations	(6,074,115)	610,038	–	(5,464,077)
Net loss	(6,055,750)	610,038	–	(5,445,712)
Net loss attributable to ordinary shareholders of NIO Inc.	(6,121,936)	610,038	74,772	(5,437,126)
Net loss per share/ADS attributable to ordinary shareholders, basic and diluted (RMB)	(3.70)	0.37	0.05	(3.28)
Net loss per share/ADS attributable to ordinary shareholders, basic and diluted (USD)	(0.51)	0.05	0.01	(0.45)

Three Months Ended March 31, 2023

	GAAP Result	Share-based compensation	Accretion on redeemable non- controlling interests to redemption value	Adjusted Result (Non-GAAP)
	RMB	RMB	RMB	RMB
Cost of sales	(10,514,182)	18,768	–	(10,495,414)
Research and development expenses	(3,075,611)	363,967	–	(2,711,644)
Selling, general and administrative expenses	(2,445,928)	206,670	–	(2,239,258)
Total	(16,035,721)	589,405	–	(15,446,316)
Loss from operations	(5,111,848)	589,405	–	(4,522,443)
Net loss	(4,739,534)	589,405	–	(4,150,129)
Net loss attributable to ordinary shareholders of NIO Inc.	(4,803,629)	589,405	72,465	(4,141,759)
Net loss per share/ADS attributable to ordinary shareholders, basic and diluted (RMB)	(2.91)	0.36	0.04	(2.51)

Three Months Ended June 30, 2022

	GAAP Result	Share-based compensation	Accretion on redeemable non- controlling interests to redemption value	Adjusted Result (Non-GAAP)
	RMB	RMB	RMB	RMB
Cost of sales	(8,952,061)	14,227	–	(8,937,834)
Research and development expenses	(2,149,479)	275,894	–	(1,873,585)
Selling, general and administrative expenses	(2,282,461)	200,382	–	(2,082,079)
Total	(13,384,001)	490,503	–	(12,893,498)
Loss from operations	(2,845,560)	490,503	–	(2,355,057)
Net loss	(2,757,520)	490,503	–	(2,267,017)
Net loss attributable to ordinary shareholders of NIO Inc.	(2,745,008)	490,503	68,899	(2,185,606)
Net loss per share/ADS attributable to ordinary shareholders, basic and diluted M(RMB)	(1.68)	0.30	0.04	(1.34)

Six Months Ended June 30, 2023

	GAAP Result	Share-based compensation	Accretion on redeemable non- controlling interests to redemption value	Adjusted Result (Non-GAAP)
	RMB	RMB	RMB	RMB
Cost of sales	(19,198,961)	42,655	–	(19,156,306)
Research and development expenses	(6,420,183)	765,656	–	(5,654,527)
Selling, general and administrative expenses	(5,302,531)	391,132	–	(4,911,399)
Total	(30,921,675)	1,199,443	–	(29,722,232)
Loss from operations	(11,185,963)	1,199,443	–	(9,986,520)
Net loss	(10,795,284)	1,199,443	–	(9,595,841)
Net loss attributable to ordinary shareholders of NIO Inc.	(10,925,565)	1,199,443	147,237	(9,578,885)
Net loss per share/ADS attributable to ordinary shareholders, basic and diluted (RMB)	(6.62)	0.73	0.09	(5.80)
Net loss per share/ADS attributable to ordinary shareholders, basic and diluted (USD)	(0.91)	0.10	0.01	(0.80)

Six Months Ended June 30, 2022

	GAAP Result	Share-based compensation	Accretion on redeemable non- controlling interests to redemption value	Adjusted Result (Non-GAAP)
	RMB	RMB	RMB	RMB
Cost of sales	(17,415,810)	26,352	–	(17,389,458)
Research and development expenses	(3,911,166)	523,515	–	(3,387,651)
Selling, general and administrative expenses	(4,297,265)	413,675	–	(3,883,590)
Total	(25,624,241)	963,542	–	(24,660,699)
Loss from operations	(5,034,225)	963,542	–	(4,070,683)
Net loss	(4,540,180)	963,542	–	(3,576,638)
Net loss attributable to ordinary shareholders of NIO Inc.	(4,570,046)	963,542	135,674	(3,470,830)
Net loss per share/ADS attributable to ordinary shareholders, basic and diluted (RMB)	(2.80)	0.59	0.08	(2.13)

ⁱ All translations from RMB to USD for three months and six months ended June 30, 2023 were made at the rate of RMB7.2513 to US\$1.00, the noon buying rate in effect on June 30, 2023 in the H.10 statistical release of the Federal Reserve Board.

ⁱⁱ Vehicle margin is the margin of new vehicle sales, which is calculated based on revenues and cost of sales derived from new vehicle sales only.

ⁱⁱⁱ Except for gross margin and vehicle margin, where absolute changes instead of percentage changes are calculated.

Reconciliation between U.S. GAAP and International Financial Reporting Standards

The Company's consolidated financial statements for its primary listing in the United States are prepared in accordance with the accounting principles generally accepted in the United States of America (the "U.S. GAAP"). As a secondary listed issuer of the Hong Kong Stock Exchange, the Company is required to include a reconciliation statement in our annual financial statements starting from the first full financial year commencing on or after January 1, 2022, and in all subsequent financial statements (including interim financial statements)¹.

For our interim reporting with the Hong Kong Stock Exchange for the six month period ended June 30, 2023, we have prepared and included as Appendix, the reconciliation statement of the unaudited consolidated statement of comprehensive loss for the six months ended June 30, 2023 and the unaudited consolidated balance sheets as of June 30, 2023 of the Company, its subsidiaries and consolidated VIEs (collectively referred to as "**the Group**") between the accounting policies adopted by the Group of the relevant period in accordance with U.S. GAAP and the International Financial Reporting Standards (the "**IFRSs**") issued by the International Accounting Standards Board (together, the "**Reconciliation Statement**").

PricewaterhouseCoopers, the auditor of the Company in Hong Kong, has performed a limited assurance engagement on the Reconciliation Statement in accordance with International Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information".

Appendix

Reconciliation between U.S. GAAP and International Financial Reporting Standards

The unaudited consolidated statement of comprehensive loss and the unaudited consolidated balance sheets are prepared in accordance with U.S. GAAP, which differ in certain respects from International Financial Reporting Standards. The effects of material differences between the unaudited consolidated financial information of the Group prepared under U.S. GAAP and IFRS are as follows:

¹ According to HKEX Guidance Letter HKEX-GL111-22 Footnote 22, a secondary listed issuer listed in the US is not required to prepare a reconciliation statement in respect of its US GAAP quarterly financial statements which are published pursuant to overseas rules and regulations.

Reconciliation of unaudited consolidated statement of comprehensive loss

For the six months ended June 30, 2023

Consolidated Statement of Comprehensive Loss (unaudited)	Amounts as reported under U.S. GAAP									Amounts under IFRS
	IFRS adjustments									
	RMB (in thousands)									
	Share-based compensation Note(i)	Convertible notes Note(ii)	Derivative financial instrument- capped call options Note(iii)	Redeemable non- controlling interests Note(iv)	Available- for- sale debt securities Note(v)	Leases Note(vi)	Warranty Accrual Note(vii)	Software Note(viii)		
Cost of revenues	(19,198,961)	(820)	-	-	-	42,537	58,426	-	(19,098,818)	
Research and development	(6,420,183)	(165,744)	-	-	-	13,081	-	-	(6,572,846)	
Selling, general and administrative	(5,302,531)	(29,348)	-	-	-	86,206	-	-	(5,245,673)	
Loss from operations	(11,185,963)	(195,912)	-	-	-	141,824	58,426	-	(11,181,625)	
Interest expenses	(151,103)	-	56,448	-	(147,237)	-	(220,638)	(51,778)	(514,308)	
Fair value changes on financial instruments measured at fair value through profit or loss	-	-	-	(56,517)	-	-	-	-	(56,517)	
Fair value changes on convertible notes	-	-	(376,547)	-	-	-	-	-	(376,547)	
Loss before income tax expense	(10,768,939)	(195,912)	(320,099)	(56,517)	(147,237)	-	(78,814)	6,648	(11,560,870)	
Income tax expense	(26,345)	-	-	-	-	-	-	-	(26,345)	
Net loss	(10,795,284)	(195,912)	(320,099)	(56,517)	(147,237)	-	(78,814)	6,648	(11,587,215)	

For the six months ended June 30, 2023

Consolidated Statement of Comprehensive Loss (unaudited)	Amounts as reported under U.S. GAAP									Amounts under IFRS
	IFRS adjustments									
	RMB (in thousands)									
	Share-based compensation Note(i)	Convertible notes Note(ii)	Derivative financial instrument- capped call options Note(iii)	Redeemable non- controlling interests Note(iv)	Available- for- sale debt securities Note(v)	Leases Note(vi)	Warranty Accrual Note(vii)	Software Note(viii)		
Fair value change on convertible notes due to own credit risk	-	(64,824)	-	-	-	-	-	-	-	(64,824)
Total other comprehensive income	272,867	(64,824)	-	-	-	-	-	-	-	208,043
Total comprehensive loss	(10,522,417)	(195,912)	(384,923)	(56,517)	(147,237)	-	(78,814)	6,648	-	(11,379,172)
Accretion on redeemable non-controlling interests to redemption value	(147,237)	-	-	147,237	-	-	-	-	-	-
Comprehensive loss attributable to ordinary shareholders of NIO Inc	(10,652,698)	(195,912)	(384,923)	(56,517)	-	-	(78,814)	6,648	-	(11,362,216)

For the six months ended June 30, 2022

Consolidated Statement of Comprehensive Loss (unaudited)	Amounts as reported under U.S. GAAP								Amounts under IFRS
	IFRS adjustments								
	RMB (in thousands)								
	Share-based compensation	Convertible notes	Derivative financial instrument- capped call options	Redeemable non- controlling interests	Available- for- sale debt securities	Leases	Warranty Accrual	Software	
Note(i)	Note(ii)	Note(iii)	Note(iv)	Note(v)	Note(vi)	Note(vii)	Note(viii)		
Cost of revenues	(17,415,810)	(50,008)	-	-	-	22,364	97,945	-	(17,345,509)
Research and development	(3,911,166)	(396,318)	-	-	-	9,612	-	-	(4,297,872)
Selling, general and administrative	(4,297,265)	(166,694)	-	-	-	48,491	-	-	(4,415,468)
Loss from operations	(5,034,225)	(613,020)	-	-	-	80,467	97,945	-	(5,468,833)
Interest expenses	(142,051)	-	35,326	-	(135,674)	-	(102,375)	(38,883)	(383,657)
Fair value changes on financial instruments measured at fair value through profit or loss	-	-	-	32,129	-	934,334	-	-	966,463
Fair value changes on convertible notes	-	-	1,720,657	-	-	-	-	-	1,720,657
Loss before income tax expense	(4,511,512)	(613,020)	1,755,983	32,129	(135,674)	934,334	(21,908)	59,062	(2,500,606)
Income tax expense	(28,668)	-	-	-	-	(196,230)	-	-	(224,898)
Net loss	(4,540,180)	(613,020)	1,755,983	32,129	(135,674)	738,104	(21,908)	59,062	(2,725,504)
Change in unrealized gains related to available-for-sale debt securities, net of tax	738,104	-	-	-	-	(738,104)	-	-	-
Fair value change on convertible notes due to own credit risk	-	-	679,352	-	-	-	-	-	679,352
Total other comprehensive income	1,189,754	-	679,352	-	-	(738,104)	-	-	1,131,002
Total comprehensive loss	(3,350,426)	(613,020)	2,435,335	32,129	(135,674)	-	(21,908)	59,062	(1,594,502)
Accretion on redeemable non-controlling interests to redemption value	(135,674)	-	-	-	135,674	-	-	-	-
Comprehensive loss attributable to ordinary shareholders of NIO Inc	(3,530,433)	(613,020)	2,435,335	32,129	-	-	(21,908)	59,062	(1,638,835)

Reconciliation of unaudited consolidated balance sheets

As of June 30, 2023

Consolidated Balance Sheet (unaudited)	As of June 30, 2023									
	Amounts as reported under U.S. GAAP	IFRS adjustments							Amounts under IFRS	
		RMB (in thousands)								
		Share-based compensation Note(i)	Convertible notes Note(ii)	Derivative financial instrument- capped call options Note(iii)	Redeemable non- controlling interests Note(iv)	Available- for- sale debt securities Note(v)	Leases Note(vi)	Warranty Accrual Note(vii)		Software Note(viii)
Financial assets at fair value through profit or loss	-	-	-	-	-	1,648,861	-	-	-	1,648,861
Property, plant and equipment, net	18,547,515	-	-	-	-	-	-	-	(484,166)	18,063,349
Intangible assets, net	29,648	-	-	-	-	-	-	-	484,166	513,814
Long-term investments	5,273,962	-	-	-	-	(1,648,861)	-	-	-	3,625,101
Right-of-use assets	9,340,932	-	-	-	-	-	(273,867)	-	-	9,067,065
Derivative financial instruments	-	-	-	240,436	-	-	-	-	-	240,436
Total assets	87,378,931	-	-	240,436	-	-	(273,867)	-	-	87,345,500
Current portion of long-term borrowings	7,224,712	-	(5,179,455)	-	-	-	-	-	-	2,045,257
Accruals and other liabilities	14,752,703	-	(29,445)	-	-	-	-	-	-	14,723,258
Financial liabilities measured at amortized cost	-	-	-	-	3,704,458	-	-	-	-	3,704,458
Long-term borrowings	6,544,565	-	(5,368,892)	-	-	-	-	-	-	1,175,673
Financial liabilities at fair value through profit or loss	-	-	9,393,085	-	-	-	-	-	-	9,393,085
Other non-current liabilities	5,712,171	-	-	-	-	-	-	(518,971)	-	5,193,200
Total liabilities	69,018,398	-	(1,184,707)	-	3,704,458	-	-	(518,971)	-	71,019,178
Redeemable non-controlling interests	3,704,458	-	-	-	(3,704,458)	-	-	-	-	-
MEZZANINE EQUITY	3,704,458	-	-	-	(3,704,458)	-	-	-	-	-
Additional paid-in capital	95,682,004	2,017,993	-	(614,849)	7,514,728	-	-	-	-	104,599,876
Accumulated other comprehensive loss	1,308,878	-	(829,440)	-	-	(770,560)	-	-	-	(291,122)
Accumulated deficit	(80,692,558)	(2,017,993)	2,014,147	855,285	(7,514,728)	770,560	(273,867)	518,971	-	(86,340,183)
Total shareholders' equity	14,656,075	-	1,184,707	240,436	-	-	(273,867)	518,971	-	16,326,322

As of December 31, 2022

Consolidated Balance Sheet	Amounts	IFRS adjustments								Amounts
	as reported									under IFRS
	under U.S.									
	GAAP	RMB (in thousands)								
	Share-based	Convertible	Derivative	Redeemable	Available-	Leases	Warranty	Software		
	compensation	notes	instrument-	non-	for-		Accrual			
	Note(i)	Note(ii)	capped call	controlling	sale debt	Note(vi)	Note(vii)	Note(viii)		
			options	interests	securities	Note(v)				
Financial assets at fair value										
through profit or loss	-	-	-	-	-	1,648,861	-	-	-	1,648,861
Property, plant and equipment, net	15,658,666	-	-	-	-	-	-	(542,979)	15,115,687	
Intangible assets, net	-	-	-	-	-	-	-	542,979	542,979	
Long-term investments	6,356,411	-	-	-	-	(1,648,861)	-	-	4,707,550	
Right-of-use assets	7,374,456	-	-	-	-	-	(195,053)	-	7,179,403	
Derivative financial instruments	-	-	-	296,953	-	-	-	-	296,953	
Total assets	96,263,925	-	-	296,953	-	-	(195,053)	-	-	96,365,825
Accruals and other liabilities	13,654,362	-	(24,722)	-	-	-	-	-	-	13,629,640
Long-term borrowings	10,885,799	-	(10,155,599)	-	-	-	-	-	-	730,200
Financial liabilities measured at										
amortized cost	-	-	-	-	3,557,221	-	-	-	-	3,557,221
Financial liabilities at fair value										
through profit or loss	-	-	8,610,691	-	-	-	-	-	-	8,610,691
Other non-current liabilities	5,144,027	-	-	-	-	-	-	(512,323)	-	4,631,704
Total liabilities	68,617,165	-	(1,569,630)	-	3,557,221	-	-	(512,323)	-	70,092,433
Redeemable non-controlling										
interests	3,557,221	-	-	-	(3,557,221)	-	-	-	-	-
MEZZANINE EQUITY	3,557,221	-	-	-	(3,557,221)	-	-	-	-	-
Additional paid-in capital	94,593,071	1,822,081	-	(614,849)	7,367,491	-	-	-	-	103,167,794
Accumulated other										
comprehensive loss	1,036,011	-	(764,616)	-	-	(770,560)	-	-	-	(499,165)
Accumulated deficit	(69,914,230)	(1,822,081)	2,334,246	911,802	(7,367,491)	770,560	(195,053)	512,323	-	(74,769,924)
Total shareholders' equity	24,089,539	-	1,569,630	296,953	-	-	(195,053)	512,323	-	26,273,392

Basis of Preparation

The Directors of the Company are responsible for preparation of the Reconciliation Statement in accordance with the relevant requirements of the Hong Kong Listing Rules and relevant guidance in HKEX-GL111-22. The Reconciliation Statement was prepared based on the Group's unaudited interim consolidated financial information for the six months ended June 30, 2023 prepared under U.S. GAAP, with adjustments made (if any) thereto in arriving at the unaudited financial information of the Group prepared under IFRS. The adjustments reflect the differences between the Group's accounting policies under U.S. GAAP and IFRS.

(i) Share-based compensation

Under U.S. GAAP, the Group has elected to recognize compensation expense using the straight-line method for all employee equity awards granted with graded vesting over the requisite service period.

Under IFRS, the graded vesting method is required to recognize compensation expense for all employee equity awards granted with graded vesting.

(ii) Convertible notes

Under U.S. GAAP, the convertible notes are measured at amortized cost, with any difference between the initial carrying value and the repayment amount recognized as interest expense using effective interest method over the period from issuance date to maturity date.

Under IFRS, the Group's convertible notes are designated as at fair value through profit or loss such that the convertible notes are initially recognized at fair value. Subsequent to initial recognition, the amounts of changes in fair value of the convertible notes that are attributed to changes in own credit risk are presented in other comprehensive income and the remaining fair value changes are presented in the profit or loss.

(iii) Derivative financial instruments-capped call options

Under U.S. GAAP, the costs for the capped call options are recorded as deduction of additional paid-in capital within total shareholders' deficit.

Under IFRS, the capped call options are recognized as financial assets at fair value through profit or loss such that they are initially recognized at fair value and subsequent to initial recognition, the amounts of changes in fair value are recognized in the profit or loss.

(iv) Redeemable non-controlling interests

Under U.S. GAAP, SEC guidance provides for mezzanine-equity (temporary equity) category in addition to the financial liability and permanent equity categories. The purpose of this “in-between” category is to indicate that a security may not be a permanent part of equity. The Group classifies the redeemable noncontrolling interests as mezzanine equity in the consolidated balance sheets and are recorded initially at fair value, net of issuance costs. The Group recognizes accretion to the respective redemption value of the redeemable non-controlling interests over the period starting from issuance date to the earliest redemption date.

Under IFRS, the Group’s obligation to purchase its own equity instruments for cash under a forward contract is recognised initially at the present value of the redemption amount and reclassified from equity. Subsequently, the financial liability is measured at amortized cost using the effective interest rate method in accordance with IFRS 9.

(v) Available-for-sale debt securities

Under U.S. GAAP, the available-for-sale debt securities classified within Level 3 are valued based on a model utilizing unobservable inputs which require significant management judgment and estimation. The Group reports available-for-sale debt securities at fair value at each balance sheet date with the aggregate unrealized gains and losses, net of tax, reflected in other comprehensive income.

Under IFRS, since those debt investments could not meet the definition of the equity instrument from the perspective of issuer, and the contractual cashflow of these financial assets does not represent solely payments of principal and interest, thus they should be reclassified from long-term investments to financial assets measured at fair value through profit or loss such that they are initially recognized at fair values and subsequent to initial recognition, the amounts of changes in fair value are recognized in the profit or loss.

(vi) Leases

Under U.S. GAAP, for operating leases, the amortization of right-of-use assets and the interest expense element of lease liabilities are recorded together as lease expenses, which results in a straight-line recognition effect in profit or loss.

Under IFRS, the right-of-use assets are generally depreciated on a straight-line basis while the interest expense related to the lease liabilities are measured under the effective interest method, which results in higher expenses at the beginning of the lease term and lower expenses near the end of the lease term. The amortization of the right-of-use assets is recorded as lease expense and the interest expense is required to be presented in separate line item.

(vii) Warranty accrual

Under U.S. GAAP, warranty accrual is eligible for discounting or not. Considering that the timing of cash payments for the warranty accrual is not fixed or determinable by the Group, the Group elects to record the warranty accrual without considering the discount impact.

Under IFRS, there is not an accounting policy choice and the initial amount of the warranty accrual is the present value of the anticipated cash flows expected to be required to settle the obligation. The carrying amount of the warranty accrual increases in each period to reflect the passage of time with said increase recognized as an interest expense.

(viii) Software

Under U.S. GAAP, software is not presented as intangible assets and so the Group records software in property, plant and equipment.

Under IFRS, software is reported under the intangible assets category. Accordingly, software is reclassified from property, plant and equipment to intangible assets.

APPENDIX I

Weighted Voting Rights Structure

Our company is controlled through weighted voting rights (“WVR”). Under our WVR structure, each Class A ordinary share entitles the holder to exercise one vote, and each Class C ordinary share entitles the holder to exercise eight votes, on any resolution tabled at our general meetings, subject to Rule 8A.24 of the Hong Kong Listing Rules that requires certain matters (the “**Reserved Matters**”) to be voted on a one vote per share basis.

Our WVR structure enables our founder, Mr. Bin Li (the “**WVR Beneficiary**”), controlling the Class C ordinary shares through Originalwish Limited, mobike Global Ltd. and NIO Users Limited, to exercise voting control over our company notwithstanding the WVR Beneficiary does not hold a majority economic interest in the share capital of our company. This will enable us to benefit from the continuing vision and leadership of our WVR Beneficiary who will control our company with a view to our long-term prospects and strategy.

Shareholders and prospective investors are advised to be aware of the potential risks of investing in our company with a WVR structure, in particular that the interests of the WVR Beneficiary may not necessarily always be aligned with those of the shareholders as a whole, and that the WVR Beneficiary will be in a position to exert significant influence over the affairs of our company and the outcome of shareholders’ resolutions, irrespective of how other shareholders vote. Shareholders and prospective investors should make the decision to invest in our company only after due and careful consideration.

As of June 30, 2023, Mr. Bin Li was interested in and controlled through (a) Originalwish Limited, 89,013,451 Class C ordinary shares, (b) mobike Global Ltd., 26,454,325 Class C ordinary shares, (c) NIO Users Limited, 14,967,776 Class A ordinary shares and 33,032,224 Class C ordinary shares, and (d) NIO Users Community Limited, 2,000,000 Class A ordinary shares, which in total amounts to 16,967,776 Class A ordinary shares and 148,500,000 Class C ordinary shares on an aggregate basis, representing approximately 44.1% of the voting rights in our company with respect to shareholders’ resolutions relating to matters other than the Reserved Matters as of June 30, 2023 (excluding 25,042,581 Class A ordinary shares issued and reserved for future issuance upon the exercising or vesting of awards granted under our share incentive plans). NIO Users Community Limited is a British Virgin Islands company wholly owned by NIO Users Limited. NIO Users Limited is a British Virgin Islands holding company wholly owned by Maples Trustee Services (Cayman) Limited in its capacity as trustee of NIO Users Trust, a trust in which Mr. Bin Li is the settlor, protector, investment advisor and the only existing de facto beneficiary as of June 30, 2023. Mr. Bin Li has the power to direct the trustee with respect to the retention or disposal of, and the exercise of any voting and other rights attached to, the shares held by NIO Users Community Limited and NIO Users Limited in our company. Originalwish Limited and mobike Global Ltd. are British Virgin Island companies wholly owned by Mr. Bin Li.

In the event that the holder of Class C ordinary shares elects to convert the Class C ordinary shares to Class A ordinary shares, each Class C ordinary share may be converted into one Class A ordinary share on a one-to-one ratio. Upon the conversion of all the issued and outstanding Class C ordinary shares, our company will re-designate them into 148,500,000 Class A ordinary shares, representing approximately 8.8% of our issued share capital as of June 30, 2023 (excluding 25,042,581 Class A ordinary shares issued and reserved for future issuance upon the exercising or vesting of awards granted under our share incentive plans).

The WVR attached to the Class C ordinary shares will cease when the WVR Beneficiary no longer has any beneficial ownership of any of the Class C ordinary shares, in accordance with Rule 8A.22 of the Hong Kong Listing Rules. This may occur:

- (i) upon the occurrence of any of the circumstances set out in Rule 8A.17 of the Hong Kong Listing Rules, in particular where the WVR Beneficiary is: (1) deceased; (2) no longer a member of the board; (3) deemed by the Hong Kong Stock Exchange to be incapacitated for the purpose of performing his duties as a director; or (4) deemed by the Hong Kong Stock Exchange to no longer meet the requirements of a director set out in the Hong Kong Listing Rules;
- (ii) when the WVR Beneficiary has transferred to another person the beneficial ownership of, or economic interest in, all of the Class C ordinary shares or the voting rights attached to them, other than in the circumstances permitted by Rule 8A.18 of the Hong Kong Listing Rules;
- (iii) where a vehicle holding Class C ordinary shares on behalf of a WVR Beneficiary no longer complies with Rule 8A.18(2) of the Hong Kong Listing Rules; or
- (iv) when all of the Class C ordinary shares have been converted to Class A ordinary shares.

Roles of WVR Beneficiary in NIO Users Trust

During the six months ended June 30, 2023, Mr. Bin Li is the settlor, the protector, the investment advisor and the only existing de facto beneficiary of NIO Users Trust and continues to retain the voting rights of the shares in our company controlled by NIO Users Trust and held by NIO Users Limited. Mr. Li has been the only existing de facto beneficiary who has been specifically named and identified under the trust deed (the “**Trust Deed**”) of NIO Users Trust and has full control over the NIO Users Trust as the sole settlor, sole protector and sole investment advisor since its establishment, although two other categories of beneficiaries were written in the Trust Deed, including (i) charities (which refers to any company, body or trust which is (a) charitable in the place where it is situated, registered, incorporated or established and (b) charitable under the laws of the Cayman Islands) and (ii) any person or class of persons added to the class of beneficiaries by the protector by deed delivered to the trustee. As of June 30, 2023, no charity has been identified as the beneficiary and no other person or class of persons has been added by Mr. Li as the protector to the class of beneficiaries. Therefore, Mr. Li has the sole control over the voting rights attached to the shares, including Class C ordinary shares, held by NIO Users Limited and Mr. Li is the only person with economic interest in the trust fund.

Any changes to the roles of the (i) protector, (ii) investment advisor or (iii) beneficiary of NIO Users Trust will have material impact on our WVR structure due to the power entrusted to them (in the case of the investment advisor and the protector) or the economic interests vested in them (in the case of the beneficiary) in the Class C ordinary shares held by NIO Users Limited. Upon the change of any of such roles to any person other than Mr. Bin Li, the beneficial ownership of, or the economic interest in, the Class C ordinary shares or the control over the voting rights attached to the shares held by NIO Users Limited will no longer be solely vested in Mr. Bin Li. Mr. Bin Li may cease to be a protector or investment advisor in the event of death, resignation by written notice to the trustee, or refusal, unfitness or incapacity to act. In such circumstances, the Class C ordinary shares held by NIO Users Limited will be automatically converted to Class A ordinary shares pursuant to Rule 8A.18(1) of the Hong Kong Listing Rules.

During the six months ended June 30, 2023, there has been no material change to the powers, rights and obligations of the (i) protector, (ii) investment advisor or (iii) beneficiary of NIO Users Trust that would have any material impact on our WVR structure.

Nominating and ESG Committee

We have established the Nominating and ESG Committee in compliance with Rules 8A.27, 8A.28 and 8A.30 of the Hong Kong Listing Rules. All of the members of the Nominating and ESG Committee are independent non-executive directors, namely, Ms. Yu Long, Mr. Denny Ting Bun Lee and Mr. Hai Wu. Ms. Yu Long is the chairwoman of the Nominating and ESG Committee.

The following is a summary of work that has been performed by the Nominating and ESG Committee during the six months ended June 30, 2023 in respect of its corporate governance functions as well as other functions under its terms of reference:

- Made recommendations on the frequency and structure of board meetings and monitored the functioning of the committees of the board.
- Reviewed and monitored the adequacy of the policies and practices of our company on corporate governance and on compliance with legal and regulatory requirements.
- Reviewed our company's compliance with the Corporate Governance Code set out in Appendix 14 to the Hong Kong Listing Rules (the "**Corporate Governance Code**") to the extent required by Chapter 8A of the Hong Kong Listing Rules and our company's disclosure for compliance with Chapter 8A of the Hong Kong Listing Rules.
- Reviewed and monitored the management of conflicts of interest between our company and its subsidiaries and consolidated affiliated entities (the "**Group**"), or the shareholders on one hand and the WVR Beneficiary on the other.
- Reviewed and monitored all risks related to the WVR structure, including any connected transactions between the Group on one hand and any WVR Beneficiary on the other, and made recommendations to the board on any such transaction.
- Reviewed the arrangements for the training and continuous professional development of directors and senior management (in particular, Chapter 8A of the Hong Kong Listing Rules and knowledge in relation to the risks relating to the weighted voting rights structure).
- Sought to ensure effective and ongoing communication between our company and its shareholders, particularly with regard to the requirements of Rule 8A.35 of the Hong Kong Listing Rules.
- Reviewed the structure, size and composition (including the skills, knowledge and experience) of the board as a whole.
- Review committee assignments and the policy on the rotation of committee memberships and/or chairpersonships.

- Reported on the work of the Nominating and ESG Committee on a half-yearly basis covering areas of its terms of reference.
- Advised the Board periodically with respect to significant developments in the law and practice of corporate governance as well as the Company's compliance with applicable laws and regulations, and made recommendations to the Board on all matters of corporate governance and on any corrective action to be taken.
- Evaluate the performance of the Nominating and ESG Committee by: (i) reviewing whether the committee charter appropriately addresses the matters that are or should be within the work scope of the Nominating and ESG Committee; and (ii) address matters that the Nominating and ESG Committee considers relevant to its performance.

In particular, the Nominating and ESG Committee has confirmed to the board it is of the view that our company has adopted sufficient corporate governance measures to manage the potential conflict of interest between our Group or shareholder on one hand and WVR Beneficiary on the other, in order to ensure that the operations and management of our company are in the interests of the shareholders as a whole indiscriminately. These measures include the Nominating and ESG Committee (i) reviewing and monitoring transactions contemplated to be entered into by the Group and making a recommendation to the board on any matter where there is a potential conflict of interest, and (ii) ensuring that (a) any transactions between our Group and WVR Beneficiary are disclosed and dealt with in accordance with the requirements of the Listing Rules applicable to us, (b) the terms of transactions between our Group and WVR Beneficiary are fair and reasonable and in the interest of our company and shareholders as a whole, (c) any directors who have a conflict of interest abstain from voting on the relevant board resolution, and (d) the compliance advisor is consulted on any matters related to transactions between our Group and the WVR Beneficiary or involving a potential conflict of interest. The Nominating and ESG Committee recommended the board continue the implementation of these measures and periodically review their efficacy towards these objectives.

Miscellaneous

Shareholders' protection in the event that the secondary listing of our company is withdrawn from the Hong Kong Stock Exchange

In the thirteenth amended and restated articles of association of our Company (the “**Thirteenth Amended and Restated**”), we refer to the period commencing from the date on which any of our shares first become secondary listed on the Hong Kong Stock Exchange to and including the date immediately before the day which the secondary listing is withdrawn from the Hong Kong Stock Exchange as the relevant period (the “**Relevant Period**”).

During the Relevant Period:

- (i) NIO Users Trust will not have any director nomination right;
- (ii) we shall have only one class of shares with enhanced or weighted voting rights;
- (iii) our directors shall not have the power to, amongst others, authorize the division of shares, designate a new share class with enhanced voting rights or the issue of preferred shares; and
- (iv) certain restrictions on the WVR structure of our company under Chapter 8A of the Hong Kong Listing Rules shall be applicable, such as, amongst others, no further increase in the proportion of Class C ordinary shares to the total number of shares in issue, and only a director or a director holding vehicle is permitted to hold Class C ordinary shares and automatic conversion of Class C ordinary shares into Class A ordinary shares under certain circumstances.

Notwithstanding the above and at anytime after the Relevant Period, the provisions which are subject to the Relevant Period will continue to apply in the circumstances where our company has a change of listing status on the Hong Kong Stock Exchange other than in the case where the secondary listing of our company is withdrawn from the Hong Kong Stock Exchange (referred to in scenario (a) below) pursuant to the applicable Hong Kong Listing Rules.

Given certain shareholder protection under the Hong Kong Listing Rules will only be applicable during the Relevant Period, shareholders may be afforded less protection after the Relevant Period as compared with other companies secondary listed in Hong Kong. In particular, Rules 8A.07, 8A.09, 8A.13, 8A.14, 8A.15, 8A.16, 8A.17, 8A.18, 8A.19, 8A.21, 8A.22, 8A.23 and 8A.24 of the Hong Kong Listing Rules will be rendered no longer applicable after the Relevant Period pursuant to the Thirteenth Amended and Restated Articles. Furthermore, after the Relevant Period, (i) NIO Users Trust shall be entitled to nominate one director to the board; and (ii) in the event that Mr. Bin Li is not an incumbent director and the board is composed of no less than six directors, NIO Users Trust shall be entitled to nominate one extra director to the board. In addition, after the Relevant Period, our directors will also have the power to, amongst others, authorize the division of shares, designate a new share class with enhanced voting rights or issue preferred shares. Prospective investors are advised to be aware of the potential risks involved in any potential change of listing venue. For instance, if our shares are no longer traded on the Hong Kong Stock Exchange, investors may lose the shareholder protection mechanisms afforded under the relevant Hong Kong Listing Rules.

Our company may only cease to be secondary listed under Chapter 19C of the Hong Kong Listing Rules under one of the following situations:

- (a) withdrawal, in the case where we are primary listed on another stock exchange and voluntarily withdraw its secondary listing on the Hong Kong Stock Exchange;
- (b) migration of the majority of trading to the Hong Kong Stock Exchange's markets, in the case where the majority of trading in our listed shares migrates to the Hong Kong Stock Exchange's markets on a permanent basis;
- (c) primary conversion, i.e., a voluntary conversion by our company to a dual-primary listing on the Hong Kong Stock Exchange;
- (d) overseas delisting, where the shares or depositary receipts issued on our shares cease to be listed on the stock exchange which it is primary listed;
- (e) if the Hong Kong Stock Exchange cancels the listing of our securities; and
- (f) if the SFC directs the Hong Kong Stock Exchange to cancel the listing of our securities.

The scenarios under which we may cease to be secondary listed on the Hong Kong Stock Exchange are subject to the changing market conditions, our listing or delisting in other jurisdictions, our compliance with the Hong Kong Listing Rules and other factors beyond our control. As a result, there are substantial uncertainties relating to applicability of the shareholders' rights and protection under the aforementioned provisions of the Thirteenth Amended and Restated Articles, particularly in the case where we delist from the Hong Kong Stock Exchange.