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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 2024 SECOND QUARTER RESULTS

We hereby announce our unaudited results for the three months and six months ended June 30, 2024 (“**Q2 2024 Results**”). The Q2 2024 Results are provided to our shareholders as our interim report for the six months ended June 30, 2024 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 2024 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, September 5, 2024

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. Eddy Georges Skaf and Mr. Nicholas Paul Collins as the directors, and Mr. Hai Wu, Mr. Denny Ting Bun Lee, Ms. Yu Long and Mr. Yonggang Wen as the independent directors.

NIO Inc. Reports Unaudited Second Quarter 2024 Financial Results

Quarterly Total Revenues reached RMB17,446.0 million (US\$2,400.6 million)ⁱ

Quarterly Vehicle Deliveries were 57,373 units

SHANGHAI, China, September 5, 2024 — NIO Inc. (NYSE: NIO; HKEX: 9866; SGX: NIO) (“NIO” or the “Company”), a pioneer and a leading company in the global smart electric vehicle market, today announced its unaudited financial results for the second quarter ended June 30, 2024.

Operating Highlights for the Second Quarter of 2024

- **Vehicle deliveries** were 57,373 in the second quarter of 2024, consisting of 32,562 premium smart electric SUVs and 24,811 premium smart electric sedans, representing an increase of 143.9% from the second quarter of 2023, and an increase of 90.9% from the first quarter of 2024.

Key Operating Results

	2024 Q2	2024 Q1	2023 Q4	2023 Q3
Deliveries	57,373	30,053	50,045	55,432
	2023 Q2	2023 Q1	2022 Q4	2022 Q3
Deliveries	23,520	31,041	40,052	31,607

Financial Highlights for the Second Quarter of 2024

- **Vehicle sales** were RMB15,679.6 million (US\$2,157.6 million) in the second quarter of 2024, representing an increase of 118.2% from the second quarter of 2023 and an increase of 87.1% from the first quarter of 2024.
- **Vehicle marginⁱⁱ** was 12.2% in the second quarter of 2024, compared with 6.2% in the second quarter of 2023 and 9.2% in the first quarter of 2024.
- **Total revenues** were RMB17,446.0 million (US\$2,400.6 million) in the second quarter of 2024, representing an increase of 98.9% from the second quarter of 2023 and an increase of 76.1% from the first quarter of 2024.

- **Gross profit** was RMB1,688.7 million (US\$232.4 million) in the second quarter of 2024, representing an increase of 1,841.0% from the second quarter of 2023 and an increase of 246.3% from the first quarter of 2024.
- **Gross margin** was 9.7% in the second quarter of 2024, compared with 1.0% in the second quarter of 2023 and 4.9% in the first quarter of 2024.
- **Loss from operations** was RMB5,209.3 million (US\$716.8 million) in the second quarter of 2024, representing a decrease of 14.2% from the second quarter of 2023 and a decrease of 3.4% from the first quarter of 2024. Excluding share-based compensation expenses, adjusted loss from operations (non-GAAP) was RMB4,698.5 million (US\$646.5 million) in the second quarter of 2024, representing a decrease of 14.0% from the second quarter of 2023 and a decrease of 8.1% from the first quarter of 2024.
- **Net loss** was RMB5,046.0 million (US\$694.4 million) in the second quarter of 2024, representing a decrease of 16.7% from the second quarter of 2023 and a decrease of 2.7% from the first quarter of 2024. Excluding share-based compensation expenses, adjusted net loss (non-GAAP) was RMB4,535.2 million (US\$624.1 million) in the second quarter of 2024, representing a decrease of 16.7% from the second quarter of 2023 and a decrease of 7.5% from the first quarter of 2024.
- **Cash and cash equivalents, restricted cash, short-term investment and long-term time deposits** were RMB41.6 billion (US\$5.7 billion) as of June 30, 2024.

Key Financial Results for the Second Quarter of 2024

(in RMB million, except for percentage)

	2024 Q2	2024 Q1	2023 Q2	% Change ⁱⁱⁱ	
				QoQ	YoY
Vehicle Sales	15,679.6	8,381.3	7,185.2	87.1%	118.2%
Vehicle Margin	12.2%	9.2%	6.2%	300bp	600bp
Total Revenues	17,446.0	9,908.6	8,771.7	76.1%	98.9%
Gross Profit	1,688.7	487.7	87.0	246.3%	1,841.0%
Gross Margin	9.7%	4.9%	1.0%	480bp	870bp
Loss from Operations	(5,209.3)	(5,394.1)	(6,074.1)	-3.4%	-14.2%
Adjusted Loss from Operations (non-GAAP)	(4,698.5)	(5,112.7)	(5,464.1)	-8.1%	-14.0%
Net Loss	(5,046.0)	(5,184.6)	(6,055.8)	-2.7%	-16.7%
Adjusted Net Loss (non-GAAP)	(4,535.2)	(4,903.2)	(5,445.7)	-7.5%	-16.7%

Recent Developments

Deliveries in July and August 2024

- NIO delivered 20,498 and 20,176 vehicles in July and August 2024, respectively. As of August 31, 2024, cumulative deliveries of NIO vehicles reached 577,694.

Power Up Counties Plan

- On August 20, 2024, NIO announced its “Power Up Counties” plan to strengthen its charging and swapping network across all county-level administrative divisions in China, providing a more convenient and efficient power solution for NIO, ONVO and all the EV users.

Share Issuance for Share Incentive Plans

- On July 12, 2024, NIO issued 30,000,000 Class A ordinary shares to Deutsche Bank Trust Company Americas, the depository of the Company’s ADS program, to facilitate future exercise of options and other share incentive awards under the share incentive plans of the Company.

CEO and CFO Comments

“In the second quarter of 2024, NIO achieved a record-breaking delivery of 57,373 premium smart electric vehicles, securing over 40% of the market share in the battery electric vehicle segment priced above RMB300,000 in China,” said William Bin Li, founder, chairman and chief executive officer of NIO, “NIO’s core competitive advantages in technology, product, service and community are earning increasing recognition from users, driving the continued strong vehicle sales performance. In July and August 2024, NIO delivered 20,498 and 20,176 vehicles, respectively. The total delivery volume for the third quarter is expected to set another record, further solidifying and expanding market share.”

“At the AI-themed NIO IN 2024, we unveiled major technological breakthroughs across multiple domains, including the in-house developed intelligent driving chip, full-domain vehicle operating system, smart system and intelligent driving. Through sustained and dedicated investment in technological research and development, NIO has positioned itself at the forefront of product and technological innovation, while achieving long-term cost competitiveness. Additionally, on September 1, 105 ONVO brand stores opened simultaneously. The brand’s inaugural model, L60 has commenced its initial presentations and is expected to be officially launched and begin deliveries within this month. L60 has been widely embraced by the market since its debut and we expect the new brand to secure a strong position for us in the mass market,” added William Bin Li.

“Due to ongoing cost optimizations, our vehicle gross margin increased to 12.2% in the second quarter,” added Stanley Yu Qu, NIO’s chief financial officer, “We will continue to focus on efficient R&D and infrastructure investment, leverage the growth potential in the mass market, adopt flexible market strategies and continuously optimize our product portfolio. We are confident that these efforts will result in steady improvements in gross profit and cost efficiency in the future.”

Financial Results for the Second Quarter of 2024

Revenues

- **Total revenues** in the second quarter of 2024 were RMB17,446.0 million (US\$2,400.6 million), representing an increase of 98.9% from the second quarter of 2023 and an increase of 76.1% from the first quarter of 2024.

- **Vehicle sales** in the second quarter of 2024 were RMB15,679.6 million (US\$2,157.6 million), representing an increase of 118.2% from the second quarter of 2023 and an increase of 87.1% from the first quarter of 2024. The increase in vehicle sales over the second quarter of 2023 was mainly due to the increase in delivery volume, partially offset by the lower average selling price as a result of changes in product mix and user rights adjustments since June 2023. The increase in vehicle sales over the first quarter of 2024 was mainly attributable to an increase in delivery volume.
- **Other sales** in the second quarter of 2024 were RMB1,766.3 million (US\$243.1 million), representing an increase of 11.3% from the second quarter of 2023 and an increase of 15.6% from the first quarter of 2024. The increase in other sales over the second quarter of 2023 was mainly due to the increase in sales of parts, accessories and after-sales vehicle services, and provision of power solutions, as a result of the continued growth in the number of users, and partially offset by a decrease in revenue from sales of used cars. The increase in other sales over the first quarter of 2024 was mainly due to (i) the increase in sales of parts, accessories and after-sales vehicle services, provision of power solutions and other products, as a result of the increased sales of embedded products and services offered together with vehicle sales, and continued growth in the number of users; and (ii) the increase in sales from rendering of technical research and development services.

Cost of Sales and Gross Margin

- **Cost of sales** in the second quarter of 2024 was RMB15,757.3 million (US\$2,168.3 million), representing an increase of 81.4% from the second quarter of 2023 and an increase of 67.3% from the first quarter of 2024. The increase in cost of sales over the second quarter of 2023 was mainly attributable to an increase in delivery volume, and partially offset by the decreased material cost per vehicle. The increase in cost of sales over the first quarter of 2024 was mainly attributable to an increase in delivery volume.
- **Gross profit** in the second quarter of 2024 was RMB1,688.7 million (US\$232.4 million), representing an increase of 1,841.0% from the second quarter of 2023 and an increase of 246.3% from the first quarter of 2024.
- **Gross margin** in the second quarter of 2024 was 9.7%, compared with 1.0% in the second quarter of 2023 and 4.9% in the first quarter of 2024. The increase of gross margin over the second quarter of 2023 and the first quarter of 2024 was mainly attributable to the increased vehicle margin.
- **Vehicle margin** in the second quarter of 2024 was 12.2%, compared with 6.2% in the second quarter of 2023 and 9.2% in the first quarter of 2024. The increase in vehicle margin from the second quarter of 2023 was mainly attributable to decreased material cost per unit, and partially offset by lower average selling price as a result of the user rights adjustments since June 2023. The increase in vehicle margin from the first quarter of 2024 was mainly due to the decreased material cost per unit.

Operating Expenses

- **Research and development expenses** in the second quarter of 2024 were RMB3,218.5 million (US\$442.9 million), representing a decrease of 3.8% from the second quarter of 2023 and an increase of 12.4% from the first quarter of 2024. Excluding share-based compensation expenses, research and development expenses (non-GAAP) were RMB2,888.4 million (US\$397.5 million), representing a decrease of 1.9% from the second quarter of 2023 and an increase of 8.7% from the first quarter of 2024. Research and development expenses remained relatively stable compared with the second quarter of 2023. The increase in research and development expenses over the first quarter of 2024 was mainly due to the incremental design and development costs for new products and technologies as well as the increased personnel costs in research and development functions.
- **Selling, general and administrative expenses** in the second quarter of 2024 were RMB3,757.5 million (US\$517.0 million), representing an increase of 31.5% from the second quarter of 2023 and an increase of 25.4% from the first quarter of 2024. Excluding share-based compensation expenses, selling, general and administrative expenses (non-GAAP) were RMB3,595.5 million (US\$494.8 million), representing an increase of 34.6% from the second quarter of 2023 and an increase of 22.7% from the first quarter of 2024. The increase in selling, general and administrative expenses over the second quarter of 2023 and the first quarter of 2024 was mainly attributable to (i) the increase in personnel costs related to sales functions, and (ii) the increase in sales and marketing activities.

Loss from Operations

- **Loss from operations** in the second quarter of 2024 was RMB5,209.3 million (US\$716.8 million), representing a decrease of 14.2% from the second quarter of 2023 and a decrease of 3.4% from the first quarter of 2024. Excluding share-based compensation expenses, adjusted loss from operations (non-GAAP) was RMB4,698.5 million (US\$646.5 million) in the second quarter of 2024, representing a decrease of 14.0% from the second quarter of 2023 and a decrease of 8.1% from first quarter of 2024.

Net Loss and Earnings Per Share/ADS

- **Net loss** in the second quarter of 2024 was RMB5,046.0 million (US\$694.4 million), representing a decrease of 16.7% from the second quarter of 2023 and a decrease of 2.7% from the first quarter of 2024. Excluding share-based compensation expenses, adjusted net loss (non-GAAP) was RMB4,535.2 million (US\$624.1 million) in the second quarter of 2024, representing a decrease of 16.7% from the second quarter of 2023 and a decrease of 7.5% from the first quarter of 2024.
- **Net loss attributable to NIO's ordinary shareholders** in the second quarter of 2024 was RMB5,126.4 million (US\$705.4 million), representing a decrease of 16.3% from the second quarter of 2023 and a decrease of 2.5% from the first quarter of 2024. 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 RMB4,532.6 million (US\$623.7 million) in the second quarter of 2024.

- **Basic and diluted net loss per ordinary share/ADS** in the second quarter of 2024 were both RMB2.50 (US\$0.34), compared with RMB3.70 in the second quarter of 2023 and RMB2.57 in the first quarter of 2024. 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 RMB2.21 (US\$0.30), compared with RMB3.28 in the second quarter of 2023 and RMB2.39 in the first quarter of 2024.

Balance Sheet

- **Balance of cash and cash equivalents, restricted cash, short-term investment and long-term time deposits** was RMB41.6 billion (US\$5.7 billion) as of June 30, 2024.

Business Outlook

For the third quarter of 2024, the Company expects:

- **Deliveries of vehicles** to be between 61,000 and 63,000 units, representing an increase of approximately 10.0% to 13.7% from the same quarter of 2023.
- **Total revenues** to be between RMB19,109 million (US\$2,630 million) and RMB19,669 million (US\$2,707 million), representing an increase of approximately 0.2% to 3.2% from the same quarter of 2023.

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 September 5, 2024 (8:00 PM Beijing/Hong Kong/Singapore Time on September 5, 2024).

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/10041542-rfivqj.html>

A replay of the conference call will be accessible by phone at the following numbers, until September 12, 2024:

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:	10041542

About NIO Inc.

NIO Inc. is a pioneer and a leading company in the global smart electric vehicle market. Founded in November 2014, NIO aspires to shape a sustainable and brighter future with the mission of “Blue Sky Coming”. NIO envisions itself as a user enterprise where innovative technology meets experience excellence. NIO designs, develops, manufactures and sells smart electric vehicles, driving innovations in next-generation core technologies. NIO distinguishes itself through continuous technological breakthroughs and innovations, exceptional products and services, and a community for shared growth. NIO provides premium smart electric vehicles under the NIO brand, and family-oriented smart electric vehicles through the ONVO brand.

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 vehicles 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 battery swapping, BaaS, and NIO Assisted and Intelligent Driving and its subscription services; 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 its current and future brands; 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 RMB7.2672 to US\$1.00, the noon buying rate in effect on June 28, 2024 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

ir@nio.com

Media Relations

global.press@nio.com

Source: NIO

NIO INC.

Unaudited Condensed Consolidated Balance Sheets

(All amounts in thousands)

	As of		
	December 31, 2023	June 30, 2024	June 30, 2024
	RMB	RMB	US\$
ASSETS			
Current assets:			
Cash and cash equivalents	32,935,111	24,652,488	3,392,295
Restricted cash	5,542,271	3,689,287	507,663
Short-term investments	16,810,107	11,616,175	1,598,439
Trade and notes receivables	4,657,652	1,939,329	266,861
Amounts due from related parties	1,722,603	3,696,187	508,612
Inventory	5,277,726	4,885,743	672,301
Prepayments and other current assets	3,434,763	5,032,716	692,525
Total current assets	70,380,233	55,511,925	7,638,696
Non-current assets:			
Long-term restricted cash	144,125	100,118	13,777
Property, plant and equipment, net	24,847,004	24,517,864	3,373,770
Intangible assets, net	29,648	29,648	4,080
Land use rights, net	207,299	204,647	28,160
Long-term investments	5,487,216	5,375,958	739,756
Right-of-use assets – operating lease	11,404,116	11,563,603	1,591,205
Other non-current assets	4,883,561	3,212,052	441,993
Total non-current assets	47,002,969	45,003,890	6,192,741
Total assets	117,383,202	100,515,815	13,831,437

	As of		
	December 31, 2023	June 30, 2024	June 30, 2024
	RMB	RMB	US\$
LIABILITIES			
Current liabilities:			
Short-term borrowings	5,085,411	5,302,326	729,624
Trade and notes payable	29,766,134	24,585,433	3,383,068
Amounts due to related parties	561,625	320,146	44,054
Taxes payable	349,349	691,051	95,092
Current portion of operating lease liabilities	1,743,156	1,748,419	240,590
Current portion of long-term borrowings	4,736,087	4,211,017	579,455
Accruals and other liabilities	15,556,354	13,295,715	1,829,551
Total current liabilities	57,798,116	50,154,107	6,901,434
Non-current liabilities:			
Long-term borrowings	13,042,861	11,614,644	1,598,228
Non-current operating lease liabilities	10,070,057	10,247,541	1,410,109
Deferred tax liabilities	212,347	211,317	29,078
Amounts due to related parties	–	282,733	38,905
Other non-current liabilities	6,663,805	7,289,020	1,003,004
Total non-current liabilities	29,989,070	29,645,255	4,079,324
Total liabilities	87,787,186	79,799,362	10,980,758

NIO INC.**Unaudited Condensed Consolidated Balance Sheets**

(All amounts in thousands)

	As of		
	December 31, 2023	June 30, 2024	June 30, 2024
	RMB	RMB	US\$
MEZZANINE EQUITY			
Redeemable non-controlling interests	3,860,384	4,461,563	613,932
Total mezzanine equity	3,860,384	4,461,563	613,932
SHAREHOLDERS' EQUITY			
Total NIO Inc. shareholders' equity	25,546,233	16,074,652	2,211,945
Non-controlling interests	189,399	180,238	24,802
Total shareholders' equity	25,735,632	16,254,890	2,236,747
Total liabilities, mezzanine equity and shareholders' equity	117,383,202	100,515,815	13,831,437

NIO INC.

Unaudited Condensed Consolidated Statements of Comprehensive Loss

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

	Three Months Ended			
	June 30, 2023	March 31, 2024	June 30, 2024	June 30, 2024
	RMB	RMB	RMB	US\$
Revenues:				
Vehicle sales	7,185,214	8,381,318	15,679,623	2,157,588
Other sales	1,586,521	1,527,318	1,766,345	243,057
Total revenues	8,771,735	9,908,636	17,445,968	2,400,645
Cost of sales:				
Vehicle sales	(6,738,344)	(7,613,242)	(13,773,438)	(1,895,288)
Other sales	(1,946,435)	(1,807,663)	(1,983,815)	(272,982)
Total cost of sales	(8,684,779)	(9,420,905)	(15,757,253)	(2,168,270)
Gross profit	86,956	487,731	1,688,715	232,375
Operating expenses:				
Research and development	(3,344,572)	(2,864,216)	(3,218,522)	(442,883)
Selling, general and administrative	(2,856,603)	(2,996,798)	(3,757,458)	(517,043)
Other operating income/(losses)	40,104	(20,790)	77,967	10,729
Total operating expenses	(6,161,071)	(5,881,804)	(6,898,013)	(949,197)
Loss from operations	(6,074,115)	(5,394,073)	(5,209,298)	(716,822)
Interest and investment income	247,180	350,793	362,731	49,913
Interest expenses	(82,440)	(170,875)	(176,141)	(24,238)
Loss on extinguishment of debt	-	(11,326)	-	-
Share of income/(losses) of equity investees	10,641	(19,482)	(73,607)	(10,129)
Other (losses)/income, net	(138,345)	67,376	52,351	7,204
Loss before income tax expense	(6,037,079)	(5,177,587)	(5,043,964)	(694,072)
Income tax expense	(18,671)	(6,990)	(2,019)	(278)
Net loss	(6,055,750)	(5,184,577)	(5,045,983)	(694,350)
Accretion on redeemable non-controlling interests to redemption value	(74,772)	(79,524)	(83,022)	(11,424)
Net loss attributable to non-controlling interests	8,586	6,183	2,635	363
Net loss attributable to ordinary shareholders of NIO Inc.	<u>(6,121,936)</u>	<u>(5,257,918)</u>	<u>(5,126,370)</u>	<u>(705,411)</u>

	Three Months Ended			
	June 30, 2023	March 31, 2024	June 30, 2024	June 30, 2024
	RMB	RMB	RMB	US\$
Net loss	(6,055,750)	(5,184,577)	(5,045,983)	(694,350)
Other comprehensive income				
Change in unrealized gains on cash flow hedges	1,329	–	–	–
Foreign currency translation adjustment, net of nil tax	327,472	7,468	89,483	12,313
Total other comprehensive income	328,801	7,468	89,483	12,313
Total comprehensive loss	(5,726,949)	(5,177,109)	(4,956,500)	(682,037)
Accretion on redeemable non-controlling interests to redemption value	(74,772)	(79,524)	(83,022)	(11,424)
Net loss attributable to non-controlling interests	8,586	6,183	2,635	363
Comprehensive loss attributable to ordinary shareholders of NIO Inc.	(5,793,135)	(5,250,450)	(5,036,887)	(693,098)
Weighted average number of ordinary shares/ADS used in computing net loss per share/ADS				
Basic and diluted	1,652,857,917	2,044,151,465	2,049,836,045	2,049,836,045
Net loss per share/ADS attributable to ordinary shareholders				
Basic and diluted	(3.70)	(2.57)	(2.50)	(0.34)

NIO INC.

Unaudited Condensed Consolidated Statements of Comprehensive Loss

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

	Six Months Ended		
	June 30, 2023	June 30, 2024	June 30, 2024
	RMB	RMB	US\$
Revenues:			
Vehicle sales	16,409,697	24,060,941	3,310,896
Other sales	3,038,509	3,293,663	453,223
Total revenues	19,448,206	27,354,604	3,764,119
Cost of sales:			
Vehicle sales	(15,495,751)	(21,386,680)	(2,942,905)
Other sales	(3,703,210)	(3,791,478)	(521,725)
Total cost of sales	(19,198,961)	(25,178,158)	(3,464,630)
Gross profit	249,245	2,176,446	299,489
Operating expenses:			
Research and development	(6,420,183)	(6,082,738)	(837,013)
Selling, general and administrative	(5,302,531)	(6,754,256)	(929,416)
Other operating income	287,506	57,177	7,868
Total operating expenses	(11,435,208)	(12,779,817)	(1,758,561)
Loss from operations	(11,185,963)	(10,603,371)	(1,459,072)
Interest and investment income	553,942	713,524	98,184
Interest expenses	(151,103)	(347,016)	(47,751)
Loss on extinguishment of debt	-	(11,326)	(1,559)
Share of income/(losses) of equity investees	24,240	(93,089)	(12,809)
Other (losses)/income, net	(10,055)	119,727	16,475
Loss before income tax expense	(10,768,939)	(10,221,551)	(1,406,532)
Income tax expense	(26,345)	(9,009)	(1,240)
Net loss	(10,795,284)	(10,230,560)	(1,407,772)
Accretion on redeemable non-controlling interests to redemption value	(147,237)	(162,546)	(22,367)
Net loss attributable to non-controlling interests	16,956	8,818	1,213
Net loss attributable to ordinary shareholders of NIO Inc.	<u>(10,925,565)</u>	<u>(10,384,288)</u>	<u>(1,428,926)</u>

	Six Months Ended		
	June 30, 2023	June 30, 2024	June 30, 2024
	RMB	RMB	US\$
Net loss	(10,795,284)	(10,230,560)	(1,407,772)
Other comprehensive income			
Foreign currency translation adjustment, net of nil tax	272,867	96,951	13,341
Total other comprehensive income	272,867	96,951	13,341
Total comprehensive loss	(10,522,417)	(10,133,609)	(1,394,431)
Accretion on redeemable non-controlling interests to redemption value	(147,237)	(162,546)	(22,367)
Net loss attributable to non-controlling interests	16,956	8,818	1,213
Comprehensive loss attributable to ordinary shareholders of NIO Inc.	(10,652,698)	(10,287,337)	(1,415,585)
Weighted average number of ordinary shares/ADS used in computing net loss per share/ADS			
Basic and diluted	1,651,113,461	2,047,257,903	2,047,257,903
Net loss per share/ADS attributable to ordinary shareholders			
Basic and diluted	(6.62)	(5.07)	(0.70)

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, 2024			
	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	(15,757,253)	18,698	–	(15,738,555)
Research and development expenses	(3,218,522)	330,110	–	(2,888,412)
Selling, general and administrative expenses	(3,757,458)	161,945	–	(3,595,513)
Total	(22,733,233)	510,753	–	(22,222,480)
Loss from operations	(5,209,298)	510,753	–	(4,698,545)
Net loss	(5,045,983)	510,753	–	(4,535,230)
Net loss attributable to ordinary shareholders of NIO Inc.	(5,126,370)	510,753	83,022	(4,532,595)
Net loss per share/ADS attributable to ordinary shareholders, basic and diluted (RMB)	(2.50)	0.25	0.04	(2.21)
Net loss per share/ADS attributable to ordinary shareholders, basic and diluted (USD)	(0.34)	0.03	0.01	(0.30)

Three Months Ended March 31, 2024

	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	(9,420,905)	9,753	–	(9,411,152)
Research and development expenses	(2,864,216)	205,983	–	(2,658,233)
Selling, general and administrative expenses	(2,996,798)	65,675	–	(2,931,123)
Total	(15,281,919)	281,411	–	(15,000,508)
Loss from operations	(5,394,073)	281,411	–	(5,112,662)
Net loss	(5,184,577)	281,411	–	(4,903,166)
Net loss attributable to ordinary shareholders of NIO Inc.	(5,257,918)	281,411	79,524	(4,896,983)
Net loss per share/ADS attributable to ordinary shareholders, basic and diluted (RMB)	(2.57)	0.14	0.04	(2.39)

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)

Six Months Ended June 30, 2024

	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	(25,178,158)	28,451	–	(25,149,707)
Research and development expenses	(6,082,738)	536,093	–	(5,546,645)
Selling, general and administrative expenses	(6,754,256)	227,620	–	(6,526,636)
Total	(38,015,152)	792,164	–	(37,222,988)
Loss from operations	(10,603,371)	792,164	–	(9,811,207)
Net loss	(10,230,560)	792,164	–	(9,438,396)
Net loss attributable to ordinary shareholders of NIO Inc.	(10,384,288)	792,164	162,546	(9,429,578)
Net loss per share/ADS attributable to ordinary shareholders, basic and diluted (RMB)	(5.07)	0.39	0.08	(4.60)
Net loss per share/ADS attributable to ordinary shareholders, basic and diluted (USD)	(0.70)	0.05	0.02	(0.63)

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)

ⁱ All translations from RMB to USD for three months and six months ended June 28, 2024 were made at the rate of RMB7.2672 to US\$1.00, the noon buying rate in effect on June 28, 2024 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 IFRS Accounting 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, 2024, we have prepared and included as Appendix, the reconciliation statement of the unaudited condensed consolidated statement of comprehensive loss for the six months ended June 30, 2024 and the unaudited condensed consolidated balance sheets as of June 30, 2024 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 issued by the International Accounting Standards Board (the "**IFRS Accounting Standards**") (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 IFRS Accounting Standards

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

¹ According to footnote 17 to the Chapter 2.1 of the Guide for New Listing Applicants published by the Hong Kong Stock Exchange, a secondary listed issuer listed in the U.S. is not required to prepare a reconciliation statement in respect of its U.S. GAAP quarterly financial statements which are published pursuant to overseas rules and regulations.

Reconciliation of unaudited condensed consolidated statement of comprehensive loss

For the six months ended June 30, 2024

Amounts under U.S. GAAP	IFRS adjustments									Amounts under IFRS Accounting Standards	
	RMB (in thousands)										
	Share-based compensation	Convertible notes	Derivative financial instrument- capped call options	Redeemable non- controlling interests	Available- for-sale debt securities	Equity securities without readily determinable fair value	Leases	Warranty Accrual	Software		
	Note (i)	Note (ii)	Note (iii)	Note (iv)	Note (v)	Note (vi)	Note (vii)	Note (viii)	Note (ix)		
Cost of revenues	(25,178,158)	15,686	-	-	-	-	85,798	126,786	-	(24,949,888)	
Research and development	(6,082,738)	226,530	-	-	-	-	11,460	-	-	(5,844,748)	
Selling, general and administrative	(6,754,256)	106,596	-	-	-	-	113,444	-	-	(6,534,216)	
Loss from operations	(10,603,371)	348,812	-	-	-	-	210,702	126,786	-	(9,917,071)	
Interest and investment income	713,524	-	(43,867)	-	-	24,480	-	-	-	694,137	
Interest expenses	(347,016)	-	196,364	(162,546)	-	-	(299,762)	(73,545)	-	(686,505)	
Loss on extinguishment of debt	(11,326)	-	11,326	-	-	-	-	-	-	-	
Fair value changes on financial instruments measured at fair value through profit or loss	-	-	(49,838)	-	-	-	-	-	-	(49,838)	
Fair value changes of convertible notes	-	2,367,552	-	-	-	-	-	-	-	2,367,552	
Loss before income tax expense	(10,221,551)	348,812	2,531,375	(49,838)	(162,546)	-	24,480	(89,060)	53,241	-	(7,565,087)
Net loss	(10,230,560)	348,812	2,531,375	(49,838)	(162,546)	-	24,480	(89,060)	53,241	-	(7,574,096)

For the six months ended June 30, 2024

Amounts under U.S. GAAP	IFRS adjustments									Amounts under IFRS Accounting Standards
	RMB (in thousands)									
	Share-based compensation	Convertible notes	Derivative financial instrument- capped call options	Redeemable non- controlling interests	Available- for-sale debt securities	Equity securities without readily determinable fair value	Leases	Warranty Accrual	Software	
	Note (i)	Note (ii)	Note (iii)	Note (iv)	Note (v)	Note (vi)	Note (vii)	Note (viii)	Note (ix)	
Fair value change on convertible notes due to own credit risk	-	-	(99,099)	-	-	-	-	-	-	(99,099)
Changes in the fair value of equity instruments at fair value through other comprehensive income or loss	-	-	-	-	-	(24,480)	-	-	-	(24,480)
Total other comprehensive income	96,951	-	(99,099)	-	-	(24,480)	-	-	-	(26,628)
Total comprehensive loss	(10,133,609)	348,812	2,432,276	(49,838)	(162,546)	-	(89,060)	53,241	-	(7,600,724)
Accretion on redeemable non-controlling interests to redemption value	(162,546)	-	-	162,546	-	-	-	-	-	-
Comprehensive loss attributable to ordinary shareholders of NIO Inc	(10,287,337)	348,812	2,432,276	(49,838)	-	-	(89,060)	53,241	-	(7,591,906)

For the six months ended June 30, 2023

	Amounts under U.S. GAAP	IFRS adjustments								Amounts under IFRS Accounting Standards	
		RMB (in thousands)									
		Share-based compensation	Convertible notes	Derivative financial instrument- capped call options	Redeemable non- controlling interests	Available- for-sale debt securities	Equity securities without readily determinable fair value	Leases	Warranty Accrual	Software	
		Note (i)	Note (ii)	Note (iii)	Note (iv)	Note (v)	Note (vi)	Note (vii)	Note (viii)	Note (ix)	
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 of 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

Amounts under U.S. GAAP	IFRS adjustments									Amounts under IFRS Accounting Standards
	RMB (in thousands)									
	Share-based compensation	Convertible notes	Derivative financial instrument- capped call options	Redeemable non- controlling interests	Available- for-sale debt securities	Equity securities without readily determinable fair value	Leases	Warranty Accrual	Software	
	Note (i)	Note (ii)	Note (iii)	Note (iv)	Note (v)	Note (vi)	Note (vii)	Note (viii)	Note (ix)	
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)

Reconciliation of unaudited condensed consolidated balance sheets

As of June 30, 2024

	Amounts under U.S. GAAP	IFRS adjustments								Amounts under IFRS Accounting Standards	
		RMB (in thousands)									
		Share-based compensation	Convertible notes	Derivative financial instrument- capped call options	Redeemable non- controlling interests	Available- for-sale debt securities	Equity securities without readily determinable fair value	Leases	Warranty Accrual		Software
Note (i)	Note (ii)	Note (iii)	Note (iv)	Note (v)	Note (vi)	Note (vii)	Note (viii)	Note (ix)			
Prepayments and other current assets	5,032,716	-	-	-	500,000	-	-	-	-	-	5,532,716
Financial assets at fair value through profit or loss	-	-	-	-	-	173,208	-	-	-	-	173,208
Financial assets at fair value through other comprehensive income or loss	-	-	-	-	-	-	480,195	-	-	-	480,195
Property, plant and equipment, net	24,517,864	-	-	-	-	-	-	-	-	(454,632)	24,063,232
Intangible assets, net	29,648	-	-	-	-	-	-	-	-	454,632	484,280
Long-term investments	5,375,958	-	-	-	-	(173,208)	(480,195)	-	-	-	4,722,555
Right-of-use assets	11,563,603	-	-	-	-	-	-	(385,419)	-	-	11,178,184
Total assets	100,515,815	-	-	-	500,000	-	-	(385,419)	-	-	100,630,396
Current portion of long-term borrowings	4,211,017	-	(3,579,016)	-	-	-	-	-	-	-	632,001
Accruals and other liabilities	13,295,715	-	(80,767)	-	-	-	-	-	-	-	13,214,948
Financial liabilities measured at amortized cost	-	-	-	-	4,961,563	-	-	-	-	-	4,961,563
Long-term borrowings	11,614,644	-	(8,088,413)	-	-	-	-	-	-	-	3,526,231
Financial liabilities at fair value through profit or loss	-	-	9,218,066	-	-	-	-	-	-	-	9,218,066
Other non-current liabilities	7,289,020	-	-	-	-	-	-	-	(637,620)	-	6,651,400
Total liabilities	79,799,362	-	(2,530,130)	-	4,961,563	-	-	-	(637,620)	-	81,593,175
Redeemable non-controlling interests	4,461,563	-	-	-	(4,461,563)	-	-	-	-	-	-
MEZZANINE EQUITY	4,461,563	-	-	-	(4,461,563)	-	-	-	-	-	-
Additional paid-in capital	119,068,225	1,551,060	-	(614,849)	7,833,200	-	-	-	-	-	127,837,636
Accumulated other comprehensive loss	529,942	-	(549,700)	-	-	-	62,591	-	-	-	42,833
Accumulated deficit	(100,979,776)	(1,551,060)	3,079,830	614,849	(7,833,200)	-	(62,591)	(385,419)	637,620	-	(106,479,747)
Total shareholders' equity	16,254,890	-	2,530,130	-	-	-	-	(385,419)	637,620	-	19,037,221

As of December 31, 2023

Amounts under U.S. GAAP	IFRS adjustments									Amounts under IFRS Accounting Standards
	RMB (in thousands)									
	Share-based compensation	Convertible notes	Derivative financial instrument- capped call options	Redeemable non- controlling interests	Available- for-sale debt securities	Equity securities without readily determinable fair value	Leases	Warranty Accrual	Software	
	Note (i)	Note (ii)	Note (iii)	Note (iv)	Note (v)	Note (vi)	Note (vii)	Note (viii)	Note (ix)	
Financial assets at fair value through profit or loss	-	-	-	-	120,000	-	-	-	-	120,000
Financial assets at fair value through other comprehensive income or loss	-	-	-	-	-	391,205	-	-	-	391,205
Property, plant and equipment, net	24,847,004	-	-	-	-	-	-	-	(593,797)	24,253,207
Intangible assets, net	29,648	-	-	-	-	-	-	-	593,797	623,445
Long-term investments	5,487,216	-	-	-	(120,000)	(391,205)	-	-	-	4,976,011
Right-of-use assets	11,404,116	-	-	-	-	-	(296,359)	-	-	11,107,757
Derivative financial instruments	-	-	49,838	-	-	-	-	-	-	49,838
Total assets	117,383,202	-	-	49,838	-	-	(296,359)	-	-	117,136,681
Current portion of long-term borrowings	4,736,087	(3,286,640)	-	-	-	-	-	-	-	1,449,447
Accruals and other liabilities	15,556,354	(124,627)	-	-	-	-	-	-	-	15,431,727
Financial liabilities measured at amortized cost	-	-	-	3,860,384	-	-	-	-	-	3,860,384
Long-term borrowings	13,042,861	(11,575,725)	-	-	-	-	-	-	-	1,467,136
Financial liabilities at fair value through profit or loss	-	14,889,138	-	-	-	-	-	-	-	14,889,138
Other non-current liabilities	6,663,805	-	-	-	-	-	-	(584,379)	-	6,079,426
Total liabilities	87,787,186	(97,854)	-	3,860,384	-	-	-	(584,379)	-	90,965,337
Redeemable non-controlling interests	3,860,384	-	-	(3,860,384)	-	-	-	-	-	-
MEZZANINE EQUITY	3,860,384	-	-	(3,860,384)	-	-	-	-	-	-
Additional paid-in capital	117,717,254	1,899,872	-	(614,849)	7,670,654	-	-	-	-	126,672,931
Accumulated other comprehensive loss	432,991	-	(450,601)	-	-	87,071	-	-	-	69,461
Accumulated deficit	(90,758,034)	(1,899,872)	548,455	664,687	(7,670,654)	(87,071)	(296,359)	584,379	-	(98,914,469)
Total shareholders' equity	25,735,632	-	97,854	49,838	-	-	(296,359)	584,379	-	26,171,344

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 Chapter 2.1 of the Guide for New Listing Applicants. The Reconciliation Statement was prepared based on the Group's unaudited interim condensed consolidated financial information for the six months ended June 30, 2024 prepared under U.S. GAAP, with adjustments made (if any) thereto in arriving at the unaudited financial information of the Group prepared under IFRS Accounting Standards. The adjustments reflect the differences between the Group's accounting policies under U.S. GAAP and IFRS Accounting Standards.

(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 Accounting Standards, 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 Accounting Standards, 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 Accounting Standards, 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 non-controlling 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. In addition, the Group recognizes the receivables from a redeemable non-controlling shareholder as a reduction of mezzanine equity.

Under IFRS Accounting Standards, the Group’s obligation to purchase its own equity instruments for cash under a forward contract is recognized 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 Accounting Standards. In addition, the Group recognizes the receivables from a redeemable non-controlling shareholder in assets given the Group has a contractual right to receive cash.

(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 Accounting Standards, 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) Equity securities without readily determinable fair value

Under U.S. GAAP, the Group elected to measure an equity security without a readily determinable fair value using a measurement alternative that measures the securities at cost minus impairment, if any, plus or minus changes resulting from qualifying observable price changes.

Under IFRS Accounting Standards, the Group elected to measure the investments in equity instruments at fair value through other comprehensive income or loss (FVOCI). Fair value changes of these investments were recognized in the other comprehensive income or loss.

(vii) 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 Accounting Standards, 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 in earlier periods and lower expenses in later periods. 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.

(viii) Warranty accrual

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

Under IFRS Accounting Standards, 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.

(ix) 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 Accounting Standards, 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, 2024, 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 38.5% of the voting rights in our Company with respect to shareholders’ resolutions relating to matters other than certain Reserved Matters, calculated based on 2,090,434,842 issued and outstanding ordinary shares as of June 30, 2024, comprising of 1,941,934,842 Class A ordinary shares (excluding 7,366,381 Class A ordinary shares issued and reserved for future issuance upon the exercising or vesting of awards granted under our stock incentive plans) and 148,500,000 Class C ordinary shares.

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, 2024. 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 7.1% of the total issued and outstanding shares of our Company (excluding 7,366,381 Class A ordinary shares issued and reserved for future issuance upon the exercising or vesting of awards granted under our stock incentive plans) as of June 30, 2024.

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 Stock Exchange of Hong Kong Limited (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, 2024, 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, 2024, 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, 2024, 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

The applicable requirements in relation to corporate governance as set out in Chapter 8A of the Hong Kong Listing Rules became applicable to us since March 10, 2022, the date on which listing of and dealings in our Class A ordinary shares first commenced on the Hong Kong Stock Exchange.

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 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, 2024 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 C1 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**"), and/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 recommendation 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.

- Identified and interviewed individuals suitably qualified to become board members and select or make recommendations to the board on the selection of individuals nominated for directorships.
- Made recommendations to the board on the appointment or re-appointment of directors and succession planning for directors.
- Reviewed 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 our 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.
- Evaluated 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.
- Reviewed the remuneration and terms of engagement of the compliance advisor.

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 Hong Kong 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 during the period while our Company maintains its secondary listing status on the Hong Kong Stock Exchange

In the thirteenth amended and restated articles of association of our Company (the “**Thirteenth Amended and Restated Articles**”), 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 any time 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.