This summary aims to give you an overview of the information contained in this document. As it is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by, and should be read in conjunction with, the full document. There are risks associated with any investment. Some of the particular risks in investing in our Shares are set forth in the section headed "Risk Factors" of this document. You should read that section carefully before you decide to invest in our Shares. Unless otherwise specified, the description of our vehicles, services and business models in this document refers to our business in China.

OUR COMPANY

Our Chinese name, Weilai (蔚來), which means Blue Sky Coming, reflects our commitment to a more environmentally friendly future.

We are a pioneer and a leading company in the premium smart electric vehicle market. We design, develop, jointly manufacture, and sell premium smart electric vehicles, driving innovations in autonomous driving, digital technologies, electric powertrains and batteries. We differentiate ourselves through our continuous technological breakthroughs and innovations, such as our industry-leading battery swapping technologies, Battery as a Service, or BaaS, as well as our proprietary autonomous driving technologies and Autonomous Driving as a Service, or ADaaS.

We introduced the EP9 supercar in 2016, which was then the fastest electric vehicle, setting the Nurburgring Nordschleife all-electric vehicle lap record. In December 2017, we launched the ES8, which is a six- or seven-seater flagship premium smart electric SUV. Subsequently, we launched the award-winning ES6, a five-seater high-performance premium smart electric SUV, in December 2018, and the EC6, a five-seater premium smart electric coupe SUV, in December 2019, followed by the ET7, a flagship premium smart electric sedan, in January 2021. In December 2021, we launched the ET5, a mid-size premium smart electric sedan.

Our vehicles have been well-received by Chinese consumers. In the first nine months of 2021, the NIO ES6, EC6 and ES8 were the top three premium battery electric SUVs as measured by sales volume in China, according to Frost & Sullivan. In 2018, we delivered 11,348 ES8s. In 2019, we delivered 20,565 vehicles, including 9,132 ES8s and 11,433 ES6s. In 2020, we delivered 43,728 vehicles, including 10,861 ES8s, 27,945 ES6s and 4,922 EC6s. In 2021, we delivered 91,429 vehicles, which include 20,050 ES8s, 41,474 ES6s and 29,905 EC6s. As of January 31, 2022, the cumulative deliveries of the ES8, ES6 and EC6 reached 176,722 vehicles.

Model	ES8	ES6	EC6	ET7*	ET5*
Segment	Mid-large SUV	Mid-size SUV	Mid-size coupe SUV	Mid-large sedan	Mid-size sedan
Wheelbase (mm)	3,010	2,900	2,900	3,060	2,888
Driving range** (km) (with 75/100/150kWh battery pack)***	450/580/850	465/610/900****	475/615/910****	550/705/1000	550/700/1000
Acceleration time from 0 to 100km/h (s)	4.9	4.7****	4.5****	3.8	4.3
Peak Power (kW)	400	400****	400****	480	360
Maximum Torque (NM)	725	725****	725****	850	700
Autonomous driving package	NIO Pilot	NIO Pilot	NIO Pilot	NIO Autonomous Driving	NIO Autonomous Driving
MSRP starting from (RMB) †	468,000	358,000	368,000	448,000	328,000

* ET7 and ET5 are expected to commence delivery in March and September 2022, respectively.

** Represent NEDC range for ES8, ES6 and EC6 and CLTC range for ET7 and ET5.

*** 150 kWh battery is expected to be available in the fourth quarter of 2022.

**** Represent configurations of performance versions.

† Starting price of base models, and actual price may be higher depending on configuration.

OUR KEY TECHNOLOGICAL BREAKTHROUGHS AND INNOVATIONS

Since our inception, we have continued to innovate with the goal of consistently creating the most worry-free and convenient experience for our users. We are an industry leader in battery swapping and autonomous driving technologies, according to Frost & Sullivan. Our technological breakthroughs and innovations differentiate us from our peers, creating better user experience and enhancing our users' confidence in us.

Battery swapping and BaaS

Since our introduction of the ES8 in 2017, all of our smart electric vehicles have been equipped with proprietary battery swapping technologies, providing our users with a "chargeable, swappable, upgradable" experience. In 2020, we launched the industry-first Battery as a Service, or BaaS, an innovative model which allows users to purchase electric vehicles and subscribe for the usage of batteries separately. BaaS enables our users to benefit from lower vehicle purchase prices, flexible battery upgrade options and assurance of battery performance.

- **Battery swapping**. Supported by over 1,200 patented technologies, all of our vehicles support battery swapping. It provides our users with convenient "recharging" experience by simply swapping the user's battery for another one within minutes. In addition, it enables users to enjoy the benefits of battery technology advancements with upgrade options. Our Power Swap station 2.0, which began deployment in April 2021, significantly increases our service capacity by shortening the battery swapping time to under three minutes and carrying up to 13 batteries. As of December 31, 2021, we had 777 Power Swap stations covering urban areas and expressways across 183 cities in China, through which we had completed over 5.5 million battery swaps cumulatively.

- **BaaS**. Enabled by vehicle-battery separation and battery subscription, BaaS decouples the battery price from the purchase price of a vehicle. Under the BaaS, we sell a battery to the Battery Asset Company, in which we currently hold approximately 19.8% of the equity interests, and the user subscribes for the usage of the battery from the Battery Asset Company. BaaS users enjoy a lower upfront purchase price and flexible subscription options for batteries of various capacities according to their needs on a monthly or yearly basis, as well as flexibility for battery upgrades in the future. For the year ended December 31, 2021, over half of the users that we delivered vehicles to chose BaaS subscription.

Autonomous driving and ADaaS

We believe that autonomous driving is the core of smart electric vehicles and it has been our focus from day one. We are one of the first companies in China to offer enhanced ADAS capabilities. NIO Pilot, our proprietary enhanced ADAS, is now equipped with Navigate on Pilot, or NOP. NOP is able to guide a vehicle on and off ramps, overtake, merge lanes and cruise according to planned routes in highways and urban expressways, and is one of the most advanced ADAS features on any volume-manufactured vehicle, according to Frost & Sullivan. In January 2021, we announced NIO Autonomous Driving, or NAD, our next generation, proprietary full stack autonomous driving technology. We have built up the NAD capability with in-house developed perception algorithms, localization, control strategy and platform software. The technology comprises a super computing platform called NIO Adam and a super sensing system called NIO Aquila. NAD is expected to gradually cover use cases from expressways, urban roads, parking, battery swapping to other domains to deliver a safer and more relaxing autonomous driving experience for our users and is first available on the ET7. We plan to roll out NAD through a monthly subscription under Autonomous Driving as a Service, or ADaaS, in the future.

OUR USER COMMUNITY

We strive to build an integrated online and offline user community by providing holistic services and a joyful lifestyle, under which users interact with us and with each other. Our direct sales model allows us to build direct relationships with users and engage with them online through NIO app and offline through NIO Houses and NIO Spaces. We further engage our user community through NIO Day and NIO Events, as well as our lifestyle brand NIO Life.

Our in-house developed NIO app is designed to be a portal not only for selling vehicles where users can place orders for and configure all NIO vehicles, but also for vehicle control, service access and NIO Life product purchase. NIO Houses have showroom functions while serving as clubhouses for our users and their friends. NIO Spaces are mainly showrooms for our brand, vehicles and services. As of December 31, 2021, we operated 37 NIO Houses and 321 NIO Spaces across 143 cities in China.

We have fostered a NIO community with users being involved in planning, organizing, and participating in company- and user-organized events, including our annual NIO Day. As a result of strong user engagement, our users are more willing to refer friends and family to our vehicles and services. For the year ended December 31, 2021, we reached a high user referral rate of over 60%.

OUR SUPPLY CHAIN AND MANUFACTURING

Our position as a pioneer in the market has attracted many global leaders and innovative companies in the industry to work with us, creating an extensive industry alliance network that is mutually beneficial to NIO and our partners. We continuously innovate our supply chain in order to establish a more effective and diverse supply chain system. We actively cultivate partnerships with suppliers that have innovative technological capabilities and cost advantages, thereby increasing the competitiveness and innovativeness of our supply chain. Our key supplier for batteries is Contemporary Amperex Technology Co., Limited, or CATL. Our key suppliers for the semiconductor chips are Mobileye and Nvidia. We have also added Qualcomm as a semiconductor chip supplier for our vehicle models.

We manufacture our vehicles through a strategic alliance with JAC at its Hefei manufacturing facility, which currently has an annual vehicle and component production capacity of 120,000 units and will be expanded to 240,000 units in the first half of 2022. Our alliance with JAC has given us great flexibility and scalability, enabling our vehicles to hit market fast with high quality assurance. In addition, we have kicked off the construction of the second manufacturing plant in Xinqiao Industrial Park in Hefei and expect to start our vehicle production in the new manufacturing plant in the third quarter of 2022. According to the reports published by J.D. Power in July 2021, the ES6 ranked the highest in the luxury battery electric vehicle segment in China New Energy Initial Quality Study (NEV-IQS) while the ES8 ranked the highest in the luxury battery electric vehicle segment in China New Energy Vehicle — Automotive Performance, Execution and Layout (NEV-APEAL) Study.

OUR COOPERATION WITH HEFEI STRATEGIC INVESTORS

On April 29, 2020, we entered into an investment agreement, or the initial investment agreement or the "Hefei Investment Agreement", and a shareholders agreement, or the initial shareholders agreements (collectively, the initial agreements), for investments into NIO Holding Co., Ltd. (previously known as NIO (Anhui) Holding Co., Ltd.), or NIO China, a legal entity wholly owned by us prior to the investment, with Hefei City Construction and Investment Holding (Group) Co., Ltd. ("**Hefei Construction Co.**"), CMG-SDIC Capital Co., Ltd. ("**SDIC**") and Anhui Provincial Emerging Industry Investment Co., Ltd. ("**Anhui High-tech Co.**"). Pursuant to the initial agreements, each investor may designate a fund managed by it or a third party, as applicable, to perform the investment obligations and assume other rights and obligations under the initial agreements. Accordingly, we entered into a series of supplemental agreements with the designated investment entities of these investors later in 2020. We refer to the group of investors with whom we entered into the Hefei Agreements as the Hefei Strategic Investors in this document.

Under the Hefei Investment Agreement, the Hefei Strategic Investors agreed to invest an aggregate of RMB7 billion in cash into NIO China. We agreed to inject our core businesses and assets in China, including vehicle research and development, supply chain, sales and services and NIO Power, or together as the Asset Consideration, which was valued at RMB17.77 billion, into NIO China. As of the Latest Practicable Date, the injection of our core businesses and assets into NIO China had been completed. Further, we agreed to invest RMB4.26 billion in cash into NIO China. Pursuant to the Hefei Shareholders Agreement, upon the completion of the investments, we held 75.885% of controlling equity interests in NIO China, and the Hefei Strategic Investors collectively held the remaining 24.115%. In September 2020, February 2021 and September 2021, we, through one of our wholly-owned subsidiaries, purchased from certain Hefei Strategic Investors equity interests in NIO China and subscribed for newly increased registered capital of NIO China to increase our shareholding. After the completion of these transactions, as of the Latest Practicable Date, we held 92.114% controlling equity interests in NIO China. See "Business — Certain Other Cooperation Arrangements — Hefei Strategic Investors" and "Risk Factors — Risks Related to Our Business and Industry — We are subject to risks related to the investment in NIO China" for more information about the investment in NIO China.

OUR STRENGTHS

We believe the following strengths contribute to our success:

- Leading brand in China's premium smart electric vehicle market
- Well positioned products in the premium smart electric vehicle market
- Proven capabilities in proprietary software and hardware technological innovations
- Innovative Battery as a Service and comprehensive power solutions
- User enterprise advocating a worry-free and holistic user experience
- World-class management and global talent pool

OUR STRATEGIES

We are pursuing the following strategies to achieve our mission:

- Successfully launch future models and accelerate product iteration
- Continue to focus on technological innovations
- Continue to develop our power infrastructure and expand sales and service coverage
- Create more recurring revenues during the lifetime ownership
- Expand internationally to benefit from rising global demand

Selected Consolidated Statements of Comprehensive Loss Data

The following table sets forth a summary of our consolidated results of operations for the periods indicated. This information should be read together with our consolidated financial statements and related notes included elsewhere in this document. The operating results in any periods are not necessarily indicative of the results that may be expected for any future periods.

	Year Ended December 31,			Nine Months Ended September 30,		
	2018	2019	2020	2020	2021	
	RMB	RMB	RMB	RMB	RMB	US$
	(in thousands)					
				(unaudited)		
Revenues:[1]						
Vehicle sales	4,852,470	7,367,113	15,182,522	9,008,474	23,954,365	3,717,659
Other sales[3]	98,701	457,791	1,075,411	608,368	2,281,316	354,055
Total revenues	**4,951,171**	**7,824,904**	**16,257,933**	**9,616,842**	**26,235,681**	**4,071,714**
Cost of sales:[2]						
Vehicle sales	(4,930,135)	(8,096,035)	(13,255,770)	(8,146,439)	(19,225,123)	(2,983,692)
Other sales	(276,912)	(927,691)	(1,128,744)	(738,929)	(1,888,669)	(293,117)
Total cost of sales	**(5,207,047)**	**(9,023,726)**	**(14,384,514)**	**(8,885,368)**	**(21,113,792)**	**(3,276,809)**
Gross (loss)/profit[4]	(255,876)	(1,198,822)	1,873,419	731,474	5,121,889	794,905
Operating expenses:[2]						
Research and development[2]	(3,997,942)	(4,428,580)	(2,487,770)	(1,658,327)	(2,763,336)	(428,863)
Selling, general and administrative[2]	(5,341,790)	(5,451,787)	(3,932,271)	(2,725,465)	(4,519,883)	(701,475)
Other operating (loss)/income, net	–	–	(61,023)	(23,941)	110,158	17,096
Total operating expenses	**(9,339,732)**	**(9,880,367)**	**(6,481,064)**	**(4,407,733)**	**(7,173,061)**	**(1,113,242)**
Loss from operations	**(9,595,608)**	**(11,079,189)**	**(4,607,645)**	**(3,676,259)**	**(2,051,172)**	**(318,337)**
Interest income	133,384	160,279	166,904	89,885	552,772	85,789
Interest expenses	(123,643)	(370,536)	(426,015)	(332,174)	(561,473)	(87,139)
Share of (losses)/profits of equity investees	(9,722)	(64,478)	(66,030)	(32,061)	64,207	9,965
Other (loss)/income, net	(21,346)	66,160	(364,928)	39,854	131,164	20,356
Loss before income tax expenses	**(9,616,935)**	**(11,287,764)**	**(5,297,714)**	**(3,910,755)**	**(1,864,502)**	**(289,366)**
Income tax expense	(22,044)	(7,888)	(6,368)	(4,704)	(9,018)	(1,400)
Net loss[5]	**(9,638,979)**	**(11,295,652)**	**(5,304,082)**	**(3,915,459)**	**(1,873,520)**	**(290,766)**

	Year Ended December 31,			Nine Months Ended September 30,		
	2018	2019	2020	2020	2021	
	RMB	RMB	RMB	RMB	RMB	US$
	(in thousands)					
				(unaudited)		
Other comprehensive (loss)/income						
Foreign currency translation adjustment, net of nil tax	(20,786)	(168,340)	137,596	104,920	(168,944)	(26,220)
Total other comprehensive (loss)/income	**(20,786)**	**(168,340)**	**137,596**	**104,920**	**(168,944)**	**(26,220)**
Total comprehensive loss	**(9,659,765)**	**(11,463,992)**	**(5,166,486)**	**(3,810,539)**	**(2,042,464)**	**(316,986)**
Accretion on convertible redeemable preferred shares to redemption value	(13,667,291)	–	–	–	–	–
Accretion on redeemable non-controlling interests to redemption value	(63,297)	(126,590)	(311,670)	(205,864)	(6,519,698)	(1,011,841)
Net loss attributable to non-controlling interests	41,705	9,141	4,962	2,703	131	20
Comprehensive loss attributable to ordinary shareholders of NIO Inc.	**(23,348,648)**	**(11,581,441)**	**(5,473,194)**	**(4,013,700)**	**(8,562,031)**	**(1,328,807)**

Note:

(1) We began generating revenues in June 2018, when we began making deliveries and sales of the ES8. We currently generate revenues from vehicle sales and other sales.

(2) Share-based compensation expenses were allocated in cost of sales and operating expenses as follows:

	Year Ended December 31,			Nine Months Ended September 30,		
	2018	2019	2020	2020	2021	
	RMB	RMB	RMB	RMB	RMB	US$
	(in thousands)					
				(unaudited)		
Cost of sales	9,289	9,763	5,564	3,575	22,065	3,424
Research and development expenses	109,124	82,680	51,024	32,595	217,456	33,749
Selling, general and administrative expenses	561,055	241,052	130,506	90,725	373,928	58,033
Total	**679,468**	**333,495**	**187,094**	**126,895**	**613,449**	**95,206**

(3) Other sales mainly consist of revenues from sales of our service package and energy package, battery upgrade service, automotive regulatory credits and accessories, and a number of embedded products and services offered together with vehicle sales. Embedded products and services include home chargers, vehicle connectivity service, extended warranty and battery swapping service.

(4) We had gross profit for the first time in 2020, primarily due to the increased revenue from vehicle sales.

(5) The increase of net loss for the year ended December 31, 2019 compared with the year ended December 31, 2018 was mainly due to the increased gross loss from our sales of vehicles as a result of high cost of sales in the early production stage, and increase of our research and development expenses. Research and development expenses increased in 2019 mainly due to the increase in design and development expenses, primarily due to the incurrence of incremental design and development costs for the ES6, EC6 and all-new ES8, and the increase in employee compensation as a result of increased number of our research and development employees. The decrease of net loss for the year ended December 31, 2020 was mainly due to the increase of gross profit from increased sales of vehicles, and decrease of operating expenses. The decrease of net loss for the nine months ended September 30, 2021 compared with the corresponding period was mainly due to the increase of gross profit from increased sales of vehicles. We may continue to record net losses in the near future.

Selected Consolidated Balance Sheets Data

The following table presents our selected consolidated balance sheet data as of the dates indicated.

	As at December 31,			As at September 30,	
	2018	2019	2020	2021	
	RMB	RMB	RMB	RMB	US$
	(in thousands except for share data)				
Selected Consolidated Balance Sheet Data:					
Cash and cash equivalents	3,133,847	862,839	38,425,541	21,594,871	3,351,471
Restricted cash	57,012	82,507	78,010	3,655,717	567,358
Short-term investments	5,154,703	111,000	3,950,747	21,706,448	3,368,788
Trade and notes receivable	756,508	1,352,093	1,123,920	3,322,076	515,578
Amounts due from related parties	88,066	50,783	169,288	1,048,656	162,749
Inventory	1,465,239	889,528	1,081,553	1,703,005	264,302
Prepayments and other current assets	1,514,257	1,579,258	1,422,403	1,332,340	206,776
Expected credit loss provision – current	–	–	(44,645)	(47,682)	(7,400)
Total current assets	12,169,632	4,928,008	46,206,817	54,315,431	8,429,622
Long-term restricted cash	33,528	44,523	41,547	44,385	6,888
Property, plant and equipment, net	4,853,157	5,533,064	4,996,228	6,032,503	936,230
Intangible assets, net	3,470	1,522	613	3	–
Land use rights, net	213,662	208,815	203,968	200,333	31,091
Long-term investments	148,303	115,325	300,121	1,307,975	202,995
Amounts due from related parties	7,970	–	617	–	–
Right-of-use assets – operating lease	–	1,997,672	1,350,294	2,348,642	364,504
Other non-current assets	1,412,830	1,753,100	1,561,755	4,813,221	747,000
Expected credit loss provision – non-current	–	–	(20,031)	(51,633)	(8,013)
Total non-current assets	6,672,920	9,654,021	8,435,112	14,695,429	2,280,695
Total assets	18,842,552	14,582,029	54,641,929	69,010,860	10,710,317

	As at December 31,			As at September 30,	
	2018	2019	2020	2021	
	RMB	RMB	RMB	RMB	US$
	(in thousands except for share data)				
Short-term borrowings	1,870,000	885,620	1,550,000	5,310,000	824,099
Trade and notes payable	2,869,953	3,111,699	6,368,253	10,798,315	1,675,872
Amounts due to related parties	219,583	309,729	344,603	810,104	125,726
Taxes payable	51,317	43,986	181,658	184,766	28,675
Current portion of operating lease liabilities	–	608,747	547,142	646,887	100,395
Current portion of long-term borrowings	198,852	322,436	380,560	1,562,777	242,539
Accruals and other liabilities	3,383,681	4,216,641	4,604,024	7,290,806	1,131,516
Total current liabilities	8,593,386	9,498,858	13,976,240	26,603,655	4,128,822
Net current assets/(liabilities)(1)	3,576,246	(4,570,850)	32,230,577	27,711,776	4,300,800
Long-term borrowings	1,168,012	7,154,798	5,938,279	9,826,612	1,525,066
Non-current operating lease liabilities	–	1,598,372	1,015,261	1,792,738	278,229
Other non-current liabilities	930,812	1,151,813	1,849,906	3,055,570	474,217
Total non-current liabilities	2,098,824	9,904,983	8,803,446	14,674,920	2,277,512
Total liabilities	10,692,210	19,403,841	22,779,686	41,278,575	6,406,334
Total mezzanine equity	1,329,197	1,455,787	4,691,287	3,210,985	498,337
Ordinary shares	1,809	1,827	2,679	2,808	435
Treasury shares	(9,186)	–	–	(1,849,600)	(287,053)
Additional paid in capital	41,918,936	40,227,856	78,880,014	80,022,293	12,419,266
Accumulated other comprehensive loss	(34,708)	(203,048)	(65,452)	(234,396)	(36,378)
Accumulated deficit	(35,039,810)	(46,326,321)	(51,648,410)	(53,521,799)	(8,306,453)
Non-controlling interests	(15,896)	22,087	2,125	101,994	15,829
Total shareholders' equity/(deficit)(2)	6,821,145	(6,277,599)	27,170,956	24,521,300	3,805,646
Total shares outstanding	1,050,799,032	1,064,472,660	1,526,539,388	1,590,573,377	1,590,573,377

Notes:

(1) The net current liabilities as at December 31, 2019 was mainly due to the decrease of cash and cash equivalents and short-term investments used in the operations. The increase of net current assets as at December 31, 2020 compared with December 31, 2019 was mainly due to the cash generated from our external financing activities.

(2) Total shareholders' deficit as of December 31, 2019 was mainly due to the increase of accumulated deficit, which was mainly derived from the net loss and accretion on convertible redeemable preferred shares to redemption value during the current and prior years. The increase of shareholders' equity as at December 31, 2020 compared with December 31, 2019 was mainly due to our external financing activities.

Selected Consolidated Cash Flows Data

The following table sets forth a summary of our cash flows for the periods indicated. We had negative cash flows from operating activities of RMB7,911.8 million and RMB8,721.7 million in 2018 and 2019, respectively. We had only generated positive cash flows from operations in 2020 and the nine months ended September 30, 2021. See "Risk Factors — Risks Related to Our Business and Industry — We have not been profitable. We had negative cash flows from operating activities in 2018 and 2019 and have only recently generated positive cash flows from operations in certain periods."

	Year Ended December 31,			Nine Months Ended September 30,		
	2018	2019	2020	2020	2021	
	RMB	RMB	RMB	RMB	RMB	US$
	(in thousands)					
				(unaudited)		
Summary of Consolidated Cash Flow Data:						
Net cash (outflow used in)/inflow generated from operating activities before movements in working capital	(8,417,422)	(9,158,543)	(2,878,979)	(2,506,151)	182,899	28,385
Changes in operating assets and liabilities	505,654	436,837	4,829,873	2,309,439	152,935	23,736
Net cash (used in)/provided by operating activities[1]	(7,911,768)	(8,721,706)	1,950,894	(196,712)	335,834	52,121
Net cash (used in)/provided by investing activities	(7,940,843)	3,382,069	(5,071,060)	(3,661,405)	(21,135,057)	(3,280,110)
Net cash provided by financing activities	11,603,092	3,094,953	41,357,435	22,515,102	7,528,360	1,168,383
Effects of exchange rate changes on cash, cash equivalents and restricted cash	(56,947)	10,166	(682,040)	(91,270)	20,738	3,218
Net (decrease)/increase in cash, cash equivalents and restricted cash	(4,306,466)	(2,234,518)	37,555,229	18,565,715	(13,250,125)	(2,056,388)
Cash, cash equivalents and restricted cash at beginning of the year/period	7,530,853	3,224,387	989,869	989,869	38,545,098	5,982,105
Cash, cash equivalents and restricted cash at end of the year/period	3,224,387	989,869	38,545,098	19,555,584	25,294,973	3,925,717

Note:

(1) Negative cash flows from operating activities for the years ended December 31, 2018 and 2019, and for the nine months ended September 30, 2020, was mainly due to the loss incurred during the periods.

OUR SHAREHOLDING AND CORPORATE STRUCTURE

Our Major Shareholders and Relationship with Controlling Shareholders

As of the Latest Practicable Date, Mr. Bin Li, our founder, chairman and chief executive officer, 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 and (c) NIO Users Limited, 16,967,776 Class A ordinary shares and 33,032,224 Class C ordinary shares. In total, as of the Latest Practicable Date, Mr. Bin Li controlled 39.0% of the aggregate voting power of our Company.

Immediately following the Listing, (a) Originalwish Limited will be interested in 59.9% of the Class C ordinary shares and voting power of Class C ordinary shares; (b) mobike Global Ltd. will be interested in 17.8% of the issued Class C ordinary shares and voting power of Class C ordinary shares; and (c) NIO Users Limited will be interested in 1.1% of the issued Class A ordinary shares and voting power of Class A ordinary shares and 22.2% of the Class C ordinary shares and voting power of Class C ordinary shares.

NIO Users Limited is a holding company controlled by NIO Users Trust, a trust of which Mr. Bin Li is the settlor, protector, investment advisor and the only existing de facto beneficiary. 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 Limited in our Company. See "Relationship with the Controlling Shareholders — Controlling Shareholders — Powers, Rights and Obligations in NIO Users Trust" and "Risk Factors — Risks Related to Our Business and Industry" for further details about NIO Users Trust. Originalwish Limited and mobike Global Ltd. are BVI companies wholly owned by Mr. Bin Li.

For further details, please see "Major Shareholders" and "Relationship with the Controlling Shareholders."

Weighted Voting Rights Structure and WVR Beneficiary

Under our weighted voting rights structure, our share capital comprises Class A ordinary shares, Class B ordinary shares and Class C ordinary shares. Each Class A ordinary share entitles the holder to exercise one vote, each Class B ordinary share (all of which shall have been converted to Class A ordinary shares upon Listing pursuant to the conversion notice delivered by the relevant shareholders) entitles the holder to exercise four votes, and each Class C ordinary share entitles the holder to exercise eight votes respectively, on all matters that require a shareholder's vote, subject to Rule 8A.24 of the Hong Kong Listing Rules that requires a limited number of Reserved Matters to be voted on a one vote per share basis (save for the specified exception for the compliance of Rule 8A.24 of the Hong Kong Listing Rules as set out below).

Immediately upon Listing, upon conversion of all of the Class B ordinary shares into Class A ordinary shares pursuant to the conversion notice delivered by the affiliates of Tencent Holdings Limited ("**Tencent**") who were holders of the Class B ordinary shares before the Listing, there will no longer be any Class B ordinary shares issued and outstanding, and the Company will not issue any Class B ordinary shares in order to comply with Rule 8A.07 of the Hong Kong Listing Rules.

In connection with the share conversion, our founder, Mr. Bin Li, together with Originalwish Limited, mobike Global Ltd. and NIO Users Limited, undertook to Tencent and/or its affiliates that, if, at any time after the Listing becoming effective, upon the earlier of (A) there is any change in the Listing Rules or any change in the interpretation of the Listing Rules by the Hong Kong Stock Exchange and the SFC such that Tencent is permitted under the Listing Rules to be a beneficiary of Class B ordinary shares with weighted voting rights, or (B) the shares of the Company cease to be traded on the Hong Kong Stock Exchange, they will, within reasonable time and in their capacity as direct and/or indirect shareholders and/or beneficial owners of the shares of the Company, use all their best efforts to assist, and procure the Company to assist Tencent, with a view to reinstating the Class B ordinary shares enjoyed by Tencent before the Listing (including but not limited to putting forward relevant resolutions to such effect at the shareholders meeting upon Tencent's request, and/or voting in favour of such relevant resolutions whether proposed by them or not), provided that this undertaking shall lapse upon such completion of such reinstatement.

Immediately upon the Listing, the WVR beneficiary will be Mr. Bin Li, our founder, chairman and chief executive officer. Mr. Bin Li beneficially owns 16,967,776 Class A ordinary shares and 148,500,000 Class C ordinary shares, representing 44.5% of the voting rights in the Company (excluding 23,279,058 Class A ordinary shares issued and reserved for future issuance upon the exercising or vesting of awards granted under our Stock Incentive Plans and assuming no additional Shares are issued under the Stock Incentive Plans and between the Latest Practicable Date and the Listing).

Mr. Bin Li is the founder, chairman and chief executive officer of our Company. He is a seasoned serial entrepreneur with a proven track record in building innovative businesses in the mobility and internet spaces.

Mr. Li is pivotal in defining NIO vision to build a user enterprise. Guided by this vision, Mr. Li initiates the concept of building a user community starting with smart electric vehicles to share joy and grow together with our users, and made that our mission.

Mr. Li leads the strategic development of our Company and is the mastermind in formulating our Company's business model and strategy. Under his guidance, our Company 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. Mr. Li spearheaded a series of technological breakthroughs and innovations, including our battery swapping technologies, BaaS, as well as our autonomous driving technologies and ADaaS.

Mr. Li is crucial in building NIO as a premium brand to provide a holistic experience of superior services and a joyful lifestyle to our users. Mr. Li is also the determining force behind the adoption of our online and offline integrated direct sales model.

Prospective investors are advised to be aware of the potential risks of investing in companies with a WVR structure, in particular that the interests of the WVR beneficiary may not necessarily always be aligned with those of our 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. Prospective investors should make the decision to invest in the Company only after due and careful consideration. For further information about the risks associated with the WVR structure adopted by the Company, please refer to "Risk Factors — Risks Related to Our Shares, Our ADS and the Listing."

ARTICLES OF ASSOCIATION

As we are seeking a listing as a Non-Grandfathered Greater China Issuer pursuant to Chapter 19C of the Hong Kong Listing Rules (Secondary Listings of Qualifying Issuers) with a WVR structure, we are subject to: (a) certain shareholder protection measures and governance safeguards under Chapter 8A of the Hong Kong Listing Rules (Weighted Voting Rights), including Rule 8A.44 of the Hong Kong Listing Rules, which requires our WVR structure to give force to the requirements of certain rules under Chapter 8A of the Hong Kong Listing Rules by incorporating them into our Articles; and (b) the articles requirements set out in Appendix 3 to the Hong Kong Listing Rules (the "**Unmet Listing Rules Articles Requirements**"). Our Articles do not currently comply with some of the Listing Rules Articles Requirements, and we undertake to put forth resolutions to amend our Articles to comply with these requirements at the upcoming annual general meeting to be convened on or before August 31, 2022.

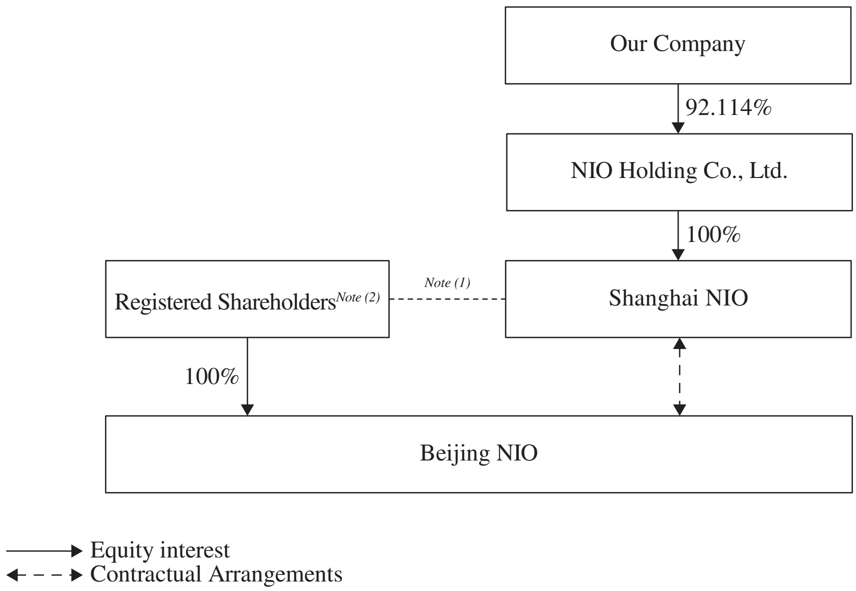
Furthermore, we undertake to, at the same annual general meeting, seek shareholders' approval to amend our Articles to (i) require a general meeting postponed by the directors to be postponed to a specific date, time and place (the "**GM Postponement Requirement**"), and (ii) remove the shareholding structure of Class B ordinary shares and provisions related to Class B ordinary shares (the "**Class B Removal Requirement**", together with the Unmet Listing Rules Articles Requirements and the GM Postponement Requirement, the "**Unmet Articles Requirements**").

In addition, save for certain specified exceptions, we undertake to fully comply with the Unmet Articles Requirements (the "**Undertaking for Interim Compliance**") upon the Listing and before its existing Articles are formally amended to incorporate the Unmet Articles Requirements. For further details, please see "Waivers and Exemptions — Requirements Relating to the Articles of Association of the Company" and "Share Capital — Weighted Voting Rights Structure."

CONTRACTUAL ARRANGEMENTS

Our Company operates or may operate in certain industries that are subject to restrictions on foreign investment under current PRC laws and regulations. In order to comply with such laws, while availing ourselves of international capital markets and maintaining effective control over all of our operations, we control our Consolidated Affiliated Entities through the Contractual Arrangements. Hence, we do not directly own any equity interest in our Consolidated Affiliated Entities. Pursuant to the Contractual Arrangements, we have effective control over the financial and operational policies of our Consolidated Affiliated Entities and are entitled to all the economic benefits derived from the Consolidated Affiliated Entities' operations. As a result, we include the financial results of our Consolidated Affiliated Entities in our consolidated financial statements in accordance with U.S. GAAP as if such entities were our wholly-owned subsidiaries. The Contractual Arrangements comply with the relevant requirements set out in the Hong Kong Stock Exchange's Listing Decision HKEX-LD43-3. For further details, please see the section headed "Contractual Arrangements" in this document.

The diagram below illustrates the relationships among the entities under the Contractual Arrangements:



Notes:

(1) Each of Mr. Bin Li and Mr. Lihong Qin executed, respectively, an exclusive option agreement, equity pledge agreement and power of attorney in favor of Shanghai NIO. See the section headed "— Our Contractual Arrangements" for details.

(2) Mr. Bin Li and Mr. Lihong Qin hold 80% and 20% equity interests in Beijing NIO, respectively. Mr. Bin Li is our controlling shareholder, our founder, the chairman of our board of directors and our chief executive officer. Mr. Lihong Qin is also a director and executive officer of our Company.

RISK FACTORS

There are certain risks involved in our business and industries, our corporate structure, our business operations in China, our Shares, our ADS and the Listing, many of which are beyond our control. For example, these risks include, among others, the following risks relating to our business:

- Our ability to develop and manufacture vehicles of sufficient quality and appeal to customers on schedule and on a large scale is still evolving.

- We have not been profitable. We had negative cash flows from operating activities in 2018 and 2019 and have only recently generated positive cash flows from operations in certain periods.

- Our business, financial condition and results of operations may be adversely affected by the COVID-19 pandemic.

- We have a limited operating history and face significant challenges as a new entrant into our industry.

- Manufacturing in collaboration with partners is subject to risks.

- The unavailability, reduction or elimination of government and economic incentives or government policies which are favorable for electric vehicles and domestically produced vehicles could have a material adverse effect on our business, financial condition, operating results and prospects.

- Our vehicles may not perform in line with customer expectations.

- We had incurred net current liabilities and net liabilities as of December 31, 2019, and may not be able to achieve or maintain net assets in the future.

THE LISTING

Our ADSs have been listed and traded on the NYSE since September 12, 2018. Each ADS represents one Share. Dealings in our ADSs on the NYSE are conducted in U.S. dollars. We have applied for a listing of our Class A ordinary shares on the Main Board pursuant to Rule 8.05(3) and Chapter 19C (Secondary Listings of Qualifying Issuers) as well as Chapter 8A (Weighted Voting Rights) of the Hong Kong Listing Rules. Dealings in our Class A ordinary shares on the Hong Kong Stock Exchange will be conducted in Hong Kong dollars. Our Class A ordinary shares will be traded on the Hong Kong Stock Exchange in board lots of 10 Shares. For additional information, see "Information about This Document and the Introduction."

Bridging Arrangements

In connection with the Listing, the Designated Dealer and the Alternate Designated Dealer have been appointed as bridging dealer and alternate bridging dealer, respectively and intend to implement certain bridging arrangements during the Bridging Period (being the 30-day period from and including the Listing Date). The Designated Dealer and Alternate Designated Dealer have been appointed for a period of 30 calendar days commencing from 9:00 a.m. on Listing Date. The Bridging Period will end on April 8, 2022.

In connection with the bridging arrangements, the Stock Borrowing Agreement between the Designated Dealer, as borrower, and each of CHJ Limited, a wholly-owned SPV of the Company, and Image Frame Investment (HK) Limited, one of the Tencent Entities (each as a "**Lender**", and together as "**Lenders**") were entered into on February 27, 2022, which will come into effect from the first day of the Bridging Period. Pursuant to the Stock Borrowing Agreement, the Lenders will make available to the borrowers stock lending facilities of up to 41,400,000 Class A ordinary share (the "**Borrowed Shares**"), or approximately 2.7% of the Class A ordinary share in issue immediately upon Listing (without taking into account the additional Shares to be issued under the Stock Incentive Plans, Class A ordinary shares issued and reserved for future issuance upon exercising or vesting of awards granted under our Stock Inventive Plan and assuming all Class B ordinary shares will be converted into Class A ordinary shares upon Listing), on one or more occasions, subject to applicable Laws. The Borrowed Shares will be registered on our Hong Kong share register and admitted into CCASS prior to and upon Listing. The Borrowed Shares shall be returned to the Lenders within 15 Business Days after the expiry of the Bridging Period, but may be postponed in case the procedure for re-delivering and transfer of the Borrowed Shares is unable to be completed within this period. For further details, see "Market Arrangements to Facilitate Dealings in Hong Kong — Bridging Arrangements".

Investor Education

Prior to Listing, our Company and the Joint Sponsors will cooperate to inform the investor community of general information about our Company, as well as developments and/or changes to the market arrangements disclosed in this document. After Listing, our Company and the Joint Sponsors may continue to take measures to educate the public. The measures, including but not limited to media briefings and press interviews, analyst briefings to local brokerages/research houses that cover Hong Kong-listed electric vehicle companies; publication of announcements containing, among other matters, information on the developments and updates of the liquidity arrangements, may be taken to enhance transparency of our Company and the bridging arrangements as appropriate. For further details, see "Market Arrangements to Facilitate Dealings in Hong Kong — Investor Education".

WAIVERS AND EXEMPTIONS

As we are applying for listing under Chapter 19C of the Hong Kong Listing Rules, we will not be subject to certain provisions of the Hong Kong Listing Rules, including, among others, rules on notifiable transactions, connected transactions, share option schemes, content of financial statements as well as certain other continuing obligations. In addition, in connection with the Listing, we have applied for a number of waivers and/or exemptions from strict compliance with the Hong Kong Listing Rules and the SFO and a ruling under the Takeovers Codes. For additional information, see "Waivers and Exemptions."

We enjoy exemptions from certain obligations under U.S. securities laws and the NYSE rules as a foreign private issuer as defined under the U.S. Exchange Act. Investors should exercise care when investing in our Shares and/or ADSs. See "Information about the Listing — Summary of Exemptions as a Foreign Private Issuer in the U.S."

LISTING EXPENSES

We expect to incur listing expenses of approximately RMB58.3 million, comprising (1) fees and expenses of legal advisers and accountants of approximately RMB36.2 million and (2) other fees and expenses of approximately RMB22.1 million. Listing expenses are recognised in our consolidated statement of comprehensive loss as and when they are incurred.

DIVIDEND POLICY

The payment of dividends is at the discretion of our board of directors, subject to our twelfth amended and restated memorandum and articles of association. In addition, our shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our board of directors. In either case, all dividends are subject to certain restrictions under Cayman Islands law, namely that our company may only pay dividends out of profits or the share premium account, and provided that in no circumstances may a dividend be paid if this would result in our company being unable to pay its debts as they fall due in the ordinary course of business. Even if we decide to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the board of directors may deem relevant.

We do not have any present plan to pay any cash dividends on our ordinary shares in the foreseeable future. We currently intend to retain most, if not all, of our available funds and any future earnings to operate and expand our business. See "Financial Information — Dividend Policy."

SGX-ST LISTING APPLICATION

Our Company has applied for secondary listing by way of introduction on the Main Board of SGX-ST, and the application was undergoing review by SGX-ST as of the Latest Practicable Date. For additional information, see "Information about This Document and the Introduction."

NO MATERIAL ADVERSE CHANGE

Our directors confirm that, up to the date of this document, there has not been any material adverse change in our financial or trading position or prospects since September 30, 2021, and there is no event since September 30, 2021 which would materially affect the information shown in the Accountant's Report in Appendix I to this document.

IMPACT OF COVID-19 ON OUR OPERATIONS

The majority of our revenues are derived from sales of our vehicles in China. Our results of operations and financial condition in 2020 have been affected by the spread of COVID-19. The COVID-19 pandemic has impact on China's auto industry in general and our company and our supply and manufacturing partners in particular, resulting in a reduction of vehicles manufactured and delivered in the first quarter of 2020. We delivered 3,838 vehicles in the first quarter of 2020, compared with 8,224 vehicles we delivered in the fourth quarter of 2019. Nevertheless, with most NIO Houses and NIO Spaces staying in full or partial operation, we had explored a variety of online traffic channels to promote our products, technologies and services to potential users and had started to see gradual recovery of our production in March 2020.

In early 2020, in response to intensifying efforts to contain the spread of COVID-19, the Chinese government took a number of actions, which included extending the Chinese New Year holiday, quarantining individuals infected with or suspected of having contracted COVID-19, prohibiting residents from free travel, encouraging employees of enterprises to work remotely from home and canceling public activities, among others. The COVID-19 has also resulted in temporary closure of many corporate offices, retail stores, manufacturing facilities and factories across China. We have taken a series of measures in response to the pandemic, including, among others, remote working arrangements for our employees and temporary shutdown of some of our premises and facilities in early 2020. We have followed and are continuing to follow all legal directions and safety guidelines with respect to our premises and facilities in operation. These measures, if taken again in the future, could reduce the capacity and efficiency of our operations, which in turn could negatively affect our results of operations. Although COVID-19 has been largely controlled in China, there have been occasional outbreaks in several cities. To the extent we have service centers and vehicle delivery centers in these locations, we are susceptible to factors adversely affecting one or more of these locations as a result of COVID-19.

We have been working closely with JAC, the manufacturer of the ES8, ES6 and EC6, to resume productions and minimize the impact of COVID-19 on our manufacturing capabilities. As a result, our manufacturing and delivery capacities recovered to the level prior to the COVID-19 pandemic by the second quarter of 2020. In addition, we strive to expand our traffic channels, integrate our online and offline sales efforts and offer high-quality services to bring business and operation back to normal. We will pay close attention to the development of the COVID-19 pandemic, perform further assessment of its impact and take relevant measures to minimize the impact. Although our vehicle deliveries in the first quarter of 2020 was negatively impacted as a result of the COVID-19 pandemic, we achieved satisfactory delivery results in the following quarters of 2020. The total number of vehicles we delivered in the last three quarters of 2020 was 39,890, showing an increase by 140.6% from the same period of 2019. The total number of vehicle we delivered in 2021 was 91,429, showing an increase of 109.1% from 2020. In August 2021, the vehicle production was materially impacted by supply chain constraints resulting from a new wave of outbreak of the COVID-19 pandemic in certain regions in China and Malaysia. We will continue to monitor and evaluate the financial impact on our financial condition, results of operations and cash flows for subsequent periods.

The extent to which COVID-19 impacts our financial position, results of operations and cash flows in the future will depend on the future developments of the pandemic, including the duration and severity of COVID-19, the extent and severity of new waves of outbreak in China and other countries, the development and progress of distribution of COVID-19 vaccine and other medical treatment and the effectiveness of such vaccine and other medical treatment, and the actions taken by government authorities to contain the outbreak, all of which are highly uncertain, unpredictable and beyond our control. In addition, our financial position, results of operations and cash flows could be adversely affected to the extent that the pandemic harms the Chinese economy in general. As of December 31, 2020 and September 30, 2021, we had a total of RMB42,454.3 million and RMB46,957.0 million (US$7,287.6 million), respectively, in cash and cash equivalents, restricted cash and short-term investments. We believe this level of liquidity is sufficient to successfully navigate an extended period of uncertainty.

RECENT DEVELOPMENTS

We delivered 25,034 vehicles in the fourth quarter of 2021, a record-high quarterly delivery representing an increase of 44.3% year-over-year. We delivered a total of 91,429 vehicles in 2021, representing a strong increase of 109.1% year-over-year. We delivered 9,652 vehicles in January 2022, representing an increase of 33.6% year-over-year. As of January 31, 2022, cumulative deliveries of the ES8, ES6 and EC6 reached 176,722 vehicles. We expect to publish our monthly delivery results for February 2022 in early March 2022, in accordance with our usual practice. We do not expect to record a significant decrease in the number of vehicles delivered in February 2022 as compared to the same period in 2021, and confirm there is no material adverse change in respect of our vehicle deliveries.

The global supply constraint of semiconductor chips has negatively impacted our production activity and volume. We temporarily suspended the vehicle production activity in the JAC-NIO manufacturing plant in Hefei for five working days starting from March 29, 2021 due to semiconductor shortage. In May 2021, our vehicle delivery was adversely impacted for several days due to the volatility of semiconductor supply and certain logistical adjustments. In August 2021, the supply chain constraints resulting from another wave of COVID-19 outbreak in certain areas in China and Malaysia materially impacted our production activities and volume. We have been strategically building up our inventories for critical semiconductor chips that might be in short supply, aiming to support our delivery target. We are also actively seeking possible alternative suppliers to diversify our supply sources and reduce our exposure to supply shortage. According to Frost & Sullivan, based on the production capacity expansion plans of the key automotive chip suppliers and favorable governmental policies promoting additional supply in China, the semiconductor chip constraint in the industry is expected to be lifted in the second half of 2022. We are working closely with our suppliers to minimize the impact of the global supply shortage of semiconductor chips on our vehicle production. However, we cannot guarantee that our production activity and results of operations will not be further impacted should the semiconductor chip shortage continue. See "Risk Factors – Risks Related to Our Business and Industry – We are dependent on our suppliers, many of whom are our single source suppliers for the components they supply."

In April 2021, we kicked off the construction of the second manufacturing plant in Hefei Xinqiao Industrial Park with a designed annual production capacity of up to 300,000 units and expect to start our vehicle production in the new manufacturing plant in the third quarter of 2022.

On April 15, 2021, we entered into a framework agreement with China Petroleum & Chemical Corporation, or Sinopec, the Chinese state-owned oil producer. Pursuant to the agreement, we and Sinopec will work together on building battery charging and swapping infrastructure in gas stations in China. Sinopec and us will collectively select appropriate gas stations from its nationwide network for collaboration, and we will pay Sinopec rental fees as part of the arrangement. We believe this strategic collaboration will enhance efficiency of site selection for our charging and swapping facilities, provide better user experiences and help convert more gasoline car users to electric vehicles. As of December 31, 2021, we have built 126 battery charging and swapping facilities under our cooperation with Sinopec, including 50 Power Swap stations, 47 Power Charger stations and 29 destination charging stations.

On June 3, 2021, we held an extraordinary general meeting (the "EGM") of shareholders at our office in Shanghai, China, for the purposes of approving the proposals to amend and restate our memorandum and articles of association. At the EGM, shareholders of the Company adopted the resolutions to amend and restate the Eleventh Amended and Restated Memorandum and Articles of Association by the deletion in their entirety and by the substitution in their place of the Twelfth Amended and Restated Memorandum and Articles of Association. We intend to further amend our memorandum and articles of association to comply with the Unmet Articles Requirements in the First AGM. For further details, see "Waivers and Exemptions — Requirements Relating to the Articles of Association of the Company."

On July 12, 2021, our board of directors appointed Ms. Yu Long as a new independent director, effective July 12, 2021. Ms. Long also serves as a member and the chairperson of the nominating and corporate governance committee of our board of directors while Mr. William Bin Li, the Company's founder, chairman of the board of directors and chief executive officer, resigned from the nominating and corporate governance committee of the board of directors on July 12, 2021.

In September 2021, we, through one of our wholly-owned subsidiaries, purchased from a minority strategic investor of NIO China an aggregate of 1.418% equity interests in NIO China for a total consideration of RMB2.5 billion and subscribed for newly increased registered capital of NIO China at a subscription price of RMB7.5 billion. After completion of these transactions, we currently hold an aggregate of 92.114% equity interests in NIO China.

On September 23, 2021, we launched the standard range 75 kWh cell-to-pack battery pack with hybrid LFP/NCM cells, which is equipped with advanced software and hardware systems for thermal management and SoC (State of Change) estimation. We started the delivery of the 75 kWh battery to users in November 2021.

On September 30, 2021, we officially launched the ES8 and commenced its delivery in Norway. On the following day, we opened our first NIO House outside China in Oslo to the public. We have started to build a user community and establish a full-fledged ecosystem encompassing vehicles, services, power solutions, digital experience and lifestyle in Norway.

On September 7, 2021, we entered into an Equity Distribution Agreement with certain distribution agents to sell up to an aggregate of US$2,000,000,000 of our ADSs through an at-the-market equity offering program. Such sales were completed on November 19, 2021 and settled on November 23, 2021, with the sale of 53,292,401 ADSs resulting in gross proceeds of US$2 billion, before deducting commissions paid to the distribution agents of approximately US$26 million and certain offering expenses.

On December 18, 2021, we held the NIO Day 2021 in Suzhou and launched the ET5, a mid-size premium smart electric sedan, with delivery expected to start in September 2022. With a 0.24 drag coefficient and a high-efficiency electric powertrain, featuring a front 150 kW induction motor and a rear 210 kW permanent magnet motor with SiC power module, the ET5 accelerates from 0 to 100 km/h in 4.3 seconds, and brakes from 100km/h to a complete stop in 33.9 meters. It is engineered for five-star Chinese and European New Car Assessment Program safety standards. With the Standard Range Battery, Long Range Battery, and Ultra-long Range Battery, the ET5's CLTC range reaches up to 550 km, 700 km and 1,000 km, respectively. The pre-subsidy price of the ET5 starts from RMB328,000.

LOSS ESTIMATE FOR THE YEAR ENDED DECEMBER 31, 2021

On the basis set out in Appendix III to this document, and in the absence of unforeseen circumstances, we estimate that our unaudited consolidated net loss and consolidated net loss attributable to ordinary shareholders of the Company is as follows:

Estimated consolidated net loss	Not more than RMB4.2 billion
Estimated consolidated net loss attributable to ordinary shareholders of the Company (Note)	Not more than RMB10.8 billion

Note: Estimated consolidated net loss attributable to ordinary shareholder of the Company includes the estimated accretion on redeemable non-controlling interests to redemption value.

See "Appendix III — Loss Estimate" for details.

RECENT REGULATORY DEVELOPMENTS

Recently, the PRC governmental authorities have promulgated a series of laws and regulations relating to cybersecurity and data security.

On June 10, 2021, the Standing Committee of the National People's Congress of China promulgated the Data Security Law (《數據安全法》) (the "**Data Security Law**"), which took effect in September 2021. The Data Security Law sets forth data security and privacy related compliance obligations on entities and individuals carrying out data related activities. The Data Security Law also introduces a data classification and layered protection system based on the importance of data and the degree of impact on national security, public interests or legitimate rights and interests of individuals or organizations when such data is tampered with, destroyed, leaked or illegally acquired or used. In addition, the Data Security Law provides a national security review procedure for those data activities that may affect national security, and imposes export restrictions on certain data and information. According to the PRC National Security Law (《中華人民共和國國家安全法》) (the "**PRC National Security Law**"), the State shall establish institutions and mechanisms for national security review and regulation, and conduct national security review on certain matters that affect or may affect PRC national security, such as key technologies and IT products and services. As advised by our PRC Legal Adviser, the criteria for determining "affect or may affect national security," as stipulated in the National Security Law, is still subject to uncertainty and further observation and further elaboration by the Standing Committee of the National People's Congress or other authorities.

On July 10, 2021, the CAC released the Cybersecurity Review Measures (Revised Draft for Solicitation of Comments) (《網絡安全審查辦法(修訂草案徵求意見稿)》). On December 28, 2021, the CAC, NDRC, MIIT, the Ministry of Public Security ("**MPS**"), the Ministry of National Security, the MOF, the MOFCOM, the People's Bank of China, the SAMR, the National Radio and Television Administration, the CSRC, the National Administration of State Secrets Protection and the State Cryptography Administration jointly released the Cybersecurity Review Measures (《網絡安全審查辦法》) (the "**Cybersecurity Review Measures**"), which took effect on February 15, 2022. Pursuant to the Cybersecurity Review Measures, network platform operators with information of over one million users shall declare cybersecurity review before listing abroad (國外上市). The cybersecurity review will evaluate, among others, the risk of critical information infrastructure, core data, important data, or the risk of a large amount of personal information being influenced, controlled or maliciously used by foreign governments after going public, and cyber information security risk. As advised by our PRC Legal Adviser, the term "listing abroad (國外上市)" under the Cybersecurity Review Measures exempts listing in Hong Kong from the mandatory obligation of ex-ante declaration of cybersecurity review. Based on the foregoing and as advised by our PRC Legal Adviser, we are of the view that the Cybersecurity Review Measures will not have a material adverse effect on our business, financial condition, operating results and prospects. Given the Cybersecurity Review Measures were recently promulgated, their interpretation, application and enforcement are subject to substantial uncertainties.

On August 12, 2021, the MIIT issued the Opinion on Strengthening the Access Administration of Intelligent Connected Vehicles Manufacturing Enterprises and Their Products (《關於加強智能網聯汽車生產企業及產品准入管理的意見》) (the "**Access Administration Opinion**"), which provided responsibilities of intelligent connected vehicles manufacturing enterprises, and required such enterprises to strengthen the management of vehicle data security, cyber security, software updates, function safety and intended function safety. Furthermore, the Access Administration Opinion stated that vehicles manufacturing enterprises shall conduct security assessment prior to transmitting data abroad.

On August 17, 2021, the State Council promulgated the Regulations on the Protection of the Security of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》) (the "**Regulations**"), which took effect in September 2021. The Regulations supplement and specify the provisions on the security of critical information infrastructure as stated in the Cyber Security Law. The Regulations provide, among others, that protection department of certain industry or sector shall notify the operator of the critical information infrastructure in time after the identification of certain critical information infrastructure. According to the Regulations, operators of certain industries or sectors that may endanger national security, people's livelihood and public interest in case of damage, function loss or data leakage may be identified as critical information infrastructure operators by the CAC or the respective industrial regulatory authorities once they meet the identification standards promulgated by the authorities.

On August 20, 2021, the Standing Committee of the National People's Congress of China promulgated the Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》) (the "**Personal Information Protection Law**"), which took effect in November 2021. As the first systematic and comprehensive law specifically for the protection of personal information in the PRC, the Personal Information Protection Law provides, among others, that (i) an individual's separate consent shall be obtained before operation of such individual's sensitive personal information, e.g., biometric characteristics and individual location tracking, (ii) personal information operators operating sensitive personal information shall notify individuals of the necessity of such operations and the influence on the individuals' rights, (iii) if personal information operators reject individuals' requests to exercise their rights, individuals may file a lawsuit with a People's Court.

On August 20, 2021, the CAC promulgated the Provisions on the Administration of Automobile Data Security (for Trial Implementation) (《汽車數據安全管理若干規定(試行)》) (the "**Provisions on Automobile Data Security**"), which took effect in October 2021. The Provisions on Automobile Data Security clearly define the definition of "automobile data", "automobile data operating", "automobile data operator", "personal information", "sensitive personal information" and "important data", and further elaborate the principles of and requirements for the automobile data operating activities within the PRC. Furthermore, the Provisions on Automobile Data Security also prescribe the implementation of classified protection of cybersecurity, the obligations of automobile data operators to inform, anonymize and obtain individuals' consents, and the specific requirements for operating sensitive personal information, as well as the risk assessment when operating important data and the security assessment when providing data abroad.

On November 14, 2021, the CAC published the Administration Regulations on Cyber Data Security (Draft for Comments) (《網絡數據安全管理條例(徵求意見稿)》) (the "**Draft Administration Regulations on Cyber Data Security**"), which reiterates the circumstances under which data processors shall apply for cybersecurity review, including, among others, (i) the data processors who process personal information of at least one million users apply for "foreign" listing (國外上市); and (ii) the data processors' listing in Hong Kong affects or may possibly affect national security. However, it provides no further explanation or interpretation as to how to determine what constitutes "affecting national security", and as advised by our PRC Legal Adviser, the PRC government authorities may have wide discretion in the interpretation for "affect or may affect national security."As of the Latest Practicable Date, these draft measures have not been formally adopted. It is uncertain when the final measures will be issued and take effect, how they will be enacted, interpreted or implemented, and whether they will affect us. The scope of business operations and financing activities that are subject to such draft measures and the implementation thereof is not yet clear.

As of the date of this document, (i) we have not been informed by any PRC governmental authority of any requirement that we file for approval for this Listing; (ii) we have not been subject to any material fines or administrative penalties, mandatory rectifications, or other sanctions by any competent regulatory authorities in relation to the infringement of cybersecurity and data protection laws and regulations; (iii) there is no material leakage of data or personal information or violation of cybersecurity and data protection and privacy laws and regulations by us which will have a material adverse impact on our business operations; (iv) there has been no material cybersecurity and data protection incidents or infringement upon the rights of any third parties, or other legal proceedings, administrative or governmental proceedings, pending or, to the best of the knowledge of the Company, threatened against or relating to the Company; and (v) we have implemented comprehensive cybersecurity and data protection policies, procedures, and measures to ensure secured storage and transmission of data and prevent unauthorized access or use of data. For a detailed analysis of the risks of these new laws and regulations on our business operations, see "Risk Factors — Risks Related to Our Business and Industry — Our business is subject to a variety of laws, regulations, rules, policies and other obligations regarding cybersecurity, privacy, data protection and information security. Any failure to comply with these laws, regulations and other obligations or any losses, unauthorized access or releases of confidential information or personal data could subject us to significant reputational, financial, legal and operational consequences."

On December 27, 2021 the MOFCOM and the NDRC jointly promulgated the Special Administrative Measures (Negative List) for Foreign Investment Access (2021 Version) (《外商投資准入特別管理措施(負面清單)(2021年版)》) (the "**2021 Negative List**"), which became effective on January 1, 2022. The 2021 Negative List lifts the limit on foreign ownership of automakers for ICE passenger vehicles. However, the 2021 Negative List provides that foreign investors shall hold no more than 50% of the equity interest in a service provider operating certain value-added telecommunications services (other than for e-commerce, domestic multi-parties communications, storage and forwarding categories, call centers).

On December 24, 2021, the CSRC released the *Provisions of the State Council on the Administration of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments)* (《國務院關於境內企業境外發行證券和上市的管理規定(草案徵求意見稿)》) (the "**Draft Administration Provisions**") and the *Administrative Measures for the Filing of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments)* (《境內企業境外發行證券和上市備案管理辦法(徵求意見稿)》) (the "**Draft Filing Measures**"). The Draft Administrative Provisions and the Draft Filing Measures regulate the system, filing management and other related rules with respect to direct or indirect overseas issuance of listed and traded securities by "domestic enterprises."

As of the Latest Practicable Date, the Draft Administration Provisions and the Draft Filing Measures have not been formally adopted yet, and it is uncertain when the final regulations will be issued and take effect, how they will be enacted, interpreted and implemented, and whether or to what extent they will affect the Company.