

# XPeng Motors Denmark ApS

Lodbrogvej 4A  
3400 Hillerød  
Denmark

CVR no. 42 34 58 73

## Annual report 2022

The annual report was presented and approved at  
the Company's annual general meeting on

18 May 2023

Shunqiang Qiang

Chairman of the annual general meeting



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**XPeng Motors Denmark ApS**  
Annual report 2022  
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## Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of XPeng Motors Denmark ApS for the financial year 1 January – 31 December 2022.

The annual report, which has not been audited, is presented in accordance with the Danish Financial Statements Act.

In my opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

Further, in my opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

I recommend that the annual report be approved at the annual general meeting.

Hillerød, 18 May 2023  
Executive Board:



Jens Olsen  
Director

Management confirms that the Company fulfils the requirements to be exempt of audit.



## Auditor's report on the compilation of financial statements

### To the Management of XPeng Motors Denmark ApS

We have compiled the financial statements of XPeng Motors Denmark ApS for the financial year 1 January – 31 December 2022 based on the Company's bookkeeping records and other information provided by you.

The financial statements comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies.

We performed our work in accordance with ISRS 4410 *Compilation Engagements*.

We have applied our professional expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions of the Danish Auditors Act, including the requirements for independence, and International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is based on fundamental principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion as to whether these financial statements are prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 18 May 2023

**KPMG**  
Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98



Klaus Rytz  
State Authorised  
Public Accountant  
mne33205

**XPeng Motors Denmark ApS**  
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## Management's review

### Company details

XPeng Motors Denmark ApS  
Lodbrogsvvej 4A  
3400 Hillerød

CVR no.: 42 34 58 73  
Established: 19 April 2019  
Registered office: Hillerød  
Financial year: 1 January – 31 December

### Executive Board

Jens Olsen, Director

## **Management's review**

### **Operating review**

#### **Principal activities**

The main activities of the Company are importation, distribution and marketing of smart EVs. The Company is aiming to provide the environmental-friendly vehicles to customers in Denmark. Our smart EVs offer attractive design and high performance, coupled with safety and reliability.

#### **Development in activities and financial position**

The Company's income statement for 2022 shows a loss of DKK -359.258 as against DKK -2.295.503 in 2021. Equity in the Company's balance sheet at 31 December 2022 stood at DKK -1.654.761 as against DKK -1.295.503 at 31 December 2021.

#### ***Material uncertainties regarding going concern***

The financial position at 31 December 2022 of the Company and the results of the activities of the Company for the financial year for 2022 have resulted in loss of the share capital. This is mainly due to a delay in the start-up of the operating business in Denmark. It is the management's expectations that the equity will be reestablished when the Company commences its sales in Denmark.

XPeng European Holding B.V. has issued a letter of support where XPeng European Holding B.V. irrevocably and unconditionally undertakes to provide XPeng Motor Denmark ApS with sufficient liquidity, so that XPeng Motors Denmark ApS, at any time, has sufficient liquidity to meet its current and future liabilities as they fall due.

This letter of support is valid until the date of the general meeting in the Company where the annual report for the year ending 31 December 2023 is approved. Based on this, it is the Management's assessment that the Company can continue as going concern.

#### **Events after the balance sheet date**

No events have occurred after the balance sheet date of material importance to the annual report for 2022.

## Financial statements 1 January – 31 December

### Income statement

DKK	Note	2022	19/04 2021 - 31/12 2021
<b>Gross profit/loss</b>		12.526.603	-322.110
Staff costs	3	-11.358.048	-1.900.193
Depreciation, amortisation and impairment losses		-1.450.422	-5.289
<b>Loss before financial income and expenses</b>		-281.867	-2.227.592
Other financial income		501	0
Other financial expenses		-77.892	-67.911
<b>Loss before tax</b>		-359.258	-2.295.503
Tax on loss for the year		0	0
<b>Loss for the year</b>		-359.258	-2.295.503
<b>Proposed distribution of loss</b>			
Retained earnings		-359.258	-2.295.503
		-359.258	-2.295.503

## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	31/12 2022	31/12 2021
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Property, plant and equipment</b>	4		
Fixtures and fittings, tools and equipment		1.140.927	1.288.154
Leasehold improvements		5.933.585	0
Property, plant and equipment under construction		1.092.021	298.000
		<u>8.166.533</u>	<u>1.586.154</u>
<b>Total fixed assets</b>		<u>8.166.533</u>	<u>1.586.154</u>
<b>Current assets</b>			
<b>Inventories</b>			
Finished goods and goods for resale		2.616.628	0
<b>Receivables</b>			
Receivables from group entities		6.866.781	0
Other receivables		1.586.681	1.157.355
Prepayments		1.701.997	59.466
		<u>10.155.459</u>	<u>1.216.821</u>
<b>Cash at bank and in hand</b>		515.445	6.342.314
<b>Total current assets</b>		<u>13.287.532</u>	<u>7.559.135</u>
<b>TOTAL ASSETS</b>		<u><u>21.454.065</u></u>	<u><u>9.145.289</u></u>



## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	31/12 2022	31/12 2021
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital		1.000.000	1.000.000
Retained earnings		-2.654.761	-2.295.503
<b>Total equity</b>		<u>-1.654.761</u>	<u>-1.295.503</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payables		726.450	63.204
Payables to group entities		21.383.120	9.678.967
Other payables		<u>999.256</u>	<u>698.621</u>
		<u>23.108.826</u>	<u>10.440.792</u>
<b>Total liabilities</b>		<u>23.108.826</u>	<u>10.440.792</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>21.454.065</u></u>	<u><u>9.145.289</u></u>
Disclosure of material uncertainties regarding going concern	2		
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## Financial statements 1 January – 31 December

### Statement of changes in equity

DKK

Equity at 1 January 2022  
 Transferred over the distribution of loss  
**Equity at 31 December 2022**

Contributed capital	Retained earnings	Total
1.000.000	-2.295.503	-1.295.503
0	-359.258	-359.258
<b>1.000.000</b>	<b>-2.654.761</b>	<b>-1.654.761</b>

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of XPeng Motors Denmark ApS for 2022 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Change in comparative figures

Few reclassifications have been made in the comparison figures to comply with the current year presentation.

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

### Income statement

#### Revenue

The Company has chosen IAS 11 as interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

#### Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

#### Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies as well as surcharges and refunds under the on-account tax scheme, etc.

##### Tax on loss for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

##### Balance sheet

##### Property, plant and equipment

Fixtures and fittings, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	5 years
Leasehold improvements	3 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

##### Impairment of fixed assets

The carrying amount of property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

##### Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Finished goods and goods for resale are measured at cost, comprising purchase price plus delivery costs.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

##### Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily based on the debtors' registered offices and credit rating in accordance with the Company's credit risk management policy. The objective indicators used in relation to portfolios are determined on the basis of historical loss experience.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

#### Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

#### Cash at bank and in hand

Cash at bank and in hand comprise cash and bank deposits.

#### Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

#### Liabilities

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at net realisable value.

#### Deferred income

Deferred income comprises advance invoicing regarding income in subsequent years.

## Financial statements 1 January – 31 December

### Notes

#### 2 Material uncertainties regarding going concern

The financial position at 31 December 2022 of the Company and the results of the activities of the Company for the financial year for 2022 have resulted in loss of the share capital. The is mainly due to a delay in the start-up of the operating business in Denmark. It is the management's expectations that the equity will be reestablished when the Company commences its sales in Denmark.

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This letter of support is valid until date of the general meeting in the Company where the annual report for the year ending 31 December 2023 is approved. Based on this, it is the Management's assessment that the Company can continue as going concern.

#### 3 Staff costs

DKK	2022	19/04 2021 - 31/12 2021
Wages and salaries	10.682.208	1.790.405
Pensions	139.087	100.174
Other social security costs	536.753	9.614
	<u>11.358.048</u>	<u>1.900.193</u>
Average number of full-time employees	<u>14</u>	<u>4</u>

#### 4 Property, plant and equipment

DKK	Fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment under construction	Total
Cost at 1 January 2022	1.293.443	0	298.000	1.591.443
Additions for the year	141.158	7.095.622	794.021	8.030.801
Cost at 31 December 2022	<u>1.434.601</u>	<u>7.095.622</u>	<u>1.092.021</u>	<u>9.622.244</u>
Depreciation and impairment losses at 1 January 2022	-5.289	0	0	-5.289
Depreciation for the year	-288.385	-1.162.037	0	-1.450.422
Depreciation and impairment losses at 31 December 2022	<u>-293.674</u>	<u>-1.162.037</u>	<u>0</u>	<u>-1.455.711</u>
<b>Carrying amount at 31 December 2022</b>	<u>1.140.927</u>	<u>5.933.585</u>	<u>1.092.021</u>	<u>8.166.533</u>

## Financial statements 1 January – 31 December

### Notes

#### 5 Contractual obligations, contingencies, etc.

##### Contingent assets

The Company has a deferred tax asset primary related to tax loss carry-forwards of DKK 2,932,590, The nominal value thereof is 22%, totalling DKK 645,170 that has not been recognised in the balance sheet due to the uncertainty as to application of the tax losses.

##### Rent liabilities

Rent includes a rent obligation totalling DKK 12,958,202 excluding VAT in interminable rent agreements with remaining contract terms of up to 51 months.

#### 6 Related party disclosures

XPeng Motors Denmark ApS' related parties comprise the following:

##### Control

XPeng European Holding B.V., Hoogoorddreef 11, 1101BA AMSTERDAM, the Netherlands.

XPeng European Holding B.V. holds the majority of the contributed capital in the Company.

XPeng Motors Denmark ApS is part of the consolidated financial statements of XPeng Inc, Cayman Islands, which is the smallest group in which the Company is included as a subsidiary.

The consolidated financial statements can be obtained at <https://ir.xiaopeng.com/news-events/news-releases>.