

EHang Publishes First White Paper on the Future of Transportation and Urban Air Mobility

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White Paper Explores Urban Air Mobility Vehicle and Infrastructure Design, Applications, the Current Regulatory Landscape and Path towards Commercialization

(Guangzhou, China, January 15, 2020) – EHang (Nasdaq: EH), the world's leading autonomous aerial vehicle (AAV) technology platform company, today published its first white paper along with a video on the future of transportation and Urban Air Mobility (UAM). The white paper explores UAM's potential to transform transportation globally with insights into vehicle design, an overview of potential applications and the current regulatory landscape, and recommendations for how to optimize UAM's path towards commercialization.

As a nascent industry, UAM has gradually risen in recent years. As an industry leader, EHang released the world's first purely electric low-altitude passenger-grade AAV at the 2016 CES in Las Vegas, USA. According to Morgan Stanley Research, the global UAM industry will reach a scale of \$1.5 trillion by 2040.

"UAM and the widespread use of passenger and cargo AAVs will transform how people and goods move around urban areas," said EHang founder, chairman, and CEO Huazhi Hu. "The successful deployment of AAVs will help cities improve efficiency, enhance safety, cut costs, and become more environmentally sustainable."

Key insights from the white paper include:

- UAM will be a safer, more effective, and more immediately deployable if it structurally resembles an on-demand bus system with centralized oversight and set point-to-point routes rather than a taxi system with diffuse routes.
- The success of UAM will depend on commercial operations that are centrally managed. This is a different model from that of the traditional airline industry in which hundreds of airlines globally compete with each other, leading to smaller margins.
- Key characteristics of a successful UAM system include: autonomous services (i.e. pilotless passenger and cargo transportation); point-to-point, straight-line, fixed air routes; a centralized command-and-control platform that manages all AAV flights within a certain area; a shared economy (i.e. no individual ownership of AAVs); and a reliance on green energy.
- In order to ensure that safety remains the top priority for vehicle design, AAVs need to include: power source redundancy (e.g. by having multiple motors and propellers); completely autonomous operations; back-up / duplicate flight control, communications, and navigation systems.
- Based on EHang's modeling for future commercial operations, a straight-line trip on an AAV could be cheaper for the user than a current New York City taxi ride covering the same distance, all while still being profitable to the operator. Furthermore, the model used is highly conservative since it does not capture the efficiency gains of future economies of scale, improved battery technologies, etc.
- While the AAV conversation has mostly focused on urban spaces, there are broad non-urban applications for services currently being provided by helicopters, including in search and rescue, emergency medical services, offshore operations, oil and gas, firefighting, forestry, power-line repair and surveys, agriculture and pest control, media, aerial photography, and law enforcement.
- The successful development of a UAM ecosystem will require deep collaboration between UAM vehicle providers, UAM network operators, infrastructure developers, telecommunication network partners, city, regional and national governments, etc.
- With the continuous advancement of new technology, the future development of UAM will further benefit from breakthroughs in battery technology, noise reduction, material science, design, aerodynamics, etc., thereby improving the cruising range and operating efficiency of both the aircraft and city traffic.

EHang is the first UAM company to realize commercialization for its passenger-grade AAVs, having already delivered 38 units to customers as of December 5, 2019, and is actively working to make UAM an everyday reality in cities worldwide.

To date, EHang has safely conducted over two thousand test flights both inside and outside of China to ensure that its AAVs operate safely and reliably. The company has three main business pillars: urban air mobility (including passenger transportation and logistics), smart city management, and aerial media. These pillars are underpinned by a comprehensive suite of operational service support for AAV customers including training, maintenance, command-and-control system set-up, and flight monitoring.

EHang became a publicly listed company on December 12, 2019 when it listed on the Nasdaq Global Market under the ticker symbol "EH."

About EHang

EHang (Nasdaq: EH) is the world's leading autonomous aerial vehicle (AAV) technology platform company. Our mission is to make safe, autonomous, and eco-friendly air mobility accessible to everyone. EHang provides customers in various industries with AAV products and commercial solutions: urban air mobility (including passenger transportation and logistics), smart city management, and aerial media solutions. As the forerunner of cutting-edge AAV technologies and commercial solutions in the global Urban Air Mobility (UAM) industry, EHang continues to explore the boundaries of the sky to make flying technologies benefit our life in smart cities. For more information, please visit www.ehang.com.

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