

EHANG | 亿航 EH | Nasdaq Listed

EHANG HOLDINGS LIMITED Q2 2020 EARNINGS HIGHLIGHTS

August 25, 2020



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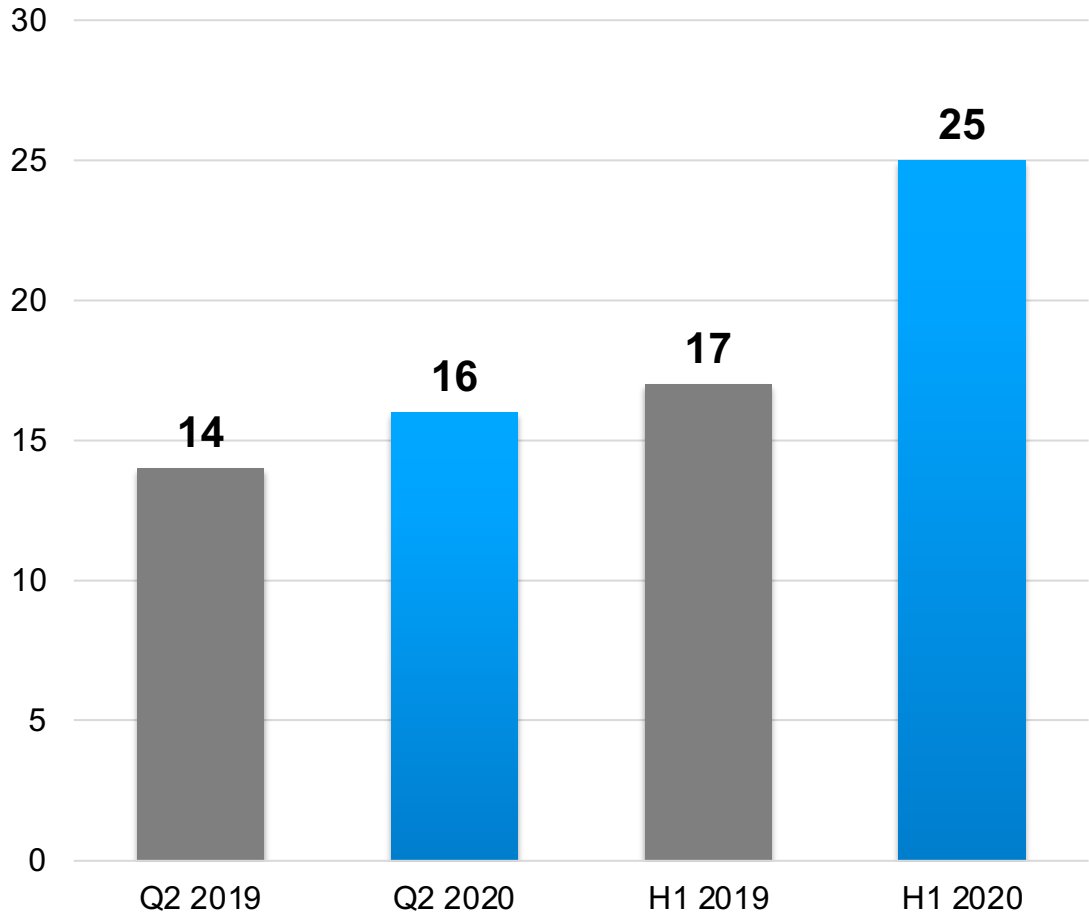
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Q2 2020 BUSINESS UPDATE



Growing Sales Volume of Flagship Passenger-grade AAV EHang 216

Sales Volume of EHang 216 (unit)



Achieved the World's First Commercial Pilot Operation Approval of Passenger-grade AAVs for Air Logistics



- In May 2020, EHang became the world's first AAV company approved by a national aviation authority, the Civil Aviation Administration of China (“CAAC”), to carry out commercial pilot operation in the category of 150 kg plus heavy-lift air logistics uses.
- This approval was based on a pioneering regulation for specific unmanned aircraft under the globally-recognized Specific Operation Risk Assessment (“SORA”) framework of the Joint Authorities for Rulemaking of Unmanned Systems (“JARUS”).
- Starting from trial air logistics operations in Taizhou, China, the Company intends to gradually expand this use case to more locations in China.

Deployed a New Command-and-Control Center for Smart City Management in China

- EHang completed deployment of a command-and-control center for smart city management in the city of Hezhou, China.
- This was the third of its kind after those in the cities of Shaoguan and Lianyungang.
- This deployment demonstrates EHang's capability in sophisticated centralized command-and-control systems that are designed ultimately for Urban Air Mobility uses.



Entered into a Strategic Partnership for Air Tourism

- In May 2020, EHang partnered with LN Holdings, a Shenzhen-listed (000524.SZ) tourism platform company to announce the world's first UAM-themed hotel at the LN Garden Hotel in Guangzhou, China.
- A variety of air tourism services using EHang AAVs are planned for the hotel, such as aerial sightseeing, transportation, air logistics, and aerial media light shows.



Implemented Smart City Management Solutions in Flood Emergency Response



Air Dropping relief supplies to flood victims



Distributed AAV operations by centralised system



Real-time monitoring on AAV flight status



Aerial photography of flood rescue scene



Remote air inspection of the flood



Frontline livestream to the emergency command center

Appointed Mr. Dongming Wu, CEO of DHL Express China, as an Independent Director



- Mr. Wu is the CEO of DHL Express China and a Global Management Board Member of DHL Express.
- With over 30 years of experience in the global delivery and logistics industry, Mr. Wu helps facilitate the Company's strategic development, especially in air logistics, and helps enhance the Company's corporate governance.



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Q2 2020 FINANCIAL UPDATE

Q2 2020 Financial Highlights

(RMB '000)	Q2 2020	Q2 2019	Q1 2020	YoY	QoQ
Total revenues	35,700	21,946	18,818	62.7%	89.7%
Gross profit	20,553	12,845	11,154	60.0%	84.3%
Gross margin	57.6%	58.5%	59.3%	-0.9pp	-1.7pp
Adjusted operating expenses	35,424	24,972	31,108	41.9%	13.9%
Adjusted operating loss	11,147	11,848	19,185	-5.9%	-41.9%
Adjusted net loss	11,716	11,442	18,470	2.4%	-36.6%

Notes:

1) Adjusted operating expenses is defined as operating expenses excluding share-based compensation expenses.

2) Adjusted operating loss is defined as operating loss excluding share-based compensation expenses.

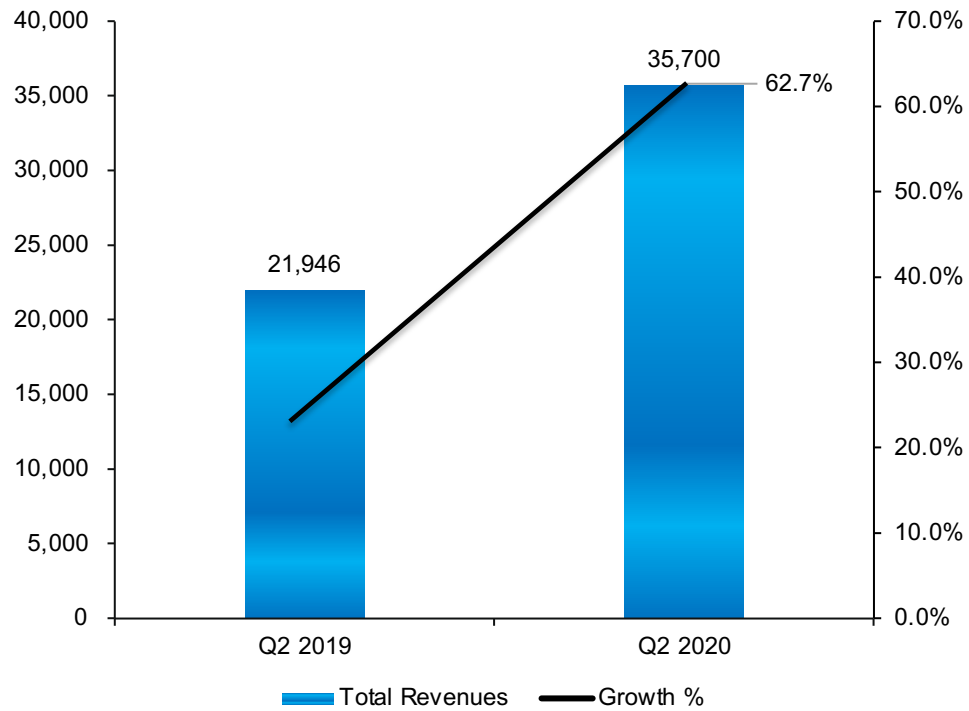
3) Adjusted net loss is defined as net loss excluding share-based compensation expenses.

4) Pp represents percentage points.

Q2 2020 Financial Performance

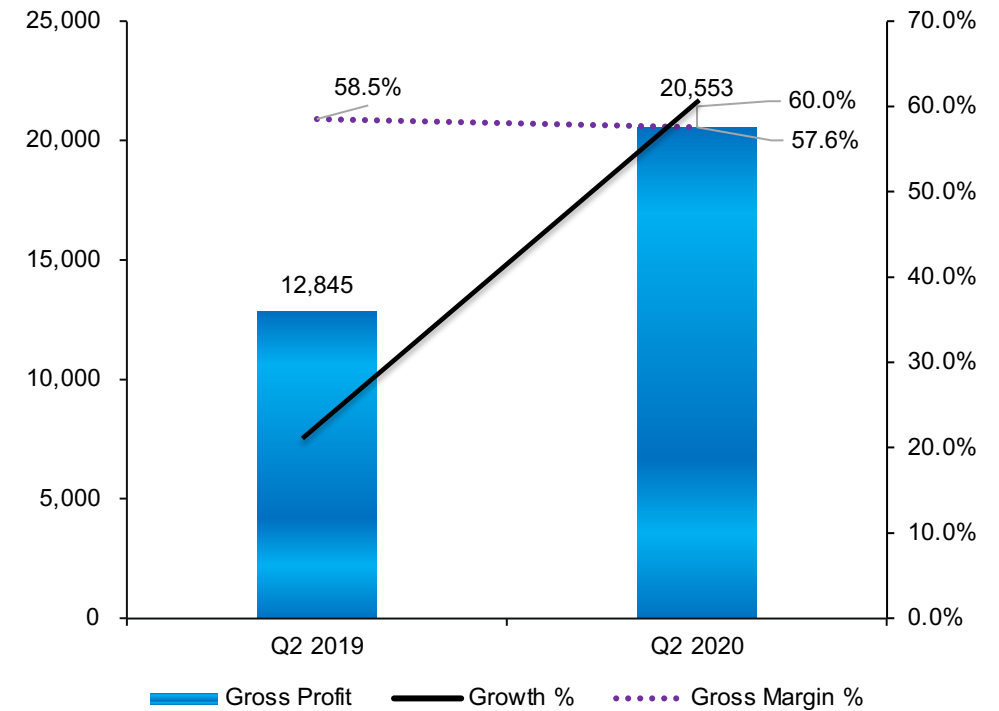
Total Revenues

RMB'000



Gross Profit

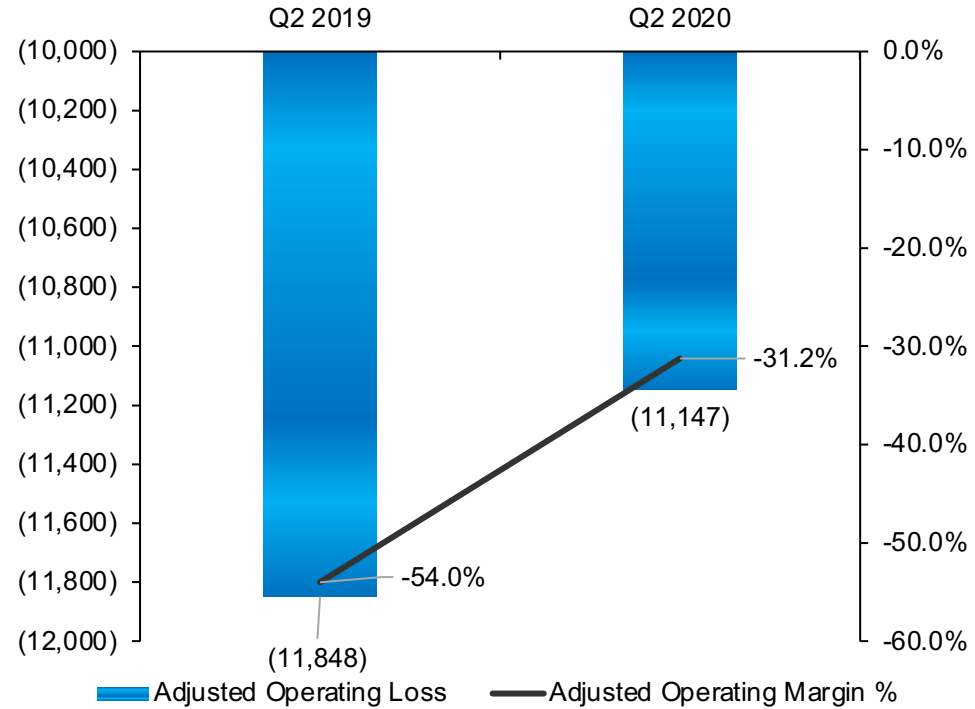
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Q2 2020 Financial Performance

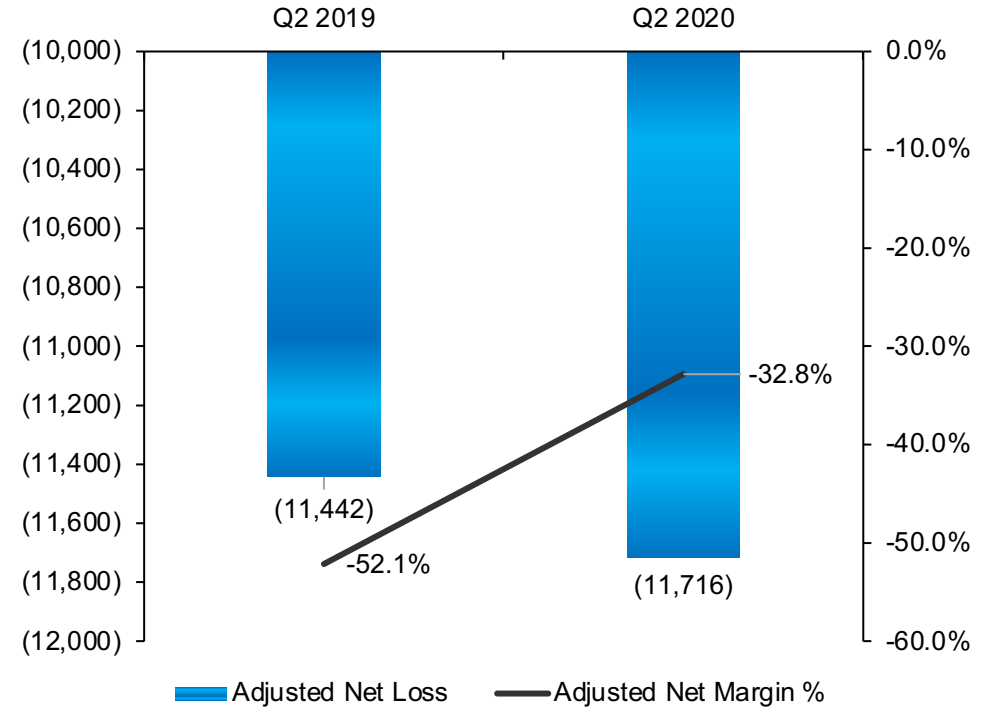
Adjusted Operating Loss

RMB'000



Adjusted Net Loss

RMB'000



H1 2020 Financial Highlights

(RMB '000)	H1 2020	H1 2019	YoY
Total revenues	54,518	32,385	68.3%
Gross profit	31,707	18,951	67.3%
Gross margin	58.2%	58.5%	-0.3pp
Adjusted operating expenses	66,532	48,386	37.5%
Adjusted operating loss	30,332	27,998	8.3%
Adjusted net loss	30,186	27,726	8.9%

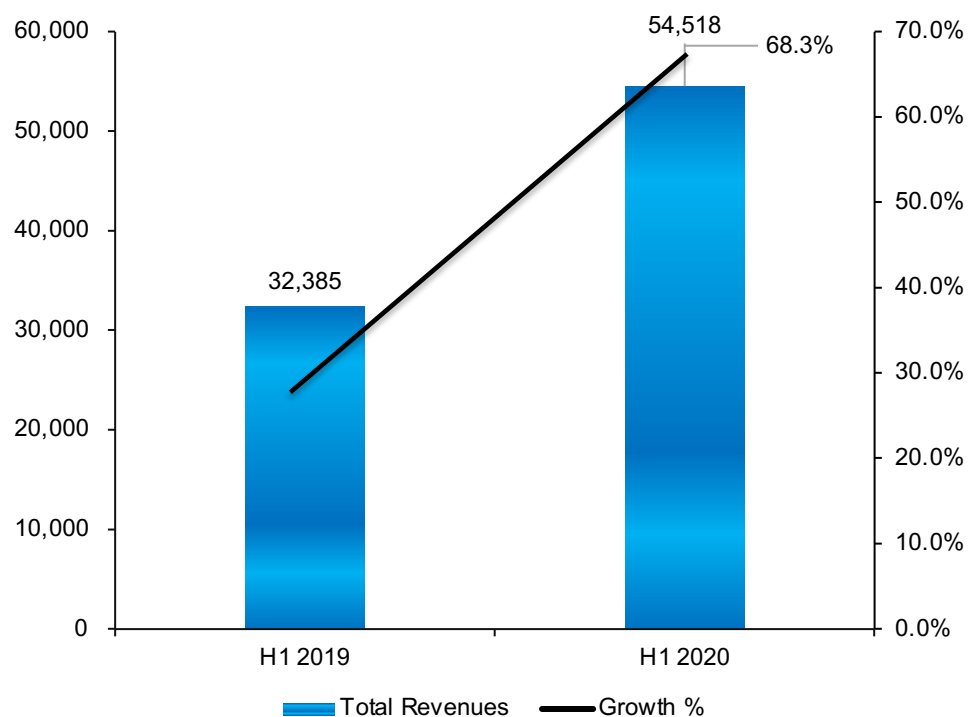
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H1 2020 Financial Performance

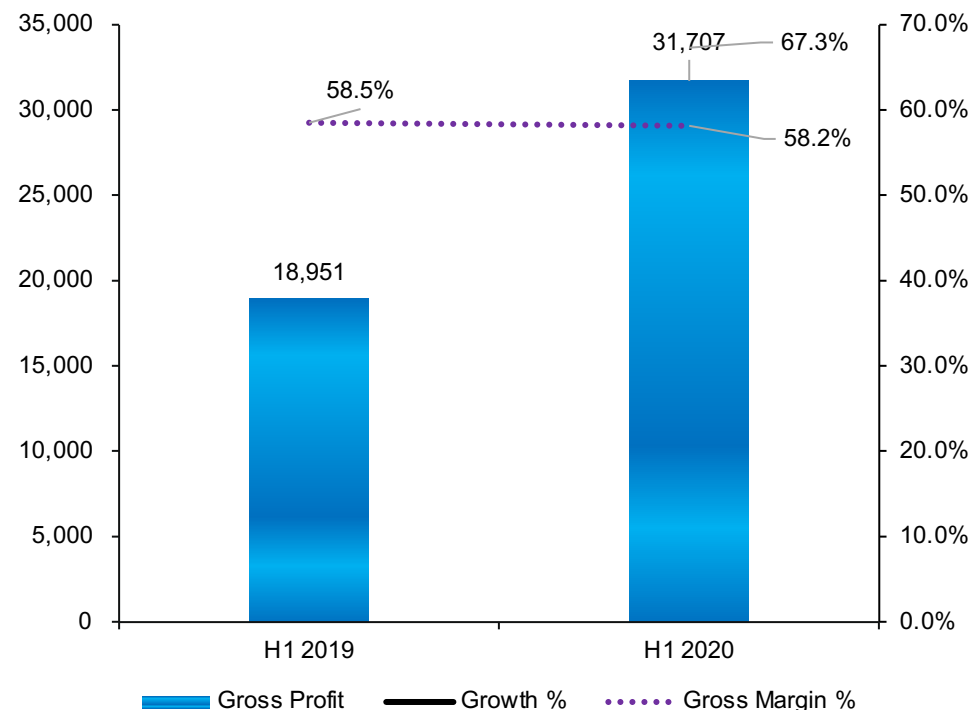
Total Revenues

RMB'000



Gross Profit

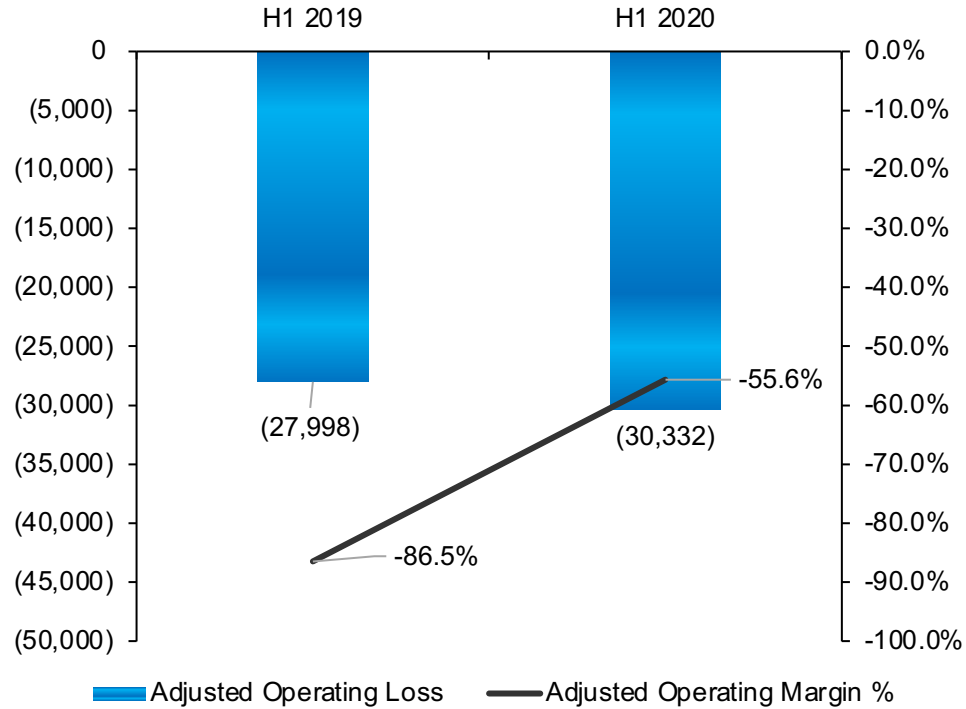
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H1 2020 Financial Performance

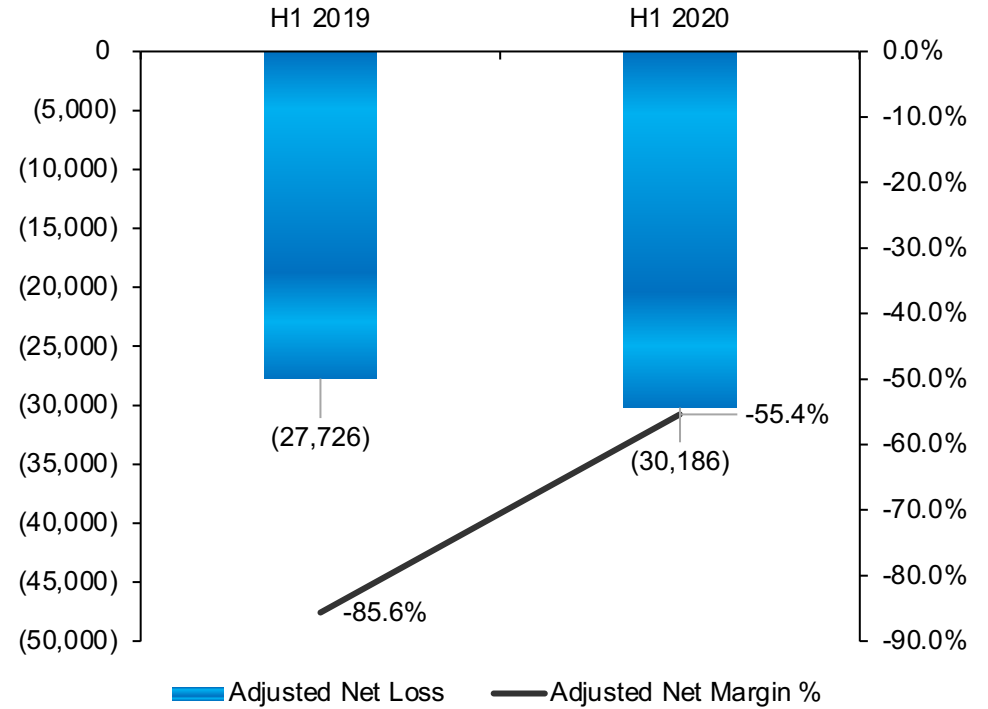
Adjusted Operating Loss

RMB'000



Adjusted Net Loss

RMB'000



Unaudited Condensed Consolidated Statements of Comprehensive Loss

(RMB '000)	Q2 2020	Q2 2019	Q1 2020	H1 2020	H1 2019
Total revenues	35,700	21,946	18,818	54,518	32,385
Costs of revenues	(15,147)	(9,101)	(7,664)	(22,811)	(13,434)
Gross profit	20,553	12,845	11,154	31,707	18,951
Operating expenses:					
Sales and marketing expenses	(9,218)	(7,570)	(5,776)	(14,994)	(12,536)
General and administrative expenses	(16,348)	(9,213)	(10,608)	(26,956)	(17,892)
Research and development expenses	(17,870)	(12,931)	(16,660)	(34,530)	(27,576)
Total operating expenses	(43,436)	(29,714)	(33,044)	(76,480)	(58,004)
Other operating income	3,724	163	769	4,493	1,143
Operating loss	(19,159)	(16,706)	(21,121)	(40,280)	(37,910)
Other income/(expense):					
Interest income	974	417	1,412	2,386	496
Interest expenses	(488)	(158)	(488)	(976)	(299)
Foreign exchange gain/(loss)	278	104	(271)	7	36
Other income/(expense)	(1,445)	100	81	(1,364)	127
Total other income/(expense)	(681)	463	734	53	360
Loss before income tax and share of net loss from an equity investee	(19,840)	(16,243)	(20,387)	(40,227)	(37,550)
Income tax (expenses)/benefits	145	(52)	-	145	(78)
Loss before share of net loss from an equity investee	(19,695)	(16,295)	(20,387)	(40,082)	(37,628)
Share of net loss from an equity investee	(33)	(5)	(19)	(52)	(10)
Net loss	(19,728)	(16,300)	(20,406)	(40,134)	(37,638)
Net loss attributable to non-controlling interests	1,111	1,137	856	1,967	1,418
Net loss attributable to EHang Holdings Limited	(18,617)	(15,163)	(19,550)	(38,167)	(36,220)
Accretion to redemption value of redeemable convertible preferred shares	-	(1,559)	-	-	(3,034)
Net loss attributable to ordinary shareholders	(18,617)	(16,722)	(19,550)	(38,167)	(39,254)

Unaudited Condensed Consolidated Balance Sheets

(RMB '000)	As of June 30, 2020	As of December 31, 2019
Current assets:		
Cash and cash equivalents	228,189	321,662
Short-term investments	29,542	7,674
Accounts receivable	76,575	41,103
Cost and estimated earnings in excess of billings	3,722	14,212
Inventories	47,846	18,490
Prepayments and other current assets	20,175	20,565
Others, net	2,800	4,807
Total current assets	408,849	428,513
Non-current assets:		
Property and equipment, net	13,534	16,272
Long term loans receivable	44,616	-
Long-term investments	2,931	2,983
Others, net	1,688	1,645
Total non-current assets	62,769	20,900
Total assets	471,618	449,413
Current liabilities:		
Short-term bank loans	10,000	5,000
Accounts payable	40,678	27,285
Contract liabilities	6,405	9,918
Accrued expenses and other liabilities	41,675	53,310
Others, net	80	85
Total current liabilities	98,838	95,598
Non-current liabilities:		
Long-term loans	31,078	32,534
Mandatorily redeemable non-controlling interests	40,000	-
Others, net	5,706	5,926
Total non-current liabilities	76,784	38,460
Total liabilities	175,622	134,058
Total shareholders' equity	295,996	315,355
Total liabilities and shareholders' equity	471,618	449,413

Unaudited Condensed Consolidated Statements of Cash Flows

(RMB '000)	Q2 2020	Q2 2019	Q1 2020	H1 2019	H1 2020
CASH FLOWS FROM OPERATING ACTIVITIES					
Net loss	(19,728)	(16,300)	(20,406)	(37,638)	(40,134)
Adjustments to reconcile net loss to net cash used in operating activities:					
Share-based compensation	8,012	4,858	1,936	9,912	9,948
Others, net	5,608	1,376	1,731	2,597	7,339
Changes in operating assets and liabilities:					
Accounts receivable	(30,900)	(7,122)	(9,091)	(10,508)	(39,991)
Cost and estimated earnings in excess of billings	-	-	10,490	3,247	10,490
Inventories	(18,868)	(2,841)	(11,153)	(4,804)	(30,021)
Accounts payable	11,446	2,231	2,696	2,468	14,142
Contract liabilities	(170)	(7,014)	(3,343)	(4,292)	(3,513)
Accrued expenses and other liabilities	(1,387)	2,147	(1,603)	1,188	(2,990)
Others, net	1,238	1,439	(312)	(2,061)	926
Net cash used in operating activities	(44,749)	(21,226)	(29,055)	(39,891)	(73,804)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from maturity of short-term investments	2,500	11,100	13,000	14,400	15,500
Purchase of short-term investments	(19,899)	(10,000)	(17,200)	(22,900)	(37,099)
Loans to third parties	-	-	(53,900)	-	(53,900)
Repayment of loan from a third party	-	-	10,000	-	10,000
Others, net	(943)	(217)	(355)	(862)	(1,298)
Net cash flow (used in)/provided by investing activities	(18,342)	883	(48,455)	(9,362)	(66,797)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from short-term bank loans	5,000	-	5,000	5,000	10,000
Repayment of a short-term bank loan	-	-	(5,000)	(5,000)	(5,000)
Proceeds from issuance of mandatorily redeemable non-controlling interests of a subsidiary	40,000	-	-	-	40,000
Proceeds from issuance of subsidiaries' equity to non-controlling interest holders	2,023	-	-	-	2,023
Proceeds from issuance of Class A ordinary shares pursuant to underwriters' exercise of over-allotment option	-	-	7,313	-	7,313
Proceeds from issuance of Series C redeemable convertible preferred shares	-	-	-	47,436	-
Payment of issuance of Class A ordinary shares pursuant to underwriters' exercise of over-allotment option's issuance costs	-	-	(516)	-	(516)
Payment of issuance costs for initial public offering	(304)	-	(9,119)	-	(9,423)
Net cash provided by/(used in) financing activities	46,719	-	(2,322)	47,436	44,397
Effect of exchange rate changes on cash and cash equivalents	(454)	1,018	3,185	451	2,731
Net decrease in cash and cash equivalents	(16,826)	(19,325)	(76,647)	(1,366)	(93,473)
Cash and cash equivalents at the beginning of the period/year	245,015	79,478	321,662	61,519	321,662
Cash and cash equivalents at the end of the period	228,189	60,153	245,015	60,153	228,189

EHang Investment Highlights

- 1** *World's First and Only Publicly Traded Urban Air Mobility Company*
- 2** *Massive, Fast-growing Target Market Ready for True Disruption*
- 3** *Global Market Leader and First Mover of Commercialization Ahead of Competition*
- 4** *World's Leading Scalable Urban Air Mobility Platform with Integrated Product Suite*
- 5** *Continuous, Industry-disruptive Regulatory Breakthroughs*
- 6** *Compelling High Growth and Margin Business Model*
- 7** *Ecosystem Enabler with Global Partnership Network*
- 8** *Experienced, Entrepreneurial Management Team*



Fly into Future

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