

EHang Holdings Limited

Q1 2020 Earnings Highlights

May 29th, 2020



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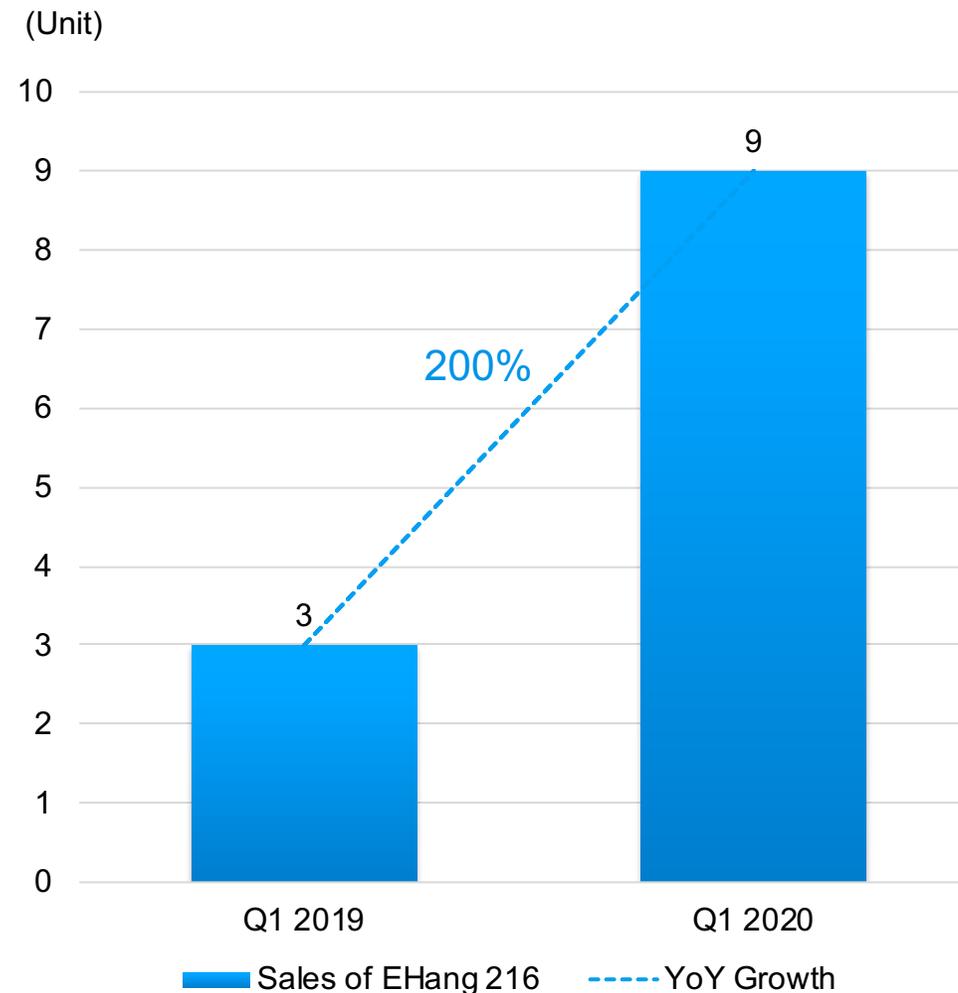
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Q1 2020 BUSINESS HIGHLIGHTS



Sales of EHang 216: 200% YoY Growth

Sales of the EHang 216, the world's first commercially-delivered passenger-grade AAV, reached 9 units, an increase of 200% from 3 units in the first quarter of 2019.



Debut Flight in U.S. & First Flight Permit from FAA

- In January 2020, EHang achieved a new landmark, conducting the first-ever flight in the United States of a passenger-grade AAV.
- The EHang 216 flight was performed in the state of North Carolina, which is known in aviation history for the Wright Brothers initial flight there a century ago.
- EHang's AAV flight was underpinned by permit and other support from the North Carolina Department of Transportation (NCDOT) and the U.S. Federal Aviation Administration (FAA).



* Debut flight of EHang 216 in North Carolina



* North Carolina Governor Roy Cooper in EHang 216



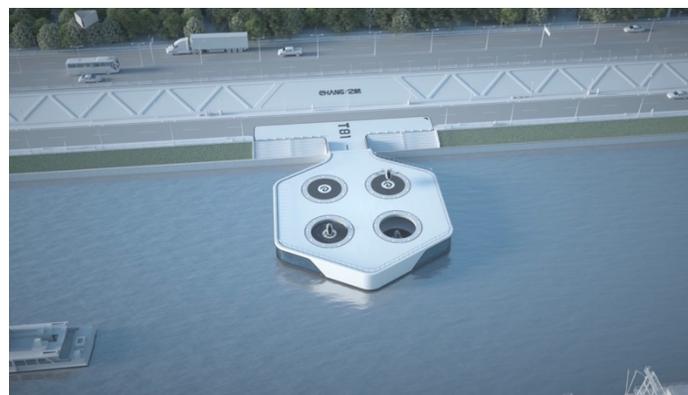
* FAA officer issued flight permit of EHang 216



* EHang Co-founder met with FAA and NCDOT officers

White Paper to Bolster Industry Leadership

In January 2020, EHang solidified its industry leadership by issuing a white paper “*The Future of Transportation: White Paper on Urban Air Mobility Systems*”, which deeply explored the potential of Urban Air Mobility (UAM) to transform transportation globally. The white paper offered insights into vehicle design, an overview of potential applications and the current regulatory landscape, and recommendations for the optimization of UAM’s path towards commercialization.



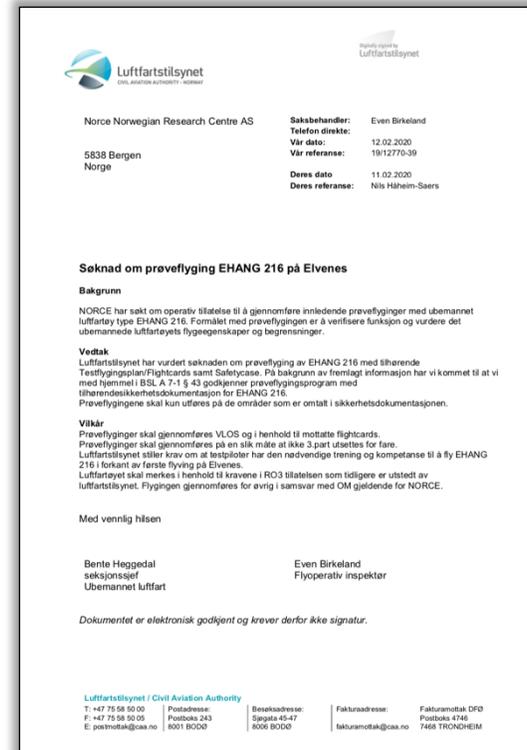
* E-port designs

First Flight Permit from Norway CAA

In February 2020, EHang 216 obtained the first operational permit in Europe for flight testing of an AAV from the Civil Aviation Authority of Norway, laying a solid foundation for future UAM operations in other European countries.



* Bente Heggedal, Head of Section for Unmanned Aviation, CAA Norway issued flight permit to EHang CEO.



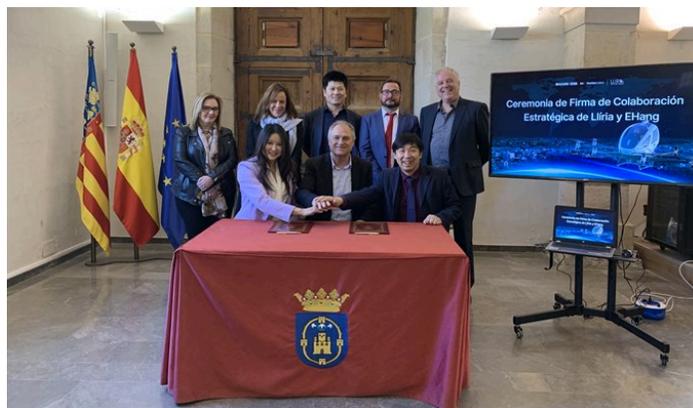
* Flight permit of EHang 216 from Norway CAA

Expanded Cooperation with UAM Pilot Cities in Europe

In March 2020, EHang established partnerships for UAM with the city governments of Seville and Llíria in Spain. Both cities are members of the “UAM Initiative Cities Community”, one of the European Union's EIP-SCC (European Innovation Partnership on Smart Cities and Communities) projects, which was established to promote the transformation of urban three-dimensional transportation.



EHang's 3rd UAM pilot city:
← Seville, Spain



EHang's 4th UAM pilot city:
Llíria, Spain →



UIC²
UAM Initiative Cities Community

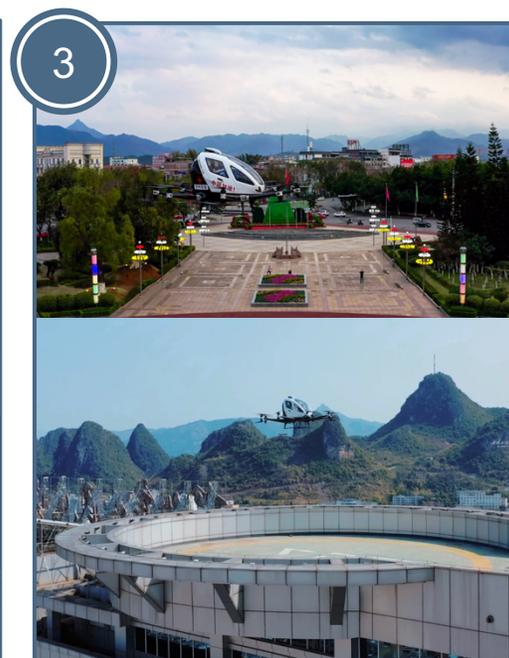
The 2018-19 FrontRunner & Fellow Cities / Regions

* The first two UAM pilot cities are Guangzhou in China and Linz in Austria.

Emerging Air Mobility Use Cases for Medical Emergency Response

During the outbreak of COVID-19, EHang pursued opportunities in medical emergency response. Both the EHang 216 passenger-grade AAVs and the Falcon B non-passenger-grade AAVs demonstrated a number of valuable applications, such as transport of medical supplies and personnel, as well as in-air inspection and broadcast of instructions above populated areas in several cities of China, including Guangzhou, Shaoguan and Hezhou. These time-and-cost-efficient solutions created new use cases and market demands for AAVs in emergency services.

Success Use Cases



Advantages of Air Mobility Solutions

Efficient response

Autonomous flight without pilot

Centralized monitoring and management

Point-to-point fast transport

No restrictions by quarantined areas

Non-contact delivery

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Q1 2020 FINANCIAL HIGHLIGHTS



Q1 2020 Financial Highlights

(RMB '000)	Q1 2019	Q1 2020	YoY
Total revenues	10,439	18,818	80.3%
Gross profit	6,106	11,154	82.7%
Gross margin	58.5%	59.3%	+0.8pp
Adjusted operating expenses	23,414	31,108	32.9%
Adjusted operating loss	(16,150)	(19,185)	18.8%
Adjusted net loss	(16,284)	(18,470)	13.4%

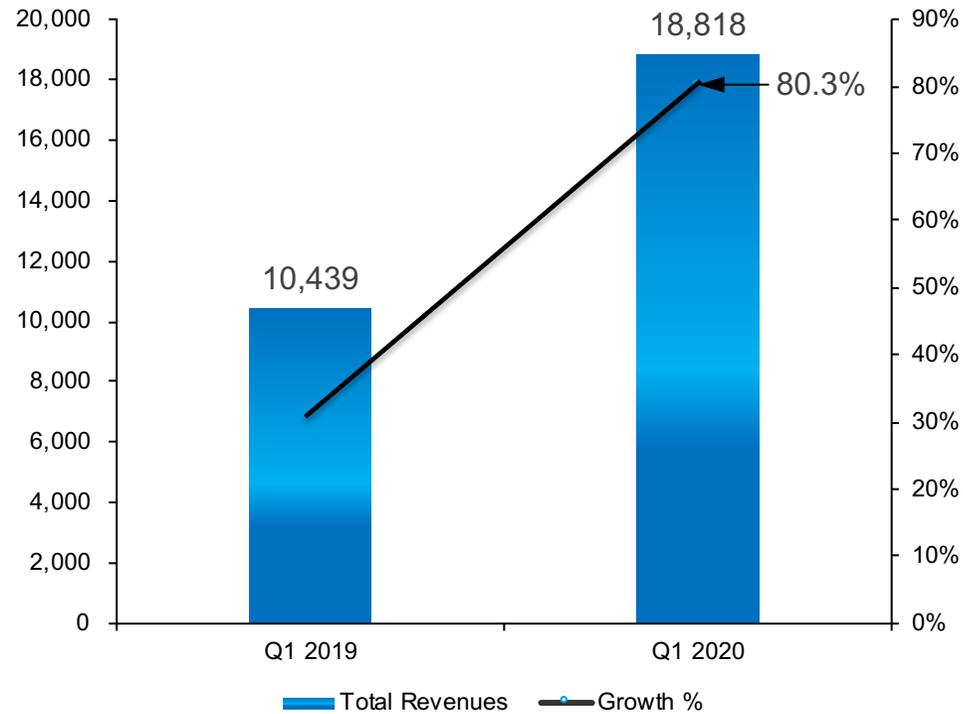
Notes:

- 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.

Q1 2020 Financial Performance

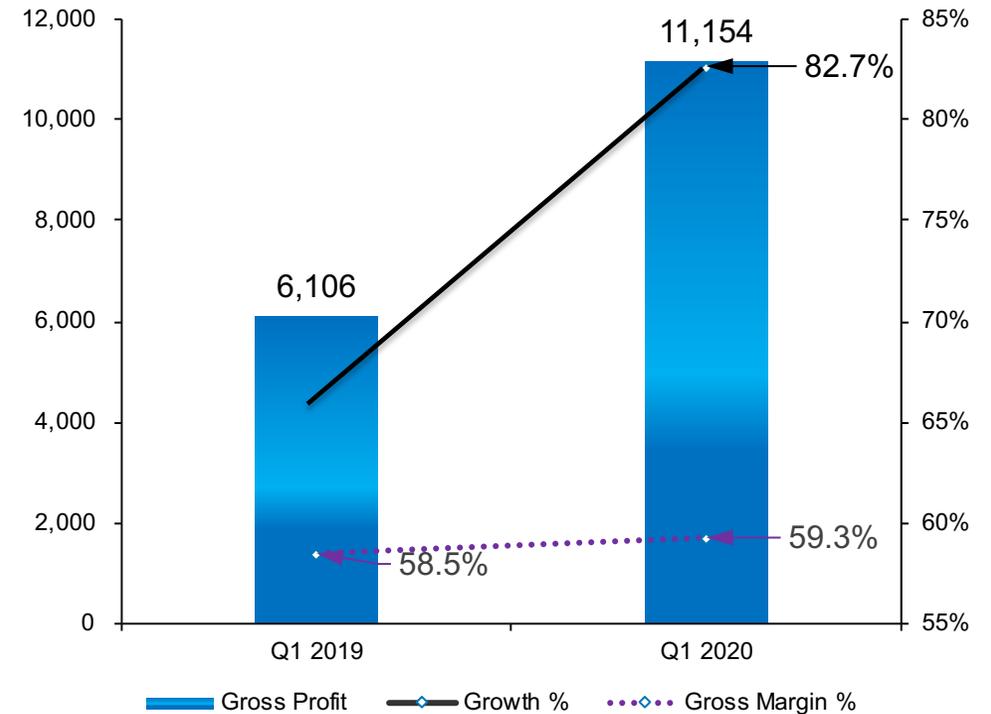
Total Revenues

RMB'000



Gross Profit

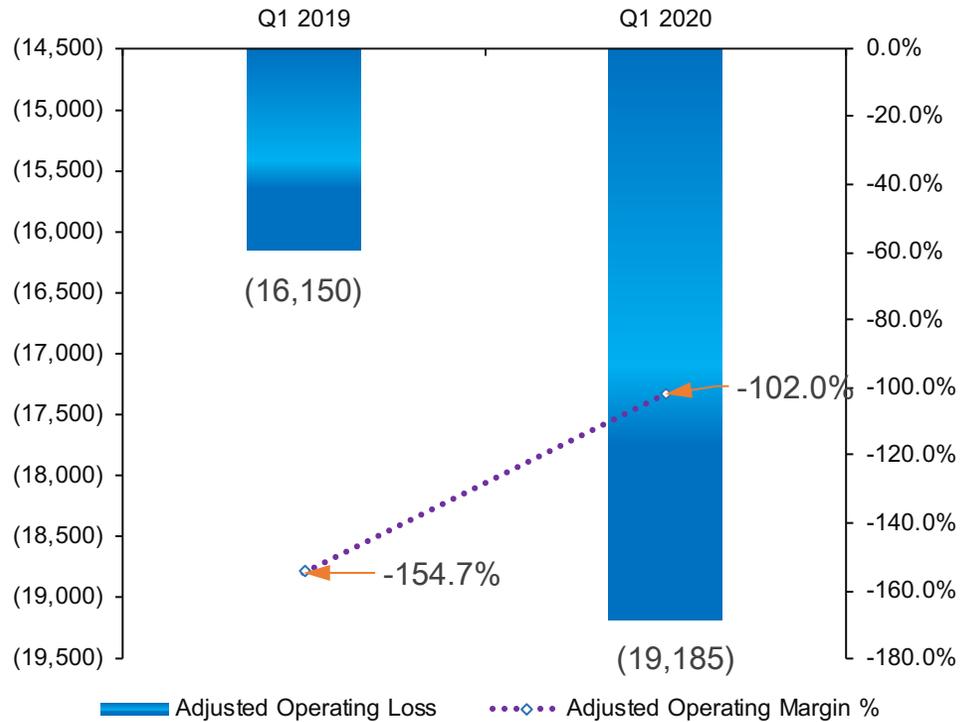
RMB'000



Q1 2020 Financial Performance

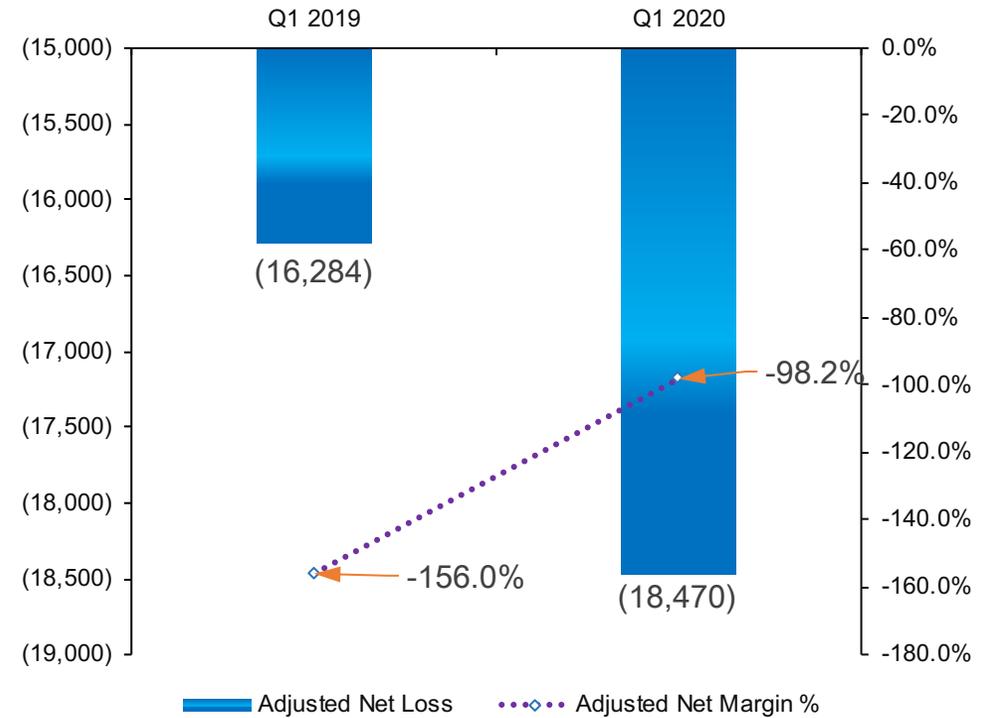
Adjusted Operating Loss

RMB'000



Adjusted Net Loss

RMB'000



Unaudited Condensed Consolidated Statements of Comprehensive Loss

(RMB '000)	Q1 2019	Q4 2019	Q1 2020
Total revenues	10,439	54,684	18,818
Costs of revenues	(4,333)	(21,488)	(7,664)
Gross profit	6,106	33,196	11,154
Operating expenses:			
Sales and marketing expenses	(4,966)	(8,157)	(5,776)
General and administrative expenses	(8,679)	(9,364)	(10,608)
Research and development expenses	(14,645)	(15,468)	(16,660)
Total operating expenses	(28,290)	(32,989)	(33,044)
Other operating income	980	1,938	769
Operating (loss)/profit	(21,204)	2,145	(21,121)
Other income/(expense):			
Interest income	79	237	1,412
Interest expenses	(141)	(428)	(488)
Foreign exchange loss	(68)	(287)	(271)
Other income/(expense)	27	(1,191)	81
Total other (expense)/income	(103)	(1,669)	734
(Loss)/Income before income tax and share of net loss from an equity investee	(21,307)	476	(20,387)
Income tax expenses	(26)	(627)	-
Loss before share of net loss from an equity investee	(21,333)	(151)	(20,387)
Share of net loss from an equity investee	(5)	(5)	(19)
Net loss	(21,338)	(156)	(20,406)
Net loss/(income) attributable to non-controlling interests	281	(1,777)	856
Net loss attributable to EHang Holdings Limited	(21,057)	(1,933)	(19,550)
Accretion to redemption value of redeemable convertible preferred shares	(1,475)	(13,554)	-
Net loss attributable to ordinary shareholders	(22,532)	(15,487)	(19,550)

Unaudited Condensed Consolidated Balance Sheets

(RMB '000)	As of December 31, 2019	As of March 31, 2020
Current assets:		
Cash and cash equivalents	321,662	245,015
Short-term investments	7,674	11,994
Accounts receivable	45,910	52,204
Cost and estimated earnings in excess of billings	14,212	3,722
Inventories	18,490	28,978
Prepayments and other current assets	20,565	21,877
Total current assets	428,513	363,790
Non-current assets:		
Property, plant and equipment, net	16,272	14,583
Long term loans receivable	-	44,265
Long-term investments	2,983	2,964
Others, net	1,645	1,543
Total non-current assets	20,900	63,355
Total assets	449,413	427,145
Current liabilities:		
Accounts payable	27,285	29,232
Contract liabilities	9,918	6,575
Accrued expenses and other liabilities	53,310	43,721
Others, net	5,085	5,080
Total current liabilities	95,598	84,608
Total non-current liabilities	38,460	36,600
Total liabilities	134,058	121,208
Total shareholders' equity	315,355	305,937
Total liabilities and shareholders' equity	449,413	427,145

Unaudited Condensed Consolidated Statements of Cash Flows

(RMB '000)	Q1 2019	Q4 2019	Q1 2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss	(21,338)	(156)	(20,406)
Adjustments to reconcile net loss to net cash (used in)/provided by operating activities:			
Share-based compensation	5,054	1,632	1,936
Others, net	1,221	2,308	1,731
Changes in operating assets and liabilities:			
Accounts receivable	(3,386)	(9,676)	(7,610)
Cost and estimated earnings in excess of billings	3,247	952	10,490
Inventories	(1,963)	(559)	(11,153)
Accounts payable	237	3,163	2,696
Contract liabilities	2,722	7,685	(3,343)
Accrued expenses and other liabilities	(959)	8,010	(1,603)
Others, net	(3,500)	1,372	(1,793)
Net cash (used in)/provided by operating activities	(18,665)	14,731	(29,055)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from maturity of short-term investments	3,300	66,200	13,000
Purchase of short-term investments	(12,900)	(55,774)	(17,200)
Loans to third parties	-	-	(53,900)
Repayment of loan from a third party	-	-	10,000
Others, net	(645)	(2,125)	(355)
Net Cash flow (used in)/provided by investing activities	(10,245)	8,301	(48,455)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from a short-term bank loan	5,000	-	5,000
Repayment of a short-term bank loan	(5,000)	-	(5,000)
Shares issued upon vesting of restricted share units	-	2	-
Proceeds from initial public offering, net of issuance costs	-	252,861	-
Proceeds from issuance of Class A ordinary shares, net of issuance costs	-	-	6,797
Proceeds from issuance of redeemable and convertible preferred shares	47,436	-	-
Payment of issuance costs for initial public offering	-	-	(9,119)
Net cash provided by/(used in) financing activities	47,436	252,863	(2,322)
Effect of exchange rate changes on cash and cash equivalents	(567)	(605)	3,185
Net increase in cash and cash equivalents	17,959	275,290	(76,647)
Cash and cash equivalents at the beginning of the period	61,519	46,372	321,662
Cash and cash equivalents at the end of the period	79,478	321,662	245,015

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



EHANG 亿航

Thank You



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