

EHang Holdings Limited

Q4 2023 and FY2023 Operational & Financial Highlights

March 15, 2024



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Business Highlights for Q4 2023 and Recent Updates

- Quarterly Revenues Increased by 260.9% YoY, 97.8% QoQ, Fiscal Year Revenues Increased by 165.0%
- Maintained Stable and High Gross Margin
- Achieved Positive Operating Cash Flow in the Fourth Quarter of 2023
- Obtained the World's First Pilotless Passenger-Carrying eVTOL Type Certificate ("TC") and Standard Airworthiness Certificate ("AC") for EH216-S from the CAAC
- Moved Forward eVTOL Sales and Operations
- Partnered with GAC Group to Strengthen Capability for Future Production
- Expanded to UAE Market



The First and Only eVTOL to Obtain TC and Standard AC

- EH216-S has obtained **Type Certificate (“TC”)** and **Standard Airworthiness Certificate (“AC”)** from the Civil Aviation Administration of China (“CAAC”) in 2023, which are **the world’s first TC and AC for pilotless passenger-carrying eVTOL**.
- The certifications demonstrate the EH216-S’s full compliance with safety standards and airworthiness requirements set by the CAAC.
- As a result, the EH216-S currently holds official approval for passenger-carrying commercial operations in China.

The journey to obtain EH216-S TC

1,000+ days and nights

500+ parameters

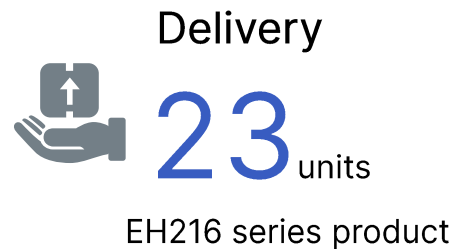
40,000+ trial flights

Extensive laboratory, ground and flight tests of **65** categories and **450+** individual test items



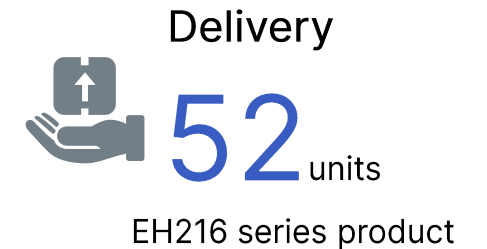
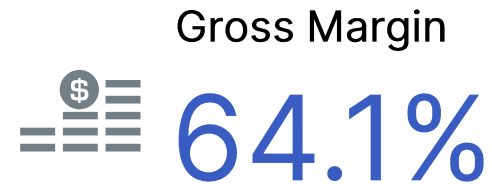
Strong Quarterly and Yearly Revenue Growth

➤ For the Fourth Quarter of 2023



Achieved Positive Operating Cash Flow in Q4 2023

➤ For the FY2023



China Favorable Policies and Regulations Supporting UAM / Low-Altitude Economy

National Policies

Oct 2023

To put eVTOL aircraft into commercial use by 2025

Green Aviation Manufacturing Industry Development Outline (2023-2035)

Dec 2023

Escalated low-altitude economy to be a strategic emerging industry

2023 Central Economic Work Conference

Mar 2024

Highlighted low-altitude economy as a new growth engine

2024 National Government Work Report

Regulations

Effective from Jan 2024

The first special administrative regulation of UAVs

Interim Measures for the Flight Management of UAVs

Dec 2023

Reform of China's Low-altitude Airspace Management

National Airspace Classification

Effective from Jan 2024

Regulation of certification, operator, operation of UAVs

Safety Management Rules for Operation of UAVs

Local Government Policies

Approximately 20 provinces across the country have prioritized the development of the low-altitude economy in 2024, leading to implementation of favorable policies and regulations, attractive funding and subsidies, infrastructure supports and suitable sites for eVTOL operations, and paving the way for establishing a sustainable low-altitude ecosystem.

EHang Pioneers China UAM Operations in Shenzhen



“Measures to Promote the High-Quality Development of Low-Altitude Economy in Shenzhen”

By 2025, Shenzhen plans to establish over 600 landing platforms for low-altitude aerial vehicles and set up more than 220 flight routes within Shenzhen*



- July 2023: strategic partnership with Bao'an District Government of Shenzhen
- February 2024: strategic partnership with the Bureau of Culture, Radio, Television, Tourism and Sports of Luohu District, Shenzhen



Shenzhen Boling has purchased 5 units of EH216-S from EHang, and plans to purchase additional 95 units for future use in Shenzhen



(UAM Operation Demonstration Center at OH Bay, Bao'an District)



(Layout design of Luohu District UAM Operation Center)

* Source: Xinhua News

EHang Pioneers China UAM Operations in Guangzhou



“The Detailed Rules for Implementation of Measures to Promote the High-Quality Development of the Low-Altitude Economy in Guangzhou Development District (Huangpu District)”

With subsidies up to RMB 30 million for eligible low-altitude industrial projects



The EH216-S was deployed in Jiulong Lake Park, and more operation sites and flight routes for aerial sightseeing and logistics in planning



Guangzhou development district low-altitude industry fund with the target fund size of RMB 10 billion was set up by Guangzhou Development District Communications Investment Group Co., Ltd. and Guangzhou Industrial Investment Capital



(EH216-S conducted demo flights at Jiulong Lake Park)



(Planning map of the Sino-Singapore Guangzhou Knowledge City, where Jiulong Lake Park locates)

EHang Pioneers China UAM Operations in Hefei



“The Action Plan for Low-Altitude Economic Development of Hefei (2023-2025) with 20 guidelines”

Proposed to build a low-altitude economy cluster, a testing and airworthiness certification base, a flight service and management platform, and set up commercial flight routes for aerial tourism and logistics, etc.



In October 2023, EHang entered into a strategic cooperation agreement with the Hefei Municipal Government for joint development of a low-altitude economy ecosystem in Hefei.



The Hefei Municipal Government plans to extend support to EHang in various forms with a target amount of US\$100 million. The support will be provided either through the coordination or facilitation of purchase orders for a minimum of 100 units of EH216 series products, and/or by providing financing support *



(EH216-S conducted demo flights at Luogang Central Park in Hefei)



(Luogang Central Park, the world's largest city central park, 12.7 square kilometers, 300,000 daily visitors during holidays)

* The specific timing, amount and type of support will be subject to additional definitive agreement.

EHang Pioneers China UAM Operations in Wuxi



In March 2023, EHang cooperated with the local government in Wuxi for UAM.



EHang received intentional purchase orders for 100 units of EH216-S.



The local governments will provide comprehensive support for EHang's eVTOL future operations in Wuxi for various use cases including passenger transportation, aerial sightseeing, firefighting and emergency.



(The Ancient Grand Canal Tourism Resort Area in Wuxi)

Strategic Partnership with GAC Group, GADD, Huangpu GDD



(601238.SH, 02238.HK)



(Nasdaq: EH)

- Airspace management
- Infrastructure development
- Policy support

- Extensive expertise in smart manufacturing
- Well-structured industrial chain
- To accelerate the production, adoption and market expansion for eHang's passenger UAVs

- Expertise in developing and integrating passenger UAVs
- To support the development of GAC Group's flying cars

Guangzhou government and enterprises' strategic cooperation
in the trillion-dollar low-altitude economy sector

Expansion in UAE: SAVI Cluster Member and Partnership with Wings Logistics Hub*

EHANG | 亿航

Wings[®]
LOGISTICS HUB

EIH 
Ethmar International Holding
إثمار الدولية القابضة



EHang has become a member of the Smart and Autonomous Vehicle Industries (SAVI) Cluster in Abu Dhabi.



A long-term strategic partnership has been formed with Wings Logistics Hub, with the aim to collaboratively advance the development of urban air transportation and smart city management in the UAE and the Middle East and North Africa region.



Wings Logistics Hub intends to order up to 100 units of the EH216 series eVTOLs from EHang.

* Wings Logistics Hub is a passenger eVTOLs (smart mobility) and logistics technology company, an affiliate of EIH Ethmar International Holding.

Expansion in European Market for Urban Air Mobility



In November 2023, EHang announced the inauguration of our first European UAM Center in Spain.

In February 2024, EHang and Telefónica Tech partnered on network connectivity to boost Urban Air Mobility.

Financial Performance for Q4 2023 and FY2023



2023Q4 and FY2023 Financial Highlights

- Quarterly Revenues Increased by 260.9% YoY, 97.8% QoQ, Fiscal Year Revenues Increased by 165.0%
- Maintained Stable and High Gross Margin
- Achieved Positive Operating Cash Flow in the Fourth Quarter of 2023

(RMB '000)	Q4 2023 (Unaudited)	Q4 2022 (Unaudited)	YoY	2023 (Unaudited)	2022 (Audited)	YoY
Total revenues	56,604	15,683	260.9%	117,426	44,317	165.0%
Gross profit	36,618	10,365	253.3%	75,311	29,219	157.7%
Gross margin	64.7%	66.1%	-1.4Pp	64.1%	65.9%	-1.8Pp
Adjusted operating expenses ¹⁾	(64,160)	(73,203)	-12.4%	(226,311)	(242,365)	-6.6%
Adjusted operating loss ¹⁾	(24,874)	(61,339)	-59.4%	(144,767)	(207,052)	-30.1%
Adjusted net loss ¹⁾	(22,143)	(59,445)	-62.8%	(138,833)	(206,174)	-32.7%

(RMB '000)	As of December 31, 2022 (Audited)	As of December 31, 2023 (Unaudited)
Cash, cash equivalents, short-term deposits, short-term investment, restricted short-term deposits balances	249,310	334,083

Notes:

1) The Company uses Non-GAAP Financial Measures in evaluating its operating results and for financial and operational decision-making purposes. Please refer to the press release for more details.

Condensed Consolidated Balance Sheets

(RMB '000)	As of December 31, 2022 (Audited)	As of December 31, 2023 (Unaudited)
Current assets:		
Cash and cash equivalents	249,310	228,250
Short-term deposits	-	14,397
Short-term investments	-	57,494
Restricted short-term deposits	-	33,942
Accounts receivable, net	20,298	33,086
Inventories, net	72,364	59,488
Prepayments and other current assets	45,183	24,691
Others, net	-	1,700
Total current assets	387,155	453,048
Non-current assets:		
Property and equipment, net	47,060	44,623
Operating lease right-of-use assets, net	73,482	74,528
Long term loans receivable	9,980	4,215
Long-term investments	9,839	18,369
Others, net	3,351	3,862
Total non-current assets	143,712	145,597
Total assets	530,867	598,645
Current liabilities:		
Short-term bank loans	49,794	69,798
Short-term debt	57,838	-
Accounts payable	35,456	35,101
Contract liabilities	19,321	37,169
Current portion of long-term loans	13,154	3,538
Accrued expenses and other liabilities	97,763	94,149
Current portion of lease liabilities	5,520	5,595
Others, net	3,495	4,725
Total current liabilities	282,341	250,075
Non-current liabilities:		
Long-term bank loans	3,846	9,308
Mandatorily redeemable non-controlling interests	40,000	40,000
Lease liabilities	69,913	75,308
Others, net	10,089	9,735
Total non-current liabilities	123,848	134,351
Total liabilities	406,189	384,426
Total shareholders' equity	124,678	214,219
Total liabilities and shareholders' equity	530,867	598,645

Condensed Consolidated Statements of Comprehensive Loss

(RMB '000)	2022 Q4 (Unaudited)	2023 Q4 (Unaudited)	FY 2022 (Audited)	FY 2023 (Unaudited)
Total revenues	15,683	56,604	44,317	117,426
Costs of revenues	(5,318)	(19,986)	(15,098)	(42,115)
Gross profit	10,365	36,618	29,219	75,311
Operating expenses:				
Sales and marketing expenses	(15,507)	(20,712)	(53,116)	(60,389)
General and administrative expenses	(51,437)	(55,626)	(151,065)	(150,092)
Research and development expenses	(37,097)	(38,140)	(135,082)	(167,315)
Total operating expenses	(104,041)	114,478	(339,263)	(377,796)
Other operating income	1,499	2,668	6,094	6,233
Operating loss	(92,177)	(75,192)	(303,950)	(296,252)
Other income (expense):				
Interest and investment income	1,176	4,339	4,669	8,484
Interest expenses	(2,361)	(682)	(3,819)	(2,930)
Amortization of debt discounts	-	-	-	(12,023)
Foreign exchange gain (loss)	754	697	(1,488)	394
Other non-operating (expenses) income, net	(17,570)	(1,948)	(24,860)	1,752
Total other (expense) income	(18,001)	2,406	(25,498)	(4,323)
Loss before income tax and income (loss) from equity method investment	(110,178)	(72,786)	(329,448)	(300,575)
Income tax expenses	(7)	(74)	(79)	(206)
Loss before income (loss) from equity method investment	(110,185)	(72,860)	(329,527)	(300,781)
Income (loss) from equity method investment	82	399	196	(1,560)
Net loss	(110,103)	(72,461)	(329,331)	(302,341)
Net loss attributable to non-controlling interests	221	197	1,110	641
Net loss attributable to EHang Holdings Limited	(109,882)	(72,264)	(328,221)	(301,700)

EHang Investment Highlights



1

Lead in UAM/Low-Altitude Economy, a Strategic Emerging Industry at a Pivot Point with Massive and Fast-Growing Market Potential and Favorable Policies

2

The World's First Pilotless Passenger-Carrying eVTOL TC and AC

3

Global Market Leader and First Mover of Commercialization Ahead of Peers for Years

4

Affordable, Efficient and Clean Air Mobility Solutions Enabled by Unique Technologies and Products

5

Compelling Business Model with High Growth Potential and Gross Margin

Upcoming Events

CITIC Securities Spring Capital Market Forum



March 21-22, 2024



Wuhan, China

Goldman Sachs TechNet Conference Asia Pacific 2024



May 21-22, 2024



Hong Kong, China

Jefferies 2nd Annual eVTOL / AAM Summit



May 30, 2024



New York, United States



THANK YOU

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