

EHang Holdings Limited

Q1 2021 Earnings Highlights



August 25, 2021

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OPERATIONAL HIGHLIGHTS FOR Q1 2021



Trial Flights to Initiate a UAM Plan in the Hengqin New Area in Southern China

- In January, EHang announced strategic partnerships with local partners to jointly initiate trial air mobility operations in the Hengqin New Area (“Hengqin”), the largest of the islands surrounding Zhuhai city in the Guangdong-Hong Kong-Macao Greater Bay Area of China. A total of 36 passengers experienced trial flights for aerial sightseeing in Hengqin on the announcement date.
- In February, the local partner further carried out the first trial flights of the EHang 216 over the sea of southern China from Hengqin to Dong’ao Island, a tourist destination island, showcasing its potential application in air mobility use cases such as aerial sightseeing.



Trial Flights of Passenger-grade AAVs for the First Time in Beijing

- In February, EHang completed trial flights of the EHang 216 in Beijing in a cold weather at an air temperature of minus 14 degrees Celsius to demonstrate the safety, reliability and environmental adaptability of its cutting-edge AAV technologies.
- This was also the first time that passenger-grade AAVs flew in Beijing, the capital city of China.



Participation in a Series of UAM Projects Supported by the European Union

- In January and February, as a pioneer of cutting-edge AAV products and technological solutions, EHang was selected to participate in a series of UAM projects supported by the European Union to demonstrate ways to achieve safe, sustainable, socially acceptable, and effective UAM. These projects include:
 1. the Air Mobility Urban - Large Experimental Demonstration (“AMU-LED”) project in Spain, the United Kingdom and the Netherlands;
 2. the Re-Invent Air Mobility initiative in France;
 3. the Safe and Flexible Integration of Advanced U-Space Services for Medical Air Mobility (“SAFIR-Med”) project in Belgium, Germany, the Netherlands, Greece and Czech Republic;
 4. the GOF 2.0 Integrated Urban Airspace VLD.



AMU-LED - AIR MOBILITY URBAN - LARGE EXPERIMENTAL DEMONSTRATIONS				SAFIR-MED - SAFE AND FLEXIBLE INTEGRATION OF ADVANCED U-SPACE SERVICES FOR MEDICAL AIR MOBILITY			
Project web site				Project web site			
PROJECT ID	PROJECT DURATION	COST	STATUS	PROJECT ID	PROJECT DURATION	COST	STATUS
AMU-LED	2021-01-01 - 2022-12-31	Total EU Contr: EUR 3,999,990.13	Ongoing	SAFIR-Med	2020-12-01 - 2022-11-30	Total EU Contr: EUR 2,038,609.01	Ongoing
CORUS-XUAM - CONCEPT OF OPERATIONS FOR EUROPEAN U-SPACE SERVICES - EXTENSION FOR URBAN AIR MOBILITY				GOF2.0 - INTEGRATED URBAN AIRSPACE VLD			
Website							
PROJECT ID	PROJECT DURATION	COST	STATUS	PROJECT ID	PROJECT DURATION	COST	STATUS
CORUS-XUAM	2020-12-01 - 2022-11-30	Total EU Contr: EUR 3,999,989.00	Ongoing	GOF2.0	2021-01-01 - 2022-12-31	Total EU Contr: EUR 3,928,017.76	Ongoing

Partnership with Giancarlo Zema Design Group to Build an Eco-sustainable Vertiport in Italy

- In March, EHang entered into a partnership with Giancarlo Zema Design Group (“GZDG”), a leading Italian architecture firm. GZDG has designed and intends to build an eco-sustainable vertiport in Italy using EHang’s passenger-grade AAV technologies and air mobility solutions. The vertiport will use green design and construction materials and can generate energy to recharge the EHang 216 AAVs.



Partnership with Dongfeng USharing to Co-develop a Solution for Seamlessly-Connected Mobility Services Leveraging AAV Technologies

- In March, EHang entered into a partnership with Dongfeng USharing Technology Co., Ltd., a subsidiary of Dongfeng Motor Corporation (a Fortune Global 500 company and one of the largest auto makers in China) to co-develop a solution for Seamlessly Connected Mobility Services for logistics using EHang's AAV technologies.



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FINANCIAL HIGHLIGHTS FOR Q1 2021

Q1 2021 Financial Highlights

- *Achieved Quarterly Positive Operating Cash Flow Again*
- *Maintained High Quarterly Gross Margin*

(RMB '000)	Q1 2021	Q1 2020	YoY
Total revenues	22,977	18,818	22.1%
Gross profit	14,526	11,154	30.2%
Gross margin	63.2%	59.3%	3.9Pp ²⁾
Adjusted gross profit ¹⁾	14,526	11,154	30.2%
Adjusted gross margin ¹⁾	63.2%	59.3%	3.9Pp ²⁾
Adjusted operating expenses ¹⁾	(34,528)	(31,108)	11.0%
Adjusted operating loss ¹⁾	(17,335)	(19,185)	-9.6%
Adjusted net loss ¹⁾	(13,654)	(18,470)	-26.1%

Notes:

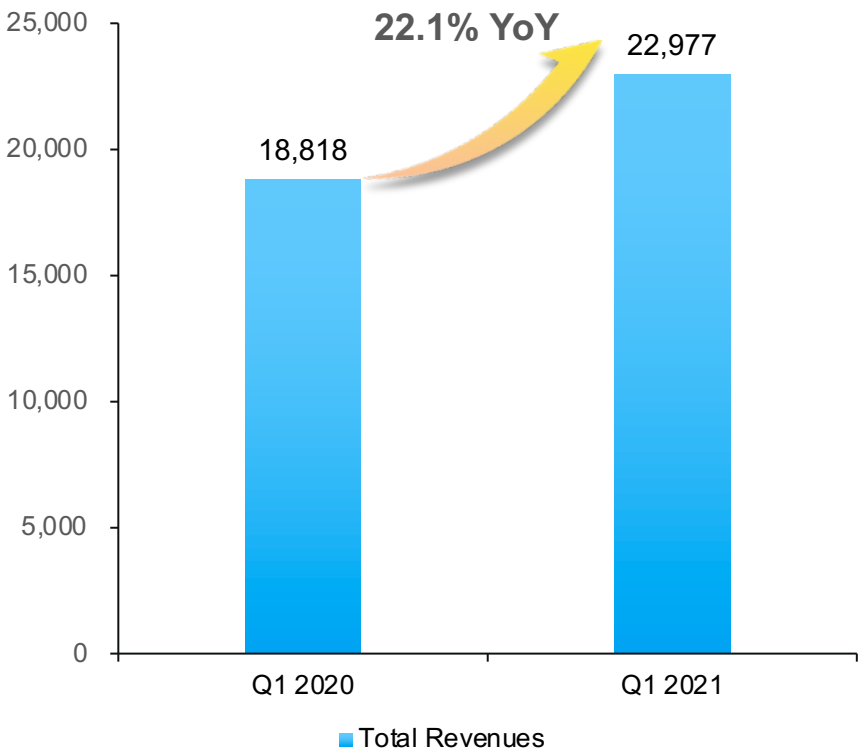
¹⁾ The Company uses Non-GAAP Financial Measures in evaluating its operating results and for financial and operational decision-making purpose. Please refer to the press release for more details.

²⁾ Pp represents percentage points.

Q1 2021 Financial Performance

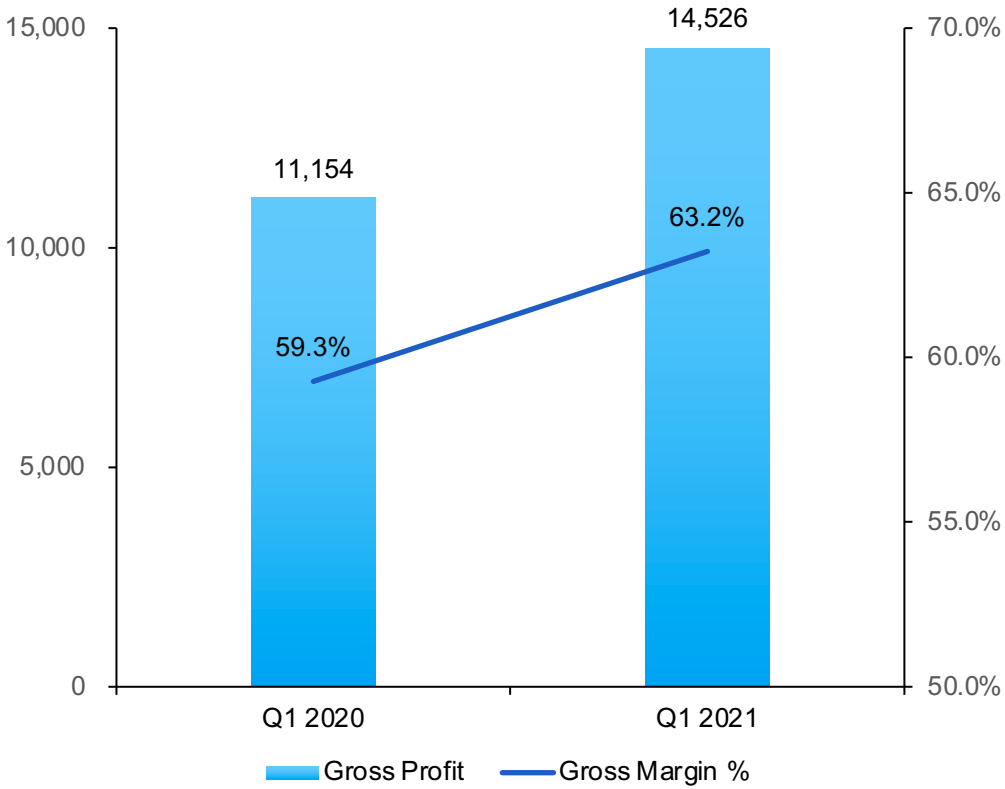
Total Revenues

RMB '000



Gross Profit

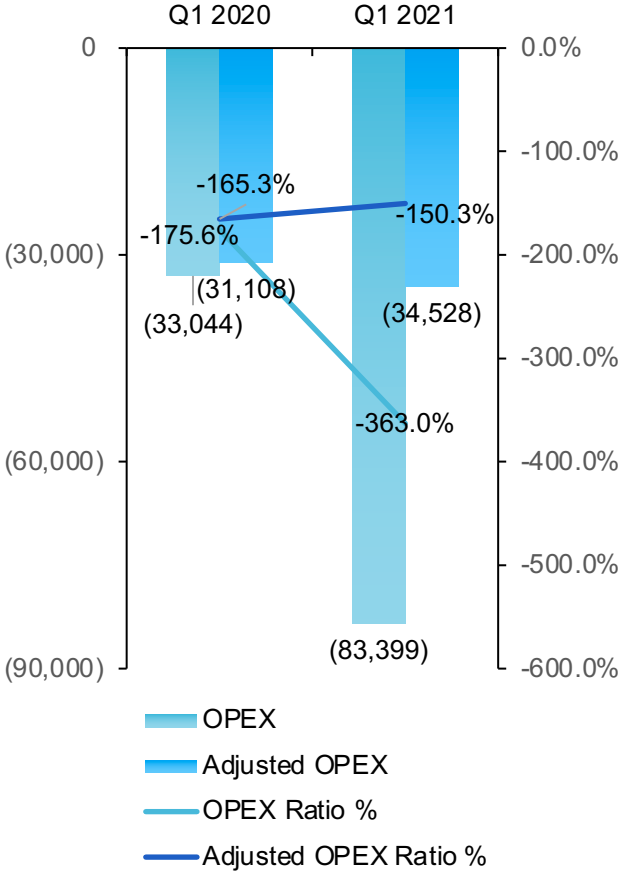
RMB '000



Q1 2021 Financial Performance

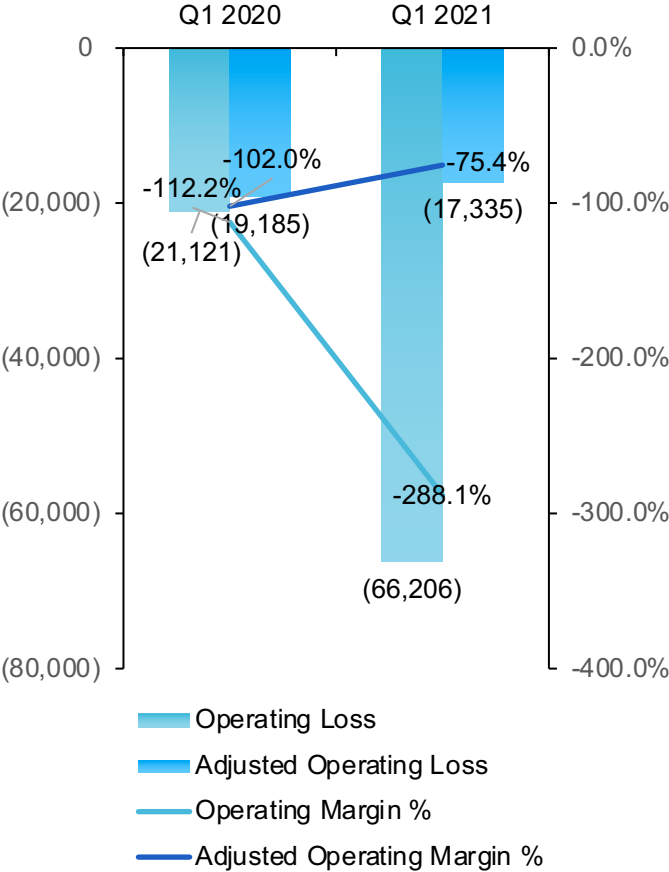
(Adjusted) OPEX

RMB '000



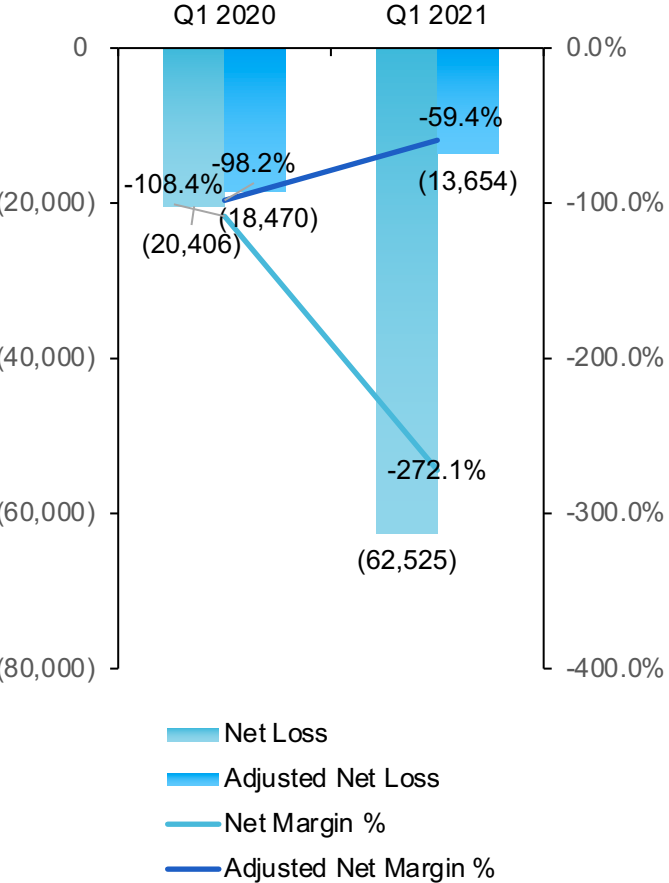
(Adjusted) Operating Loss

RMB '000



(Adjusted) Net Loss

RMB '000



Unaudited Condensed Consolidated Balance Sheets

(RMB '000)	As of December 31, 2020	As of March 31, 2021
Current assets:		
Cash and cash equivalents	137,840	462,474
Restricted cash	2,333	-
Short-term investments	49,271	18,000
Accounts receivable	163,146	95,709
Cost and estimated earnings in excess of billings	717	717
Inventories, net	47,094	43,399
Prepayments and other current assets	21,421	26,862
Others, net	2,639	2,639
Total current assets	424,461	649,800
Non-current assets:		
Property and equipment, net	20,869	29,574
Long term loans receivable	14,934	13,072
Long-term investments	2,919	2,919
Others, net	21,366	22,725
Total non-current assets	60,088	68,290
Total assets	484,549	718,090
Current liabilities:		
Short-term bank loans	15,000	15,000
Accounts payable	53,147	35,358
Contract liabilities	7,492	21,705
Accrued expenses and other liabilities	81,578	51,092
Others, net	830	2,725
Total current liabilities	158,047	125,880
Non-current liabilities:		
Long-term loans	-	20,000
Mandatorily redeemable non-controlling interests	40,000	40,000
Others, net	8,802	8,617
Total non-current liabilities	48,802	68,617
Total liabilities	206,849	194,497
Total shareholders' equity	277,700	523,593
Total liabilities and shareholders' equity	484,549	718,090

Unaudited Condensed Consolidated Statements of Comprehensive Loss

(RMB '000)	2020 Q1	2020 Q4	2021 Q1
Total revenues	18,818	54,595	22,977
Costs of revenues	(7,664)	(22,145)	(8,451)
Gross profit	11,154	32,450	14,526
Operating expenses:			
Sales and marketing expenses	(5,776)	(13,848)	(9,486)
General and administrative expenses	(10,608)	(18,613)	(46,059)
Research and development expenses	(16,660)	(50,945)	(27,854)
Total operating expenses	(33,044)	(83,406)	(83,399)
Other operating income	769	1,750	2,667
Operating loss	(21,121)	(49,206)	(66,206)
Other income/(expense):			
Interest income	1,412	671	1,957
Interest expenses	(488)	(692)	(394)
Foreign exchange loss	(271)	(107)	(306)
Other income/(expense)	81	(1,158)	2,541
Total other income/(expense)	734	(1,286)	3,798
Loss before income tax and share of net loss from an equity investee	(20,387)	(50,492)	(62,408)
Income tax expenses	-	(351)	(117)
Loss before share of net loss from an equity investee	(20,387)	(50,843)	(62,525)
Share of net loss from an equity investee	(19)	-	-
Net loss	(20,406)	(50,843)	(62,525)
Net loss attributable to non-controlling interests	856	1,657	361
Net loss attributable to ordinary shareholders	(19,550)	(49,186)	(62,164)

Unaudited Condensed Consolidated Statements of Cash Flows

(RMB '000)	2020 Q1	2020 Q4	2021 Q1
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss	(20,406)	(50,843)	(62,525)
Adjustments to reconcile net loss to net cash used in operating activities:			
Share-based compensation	1,936	38,571	48,871
Allowance for doubtful accounts	142	4,794	505
Others, net	1,589	1,859	(410)
Changes in operating assets and liabilities:			
Accounts receivable	(9,091)	(29,370)	54,542
Cost and estimated earnings in excess of billings	10,490	3,005	-
Inventories	(11,153)	9,596	318
Accounts payable	2,696	660	(17,789)
Contract liabilities	(3,343)	986	1,613
Accrued expenses and other liabilities	(1,603)	3,287	(3,534)
Others, net	(312)	(18,479)	(5,417)
Net cash (used in)/provided by operating activities	(29,055)	(35,934)	16,174
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	(292)	(7,414)	(8,322)
Proceeds from maturity of short-term investments	13,000	35,596	49,271
Purchase of short-term investments	(17,200)	(2,000)	(18,000)
Loans to third parties	(53,900)	-	-
Repayment of loan from a third party	10,000	-	-
Others, net	(63)	(59)	(9)
Net cash (used in)/provided by investing activities	(48,455)	26,123	22,940
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term bank loans	5,000	-	5,000
Repayment of a short-term bank loan	(5,000)	-	(5,000)
Proceeds from long-term bank loans	-	-	20,000
Repayment of loans from third parties	-	(2,000)	-
Proceeds from issuance of Class A ordinary shares pursuant to underwriters' exercise of over-allotment option	7,313	-	-
Proceeds from the issuance of Class A ordinary shares pursuant to a private placement	-	-	258,836
Payment of issuance of Class A ordinary shares pursuant to underwriters' exercise of over-allotment option's issuance costs	(516)	(35)	-
Payment of issuance costs for initial public offering	(9,119)	(2,075)	-
Net cash (used in)/provided by financing activities	(2,322)	(4,110)	278,836
Effect of exchange rate changes on cash and cash equivalents and restricted cash	3,185	(3,710)	4,351
Net (decrease)/increase in cash and cash equivalents and restricted cash	(76,647)	(17,631)	322,301
Cash and cash equivalents and restricted cash at the beginning of the period/year	321,662	157,804	140,173
Cash and cash equivalents and restricted cash at the end of the period/year	245,015	140,173	462,474

Investment Highlights



1. World's First 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

Thank You

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