

EHang Holdings Limited

Q3 2020 Earnings Highlights

December 3, 2020



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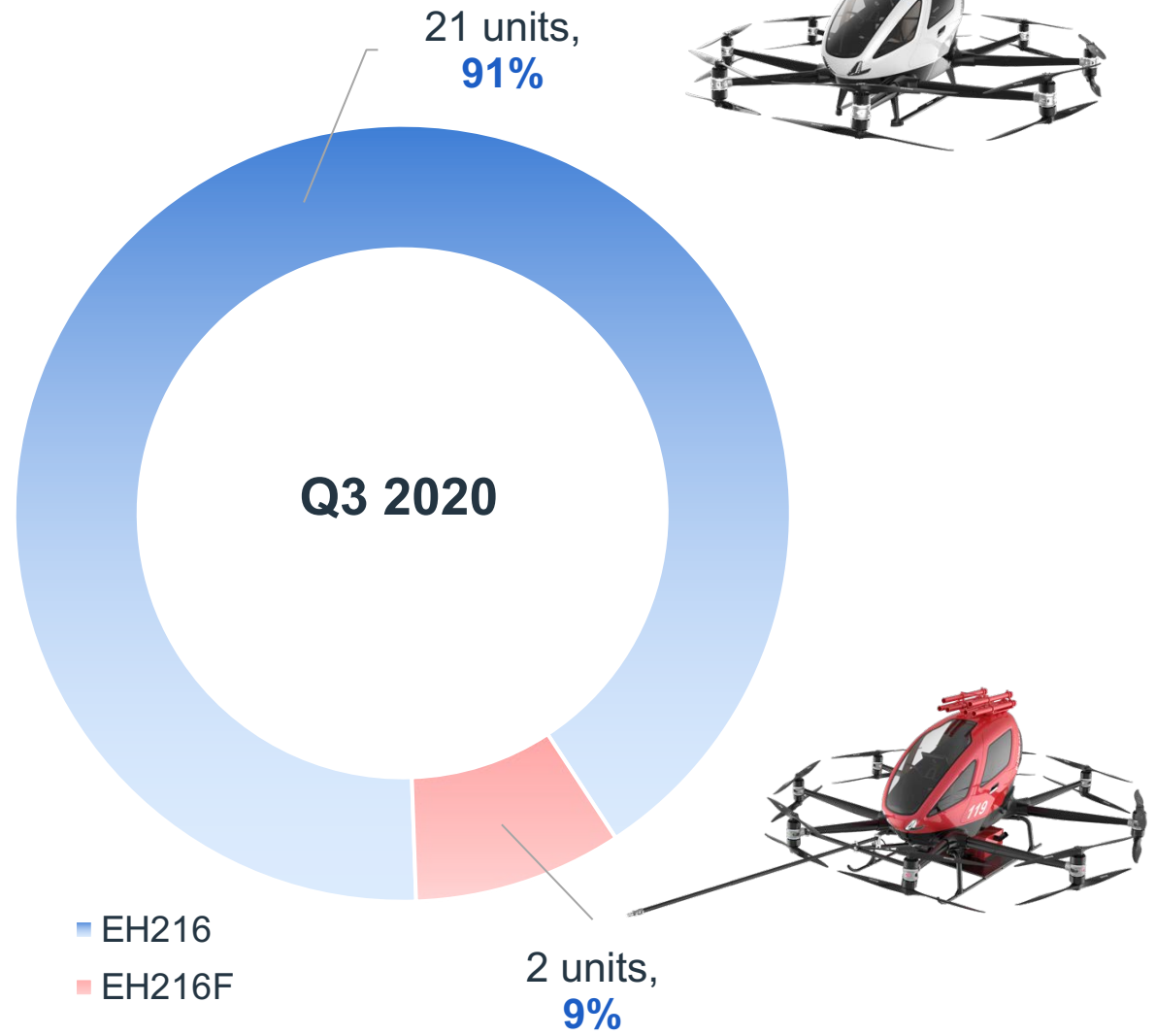
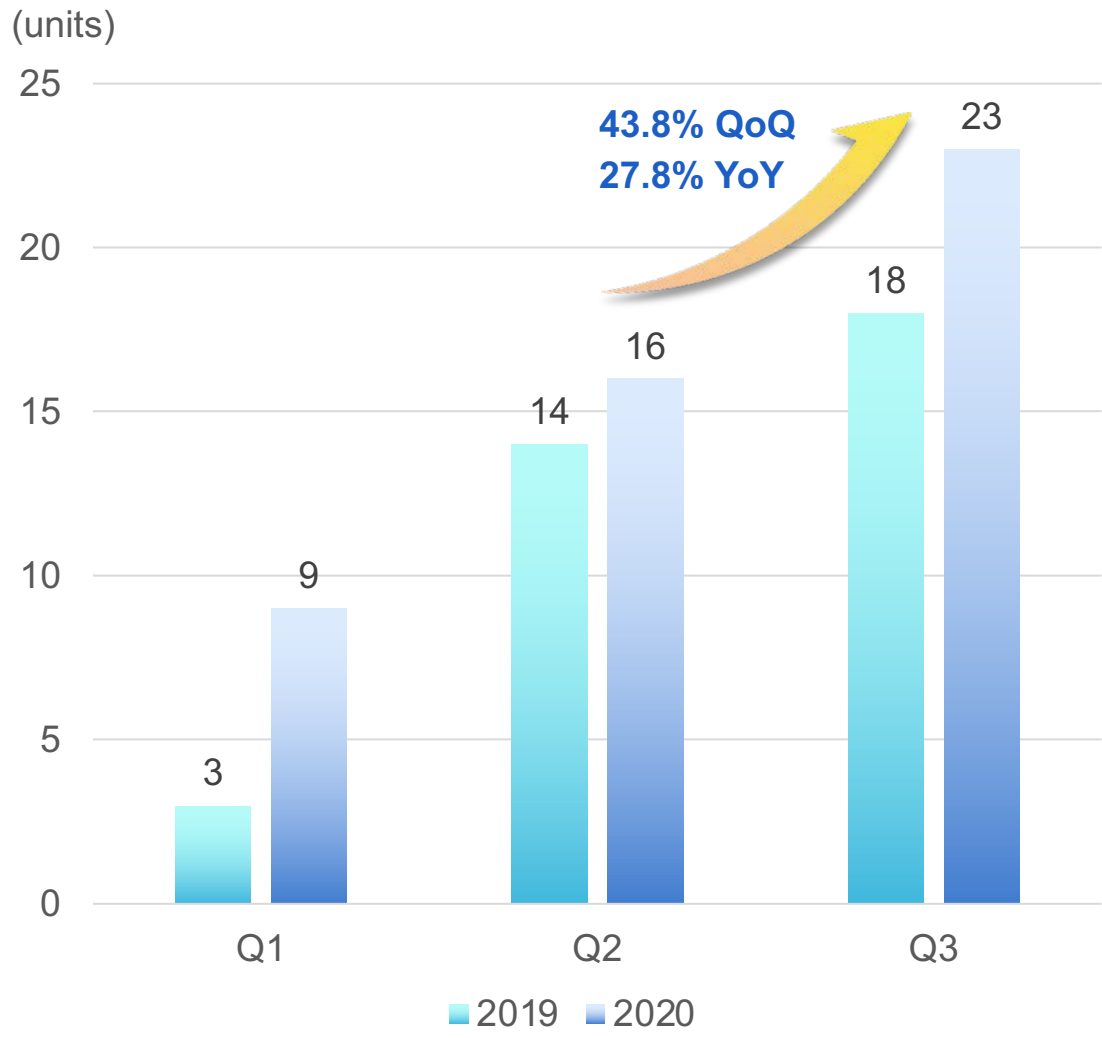
eHANG

Q3 2020

OPERATIONAL & BUSINESS HIGHLIGHTS



Increasing Sales of EH216 Passenger-grade AAVs



Launched the EH216F AAV and Intelligent Aerial Firefighting Solution

July 2020



Status Quo

- China had 6,974 high-rise fires occurred in 2019, an increase of 10.6% YoY;
- Potential delays caused by traffic congestions;
- Only 120-meter height limit for conventional ladders and fire engines.

Advantages of EH216F

- High-rise firefighting at 600 meters height;
- Instant response to fires;
- Centralized platform command-control with cluster management;
- Remote unmanned operation;
- Capacity to carry 150-liters foams with 6 extinguisher projectiles.

Potential Market *

China's number of high-rise buildings is probably the highest in the world:

- 347,000 high-rise buildings (above 24 meters)
- 6,000 super-high-rise buildings (above 100 meters)
- 7,032 urban fire stations and 9,755 suburban fire stations in China.



Unveiled the Heavy-lift EH216L AAV for Aerial Logistics

September 2020



Advantages of EH216L

- The world's largest for multi-rotor AAVs for aerial logistics
- Centralized platform command-control with cluster management
- Remote unmanned operation
- Clean energy driven by electricity

Use Cases

Urban and rural short-to-medium-haul heavy-lift aerial logistics that require frequent and point-to-point flight tasks:

- large parcel delivery
- agricultural products transportation
- offshore oil rigs transportation
- aerial emergency supply transportation
- disaster relief

Market Size *

- The UAM global logistics market could reach US\$46 billion by 2023 (an estimated CAGR of 740%).
- China is projected to be the largest regional market in the world in 2023, accounting for 45% of the global logistics UAM market.



Capacity Expansion to Meet High Demand for AAVs in China

July 2020



EHang Yunfu production facility

Specialized Plant for Passenger-grade AAVs

- To serve as an expansion of our existing facilities in Guangzhou
- An industry-leading AAV production center, including an R&D facility and a training center for air mobility

Production Plan



- To start production in H1 2021
- Planned initial annual capacity of 600 units of passenger-grade AAVs


Government Support

- RMB42 million (approx. US\$6 million) investment supported by the local government
- Preferential policies and treatments by the local government

Obtained the First Permit for Flight Operations of Passenger-grade AAVs in North America

July 2020

SPECIAL FLIGHT OPERATIONS CERTIFICATE (SFOC) – Remotely Piloted Aircraft System (RPAS) CERTIFICAT D'OPÉRATIONS AÉRIENNES SPÉCIALISÉES (COAS) – Système d'aéronef télépilote (SATP)	
	CANADA  Transport Canada / Transports Canada
SFOC No. / COAS n°: 930121	
Expiry Date / Date d'expiration: 2021-04-01	
Valid until suspended, cancelled or revoked Valable jusqu'à suspendu, annulé ou révoqué	
<small>Pursuant to section 903.03 of the Canadian Aviation Regulations (CAR), this constitutes a Special Flight Operations Certificate (SFOC), for the operation of a Remotely Piloted Aircraft System (RPAS), issued under the authority of the Minister pursuant to the Aeronautics Act. / Conformément aux dispositions de l'article 903.03 du Règlement de l'aviation canadien (RAC), le présent document constitue votre certificat d'opérations aériennes spécialisées (COAS) en vue d'utiliser un système d'aéronef télépilote (SATP), délivré en vertu de l'autorité du ministre, conformément à la Loi sur l'aéronautique.</small>	
<small>Nothing in this Certificate shall be held to relieve the Certificate holder from requirements to comply with the provisions of such Canadian Aviation Documents as may have been issued pursuant to the Aeronautics Act or the Canadian Aviation Regulations (CAR). / Aucun élément du présent certificat ne peut servir à exempter le titulaire du certificat de son obligation de satisfaire aux exigences des Documents d'aviation canadiens produits conformément aux dispositions de la Loi sur l'aéronautique ou du Règlement de l'aviation canadien (RAC).</small>	
<small>Nothing in this Certificate shall be held to relieve the Certificate holder from the requirements to comply with the provisions of any other Acts, Regulations or laws from any level of government. / Rien dans le présent certificat n'est tenu pour dispenser le titulaire du certificat des exigences de conformité aux dispositions de toute autre loi, règlement ou de tout ordre de gouvernement.</small>	
<small>Pursuant to section 6.71 of the Aeronautics Act, this Certificate may be suspended or cancelled at any time by the Minister for cause, including failure on the part of the Certificate holder, its servants or agents to comply with the provisions of the Aeronautics Act or the Canadian Aviation Regulations (CAR). This Certificate is not transferable. / Conformément à l'article 6.71 de la Loi sur l'aéronautique, le ministre peut, en tout temps, suspendre ou annuler le présent certificat pour tout motif valable, y compris le non-respect de la part du titulaire du certificat, de ses employés ou de ses agents des dispositions de la Loi sur l'aéronautique ou du Règlement de l'aviation canadien (RAC). Le présent certificat ne peut être transféré.</small>	
Date of Issue (YYYY-MM-DD) / Date de délivrance (AAAA-MM-JJ): 2020-07-10	Name and Signature / Nom et signature: Christian Larouche Title / Fonction: Technical Team Lead / Chef d'équipe technique E-mail / Courriel: christian.larouche@tc.gc.ca Signature numérique de Larouche, Christian Date: 2020.07.10 12:48:23 -04'00' On behalf of the Minister of Transport – Au nom du ministre des Transports
<small>I hereby certify that the attached document is a true copy of revised this document in Ottawa, Ontario, Canada on July 10, 2020.</small> <small>Je certifie que le document ci-joint est une copie conforme du certificat d'opérations aériennes spécialisées (COAS) : Transports Canada aviation civile a effectué la dernière révision du présent document à Ottawa, Ontario, Canada le 10 juillet 2020.</small> <small>Dated at Ottawa, Ontario, Canada on July 10, 2020 on behalf of the Minister of Transport.</small> <small>Fait à Ottawa, Ontario Canada, le 10 juillet 2020, au nom du ministre des Transports.</small>	
Larouche, Christian Signature numérique de Larouche, Christian Date: 2020.07.10 12:48:48 -04'00' On behalf of the Minister of Transport – Au nom du ministre des Transports <small>This Certificate supersedes and replaces the SFOC currently in force, where applicable. Ce certificat annule et remplace le COAS présentement en vigueur, le cas échéant.</small>	

Canada 

1/6

- EH216 obtained a Special Flight Operations Certificate issued by the Transport Canada Civil Aviation.
- With this certificate, trial flights of EH216 AAVs have been permitted and are routinely conducted in Québec province, Canada.
- In Sep. 2019, we were invited to showcase its EH216 AAV at the International Civil Aviation Organization (ICAO)'s 75th Anniversary ceremony in Montreal, Canada. The EH216 was highly recognized by ICAO and various aviation authorities from different countries.



Joined an International Project to Develop an Air Ambulance

August 2020



- We were selected to join **Ambular**, an international project endeavoring to develop a flying ambulance for medical emergency use.
- Supported by the International Civil Aviation Organization (“ICAO”), the project also seeks to inspire the global aviation community to unleash the potential of eVTOLs.
- We will contribute the necessary hardware (such as rotors and motors) to Ambular, driving R&D of the power component of the aircraft.
- Reflecting our social responsibility and leading experience in using AAVs for emergency responses.



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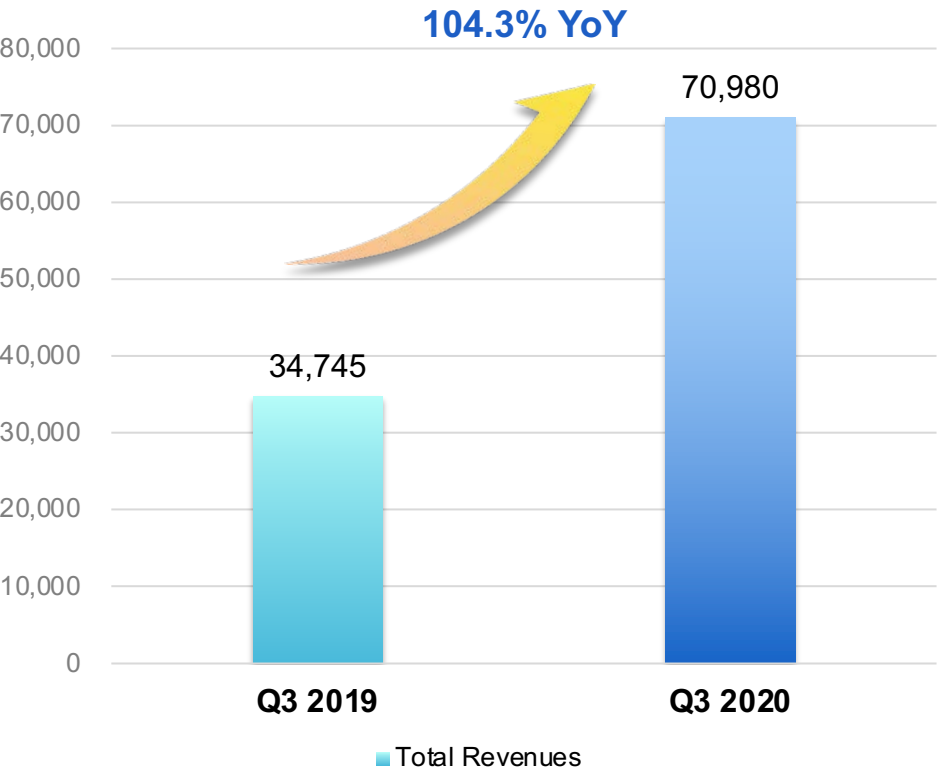
Q3 2020 FINANCIAL HIGHLIGHTS



Q3 2020 Financial Performance

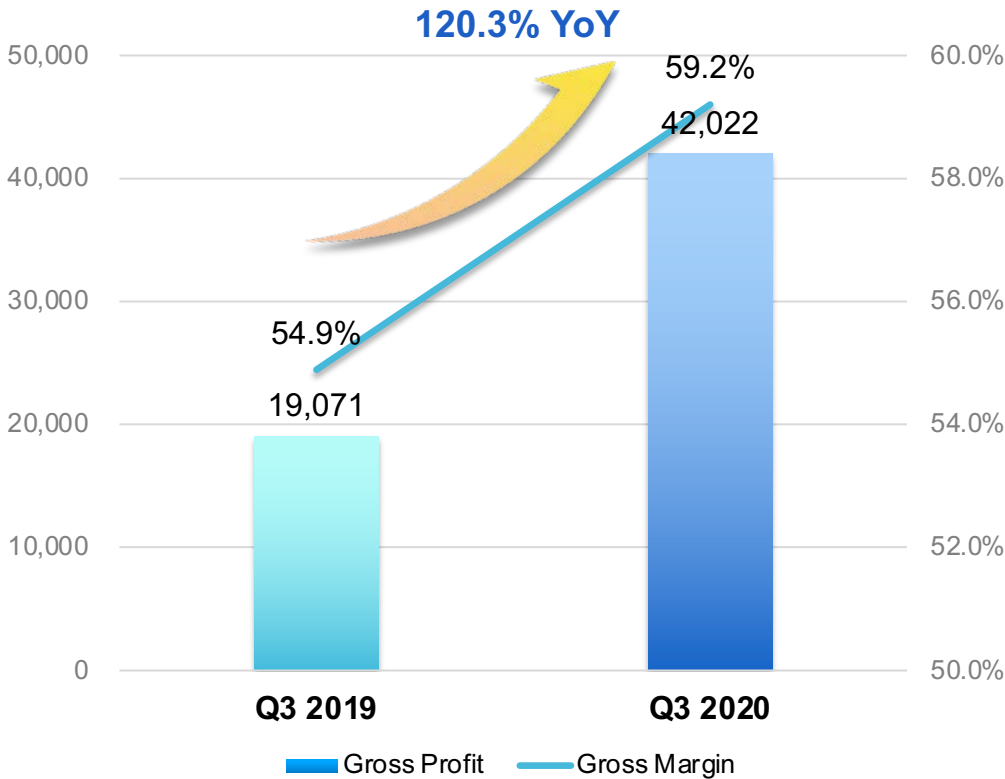
Total Revenues

RMB'000



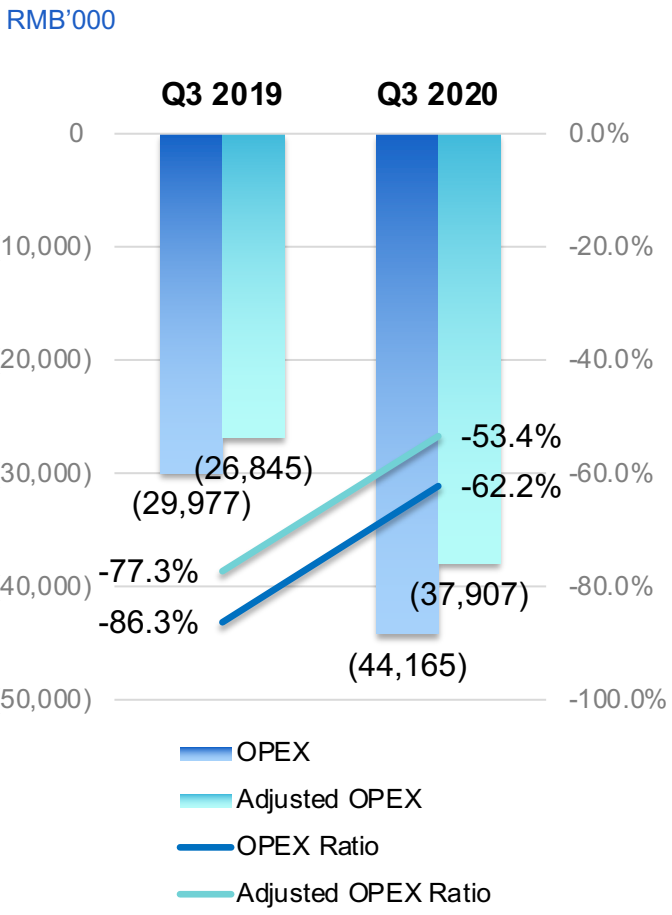
Gross Profit

RMB'000

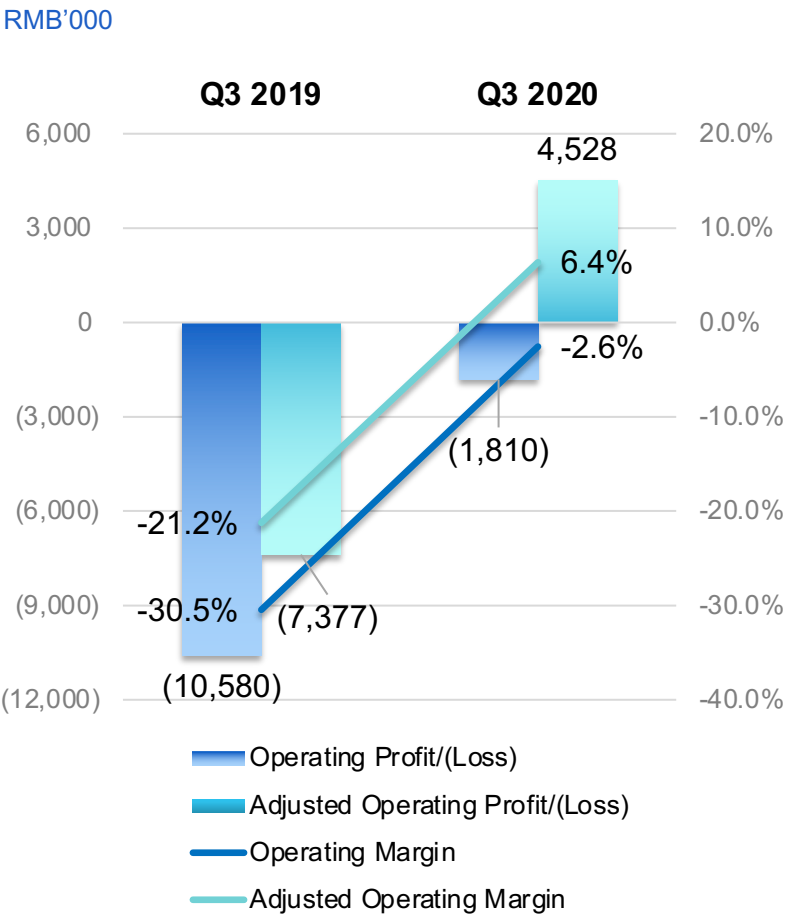


Q3 2020 Financial Performance

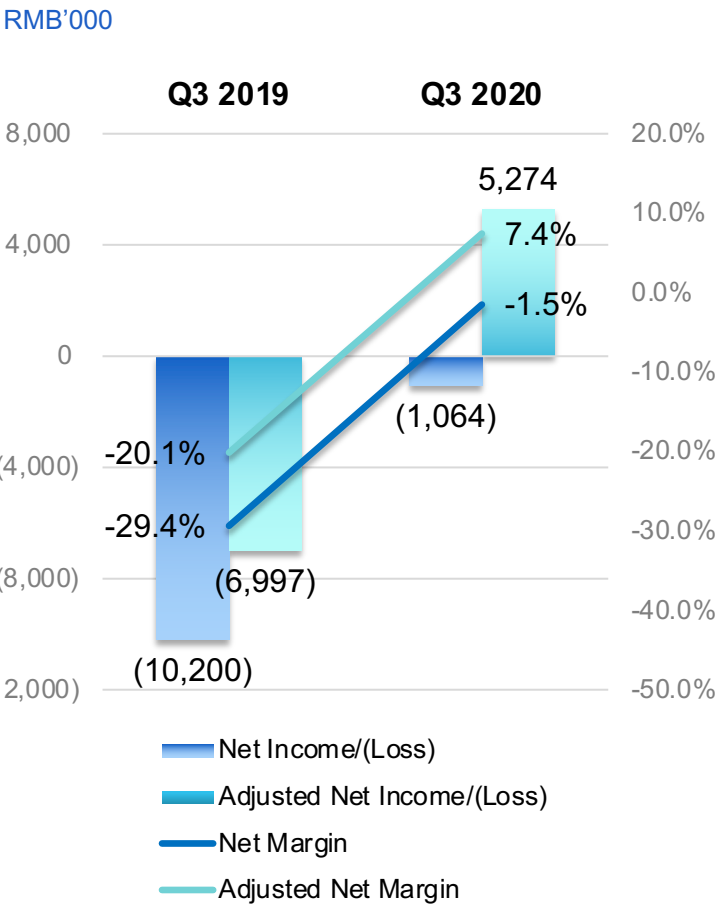
Adjusted OPEX



Adjusted Operating Profit/(Loss)



Adjusted Net Income/(Loss)



Unaudited Condensed Consolidated Balance Sheets

(In thousands of RMB)	As of December 31, 2019	As of September 30, 2020
Current assets:		
Cash and cash equivalents	321,662	157,804
Short-term investments	7,674	84,696
Accounts receivable	41,103	137,253
Cost and estimated earnings	14,212	3,722
Inventories	18,490	56,690
Prepayments and other current	20,565	22,450
Others, net	4,807	2,800
Total current assets	428,513	465,415
Non-current assets:		
Property and equipment, net	16,272	12,266
Long term loans receivable	-	14,835
Long-term investments	2,983	2,919
Others, net	1,645	1,479
Total non-current assets	20,900	31,499
Total assets	449,413	496,914
Current liabilities:		
Short-term bank loans	5,000	15,000
Accounts payable	27,285	52,487
Contract liabilities	9,918	6,506
Accrued expenses and other	53,310	77,516
Others, net	85	863
Total current liabilities	95,598	152,372
Non-current liabilities:		
Long-term loans	32,534	-
Mandatorily redeemable non-	-	40,000
Others, net	5,926	8,983
Total non-current liabilities	38,460	48,983
Total liabilities	134,058	201,355
Total shareholders' equity	315,355	295,559
Total liabilities and	449,413	496,914

Unaudited Condensed Consolidated Statements of Comprehensive Loss

(In thousands of RMB)	2019 Q3	2020 Q2	2020 Q3	2019 1-9	2020 1-9
Total revenues	34,745	35,700	70,980	67,130	125,498
Costs of revenues	(15,674)	(15,147)	(28,958)	(29,108)	(51,769)
Gross profit	19,071	20,553	42,022	38,022	73,729
Operating expenses:					
Sales and marketing expenses	(6,162)	(9,218)	(8,344)	(18,698)	(23,338)
General and administrative expenses	(9,692)	(16,348)	(16,044)	(27,584)	(43,000)
Research and development expenses	(14,123)	(17,870)	(19,777)	(41,699)	(54,307)
Total operating expenses	(29,977)	(43,436)	(44,165)	(87,981)	(120,645)
Other operating income	326	3,724	333	1,469	4,826
Operating loss	(10,580)	(19,159)	(1,810)	(48,490)	(42,090)
Other income/(expense):					
Interest income	150	974	738	646	3,124
Interest expenses	(110)	(488)	(669)	(409)	(1,645)
Foreign exchange gain/(loss)	360	278	(233)	396	(226)
Other income/(expense)	88	(1,445)	622	215	(742)
Total other income/(expense)	488	(681)	458	848	511
Loss before income tax and (loss)/gain from equity method investment	(10,092)	(19,840)	(1,352)	(47,642)	(41,579)
Income tax (expenses)/benefits	(49)	145	-	(127)	145
Loss before (loss)/gain from equity method investment	(10,141)	(19,695)	(1,352)	(47,769)	(41,434)
(Loss)/gain from equity method investment	(59)	(33)	288	(69)	236
Net loss	(10,200)	(19,728)	(1,064)	(47,838)	(41,198)
Net loss attributable to non-controlling interests	(192)	1,111	798	1,226	2,765
Net loss attributable to EHang Holdings Limited	(10,392)	(18,617)	(266)	(46,612)	(38,433)
Accretion to redemption value of redeemable convertible preferred shares	(10,660)	-	-	(13,694)	-
Net loss attributable to ordinary shareholders	(21,052)	(18,617)	(266)	(60,306)	(38,433)

Unaudited Condensed Consolidated Statements of Cash Flows

(In thousands of RMB)	2019 Q3	2020 Q2	2020 Q3	2019 1-9	2020 1-9
CASH FLOWS FROM OPERATING ACTIVITIES					
Net loss	(10,200)	(19,728)	(1,064)	(47,838)	(41,198)
Adjustments to reconcile net loss to net cash used in operating activities:					
Share-based compensation	3,203	8,012	6,338	13,115	16,286
Others, net	1,440	5,608	4,861	4,037	12,200
Changes in operating assets and liabilities:					
Accounts receivable	(23,658)	(30,900)	(65,317)	(34,166)	(105,308)
Cost and estimated earnings in excess of billings	-	-	-	3,247	10,490
Inventories	(6,942)	(18,868)	(8,844)	(11,746)	(38,865)
Accounts payable	4,727	11,446	11,809	7,195	25,951
Contract liabilities	618	(170)	101	(3,674)	(3,412)
Accrued expenses and other liabilities	4,989	(1,387)	7,370	6,177	4,380
Others, net	(4,535)	1,238	2,788	(6,596)	3,714
Net cash used in operating activities	(30,358)	(44,749)	(41,958)	(70,249)	(115,762)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from maturity of short-term investments	25,130	2,500	20,900	39,530	36,400
Purchase of short-term investments	(34,730)	(19,899)	(76,265)	(57,630)	(113,364)
Loans to third parties	-	-	-	-	(53,900)
Repayment of loan from a third party	-	-	30,000	-	40,000
Others, net	(327)	(943)	(170)	(1,189)	(1,468)
Net cash flow used in investing activities	(9,927)	(18,342)	(25,535)	(19,289)	(92,332)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from short-term bank loans	-	5,000	5,000	5,000	15,000
Repayment of a short-term bank loan	-	-	-	(5,000)	(5,000)
Proceeds from a loan from a third party	30,000	-	-	30,000	-
Repayment of loans from third parties	(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
Payment of issuance of Class A ordinary shares pursuant to underwriters' exercise of over-allotment option's issuance costs	-	-	(199)	-	(715)
Payment of issuance costs for initial public offering	-	(304)	(2,408)	-	(11,831)
Others, net	3	-	-	3	-
Net cash provided by financing activities	25,003	46,719	2,393	72,439	46,790
Effect of exchange rate changes on cash and cash equivalents	1,501	(454)	(5,285)	1,952	(2,554)
Net decrease in cash and cash equivalents	(13,781)	(16,826)	(70,385)	(15,147)	(163,858)
Cash and cash equivalents at the beginning of the period/year	60,153	245,015	228,189	61,519	321,662
Cash and cash equivalents at the end of the period	46,372	228,189	157,804	46,372	157,804

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*



Thank You

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