EHang Further Rebuts Short-Seller's Allegations Concerning its Relationship with Kunxiang

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GUANGZHOU, China, Feb. 19, 2021 (GLOBE NEWSWIRE) -- EHang Holdings Limited (Nasdaq: EH) ("EHang" or the "Company"), the world's leading autonomous aerial vehicle ("AAV") technology platform company, today releases additional details to rebut the allegations made by the short-seller, Wolfpack Research, concerning its relationship with a customer, Shanghai Kunxiang Intelligent Technology Co., Ltd. ("Kunxiang"):

1. Kunxiang is one of EHang's customers but it is not a related party of EHang. Kunxiang had never been a shareholder of EHang prior to its IPO. Kunxiang has never purchased any shares from EHang after its IPO. Although any person can purchase EHang's ADSs from the open market after EHang becomes a public company, EHang has no knowledge that Kunxiang has ever purchased any of EHang's ADSs, and EHang does not believe Kunxiang holds any meaningful shares whatsoever in the Company at any given time.

2. On February 1, 2019, EHang entered into a sales contract with Kunxiang to sell 3 units of EHang 216 passenger-grade AAVs for a total price of RMB4.5 million, or RMB1.5 million per unit (inclusive of value-added tax). EHang has posted a copy of this contract as well as its English translation on its IR website: https://ir.ehang.com/shareholder-services/investor-faqs.

3. Pricing and other terms provided by EHang to Kunxiang are not substantially different from those offered to other customers in China and all contracts with Kunxiang are based on arm-length transactions. The average unit price under EHang's February 2019 contract with Kunxiang is in line with the average unit price for the Company's overall passenger-grade AAV sales since 2019. Although the Company has not directly disclosed the average selling price of its passenger-grade AAVs in its public filings, such average selling price can be inferred from two metrics the Company does publicly disclose: (i) the number of passenger-grade AAVs sold in a period, and (ii) the amount of revenues generated by air mobility solutions, which have mostly been derived from the sales of passenger-grade AAVs, in the same period.

4. While it is not EHang's place to comment on its customer's office buildings or employees, Kunxiang has confirmed to EHang that the allegations made by the short-seller concerning Kunxiang or its employees in this so-called research report are false and misleading. Just for an example, the Wolfpack Research told an outright lie that the office building where Kunxiang is located only has 11 floors by showing an office building index, but a simple site visit will tell you that building indeed has 15 floors.

5. Kunxiang remains as an important customer of EHang. EHang appreciates that Kunxiang has the vision to be an early adopter of EHang future-defining products and EHang intends to strengthen its relationship with Kunxiang. However, Kunxiang is no longer the largest customer of EHang in the fiscal year ended December 31, 2020.

As EHang has previously stated, Wolfpack Research's report was based on shoddy research and contains numerous, unsubstantiated statements, and misinterpretation of information. EHang intends to engage legal counsel to pursue legal actions against Wolfpack Research for its malicious act and false allegations.

About EHang
EHang (Nasdaq: EH) is the world's leading autonomous aerial vehicle (AAV) technology platform company. Our mission is to make safe, autonomous, and eco-friendly air mobility accessible to everyone. EHang provides customers in various industries with AAV products and commercial solutions: air mobility (including passenger transportation and logistics), smart city management, and aerial media solutions. As the forerunner of cutting-edge AAV technologies and commercial solutions in the global Urban Air Mobility (UAM) industry, EHang continues to explore the boundaries of the sky to make flying technologies benefit our life in smart cities. For more information, please visit www.ehang.com.

Safe Harbor Statement
This press release contains statements that may constitute "forward-looking" statements pursuant to the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as "will," "expects," "anticipates," "aims," "future," "intends," "plans," "believes," "estimates," "likely to" and similar statements. Management has based these forward-looking statements on its current expectations, assumptions, estimates and projections. While they believe these expectations, assumptions, estimates and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond management's control. These statements involve risks and uncertainties that may cause EHang's actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements.

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