

1Q26 EARNINGS UPDATE

CANGO INC.

Cango 1Q26: Deleveraging and Cost Discipline Support Transition Toward AI Compute Infrastructure

SUMMARY

1Q26 results were above our revenue expectation, while headline losses mainly reflected market-driven accounting impacts. Cango reported 1Q26 revenue of US\$102.0 million, above our US\$72 million estimate, primarily driven by US\$98.4 million from Bitcoin mining. Net loss from continuing operations was US\$261.1 million, wider than expected, mainly due to non-cash and accounting-related items, including impairment charges on mining machines, and fair value changes related to Bitcoin collateral amid lower Bitcoin prices during the quarter. While the reported loss was significant, we view it largely in the context of Bitcoin price volatility and fleet optimization.

Balance sheet risk was materially reduced, while cost efficiency continued to improve. Cango reduced long-term debt to US\$30.6 million from US\$557.6 million at the end of 2025, substantially improving its financial flexibility and reducing balance sheet pressure. We forecast interest expense in FY26 will reduce to US\$0.9 Million (-84% YoY). As of quarter-end, the company held approximately 1,026 BTC in digital asset reserves. Average cash production cost per Bitcoin declined 9.0% QoQ to US\$76,928, reflecting disciplined cost management and the ongoing optimization of its mining fleet. In addition, the US\$65 million investment from the chairman and a board director through affiliated entities strengthen capital structure and signaled continued insider confidence in the company's long-term transition.

Mining operations are shifting from scale expansion toward margin resilience. As of March 31, 2026, total operational hashrate reached 37.01 EH/s, including 27.98 EH/s of self-mining capacity and 9.02 EH/s of leased or hosted hashrate. The company is systematically phasing out less efficient S19 mining rigs and selectively replacing them with higher-efficiency S21 series machines. Cango has also converted certain mining sites into revenue-sharing hosting arrangements, under which counterparties bear direct power, maintenance, and operating expenses while Cango retains revenue participation. This structure reduces direct exposure to site-level operating costs and gives the company greater flexibility during the fleet upgrade cycle.

June 18, 2026

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KEY DATA

Exchange: NYSE
 Ticker: CANG
 Current Price: \$0.32
 52-Week Range: \$0.28-\$2.88
 Average Volume (3M): 1.26M
 Shares Outstanding (MM): 410M
 Market Capitalization (\$MM): \$130M
 Fiscal Year-End: December

FINANCIALS

In US\$M	FY24	FY25E	FY26E	FY27E
Revenue	90	688	258	349
EBIT	-5	-437	-242	28
GAAP Net Income	42	-622	-248	25

PRICE PERFORMANCE



EcoHash provides a potential second growth curve, though commercialization remains at an early stage. During the quarter, Cango officially launched EcoHash, its new commercial computing platform, marking an important step in its expansion from Bitcoin mining infrastructure into AI computing infrastructure. The company is advancing pilot deployment of modular, containerized high-density compute units, including testing at its Georgia facility, to assess potential cost and efficiency advantages versus traditional data center infrastructure. Its phased approach starts with GPU compute leasing, with longer-term plans to evaluate ecosystem integration through the EcoLink management platform and build toward a broader AI compute network. The strategic collaboration with DL Holdings Group, including a US\$10 million convertible note and a memorandum of understanding, may provide additional ecosystem support for this transition.

Valuation remains undemanding, but execution visibility is still developing. Cango's shares are currently trading at US\$0.32 per share, implying a market capitalization of approximately US\$130 million. We forecast CY2026 revenue of US\$258 million, implying a 0.5x P/S multiple, below the peer group average of 9.2x. The valuation discount likely reflects investor concerns over Bitcoin price volatility, the recent reported loss, and the early-stage nature of the AI compute transition. However, with a materially deleveraged balance sheet, improving mining cost structure, insider capital support, and a clearer EcoHash roadmap, Cango is gradually repositioning itself from a pure Bitcoin mining operator toward a more diversified energy and AI compute infrastructure platform. Key catalysts ahead include further reductions in mining cash cost, evidence of sustainable mining cash flow, progress in EcoHash pilot commercialization, and clearer visibility on the economics of AI compute leasing.

FINANCIALS AND VALUATION UPDATES

Figure 1: CANG's Financials 2024-2027E

Unit: Million USD	2024	2025	1Q26	2Q26E	3Q26E	4Q26E	2026E	2027E
Revenues	90	688	102	50	52	55	258	349
Cost of revenue	75	660	129	48	49	52	278	320
Cost of revenue (exclusive of depreciation shown below)	64	543	100	40	41	44	224	265
Cost of revenue (depreciation)	12	117	29	8	8	9	54	54
Gross profit	15	28	-27	2	3	3	-20	30
General and administrative	16	28	7	1	1	1	10	7
General and administrative - related parties	0	1	1	0	0	0	0	0
Provision for credit losses	1	2	-1	0	0	0	-1	1
Impairment loss from mining machines	0	338	49	0	0	0	0	0
Gain from changes in fair value of crypto currencies	0	-0.1	0	0	0	0	0	0
Loss from changes in fair value of receivable for bitcoin collateral	3	96	152	-4	-3	-3	143	-6
Loss on disposal of mining machines	0	0	20	0	0	0	0	0
Other Expenses	0	0	0	0	0	0	0	0
Total operation cost and expense	95	1,125	356	45	48	51	500	322
(Loss) income from operations	-5	-437	-254	5	4	4	-242	28
Interest income	9	2	0.002	0.2	0.2	0.2	0.5	1
Interest expense	0	-6	0	-0.4	-0.5	-0.5	-1	-3
Interest expense - related party	0	-14	-7	0	0	0	0	0
Foreign exchange (loss) gain, net	0	-0.2	0	0	0	0	0.0	0.0
Other income	1	4.1	0	0	0	1	1.1	1.7
Other expenses	0	-1	0	0	0	0	0	0
Net (loss) income before income taxes	5	-452	-261	4	4	4	-242	27
Income tax (expenses) benefits	0.0	-1	0	0	0	0	0	-2
Net (loss) income from continuing operations	5	-453	-261	4	4	4	-248	25
Discontinued operations	0	0	0	0	0	0	0	0
Income/(Loss) from discontinued operations	37	-130	0	0	0	0	0	0
Income tax benefit (expense)	0	-39	0	0	0	0	0	0
Net income/(Loss) from discontinued operations	37	-169	0	0	0	0	0	0
Net (loss) income attributable to Cango Inc.'s shareholders	42	-622	-261	4	4	4	-248	25

Source: GLH Research; Company filings.

Figure 2: Peer Valuation Analysis.

Company	Ticker	Market Cap	Revenue			P/S			Category
			2025A	2026E	2027E	2025A	2026E	2027E	
MARA Holdings, Inc.	NASDAQ:MARA	5,307	907	811	905	5.9x	6.5x	5.9x	BTC Mining Companies
CleanSpark, Inc.	NASDAQ:CLSK	4,306	766	646	779	5.6x	6.7x	5.5x	BTC Mining Companies
Riot Platforms, Inc.	NASDAQ:RIOT	10,373	647	663	799	16.0x	15.6x	13.0x	BTC Mining Companies
Core Scientific, Inc.	NasdaqGS:CORZ	9,022	319	620	1,061	28.3x	14.6x	8.5x	BTC Mining Companies
Coinbase Global, Inc.	NASDAQ:COIN	43,449	6,883	6,154	7,758	6.3x	7.1x	5.6x	Crypto Exchange Companies
Bitdeer Technologies Group	NASDAQ:BTDR	4,360	620	966	1,418	7.0x	4.5x	3.1x	Shared Mining Platform
						Median	6.7x	6.9x	5.7x
						Mean	6.2x	9.2x	6.9x
Cango Inc.	NYSE:CANG	130	688	258	349	0.2x	0.5x	0.4x	

Notes:

1. Data as of 18/6/2026.
2. Market Caps and Revenues are in US\$ Million.
3. Revenues are in calendar year and estimates are provided by analyst consensus on Capital IQ.

Source: GLH Research; Company filings; Capital IQ.

ABOUT THE ANALYSTS

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Chujie (Jack) Sun is a Senior Research Analyst at Gelonghui Research. Since 2017, Jack has served as the Investment Analyst in China Alpha Fund Management (Hong Kong) Limited, TMT Analyst in First Shanghai Group, and TMT Analyst at Gelonghui Research. Focusing on TMT sector, Chinese companies listed in the US, Hong Kong, and etc., and he specializes in both buy-side and sell-side equity research. Jack holds a B.A. in Economics from Ohio State University (Columbus) and an M.S. in Finance from City University of Hong Kong.

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