2Q26 EARNINGS UPDATE

CANGO INC.

Cango 2Q26: Generally Inline; AI Infrastructure Moves into Early Commercialization

SUMMARY

2Q26 results were generally in line with our revenue expectation, while headline losses continued to reflect fleet restructuring and non-cash accounting impacts. Cango reported 2Q26 revenue of US$50.8 million, broadly in line with our US$50 million estimate, including US$47.4 million from Bitcoin mining. Net loss from continuing operations was US$81.6 million, compared with our net profit estimate of US$4 million, with the deviation largely attributable to non-cash and restructuring-related items, including US$42.9 million of impairment losses and US$8.5 million of disposal losses on mining machines. Adjusted EBITDA was a loss of US$10.7 million. While the headline loss remained significant, we believe it should be viewed in the context of the company's deliberate fleet restructuring and continued shift from maximizing mining scale toward improving operating economics and cash flow resilience.

Mining operations continued to prioritize economics over scale, with lower cash costs partially offsetting the deliberate reduction in self-mining capacity. As of June 30, 2026, Cango's self-mining hashrate declined to 19.8 EH/s, while leased hashrate stood at 7.7 EH/s, bringing combined operating hashrate to 27.6 EH/s. The company mined 656 Bitcoins during the quarter, compared with 1,266 Bitcoins in 1Q26. Total revenue decreased approximately 50% sequentially, which the company attributes primarily to its proactive reduction of operating hashrate as it phased out older, less efficient S19 series mining machines and transitioned some capacity to a hosted leasing model. Average cash mining cost per Bitcoin declined approximately 5% QoQ to US$73,313, supported by continued negotiations with hosting partners and lower power and hosting expenses. Cango also began implementing a Bitcoin hedging arrangement during the quarter, primarily as a risk management tool to reduce exposure to Bitcoin price volatility and improve the predictability of operating cash flows.

AI infrastructure has moved from technical validation toward early-stage commercial monetization, representing the most important strategic development since our previous update. Infrastructure construction at Cango's Georgia LN site has been completed in early 3Q26, with the site currently able to support up to 3 MW of capacity and retaining room for future expansion. Container units have arrived on site and are being installed, while GPUs are arriving in batches. More importantly, since the beginning of 3Q26, Cango has signed its first customer contract and remains in discussions with additional prospective customers. While contracted revenue remains small at this stage, management expects to begin recognizing AI-related revenue in 3Q26. We view the first commercial contract as an important milestone, as it provides initial validation of the commercial viability of Cango's AI infrastructure strategy and marks a transition from infrastructure build-out and technical testing toward revenue generation.

September 4, 2026

Gelonghui Research
Chujie (Jack) Sun, CFA
Senior Research Analyst
sunchujie@guruhk.com

Yuecong (Marco) Zhang
Senior Research Analyst
zhangyuecong@guruhk.com

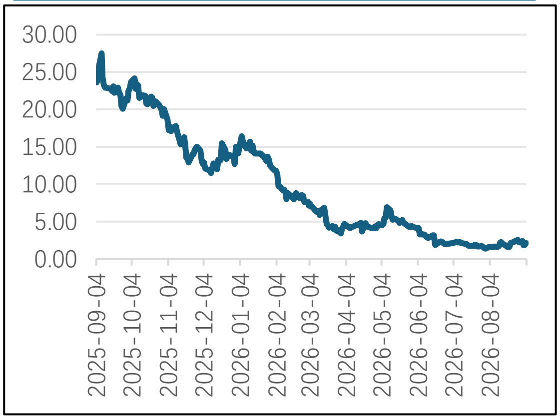
KEY DATA

Exchange: NYSE
Ticker: CANG
Current Price: $2.14
52-Week Range: $1.36-$27.75
Average Volume (3M): 0.28M
Shares Outstanding (MM): 41M
Market Capitalization ($MM): $88M
Fiscal Year-End: December

FINANCIALS

In US$M	FY24A	FY25A	FY26E	FY27E
Revenue	90	688	224	350
EBIT	-5	-437	-329	28
GAAP Net Income	42	-622	-336	25

PRICE PERFORMANCE



The emerging AI business model combines GPU bare-metal rental and data center colocation services, leveraging Cango's existing power and site infrastructure while improving overall asset utilization. Under the bare-metal model, Cango intends to utilize its existing sites and power infrastructure to provide customers with a standardized GPU deployment environment. In parallel, the company is exploring colocation services to improve infrastructure utilization, although no formal colocation contract has been signed and commercial terms remain under development. Beyond Georgia, Cango has established test nodes in Texas and on the U.S. West Coast to support potential customers requiring geographically closer deployments, while also evaluating additional sites and potentially developing its own facilities. We believe this phased approach could allow the company to test customer demand and unit economics before committing substantial incremental capital.

We believe the investment case is increasingly shifting from balance-sheet repair toward execution of the company's dual-track mining and AI infrastructure strategy. Following the substantial deleveraging achieved in 1Q26, Cango's near-term priorities are increasingly centered on optimizing the mix between self-mining and leased hashrate, further improving mining economics, executing its initial AI deployments and converting prospective customers into contracts. As of June 30, the company held 1,056 Bitcoins, while cash and cash equivalents stood at US$10.1 million and long-term debt held by a related party remained relatively stable at US$31.2 million. Cango's shares are currently trading at US$2.14 per share, implying a market capitalization of approximately US$88 million. We forecast CY2026 revenue of US$224 million, implying a 0.4x P/S multiple, below the peer group average of 7.5x. Looking into 2H26, we believe the key catalysts will be the initial recognition and subsequent scaling of AI-related revenue, additional customer wins, evidence of attractive economics from the Georgia deployment, and further progress in reducing mining cash costs. Successful execution could gradually reposition Cango from a pure Bitcoin mining operator toward a more diversified energy and AI compute infrastructure platform.

FINANCIALS AND VALUATION UPDATES

Figure 1: CANG's Financials 2024-2027E

Unit：Million USD	2024	2025	1Q26	2Q26	3Q26E	4Q26E	2026E	2027E
Revenues	90	688	102	51	27	45	224	350
Cost of revenue	75	660	129	68	21	36	254	302
Cost of revenue (exclusive of depreciation shown below)	64	543	100	51	17	29	197	248
Cost of revenue (depreciation)	12	117	29	17	4	7	57	54
Gross profit	15	28	-27	-17	5	9	-30	48
General and administrative	16	28	7	8	5	6	26	26
General and administrative - related parties	0	1	0.6	0.6	0	0	1	0
Provision for credit losses	1	2	-1	0	0	0	-1	1
Impairment loss from mining machines	0	338	49	43	0	0	92	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	-1	-2	152	-6
Loss on disposal of mining machines	0	0	20	9	0	0	29	0
(Loss) income from operations	-5	-437	-254	-81	2	5	-329	28
Interest income	9	2	0.002	0.00001	0.1	0.1	0.2	1
Interest expense	0	-6	0	0	-0.2	-0.4	-1	-3
Interest expense - related party	0	-14	-7	-1	0	0	-7	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	0	0.7	1.7
Other expenses	0	-1	0	0	0	0	0	0
Net (loss) income before income taxes	5	-452	-261	-81	2	5	-336	27
Income tax (expenses) benefits	0.0	-1	0	0	0	0	0	-2
Net (loss) income from continuing operations	5	-453	-261	-82	2	5	-336	25
Discontinued operations								
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	-82	2	5	-336	25

Source: GLH Research; Company filings.

Figure 2: Peer Valuation Analysis.

			Revenue			P/S			
Company	Ticker	Market Cap	2025A	2026E	2027E	2025A	2026E	2027E	Category
MARA Holdings, Inc.	NASDAQ:MARA	4,481	907	695	782	4.9x	6.4x	5.7x	BTC Mining Companies
CleanSpark, Inc.	NASDAQ:CLSK	3,231	766	598	640	4.2x	5.4x	5.0x	BTC Mining Companies
Riot Platforms, Inc.	NASDAQ:RIOT	7,933	647	675	818	12.3x	11.7x	9.7x	BTC Mining Companies
Core Scientific, Inc.	NasdaqGS:CORZ	5,752	319	672	1,153	18.0x	8.6x	5.0x	BTC Mining Companies
Coinbase Global, Inc.	NASDAQ:COIN	50,841	6,883	5,296	6,763	7.4x	9.6x	7.5x	Crypto Exchange Companies
Bitdeer Technologies Group	NASDAQ:BTDR	3,237	620	933	1,564	5.2x	3.5x	2.1x	Shared Mining Platform
					Median	6.3x	7.5x	5.4x	
					Mean	5.4x	7.5x	5.8x	
Cango Inc.	NYSE:CANG	88	688	224	350	0.1x	0.4x	0.3x	

Notes:
1. Data as of 4/9/2026.
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

Chujie (Jack) Sun, CFA

Senior Research Analyst

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.

Yuecong (Marco) Zhang

Senior Research Analyst

Yuecong (Marco) Zhang is a Senior Research Analyst at Gelonghui Research. Marco previously held the position of Senior Research Analyst at Watertower Research, Executive Director at Valuable Capital Group's Investment Banking Department, Vice President at Guosen Securities (HK), and Senior Associate at Roth Capital Partners, where he completed more than 35 transactions, including IPOs, follow-on offerings, and M&A, with a total transaction value of more than US$3.5 Billion+ for mid-cap companies from China and the US. During his time at Roth, he led six NASDAQ and NYSE IPOs for Chinese clients, with a total transaction value of more than US$260 Million. Marco holds a B.S. in Financial Management from North China Electric Power University and an M.S. in Applied Finance from Pepperdine University.

DISCLOSURES

Gelonghui Research ("GLH") is a professional publisher of investment research reports on public companies and, to a lesser extent, private firms ("the Companies"). GLH provides investor-focused content and digital distribution strategies designed to help companies communicate with investors.

GLH is not a FINRA registered broker/dealer or investment adviser and does not provide investment banking services. This report is not disseminated in connection with any distribution of securities and is not an offer to sell or the solicitation of an offer to buy any security. GLH operates as an exempt investment adviser under the so called "publishers' exemption" from the definition of investment adviser under Section 202(a)(11) of the Investment Advisers Act of 1940. GLH does not provide investment ratings/recommendations or price targets on the companies it reports on. Readers are advised that the research reports are published and provided solely for informational purposes and should not be construed as an offer to sell or the solicitation of an offer to buy securities or the rendering of investment advice. The information provided in this report should not be construed in any manner whatsoever as personalized advice. All users and readers of GLH's reports are cautioned to consult their own independent financial, tax and legal advisors prior to purchasing or selling securities.

Statements included in this report may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, goals, assumptions or future events or performance are not statements of historical fact and may be “forward looking statements”. Such statements are based on expectations, estimates and projections at the time the statements are made and involve many risks and uncertainties such as competitive factors, technological development, market demand and the company’s ability to obtain new contracts and accurately estimate net revenues due to variability in size, scope and duration of projects, and internal issues, which could cause actual results or events to differ materially from those presently anticipated.

The analyst who is principally responsible for the content of this report has represented that neither he/she nor members of his/her household have personal or business-related relationships to the subject company other than providing digital content and any ancillary services that GLH may offer. Unless otherwise indicated, GLH intends to provide continuing coverage of the covered companies. GLH will notify its readers through website postings or other appropriate means if GLH determines to terminate coverage of any of the companies covered.

GLH is being compensated for its research by the company which is the subject of this report. GLH may receive up to US$200,000 in total within a year for research and potentially other services from a given client and is required to have at least a 1-year commitment. None of the earned fees are contingent on, and GLH's client agreements are not cancellable for the content of its reports. GLH does not accept any compensation in the form of warrants or stock options or other equity instruments that could increase in value based on positive coverage in its reports. GLH or an affiliate may seek to receive compensation for non-research services to covered companies, such as charges for presenting at sponsored investor conferences, distributing press releases, advising on investor relations and broader corporate communications and public relations strategies as well as performing certain other related services ("Ancillary Services"). The companies that GLH covers in our research are not required to purchase or use Ancillary Services that GLH or an affiliate might offer to clients.

The manner of GLH's potential research compensation and Ancillary Services to covered companies raise actual and perceived conflicts of interest. GLH is committed to manage those conflicts to protect its reputation and the objectivity of employees/analysts by adhering to strictly-written compliance guidelines. The views and analyses included in our research reports are based on current public information that we consider to be reliable, but no representation or warranty, expressed or implied, is made as to their accuracy, completeness, timeliness, or correctness. Neither we nor our analysts, directors, officers, employees, representatives, independent contractors, agents or affiliate shall be liable for any omissions, errors or inaccuracies, regardless of cause, foreseeability or the lack of timeliness of, or any delay or interruptions in the transmission of our reports to content users. This lack of liability extends to direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, losses, lost income, lost profit or opportunity costs. All investment information contained herein should be independently verified by the reader or user of this report. For additional information, all readers of this report are encouraged to visit GLH's website https://www.gelonghui.com.