

Cango Inc. Reports Third Quarter 2023 Unaudited Financial Results

SHANGHAI, Nov. 27, 2023 /PRNewswire/ -- Cango Inc. (NYSE: CANG) ("Cango" or the "Company"), a leading automotive transaction service platform in China, today announced its unaudited financial results for the third quarter of 2023.

Third Quarter 2023 Financial and Operational Highlights

- Total revenues were RMB353.6 million (US\$48.5 million), compared with RMB416.4 million in the same period of 2022. Car trading transactions revenues were RMB263.8 million (US\$36.2 million), or 74.6% of total revenues, in the third quarter of 2023, compared with RMB347.2 million in the same period of 2022.
- The total outstanding balance of financing transactions the Company facilitated was RMB13,085.6 million (US\$1,793.5 million) as of September 30, 2023. M1+ and M3+ overdue ratios for all financing transactions that remained outstanding and were facilitated by the Company were 2.42% and 1.24%, respectively, as of September 30, 2023, compared with 2.12% and 1.09%, respectively, as of June 30, 2023.
- There were 27 self-owned vehicle models listed on our platform, including 18 car brands and 23 car series as of September 30, 2023. During the nine months ended September 30, 2023, the total sales of new cars were 12,138, including 3,151 new energy vehicles (NEVs).
- Total balance of cash and cash equivalents and short-term investment increased by RMB 454.6 million compared to that as of June 30, 2023. The liquidity improvement was primarily driven by the positive operating cashflow generated by the decreased working capital of car trading transactions, the collections of financing receivables, and the loan facilitation service fees.

Mr. Jiayuan Lin, Chief Executive Officer of Cango, commented, "Throughout the third quarter, China's economic downturn continued to weigh on production and demand. China's auto market continued to fluctuate, exerting immense pressure on everyone along the automotive value chain, including car dealers."

"Cango has been committed to working closely with car dealers and developing services to meet their needs since day one. Through our 'Cango Haoche' and 'Cango U-car' Apps and mini programs, we have fostered a robust warehouse and logistics network across almost 100 cities nationwide with over 11,000 registered new car dealers, as well as over 7,000 accumulated registered used car dealers as of September 30, 2023. As our extended footprint brings us deeper insight into industry trends, we have been recalibrating our strategy accordingly. New car dealers are starting to engage in used car retail, while used car dealers are now attempting to sell new cars as well. As such, we have decided to merge Cango Haoche's services into our Cango U-car platform to cater to the rapidly disappearing boundary between new car and used car sales channels."

"The integrated Cango U-car platform will adopt a dynamic multi-store growth model to fully unleash the platform's vitality. We believe its innovative, one-stop, end-to-end services will not only improve Cango's resource utilization and significantly boost operating efficiency, but also empower our downstream dealer partners to better serve their end customers."

"Moving forward, we will continue to harness the power of big data and digital technologies while actively exploring opportunities for growth, including our potential expansion into overseas used car markets. By consistently refining business operations and strengthening our core competitive edges, we are confident we will propel Cango's sustainable growth," concluded Mr. Lin.

Mr. Yongyi Zhang, Chief Financial Officer of Cango, stated, "The fluctuating market environment continued to impact our business this quarter. We implemented additional cost optimization measures and enhanced operational efficiency. We are confident that our updated service offerings and effective growth model will boost our competitiveness. Looking ahead, we will continue working with our dealer partners to weather the storm while exploring additional growth opportunities."

Accounting Policy Changes

The Company adopted the Financial Instruments - Credit Losses (ASC 326): Measurement of Credit Losses on Financial Instruments on January 1, 2023, using the modified retrospective transition method. This standard requires the measurement of all expected credit losses for financial assets measured at amortized cost and off-balance sheet credit exposures not accounted for as insurance at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts.

Upon adoption of the standard on January 1, 2023, the Company recorded RMB302.4 million (US\$41.4 million) increase in risk assurance liabilities, RMB14.5 million (US\$2.0 million) increase in the allowance for finance lease receivables, RMB13.8 million (US\$1.9 million) increase in the allowance for financing receivables and RMB3.2 million (US\$0.4 million) increase in the allowance of other current and non-current assets. After adjusting for deferred taxes, RMB306.9 million (US\$42.1 million) decrease was recorded in beginning retained earnings on January 1, 2023 through a cumulative-effect adjustment.

Third Quarter 2023 Financial Results

REVENUES

Total revenues in the third quarter of 2023 were RMB353.6 million (US\$48.5 million) compared with RMB416.4 million in the same period of 2022. Revenues from car trading transactions in the third quarter of 2023 were RMB263.8 million (US\$36.2 million), or 74.6% of total revenues in the third quarter of 2023, compared with RMB347.2 million in the same period of 2022. The guarantee income, which represented the fee income earned on the non-contingent aspect of a guarantee, in the third quarter of 2023 was RMB50.0 million (US\$6.9 million) which was presented separately from contingent aspect of a guarantee pursuant to the adoption of ASC 326 since January 1, 2023.

OPERATING COST AND EXPENSES

Total operating cost and expenses in the third quarter of 2023 were RMB441.4 million (US\$60.5 million) compared with RMB608.8 million in the same period of 2022.

- Cost of revenue in the third quarter of 2023 decreased to RMB304.6 million (US\$41.8 million) from RMB388.7 million in the same period of 2022. As a percentage of total revenues, cost of revenue in the third quarter of 2023 was 86.1% compared with 93.3% in the same period of 2022.
- Sales and marketing expenses in the third quarter of 2023 decreased to RMB9.9 million (US\$1.4 million) from RMB17.9 million in the same period of 2022. As a percentage of total revenues, sales and marketing expenses in the third quarter of 2023 was 2.8% compared with 4.3% in the same period of 2022.
- General and administrative expenses in the third quarter of 2023 decreased to RMB34.7 million (US\$4.8 million) from RMB57.8 million in the same period of 2022. As a percentage of total revenues, general and administrative expenses in the third quarter of 2023 was 9.8% compared with 13.9% in the same period of 2022.
- Research and development expenses in the third quarter of 2023 decreased to RMB7.0 million (US\$1.0 million) from RMB10.2 million in the same period of 2022. As a percentage of total revenues, research and development expenses in the third quarter of 2023 was 2.0% compared with 2.4% in the same period of 2022.
- Net loss on contingent risk assurance liabilities in the third quarter of 2023 was RMB3.5 million (US\$0.5 million).
- Net recovery on provision for credit losses in the third quarter of 2023 was RMB66.9 million (US\$9.2 million). The recovery was primarily due to the positive impact from the collections of financing receivables.
- Impairment loss from goodwill in the third quarter of 2023 was RMB148.7 million (US\$20.4 million). The provision of goodwill impairment is based on the profit forecast associated with historical trend and the prevailing current conditions of market downturn.

LOSS FROM OPERATIONS

Loss from operations in the third quarter of 2023 decreased to RMB87.8 million (US\$12.0 million) from RMB192.3 million in the same period of 2022.

NET LOSS

Net loss in the third quarter of 2023 was RMB49.1 million (US\$6.7 million). Non-GAAP adjusted net loss in the third quarter of 2023 was RMB41.2 million (US\$5.7 million). Non-GAAP adjusted net loss excludes the impact of share-based compensation expenses. For further information, see "Use of Non-GAAP Financial Measure."

NET LOSS PER ADS

Basic and diluted net loss per American Depositary Share (the "ADS") in the third quarter of 2023 were both RMB0.45 (US\$0.06), respectively. Non-GAAP adjusted basic and diluted net loss per ADS in the third quarter of 2023 were both RMB0.38 (US\$0.05), respectively. Each ADS represents two Class A ordinary shares of the Company.

BALANCE SHEET

As of September 30, 2023, the Company had cash and cash equivalents of RMB665.6 million (US\$91.2 million), compared with RMB589.4 million as of June 30, 2023.

As of September 30, 2023, the Company had short-term investments of RMB2,434.2 million (US\$333.6 million), compared with RMB2,055.7 million as of June 30, 2023.

Business Outlook

For the fourth quarter of 2023, the Company expects total revenues to be between RMB100 million and RMB150 million. This forecast reflects the Company's current and preliminary views on the market and operational conditions, which are subject to change.

Share Repurchase Program

Pursuant to the share repurchase program announced on April 21, 2023, the Company had repurchased 25.4 million ADSs with cash in an aggregate amount of approximately US\$32.9 million up to September 30, 2023.

Conference Call Information

The Company's management will hold a conference call on Monday, November 27, 2023, at 8:00 P.M. Eastern Time or Tuesday, November 28, 2023, at 9:00 A.M. Beijing Time to discuss the financial results. Listeners may access the call by dialing the following numbers:

| | |
|-----------------------------|-----------------|
| International: | +1-412-902-4272 |
| United States Toll Free: | +1-888-346-8982 |
| Mainland China Toll Free: | 4001-201-203 |
| Hong Kong, China Toll Free: | 800-905-945 |
| Conference ID: | Cango Inc. |

The replay will be accessible through December 4, 2023 by dialing the following numbers:

| | |
|--------------------------|-----------------|
| International: | +1-412-317-0088 |
| United States Toll Free: | +1-877-344-7529 |
| Access Code: | 5256781 |

A live and archived webcast of the conference call will also be available at the Company's investor relations website at <http://ir.cangoonline.com/>.

About Cango Inc.

Cango Inc. (NYSE: CANG) is a leading automotive transaction service platform in China, connecting car buyers, dealers, financial institutions, and other industry participants. Founded in 2010 by a group of pioneers in China's automotive finance industry, the Company is headquartered in Shanghai and has a nationwide network. Leveraging its competitive advantages in technological innovation and big data, Cango has established an automotive supply chain ecosystem, and developed a matrix of products centering on customer needs for auto transactions, auto financing and after-market services. By working with platform participants, Cango endeavors to make car purchases simple and enjoyable, and make itself customers' car purchase service platform of choice. For more information, please visit: www.cangoonline.com.

Definition of Overdue Ratios

The Company defines "M1+ overdue ratio" as (i) exposure at risk relating to financing transactions for which any installment payment is 30 to 179 calendar days past due as of a specified date, divided by (ii) exposure at risk relating to all financing transactions which remain outstanding as of such date, excluding amounts of outstanding principal that are 180 calendar days or more past due.

The Company defines "M3+ overdue ratio" as (i) exposure at risk relating to financing transactions for which any installment payment is 90 to 179 calendar days past due as of a specified date, divided by (ii) exposure at risk relating to all financing transactions which remain outstanding as of such date, excluding amounts of outstanding principal that are 180 calendar days or more past due.

Use of Non-GAAP Financial Measure

In evaluating the business, the Company considers and uses Non-GAAP adjusted net income (loss), a Non-GAAP measure, as a supplemental measure to review and assess its operating performance. The presentation of the Non-GAAP financial measure is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with U.S. GAAP. The Company defines Non-GAAP adjusted net income (loss) as net income (loss) excluding share-based compensation expenses. The Company presents the Non-GAAP financial measure because it is used by the management to evaluate the operating performance and formulate business plans. Non-GAAP adjusted net income (loss) enables the management to assess the Company's operating results without considering the impact of share-based compensation expenses, which are non-cash charges. The Company also believes that the use of the Non-GAAP measure facilitates investors' assessment of its operating performance.

Non-GAAP adjusted net income (loss) is not defined under U.S. GAAP and is not presented in accordance with U.S. GAAP. This Non-GAAP financial measure has limitations as analytical tools. One of the key limitations of using Non-GAAP adjusted net income (loss) is that it does not reflect all items of expense that affect the Company's operations. Share-based compensation expenses have been and may continue to be incurred in the business and are not reflected in the presentation of Non-GAAP adjusted net income (loss). Further, the Non-GAAP measure may differ from the Non-GAAP information used by other companies, including peer companies, and therefore their comparability may be limited.

The Company compensates for these limitations by reconciling the Non-GAAP financial measure to the nearest U.S. GAAP performance measure, all of which should be considered when evaluating the Company's performance. The Company encourages you to review its financial information in its entirety and not rely on a single financial measure.

Reconciliations of Cango's Non-GAAP financial measure to the most comparable U.S. GAAP measure are included at the end of this press release.

Exchange Rate Information

This announcement contains translations of certain RMB amounts into U.S. dollars ("US\$") at specified rates solely for the convenience of the reader. Unless otherwise stated, all translations from RMB to US\$ were made at the rate of RMB7.2960 to US\$1.00, the noon buying rate in effect on September 29, 2023, in the H.10 statistical release of the Federal Reserve Board. The Company makes no representation that the RMB or US\$ amounts referred could be converted into US\$ or RMB, as the case may be, at any particular rate or at all.

Safe Harbor Statement

This announcement contains forward-looking statements. These statements are made under the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as "will," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates" and similar statements. Among other things, the "Business Outlook" section and quotations from management in this announcement, contain forward-looking statements. Cango may also make written or oral forward-looking statements in its periodic reports to the SEC, in its annual report to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Statements that are not historical facts, including statements about Cango's beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: Cango's goal and strategies; Cango's expansion plans; Cango's future business development, financial condition and results of operations; Cango's expectations regarding demand for, and market acceptance of, its solutions and services; Cango's expectations regarding keeping and strengthening its relationships with dealers, financial institutions, car buyers and other platform participants; general economic and business conditions; and assumptions underlying or related to any of the foregoing. Further information regarding these and other risks is included in Cango's filings with the SEC. All information provided in this press release and in the attachments is as of the date of this press release, and Cango does not undertake any obligation to update any forward-looking statement, except as required under applicable law.

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CANGO INC.

UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

(Amounts in Renminbi ("RMB") and US dollar ("US\$"), except for number of shares and per share data □

| | As of December 31, 2022 | | As of September 30, 2023 | |
|---|-------------------------|----------------------|--------------------------|--|
| | RMB | RMB | US\$ | |
| ASSETS: | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | 378,917,318 | 665,591,727 | 91,226,936 | |
| Restricted cash - current | 152,688,510 | 15,801,703 | 2,165,804 | |
| Short-term investments | 1,941,432,848 | 2,434,156,645 | 333,628,926 | |
| Accounts receivable, net | 266,836,951 | 123,819,231 | 16,970,838 | |
| Finance lease receivables - current, net | 799,438,656 | 282,736,702 | 38,752,289 | |
| Financing receivables, net | 73,818,025 | 23,284,584 | 3,191,418 | |
| Short-term contract asset | 500,389,654 | 209,365,695 | 28,695,956 | |
| Prepayments and other current assets | 1,356,822,028 | 270,276,955 | 37,044,539 | |
| Total current assets | 5,470,343,990 | 4,025,033,242 | 551,676,706 | |
| Non-current assets: | | | | |
| Restricted cash - non-current | 750,877,306 | 593,599,158 | 81,359,534 | |
| Goodwill | 148,657,971 | - | - | |
| Property and equipment, net | 14,689,988 | 12,118,253 | 1,660,945 | |
| Intangible assets | 48,317,878 | 47,857,254 | 6,559,382 | |
| Long-term contract asset | 173,457,178 | 48,742,636 | 6,680,734 | |
| Deferred tax assets | 62,497,781 | 139,735,945 | 19,152,405 | |
| Finance lease receivables - non-current, net | 260,049,967 | 64,427,204 | 8,830,483 | |
| Operating lease right-of-use assets | 80,726,757 | 70,770,118 | 9,699,852 | |
| Other non-current assets | 6,633,517 | 6,656,956 | 912,412 | |
| Total non-current assets | 1,545,908,343 | 983,907,524 | 134,855,747 | |
| TOTAL ASSETS | 7,016,252,333 | 5,008,940,766 | 686,532,453 | |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | |
| Current liabilities: | | | | |
| Short-term debts | 349,299,134 | 69,071,500 | 9,467,037 | |
| Long-term debts—current | 565,143,340 | 16,791,391 | 2,301,452 | |
| Accrued expenses and other current liabilities | 890,836,699 | 250,241,166 | 34,298,406 | |
| Deferred guarantee income | - | 128,329,126 | 17,588,970 | |
| Contingent risk assurance liabilities | - | 151,469,025 | 20,760,557 | |
| Risk assurance liabilities | 402,303,421 | - | - | |
| Income tax payable | 313,406,680 | 347,884,077 | 47,681,480 | |
| Short-term lease liabilities | 9,913,073 | 10,283,813 | 1,409,514 | |
| Total current liabilities | 2,530,902,347 | 974,070,098 | 133,507,416 | |
| Non-current liabilities: | | | | |
| Long-term debts | 75,869,353 | 1,465,264 | 200,831 | |
| Deferred tax liability | 10,724,133 | 10,724,133 | 1,469,865 | |
| Long-term operating lease liabilities | 76,533,208 | 67,047,629 | 9,189,642 | |
| Other non-current liabilities | 314,287 | 347,239 | 47,593 | |
| Total non-current liabilities | 163,440,981 | 79,584,265 | 10,907,931 | |
| Total liabilities | 2,694,343,328 | 1,053,654,363 | 144,415,347 | |
| Shareholders' equity | | | | |
| Ordinary shares | 204,260 | 204,260 | 27,996 | |
| Treasury shares | (559,005,216) | (780,461,039) | (106,971,085) | |
| Additional paid-in capital | 4,805,240,472 | 4,821,193,562 | 660,799,556 | |
| Accumulated other comprehensive income | 66,359,902 | 146,196,978 | 20,037,963 | |
| Retained earnings | 9,109,587 | (231,847,358) | (31,777,324) | |
| Total Cango Inc.'s equity | 4,321,909,005 | 3,955,286,403 | 542,117,106 | |
| Total shareholders' equity | 4,321,909,005 | 3,955,286,403 | 542,117,106 | |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 7,016,252,333 | 5,008,940,766 | 686,532,453 | |

CANGO INC.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Renminbi ("RMB") and US dollar ("US\$"), except for number of shares and per share data)

| | Three months ended September 30, | | | Nine months ended September 30, | | |
|---|----------------------------------|-------------|------------|---------------------------------|---------------|-------------|
| | 2022 | 2023 | | 2022 | 2023 | |
| | RMB | RMB | US\$ | RMB | RMB | US\$ |
| Revenues | 416,449,708 | 353,638,119 | 48,470,137 | 1,493,335,164 | 1,571,681,558 | 215,416,880 |
| Loan facilitation income and other related income | 14,710,212 | 11,345,343 | 1,555,009 | 135,208,426 | 27,618,224 | 3,785,393 |
| Guarantee income | - | 50,006,711 | 6,853,990 | - | 170,010,917 | 23,301,935 |
| Leasing income | 34,710,562 | 11,298,293 | 1,548,560 | 127,550,654 | 50,157,926 | 6,874,716 |
| After-market services income | 19,381,025 | 14,116,184 | 1,934,784 | 55,704,269 | 41,364,974 | 5,669,541 |
| Automobile trading income | 347,247,512 | 263,821,645 | 36,159,765 | 1,165,160,983 | 1,256,429,781 | 172,208,029 |

| | | | | | | |
|--|----------------------|---------------------|---------------------|----------------------|----------------------|--------------------|
| Others | 400,397 | 3,049,943 | 418,029 | 9,710,832 | 26,099,736 | 3,577,266 |
| Operating cost and expenses: | | | | | | |
| Cost of revenue | 388,703,295 | 304,638,147 | 41,754,132 | 1,348,346,307 | 1,400,985,230 | 192,021,002 |
| Sales and marketing | 17,888,406 | 9,854,441 | 1,350,664 | 113,531,814 | 34,546,132 | 4,734,941 |
| General and administrative | 57,812,378 | 34,682,695 | 4,753,659 | 233,366,364 | 111,319,960 | 15,257,670 |
| Research and development | 10,172,951 | 6,990,685 | 958,153 | 37,516,243 | 22,841,206 | 3,130,648 |
| Net loss on contingent risk assurance liabilities | - | 3,541,506 | 485,404 | - | 3,475,114 | 476,304 |
| Net loss on risk assurance liabilities | 84,952,664 | - | - | 237,018,349 | - | - |
| Provision (net recovery on provision) for credit losses | 49,259,212 | (66,945,232) | (9,175,607) | 259,114,042 | (105,260,489) | (14,427,150) |
| Impairment loss from goodwill | - | 148,657,971 | 20,375,270 | - | 148,657,971 | 20,375,270 |
| Total operation cost and expense | 608,788,906 | 441,420,213 | 60,501,675 | 2,228,893,119 | 1,616,565,124 | 221,568,685 |
| Loss from operations | (192,339,198) | (87,782,094) | (12,031,538) | (735,557,955) | (44,883,566) | (6,151,805) |
| Interest income, net | 14,619,894 | 19,481,911 | 2,670,218 | 27,120,865 | 58,981,302 | 8,084,060 |
| Net gain (loss) on equity securities | 4,285,558 | 7,038,386 | 964,691 | (13,303,787) | 15,439,734 | 2,116,192 |
| Interest expense | (3,107,158) | (153,088) | (20,982) | (11,693,127) | (4,099,783) | (561,922) |
| Foreign exchange gain (loss), net | 4,066,308 | (489,215) | (67,052) | 7,318,248 | 2,346,525 | 321,618 |
| Other income | 3,775,871 | 21,806,106 | 2,988,775 | 41,312,897 | 29,404,718 | 4,030,252 |
| Other expenses | (964,807) | (141,358) | (19,375) | (1,788,017) | (368,492) | (50,506) |
| Net (loss) income before income taxes | (169,663,532) | (40,239,352) | (5,515,263) | (686,590,876) | 56,820,438 | 7,787,889 |
| Income tax benefits (expenses) | 39,338,402 | (8,847,190) | (1,212,608) | 134,318,905 | 9,084,706 | 1,245,163 |
| Net (loss) income | (130,325,130) | (49,086,542) | (6,727,871) | (552,271,971) | 65,905,144 | 9,033,052 |
| Net (loss) income attributable to Cango Inc.'s shareholders | (130,325,130) | (49,086,542) | (6,727,871) | (552,271,971) | 65,905,144 | 9,033,052 |
| (Loss) earnings per ADS attributable to ordinary shareholders: | | | | | | |
| Basic | (0.96) | (0.45) | (0.06) | (4.01) | 0.52 | 0.07 |
| Diluted | (0.96) | (0.45) | (0.06) | (4.01) | 0.50 | 0.07 |
| Weighted average ADS used to compute (loss) earnings per ADS attributable to ordinary shareholders: | | | | | | |
| Basic | 136,442,760 | 109,587,726 | 109,587,726 | 137,751,682 | 125,710,975 | 125,710,975 |
| Diluted | 136,442,760 | 109,587,726 | 109,587,726 | 137,751,682 | 131,630,583 | 131,630,583 |
| Other comprehensive income, net of tax | | | | | | |
| Foreign currency translation adjustment | 141,603,735 | 7,806,144 | 1,069,921 | 298,394,485 | 79,837,076 | 10,942,582 |
| Total comprehensive income (loss) | 11,278,605 | (41,280,398) | (5,657,950) | (253,877,486) | 145,742,220 | 19,975,634 |
| Total comprehensive income (loss) attributable to Cango Inc.'s shareholders | 11,278,605 | (41,280,398) | (5,657,950) | (253,877,486) | 145,742,220 | 19,975,634 |

CANGO INC.
RECONCILIATIONS OF GAAP AND NON-GAAP RESULTS
(Amounts in Renminbi ("RMB") and US dollar ("US\$"), except for number of shares and per share data)

| | Three months ended September 30, | | | Nine months ended September 30, | | |
|--|----------------------------------|---------------------|---------------------|---------------------------------|--------------------|---------------------|
| | 2022 | 2023 | | 2022 | 2023 | |
| | (Unaudited) RMB | (Unaudited) RMB | (Unaudited) US\$ | (Unaudited) RMB | (Unaudited) RMB | (Unaudited) US\$ |
| Net (loss) income | (130,325,130) | (49,086,542) | (6,727,871) | (552,271,971) | 65,905,144 | 9,033,052 |
| Add: Share-based compensation expenses | 20,373,774 | 7,857,905 | 1,077,015 | 139,445,782 | 33,897,580 | 4,646,050 |
| Cost of revenue | 1,318,415 | 444,748 | 60,958 | 3,318,808 | 1,920,626 | 263,244 |
| Sales and marketing | 4,367,008 | 1,608,169 | 220,418 | 11,140,237 | 6,747,135 | 924,772 |
| General and administrative | 13,700,843 | 5,427,332 | 743,878 | 122,108,649 | 23,710,996 | 3,249,862 |
| Research and development | 987,508 | 377,656 | 51,761 | 2,878,088 | 1,518,823 | 208,172 |
| Non-GAAP adjusted net (loss) income | (109,951,356) | (41,228,637) | (5,650,856) | (412,826,189) | 99,802,724 | 13,679,102 |
| Net (loss) income attributable to Cango Inc.'s shareholders | (109,951,356) | (41,228,637) | (5,650,856) | (412,826,189) | 99,802,724 | 13,679,102 |
| Non-GAAP adjusted net (loss) income per ADS-basic | (0.81) | (0.38) | (0.05) | (3.00) | 0.79 | 0.11 |
| Non-GAAP adjusted net (loss) income per ADS-diluted | (0.81) | (0.38) | (0.05) | (3.00) | 0.76 | 0.10 |
| Weighted average ADS outstanding—basic | 136,442,760 | 109,587,726 | 109,587,726 | 137,751,682 | 125,710,975 | 125,710,975 |
| Weighted average ADS outstanding—diluted | 136,442,760 | 109,587,726 | 109,587,726 | 137,751,682 | 131,630,583 | 131,630,583 |

SOURCE Cango Inc.

<https://ir.cangoonline.com/2023-11-27-Cango-Inc-Reports-Third-Quarter-2023-Unaudited-Financial-Results>