CANGO 灿谷

Investor Presentation

4Q20

Disclaimer

This presentation has been prepared by Cango Inc. (the "Company") solely for information purpose and has not been independently verified. By viewing or accessing the information contained in this material, the recipient hereby acknowledges and agrees that no representations, warranties or undertakings, express or implied, are made by the Company or any of its directors, shareholders, employees, agents, affiliates, advisors or representatives or the underwriters as to, and no reliance should be placed upon, the accuracy, fairness, completeness or correctness of the information or opinions presented or contained in this presentation. None of the Company or any of its directors, shareholders, employees, agents, affiliates, advisors or representatives or the underwriters accept any responsibility whatsoever (in negligence or otherwise) for any loss howsoever arising from any information presented or contained in this presentation or otherwise arising in connection with the presentation. The information presented or contained in this presentation is subject to change without notice and its accuracy is not guaranteed.

Certain statements in this presentation, and other statements that the Company may make, are forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended. These statements reflect the Company's intent, beliefs or current expectations about the future. These statements can be recognized by the use of words such as "expects," "plans," "will," "estimates," "projects," "intends," "anticipates," "believes," "confident" or words of similar meaning. These forward-looking statements are not guarantees of future performance and are based on a number of assumptions about the Company's operations and other factors, many of which are beyond the Company's control, and accordingly, actual results may differ materially from these forward-looking statements. The Company or any of its affiliates, advisers or representatives or the underwriters has no obligation and does not undertake to revise forward-looking statements to reflect future events or circumstances.

This presentation does not constitute an offer to sell or issue or an invitation or recommendation to purchase or subscribe for any securities of the Company for sale in the United States or anywhere else. No securities of the Company may be sold in the United States without registration with the United States Securities and Exchange Commission (the "SEC") or an exemption from such registration pursuant to the Securities Act of 1933, as amended (the "Securities Act") and the rules and regulations thereunder. No part of this presentation shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. Specifically, these materials do not constitute a "prospectus" within the meaning of the Securities Act. This presentation does not contain all relevant information relating to the Company or its securities, particularly with respect to the risks and special considerations involved with an investment in the securities of the Company and is qualified in its entirety by reference to the detailed information in the Company's latest annual report on Form 20-F.

In evaluating our business, we use certain non-GAAP measures as supplemental measures to review and assess our operating performance. These non-GAAP financial measures have limitations as analytical tools, and when assessing our operating performances, investors should not consider them in isolation, or as a substitute for net income attributable to the Company or other consolidated statement of operations data prepared in accordance with U.S. GAAP.

THE INFORMATION CONTAINED IN THIS DOCUMENT IS HIGHLY CONFIDENTIAL AND IS BEING GIVEN SOLELY FOR YOUR INFORMATION AND ONLY FOR YOUR USE IN CONNECTION WITH THIS PRESENTATION. THE INFORMATION CONTAINED HEREIN MAY NOT BE COPIED, REPRODUCED, REDISTRIBUTED, OR OTHERWISE DISCLOSED, IN WHOLE OR IN PART, TO ANY OTHER PERSON IN ANY MANNER. Any forwarding, distribution or reproduction of this presentation in whole or in part is unauthorized.

By viewing, accessing or participating in this presentation, participants hereby acknowledge and agree to keep the contents of this presentation and these materials confidential. Participants agree not to remove these materials, or any materials provided in connection herewith, from the conference room where such documents are provided. Participants agree further not to photograph, copy or otherwise reproduce this presentation in any form or pass on this presentation to any other person for any purpose, during the presentation or while in the conference room. Participants must return this presentation and all other materials provided in connection herewith to the Company upon completion of the presentation. By viewing, accessing or participating in this presentation, participants agree to be bound by the foregoing limitations. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

Our Mission

To Make Car Purchase Simple and Enjoyable

CANGO
灿谷

Business Overview

Section 1

China's Leading Tech-enabled Auto Platform

Transforming Automotive Transactions and Purchases

One-stop Platform for All Key Participants(1)

48,000+
Car Dealers

12
Financial Institutions(2)

1,700,000+
Car Buyers(3)

36+
Other Industry Participants

Notes:
1. As of December 31, 2020
2. Includes banks and other financial institutions, excludes insurance companies
3. Cumulative number of car buyers served since the Company's inception

Full Value Chain Coverage

Diversifying Revenue Streams

Asset Light Model

Strong Profitability

Products and Services Highlights

1 Automotive Financing Facilitation

Core Revenue Driver (58%) (1)

- Clear market leader with ~0.3%(2) market share gain and increase in auto financing volume despite industry headwind in L2Y
- Optimizing efficiency in dealer network
- Dedicated sales team to penetrate high-end 4S channels
- Major ICBC financing partner platform

Dealers | Financial Institutions | Car Buyers | Online Platforms

2 After-market Services Facilitation

Long-term Revenue Driver (12%) (1)

- Diversified insurance product offerings and expanded insurance partnerships (e.g. non-life to life)
- Launch of independent sales agent team as an alternative to the dealer channel
- Acquisition of an insurance brokerage license to fuel growth

Car Buyers | Insurance Companies / Brokers | Other Participants

3 Automotive Transaction Facilitation

Fast Growing Revenue Contribution (30%) (1)

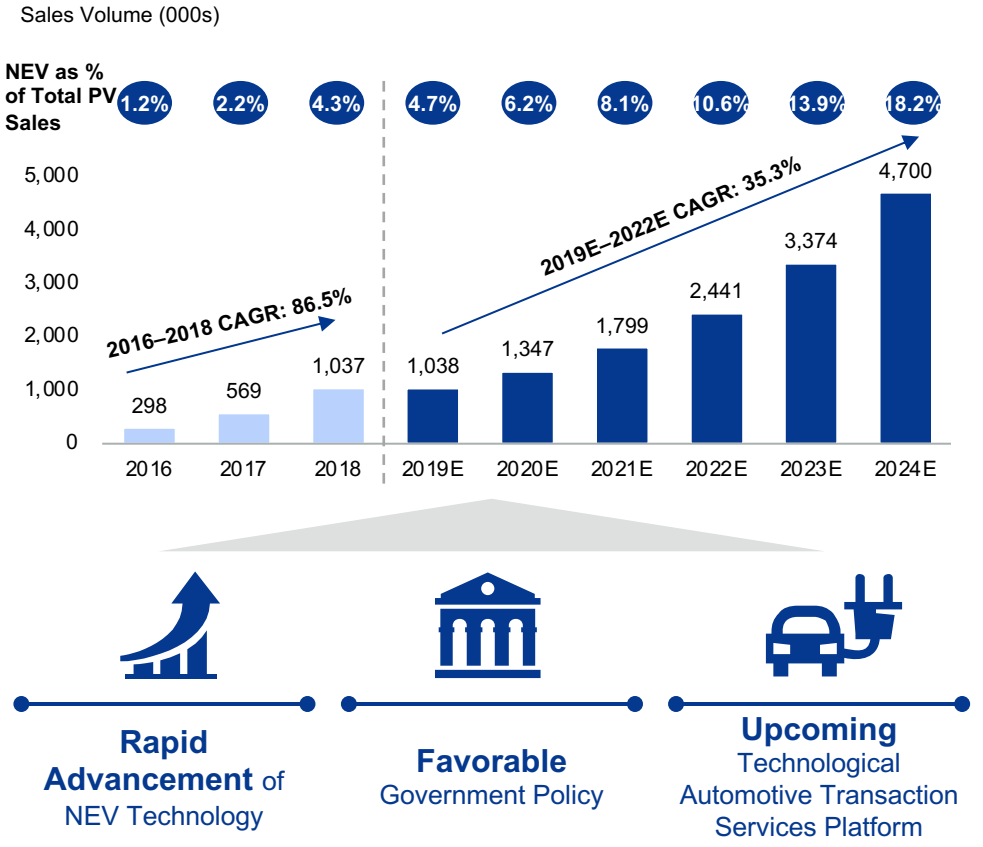
- Addresses key pain points of mid-to-small size car dealers
- Establishes infrastructure for automotive new retail model in lower-tier cities
- Facilitates synergies with existing auto financing and after-market services segments in terms of channel expansion and cross-selling
- Rapid growth since launch

Dealers | Car Buyers | OEM / Wholesalers | Other Platforms

Notes:
1. Revenue contribution in FY2020
2. Market share defined as number of financing transactions facilitated divided by total new and used car sales during the same period

Disrupting the China's NEV Market

Robust Growth in NEV Market

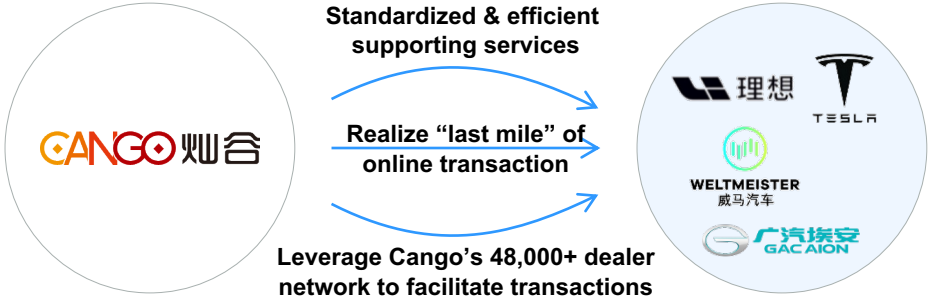


Rapid Advancement of NEV Technology

Favorable Government Policy

Upcoming Technological Automotive Transaction Services Platform

Strategic Synergies with NEV Partners



1

WELTMEISTER 威马汽车 · 理想 · 广汽埃安 GAC AION

- Strategic partnerships in automotive transaction, automotive financing and after-market services

2

TESLA

- Auto financing solutions covering all Tesla retail stores in Shanghai

3

理想

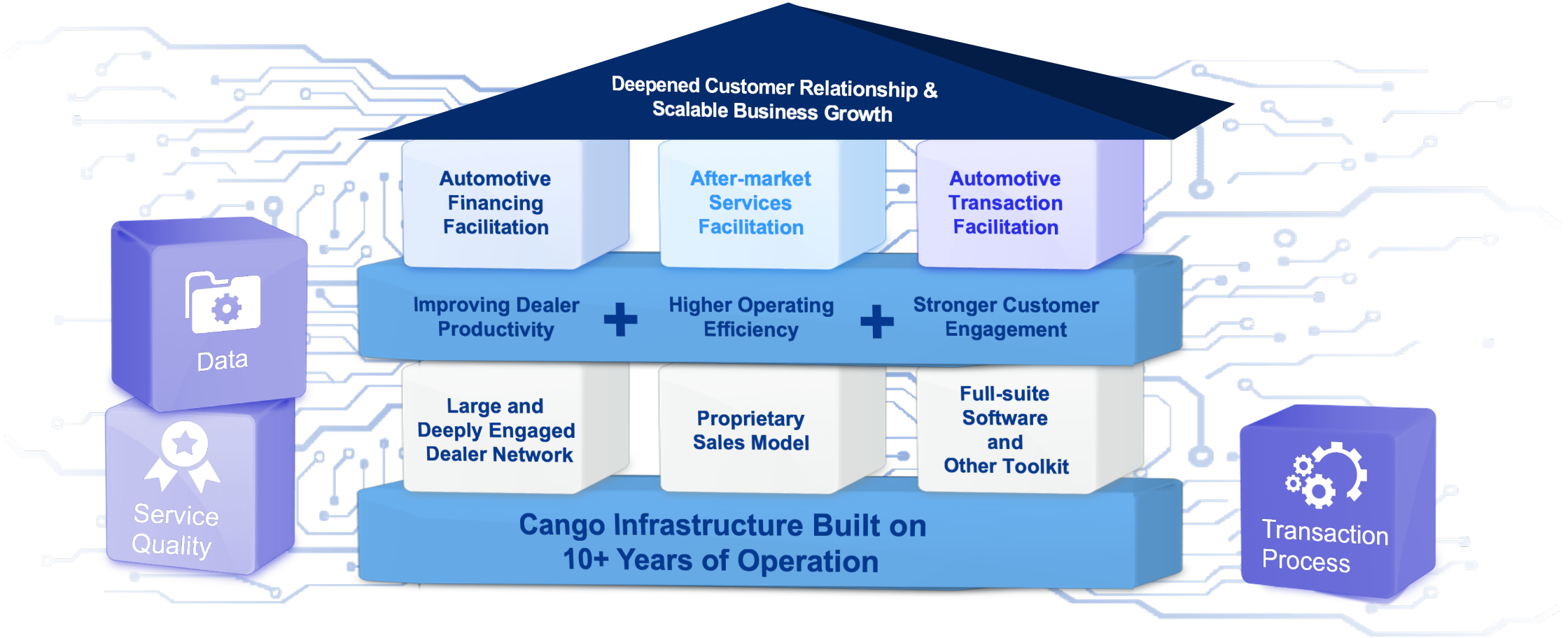
- Strategic Investment in Li Auto with 2.2% equity interest(1)

Source: CIC

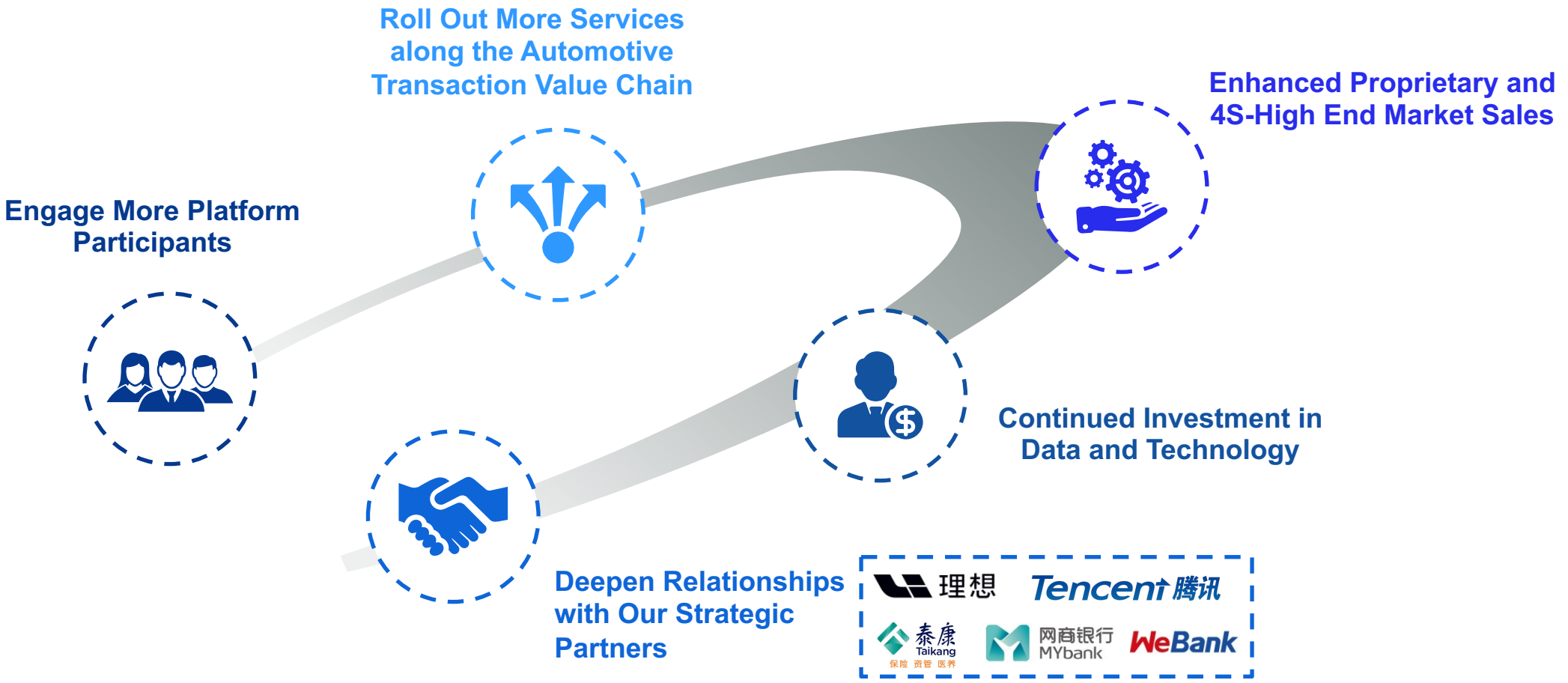
Notes:

1. Includes impact from Li Auto's ADS follow-on offering priced on December 4, 2020

Well-established Infrastructure to Scale Growth



Our Growth Strategies



Management Team

Xiaojun ZHANG

Co-founder and Chairman

- 20+ years of experience in auto industry
- Served as a financial supervisor of People's Bank of China, Shanghai Branch
- Master's degree in business administration from Peking University. Completed China Senior Executive Program at Harvard Business School

Jiayuan LIN

Co-founder and CEO

- 20+ years of experience in auto industry
- Served as the Deputy Manager of Audit Division in the Finance Department at Pudong Branch of Bank of China
- Bachelor's degree in finance and economics from Shanghai University of Finance and Economic. Completed the China Senior Executive Program at Harvard Business School

Yongyi ZHANG

CFO

- 25+ years of experience in finance and capital market
- Worked as an auditor at Arthur Anderson (Shanghai Office)
- Bachelor's degree in international accounting from Shanghai University of Finance and Economics

CANGO
灿谷

Investment Highlights

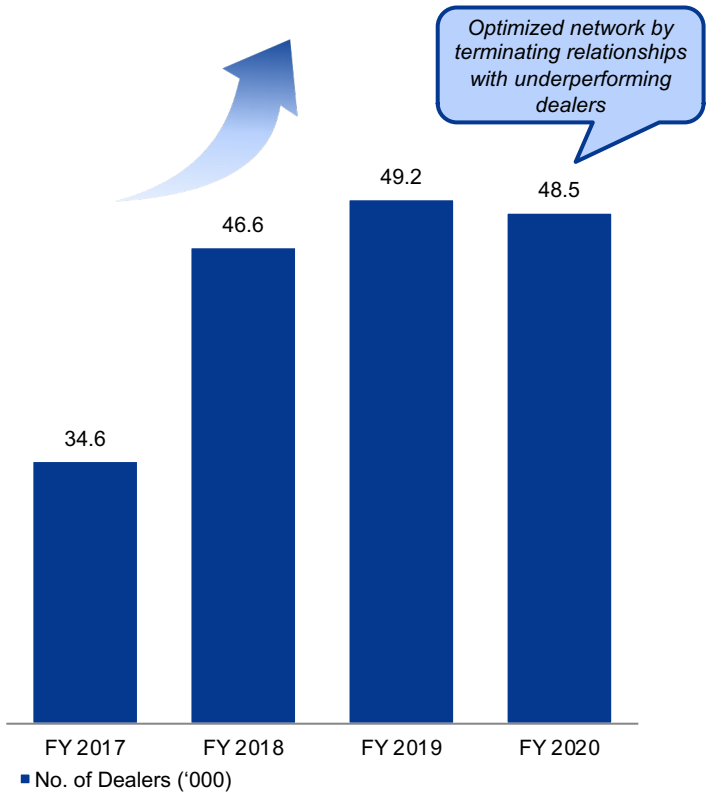
Section 2

Investment Highlights

1. Leading Auto Transaction Enabler in China
2. Maintaining Addressable Market with Massive Opportunities Ahead
3. Differentiated Model with Deep Industry Expertise
4. End-to-end Technology-enabled Auto Platform
5. Diversified and Powerful Customer Acquisition Network

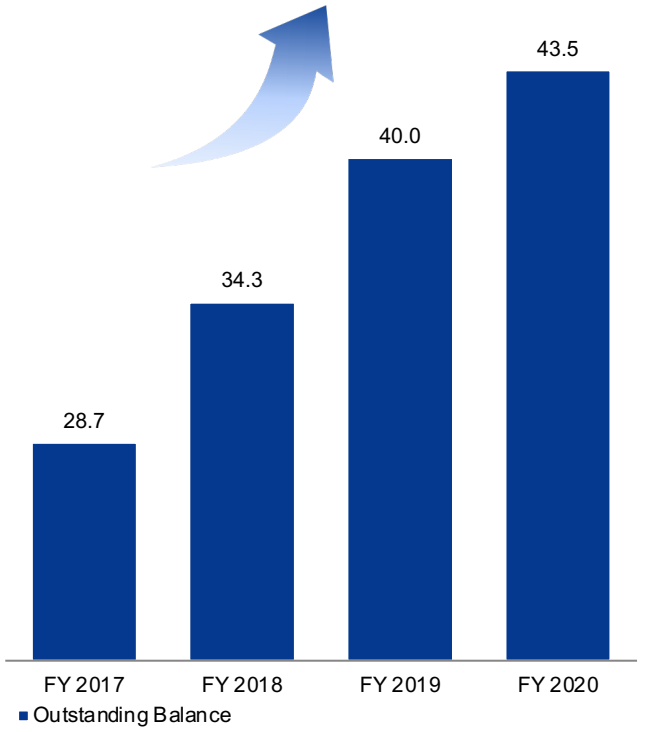
1 Leading Auto Transaction Enabler in China

Vast Dealer Network



Scalable Leadership in Auto Financing Facilitation

RMB Bn



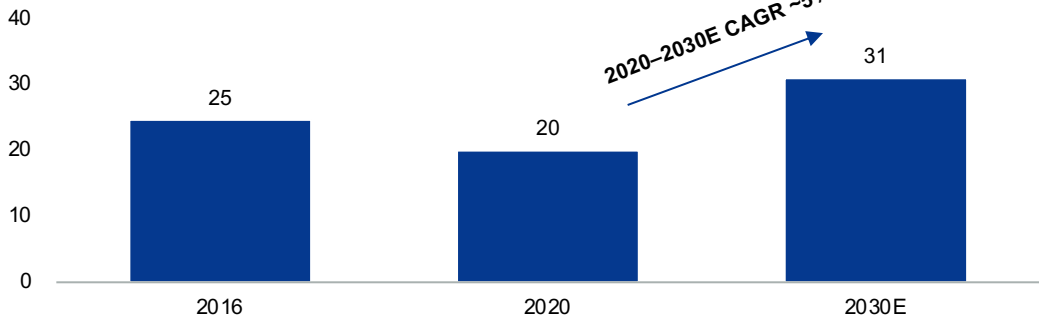
Pioneer in Product and Service Innovation

- **EV Revolution**
- **Auto Transaction Aggregator**
- **Proprietary Sales Model**
- **Infrastructure of Auto New Retail in Lower-tier Cities**

2 Maintaining Market Share against Industry Headwind with Promising Opportunities Ahead

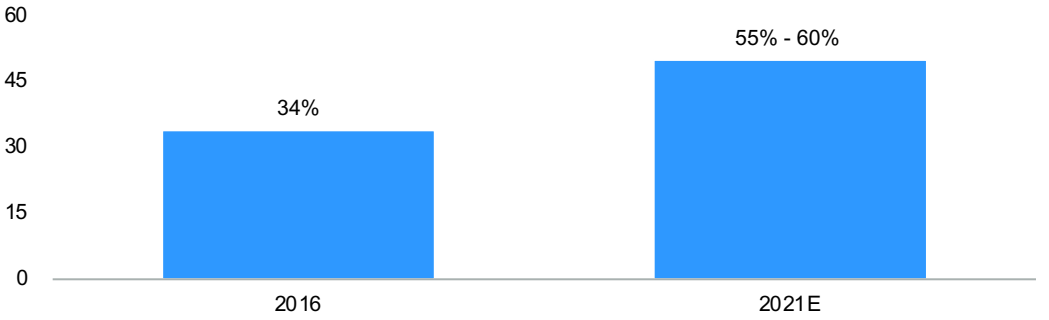
China Passenger Vehicles Market

Sales Volume (MM)



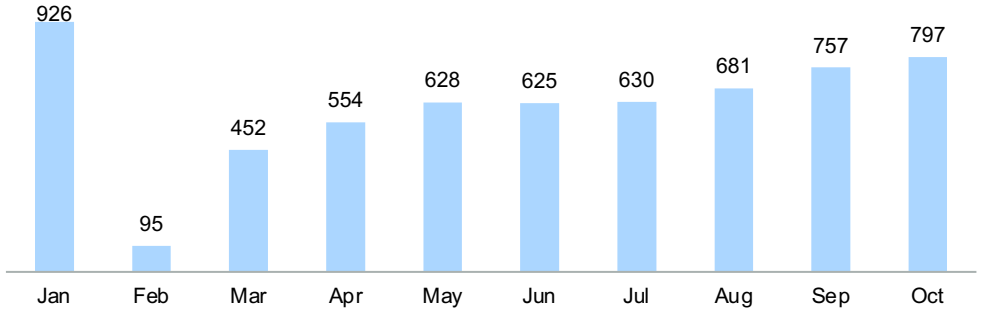
Low Auto Financing Penetrate Rate in China with Huge Growth Potential

%

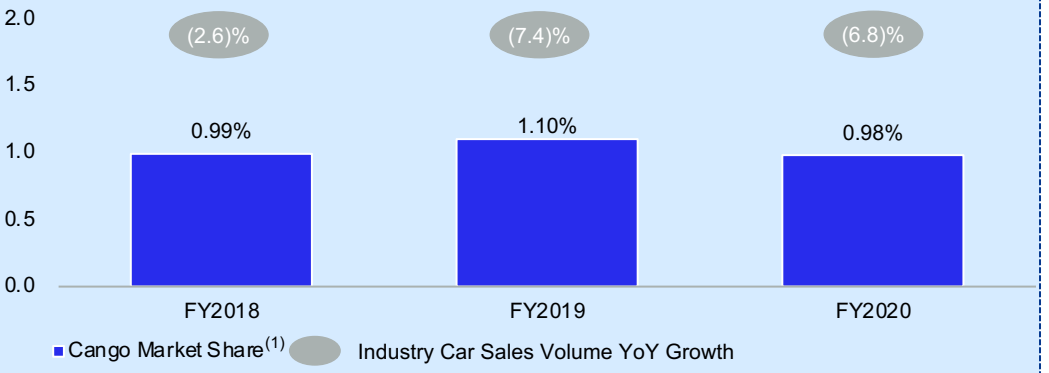


Recovery of Passenger Vehicles Demand in Lower Tier Cities 2020(Jan~Oct)

Lower Tier Cities Sales ('000)



Cango's Maintaining Market Share Despite of Industry Headwind and impact of Covid-19



Source: IHS database, CPCA, CADA, BCG Analysis, Oliver Wyman

Notes:

1. Market share defined as number of financing transactions facilitated divided by total new and used car sales during the same period

2 Our Strategic Market Focuses Lead to Strong Growth

Our Target Markets

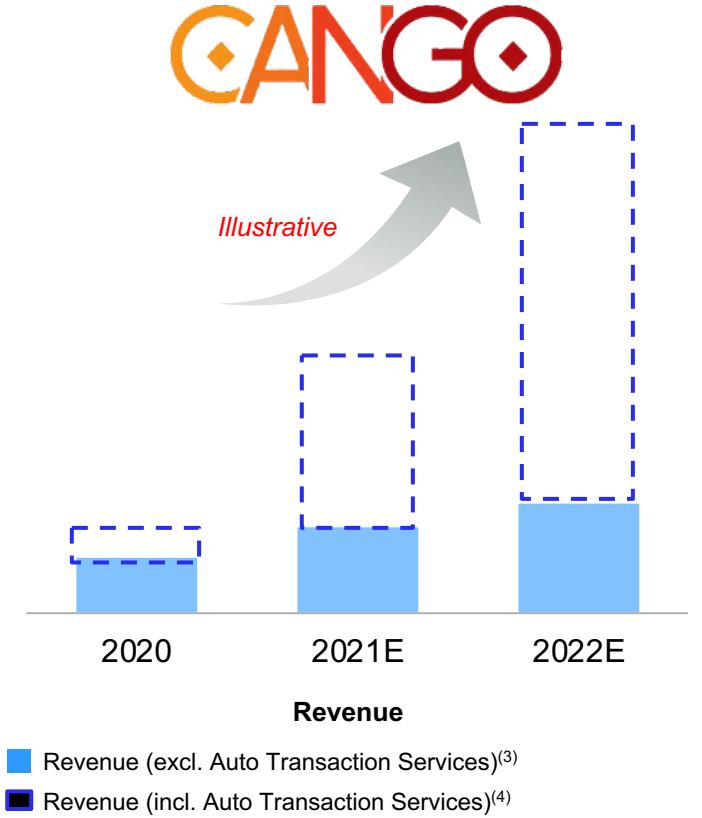
2021E Market Size

After-market Services	RMB **1.0Tn**(1)
Used Car Transactions	RMB **1.8Tn**(1)
New Car Transactions	RMB **3.5Tn**(1)
New Car Transactions with Financing	RMB **1.7Tn**(2)

Our Focus

Vintage	**Primarily new cars**
Car Types	**Domestic traditional cars** **Select higher end brands** **Select electric vehicles**
Regional/ Channel Coverage	**Started with lower tier cities and strategically expanding into top tier cities and 4S channels**

Our Transaction Volume



Source: Oliver Wyman

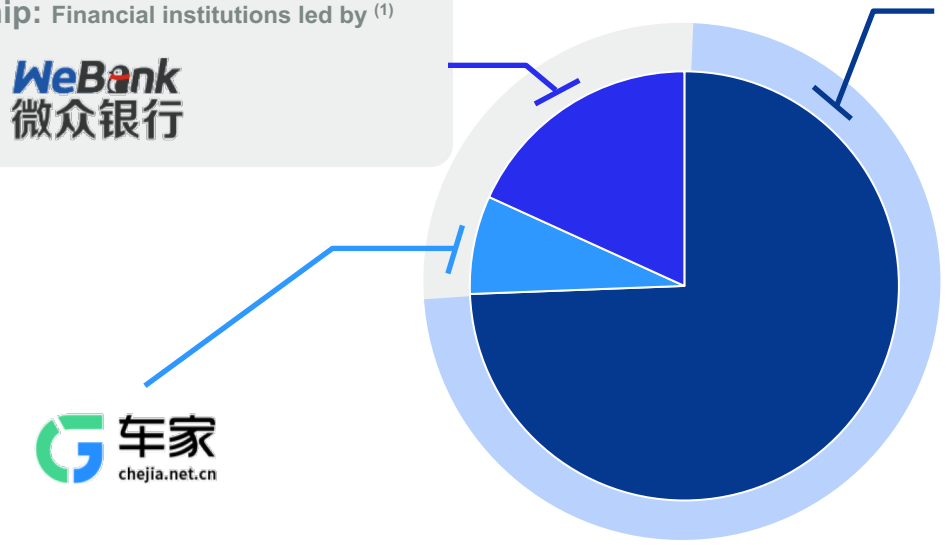
Notes:
1. Data of 2021E market size by revenue
2. Data of 2021E market size by outstanding balance
3. Based on street consensus
4. Based on management guidance

3 Asset Light Model with Diversified Funding Sources and Limited Risk Exposure

Diversified Funding with Limited Risk Exposure
Loan Origination By Funding Partners
FY2019

Co-partnership: Financial institutions led by (1)

WeBank 微众银行



车家 chejia.net.cn

Direct Partnership

网商银行 MYbank
ICBC 中国工商银行 INDUSTRIAL AND COMMERCIAL BANK OF CHINA
上海银行 Bank of Shanghai
中国民生银行 CHINA MINSHENG BANK
江南农村商业银行 JIANGNAN RURAL COMMERCIAL BANK
晋城银行 JCBANK
上海农村商业银行 Shanghai Rural Commercial Bank
中国邮政储蓄银行 POSTAL SAVINGS BANK OF CHINA

More to come…

Steady Growth of Funding Partners
12(3)

Reduced Funding Cost
~7%(2) **to ~6%**(3)

Notes:
1. As of December 31, 2019
2. As of June 30, 2018
3. As of December 31, 2020

3 Prudent Risk Management System and Proven Asset Quality

1 Rigorous Dealer Screening Procedure

- On-site Visits
- Internal Blacklist of Fraudulent Dealers
- Significant Lawsuits Check Leveraging Third-party Databases

2 Credit Underwriting

Credit Assessment

Proprietary Model
- Proprietary Credit Assessment Model
- Manual Evaluation If Necessary
- Machine Learning Algorithms

+

Proprietary Data
- Loan Applicant Data
- Dealer Data

Collateral Registration

- 100% GPS Installation
- Automobiles Required to be Registered with Local Government Authorities

3 Six-stage Delinquent Asset Management

1. Automated Reminder
2. Live Phone Calls
3. In-person Visits
4. Professional Repossession
5. Disposal
6. Legal Actions

0.42%
vs. 3Q20: 0.53%
M3+ ratio(1)

0.98%
vs. 3Q20: 1.11%
M1+ ratio(1)

36.9% / 10.5%
Automatic Approval/Rejection(2)

Notes:
1. 4Q20
2. FY2019

3 Unparalleled Expertise across Value Chain

INDUSTRY KNOW-HOW

- Knowledge on automotive value chain
- Knowledge on financial products and services
- Experience in working with various financial institutions

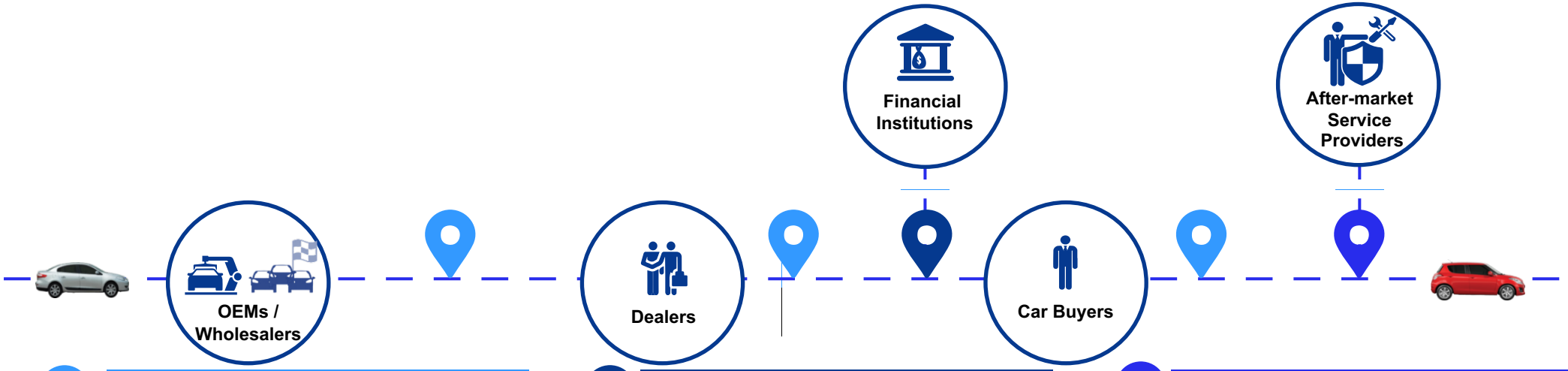
RICHNESS OF EXPERIENCE

- Launch in auto financing
- Steady expansion into after-market services facilitation
- Future growth from automotive transaction facilitation

TECHNOLOGY EXPERTISE

- Strong data and insights
- Advanced technology services and solutions
- Strategic collaboration with Tencent

4 End-to-end Technology-enabled Auto Platform



Automotive Transaction Facilitation (Since 2017)

- Digitalized trading platform for registered dealers
- Dealer training

Automotive Financing Facilitation (Since 2010)

- Data insights
- Digital application
- Credit risk model

After-market Services Facilitation (Since 2017)

- Telematics insights
- Paperless repossession

4 Best Participant Experience and Efficiency from Technology Optimization

	Application Submission	Identity Verification	Time to Approve	Signing of Agreement	GPS Installment	Transaction Closed/Car Pick-up
Traditional Approach	10+ pages Paper application form	Onsite verification at bank's branch	1 Week approval time	Paper signing	Lengthy process at Specified Locations	Days to Weeks waiting time
CANGO Approach	100% electronic application	Facial recognition utilization	80% application less than 30 minutes approval time	Electronic signing	Quick Installment Onsite	Within Half of a Day

Value Creation for Platform Participants

- Financial Institutions
- Dealers
- Car Buyers

Driving Operating Efficiency

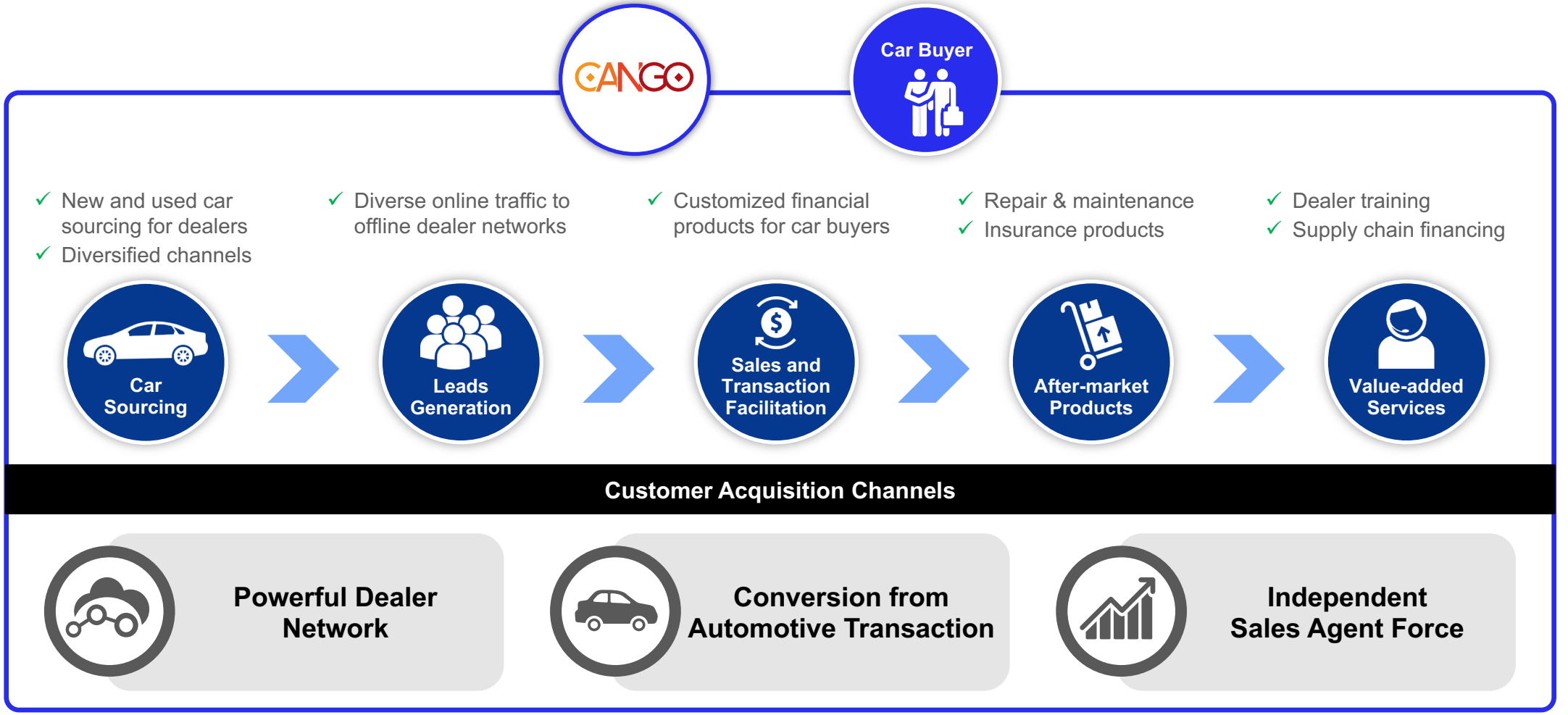
27.0%

Average Operating Margin[(1)]

2017-2020

Notes:
1. Operating profit over revenue

5 Diversified and Powerful Customer Acquisition Network



5 Largest and Powerful Dealer Network

30 (1)
provinces

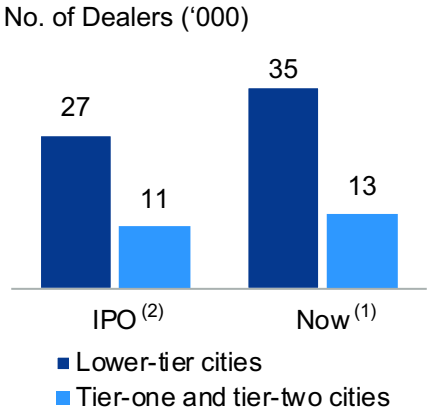
347 (1)
cities

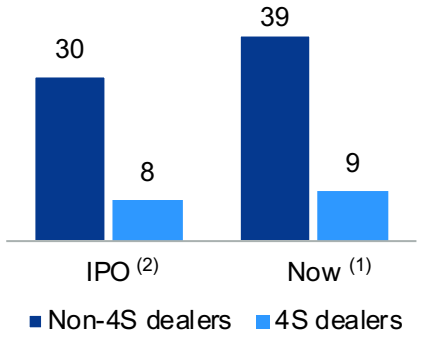
48,000+ (1)
dealers

95% (1)
self-operated dealer coverage

7,000+ (1)
independent sales agents

Features of Our Dealers





Strategic Value to Cango

- **Access Auto Transaction Value Chain**
- **Gain First-mover Advantage in an Underserved Market**
- **Build up Network Effect**
- **Closed Transaction Loop**

Notes:
1. As of December 31, 2020
2. As of March 31, 2018

CANGO
灿谷

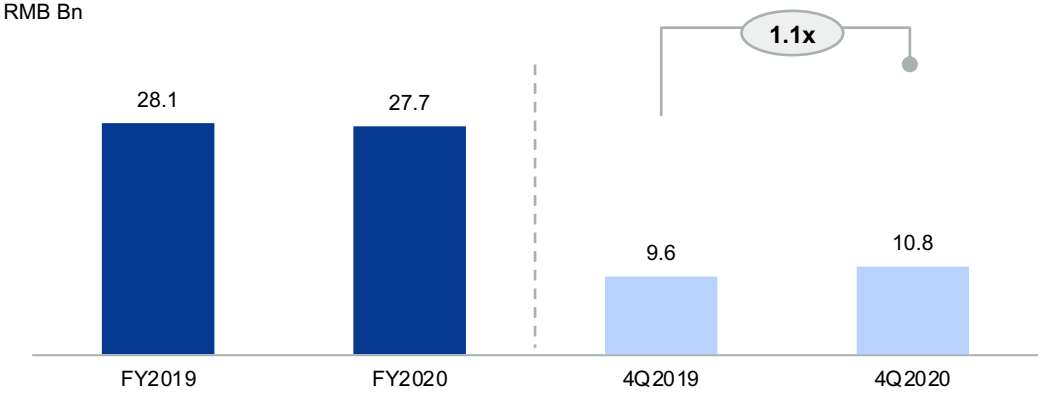
Financial Performance

Section 3

Robust Topline Business Growth with Improved Cost Structure

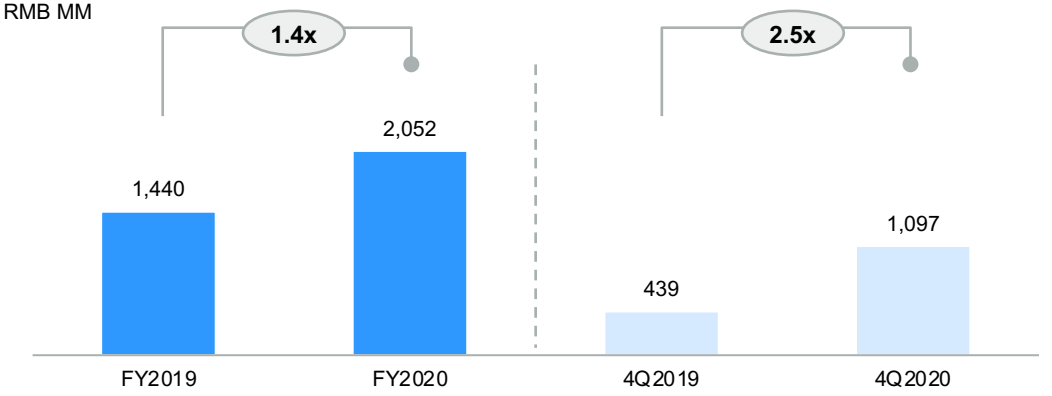
Amount of Financing Transactions the Company facilitated

RMB Bn



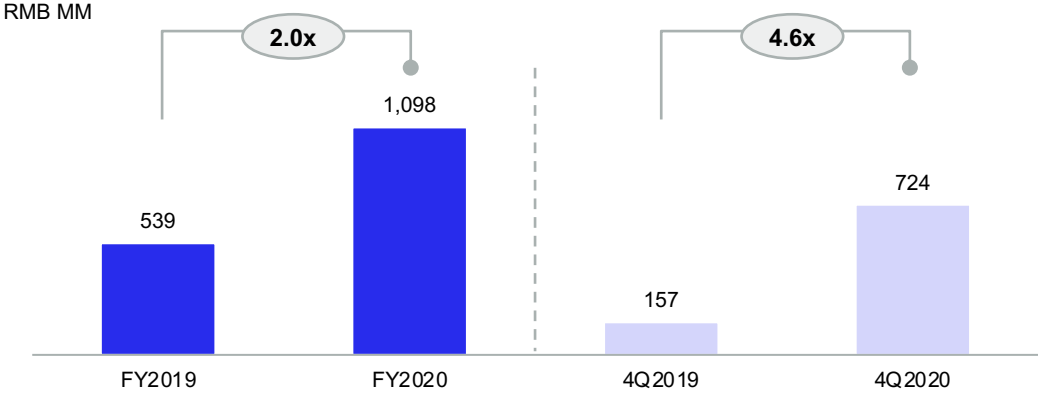
Total Revenues

RMB MM



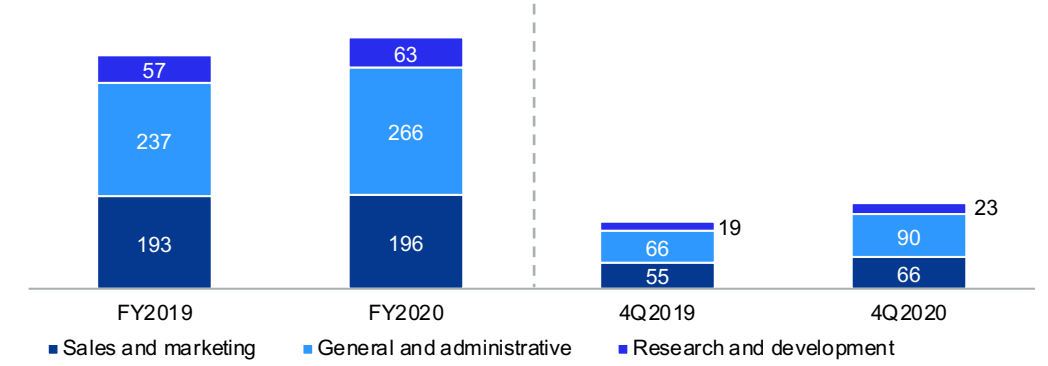
Cost of Revenue

RMB MM



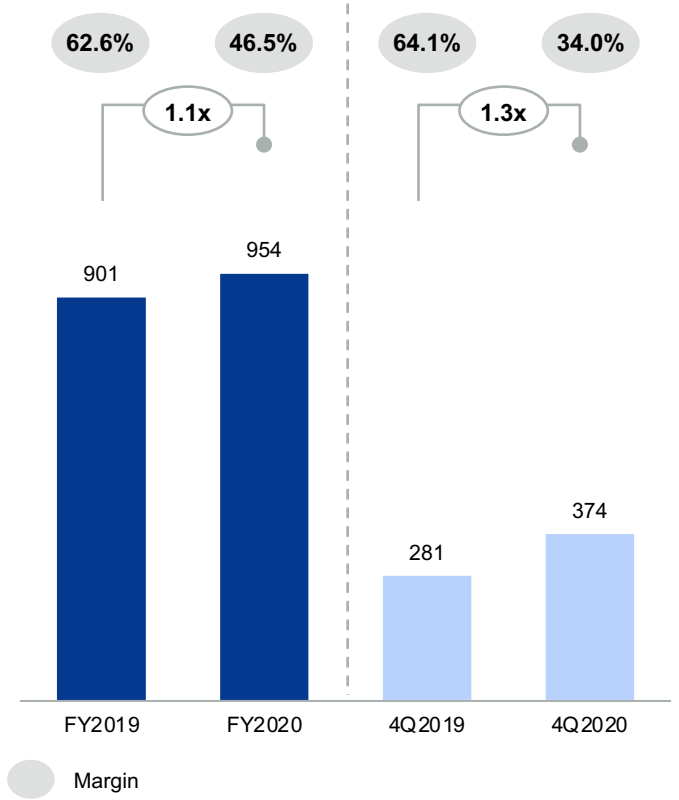
Operating Expenses

RMB MM

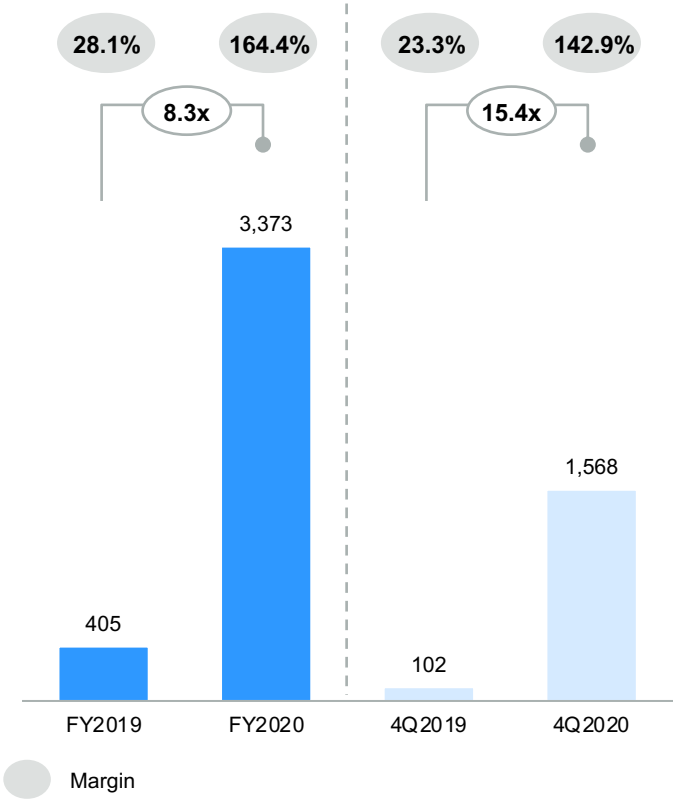


Improved Gross Profit and Net Income

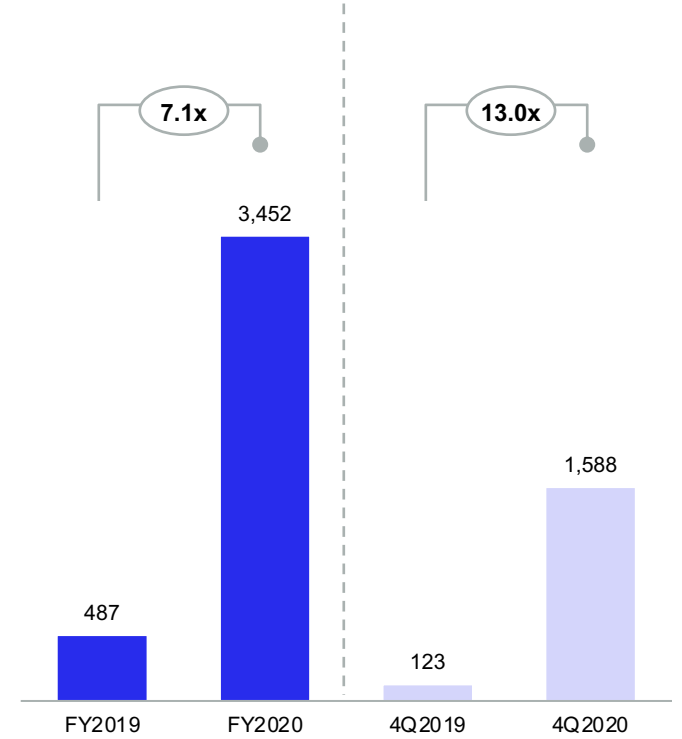
Gross Profit [1]
RMB MM



Net Income [2]
RMB MM



Non-GAAP Adjusted Net Income[2][3]
RMB MM



Notes:
1. Excluding the financial impact of car trading transactions, 4Q20 and FY20 gross margin was 66.9% and 66.5%, respectively.
2. FY20 net income and adjusted net income included RMB3.3 billion investment gain in Li Auto. 4Q20 net income and adjusted net income included RMB1.5 billion investment gain in Li Auto
3. Non-GAAP adjusted net income is defined as net income excluding share-based compensation. Reconciliation of non-GAAP adjusted net income to net income is included in Section 3 of this presentation

Balance Sheet Summary

In RMB million	31-Dec-19	31-Dec-20
Assets		
Cash and cash equivalents	2,002.3	1,426.9
Restricted cash	971.0	9.7
Short-term investments	597.3	4,342.4
Short-term finance leasing receivable, net	1,661.1	2,035.4
Others	309.1	1,084.6
Total current assets	**5,540.8**	**8,899.0**
Restricted Cash	873.7	878.3
Long-term finance leasing receivable, net	1,449.0	1,454.5
Others	873.1	914.1
Total non-current assets	**3,195.8**	**3,246.9**
Total Assets	**8,736.6**	**12,145.9**
Liabilities		
Short-term borrowings	1,439.7	355.8
Long-term debts-current	863.4	1,228.8
Accrued expenses and other current liabilities	278.7	324.7
Risk assurance liabilities	260.0	460.8
Income tax payable	67.3	87.1
Total current liabilities	**2,909.1**	**2,457.3**
Long-term borrowings	301.7	977.8
Deferred tax liability	12.3	330.8
Other non-current liabilities	21.8	4.9
Total non-current liabilities	**335.8**	**1,313.4**
Total Liabilities	**3,244.9**	**3,770.7**
Cango's equity	**5,477.8**	**8,375.2**
Non-controlling interests	13.8	-
Total shareholders' equity	**5,491.7**	**8,375.2**
Total liabilities and shareholders' equity	**8,736.6**	**12,145.9**

NYSE:CANG

THANK YOU!

Caesar Cao
Cango Inc.
Tel: +86 21 3183 5088 ext.5581
Email: ir@cangoonline.com

Emilie Wu
The Piacente Group
Tel: +86 21 6039 8363
Email: cango@thepiacentegroup.com