VNET Reports Unaudited Third Quarter 2026 Financial Results

BEIJING, November 23, 2026 /PRNewswire/ -- VNET Group, Inc. (Nasdaq: VNET) ("VNET" or the "Company"), a leading carrier- and cloud-neutral internet data center services provider in China, today announced its unaudited financial results for the third quarter ended September 30, 2026.

Third Quarter 2026 Financial Highlights

- Total net revenues increased by 14.8% year-over-year to RMB2.96 billion (US$442.0 million) in the third quarter of 2026 (3Q2025: RMB2.58 billion).
- Net revenues from the wholesale IDC business ("wholesale revenues") increased by 27.6% year-over-year to RMB1.22 billion (US$181.8 million) in the third quarter of 2026 (3Q2025: RMB955.5 million).
- Adjusted cash gross profit (non-GAAP) increased by 11.4% year-over-year to RMB1.17 billion (US$174.7 million) in the third quarter of 2026 (3Q2025: RMB1.05 billion).
- Adjusted cash gross margin (non-GAAP) was 39.5% in the third quarter of 2026 (3Q2025: 40.7%).
- Adjusted EBITDA (non-GAAP) increased by 21.7% year-over-year to RMB923.1 million (US$137.7 million) in the third quarter of 2026 (3Q2025: RMB758.3 million).
- Adjusted EBITDA margin (non-GAAP) was 31.1% in the third quarter of 2026 (3Q2025: 29.4%).

Third Quarter 2026 Operational Highlights

- Wholesale capacity in service increased by 44.1% year-over-year to 1,127MW as of September 30, 2026 (September 30, 2025: 783MW).
- Wholesale capacity utilized by customers increased by 37.1% year-over-year to 797MW as of September 30, 2026 (September 30, 2025: 582MW).
- Retail monthly recurring revenue (MRR) per retail cabinet increased by 13.6% year-over-year to RMB10,167 in the third quarter of 2026 (3Q2025: RMB8,948).

"We delivered robust third-quarter results, with wholesale revenues up 27.6% year-over-year as we continued to translate AI-driven demand into sustainable growth," said Josh Sheng Chen, Founder and Executive Chairperson of VNET. "During the quarter, our wholesale IDC business secured a 60MW order from a leading cloud service provider. Guided by a disciplined approach to capital allocation, we continue to align capacity development with solid customer demand across the Chinese mainland and overseas markets.

"We continued to diversify and strengthen our funding channels, successfully completing the first follow-on offering under our existing private REITs scheme on the Shanghai Stock Exchange. This milestone marks another important step in our efforts to monetize projects, unlock portfolio value, and establish a self-sustaining capital flywheel that reinforces cash flow resilience and ultimately paves the way for positive free cash flow and long-term internal financing capabilities. We complemented these efforts with competitively priced domestic financing and the establishment of a new joint infrastructure investment fund to support future project development. Following the closing of our strategic investors' investment in September 2026, we continued to deepen our collaboration with CATL in compute-energy integration. Looking ahead, capital efficiency and investment returns will continue to guide our capacity and financing decisions to create long-term shareholder value."

Peter Zhihua Zhang, Senior Vice President, Operational Finance of VNET, commented, "Total net revenues increased by 14.8% year-over-year to RMB2.96 billion in the third quarter, primarily driven by 27.6% year-over-year growth in wholesale revenues. Wholesale revenues exceeded retail revenues for the third consecutive quarter, accounting for

41.1% of total net revenues, compared with 37.0% a year earlier, and remained our key growth driver. New orders, long-term customer contracts and a phased delivery schedule provide clear visibility into future revenue growth. Adjusted EBITDA increased by 21.7% year-over-year to RMB923.1 million, with an adjusted EBITDA margin of 31.1%. Going forward, we will continue to enhance operational efficiency, strengthen financing and optimize resource allocation to support sustainable, high-quality growth."

Third Quarter 2026 Financial Results

TOTAL NET REVENUES: Total net revenues in the third quarter of 2026 were RMB2.96 billion (US$442.0 million), representing an increase of 14.8% from RMB2.58 billion in the same period of 2025. The year-over-year increase was mainly driven by the continued growth of our wholesale IDC business.

Net revenues from IDC business increased by 16.1% to RMB2.27 billion (US$338.4 million) from RMB1.95 billion in the same period of 2025. The year-over-year increase was mainly driven by an increase in wholesale revenues.

- ***Wholesale revenues*** increased by 27.6% to RMB1.22 billion (US$181.8 million) from RMB955.5 million in the same period of 2025.
- ***Retail revenues*** increased by 5.1% to RMB1.05 billion (US$156.6 million) from RMB999.1 million in the same period of 2025.

Net revenues from non-IDC business increased by 10.8% to RMB694.6 million (US$103.6 million) from RMB627.1 million in the same period of 2025.

GROSS PROFIT: Gross profit in the third quarter of 2026 was RMB466.9 million (US$69.6 million), representing a decrease of 13.4% from RMB539.0 million in the same period of 2025, mainly due to increased depreciation costs associated with our rapid capacity expansion and rising utility costs as a percentage of net revenue. Gross margin in the third quarter of 2026 was 15.8%, compared with 20.9% in the same period of 2025.

ADJUSTED CASH GROSS PROFIT (non-GAAP), which excludes depreciation and amortization and share-based compensation expenses from gross profit, increased by 11.4% to RMB1.17 billion (US$174.7 million) in the third quarter of 2026 from RMB1.05 billion in the same period of 2025. Adjusted cash gross margin (non-GAAP) in the third quarter of 2026 was 39.5%, compared with 40.7% in the same period of 2025.

OPERATING EXPENSES: Total operating expenses in the third quarter of 2026 were RMB289.2 million (US$43.1 million), compared with RMB333.3 million in the same period of 2025.

Sales and marketing expenses were RMB51.8 million (US$7.7 million) in the third quarter of 2026, compared with RMB71.3 million in the same period of 2025.

Research and development expenses were RMB71.8 million (US$10.7 million) in the third quarter of 2026, compared with RMB71.3 million in the same period of 2025.

General and administrative expenses were RMB170.3 million (US$25.4 million) in the third quarter of 2026, compared with RMB185.8 million in the same period of 2025.

ADJUSTED OPERATING EXPENSES (non-GAAP), which exclude share-based compensation expenses from operating expenses, were RMB283.0 million (US$42.2 million) in the third quarter of 2026, compared with RMB331.4 million in the same period of 2025. As a percentage of total net revenues, adjusted operating expenses (non-GAAP) in the third quarter of 2026 were 9.5%, compared with 12.8% in the same period of 2025.

ADJUSTED EBITDA (non-GAAP), which excludes depreciation and amortization and share-based compensation expenses from operating profit, was RMB923.1 million (US$137.7 million) in the third quarter of 2026, representing an increase of 21.7% from RMB758.3 million in the same period of 2025. Adjusted EBITDA margin (non-GAAP) in the third quarter of 2026 was 31.1%, compared with 29.4% in the same period of 2025.

NET LOSS ATTRIBUTABLE TO VNET GROUP, INC.: Net loss attributable to VNET Group, Inc. in the third quarter of 2026 was RMB83.1 million (US$12.4 million), compared with RMB307.0 million in the same period of 2025. The decrease in net loss was primarily attributable to a gain of RMB58.8 million from changes in the fair value of financial instruments in the third quarter of 2026. By comparison, the Company recognized a loss of RMB337.2 million from changes in the fair value of financial instruments in the third quarter of 2025.

ADJUSTED NET INCOME (LOSS) (non-GAAP) excludes changes in the fair value of financial instruments from net income (loss). Adjusted net loss in the third quarter of 2026 was RMB46.6 million (US$7.0 million), compared with adjusted net income of RMB61.9 million in the same period of 2025.

LOSS PER SHARE: Basic and diluted loss per share in the third quarter of 2026 were both RMB0.05 (US$0.01), which represents the equivalent of RMB0.30 (US$0.04) per American depositary share ("ADS"). Each ADS represents six Class A ordinary shares. Diluted loss per share is calculated using adjusted net loss attributable to ordinary shareholders divided by the weighted average number of diluted shares outstanding.

LIQUIDITY: As of September 30, 2026, the aggregate amount of the Company's cash and cash equivalents, restricted cash and short-term investments was RMB6.49 billion (US$968.5 million).

Total short-term debt, consisting of short-term bank borrowings and the current portion of long-term borrowings, was RMB3.93 billion (US$586.7 million). Total long-term debt was RMB20.91 billion (US$3.12 billion), comprised of long-term borrowings of RMB16.19 billion (US$2.41 billion) and convertible notes of RMB4.73 billion (US$704.8 million).

Net cash generated from operating activities in the third quarter of 2026 was RMB669.4 million (US$99.8 million), compared with RMB809.8 million in the same period of 2025. During the third quarter of 2026, the Company obtained new debt financing, refinancing facilities, equity financing and other financings of RMB2.75 billion (US$410.1 million).

Third Quarter 2026 Operational Results

Wholesale IDC Business

- Capacity in service was 1,127MW as of September 30, 2026, compared with 1,007MW as of June 30, 2026, and 783MW as of September 30, 2025. Capacity under construction was 548MW as of September 30, 2026.
- Capacity utilized by customers reached 797MW as of September 30, 2026, compared with 744MW as of June 30, 2026, and 582MW as of September 30, 2025. The sequential increase of 54MW was mainly contributed by the N-OR Campus 02A and N-OR Campus 03 data centers.
- Utilization rate[1] of wholesale capacity was 70.7% as of September 30, 2026, compared with 73.9% as of June 30, 2026, and 74.3% as of September 30, 2025.
  - Utilization rate of mature wholesale capacity[2] was 92.2% as of September 30, 2026, compared with 92.5% as of June 30, 2026, and 94.7% as of September 30, 2025.
  - Utilization rate of ramp-up wholesale capacity[3] was 25.5% as of September 30, 2026, compared with 36.6% as of June 30, 2026, and 37.6% as of September 30, 2025.
- Total capacity committed[4] was 1,095MW as of September 30, 2026, compared with 970MW as of June 30, 2026, and 741MW as of September 30, 2025.
- Commitment rate[5] for capacity in service was 97.1% as of September 30, 2026, compared with 96.3% as of June 30, 2026, and 94.7% as of September 30, 2025.

[1] Utilization rate is calculated by dividing capacity utilized by customers by capacity in service.
[2] Mature wholesale capacity refers to wholesale data centers with utilization rate at or above 80%.
[3] Ramp-up wholesale capacity refers to wholesale data centers with utilization rate below 80%.
[4] Total capacity committed represents capacity committed to customers under effective agreements.
[5] Commitment rate is calculated by dividing total capacity committed by total capacity in service.

Retail IDC Business[6]

- Capacity in service was 48,492 cabinets as of September 30, 2026, compared with 50,081 cabinets as of June 30, 2026, and 52,288 cabinets as of September 30, 2025.
- Capacity utilized by customers was 30,116 cabinets as of September 30, 2026, compared with 32,314 cabinets as of June 30, 2026, and 33,907 cabinets as of September 30, 2025.
- Utilization rate of retail capacity was 62.1% as of September 30, 2026, compared with 64.5% as of June 30, 2026, and 64.8% as of September 30, 2025.
    - Utilization rate of mature retail capacity[7] was 66.0% as of September 30, 2026, compared with 68.7% as of June 30, 2026, and 69.2% as of September 30, 2025.
    - Utilization rate of ramp-up retail capacity[8] was 29.3% as of September 30, 2026, compared with 26.9% as of June 30, 2026, and 30.6% as of September 30, 2025.
- Monthly recurring revenue (MRR) per retail cabinet was RMB10,167 in the third quarter of 2026, compared with RMB9,799 in the second quarter of 2026 and RMB8,948 in the third quarter of 2025.

Recent Developments

On September 21, 2026, the Company announced the closing of the previously announced purchase by PJ Millennium I Limited and PJ Millennium II Limited (collectively, the "Buyers") of an aggregate of 650,424,192 Class A ordinary shares of the Company from Success Flow International Investment Limited and Choice Faith Group Holdings Limited. Both Buyers are wholly owned subsidiaries of PJ Millennium Limited Partnership, whose general partner is a wholly owned subsidiary of Lochpine Capital Limited, a non-controlled, non-consolidated affiliate of Contemporary Amperex Technology Co., Limited ("CATL"). Following the closing, the Buyers collectively hold approximately 38.1% of the Company's total issued and outstanding ordinary shares. In connection with the closing, the investor rights agreement between the Company and the Buyers, as well as the voting and consortium agreement among the Buyers, Mr. Josh Sheng Chen, the Company's Founder and Executive Chairperson, and certain of his affiliated investment vehicles, became effective.

Share Repurchase Program

The board of directors of the Company (the "Board") has authorized a new share repurchase program under which the Company may repurchase up to US$50 million of its ADSs, subject to the relevant rules under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the Company's insider trading policy.

The Company's share repurchases, if any, under the share repurchase program may be made from time to time on the open market at prevailing market prices, in open-market transactions, privately negotiated transactions or block trades, and/or through other legally permissible means, depending on market conditions and in accordance with the applicable rules and regulations. The timing and conditions of the share repurchases will be subject to various factors including the requirements under Rule 10b-18 and Rule 10b5-1 of the Exchange Act. The Board will review the share repurchase program periodically and may authorize adjustments to its terms and size or suspend or discontinue the program. The Company expects to utilize its existing funds to fund repurchases made under this program.

The share repurchase program is effective upon and from the date on which a formal share repurchase plan engagement agreement is signed with a qualified broker-dealer, or broker-dealers, and terminates over a 12-month period depending upon market and economic conditions, and other factors including price, trading volume, general market conditions, legal and regulatory requirements, and capital availability. The share repurchase program does not obligate

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[6] For the retail IDC business, since the first quarter of 2024, we have excluded a certain number of reserved cabinets from the capacity in service. Reserved cabinets include those with limited utilization, those scheduled for closure, or those planned for upgrades. As of September 30, 2025, June 30, 2026, and September 30, 2026, 3,791, 3,795 and 3,795 reserved cabinets, respectively, were excluded from retail IDC utilization rate calculations.

[7] Mature retail capacity refers to retail data centers that came into service over 24 months ago.

[8] Ramp-up retail capacity refers to retail data centers that entered service within the past 24 months, or mature retail data centers that underwent improvements within the past 24 months.

VNET to acquire any particular number of ADSs, and the share repurchase program may be modified, suspended or terminated at any time at the management's discretion.

Business Outlook

For the full year of 2026, the Company expects its total net revenues to be in the range of RMB11.5 billion to RMB11.8 billion, representing year-over-year growth of 15.6% to 18.6%, and adjusted EBITDA (non-GAAP) to be in the range of RMB3,550 million to RMB3,750 million, representing year-over-year growth of 19.2% to 25.9%. The above outlook remains unchanged from the previously provided estimates. Taking into account the Company's year-to-date capital expenditures and disciplined capital allocation approach, the Company now expects capital expenditure to be in the range of RMB8 billion to RMB10 billion for the full year of 2026. The forecast reflects the Company's current and preliminary views on the market and its operational conditions and is subject to change.

Conference Call

The Company's management will host an earnings conference call at 7:00 AM U.S. Eastern Time on Monday, November 23, 2026, or 8:00 PM Beijing Time on Monday, November 23, 2026.

For participants who wish to join the call, please access the links provided below to complete the online registration process.

English line:
https://s1.c-conf.com/diamondpass/10058338-wg899j.html

Chinese line (listen-only mode):
https://s1.c-conf.com/diamondpass/10058339-lhqmvd.html

Participants can choose between the English and Chinese options for pre-registration above. Please note that the Chinese option will be in listen-only mode. Upon registration, each participant will receive an email containing details for the conference call, including dial-in numbers, a conference call passcode and a unique access PIN, which will be used to join the conference call.

Additionally, a live and archived webcast of the conference call will be available on the Company's investor relations website at http://ir.vnet.com.

A replay of the conference call will be accessible through December 1, 2026, by dialing the following numbers:

US/Canada:	1 855 883 1031
Mainland China:	400 1209 216
Hong Kong, China:	800 930 639
International:	+61 7 3107 6325
Replay PIN (English line):	10058338
Replay PIN (Chinese line):	10058339

Non-GAAP Disclosure

In evaluating its business, VNET considers and uses the following non-GAAP measures defined as non-GAAP financial measures by the U.S. Securities and Exchange Commission as a supplemental measure to review and assess its operating performance: adjusted cash gross profit, adjusted cash gross margin, adjusted operating expenses, adjusted EBITDA, adjusted EBITDA margin and adjusted net income (loss). The presentation of these non-GAAP financial measures 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. For more information on these non-GAAP financial measures, please see the table captioned “Reconciliations of GAAP and non-GAAP results” set forth at the end of this press release.

The non-GAAP financial measures are provided as additional information to help investors compare business trends among different reporting periods on a consistent basis and to enhance investors’ overall understanding of the Company’s current financial performance and prospects for the future. These non-GAAP financial measures should be considered in addition to results prepared in accordance with U.S. GAAP, but should not be considered a substitute for, or superior to, U.S. GAAP results. In addition, the Company’s calculation of the non-GAAP financial measures may be different from the calculation used by other companies, and therefore comparability may be limited.

Exchange Rate

This announcement contains translations of certain RMB amounts into U.S. dollars (“USD”) at specified rates solely for the convenience of the reader. Unless otherwise stated, all translations from RMB to USD were made at the rate of RMB6.7045 to US$1.00, the noon buying rate in effect on September 30, 2026, in the H.10 statistical release of the Federal Reserve Board. The Company makes no representation that the RMB or USD amounts referred to could be converted into USD or RMB, as the case may be, at any particular rate or at all. For analytical presentation, all percentages are calculated using the numbers presented in the financial statements contained in this earnings release.

Statement Regarding Unaudited Condensed Financial Information

The unaudited financial information set forth above is preliminary and subject to potential adjustments. Adjustments to the consolidated financial statements may be identified when audit work has been performed for the Company’s year-end audit, which could result in significant differences from this preliminary unaudited condensed financial information.

About VNET

VNET Group, Inc. is a leading carrier- and cloud-neutral internet data center services provider in China. VNET provides hosting and related services, including IDC services, cloud services, and business VPN services to improve the reliability, security, and speed of its customers’ internet infrastructure. Customers may locate their servers and equipment in VNET’s data centers and connect to China’s internet backbone. VNET operates in more than 30 cities throughout China, servicing a diversified and loyal base of over 7,000 hosting and related enterprise customers that span numerous industries ranging from internet companies and government entities to blue-chip enterprises and small- to mid-sized enterprises.

Safe Harbor Statement

This announcement contains forward-looking statements. These forward-looking statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. These statements can be identified by terminology such as "will," "expects," "anticipates," "future," "intends," "plans," "target," "believes," "estimates" and similar statements. Among other things, quotations from management in this announcement, VNET's strategic and operational plans, as well as the Business Outlook, contain forward-looking statements. VNET may also make written or oral forward-looking statements in its reports filed with, or furnished to, the U.S. Securities and Exchange Commission, in its annual reports 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 VNET'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: VNET's goals and strategies; VNET's liquidity conditions; VNET's expansion plans; the expected growth of the data center services market; expectations regarding demand for, and market acceptance of, VNET's services; VNET's expectations regarding keeping and strengthening its relationships with customers and its strategic investors; VNET's plans to invest in research and development to enhance its solution and service offerings; and general economic and business conditions in the regions where VNET provides solutions and services. Further information regarding these and other risks is included in VNET's reports filed with, or furnished to, the U.S. Securities and Exchange Commission. All information

provided in this press release is as of the date of this press release, and VNET undertakes no duty to update such information, except as required under applicable law.

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VNET GROUP, INC.

CONSOLIDATED BALANCE SHEETS

(Amount in thousands of Renminbi ("RMB") and US dollars ("US$"))

	As of December 31, 2025	As of September 30, 2026	
	RMB	RMB	US$
Assets			
Current assets:			
Cash and cash equivalents	5,523,571	5,999,526	894,851
Restricted cash	656,010	477,083	71,159
Short-term Investments	379,198	-	-
Accounts and notes receivable, net	2,222,106	2,699,924	402,703
Amounts due from related parties	429,411	59,606	8,890
Prepaid expenses and other current assets	2,241,570	2,404,192	358,595
Total current assets	11,451,866	11,640,331	1,736,198
Non-current assets:			
Restricted cash	22,104	16,364	2,441
Long-term investments, net	1,062,660	1,032,775	154,042
Property and equipment, net	22,775,579	28,427,220	4,240,021
Intangible assets and other long-term assets	2,872,475	3,128,455	466,620
Operating lease right-of-use assets, net	4,871,341	4,786,786	713,966
Deferred tax assets, net	251,572	251,194	37,466
Derivative financial instrument	11,185	-	-
Other non-current assets	1,275,380	1,915,142	285,650
Total non-current assets	33,142,296	39,557,936	5,900,206
Total assets	44,594,162	51,198,267	7,636,404
Liabilities and Shareholders' Equity			
Current liabilities:			
Short-term bank borrowings	1,172,561	1,530,991	228,353
Current portion of long-term borrowings	2,059,154	2,402,818	358,389
Current portion of finance lease liabilities	357,995	372,146	55,507
Current portion of operating lease liabilities	962,275	992,216	147,993
Accounts and notes payable	741,878	727,434	108,499
Amounts due to related parties	415,889	358,297	53,441
Income taxes payable	154,343	133,979	19,983
Advances from customers	933,920	1,084,736	161,792
Deferred revenue	138,671	139,693	20,836
Current portion of deferred government grants	51,062	54,021	8,057
Accrued expenses and other payables	5,459,465	6,891,157	1,027,841
Total current liabilities	12,447,213	14,687,488	2,190,691

VNET GROUP, INC.

CONSOLIDATED BALANCE SHEETS (Continued)

(Amount in thousands of Renminbi ("RMB") and US dollars ("US$"))

	As of December 31, 2025	As of September 30, 2026	
	RMB	RMB	US$
Non-current liabilities:			
Long-term borrowings	11,579,664	16,185,953	2,414,192
Convertible notes	5,138,664	4,725,192	704,779
Non-current portion of finance lease liabilities	1,643,713	1,604,854	239,370
Non-current portion of operating lease liabilities	4,001,047	3,945,992	588,559
Unrecognized tax benefits	118,734	118,734	17,710
Deferred tax liabilities	840,387	869,273	129,655
Deferred government grants	260,268	231,499	34,529
Total non-current liabilities	23,582,477	27,681,497	4,128,794
Mezzanine equity:			
Redeemable non-controlling interests	1,711,591	5,119,526	763,595
Total mezzanine equity	1,711,591	5,119,526	763,595
Shareholders' equity			
Ordinary shares	112	118	18
Treasury stock	(179,087)	(179,087)	(26,711)
Additional paid-in capital	17,360,323	17,063,030	2,545,012
Statutory reserves	116,316	116,316	17,349
Accumulated other comprehensive income	46,375	29,952	4,467
Accumulated deficit	(11,125,595)	(13,588,303)	(2,026,744)
Total VNET Group, Inc. shareholders' equity	6,218,444	3,442,026	513,391
Noncontrolling interest	634,437	267,730	39,933
Total shareholders' equity	6,852,881	3,709,756	553,324
Total liabilities, mezzanine equity and shareholders' equity	44,594,162	51,198,267	7,636,404

VNET GROUP, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Amount in thousands of Renminbi ("RMB") and US dollars ("US$") except for number of shares and per share data)

	Three months ended				Nine months ended		
	September 30, 2025	June 30, 2026	September 30, 2026		September 30, 2025	September 30, 2026	
	RMB	RMB	RMB	US$	RMB	RMB	US$
Net revenues	2,581,747	2,778,738	2,963,457	442,010	7,262,172	8,433,331	1,257,861
Cost of revenues	(2,042,718)	(2,273,558)	(2,496,524)	(372,365)	(5,610,067)	(6,845,351)	(1,021,008)
Gross profit	539,029	505,180	466,933	69,645	1,652,105	1,587,980	236,853
Operating income (expenses)							
Operating income	12,767	39,885	19,512	2,910	13,085	59,480	8,872
Sales and marketing expenses	(71,328)	(58,751)	(51,794)	(7,725)	(205,637)	(164,227)	(24,495)
Research and development expenses	(71,295)	(75,162)	(71,777)	(10,706)	(182,468)	(221,362)	(33,017)
General and administrative expenses	(185,765)	(164,947)	(170,338)	(25,407)	(578,008)	(497,665)	(74,229)
Allowance for doubtful debt	(17,664)	(16,955)	(14,766)	(2,202)	(71,784)	(110,257)	(16,445)
Total operating expenses	(333,285)	(275,930)	(289,163)	(43,130)	(1,024,812)	(934,031)	(139,314)
Operating profit	205,744	229,250	177,770	26,515	627,293	653,949	97,539
Interest income	8,724	16,617	7,721	1,152	32,344	34,728	5,180
Interest expense	(151,017)	(204,500)	(227,626)	(33,951)	(409,178)	(653,168)	(97,422)
Other income	7,355	6,324	1,263	188	14,400	8,963	1,336
Other expenses	(5,525)	(1,364)	(509)	(76)	(13,462)	(4,864)	(725)
Changes in the fair value of financial instruments	(337,216)	(47,130)	58,785	8,768	(601,716)	(20,440)	(3,049)
Foreign exchange gain	16,174	38,104	26,672	3,978	34,959	100,859	15,043
(Loss) income before income taxes and gain (loss) from equity method investments	(255,761)	37,301	44,076	6,574	(315,360)	120,027	17,902
Income tax expenses	(21,467)	(57,843)	(24,223)	(3,613)	(168,577)	(568,227)	(84,753)
Gain (loss) from equity method investments	1,919	(19,205)	(7,676)	(1,145)	5,174	(24,270)	(3,620)
Net (loss) income	(275,309)	(39,747)	12,177	1,816	(478,763)	(472,470)	(70,471)
Net income attributable to noncontrolling interests	(16,471)	(12,561)	(4,877)	(727)	(47,462)	(37,190)	(5,547)
Net income attributable to redeemable non-controlling interests	(15,263)	(83,289)	(90,377)	(13,480)	(30,290)	(240,855)	(35,924)
Net loss attributable to the VNET Group, Inc.	(307,043)	(135,597)	(83,077)	(12,391)	(556,515)	(750,515)	(111,942)
Accretion to redemption amount of redeemable non-controlling interests	(23)	(9,082)	(5,485)	(818)	(90)	(1,712,193)	(255,380)
Net loss attributable to the Company's ordinary shareholders	(307,066)	(144,679)	(88,562)	(13,209)	(556,605)	(2,462,708)	(367,322)
Loss per share							
Basic	(0.19)	(0.09)	(0.05)	(0.01)	(0.35)	(1.46)	(0.22)
Diluted	(0.19)	(0.09)	(0.05)	(0.01)	(0.35)	(1.46)	(0.22)
Shares used in loss per share computation							
Basic*	1,613,726,084	1,702,004,096	1,702,683,639	1,702,683,639	1,611,021,595	1,683,378,134	1,683,378,134
Diluted*	1,613,726,084	1,702,004,096	1,702,683,639	1,702,683,639	1,611,021,595	1,683,378,134	1,683,378,134
Loss per ADS (6 ordinary shares equal to 1 ADS)							
Basic	(1.14)	(0.54)	(0.30)	(0.04)	(2.10)	(8.76)	(1.31)
Diluted	(1.14)	(0.54)	(0.30)	(0.04)	(2.10)	(8.76)	(1.31)

* Shares used in loss per share/ADS computation were computed under weighted average method.

VNET GROUP, INC.

RECONCILIATIONS OF GAAP AND NON-GAAP RESULTS

(Amount in thousands of Renminbi ("RMB") and US dollars ("US$"))

	Three months ended				Nine months ended		
	September 30, 2025	June 30, 2026	September 30, 2026		September 30, 2025	September 30, 2026	
	RMB	RMB	RMB	US$	RMB	RMB	US$
Gross profit	539,029	505,180	466,933	69,645	1,652,105	1,587,980	236,853
Plus: depreciation and amortization	511,334	656,509	703,841	104,980	1,427,624	1,955,442	291,661
Plus: share-based compensation expenses	384	201	199	30	689	697	104
Adjusted cash gross profit	1,050,747	1,161,890	1,170,973	174,655	3,080,418	3,544,119	528,618
Adjusted cash gross margin	*40.7%*	*41.8%*	*39.5%*	*39.5%*	*42.4%*	*42.0%*	*42.0%*
Operating expenses	(333,285)	(275,930)	(289,163)	(43,130)	(1,024,812)	(934,031)	(139,314)
Plus: share-based compensation expenses	1,899	4,883	6,212	927	17,391	17,852	2,663
Adjusted operating expenses	(331,386)	(271,047)	(282,951)	(42,203)	(1,007,421)	(916,179)	(136,651)
Operating profit	205,744	229,250	177,770	26,515	627,293	653,949	97,539
Plus: depreciation and amortization	550,248	683,995	738,883	110,207	1,527,775	2,060,429	307,320
Plus: share-based compensation expenses	2,283	5,084	6,411	957	18,080	18,549	2,767
Adjusted EBITDA	758,275	918,329	923,064	137,679	2,173,148	2,732,927	407,626
Adjusted EBITDA margin	*29.4%*	*33.0%*	*31.1%*	*31.1%*	*29.9%*	*32.4%*	*32.4%*
Net (loss) income	(275,309)	(39,747)	12,177	1,816	(478,763)	(472,470)	(70,471)
Plus: Changes in the fair value of financial instruments	337,216	47,130	(58,785)	(8,768)	601,716	20,440	3,049
Adjusted net income (loss)	61,907	7,383	(46,608)	(6,952)	122,953	(452,030)	(67,422)

VNET GROUP, INC.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(Amount in thousands of Renminbi ("RMB") and US dollars ("US$"))

	Three months ended			
	September 30, 2025	**June 30, 2026**	**September 30, 2026**	
	RMB	**RMB**	**RMB**	**US$**
CASH FLOWS FROM OPERATING ACTIVITIES				
Net cash generated from operating activities	809,817	218,076	669,385	99,842
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of property and equipment	(2,184,378)	(1,513,291)	(1,964,227)	(292,971)
Purchases of intangible assets	(37,074)	(25,466)	(13,047)	(1,946)
(Payments for) proceeds from investments	(5,000)	690,458	(175,334)	(26,152)
(Payments) receipt of loans to a related party	-	(12,677)	383,332	57,175
(Payments for) proceeds from other investing activities	(62,689)	(110,965)	23,035	3,436
Net cash used in investing activities	(2,289,141)	(971,941)	(1,746,241)	(260,458)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from bank borrowings	1,867,856	2,176,142	2,500,555	372,967
Repayments of bank borrowings	(231,432)	(1,689,182)	(828,673)	(123,600)
Payments for finance leases	(44,824)	(243,834)	(39,613)	(5,908)
Contribution from noncontrolling interest in subsidiaries	250,657	-	212,544	31,702
Payments for acquisition of noncontrolling interest	-	(93,517)	(1,174,107)	(175,122)
Proceeds from (payments for) other financing activities	299,027	(236,544)	(291,076)	(43,415)
Net cash generated from (used in) financing activities	2,141,285	(86,935)	379,630	56,624
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	(808)	(24,795)	(24,234)	(3,615)
Net increase (decrease) in cash, cash equivalents and restricted cash	661,152	(865,595)	(721,460)	(107,607)
Cash, cash equivalents and restricted cash at beginning of period	3,420,083	8,080,028	7,214,433	1,076,058
Cash, cash equivalents and restricted cash at end of period	4,081,235	7,214,433	6,492,973	968,451