Canaan Inc. Enters into Securities Purchase Agreement for Series A-1 Preferred Shares Financing and Completes First Tranche Closing

Provides Company with access to up to US$200 million

SINGAPORE, March 10, 2025 /PRNewswire/ -- Canaan Inc. (NASDAQ: CAN) ("Canaan" or the "Company"), an innovator in crypto mining, today announced that the Company had entered into a Securities Purchase Agreement (the "Agreement") with an institutional investor (the "Buyer"), providing the Company with total gross proceeds of up to US$200 million through a Series A-1 Preferred Shares financing (the "Preferred Shares Financing"). First tranche closing under the Preferred Shares Financing was completed on March 10, 2025, where an initial US$100 million has been received. An additional US$100 million is expected to be received in the near term in connection with the closing of the second tranche, subject to certain terms and conditions. We remind investors to review our recent public filings related to the Preferred Shares Financing.

The net proceeds from the financing will be used to fund activities necessary to support the Company's growth, including research and development, expansion of production scale, manufacturing or investing in digital mining sites and equipment for deployment in North America and sales globally, including any acquisition or disposition of assets from or between the Company's subsidiaries, and other general corporate purposes.

"We are grateful for the ongoing support of our long-term investor, whose latest investment reflects its confidence in Canaan's strategy and in the future of Bitcoin," said Nangeng Zhang, chairman and chief executive officer of Canaan. "In our February Bitcoin mining and operational update, released on March 3, we announced our preliminary unaudited financial results for the fourth quarter ended December 31, 2024, reporting expected revenue that exceeded our guidance and an anticipated narrowed gross loss. Despite recent Bitcoin price fluctuations, we remain confident in our outlook and reaffirm our revenue guidance and expansion target of 10 EH/s self-mining capacity in North America by mid-2025. Our confidence is driven by sustained high demand for our products and our strong foundation in R&D, supply chain management, and financial compliance as a public company. We believe that this investment will enable us to accelerate R&D, strengthen our wafer supply chain, and seize additional mining opportunities.

"Because we believe our stock price is deeply undervalued, we have maintained discipline in our at-the-market (the "ATM") fundraising, with an average selling price above US$2." Zhang continued, "At current stock price levels, we view the US$200 million transaction as a strategic alternative that complements our existing ATM program. We will share more details regarding our financials in our upcoming quarterly earnings call."

The Agreement contains customary representations, warranties and agreements by the Company and the Buyer, and indemnification obligations of the Company against certain liabilities, including for liabilities under the Securities Act of 1933, as amended. The provisions of the Agreement, including the representations and warranties contained therein, are not for the benefit of any party other than the parties to such agreement and are not intended as a document for investors and the public to obtain factual information about the current state of affairs of the Company. Rather, investors and the public should look to other disclosures contained in the Company's filings with the SEC.

The foregoing description does not purport to be complete and is qualified in its entirety by reference to the full text of the Company's current report on Form 6-K dated March 10, 2025, announcing the execution of the Agreement and the closing of the first tranche financing under the Agreement.

This press release is for informational purposes only and is not an offer to sell or a solicitation of an offer to buy any securities, which is made only by means of a prospectus supplement and related prospectus. There will be no sale of these securities in any jurisdiction in which such an offer, solicitation of an offer to buy or sale would be unlawful.

About Canaan Inc.

Established in 2013, Canaan Inc. (NASDAQ: CAN), is a technology company focusing on ASIC high-performance computing chip design, chip research and development, computing equipment production, and software services. Canaan has extensive experience in chip design and streamlined production in the ASIC field. In 2013, Canaan's founding team shipped to its customers the world's first batch of mining machines incorporating ASIC technology in bitcoin's history under the brand name Avalon. In 2019, Canaan completed its initial public offering on the Nasdaq Global Market. To learn more about Canaan, please visit https://www.canaan.io/.

Safe Harbor Statement

This press release contains forward-looking statements. These statements are made under the "safe harbor" provisions of the U.S. 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, Canaan Inc.'s anticipated financing plans and its intended use of proceeds contain forward-looking statements. Canaan Inc. may also make written or oral forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission ("SEC") on Forms 20-F and 6-K, 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 Canaan Inc.'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: the Company's goals and strategies; the Company's future business development, financial condition and results of operations; the expected growth of the bitcoin industry and the price of bitcoin; the Company's expectations regarding demand for and market acceptance of its products, especially its bitcoin mining machines; the Company's expectations regarding maintaining and strengthening its relationships with production partners and customers; the Company's investment plans and strategies, fluctuations in the Company's quarterly operating results; competition in its industry; and relevant government policies and regulations relating to the Company and cryptocurrency. Further information regarding these and other risks is included in the Company'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 Canaan Inc. does not undertake any obligation to update any forward-looking statement, except as required under applicable law.

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