



canaan

Operating & Financial Results

For the Second Quarter Ended June 30, 2024

August 15, 2024

Chairman & CEO
Nangeng Zhang

CFO
Jin Cheng “James”

Safe Harbor Statement

This presentation contains certain financial measures that are not recognized under generally accepted accounting principles in the United States (“GAAP”), including adjusted EBITDA (including adjusted EBITDA margin), non-GAAP net income, non-GAAP diluted earnings per share/ADS and cash flow. These non-GAAP measures should be considered in addition to, and not as a substitute for, or in isolation from, GAAP results. You can find additional disclosures regarding these non-GAAP measures, including reconciliations with comparable GAAP results in our earnings press release, which is posted on the Company's website.

This presentation 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 “may,” “will,” “expect,” “anticipate,” “future,” “aim,” “estimate,” “intend,” “seek,” “plan,” “believe,” “potential,” “continue,” “ongoing,” “target,” “guidance,” “is/are likely to” and comparable terminology. In addition, statements that are not historical facts, including statements about the Company's new organizational and governance structure, the Company's strategies and business plans, the Company's beliefs, expectations and guidance regarding the growth of its business, revenue and return on investments, share repurchases, the business outlook and quotations from management in this presentation, as well as the Company's strategic and operational plans, are or contain forward-looking statements. Such forward-looking statements are inherently subject to certain risks, trends and uncertainties, many of which the Company cannot predict with accuracy and some of which the Company might not even anticipate and involve factors that may cause actual results to differ materially from those projected or suggested. Readers are cautioned not to place undue reliance on these forward-looking statements and are advised to consider the factors listed above together with the additional factors under the heading “Risk Factors” in the Company's Annual Reports on Form 20-F, as may be supplemented or amended by the Company's other public filings. The Company assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events, new information or otherwise.

Disclaimer

Any financial information relating to the Company's self-mining is not intended to be and should not be considered as forward-looking statements by the Company. It is impossible to forecast what the price of bitcoin, hash rate, or the difficulty rate will be on any specific date, including when the Company's mining machines are expected to be installed or deployed. This presentation is for illustrative purposes only to provide the reader with an estimate of the Company's potential operational and financial results which might be attained if all mining machines were deployed as of a specific date and with certain parameters used, as set forth below.

Investor Notice

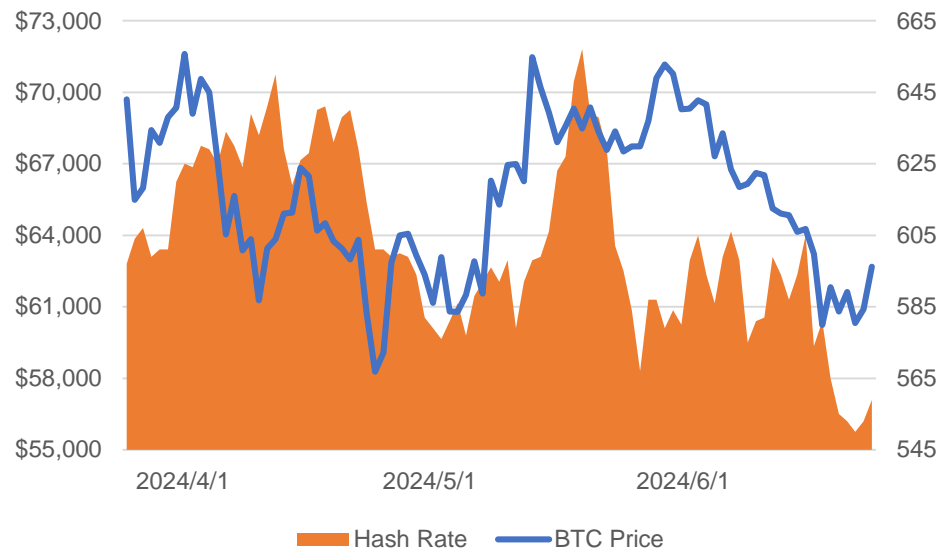
An investment in our ADSs involves a high degree of risk. You should carefully consider the risks, uncertainties and forward-looking statements described under "Risk Factors" in Item 4D of our most recent Annual Report on Form 20-F, as amended, for the fiscal year ended December 31, 2023. If any of these risks were to occur, our business, financial condition or results of operations would likely suffer. In that event, the value of our securities could decline, and you could lose part or all of your investment. The risks and uncertainties we describe are not the only ones facing us. Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations. In addition, our past financial performance may not be a reliable indicator of future performance, and historical trends should not be used to anticipate results in the future.

Q2 2024 -- "The Halving Quarter"

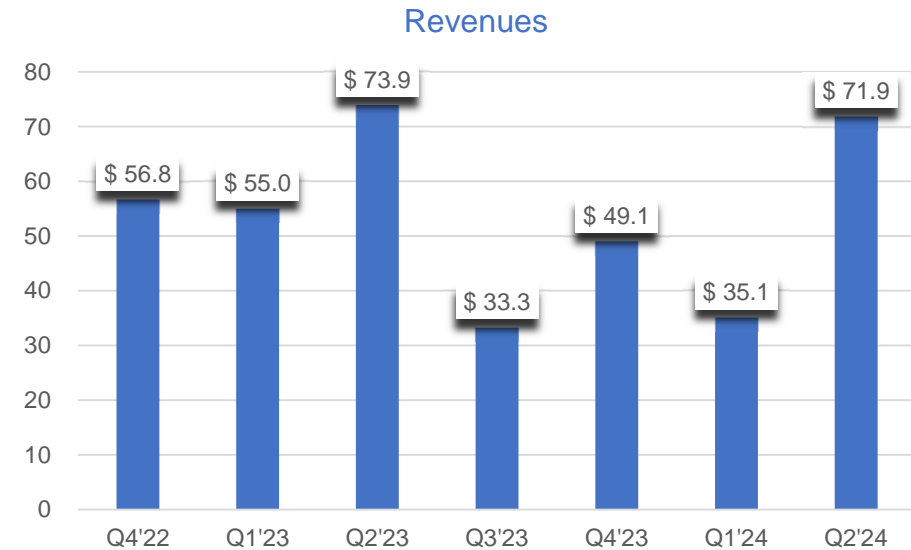
A14 series began bulk delivery in 2Q24, the halving quarter, driving revenue growth

Q2 Revenues \$71.9M
Beating \$70M Management Guidance

Bitcoin Price and Network Hash Rate Fluctuated around the halving event in 2Q24



Global Network Hash Rate in EH/s
Source: Blockchain.com



Numbers are rounded.

Avalon A1566, A1566I & Nano 3 Announced



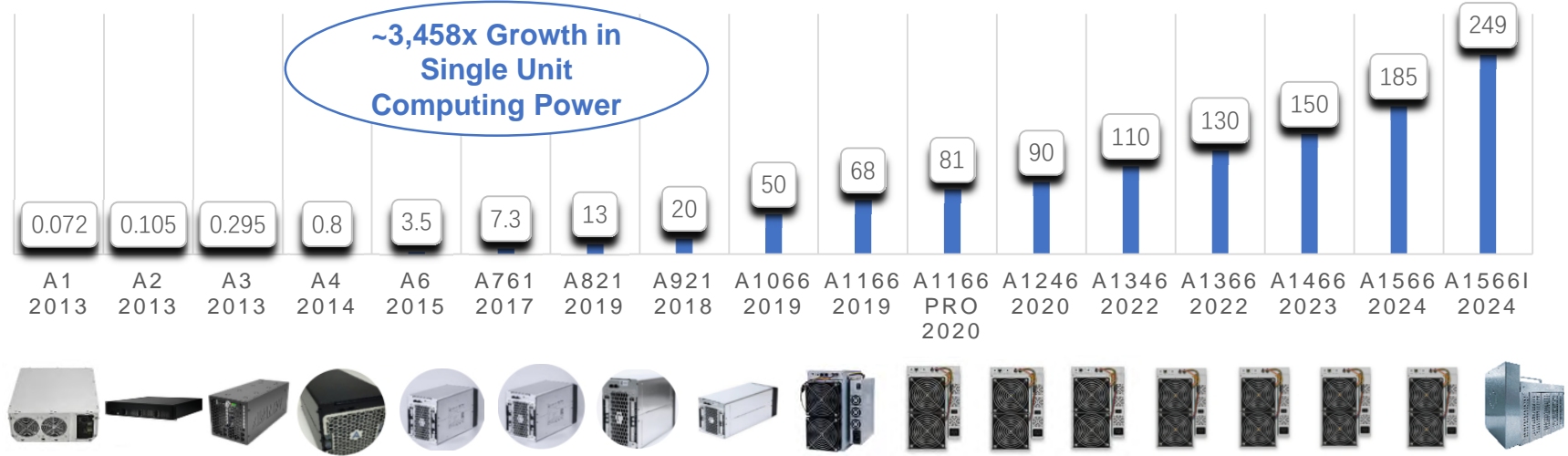
A15 Series Announced On May 9
Air-cooled A1566, 185TH/s @ 18.5J/TH



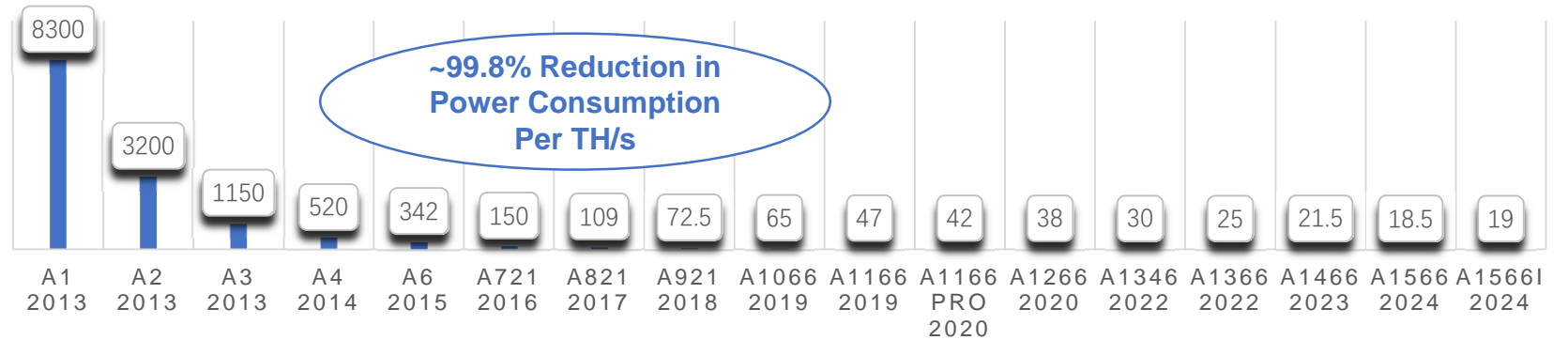
Consumer-oriented Mining Heater
Avalon Nano 3 4TH/s



Canaan AvalonMiner Unit Computing Power (in TH/s)



Canaan AvalonMiner Power Efficiency (in J/TH)



Numbers are rounded.

Avalon Miner Air-cooled Models



Product Model	A1346	A1466	A1566	A1566I
Hash Rate	110TH/s	150TH/s	185TH/s	249TH/s
Power Consumption	3310w	3230w	3420w	4500w
Power Efficiency	30J/TH	21.5J/TH	18.5J/TH	19J/TH
Verdict	A great fit for certain regions with advantageous energy costs	Delivery started; production ramping up as expected	Providing best-in-class economics for Bitcoin mining post-halving	Highly durable immersion miner made for the market

Avalon Miner Immersion-cooled Models



Avalon Box Integrated Mining Solutions



Avalon Nano 3 Consumer-oriented Mining Heater



Numbers are rounded.

Canaan Supports Public Companies' Bitcoin Mining



"We are excited to once again partner with Canaan for our 60 MW expansion at our Bear and Chief facilities. The Canaan machines we purchased last year are among the top-performing rigs in our fleet, especially in the hot summer months in Texas. Our relationship with Canaan has been great, and we look forward to future dealings with their team."

— Tyler Page, CEO of Cipher Mining



"...You look to have a portfolio and access to technology, which is short, medium and long term..."
"...medium-term is MicroBT, Bitmain, Canaan, I want to access to your chips. I'm going to lock up a supply of chips..."

— Fred Thiel, Chairman and CEO of Marathon Digital Holdings



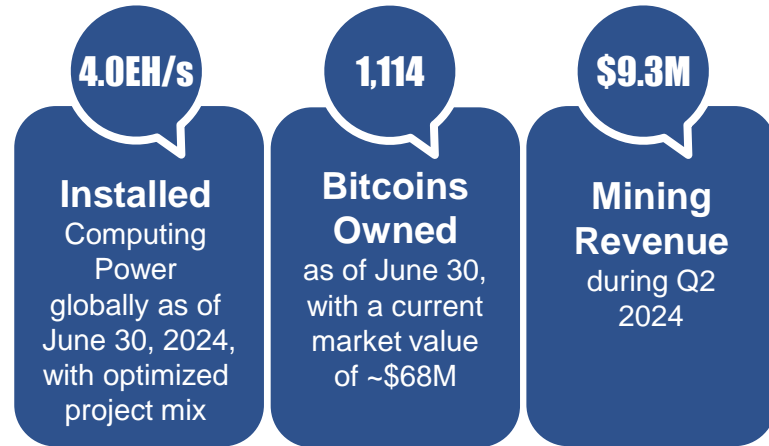
"...Based on our positive experience from previous miner purchases, the A1346 is an outperformer in our air-cooled Strong Box containers. It provides an attractive value proposition with its remarkable hash rate, energy efficiency, and competitive pricing, and we are eager to put these new machines to work."

— Greg Beard, Chairman and CEO of Stronghold Digital Mining



Q2 Self-Mining Overview

Q2 Updates



See next page for an up-to-date update.

Numbers are rounded.



Above: joint mining facility by Stronghold Digital Mining in Pennsylvania, USA

2024 Mining Strategy

- Expand with legal and regulatory visibility
- Strike a balance between healthy cash flow and growth
- Deploy more advanced mining machines for self-mining
- Targeted 10EH/s of mining hash rate deployed in North America by 1H2025

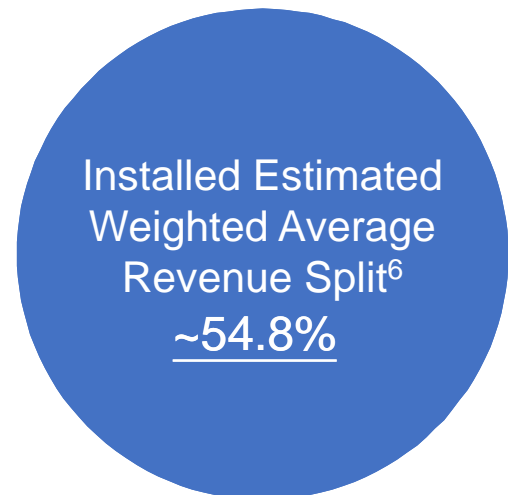
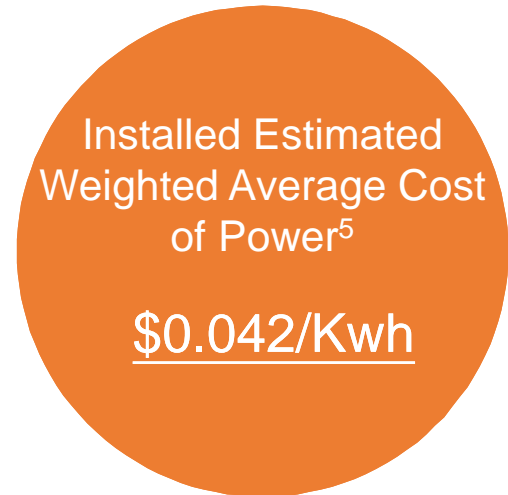


\$ in millions
Source: Company data

Current Self-Mining Projects (As of August 10, 2024)



Regions in alphabetical order (A to Z)	Active Mining Projects Count	Energized Computing Power ¹	Installed Computing Power ²	Expected Computing Power ³	Estimated Total Computing Power ⁴
Global	8	3.27 EH/s	4.49 EH/s	0.56 EH/s	5.05 EH/s
Canada	1	0.01 EH/s	0.02 EH/s	0.00 EH/s	0.02 EH/s
Ethiopia	4	2.7 EH/s	3.77 EH/s	0.56 EH/s	4.33 EH/s
Middle East	2	0.04 EH/s	0.07 EH/s	0.00 EH/s	0.07 EH/s
Pennsylvania	1	0.52 EH/s	0.63 EH/s	0.00 EH/s	0.63 EH/s
Kazakhstan	0	0.00 EH/s	0.00 EH/s	0.00 EH/s	0.00 EH/s



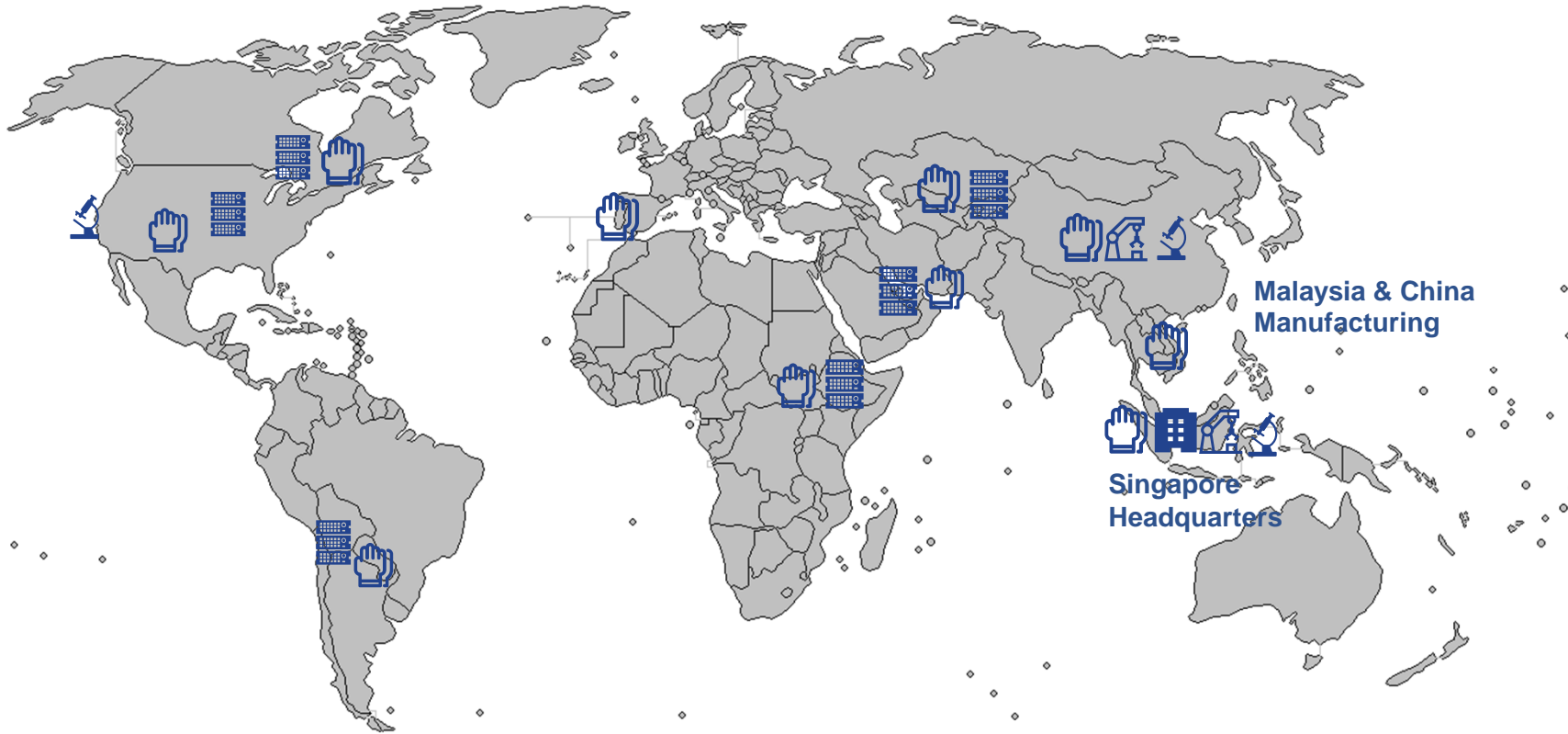
Note: In light of geographic challenges regarding power cost and uptime, we exited self-mining in Kazakhstan and Paraguay.

1. Defined as the amount of computing power that could theoretically be generated if all mining machines that have been energized are currently in operation including mining machines that may be temporarily offline.
2. Defined as the sum of Energized Computing Power and computing power that has been installed but not yet energized, if any.
3. Defined as the amount of computing power that has been delivered to the country where each mining project is located in but not yet installed.
4. Defined as the sum of Installed Computing Power and Expected Computing Power.
5. Defined as the weighted average cost of power if 100% of the mining machines consisting of Installed Computing Power were energized.
6. Defined as the weighted average percentage that Canaan would share from the total revenues generated according to the applicable joint mining arrangements if 100% of the mining machines consisting of Installed Computing Power were energized.

Computing power and power consumption figures are estimates based on the manufacturer's specifications; all figures are rounded.

Numbers are rounded.

A Global Company



Headquarters

Singapore

Manufacturing

Malaysia & China

Online Store

Reaching 75 countries and regions

Go-to-market Strategies

- Serving institutional customers
- Supporting regional channels
- Diversifying product offering through innovation
- Enhancing branding through marketing



Headquarters



Service Center



Self-Mining

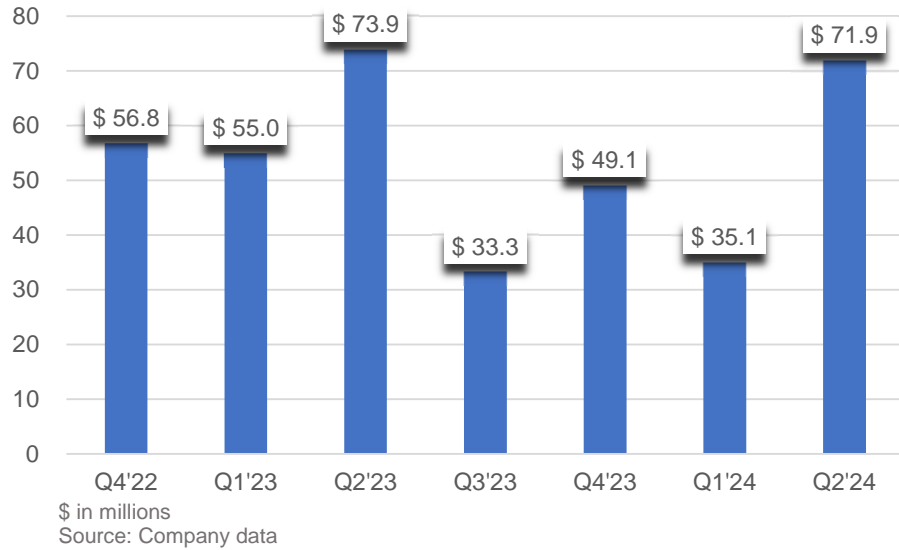


Manufacturing



Research

Revenues



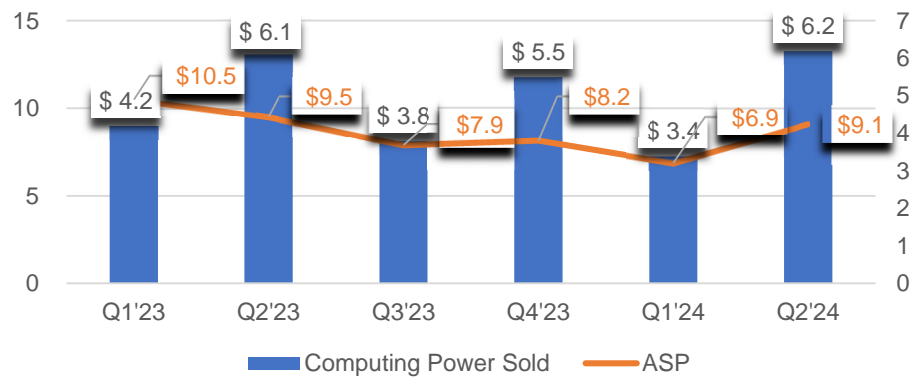
- Q2 total revenues \$71.9M
- Beating the \$70M management guidance

Highlight

North America Market

- Achieved a tenfold QoQ increase in recognized revenue in 2Q24 from North America.
- Contributed to about 50% Avalon Nano 3 customer orders.

Computing Power Sold and ASP



Computing Power Sold in millions; ASP \$ per T/s
Source: Company data

- 6.2 million TH/s total computing power sold in Q2
- Average Selling Price (ASP) \$9.1/TH/s, up 33% QoQ

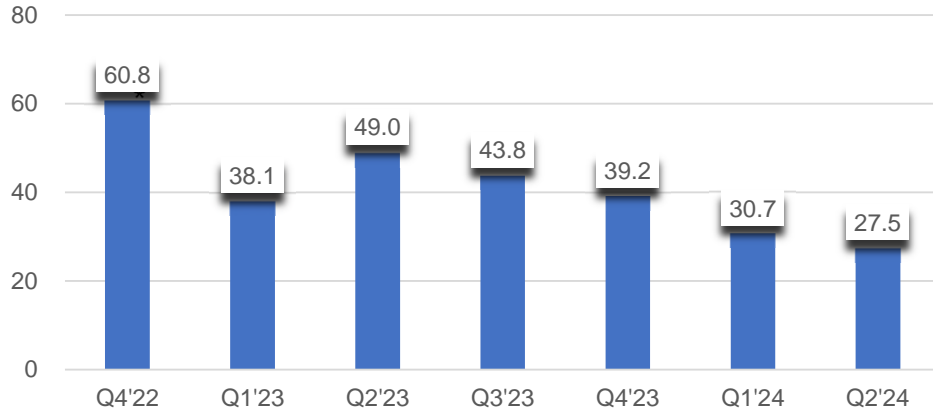


- \$4.6M recognized as Q2 revenue from integrated mining solutions.

Numbers are rounded.

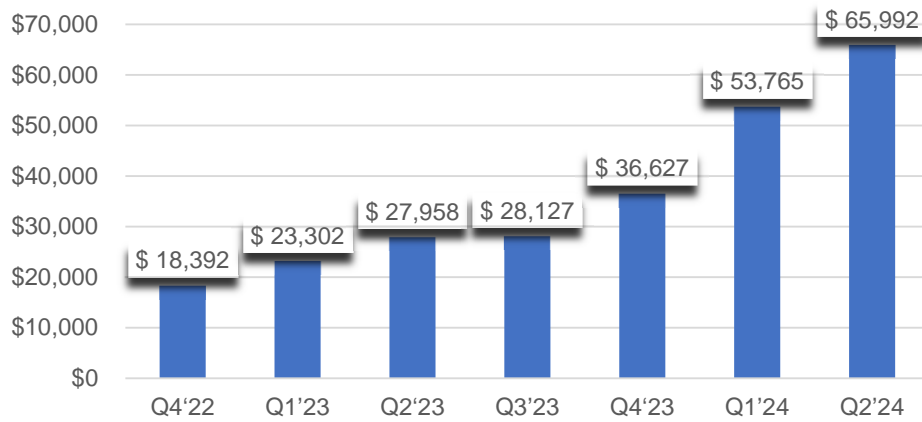
More Financial Data

Total Operating Expenses



\$ in millions
Source: Company data

Avg Revenue per BTC



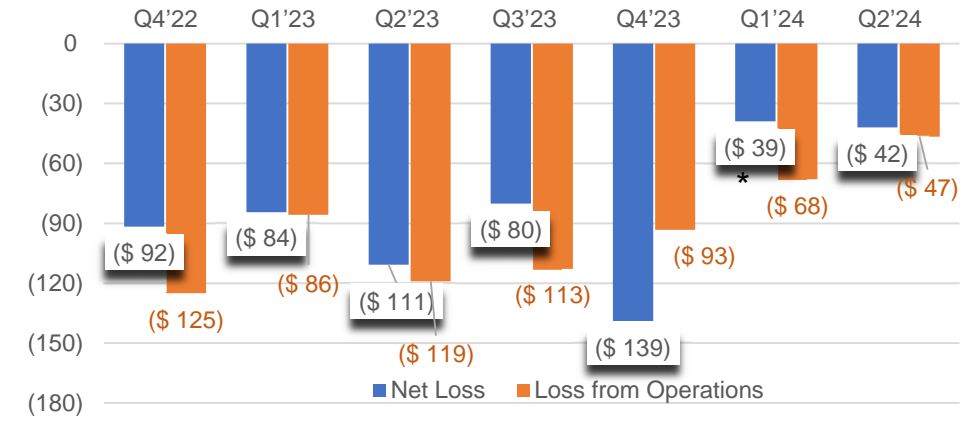
Source: Company data

FASB accounting rule adopted since 2024:

- Q2 BTC price decreased from \$70,000 on Mar 31, 2024 to \$62,000 on Jun 30, 2024, resulting a loss on fair value change of \$10 M

*Net loss in Q1'24 includes \$2M non-cash gain, driven by the recognition of unconverted preferred shares

Net Loss



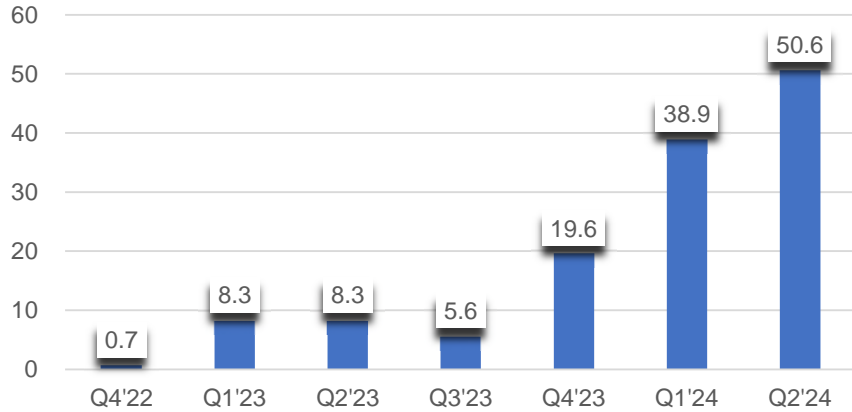
\$ in millions
Source: Company data

Numbers are rounded.

Balance Sheet & Revenue Guidance

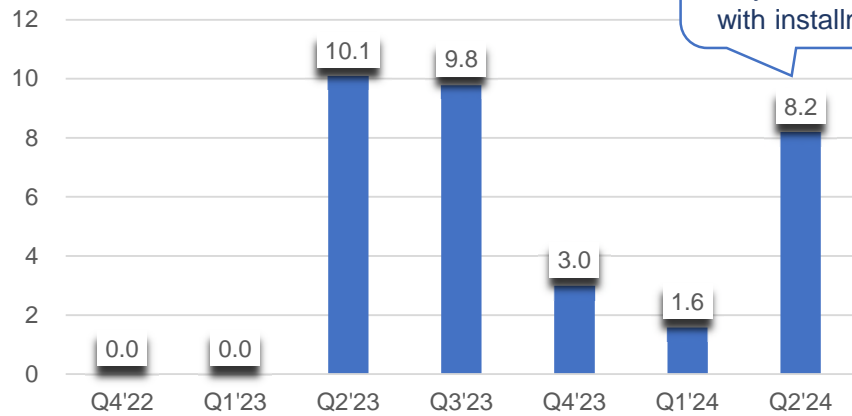


Contract Liability



\$ in millions
Source: Company data

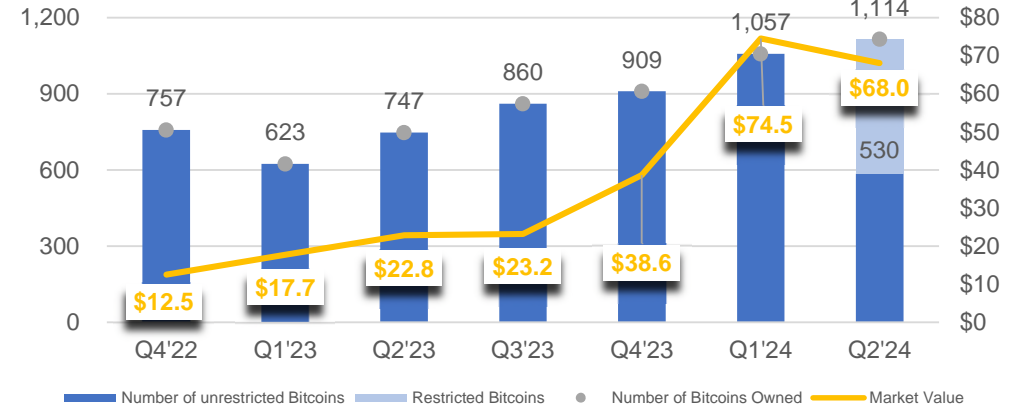
Accounts Receivables



\$ in millions
Source: Company data

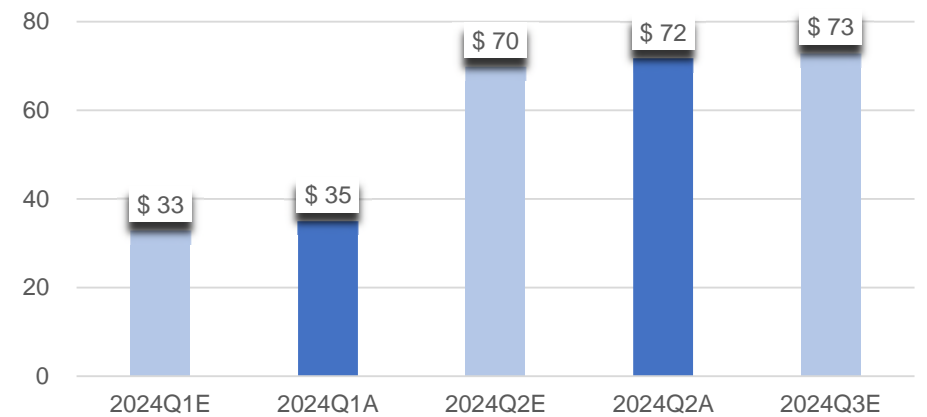
Bulk delivery of A14 to some major customers with installments

#BTC held and Market Value



\$ in millions
Source: Company data

Revenue Guidance



\$ in millions
Source: Company data

Numbers are rounded.



canaan

Q&A

Transforming Tomorrow: Smarter Efficiency, Better Lives.

Vision