



Canaan Inc. Announces the Execution of a Securities Purchase Agreement

Continues expansion of its self-mining expansion and Bitcoin mining machine business in North America

SINGAPORE, Nov. 20, 2024 /PRNewswire/ -- Canaan Inc. (NASDAQ: CAN) ("Canaan" or the "Company" or "We"), a leading high-performance computing solutions provider, today announced that it has entered into a securities purchase agreement (the "Securities Purchase Agreement") with an institutional investor (the "Buyer"), pursuant to which the Company shall issue and sell to the Buyer up to 30,000 Series A-1 Preferred Shares (the "Series A-1 Preferred Shares") at the price of US\$1,000.00 for each Series A-1 Preferred Share. Canaan agreed that the proceeds from the sale of the Series A-1 Preferred Shares will be used by the Company and/or its subsidiaries to manufacture or invest in digital mining sites and equipment to be deployed or sold in North America, including any acquisition or disposition of assets from or between subsidiaries. The closing of the sale of the Series A-1 Preferred Shares under the Securities Purchase Agreement was conditioned upon general customary closing conditions.

The Company has adopted a certificate of designations (the "Certificate of Designations") of Series A-1 Preferred Shares, par value US\$0.00000005 per share, creating the Series A-1 Preferred Shares and providing for the designations, preferences and relative, participating, optional or other rights, and the qualifications, limitations or restrictions thereof, of the Series A-1 Preferred Shares, which has become effective upon such adoption.

On September 30, 2024, the Company closed the third and final tranche of a Series A preferred shares financing under a securities purchase agreement with the Buyer, pursuant to which the Company agreed to issue and sell to the Buyer up to 125,000 Series A Convertible Preferred Shares.

"I am proud of our continued partnership with this institutional investor as I believe that their commitment to Canaan demonstrates the growing opportunity for the Company," said Nangeng Zhang, chairman and chief executive officer of Canaan. "In the year since we began our partnership, Canaan has made significant progress on our goals and is well-positioned as we head into what we believe could be another bull market for Bitcoin. Investments like these allow the Company to ensure the timely delivery of our products and to partner with our customers on self-mining projects. The ability to pursue multiple opportunities helps Canaan to be a strong competitor and partner in the Bitcoin mining industry."

The Securities Purchase 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 Securities Purchase 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 Securities Purchase Agreement and the Certificate of Designations. The full text of the Securities Purchase Agreement and the Certificate of Designations are to be filed as exhibits to the Company's current report on Form 6-K dated on or around November 20, 2024. Capitalized terms used in this press release without definition shall have the meanings given to them in the Securities Purchase Agreement, the Certificate of Designations, and any amendments thereto.

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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