

SELL CANAAN: BITCOIN MINING IS AN UNPROFITABLE BUSINESS THAT JUST GOT WORSE

May 14, 2020



RESEARCH SUMMARY

Bitcoin mining has been a money losing endeavor for several years now, especially with Canaan's second-rate mining machines.

CAN's new generation miner is less profitable than older generation miners from its competitor, Bitmain.

The Bitcoin Halving Event has just happened on 5/11/20 which means miners are now earning half the Bitcoin they previously earned from mining.

CAN is trying to transition to another business, AI chips, but has failed and likely will never be successful for several reasons.

Given CAN's expected revenue and losses, its current market cap of \$850M+ is nonsensical, we believe it should be \$100M-\$200M.

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