

## FINANCIAL INFORMATION

### Mining hardware sales

During the Track Record Period, most of our revenue was generated from the sales of our cryptocurrency mining hardware under the Antminer brand as well as some ancillary accessories such as compatible power supplies. The revenues derived from this segment witnessed a significant growth during the Track Record Period. During the year ended December 31, 2015, 2016 and 2017, we recorded revenue from mining hardware sales in the amount of US\$107.9 million, US\$214.7 million and US\$2,263.2 million, representing 78.6%, 77.3% and 89.9% of our total revenue, respectively. During the six months ended June 30, 2017 and 2018, our revenue from mining hardware sales increased from US\$220.9 million to US\$2,683.9 million, accounting for 80.5% and 94.3% of our total revenue, respectively. The increase in revenue from mining hardware sales during the Track Record Period was primarily driven by (i) the increase in sales volume of our mining hardware, and (ii) to a lesser extent, the increase in the average selling price of our mining hardware.

We calculate the average selling price of our cryptocurrency mining hardware by dividing the total revenue from sales by the volume of mining hardware sold over a period of time. The average selling price of our cryptocurrency mining hardware is mainly affected by product lifecycle, market price of cryptocurrencies, price of our competitors, product types, expected economic return of cryptocurrency mining and demand for mining hardware. The decrease in our average selling price of mining hardware in the first half of 2018 as compared to that of first half of 2017 was primarily due to the decreased expected economic return per unit cryptocurrency mining hardware as a result of the increased network mining difficulty.

Régie de l'énergie  
DOSSIER: R-YOUS-2018  
DÉPOSÉE EN AUDIENC  
par la Régie  
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Pièces no: A-0076

The table below sets forth the sales volume, sales revenue and average selling price ("ASP") of our different types of mining hardware, and the sales revenue of ancillary accessories for the periods presented:

	Year ended December 31,									Six months ended June 30,					
	2015			2016			2017			2017			2018		
	Volume	Revenue	ASP	Volume	Revenue	ASP	Volume	Revenue	ASP	Volume	Revenue	ASP	Volume	Revenue	ASP
thousand sets (US\$'000)	(US\$)	(US\$)	thousand sets (US\$'000)	(US\$)	(US\$)	thousand sets (US\$'000)	(US\$)	(US\$)	thousand sets (US\$'000)	(US\$)	(US\$)	thousand sets (US\$'000)	(US\$)	(US\$)	(US\$)
Bitcoin/Bitcoin Cash mining hardware	226.9	104,945	463	261.0	200,088	767	1,108.3	1,364,100	1,231	172.2	199,844	1,161	1,876.7	1,900,121	1,012
Other cryptocurrency mining hardware	-	-	-	0.7	917	1,310	513.2	797,044	1,553	6.3	9,093	1,443	686.9	643,114	936
Total mining hardware	226.9	104,945	463	261.7	201,005	768	1,621.5	2,161,144	1,333	178.5	208,937	1,171	2,563.6	2,543,235	992
Accessories	N/A	2,933	N/A	N/A	13,693	N/A	N/A	102,093	N/A	N/A	11,965	N/A	N/A	140,618	N/A
Total	N/A	107,878	N/A	N/A	214,698	N/A	N/A	2,263,237	N/A	N/A	220,902	N/A	N/A	2,683,853	N/A

### Mining pool service

During the Track Record Period, our revenues from mining pool service were primarily derived from a portion of the mining rewards generated from mining activities of our mining pools. Subject to different distribution structures, we collect up to 5% of the total mining rewards from operating. During the Track Record Period, the revenues from the mining pool service increased significantly, primarily due to the increase in the computing power pooled at our mining pools, which in turn increased the total mining rewards.