



INTCHAINS GROUP LIMITED

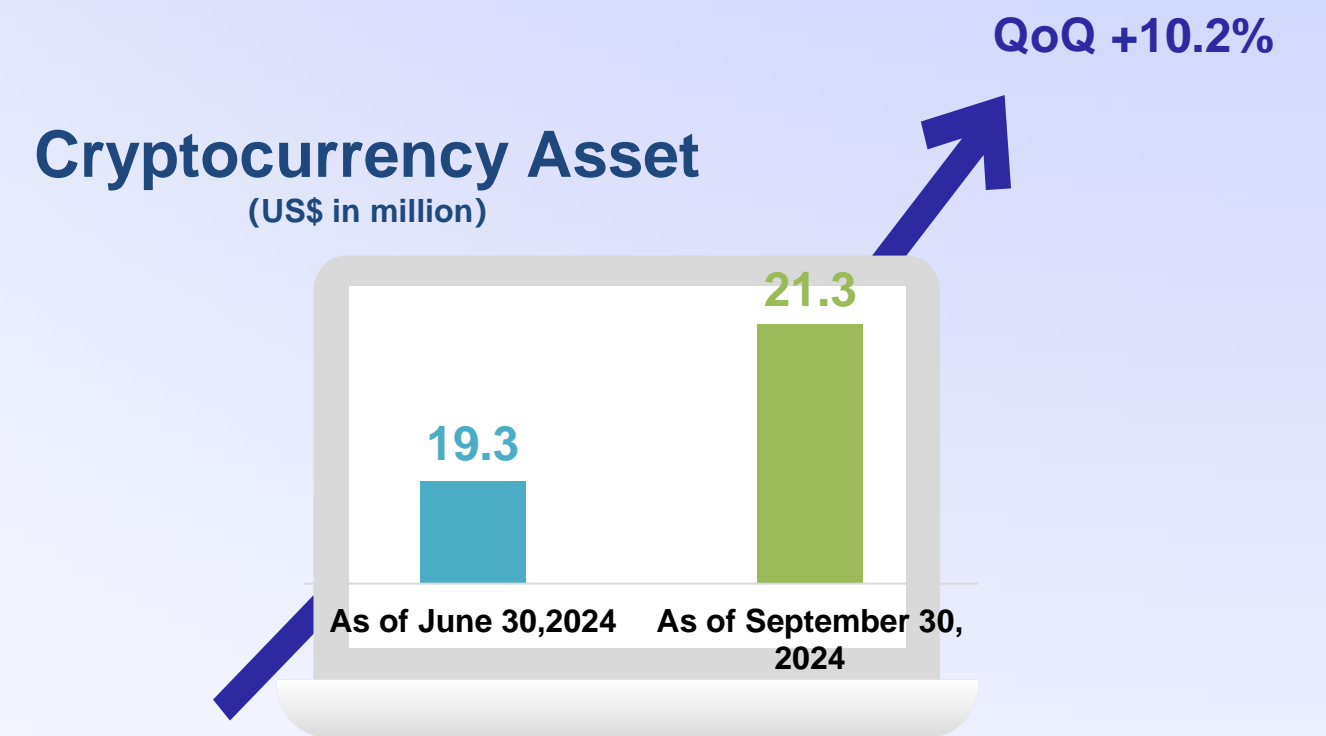
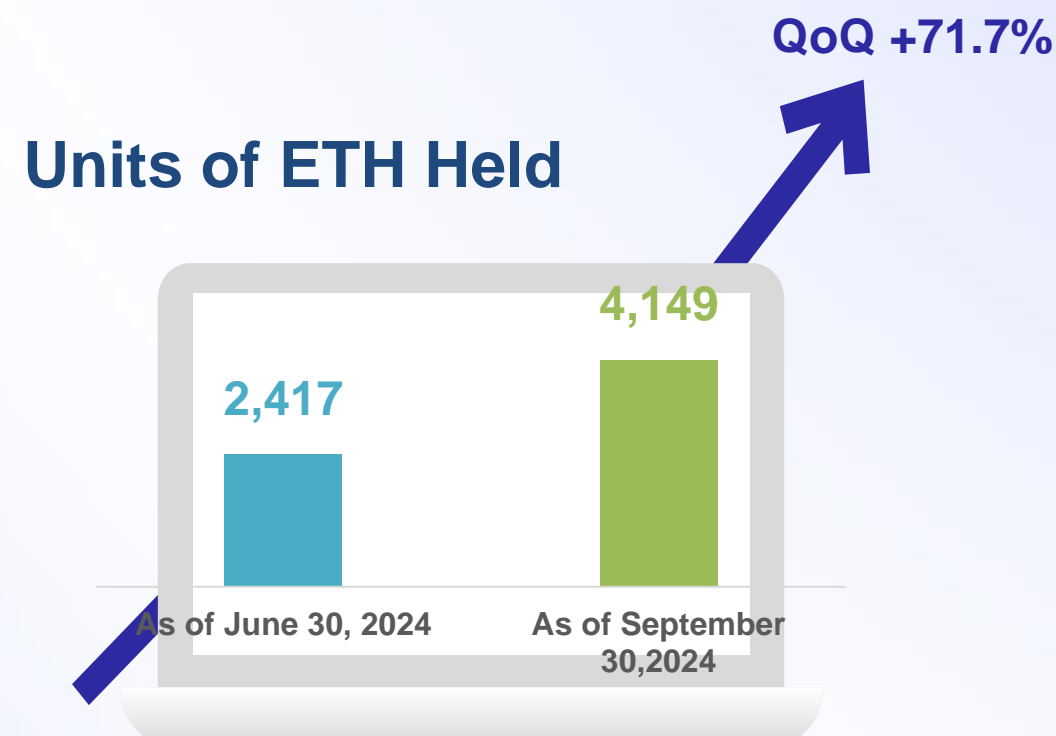
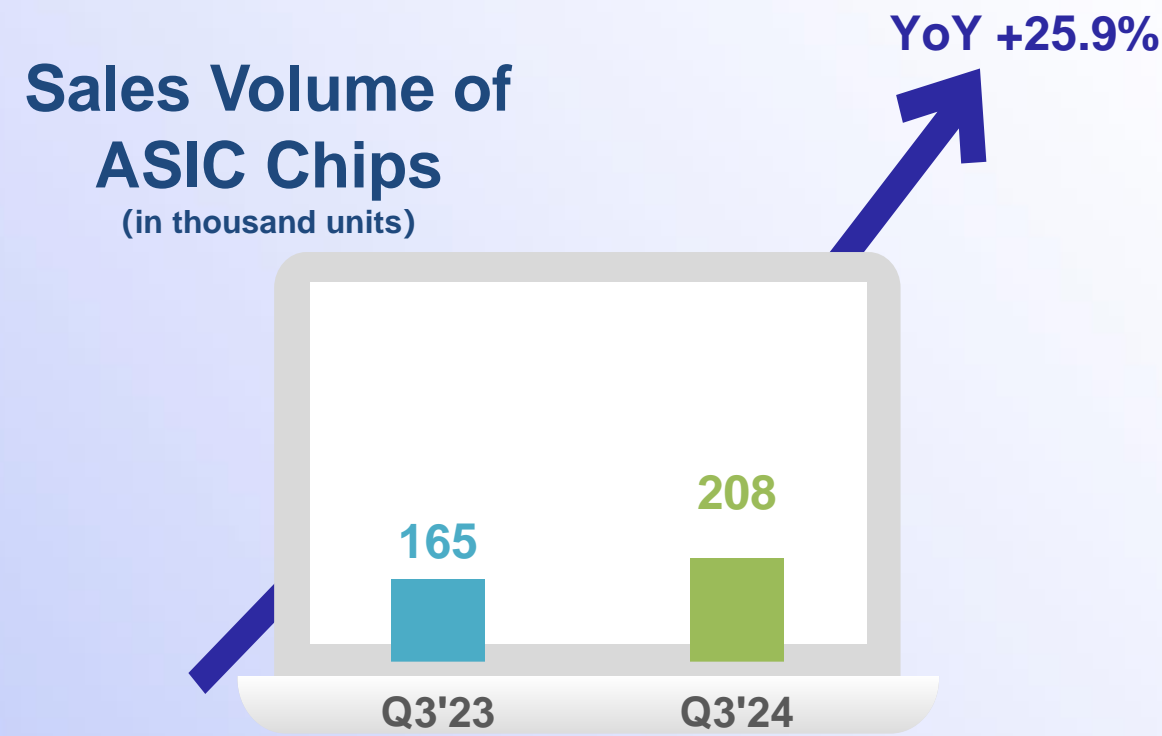
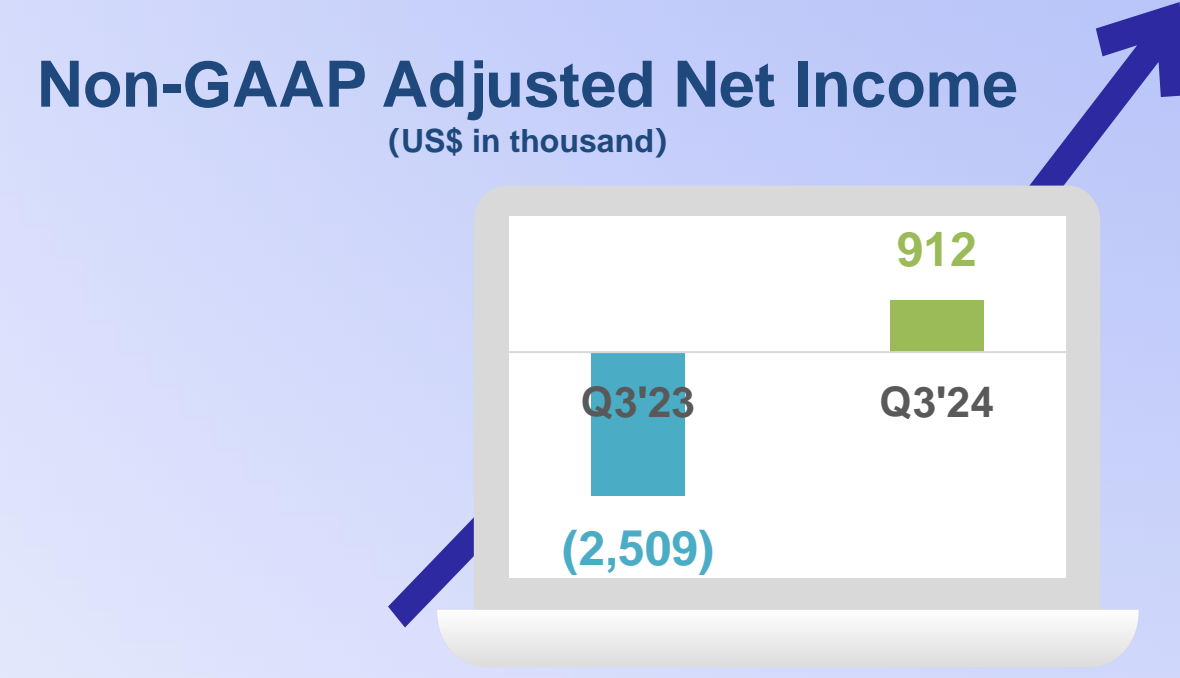
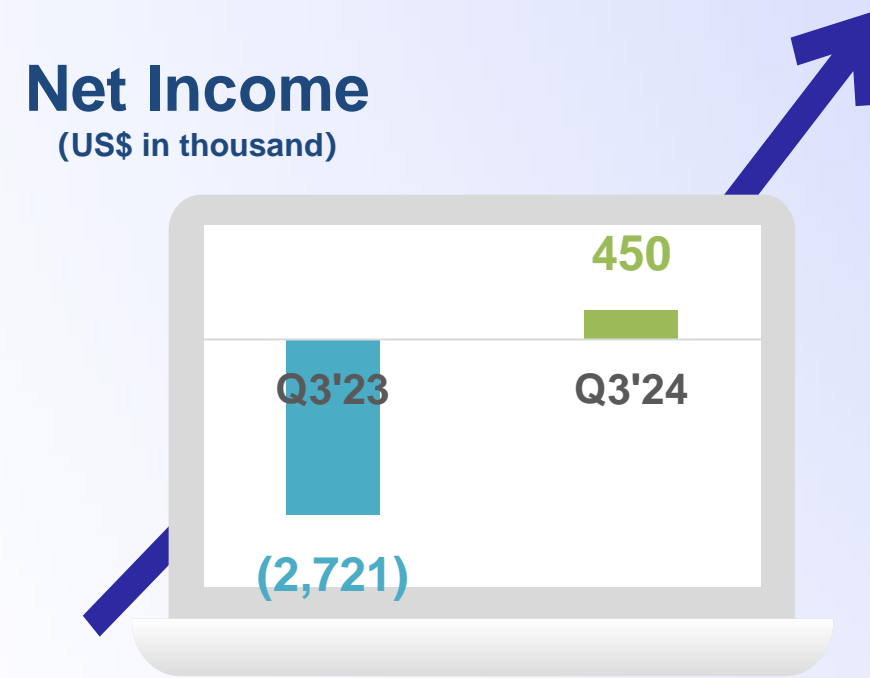
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U P D A T E

AS OF SEPTEMBER 30 , 2024

Intchains' stock is traded on the NASDAQ
Capital Market under the symbol:

ICG

Financial and Operational Highlights



Notes:

1. Convenience translation: US\$1.00=RMB7.0176 on the last trading day of third quarter (September 30, 2024).
2. Unaudited financial results for the third quarter of 2024.

CEO Message



We are pleased to see the development of the crypto industry in 2024, which has driven the Company's third quarter revenue to US\$8.6 million, representing a year-on-year increase of 781.4%. Our net income has turned positive compared to the same period last year.

In Q3 2024, we continued to implement our strategy of accumulating ETH, reaching 4,149 ETH as of September 30, 2024 representing a 71.7% increase as of June 30, 2024. As part of our initial foray into blockchain application expansion, we launched Goldshell Pay in Q3 2024, offering a one-stop payment solution for merchants.

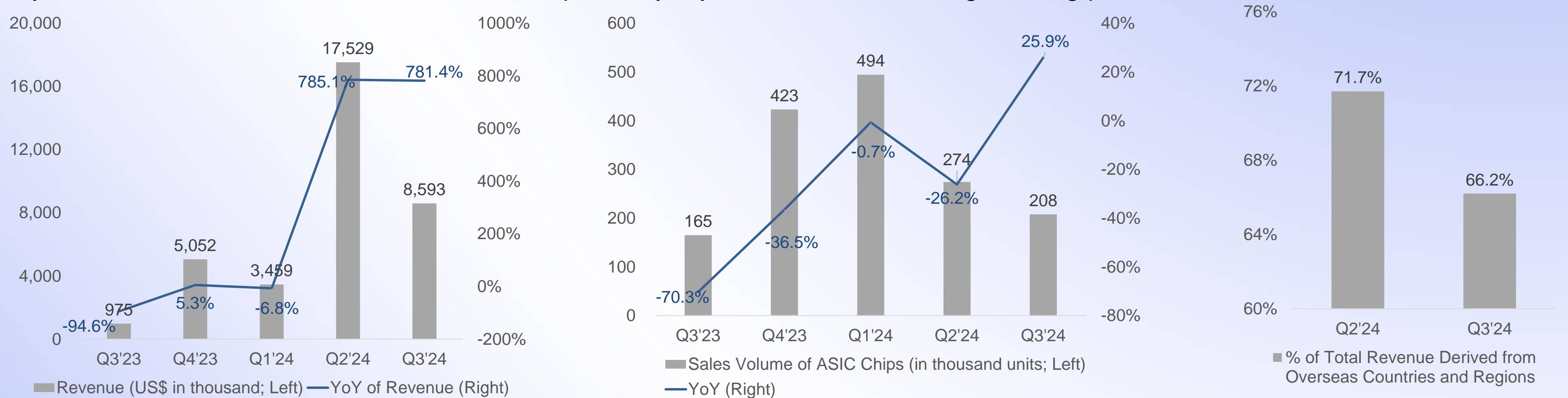
In November 2024, we were excited to see that the total market capitalization of cryptocurrencies reached a historical high, with ETH prices surpassing the average cost of our holdings as of September 30, 2024. Based on our confidence in the future of the crypto industry, we plan to launch a hardware crypto wallet in Q4 2024, and further advance our application expansion on the foundation of Goldshell Pay. Actively exploring new projects, we expect to complete the production and commercialization of new ASICs by Q1 2025. Stay tuned as we continue to push boundaries with our initiatives.

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Revenue growth driven by both volume and price of ASICs (unaudited)

- Revenue for Q3 2024 reached RMB60.3 million(US\$8.6 million), reflecting a year-on-year increase of 781.4%, continuing the strong growth momentum from Q2 2024. Revenue derived from mainland China and overseas countries and regions accounted for 33.8% and 66.2% of our total revenue, respectively.
- Our sales volume of ASIC chips for Q3 2024 was 207,838 units, compared to 165,056 units for the same period in 2023, representing an increase of 25.9%. In Q3 2024, both the volume and price of ASICs saw growth, with revenue driven not only by the increase in sales volume but, more importantly, by the rise in the average selling price.



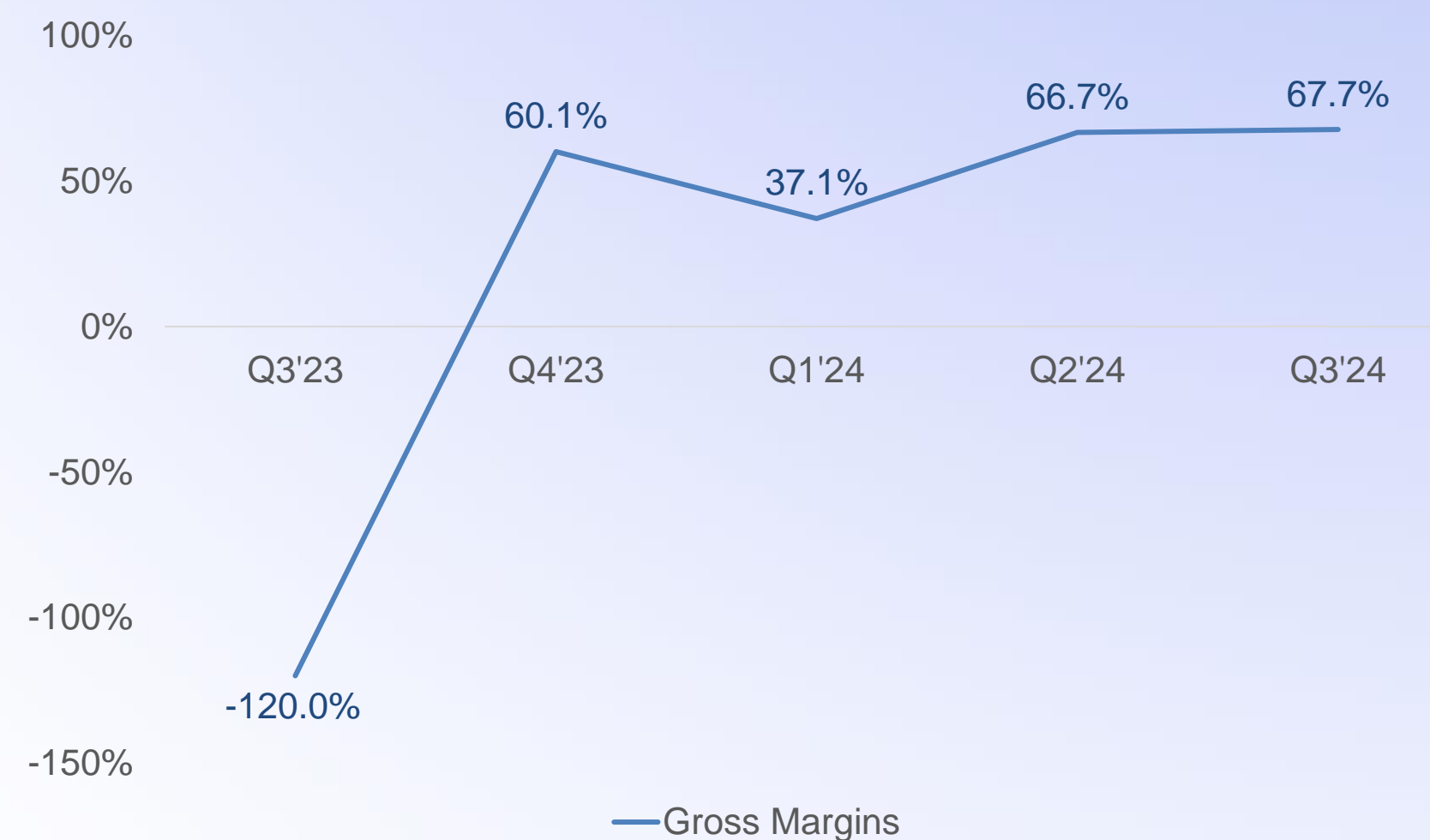
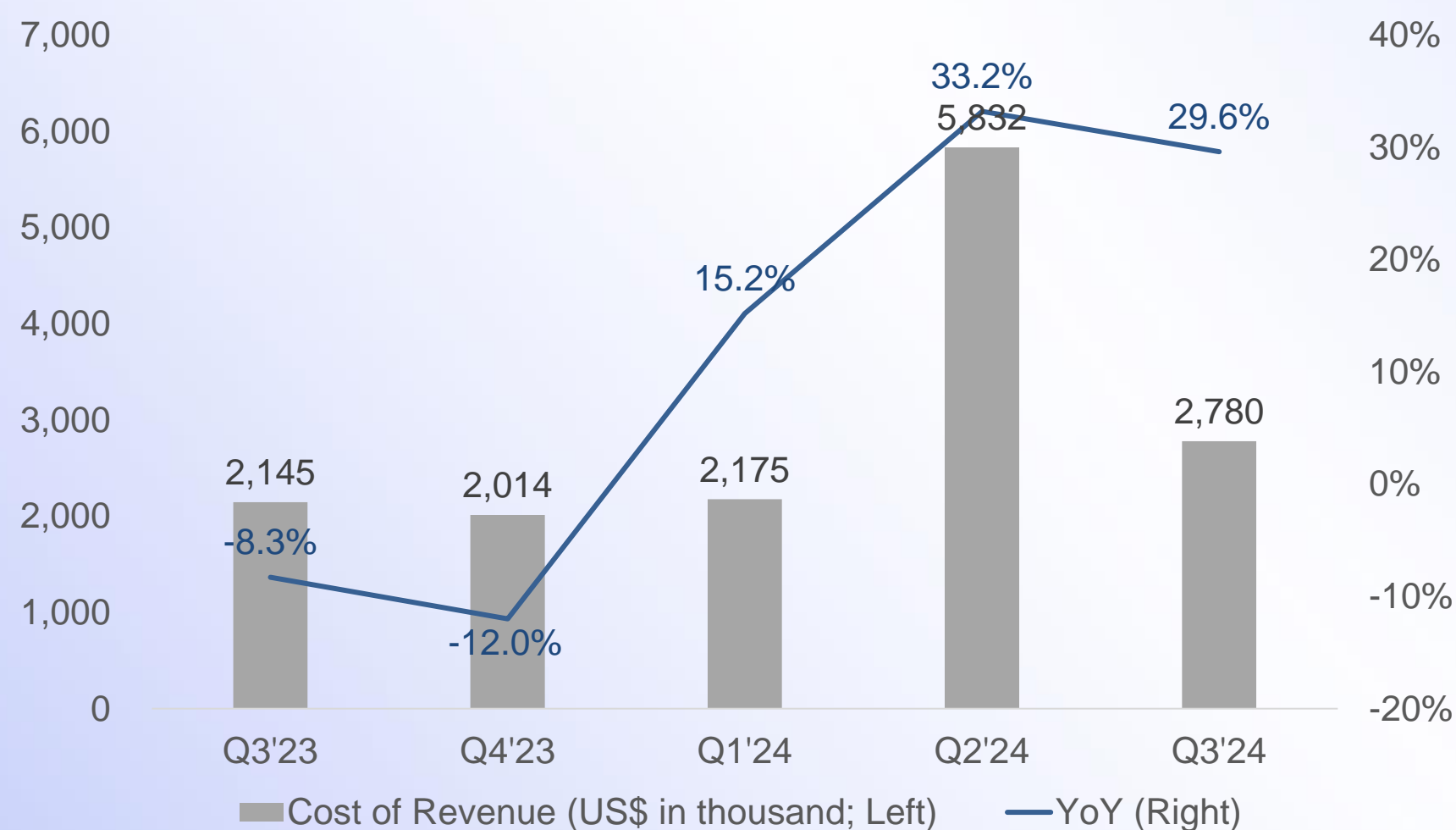
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Gross margin hits a year-to-date high

(unaudited)

- Cost of revenue was RMB19.5 million(US\$2.8 million) for the third quarter of 2024, representing an increase of 29.6% from RMB15.1 million for the same period of 2023. The percentage increase in cost of revenue was substantially lower than the percentage increase in our revenue.
- The gross margin was 67.7% in Q3 2024, reaching the highest level since Q1 2023, primarily due to the higher gross margins for our latest ASIC chip products launched in 2024 compared to the older ASIC chip products.



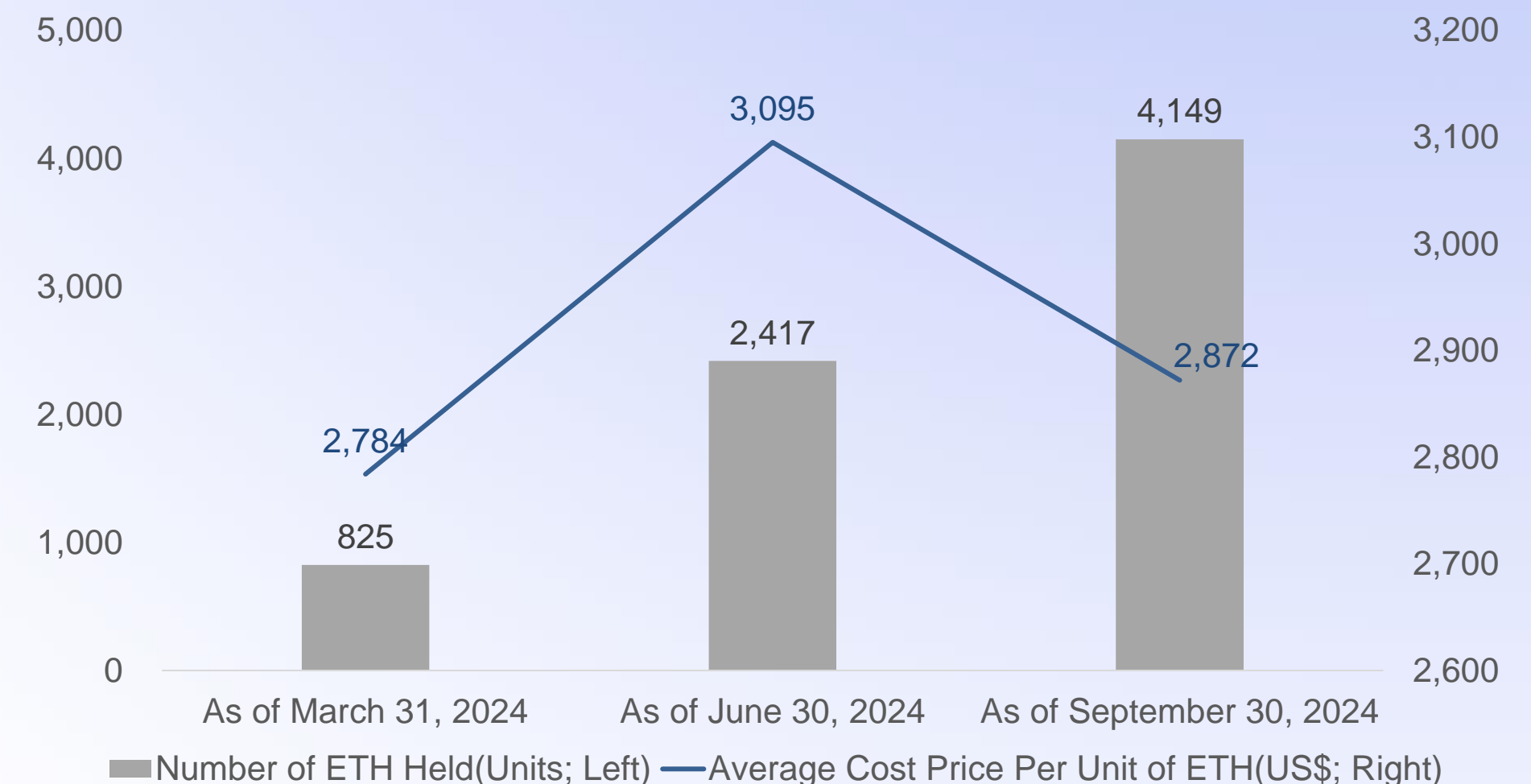
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Operating expenses increased year-on-year (unaudited)

- Total operating expenses were RMB37.7 million(US\$5.4 million) for the third quarter of 2024, representing an increase of 90.8% for the same period of 2023. The increase was primarily due to loss on fair value of cryptocurrency, net, and expanding share-based incentive expenses.
- Loss on fair value of cryptocurrency, net, for the third quarter of 2024 was RMB13.1 million(US\$1.9 million). The loss was primarily due to the volatility of the cryptocurrency market, with ETH falling approximately 23.5% from the end of the second quarter to the end of the third quarter of 2024.

US\$ in thousand	Q3'2023	Q3'2024	YOY
Research and development expenses	1,620	1,962	21.1%
Sales and marketing expenses	313	293	-6.3%
General and administrative expenses	880	1,246	41.6%
Loss/(Gain) on fair value of cryptocurrency, net	-	1,865	N.A.
Total operating expenses	2,813	5,366	90.8%



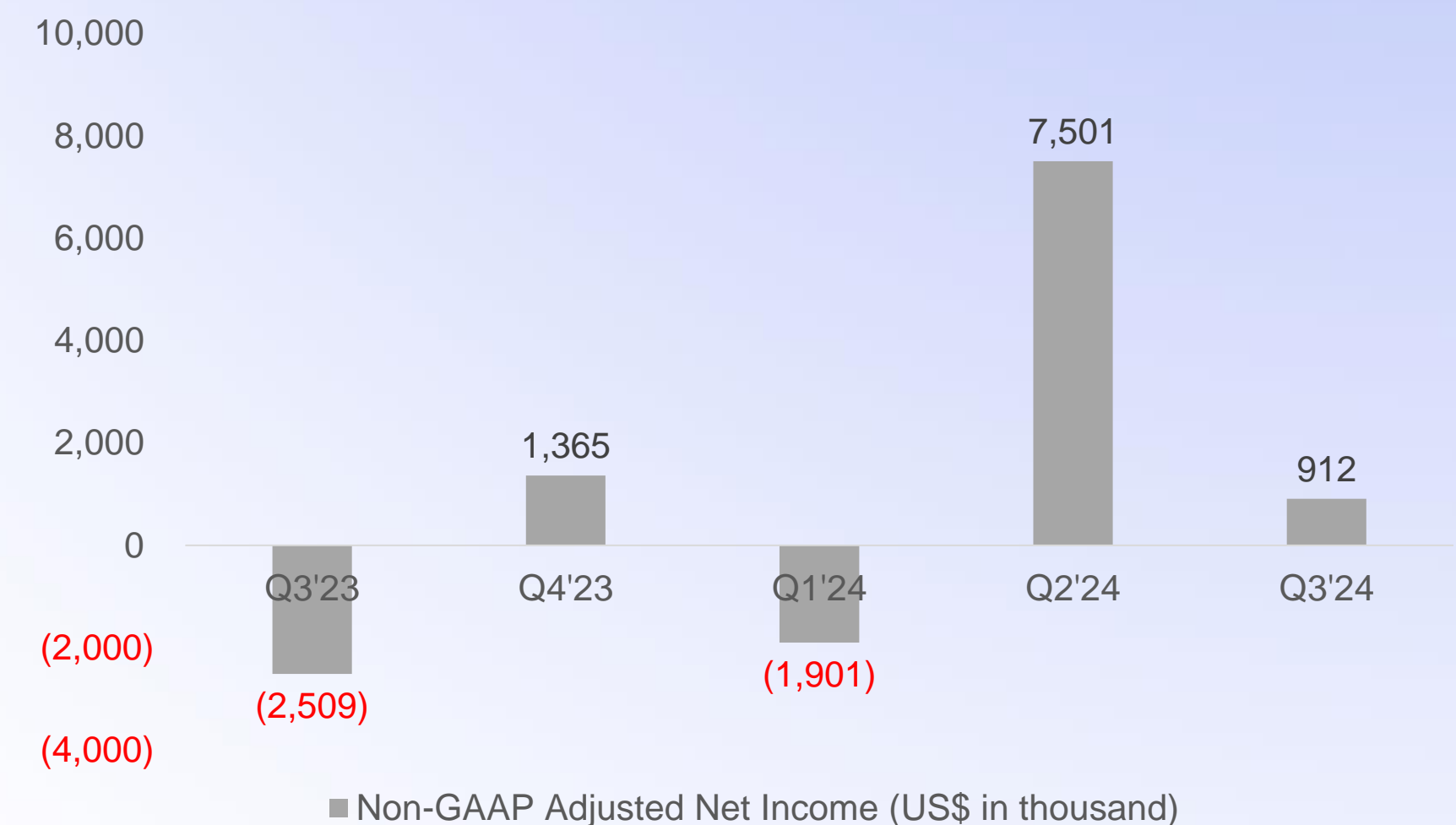
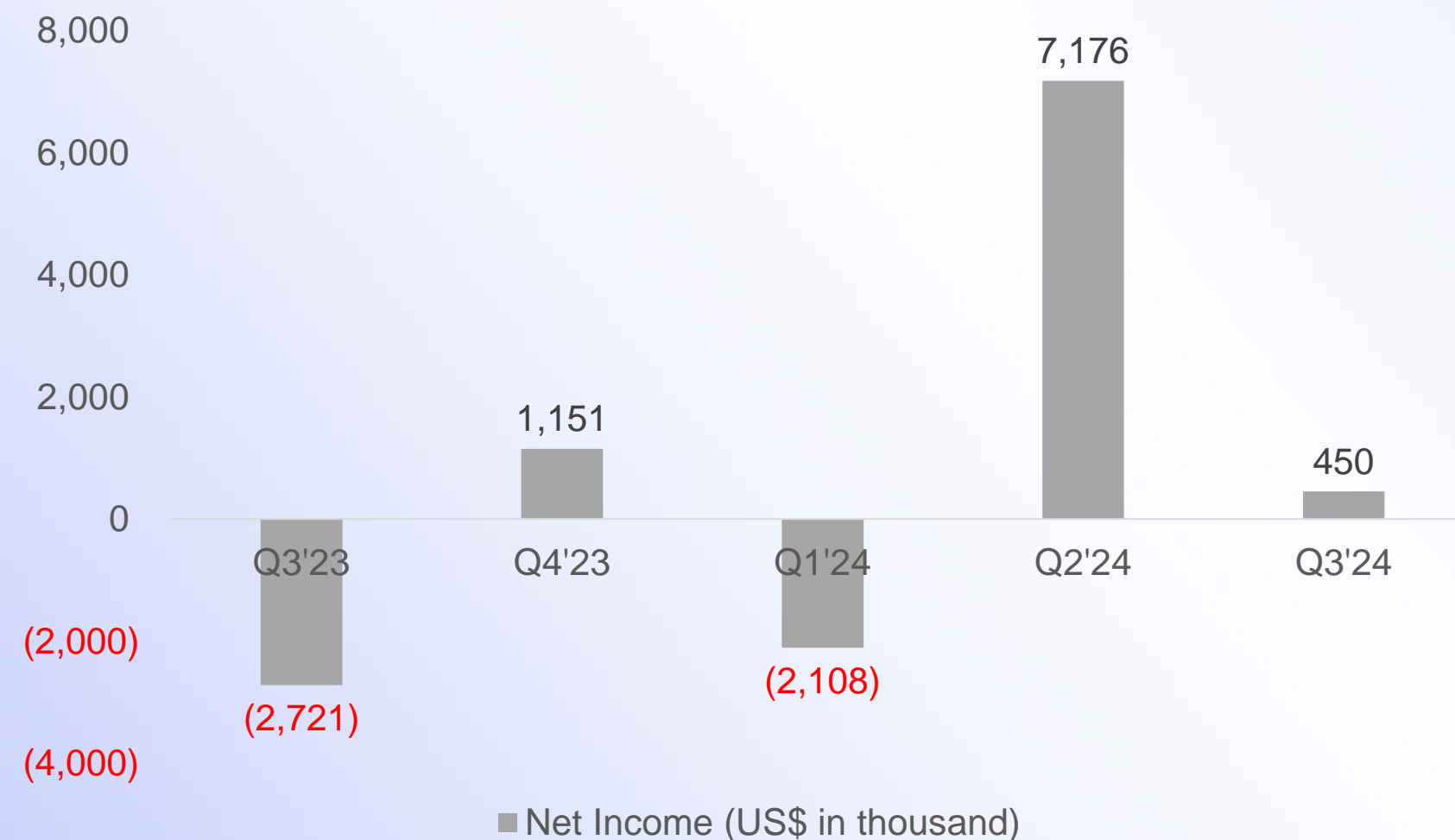
Notes:

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Net income turned positive year-on-year

(unaudited)

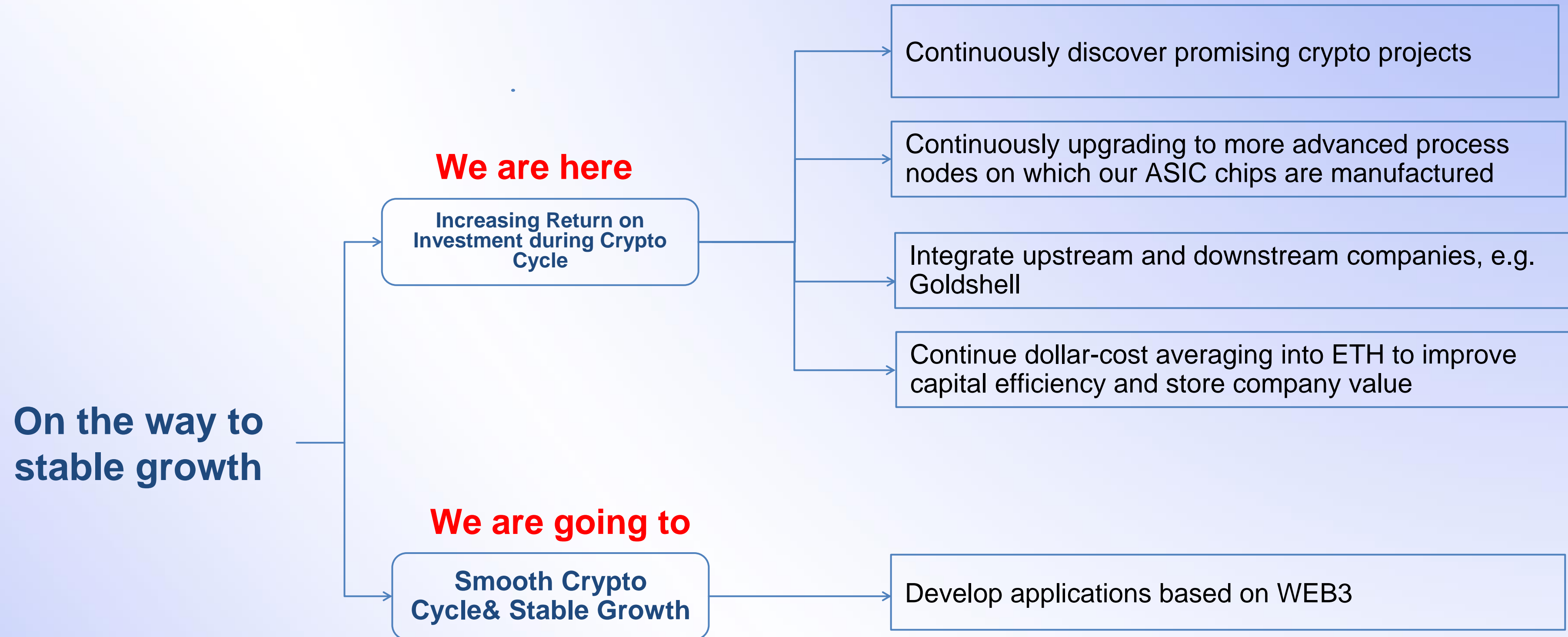
➤ Net income for the third quarter of 2024 was RMB3.2 million(US\$0.5 million), and the Non-GAAP adjusted net income was RMB6.4 million(US\$0.9 million), both turning from a loss to a profit compared to the same period last year. This was mainly due to the faster revenue growth in the third quarter of 2024 compared to the growth in cost of revenue and operating expenses.



Notes:

1. Convenience translation: US\$1.00=RMB7.0176 on the last trading day of third quarter (September 30, 2024).
2. Non-GAAP adjusted net income/(loss) = Net income/(loss) + Share-based compensation expense.
3. Unaudited financial results for the third quarter of 2024.

Growth Strategy: Growing Through Cycles

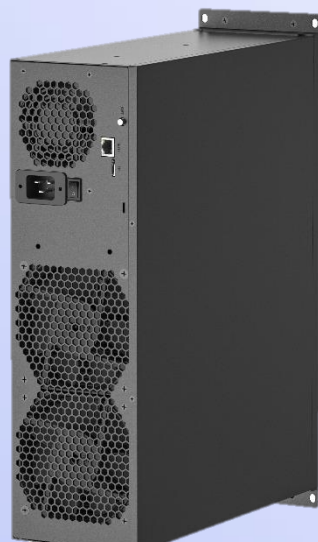


Outlook: Continuously explore innovative projects

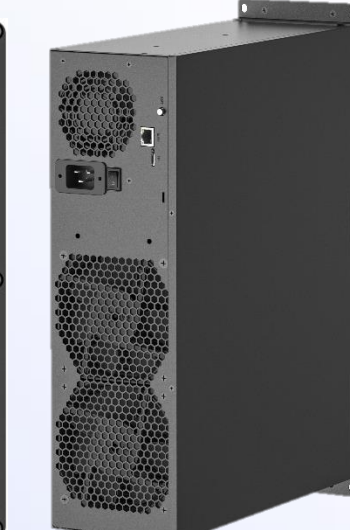
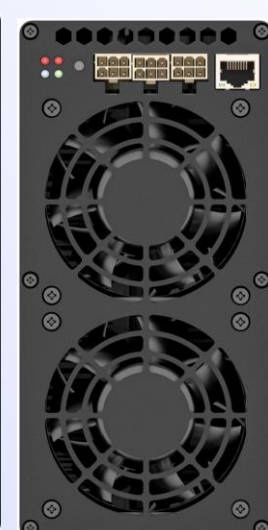
- We began mass production and sales of our newly introduced Goldshell-branded Box series and Echo series computing equipment, designed for Kaspas, Alephium, Dogecoin and Litecoin cryptocurrency mining.
- In November 2024, the total market capitalization of cryptocurrencies reached a historical high. Actively exploring projects, we expect to induce new ASICs by the end of Q1.



E-KA1M



AL BOX II PLUS
AL BOX III
E-AL1M



E-DG1M



— Total Market Cap of Cryptocurrency (US\$ in Trillion)

Notes:

1. Major cryptocurrencies applying each product: Kaspas-E-KA1M, Alephium-AL BOX II PLUS/AL BOX III/E-AL1M, DOGE-E-DG1M. The graph presented herein should be considered as approximations exclusively intended for illustrative purposes.
2. Source: CoinMarketCap

Outlook: Stick to ETH accumulation and take first trial in application development

- In November, 2024, ETH prices surpassed the average cost of our holdings as of September 30, 2024. We will adhere to ETH accumulating strategy, whether in the peak or trough of the crypto cycle.
- As part of our initial foray into blockchain application expansion, we launched Goldshell Pay in Q3 2024. It provides professional, one-stop blockchain payment solutions for partners worldwide, equipping merchants with functions for risk monitoring, data operations, and business access. Once commercialized, we plan to collect service fees from merchants who process payments and receipts through Goldshell Pay. Goldshell Pay is currently in its trial stage. Based on our confidence in the future of the crypto industry, we plan to launch a hardware crypto wallet in Q4 2024, further advancing our application expansion on the foundation of Goldshell Pay.



Notes:

1. Source: CoinMarketCap

Disclaimer

Forward-Looking Statements

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Thank You

For further information, you can visit <https://ir.intchains.com> or send e-mail to ir@intchains.com

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