



IT Tech Packaging, Inc.

First Quarter 2024

Financial Results Presentation



Safe Harbor Statement



This presentation contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact in this announcement are forward-looking statements, including but not limited to, anticipated revenues from the digital photo paper business segment; the actions and initiatives of current and potential competitors; the Company's ability to introduce new products; the Company's ability to implement the planned capacity expansion of corrugate medium paper; market acceptance of new products; general economic and business conditions; the ability to attract or retain qualified senior management personnel and research and development staff; and other risks detailed in the Company's filings with the Securities and Exchange Commission. These forward-looking statements involve known and unknown risks and uncertainties and are based on current expectations, assumptions, estimates and projections about the companies and the industry. The Company undertakes no obligation to update forward-looking statements to reflect subsequent occurring events or circumstances, or to changes in its expectations, except as may be required by law. Although the Company believes that the expectations expressed in these forward looking statements are reasonable, it cannot assure you that its expectations will turn out to be correct, and investors are cautioned that actual results may differ materially from the anticipated results.

Agenda

- Key Highlights
- Financial & Business Review
- Operational & Business Updates

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KEY HIGHLIGHTS

Key Highlights for Q1 2024

Revenue decreased by 65.32% YoY to \$6.86 million, primarily due to the production suspension of corrugating medium paper ("CMP") in January and February of 2024, and production suspension of tissue paper products in the first quarter of 2024.

Gross profit up 244.08% YoY to \$0.40 million, primarily due to factors described above. Overall gross margin up 7.21 percentage points to 5.81%.

Loss from operations was \$3.50 million, compared to loss from operations of \$2.77 million for the same period of last year.

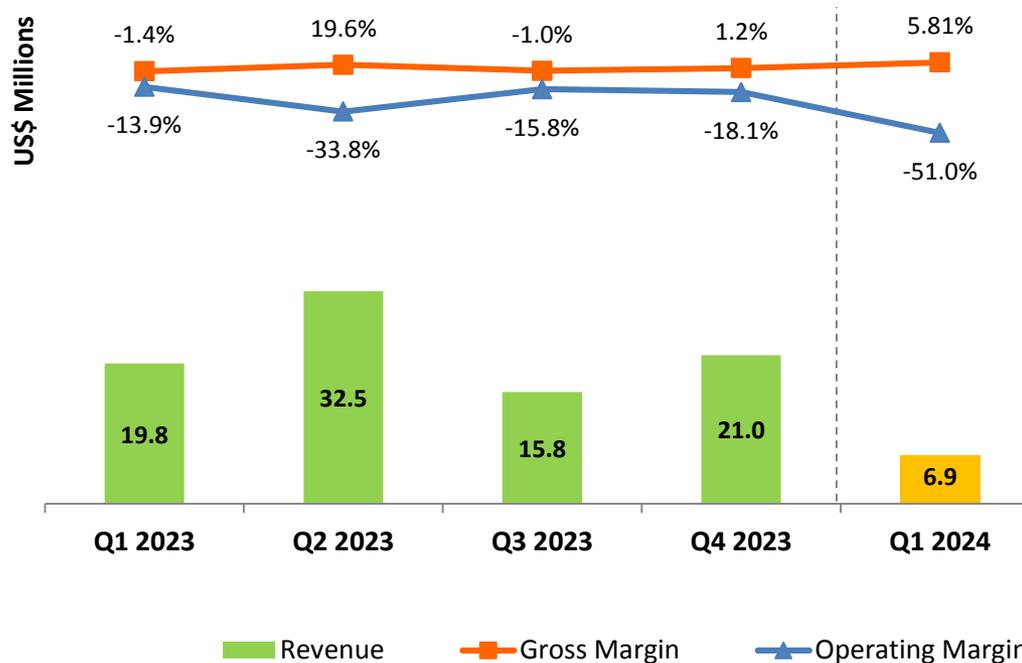
Net loss was \$3.75 million, or loss per share of \$0.37, compared to net loss of \$2.73 million, or loss per share of \$0.27, for the same period of last year.

Earnings before interest, taxes, depreciation and amortization ("EBITDA") was -\$0.02 million, compared to EBITDA of \$1.21 million for the same period of last year.

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FINANCIAL & BUSINESS REVIEW

Revenue

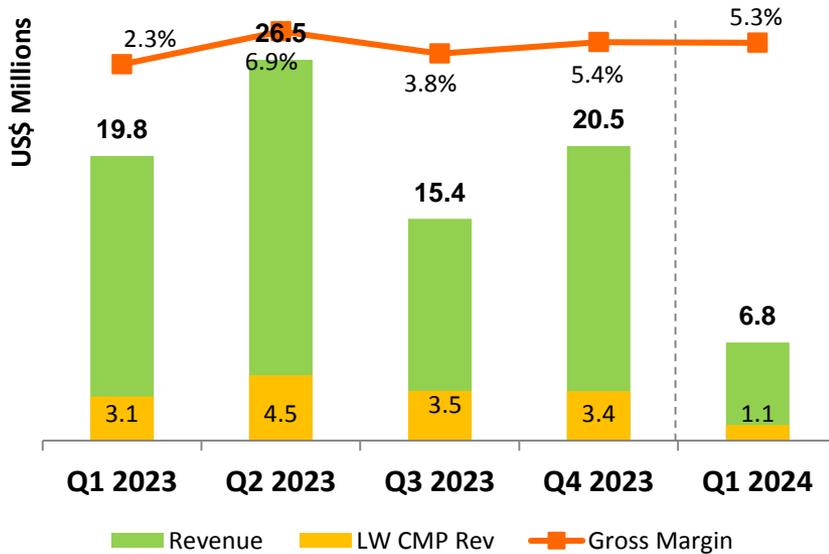


Q1 2024

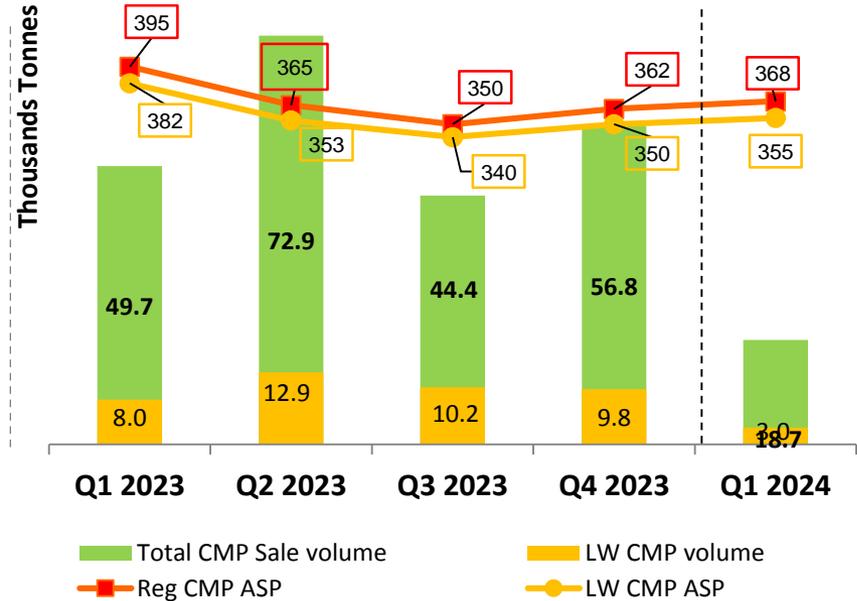
- Revenue down 65.32% YoY to \$6.86 million, due to the production suspension of corrugating medium paper (“CMP”) in January and February of 2024, and production suspension of tissue paper products in the first quarter of 2024.
- Overall gross margin up 7.21 percentage points YoY to 5.81%.
- Operating loss margin down 37.01 percentage points YoY to 51.02%.

Corrugating Medium Paper (CMP)

Revenue and Gross Margin



Sales Volume and ASP

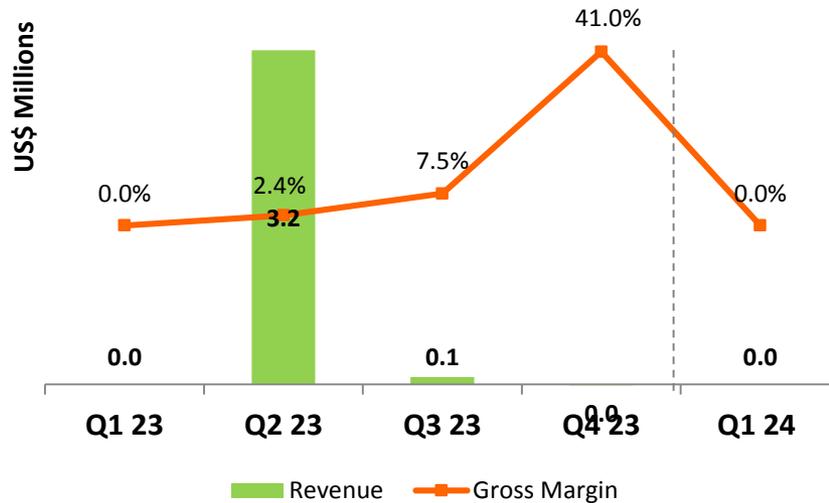


Q1 2024 CMP (includes both Regular and Light-Weight CMP)

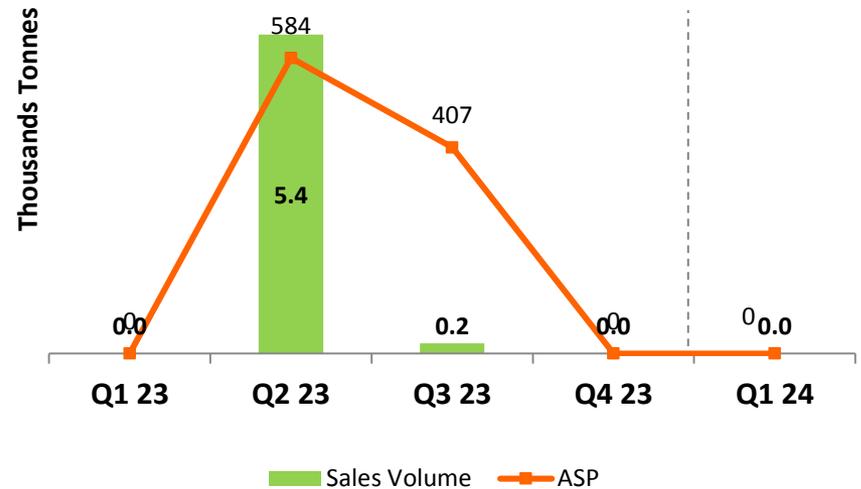
- Revenue: down 65.04% YoY to \$6.83 million, accounted for 99.46% of total revenue.
- Sales volume: down 62.42% YoY to 18,670 tonnes.
- ASP: Regular CMP down 6.84% to \$368/tonne.
- ASP: Light-Weight CMP down 7.07% to \$355/tonne.

Offset Printing Paper

Revenue and Gross Margin



Sales Volume and ASP

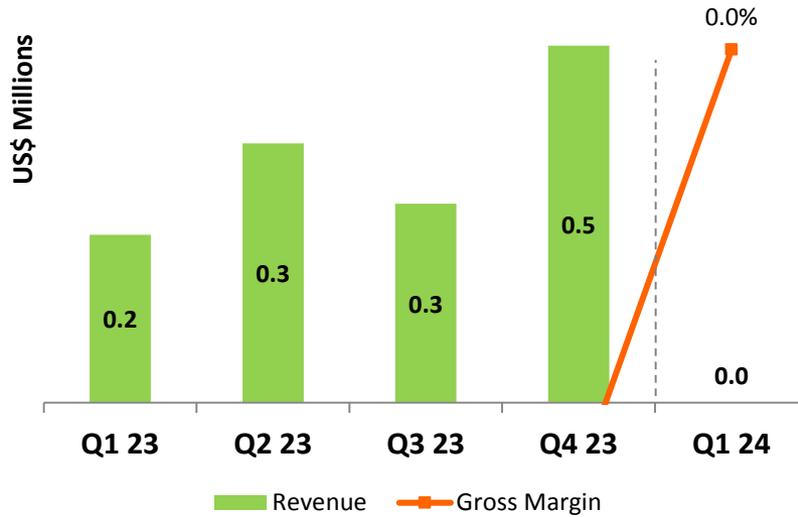


Q1 2024 Offset Printing Paper

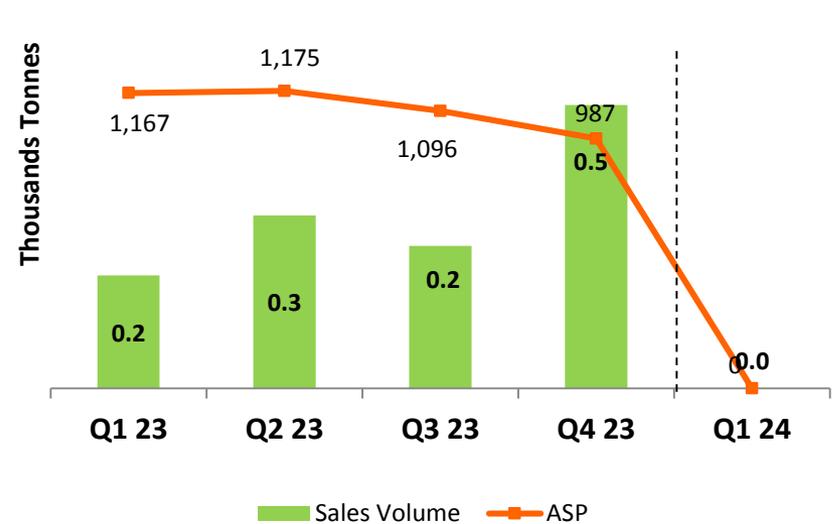
- Revenue: was \$nil.
- Sales volume: was \$nil.
- ASP: was \$nil.

Tissue Paper

Revenue and Gross Margin



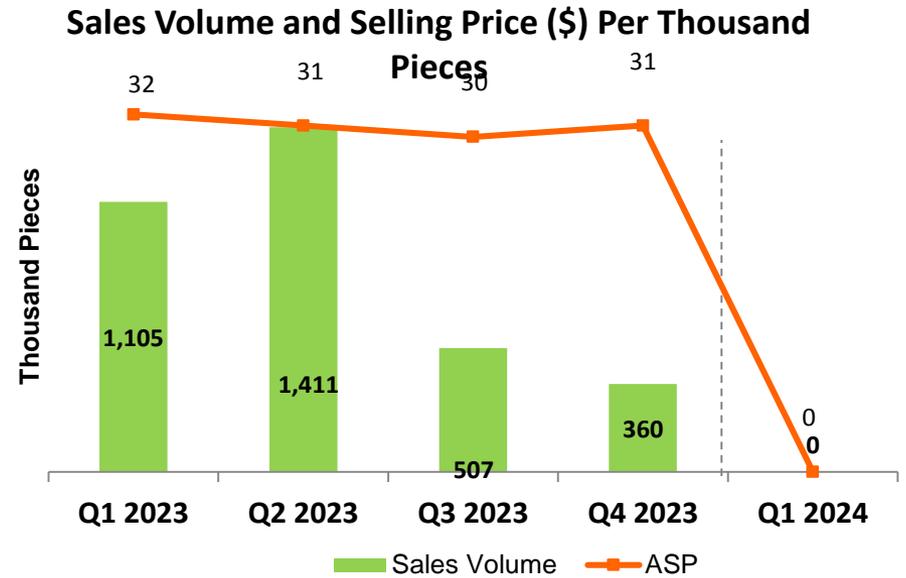
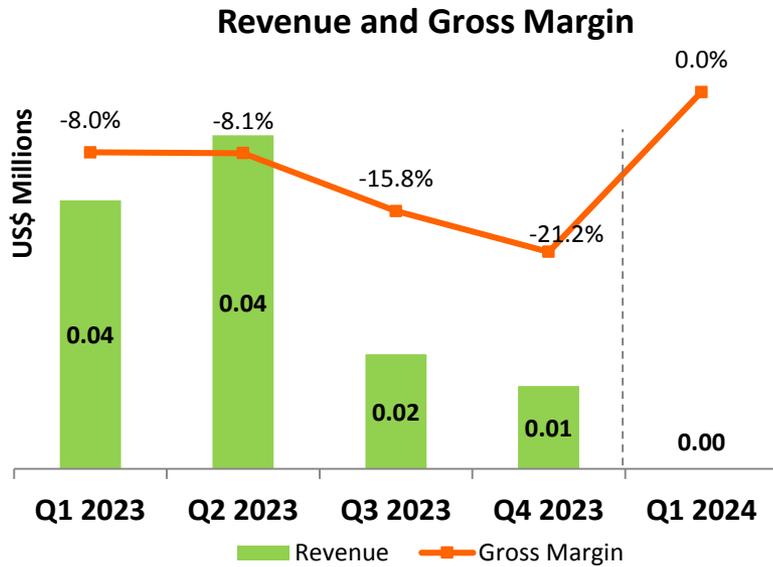
Sales Volume and ASP



Q1 2024 Tissue Paper

- Revenue: was \$nil.
- Sales volume: was \$nil.
- ASP: was \$nil.

Face Mask

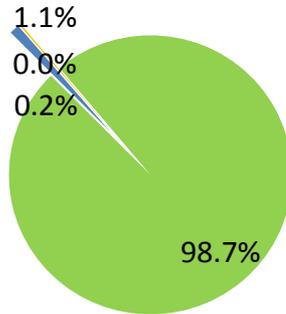


Q1 2024 Face Mask

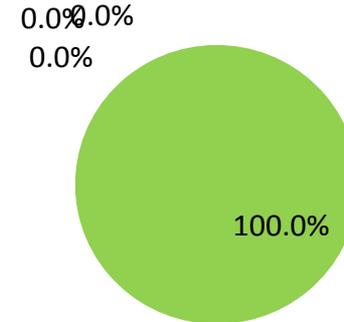
- Revenue: was \$nil.
- Sales volume: was \$nil.
- ASP: was \$nil.

Revenue Mix

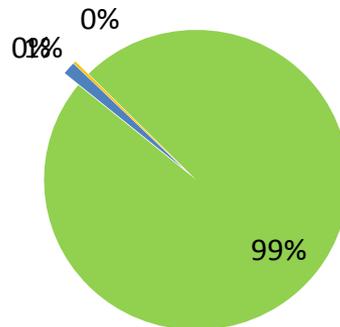
Q1 2023



Q1 2024

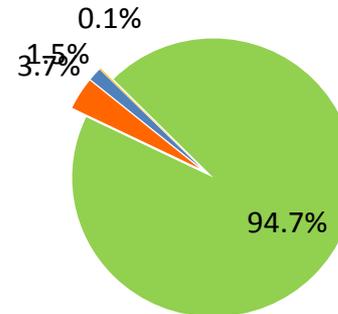


FY2022



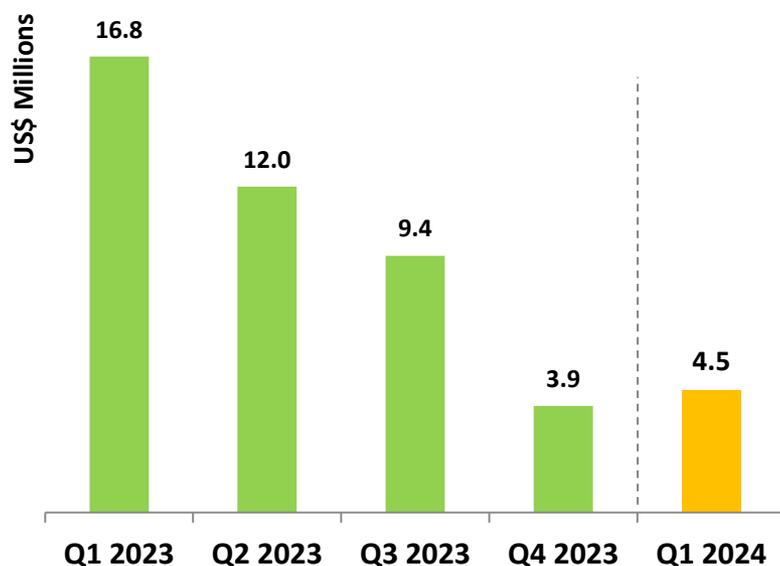
- Corrugating Medium Paper
- Offset Printing Paper
- Tissue Paper
- Face Mask

FY2023

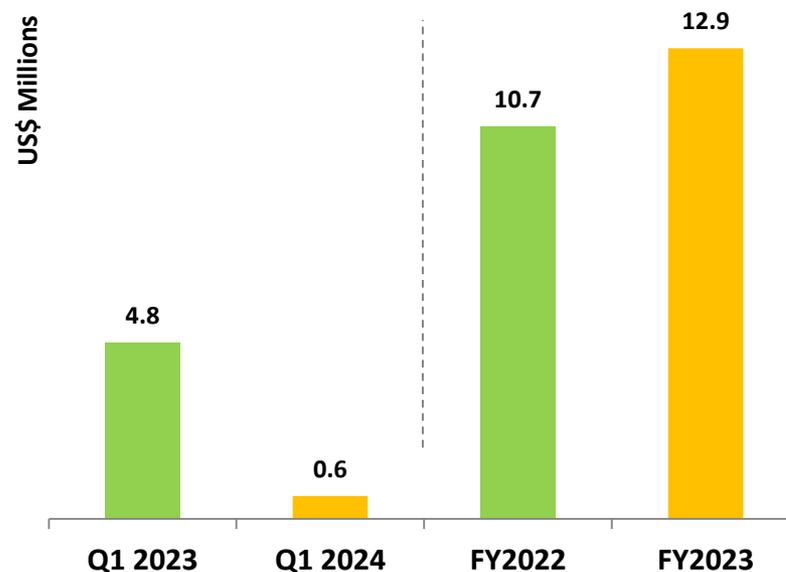


•Corrugating Medium Paper includes both Light-Weight CMP and Regular CMP

Cash and Cash Equivalents



Cash Flow from Operating Activities



Q1 2024

- Cash position at \$4.51 million as of March 31, 2024.
- Net cash provided by operating activities was \$0.62 million for the first quarter of 2024, as compared to \$4.81 million for the same period of last year.

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THANK YOU

The background features an open book with its pages fanned out, creating a sense of depth and movement. A bright green, semi-transparent rectangular overlay is positioned horizontally across the middle of the image. The word "APPENDIX" is written in white, bold, uppercase letters on the left side of this green overlay.

APPENDIX

Production Facilities of IT Tech Packaging



PM#	Paper Product	Designed Capacity (tonnes/year)	Location
PM1	Corrugating medium paper	60,000	Xushui District, Baoding city, Hebei province
PM2	Offset printing paper	50,000	
PM3	Offset printing paper	40,000	
PM4 ^[a]	Digital photo paper	2,500	Xushui District, Baoding city, Hebei province
PM5 ^[a]	Digital photo paper	2,500	
PM6 ^[b]	Corrugating medium paper	360,000	Xushui District, Baoding city, Hebei province
PM7	Specialty paper	10,000	
PM8 ^[c]	Tissue paper	15,000	Economic Development Zone in Wei County, Hebei Province
PM9 ^[d]	Tissue paper	15,000	
PM10 ^[e]	Tissue Paper	20,000	

[a]: PM4 and PM5 have been suspended in June 2016 due to low market demand

[b]: 15.11% utilization rate in Q1 FY2024; vs. 44.49% in Q1 FY2023.

[c]: The production and sales of tissue paper products have increased steadily since year 2019.

[d]: In November 2019, we completed the commercial launch of a new tissue paper production line the PM9 following the success of its trial production.

[e] In May 2020, we planned commercial launch of a new tissue paper production line PM10 and the Company expects the new tissue paper production line to be launched after the success of its trial run.

Income Statement Summary

(US\$)	For the Three Months Ended March 31		YoY Change
	2024	2023	
Revenue	6,863,841	19,790,877	-65.3%
Cost of sales	(6,464,728)	(20,067,876)	67.8%
Gross Profit	399,113	(276,999)	244.1%
Gross profit margin	5.8%	-1.4%	7.2pp
Selling, general and administrative expenses	(3,900,783)	(2,495,362)	56.3%
Income (Loss) from operations	(3,501,670)	(2,772,361)	-26.3%
Operating margin	-51.0%	-14.0%	-37.0pp
Net Income (Loss)	(3,746,536)	(2,733,165)	-37.1%
Net (loss) margin	-54.6%	-13.8%	-40.8pp
Loss per share – basic and diluted	(0.37)	(0.27)	-37.0%

Selected Balance Sheet Items

(US\$)	March 31, 2024	December 31, 2023
Current Assets		
Cash and bank balance	4,514,020	2,386,177
Restricted cash	903,540	472,983
Accounts receivable	2,386,177	575,526
Inventories	3,492,364	3,555,235
Other current assets	18,718,731	19,835,219
Total current assets	30,014,832	28,357,901
Other non-current assets	162,581,272	166,385,748
Total Assets	192,596,104	194,743,649
Current Liabilities		
Short-term bank loans	845,666	423,567
Current portion of long-term loans from credit union	8,116,984	6,874,497
Lease Liability	102,154	100,484
Accounts Payable	241,779	4,991
Other current liabilities	15,267,165	14,015,395
Total current liabilities	24,573,748	21,418,934
Long-term loans	3,241,720	4,503,932
Lease Liability non-current	491,908	483,866
Derivative liability	20	54
Total Liabilities	28,307,396	26,406,786
Total Stockholders' equity	164,288,708	168,336,863
Total Liabilities and Stockholders' Equity	192,596,104	194,743,649

Solid Operating Cash Flows to Support Continued Investment



(US\$)	Three Months Ended March 31,	
	2024	2023
Net Cash Provided by (Used in) Operating Activities	624,420	4,809,928
Net Cash Provided by (Used in) Investing Activities	(9,027)	(295,018)
Net Cash Provided by(Used in) Financing Activities	422,488	2,564,646
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(12,242)	146,516
Net (Decrease)/Increase in Cash and Cash Equivalents	1,025,639	7,226,072
Cash and Cash Equivalents – Beginning of Period	4,391,921	9,524,868
Cash and Cash Equivalents – End of Period	5,417,560	16,750,940