



IT Tech Packaging, Inc.

Fourth Quarter & Fiscal Year 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.

The background features an open book with its pages fanned out, creating a sense of depth and movement. A vibrant green rectangular overlay is positioned across the middle of the image, serving as a backdrop for the text.

KEY HIGHLIGHTS

Key Highlights for Q4 2024

Revenue decreased by 15.8% YoY to \$17.6 million, primarily due to the decrease in sales quantity and ASPs of CMP, offset printing paper and tissue paper products.

Gross profit up 426.8% YoY to \$1.1 million. Overall gross margin up 4.9 percentage points to 6.1%.

Operating loss was \$3.8 million, compared to \$3.8 million for the same period of last year.

Net loss was \$4.0 million, or losses per share of \$0.4, compared to \$4.0 million, or losses per share of \$4.0, for the same period of last year.

Earnings before interest, taxes, depreciation and amortization ("EBITDA") was \$0.1 million, compared to EBITDA of \$ nil million for the same period of last year.

Key Highlights for FY 2024

Revenue decreased by 12.4% YoY to \$75.8 million, primarily due to the decrease in sales quantity of Corrugating Medium Paper (“CMP”), offset printing paper and tissue paper products and the decrease in Average Selling Price (“ASP”) of CMP.

Gross profit up 566.4% YoY to \$6.7 million, primarily due to the decrease in unit cost of materials of CMP, partially offset by the decrease in ASP of CMP. Gross margin up 7.6 percentage points to 8.8%.

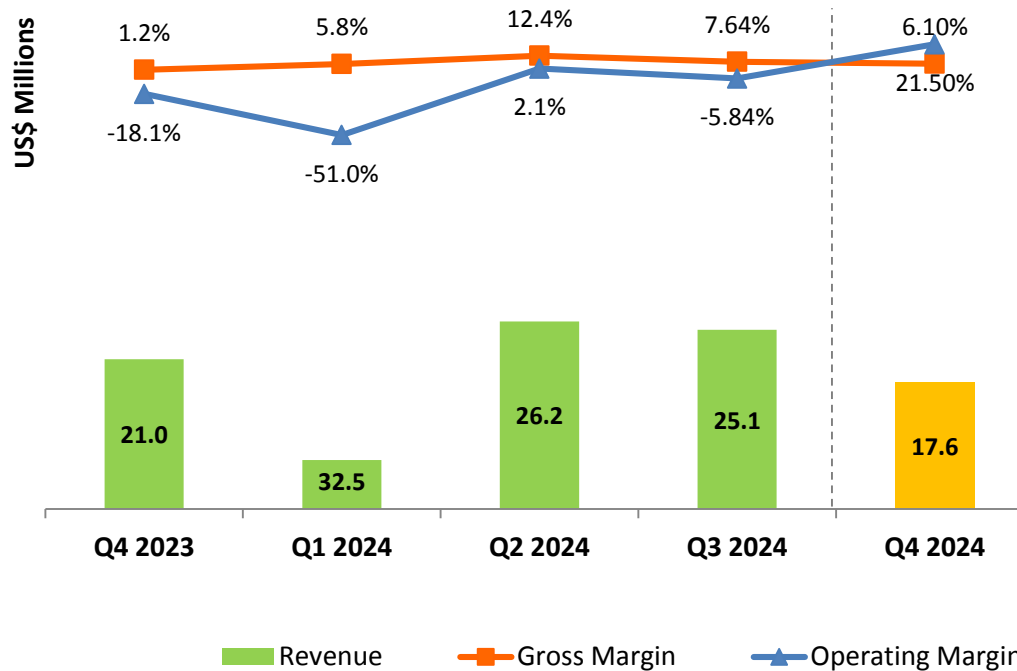
Net loss was \$9.8 million, or \$1.0 per diluted share, compared to \$9.9 million, or \$1.0 per diluted share, for the same period of the prior year.

Earnings before interest, taxes, depreciation and amortization (“EBITDA”) was \$6.0 million, compared to EBITDA of \$5.6 million for the same period of last year.

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FINANCIAL & BUSINESS REVIEW

Revenue

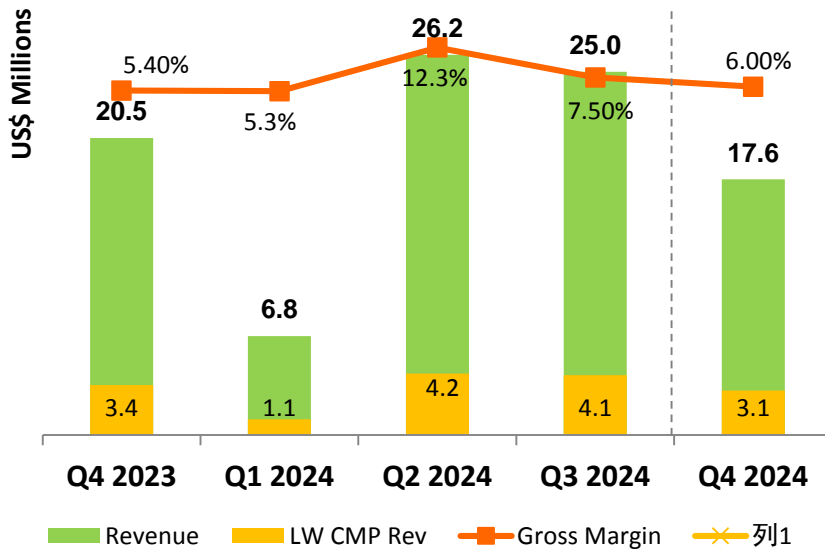


Q4 2024

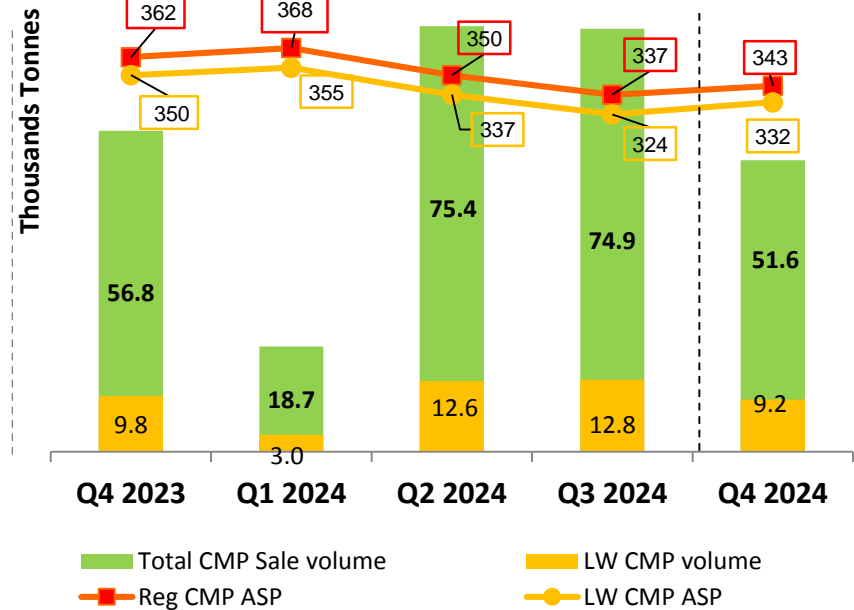
- Revenue decreased by 15.8% YoY to \$17.6 million, primarily due to decrease in sales quantity and ASPs of CMP, offset printing paper and tissue paper products.
- Overall gross profit margin up 4.9 percentage points to 6.1%.
- Operating loss margin down by 3.4 percentage points YoY to 21.5%.

Corrugating Medium Paper (CMP)

Revenue and Gross Margin



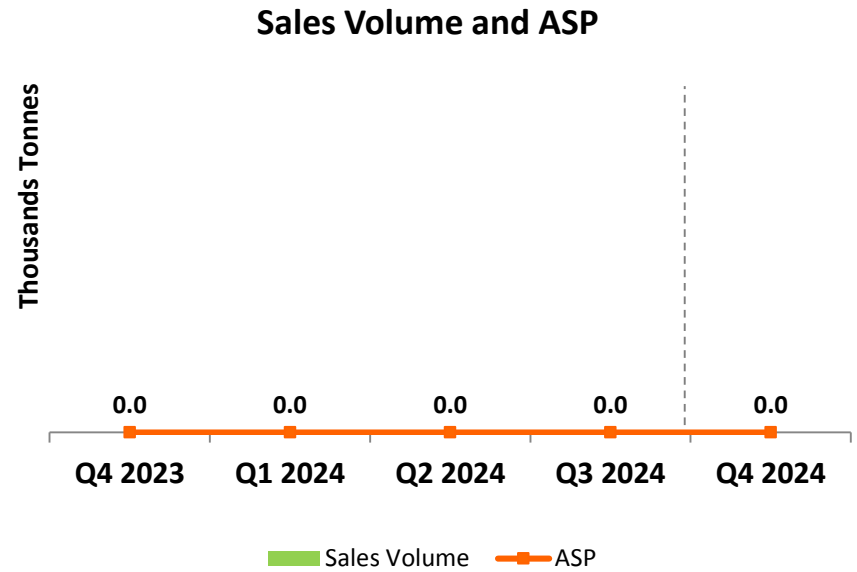
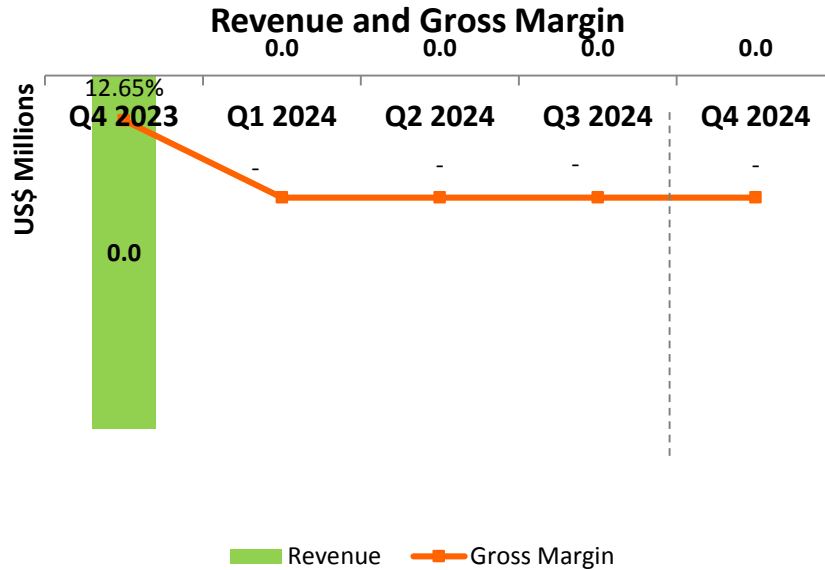
Sales Volume and ASP



Q4 2024 CMP (includes both Regular and Light-Weight CMP)

- Revenue: down 13.9% YoY to \$17.6 million, accounted for 99.9% of total revenue.
- Sales volume: down 19.1% YoY to 51,633 tonnes.
- ASP: Regular CMP down 5.3% to \$343/tonne.
- ASP: Light-Weight CMP down 5.1% to \$332/tonne.

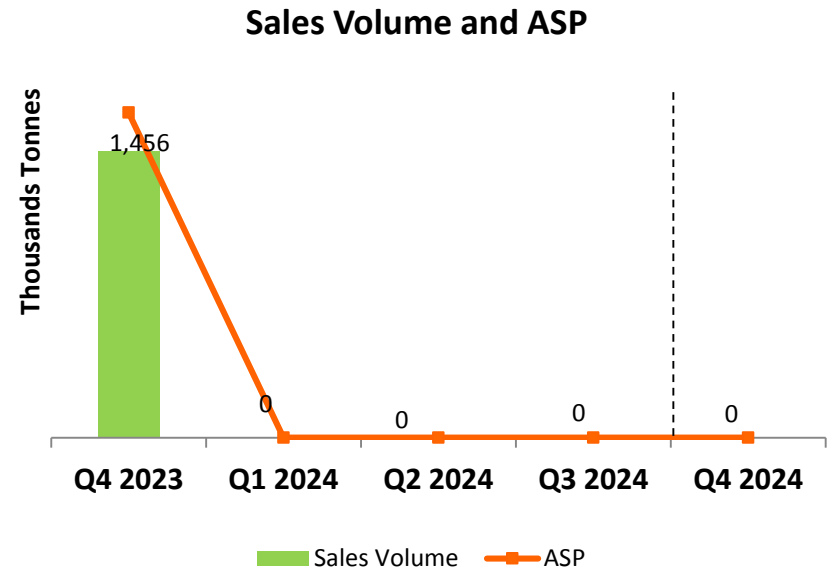
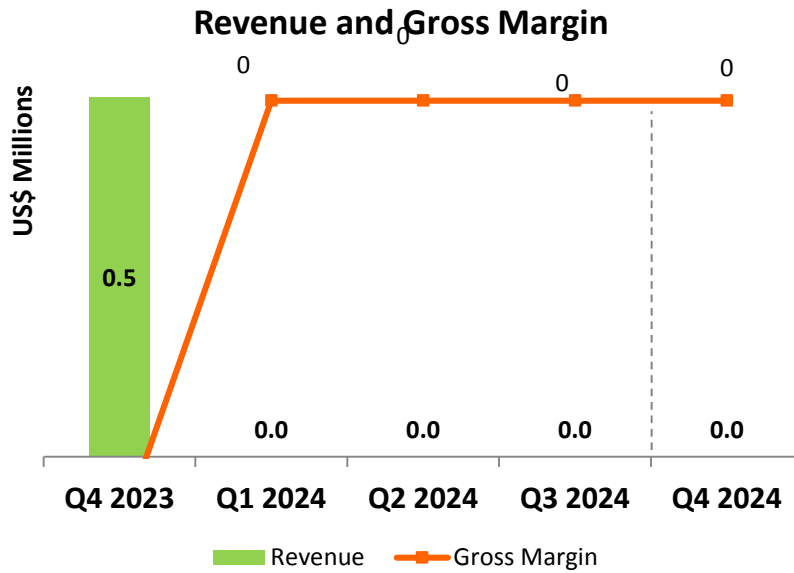
Offset Printing Paper



Q4 2024 Offset Printing Paper

- Revenue: was \$ nil million.
- Sales Volum: was nil
- ASP: was nil

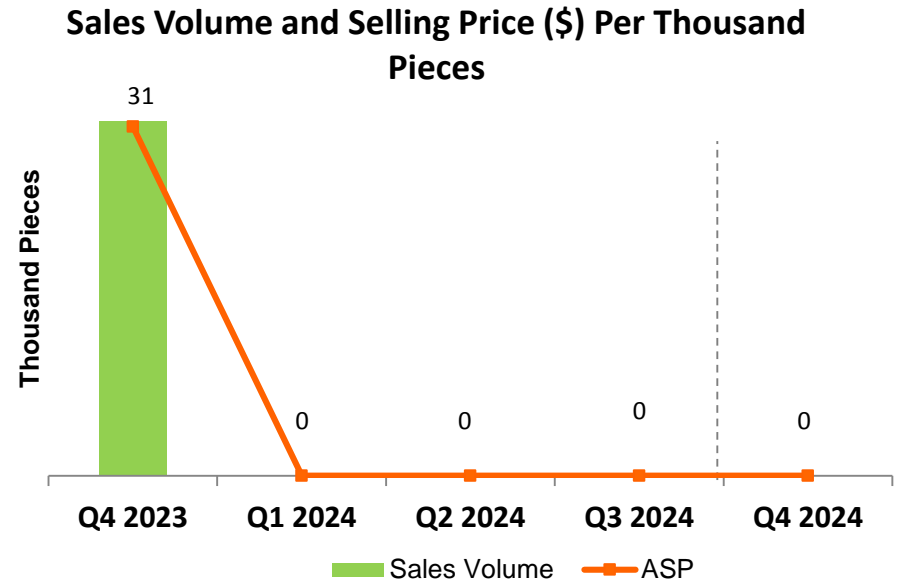
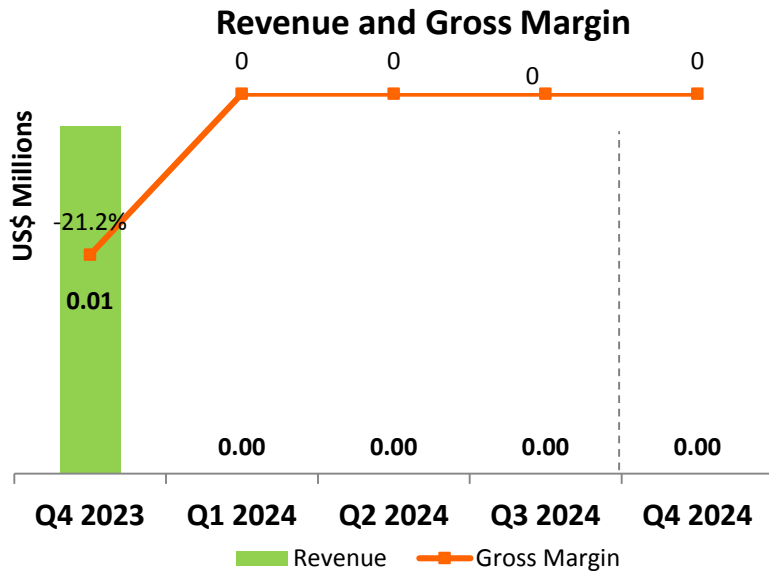
Tissue Paper



Q4 2024 Tissue Paper

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

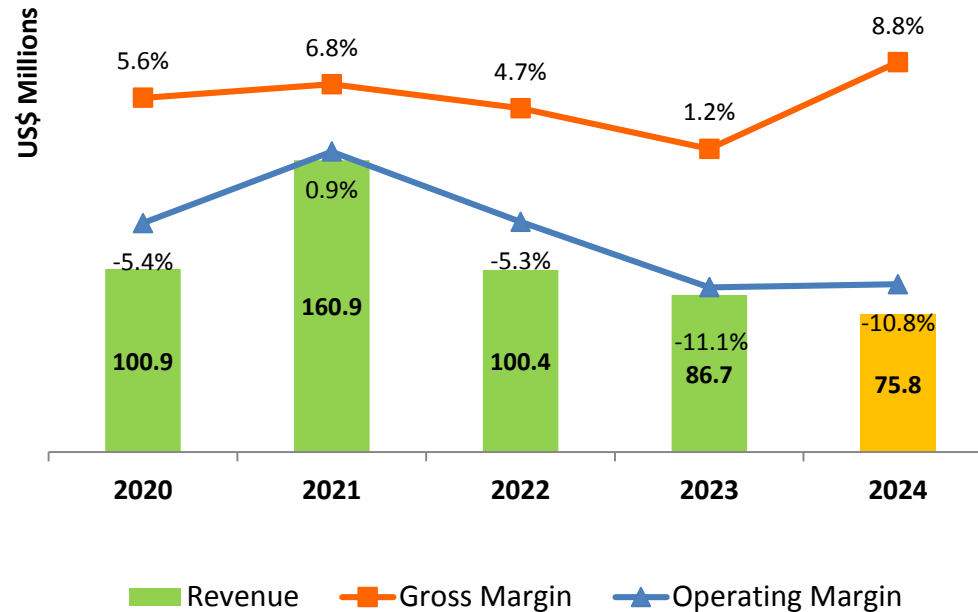
Face Mask



Q4 2024 Face Mask

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

Revenue

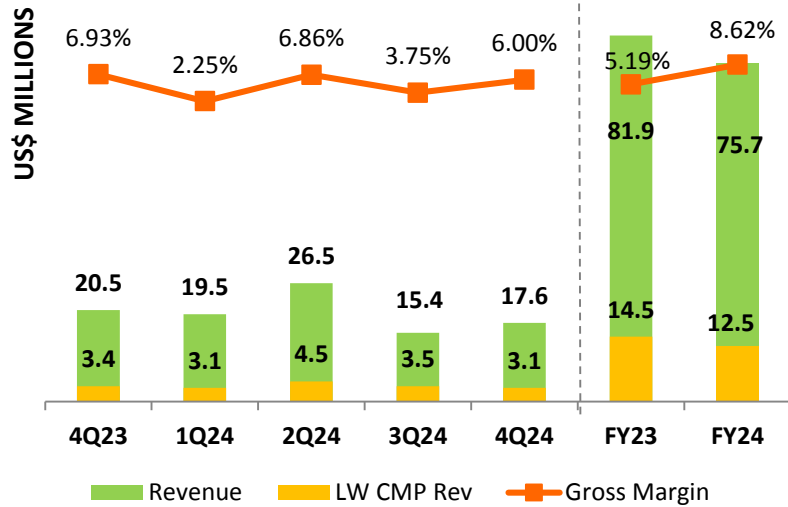


FY 2024

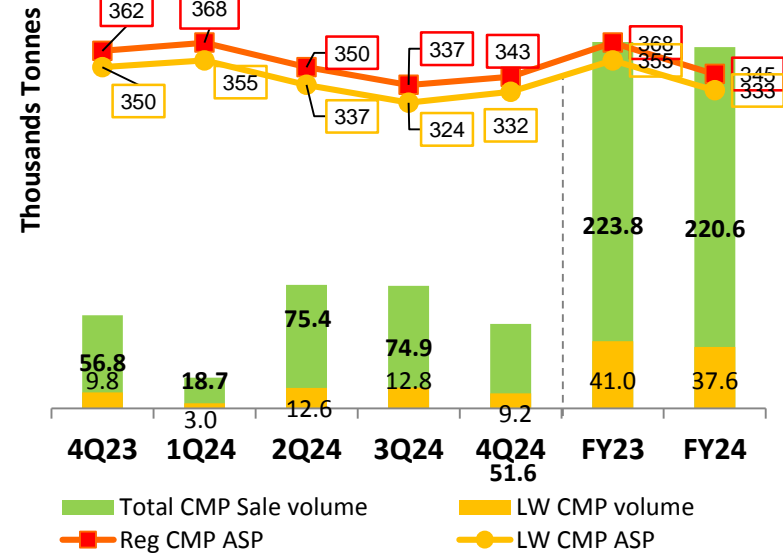
- Revenue down 12.4% YoY to \$75.8 million, primarily due to the decrease in sales quantity of Corrugating Medium Paper (“CMP”), offset printing paper and tissue paper products and the decrease in Average Selling Price (“ASP”) of CMP .
- Overall gross margin up by 7.6 percentage points YoY to 8.8%.
- Operating loss margin decrease 0.2 percentage points YoY to 10.8%.

Corrugating Medium Paper (CMP)

Revenue and Gross Margin



Sales Volume and ASP

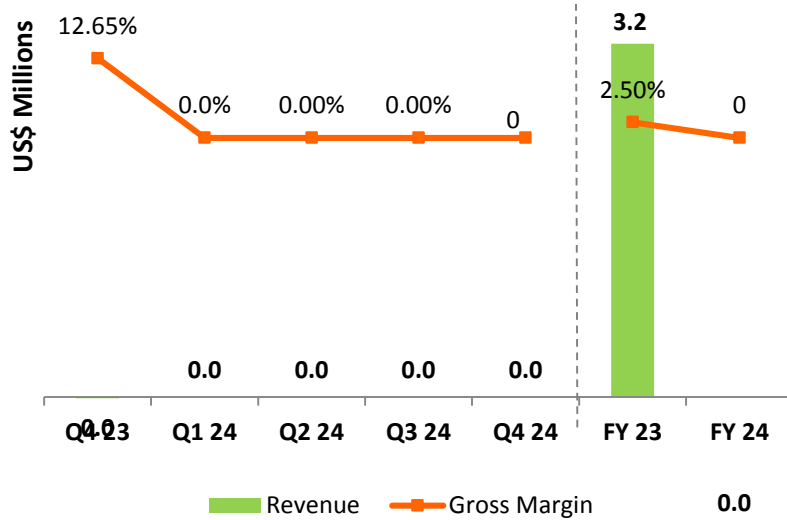


FY 2024 CMP (includes both Regular and Light-Weight CMP)

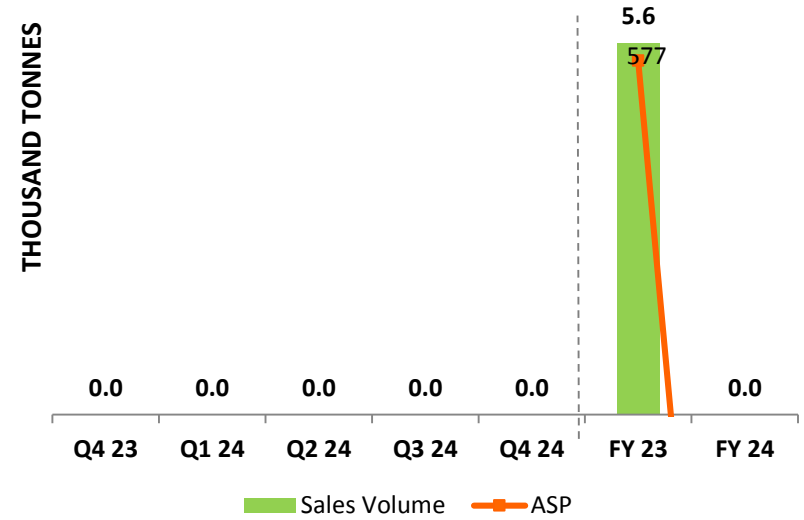
- Revenue: down 7.6% YoY to \$75.7 million, accounted for 99.8% of total revenue
- Sales volume: down 1.5% YoY to 220,552 tonnes
- ASP: Regular CMP down 6.3% to \$ 345/tonne
- ASP: Light-Weight CMP down 6.2% to \$333/tonne

Offset Printing Paper

Revenue and Gross Margin



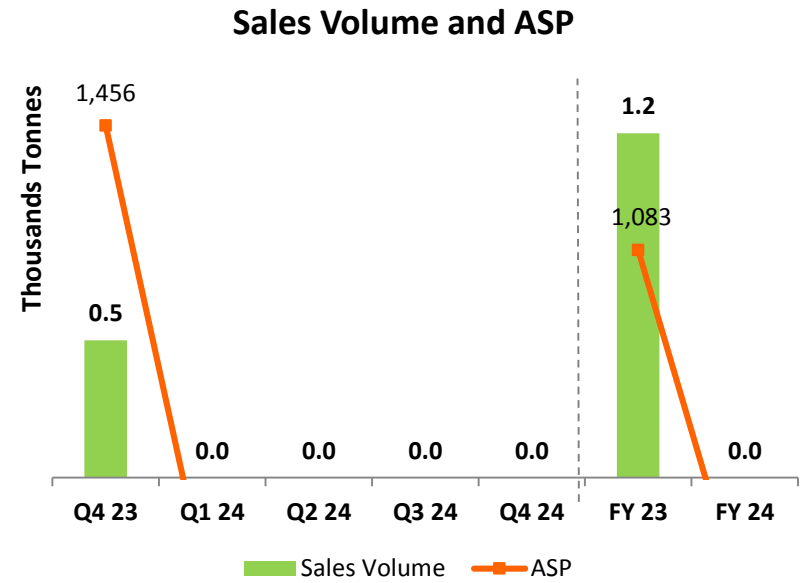
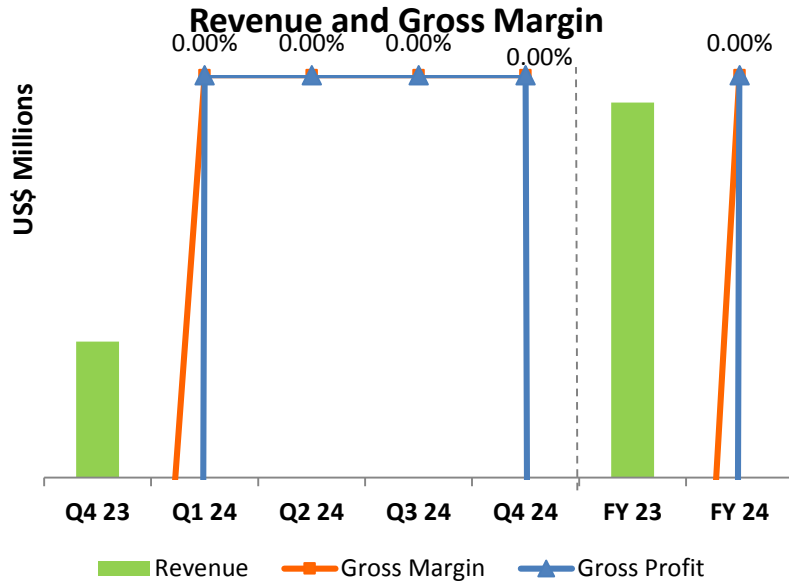
Sales Volume and ASP



FY 2024 Offset Printing Paper

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

Tissue Paper

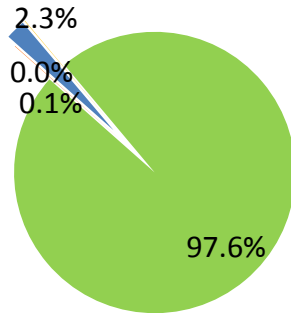


FY 2024 Tissue Paper

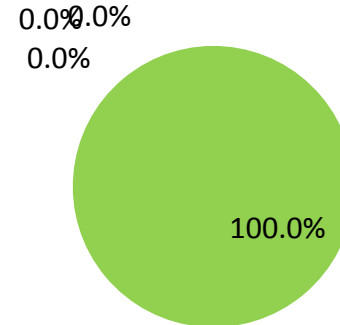
- Revenue: was \$ nil million.
- Sales volume: was nil.
- ASP: was nil.

Revenue Mix

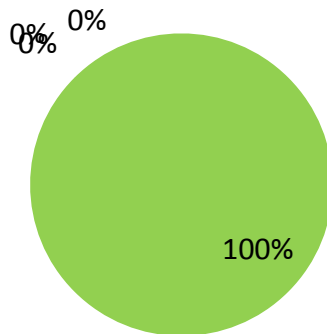
Q4 2023



Q4 2024

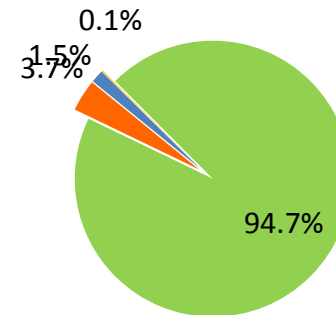


FY2024



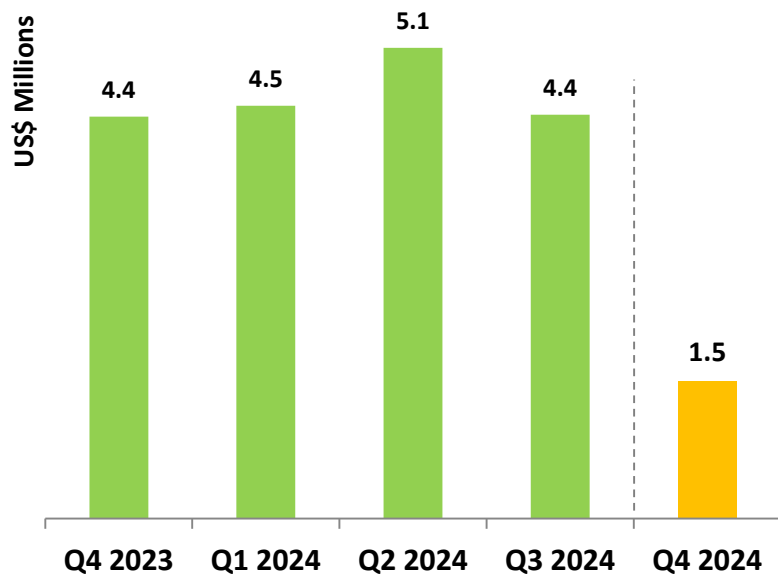
- Corrugating Medium Paper
- Offset Printing Paper
- Tissue Paper
- Face Mask

FY2023

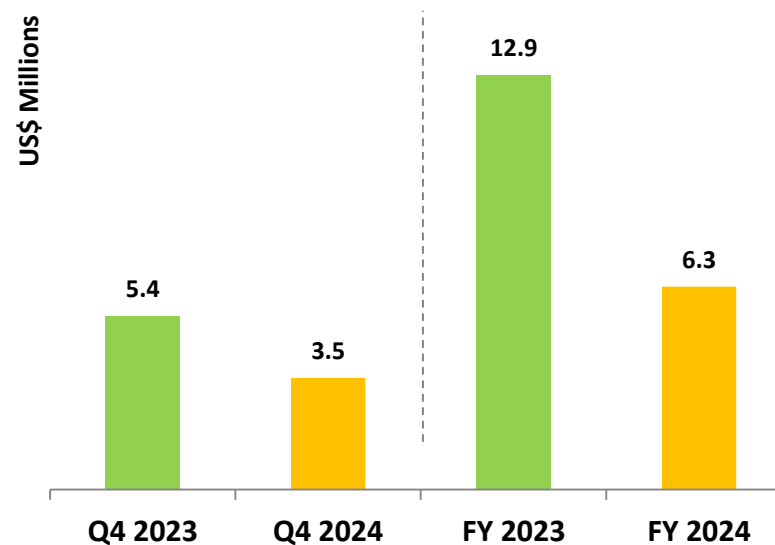


•Corrugating Medium Paper includes both Light-Weight CMP and Regular CMP

Cash and Cash Equivalents



Cash Flow from Operating Activities



FY 2024

- Cash position at \$5.9 million as of December 31, 2024.
- Net cash provided by operating activities was \$6.3 million for the year ended December 31, 2024, as compared to net cash used in operating activities of \$12.9 million for the same period of last year.

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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]: 49.8% utilization rate in FY2024; vs. 52.0% in 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

| | For the Three Months Ended December 31, | | YoY Change | For the Year Ended December 31, | | YoY Change |
|---|--|--------------|---------------|------------------------------------|--------------|---------------|
| (US\$) | 2024 | 2023 | | 2024 | 2023 | |
| Revenue | 17,642,814 | 20,964,599 | -15.8% | 75,837,943 | 86,546,950 | -12.4% |
| Cost of sales | (16,532,868) | (20,714,350) | -20.2 | (69,146,203) | (85,547,065) | -19.2% |
| Gross Profit | 1,109,946 | 250,249 | 343.5% | 6,691,740 | 999,885 | 569.3% |
| Gross profit margin | 6.3% | 1.2% | 5.1% | 8.8% | 1.2% | 7.6% |
| Selling, general and administrative expenses | (4,800,136) | (3,381,059) | 42.0% | (14,799,969) | (9,075,475) | 63.1% |
| Income (Loss) from operations | (3,792,680) | (3,800,331) | -0.2% | (8,210,719) | (9,575,888) | -14.3% |
| Operating loss margin | -21.5 | -18.1% | 3.4% | -10.8 | -11.1% | -0.3% |
| Net Income (Loss) | (4,044,865) | (3,984,009) | 1.5% | (9,843,094) | (9,946,035) | -1.0% |
| Net (loss) margin | -22.9% | -19.0% | 3.9% | -13.0 | -11.5% | -1.5% |
| Total comprehensive (loss) income | (8,273,728) | (1,607,672) | 414.6% | (12,286,546) | (12,987,029) | -5.4% |
| Earnings(Loss) per share – basic and diluted | (0.40) | (0.40) | N/A | (0.98) | (0.99) | -1.0% |

Selected Balance Sheet Items

| (US\$) | December 31, 2024 | December 31, 2023 |
|---|--------------------|--------------------|
| Current Assets | | |
| Cash and cash equivalents | 5,916,373 | 3,918,938 |
| Restricted cash | 1,034,203 | 472,983 |
| Accounts receivable | 287,576 | 575,526 |
| Inventories | 2,351,876 | 3,555,235 |
| Other current assets | 18,871,275 | 19,835,219 |
| Total current assets | 28,461,303 | 28,357,901 |
| Property, plant, and equipment | 146,911,883 | 163,974,022 |
| Other non-current assets | 2,173,600 | 2,411,726 |
| Total Assets | 177,546,786 | 194,743,649 |
| Current Liabilities | | |
| Short-term bank loans | 4,451,616 | 423,567 |
| Current portion of long-term loans | 3,559,902 | 6,874,497 |
| Lease Liability | 245,604 | 100,484 |
| Accounts Payable | 1 | 4,991 |
| Other current liabilities | 11,889,644 | 14,015,395 |
| Total current liabilities | 20,146,767 | 21,418,934 |
| Long-term Loans | 1,112,904 | 4,503,932 |
| Lease Liability non-current | 231,147 | 483,866 |
| Derivative liability | 5,651 | 54 |
| Total Liabilities | 21,496,469 | 26,406,786 |
| Total Stockholders' equity | 156,050,317 | 168,336,863 |
| Total Liabilities and Stockholders' Equity | 177,546,786 | 194,743,649 |

Solid Operating Cash Flows to Support Continued Investment



| (US\$) | Year Ended December 31, | |
|--|----------------------------|--------------------|
| | 2024 | 2023 |
| Net Cash Provided by (Used in) Operating Activities | 6,299,469 | 12,871,086 |
| Net Cash Provided by (Used in) Investing Activities | (329,611) | (22,239,297) |
| Net Cash Provided by(Used in) Financing Activities | (3,256,696) | 4,410,099 |
| Effect of Exchange Rate Changes on Cash and Cash Equivalents | (154,507) | (174,835) |
| Net (Decrease)/Increase in Cash and Cash Equivalents | 2,558,655 | (5,132,947) |
| Cash and Cash Equivalents – Beginning of Period | 4,391,921 | 9,524,868 |
| Cash and Cash Equivalents – End of Period | 6,950,576 | 4,391,921 |

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THANK YOU!