



IT Tech Packaging, Inc.

Third 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 Q3 2024

Revenue increased by 59.03% to approximately \$25.08 million, This was mainly due to the increase of sales volume of corrugating medium paper ("CMP"), partially offset by the decrease in average selling prices ("ASP") of CMP.

Gross profit increased by 1351.37% to approximately \$1.92 million. Total gross profit margin increased by 8.61 percentage point to 7.64%.

Loss from operations was approximately \$1.46 million, compared to approximately \$2.48 million for the same period of last year.

Net loss was approximately \$1.97 million, or loss per share of \$0.20, compared to net loss of approximately \$1.98 million, or loss per share of \$0.20, for the same period of last year.

Earnings before interest, taxes, depreciation and amortization ("EBITDA") was approximately \$2.03 million, compared to \$1.69 million for the same period of last year.

Key Highlights for the nine months ended September 30, 2024

Revenue decreased by 11.26%, to approximately \$58.20 million from approximately \$65.58 million for the same period of last year. This was mainly due to the decrease in ASP of CMP, partially offset by the increase in sales quantity of regular CMP.

Gross profit increased by 644.60% YoY to \$5.58 million, primarily due the decrease in unit cost of materials of CMP, partially offset by the decrease in ASP of CMP. Overall gross margin up 8.45 percentage points to 9.59%.

Loss from operations was \$4.42 million, compared to loss from operations of \$5.78 million for the same period of last year.

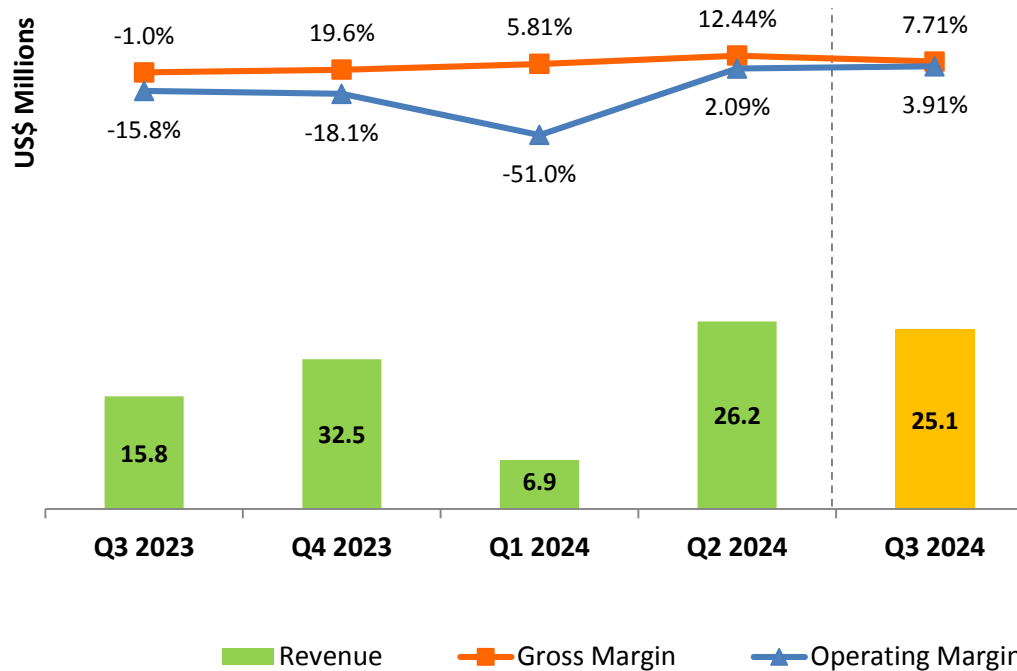
Net loss was \$5.80 million, or loss per share of \$0.58, compared to net loss of \$5.96 million, or loss per share of \$0.59, for the same period of last year.

Earnings before interest, taxes, depreciation and amortization ("EBITDA") was \$5.94 million, compared to EBITDA of \$5.73 million for the same period of last year.

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FINANCIAL & BUSINESS REVIEW

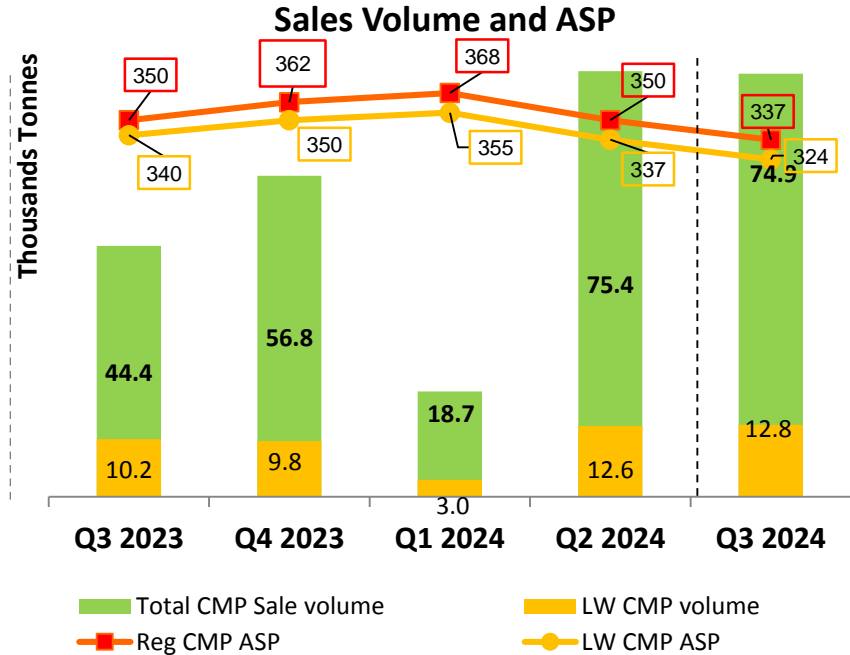
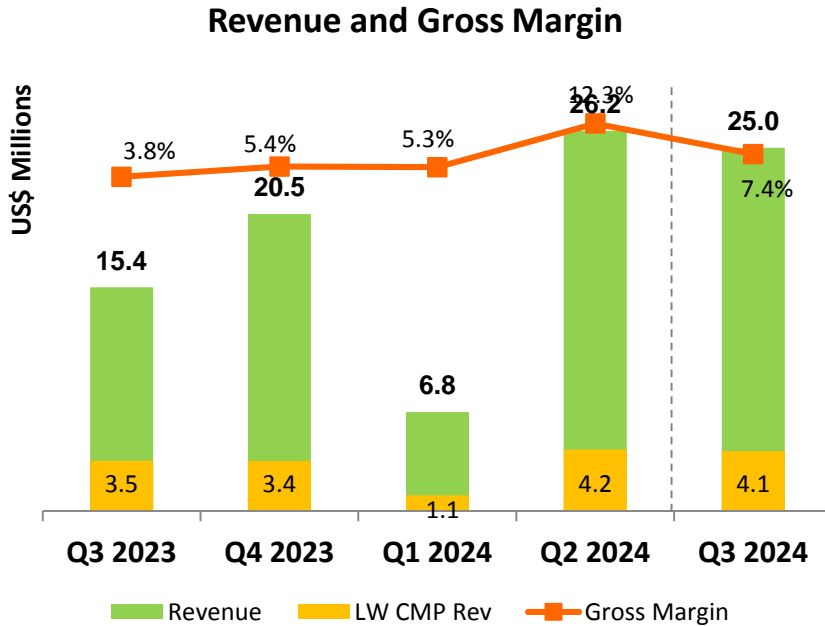
Revenue



Q3 2024

- Revenue increased by 59.03% YoY to \$25.08 million, due to the increase of sales volume of corrugating medium paper (“CMP”), partially offset by the decrease in average selling prices (“ASP”) of CMP.
- Overall gross margin up 8.68 percentage points YoY to 7.71%.
- Operating loss margin down 11.84 percentage points YoY to 3.91%.

Corrugating Medium Paper (CMP)

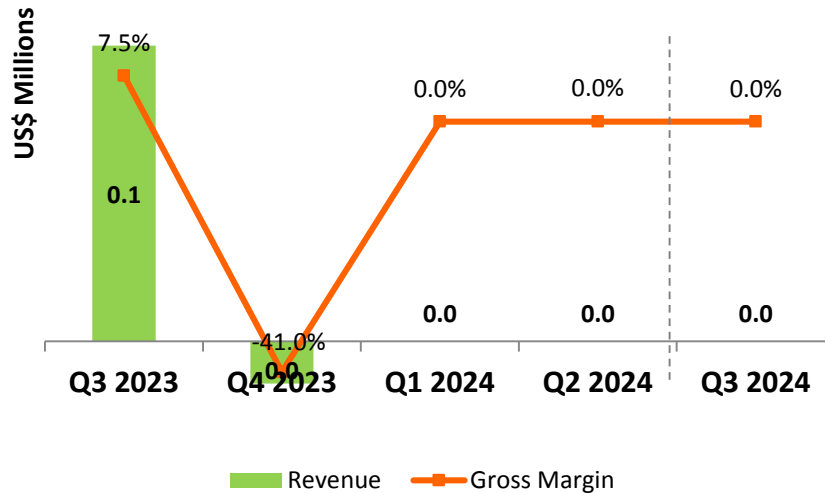


Q3 2024 CMP (includes both Regular and Light-Weight CMP)

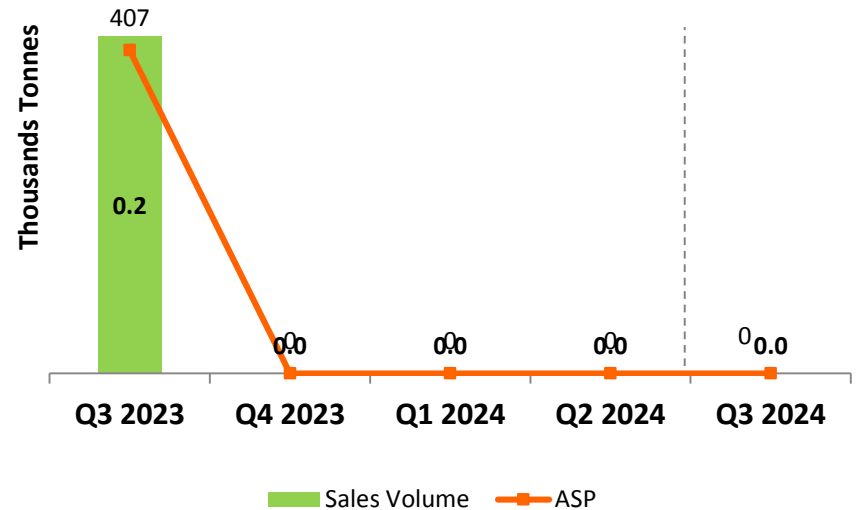
- Revenue: up 62.38% YoY to \$25.04 million, accounted for 99.85% of total revenue.
- Sales volume: up 68.67% YoY to 74,884 tonnes.
- ASP: Regular CMP down 3.71% to \$337/tonne.
- ASP: Light-Weight CMP down 4.71% to \$324/tonne.

Offset Printing Paper

Revenue and Gross Margin



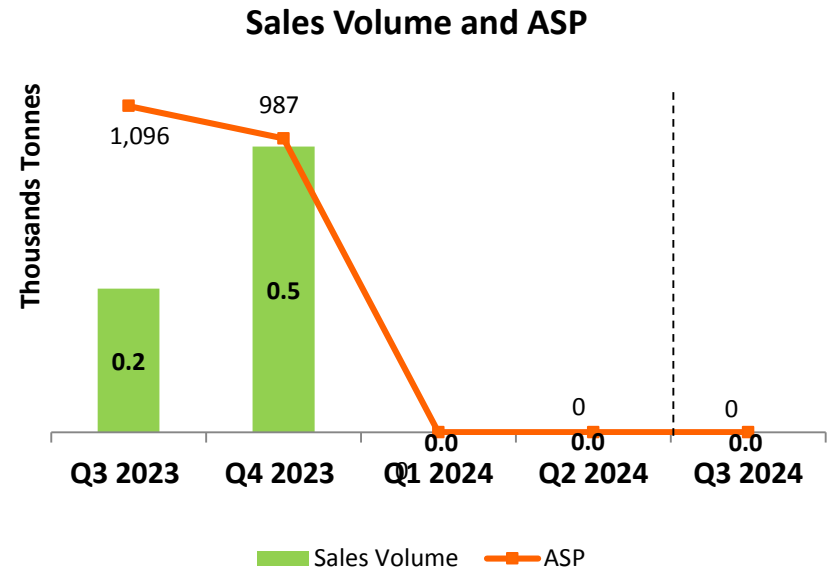
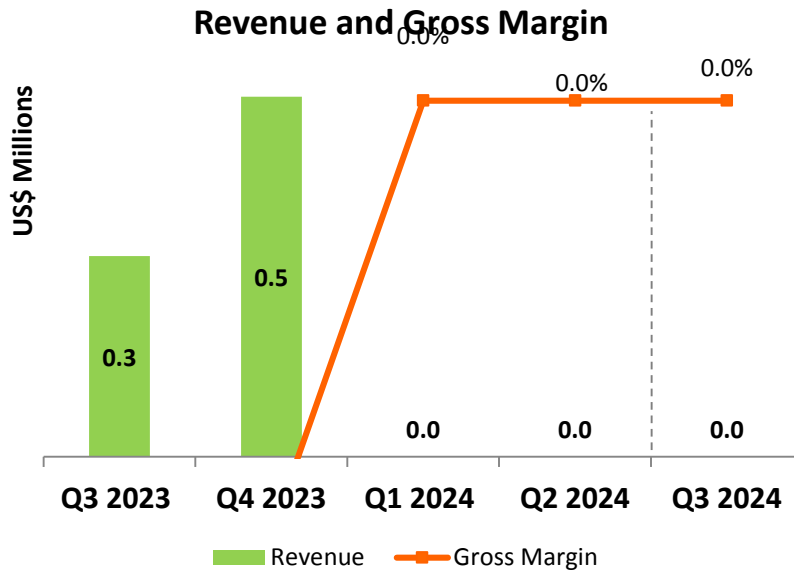
Sales Volume and ASP



Q3 2024 Offset Printing Paper

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

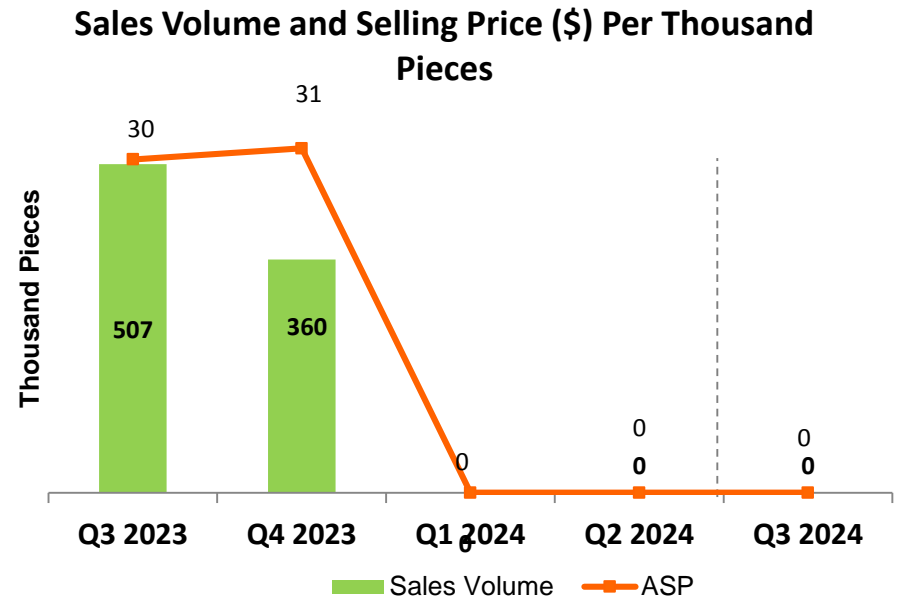
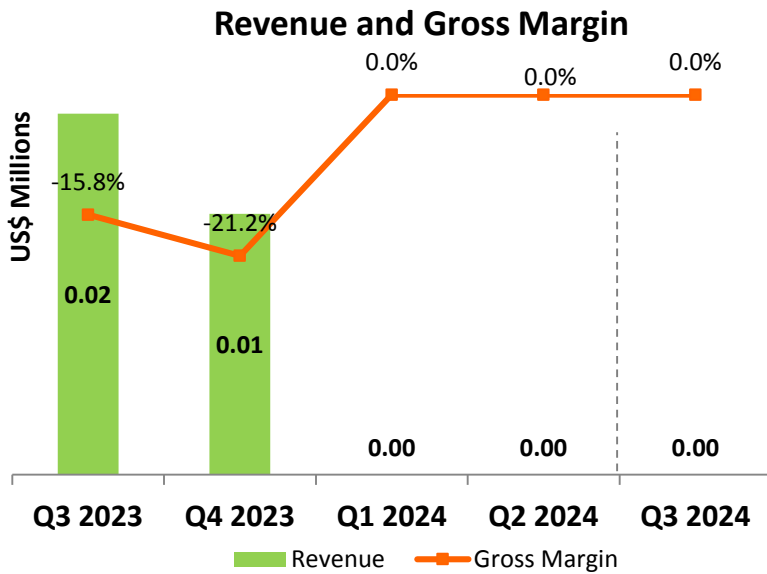
Tissue Paper



Q3 2024 Tissue Paper

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

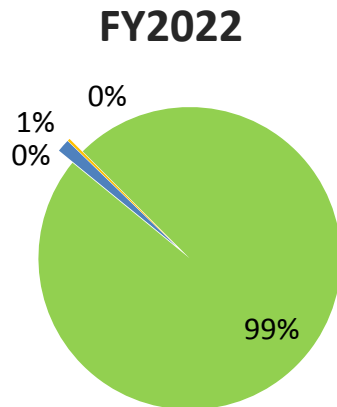
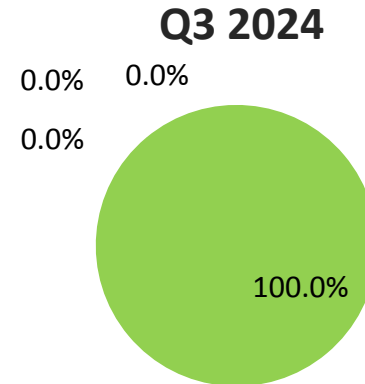
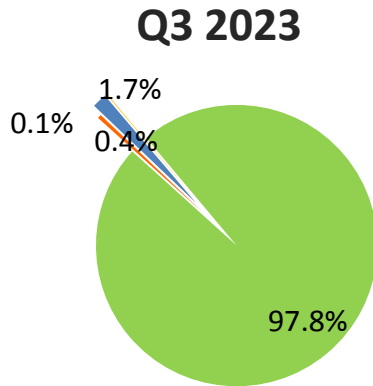
Face Mask



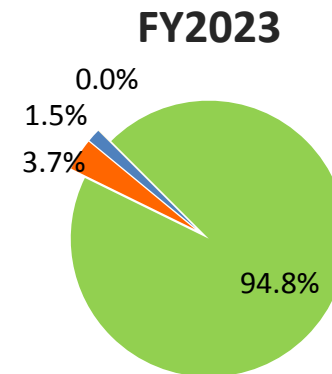
Q3 2024 Face Mask

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

Revenue Mix

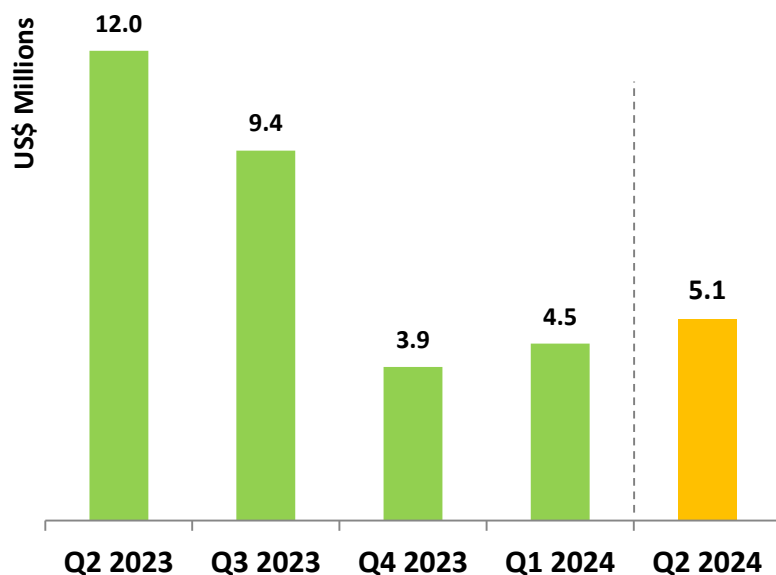


- Corrugating Medium Paper
- Offset Printing Paper
- Tissue Paper
- Face Mask

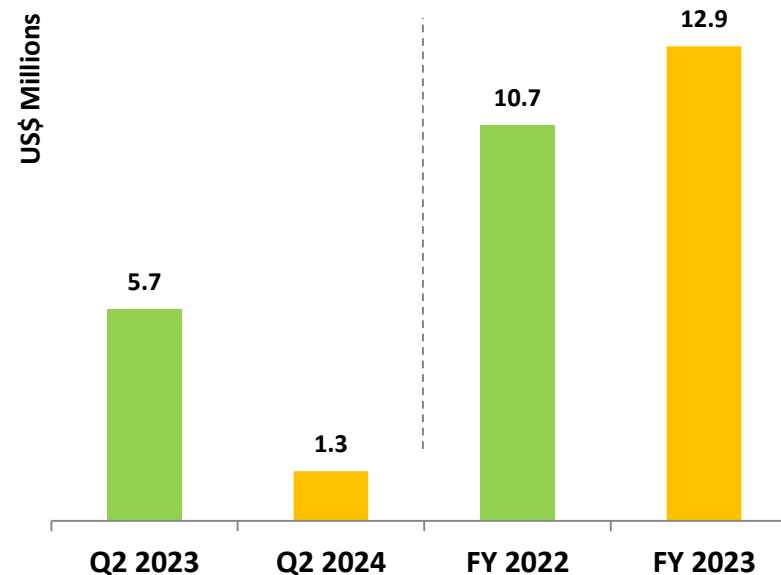


•Corrugating Medium Paper includes both Light-Weight CMP and Regular CMP

Cash and Cash Equivalents



Cash Flow from Operating Activities



Q3 2024

- Cash position at \$4.41 million as of september 30, 2024.
- Net cash provided by operating activities was \$2.83 million for the third quarter of 2024, as compared to \$7.49 million for the same period of last year.

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THANK YOU

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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]: 68.96% utilization rate in Q3 FY2024; vs. 38.07% in Q3 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 September 30		YoY Change
	2024	2023	
(US\$)			
Revenue	25,081,500	30,019,914	59.0%
Cost of sales	(23,164,119)	(15,924,783)	45.5%
Gross Profit	1,917,381	(153,223)	1351.4%
Gross profit margin	7.6%	-1.0%	8.6pp
Selling, general and administrative expenses	(3,381,502)	(2,334,746)	44.8%
Income (Loss) from operations	(1,4641,21)	(2,484,513)	-41.1%
Operating margin	-5.8%	-15.8%	-10.0pp
Net Income (Loss)	(1,973,946)	(1,975,368)	-0.07%
Net (loss) margin	-7.9%	-12.5%	-4.6pp
Loss per share – basic and diluted	(0.20)	(0.20)	-

Selected Balance Sheet Items

(US\$)	September 30, 2024	December 31, 2023
Current Assets		
Cash and bank balance	4,414,848	3,918,938
Restricted cash	478,066	472,983
Accounts receivable	1,727,370	575,526
Inventories	5,732,539	3,555,235
Other current assets	20,622,074	19,835,219
Total current assets	32,974,897	28,357,901
Property, plant, and equipment, net	154,755,386	163,974,022
Other non-current assets	2,287,956	2,411,726
Total Assets	190,018,239	194,743,649
Current Liabilities		
Short-term bank loans	856,238	423,567
Current portion of long-term loans	4,365,385	6,874,497
Lease Liability	249,976	100,484
Accounts Payable	-	4,991
Other current liabilities	15,283,025	14,015,395
Total current liabilities	20,754,624	21,418,934
Long-term loans	4,566,601	4,503,932
Lease Liability non-current	372,966	483,866
Derivative liability	3	54
Total Liabilities	25,694,194	26,406,786
Total Stockholders' equity	164,324,045	168,336,863
Total Liabilities and Stockholders' Equity	190,018,239	194,743,649

Solid Operating Cash Flows to Support Continued Investment



(US\$)	Nine Months Ended September 30,	
	2024	2023
Net Cash Provided by (Used in) Operating Activities	2,831,111	7,494,114
Net Cash Provided by (Used in) Investing Activities	(315,152)	(9,211,711)
Net Cash Provided by(Used in) Financing Activities	(2,112,706)	1,997,269
Effect of Exchange Rate Changes on Cash and Cash Equivalents	97,740	(366,599)
Net (Decrease)/Increase in Cash and Cash Equivalents	500,993	(86,927)
Cash,Cash Equivalents and Restricted Cash – Beginning of Period	4,391,921	9,524,868
Cash, Cash Equivalents and Restricted Cash– End of Period	4,892,914	9,437,941