

(NYSE MKT: ITP)

IT Tech Packaging, Inc.

Investor Presentation
January 2021



This presentation contains forward-looking statements as defined by the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements that are other than statements of historical facts. When the Company uses words such as "may," "will," "intend," "should," "believe," "expect," "anticipate," "project," "estimate" or similar expressions that do not relate solely to historical matters, it is making forward-looking statements. Specifically, the Company's statements regarding trading on the NYSE Market are forward-looking statements. Forward-looking statements are not guarantees of future performance and involve risks and uncertainties that may cause the actual results to differ materially from the Company's expectations discussed in the forward-looking statements. These statements are subject to uncertainties and risks including, but not limited to, the following: the Company's goals and strategies; the Company's future business development; product and service demand and acceptance; changes in technology; the growth of the paper market, particularly the paper making market, in China; reputation and brand; the impact of competition and pricing; government regulations; fluctuations in general economic and business conditions in China and the international markets the Company serves and assumptions underlying or related to any of the foregoing and other risks contained in reports filed by the Company with the Securities and Exchange Commission. For these reasons, among others, investors are cautioned not to place undue reliance upon any forward-looking statements in this press release. Additional factors are discussed in the Company's filings with the U.S. Securities and Exchange Commission, which are available for review at www.sec.gov. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the date hereof.

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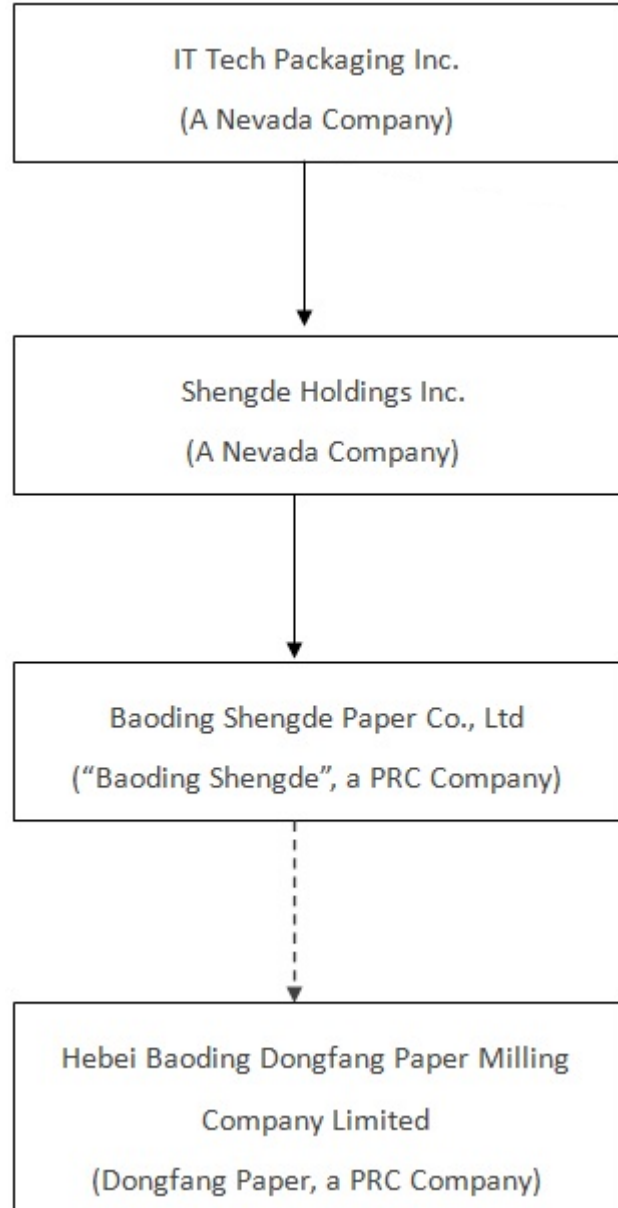
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Ticker Symbol	ITP
Stock Price (01/08/21)	\$0.67
52-Week Price Range	\$0.39-\$1.39
Market Cap.	\$15.7M
Shares Outstanding	28.5M
Revenues (Nine months ended Sep 30, 2020)	\$68M
Net Income (Nine months ended Sep 30, 2020)	\$(3.9)M
Gross Margin(Nine months ended Sep 30, 2020)	7.2%
Cash and Cash Equivalents (Nine months ended Sep 30, 2020)	\$8.2M
EPS (ttm)	\$(0.15)

Corporate Structure



Key Milestones

1996

Hebei Baoding Dongfang Paper Milling Company Limited ("Dongfang Paper") was established in Xushui County, Baoding City, Hebei Province

2007

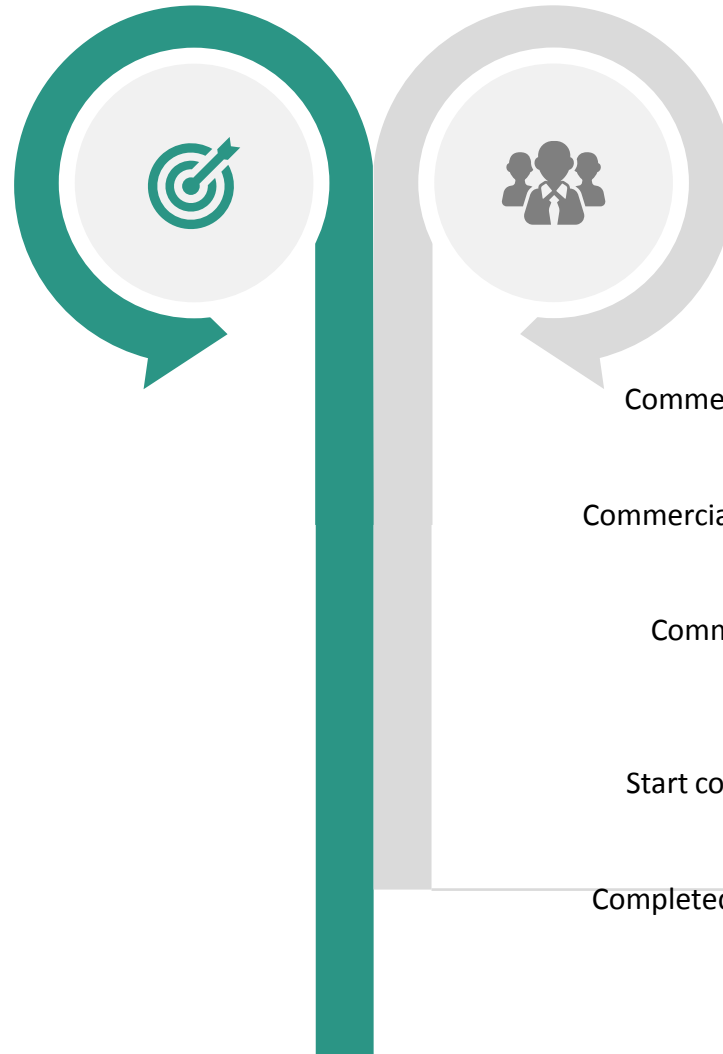
Listed on the OTCBB

2009

Listed on the NYSE AMEX Market

2018

Corporate name change to "IT Tech Packaging, Inc." with a ticker symbol "ITP" listed on the NYSE MKT



Recent Events

December 2018,

Commercial launch of the first tissue paper production line (PM 8)

November 2019,

Commercial launch of the second tissue paper production line (PM 9)

April 2020,

Commercial launch of a production line of single-use face masks
(Medical used masks are in application)

May 2020,

Start construction of its third tissue paper production line (PM 10)

November 2020,

Completed invitation for the 75 t/h biomass boiler procurement bids
for its biomass cogeneration project

Jing Hao

Chief Financial Officer

- Chief Financial Officer of the company since 2014
- Previously served as the Chief Financial Officer of the company between 2007 to 2009
- Chief Financial Officer of Hebei Baoding Dongfang Paper Milling Company Limited (Dongfang Paper) since 2006
- Manager of Finance for Dongfang Paper from 2005 to 2006

Zhenyong Liu

Chief Executive Officer and Chairman of the Board

- A member of the Board of Directors and Chairman of the Board of Directors of the company since 2007
- Chief Executive Officer of the company since 2007
- Chairman of Hebei Baoding Dongfang Paper Milling Company Limited Dongfang Paper since 1996
- Plant Director of Xinxin Paper Milling Factory in Xushui District from 1990 to 1996
- General Manager of the East Central Household Appliance Purchases and Supply Station from 1980 to 1989

Dahong Zhou

Secretary

- Secretary of the company since 2007
- Executive Manager of Hebei Baoding Dongfang Paper Milling Company Limited (Dongfang Paper) since 2006

A leading paper manufacturer in North China located in Baoding City, Hebei Province

- 9 registered trademarks
- Using recycled paper as primary raw material for CMP and OPP
- Produces and distributes four categories of paper products: packaging paper (corrugating medium paper), offset printing paper, digital photo paper, household paper, face mask and other paper products



Production Lines

As of September 30, 2020, we had six PM production lines in operation



Corrugating medium paper (CMP)

- Used in the manufacturing of cardboard.
- 85.61% of total paper production quantities and 77.22% of total revenue in 2019
- Raw materials include recycled paper board and certain supplementary agents
- 2 production lines, PM6 and PM1
- Light-weight CMP products have a wide range of commercial applications including:
 - Construction material
 - Moisture-proof packaging materials
 - Corrugating cardboard



Offset printing paper

- Used for offset printing in the publishing industry
- 11.68% of total paper production quantities and 17.38% of total sales revenue in 2019
- Raw materials include recycled white scrap paper, fluorescent whitening agent and sizing agent
- 2 production lines, PM2 and PM3



Tissue Paper Products

- Process base tissue paper purchased from a long-term supplier and produce finished tissue paper products, including toilet paper, boxed and soft-packed tissues, handkerchief tissues and paper napkins, as well as bathroom and kitchen paper towels that are marketed and sold under the Dongfang Paper brand
- 2 production lines, PM8 and PM9
- 1 New line in construction, PM10



Manufacturing Process



Corrugating Medium Paper and Offset Printing Paper

Two stages of manufacturing



Pulping

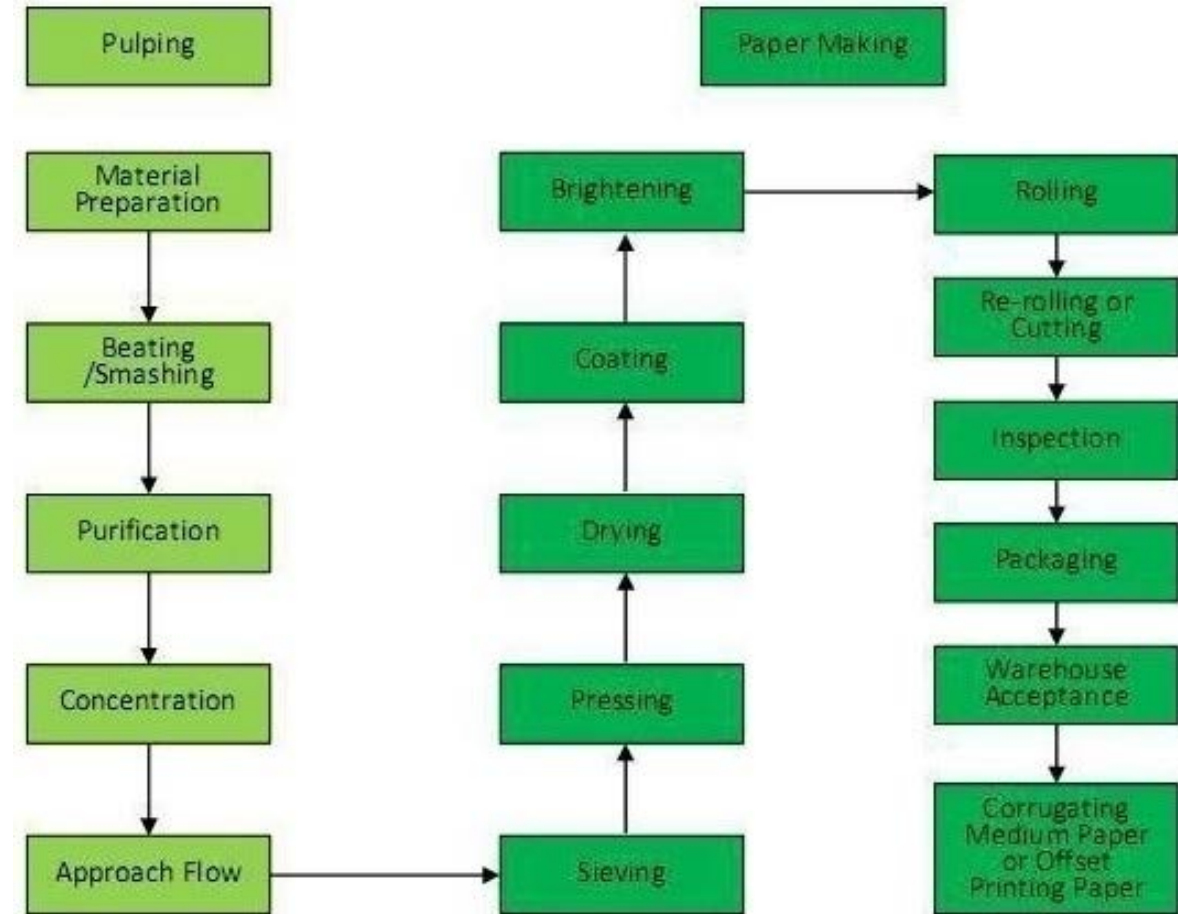


Paper Making



Base Tissue Paper

1. Commercial pulp
2. Repulping
3. Paper making
4. Rewinding
5. Paper cutting
6. Packaging



Customers and Suppliers



Customers

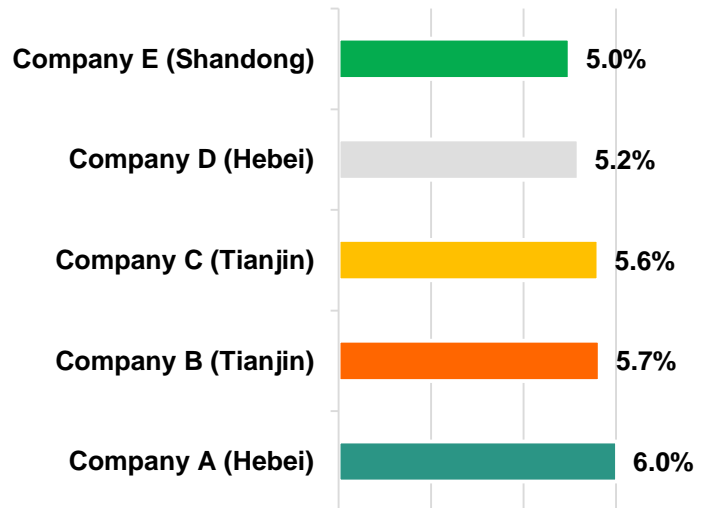
- Companies making corrugating cardboards and printing companies
- Largest customer is a printing company in Tianjin City
- 5 major customers during nine months ended Sep 30, 2020



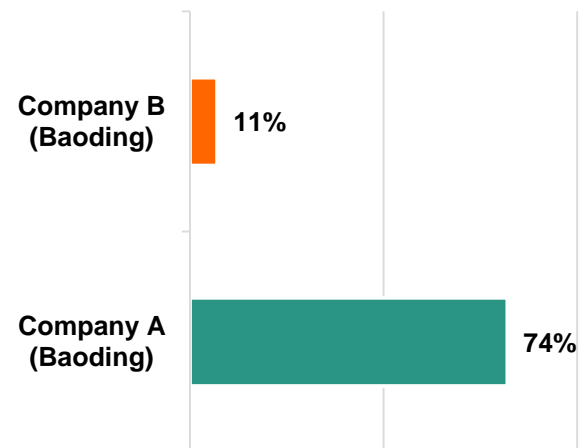
Suppliers

- Recycled paper board and unprinted recycled white scrap paper from domestic recycling stations
- Annual raw materials supplier contracts
- 2 major suppliers for the nine months ended Sep 30, 2020

Major Customers



Major Suppliers



Our Production Lines

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	Digital photo paper	**	Xushui District, Baoding city, Hebei province
PM5	Digital photo paper	**	
PM6 ^[a]	Corrugating medium paper	360,000	Xushui District, Baoding city, Hebei province
PM7 ^[b]	Specialty paper	10,000	
PM8 ^[c]	Tissue paper	15,000	Economic Development Zone in Wei County, Hebei Province
PM9 ^[c]	Tissue paper	15,000	
PM10	Tissue paper	20,000	In construction

[a]: PM6 is funded and owned by Baoding Shengde; ancillary facilities that support the PM6 operation are built and owned by Dongfang Paper

[b]: Paper machines under renovation, construction or in the planning stage

[c]: In December 2018 and November 2019, we completed the construction, installation and test of operation of PM8 and PM9, respectively, and commercially launched tissue paper production of PM8 and PM9 at such time.

OUR COMPETITIVE EDGE



Regional advantage (Northern China)

- One of the leading papermaking enterprises in Hebei Province.
- Our proximity to large urban centers in northern China, Beijing and Tianjin, gives us access to a large market to sell our products



Cost Advantage

- Lower freight costs
- Lower inventory costs
- Low-cost raw materials
- Lower pricing



CLEAN MANUFACTURING



Raw Materials

- Eco-friendly recycled papers
- Minimize impact on the environment
- Reduce costs



By- Product Recycle

- Recycles paper fiber sludge
- Improves paper's toughness and stiffness



Sewage Processing System

- Daily processing capacity of up to 50,000 tons
- Recycles waste water discharged from production
- Re-use by CMP production lines



Awards & Certificates



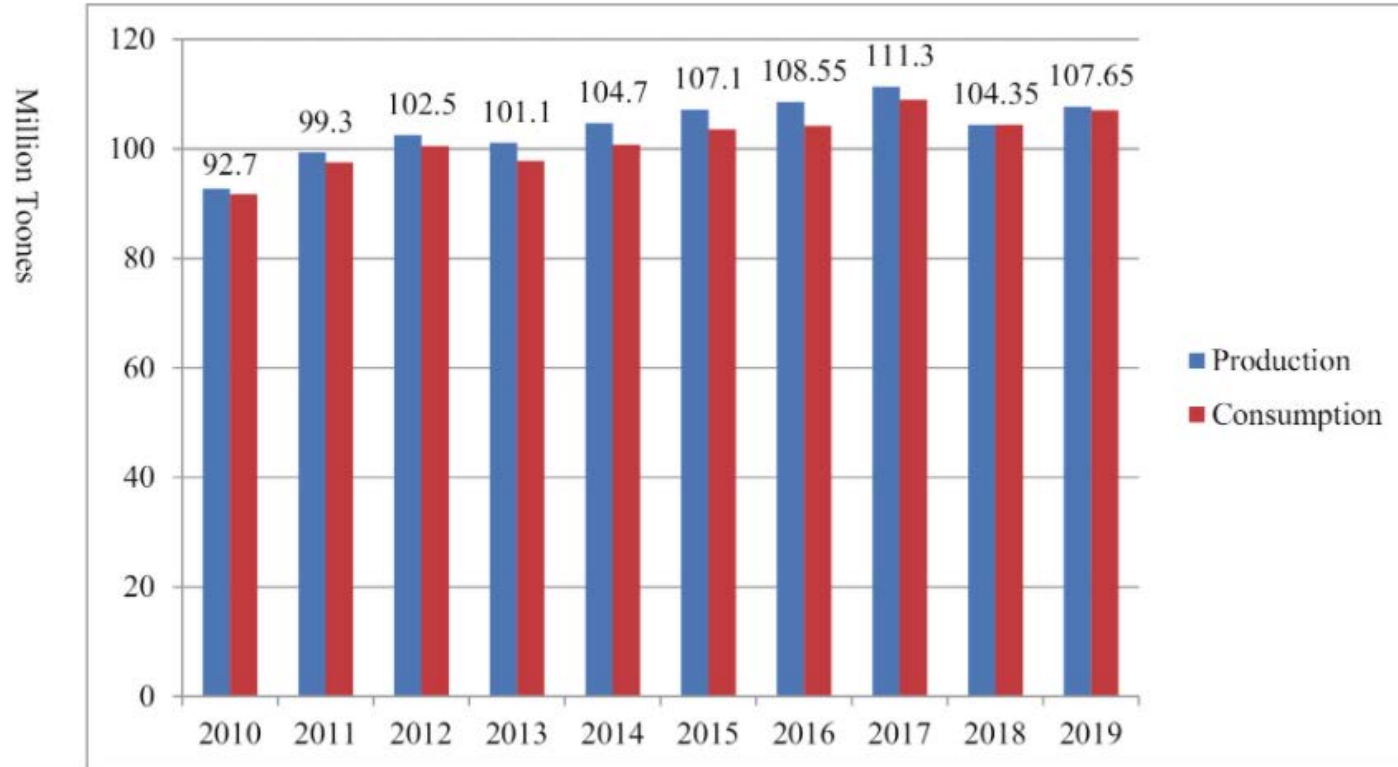
Quality Management System Certification



Environmental Management System Certification

- September 2013: "Reliable Enterprise of Hebei Province Certification".
- April 2010: Obtained new ISO 9001:2008 Quality Management System Certification and ISO 14001:2004 Environmental Management System Certification
- 2007: A PRC Import License for Solid Wastes by the State Environmental Protection Administration
- 2006: Became a member of the China Import and Export Enterprises Association
- 2003: "Special Targeted Protected Enterprise in Xushui County" by the Xushui district government.

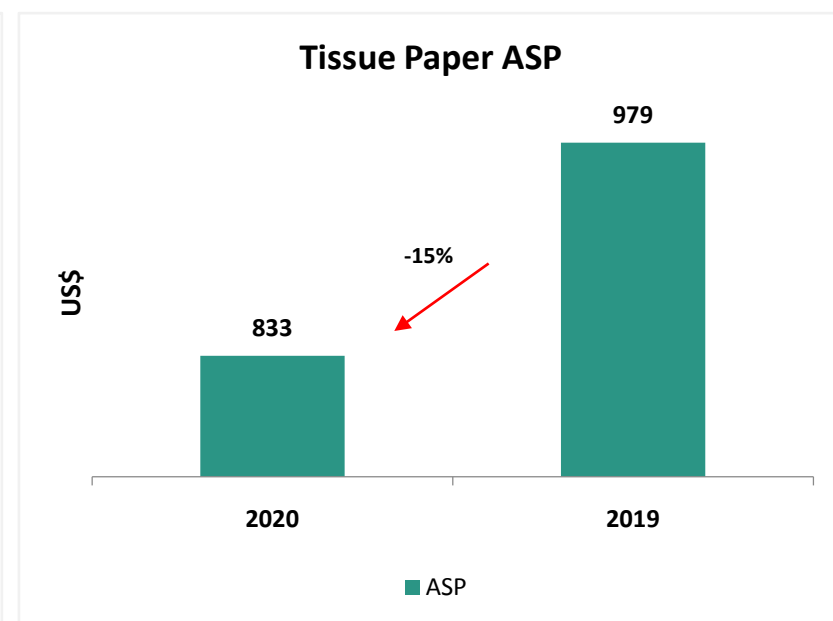
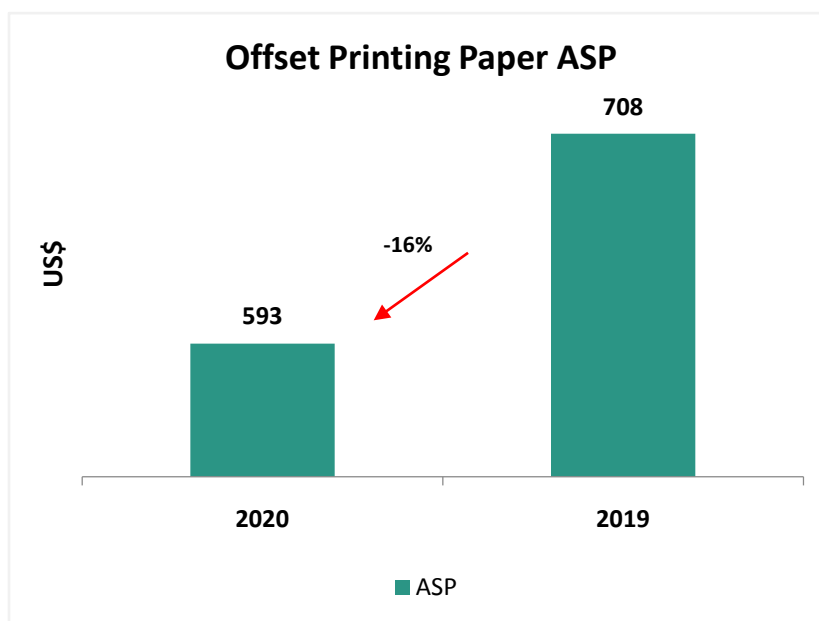
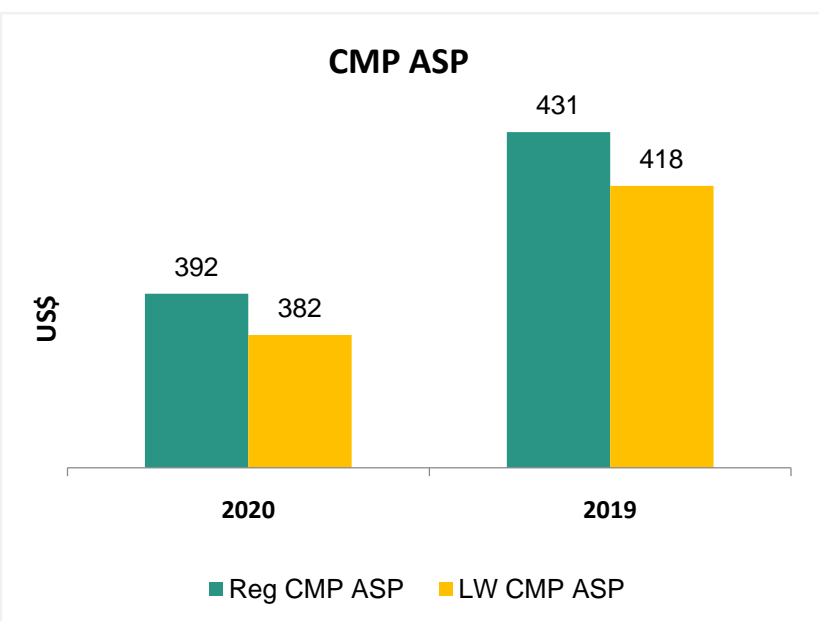
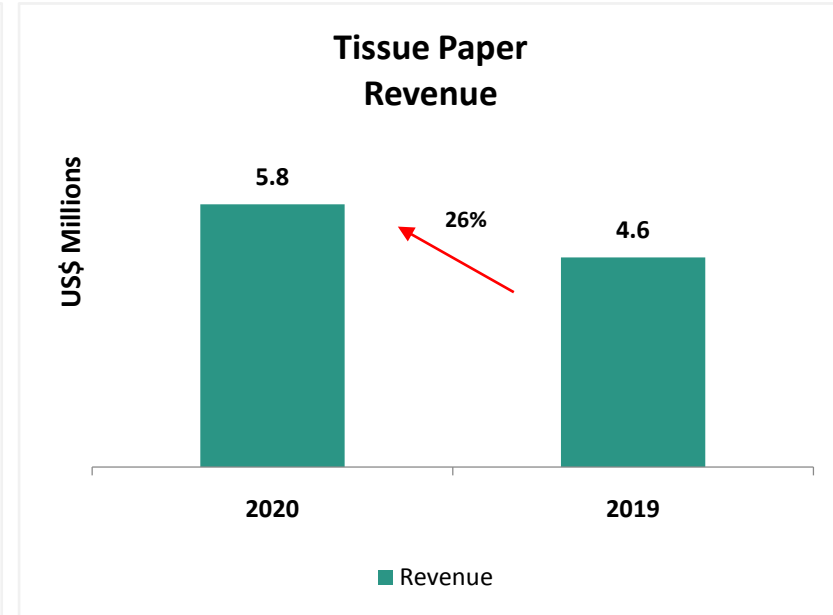
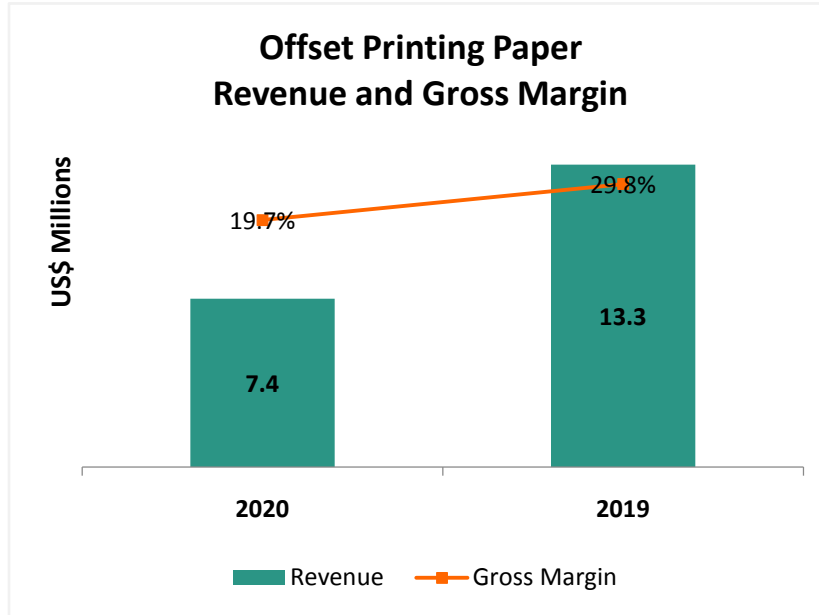
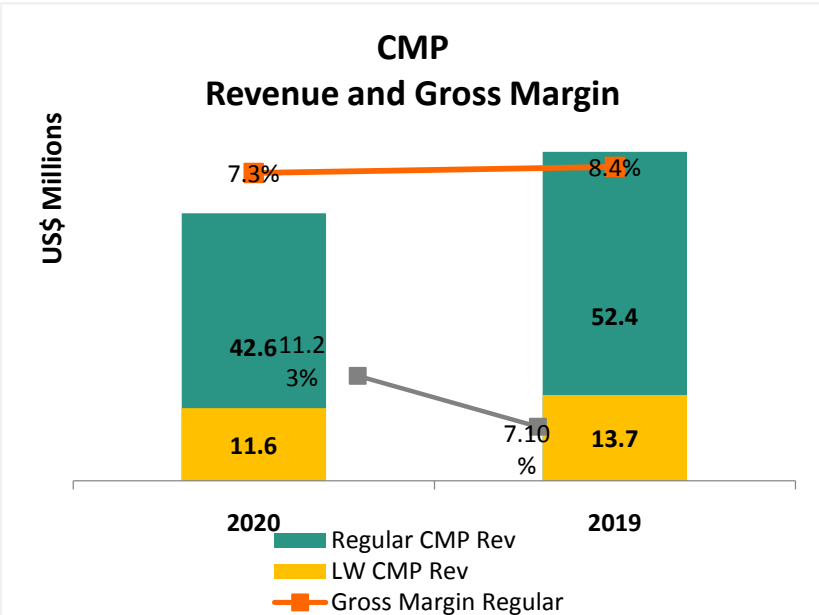
Industry Overview



- 2,700 paper and paper board manufacturers (down from 3,700 in 2010) in China, with a total output of 107.65 million tonnes in 2019
- Total domestic consumption was 107.04 million tonnes in 2019
- The output of paper and paper board maintained an average growth rate of approximately 1.68% during the ten-year period from 2010 to 2019, while consumption increased at an average annual rate of 1.73%
- China currently has the largest paper and paper board products output and consumption in the world.

Data source: 2019 Annual Report of China's Paper Industry, May 2020, China Paper Association

Key Metrics (nine months ended September 30)



Income Statement

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Revenues	\$ 33,357,451	\$ 32,937,917	\$ 68,463,575	\$ 84,008,157
Cost of sales	(30,789,899)	(27,563,185)	(63,506,913)	(75,917,762)
Gross Profit	2,567,551	5,374,732	4,956,662	8,090,395
Selling, general and administrative expenses	(2,390,920)	(2,024,547)	(8,445,356)	(7,413,879)
Gain on acquisition of a subsidiary	—	(879)	—	30,518
Income (Loss) from Operations	176,631	3,349,306	(3,488,694)	707,034
Other Income (Expense):				
Interest income	8,544	1,413	23,785	61,787
Subsidy income	61,152	(2,800)	203,171	233,488
Interest expense	(258,438)	(236,987)	(744,592)	(731,027)
Loss on derivative liability	(482,515)		(510,380)	
(Loss) Income before Income Taxes	(494,626)	3,110,932	(4,516,710)	271,282
Provision for Income Taxes	(26,348)	(772,905)	579,418	(205,780)
Net (Loss) Income	(520,974)	2,338,027	(3,937,292)	65,502
Other Comprehensive Income (Loss)				
Foreign currency translation adjustment	6,670,510	(4,810,379)	4,204,935	(5,065,382)
Total Comprehensive Income (Loss)	<u>\$ 6,149,536</u>	<u>\$ (2,472,352)</u>	<u>\$ 267,643</u>	<u>\$ (4,999,880)</u>
(Losses) Earnings Per Share:				
Basic and Diluted (Losses) Earnings per Share	<u>\$ (0.02)</u>	<u>\$ 0.11</u>	<u>\$ (0.15)</u>	<u>\$ 0.003</u>

Balance Sheet

(US\$)	September 30, 2020	September 30, 2019
Current Assets		
Cash and cash equivalents	8,209,905	5,837,745
Restricted cash	-	-
Accounts receivable	3,472,374	3,119,311
Inventories	8,582,912	1,607,463
Prepayments and other current assets	9,930,262	11,613,241
Total current assets	30,410,645	24,041,239
Property, plant, and equipment, net	142,783,813	151,616,852
Deferred tax asset non-current	12,365,164	10,485,053
Total Assets	193,329,964	190,198,430
Current Liabilities		
Short-term bank loans	6,314,151	6,163,814
Current portion of long-term loans from credit union	3,803,175	1,605,459
Accounts payable	308,611	250,486
Other payables and accrued liabilities	4,573,972	6,503,010
Total current liabilities	16,860,048	16,835,460
Loans from credit union	5,389,054	7,367,908
Lease liability – non-current	385,650	-
Deferred gain on sale-leaseback	406,767	-
Derivative liability	1,199,585	-
Total Liabilities	24,241,104	24,203,368
Total Stockholders' equity	169,088,860	165,995,062
Total Liabilities and Stockholders' Equity	193,329,964	190,198,430

Statement of Cash Flows

(US\$)	Nine Months Ended September 30,	
	2020	2019
Net Cash Provided by (Used in) Operating Activities	2,369,487	4,599,034
Net Cash Provided by (Used in) Investing Activities	(2,571,949)	(6,449,181)
Net Cash Provided by(Used in) Financing Activities	2,241,043	(5,224,295)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	333,579	(237,122)
Net (Decrease)/Increase in Cash and Cash Equivalents	2,372,160	(7,311,564)
Cash and Cash Equivalents – Beginning of Period	5,837,745	12,117,425
Cash and Cash Equivalents – End of Period	8,209,905	4,805,861

A photograph of a paper mill with large rolls of paper being processed by machinery. The image is overlaid with a teal semi-transparent graphic that contains text.

Thank You!

Contact Information:

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