



IT Tech Packaging, Inc.

Second Quarter 2025

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 Q2 2025

Revenue decreased by 5.54% YoY to \$24.79 million, mainly due to decreases in the sales volume of corrugating medium paper ("CMP") and in the average selling prices ("ASP") of CMP.

Gross profit decreased by 60.99% YoY to \$1.27 million. Overall gross margin down 7.30 percentage points to 5.14%.

Income from operations was \$1.76million, compared to income from operations of \$0.55 million for the same period of last year.

Net loss was \$1.95 million, or loss per share of \$0.16, compared to net loss of \$0.08 million, or loss per share of \$0.01, for the same period of last year.

Earnings before interest, taxes, depreciation and amortization ("EBITDA") was \$1.78 million, compared to EBITDA of \$3.93 million for the same period of last year.

Key Highlights for the First Half of 2025

Revenue increased by 7.79% YoY to \$35.69 million, mainly due to the increase in sales volume of CMP, partially offset by decreased ASPs of CMP products.

Gross profit decreased by 62.95% YoY to \$1.36 million, primarily due to the decline in ASPs of CMP and increased unit cost of materials, partially offset by the increase in sales volume of CMP.

Loss from operations was \$5.14 million, compared to loss from operations of \$2.95 million for the same period of last year.

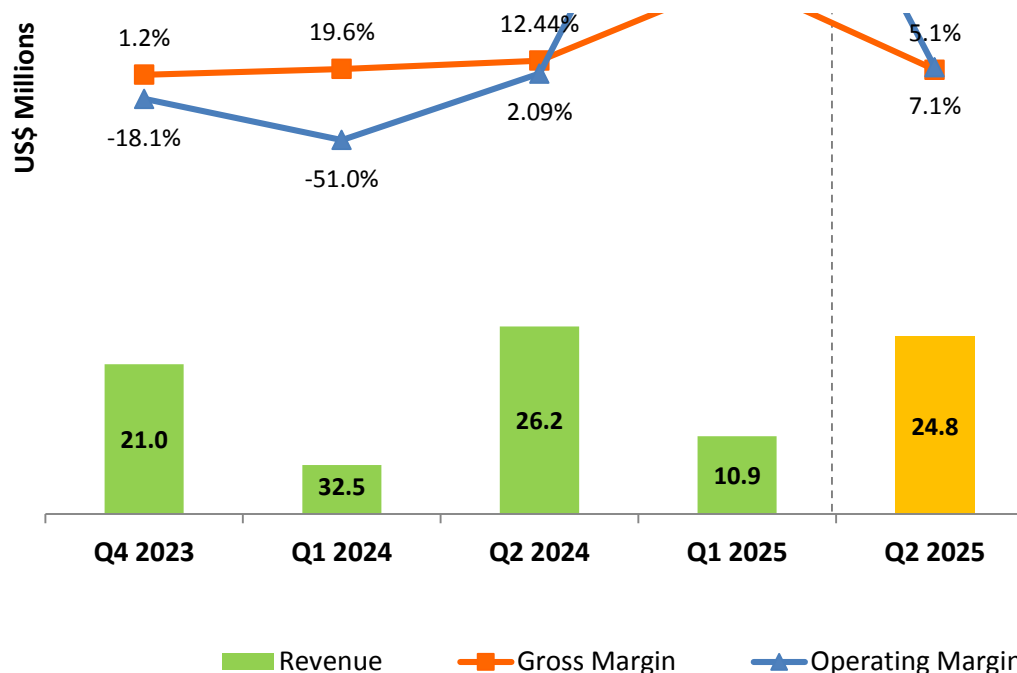
Net loss was \$5.46 million, or loss per share of \$0.46, compared to net loss of \$3.82 million, or loss per share of \$0.38, for the same period of last year.

Earnings before interest, taxes, depreciation and amortization (“EBITDA”) was \$1.96 million, compared to EBITDA of \$3.91 million for the same period of last year.

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FINANCIAL & BUSINESS REVIEW

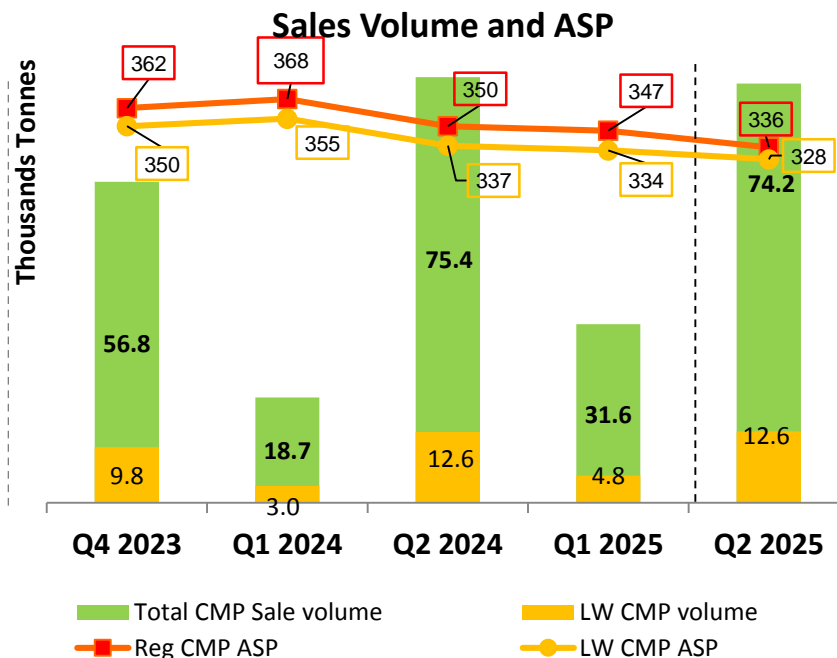
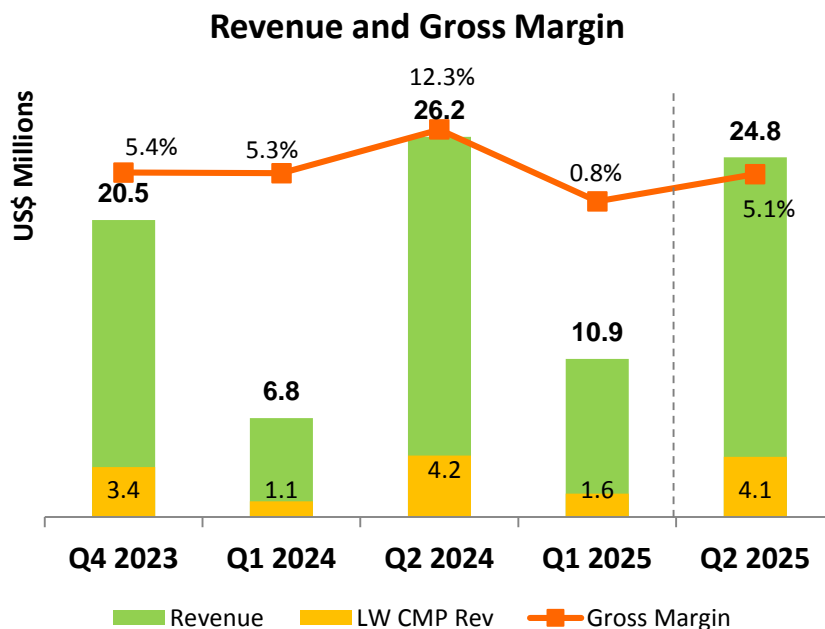
Revenue



Q2 2025

- Revenue down 5.54% YoY to \$24.79 million, due to decreases in the sales volume of corrugating medium paper (“CMP”) and in the average selling prices (“ASP”) of CMP.
- Overall gross margin down 7.30 percentage points YoY to 5.14%.
- Operating loss margin down 9.20 percentage points YoY to 7.11%.

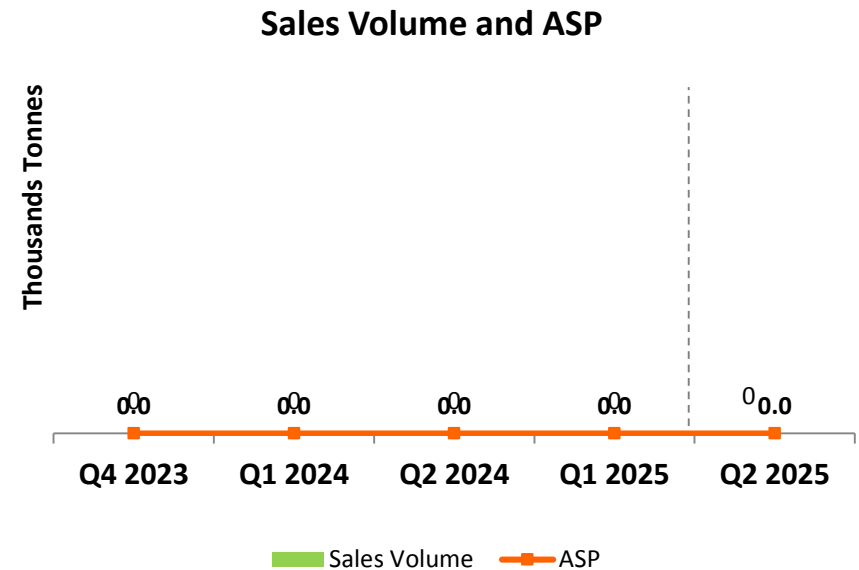
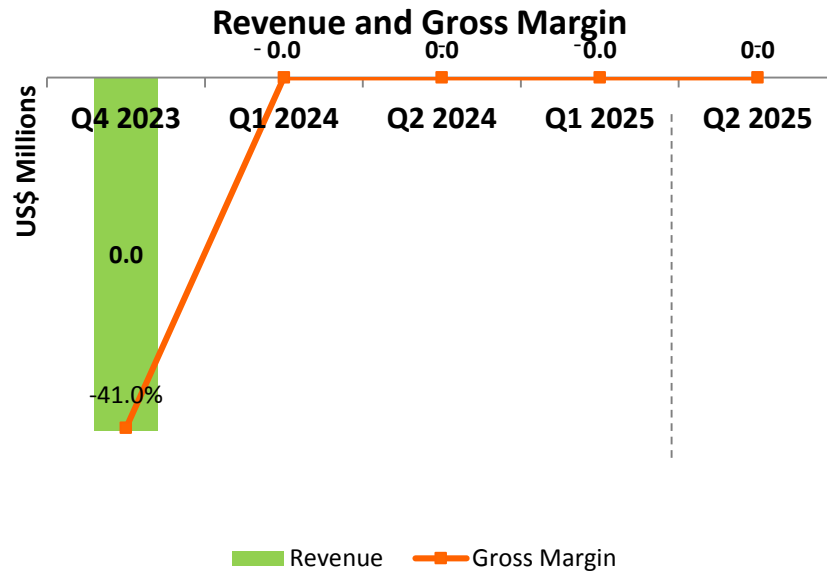
Corrugating Medium Paper (CMP)



Q2 2025 CMP (includes both Regular and Light-Weight CMP)

- Revenue: down 5.41% YoY to \$24.79 million, accounted for 100% of total revenue.
- Sales volume: down 1.56% YoY to 74,188 tonnes.
- ASP: Regular CMP down 4.00% to \$336/tonne.
- ASP: Light-Weight CMP down 2.67% to \$328/tonne.

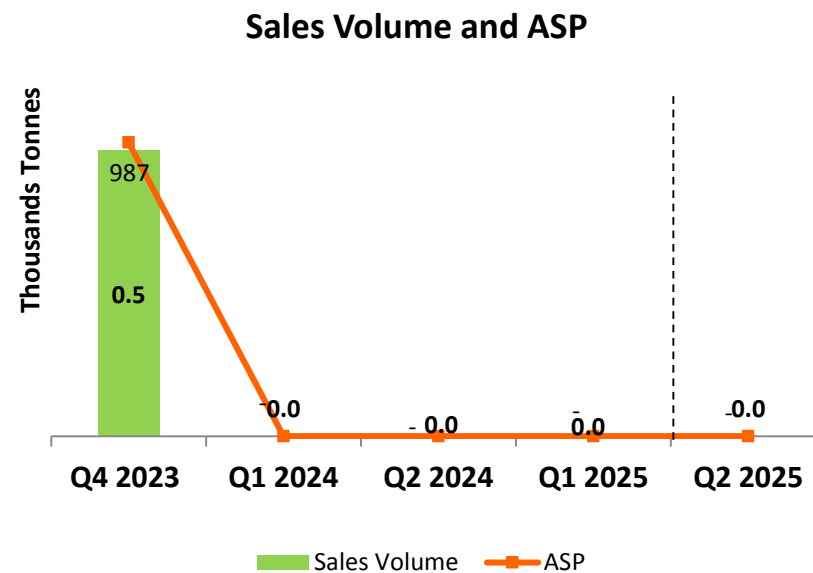
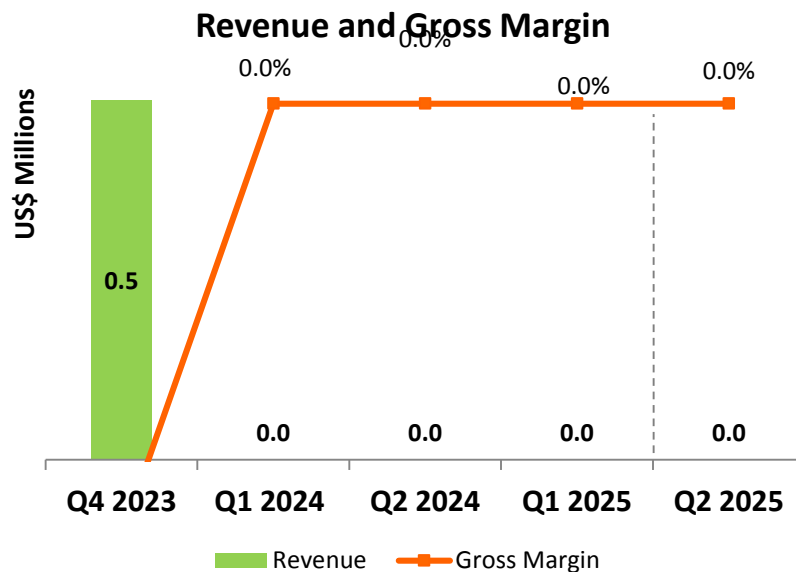
Offset Printing Paper



Q2 2025 Offset Printing Paper

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

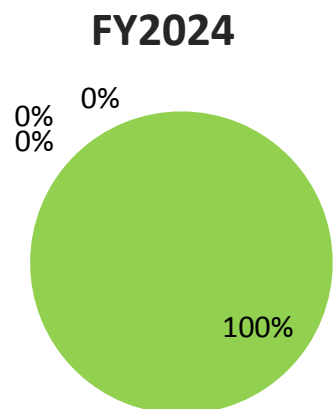
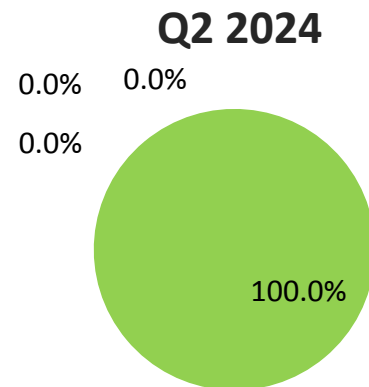
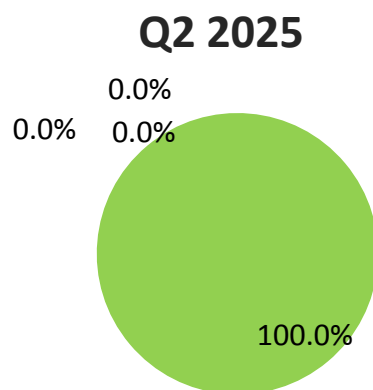
Tissue Paper



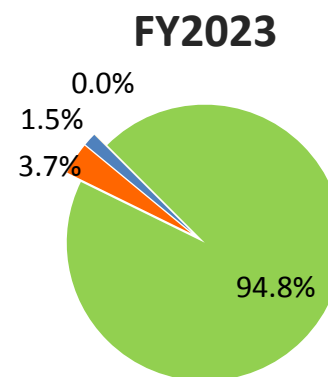
Q2 2025 Tissue Paper

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

Revenue Mix

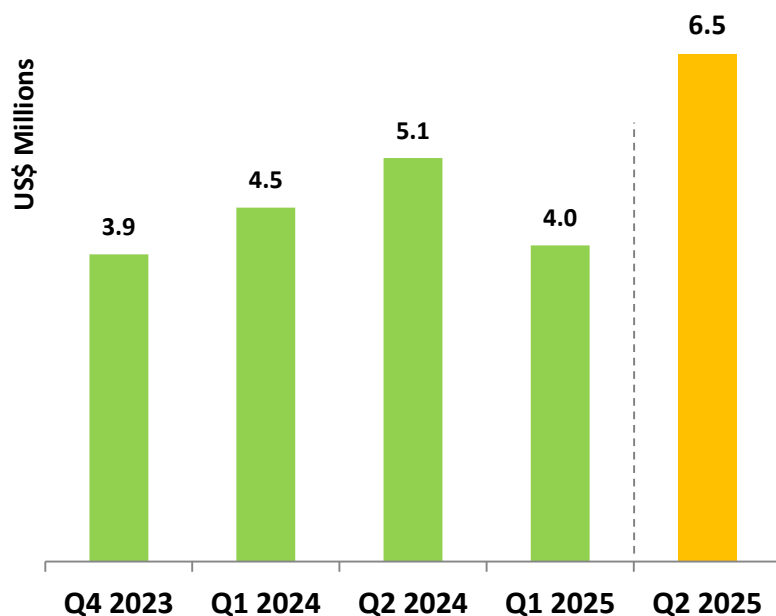


- Corrugating Medium Paper
- Offset Printing Paper
- Tissue Paper

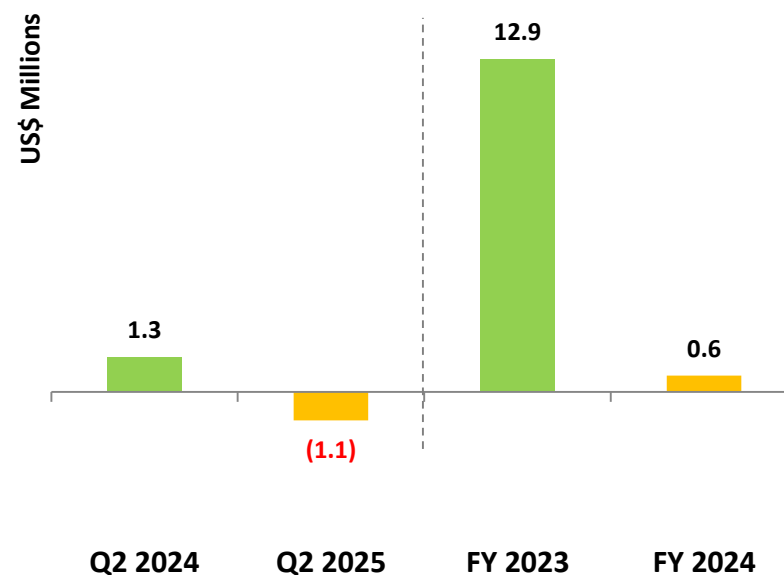


•Corrugating Medium Paper includes both Light-Weight CMP and Regular CMP

Cash and Cash Equivalents



Cash Flow from Operating Activities



Q2 2025

- Cash position at \$6.47 million as of June 30, 2025.
- Net cash used in operating activities was \$1.11 million for the second quarter of 2025, as compared to net cash provided by operating activities was \$1.35 million for the same period of last year.

The background of the image is a close-up, artistic shot of an open book. The pages are fanned out, creating a sense of depth and movement. A vibrant green rectangular overlay is positioned in the center, partially obscuring the book's pages. The text "THANK YOU" is written in white, bold, sans-serif capital letters on the green background.

THANK YOU

The background of the slide features a close-up, artistic shot of an open book. The pages are fanned out, creating a sense of depth and movement. A semi-transparent green rectangular box is positioned in the center-left of the image, serving as a backdrop for the title text. The overall lighting is soft, highlighting the texture of the paper.

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]: 68.82% utilization rate in Q2 FY2025; vs. 68.02% in Q2 FY2024.

[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 June 30		YoY Change
(US\$)	2025	2024	
Revenue	24,794,641	26,249,788	-5.5%
Cost of sales	(23,520,896)	(22,984,488)	-2.3%
Gross Profit	1,273,745	3,265,300	-61.0%
Gross profit margin	5.1%	12.4%	-7.3pp
Selling, general and administrative expenses	(3,036,775)	(2,717,548)	11.8%
Income (Loss) from operations	(1,763,030)	547,752	-421.9%
Operating margin	(7.1)%	2.1%	-9.2pp
Net Income (Loss)	(1,951,826)	(77,747)	-2410.5%
Net (loss) margin	(7.9)%	0.3%	-8.2pp
Loss per share – basic and diluted	(0.16)	(0.01)	-1700%

Selected Balance Sheet Items

(US\$)	June 30, 2025	December 31, 2024
Current Assets		
Cash and bank balance	6,470,481	5,916,373
Restricted cash	1,038,874	1,034,203
Accounts receivable	1,841,007	287,576
Inventories	5,094,810	2,351,876
Other current assets	18,199,346	18,871,275
Total current assets	32,644,518	28,461,303
Property, plant, and equipment, net	140,435,446	146,911,883
Other non-current assets	2,082,598	2,173,600
Total Assets	175,162,562	177,546,786
Current Liabilities		
Short-term bank loans	5,056,855	4,451,616
Current portion of long-term loans	3,574,721	3,559,902
Lease Liability	110,903	245,604
Accounts Payable	-	1
Other current liabilities	12,599,073	11,889,644
Total current liabilities	21,341,552	20,146,767
Long-term loans	1,117,537	1,112,904
Lease Liability non-current	385,599	231,147
Derivative liability	303	5,651
Total Liabilities	22,844,991	21,496,469
Total Stockholders' equity	152,317,571	156,050,317
Total Liabilities and Stockholders' Equity	175,162,562	177,546,786

Solid Operating Cash Flows to Support Continued Investment



(US\$)	Six Months Ended June 30,	
	2025	2024
Net Cash Provided by (Used in) Operating Activities	(1,111,313)	1,346,337
Net Cash Provided by (Used in) Investing Activities	(29,896)	(62,640)
Net Cash Provided by(Used in) Financing Activities	1,648,262	422,096
Effect of Exchange Rate Changes on Cash and Cash Equivalents	51,726	(53,792)
Net (Decrease)/Increase in Cash and Cash Equivalents	558,779	1,652,001
Cash and Cash Equivalents – Beginning of Period	6,950,576	4,391,921
Cash and Cash Equivalents – End of Period	7,509,355	6,043,922