

# VIKASE<sup>®</sup>



Financial report for the  
fiscal quarter ended

**March 31, 2023**

CONSOLIDATED FINANCIAL STATEMENTS OF VISKASE COMPANIES, INC. AND  
SUBSIDIARIES

1. Financial Statements:

Consolidated Balance Sheets as of March 31, 2023 (unaudited) and December 31, 2022

Consolidated Statements of Operations for the three months ended March 31, 2023 and March 31, 2022 (unaudited)

Consolidated Statements of Comprehensive Income for the three months ended March 31, 2023 and March 31, 2022 (unaudited)

Consolidated Statements of Stockholders' Equity for the for the three months ended March 31, 2023 (unaudited) and year ended December 31, 2022

Consolidated Statements of Cash Flows for the three months ended March 31, 2023 and March 31, 2022 (unaudited)

**VISKASE COMPANIES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(In Thousands, Except for Number of Shares)

	March 31, 2023 (unaudited)	December 31, 2022
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$12,654	\$8,783
Receivables, net	86,372	87,584
Inventories	112,467	103,172
Other current assets	41,529	40,152
Total current assets	253,022	239,691
Property, plant and equipment	422,110	416,628
Less accumulated depreciation	(283,426)	(274,781)
Property, plant and equipment, net	138,684	141,847
Right of use assets	24,140	24,520
Other assets, net	16,790	23,258
Intangible assets	16,145	16,808
Goodwill	3,263	3,207
Deferred income taxes	22,511	22,261
Total Assets	\$474,555	\$471,592
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Short-term debt	\$42,988	\$39,375
Accounts payable	37,183	43,377
Accrued liabilities	35,190	31,491
Short-term portion lease liabilities	4,851	4,851
Total current liabilities	120,212	119,094
Long-term debt, net of current maturities	120,755	122,521
Long-term liabilities	384	7,383
Accrued employee benefits	36,564	36,211
Deferred income taxes	3,378	3,405
Long-term lease liabilities	22,294	22,693
Stockholders' equity:		
Common stock, \$0.01 par value; 103,995,935 shares issued and 103,190,665 outstanding	1,040	1,040
Paid in capital	182,343	182,343
Retained earnings	52,794	45,467
Less 805,270 treasury shares, at cost	(298)	(298)
Accumulated other comprehensive loss	(63,786)	(67,114)
Total Viskase stockholders' equity	172,093	161,438
Deficit attributable to non-controlling interest	(1,125)	(1,153)
Total stockholders' equity	170,968	160,285
Total Liabilities and Stockholders' Equity	\$474,555	\$471,592

**VISKASE COMPANIES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In Thousands)  
(Unaudited)

	3 Months Ended March 31, 2023	3 Months Ended March 31, 2022
NET SALES	\$117,847	\$101,621
Cost of sales	<u>90,894</u>	<u>81,028</u>
GROSS MARGIN	26,953	20,593
Selling, general and administrative	13,562	12,124
Amortization of intangibles	<u>400</u>	<u>420</u>
OPERATING INCOME	12,991	8,049
Interest expense	3,176	1,158
Other expense (income), net	<u>6,662</u>	<u>(618)</u>
INCOME BEFORE INCOME TAXES	3,153	7,509
Income tax (benefit) provision	<u>(4,202)</u>	<u>1,432</u>
NET INCOME	<u>\$7,355</u>	<u>\$6,077</u>
Less: income (loss) attributable to noncontrolling interests	<u>28</u>	<u>(37)</u>
Net income attributable to Viskase Companies, Inc	<u>\$7,327</u>	<u>\$6,114</u>

**VISKASE COMPANIES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(In Thousands)  
(Unaudited)

	3 Months Ended March 31, 2023	3 Months Ended March 31, 2022
Net income	\$7,355	\$6,077
Other comprehensive income (loss), net of tax		
Pension liability adjustment	215	274
Foreign currency translation adjustment	3,114	(634)
Other comprehensive income (loss), net of tax	3,329	(360)
Comprehensive income	<u>\$10,684</u>	<u>\$5,717</u>
Less: comprehensive income (loss) attributable to noncontrolling interests	<u>28</u>	<u>(37)</u>
Net comprehensive income attributable to Viskase Companies, Inc	<u>\$10,656</u>	<u>\$5,754</u>

**VISKASE COMPANIES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
(In Thousands)  
(Unaudited)

	Common stock	Paid in capital	Treasury stock	Retained earnings	Accumulated other comprehensive loss	Total stockholders' equity	Non-controlling Interest	Total stockholders' equity
Balance December 31, 2021	\$1,040	\$182,343	(\$298)	\$42,938	(\$73,639)	\$152,384	\$ (908)	\$151,476
Net income	-	-	-	2,529	-	2,529	(245)	2,284
Foreign currency translation adjustment	-	-	-	-	(4,779)	(4,779)	-	(4,779)
Pension liability adjustment, net of tax	-	-	-	-	11,304	11,304	-	11,304
Balance December 31, 2022	\$1,040	\$182,343	(\$298)	\$45,467	(\$67,114)	\$161,438	(\$1,153)	\$160,285
Net Income	-	-	-	7,327	-	7,327	28	7,355
Foreign currency translation adjustment	-	-	-	-	3,114	3,114	-	3,114
Pension liability adjustment, net of tax	-	-	-	-	215	215	-	215
Balance March 31, 2023	\$1,040	\$182,343	(\$298)	\$52,794	(\$63,785)	\$172,094	(\$1,125)	\$170,969

**VISKASE COMPANIES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In Thousands)  
(Unaudited)

	3 Months Ended March 31, 2023	3 Months Ended March 31, 2022
Cash flows from operating activities:		
Net income	\$ 7,355	\$ 6,077
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	6,420	6,481
Amortization of intangibles	400	420
Amortization of deferred financing fees	98	94
Deferred income taxes	387	-
Gain on disposition of assets	(7)	-
Bad debt and accounts receivable provision	(138)	-
Changes in operating assets and liabilities:		
Receivables	2,524	(2,144)
Inventories	(8,061)	(11,506)
Other current assets	(647)	(4,299)
Other assets	320	(384)
Accounts payable	(6,597)	6,838
Accrued liabilities	3,094	191
Accrued employee benefits	18	(175)
Other	895	(492)
Total adjustments	<u>(1,294)</u>	<u>(4,976)</u>
Net cash provided by (used in) operating activities	6,061	1,101
Cash flows from investing activities:		
Capital expenditures	(2,166)	(3,942)
Proceeds from disposition of assets	8	-
Net cash used in investing activities	<u>(2,158)</u>	<u>(3,942)</u>
Cash flows from financing activities:		
Proceed from short term borrowing	7,613	4,500
Deferred financing costs	-	-
Repayment of short-term debt	(5,875)	(1,875)
Repayment of capital lease	-	-
Net cash provided by financing activities	<u>1,738</u>	<u>2,625</u>
Effect of currency exchange rate changes on cash	<u>(1,771)</u>	<u>130</u>
Net decrease in cash and equivalents	3,870	(86)
Cash, equivalents and restricted cash at beginning of period	<u>8,783</u>	<u>9,876</u>
Cash, equivalents and restricted cash at end of period	<u><u>12,653</u></u>	<u><u>9,790</u></u>
Supplemental cash flow information:		
Interest paid less capitalized interest	\$3,031	\$1,035
Income taxes paid	\$706	\$2,300