

VIKASE[®]



Financial report for the
fiscal quarter ended

June 30, 2023

CONSOLIDATED FINANCIAL STATEMENTS OF VISKASE COMPANIES, INC. AND
SUBSIDIARIES

1. Financial Statements:

Consolidated Balance Sheets as of June 30, 2023 (unaudited) and December 31, 2022

Consolidated Statements of Operations for the three and six months ended June 30, 2023 and June 30, 2022 (unaudited)

Consolidated Statements of Comprehensive Loss for the three and six months ended June 30, 2023 and June 30, 2022 (unaudited)

Consolidated Statements of Stockholders' Equity for the six months ended June 30, 2023 (unaudited) and year ended December 31, 2022

Consolidated Statements of Cash Flows for the six months ended June 30, 2023 and June 30, 2022 (unaudited)

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

	June 30, 2023 (unaudited)	December 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$7,407	\$8,783
Receivables, net	89,526	87,584
Inventories	110,864	103,172
Other current assets	41,751	40,152
Total current assets	249,548	239,691
Property, plant and equipment	427,816	416,628
Less accumulated depreciation	(290,240)	(274,781)
Property, plant and equipment, net	137,576	141,847
Right of use assets	23,442	24,520
Other assets, net	16,450	23,258
Intangible assets	15,968	16,808
Goodwill	3,266	3,207
Deferred income taxes	22,333	22,261
Total Assets	\$468,583	\$471,592
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	\$32,855	\$39,375
Accounts payable	34,250	43,377
Accrued liabilities	39,756	31,491
Short-term portion lease liabilities	4,838	4,851
Total current liabilities	111,699	119,094
Long-term debt, net of current maturities	117,120	122,521
Long-term liabilities	564	7,383
Accrued employee benefits	35,973	36,211
Deferred income taxes	3,405	3,405
Long-term lease liabilities	21,630	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	58,004	45,467
Less 805,270 treasury shares, at cost	(298)	(298)
Accumulated other comprehensive loss	(61,738)	(67,114)
Total Viskase stockholders' equity	179,351	161,438
Deficit attributable to non-controlling interest	(1,159)	(1,153)
Total stockholders' equity	178,192	160,285
Total Liabilities and Stockholders' Equity	\$468,583	\$471,592

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

	3 Months Ended June 30, 2023	3 Months Ended June 30, 2022	6 Months Ended June 30, 2023	6 Months Ended June 30, 2022
NET SALES	\$117,962	\$109,825	\$235,809	\$211,446
Cost of sales	<u>90,248</u>	<u>90,199</u>	<u>181,142</u>	<u>171,227</u>
GROSS MARGIN	27,714	19,626	54,667	40,219
Selling, general and administrative	14,849	13,000	28,411	25,124
Amortization of intangibles	404	404	804	824
Asset impairment charge	<u>18</u>	<u>0</u>	<u>18</u>	<u>0</u>
OPERATING INCOME	12,443	6,222	25,434	14,271
Interest expense	2,988	1,620	6,164	2,778
Other expense (income), net	<u>(1,166)</u>	<u>5,904</u>	<u>5,496</u>	<u>5,286</u>
INCOME BEFORE INCOME TAXES	10,621	(1,302)	13,774	6,207
Income tax (benefit) provision	<u>5,445</u>	<u>1,640</u>	<u>1,243</u>	<u>3,072</u>
NET INCOME	<u>\$5,176</u>	<u>(\$2,942)</u>	<u>\$12,531</u>	<u>\$3,135</u>
Less: income (loss) attributable to noncontrolling interests	<u>(35)</u>	<u>(78)</u>	<u>(7)</u>	<u>(115)</u>
Net income attributable to Viskase Companies, Inc	<u>\$5,211</u>	<u>(\$2,864)</u>	<u>\$12,538</u>	<u>\$3,250</u>

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

	3 Months Ended June 30, 2023	3 Months Ended June 30, 2022	6 Months Ended June 30, 2023	6 Months Ended June 30, 2022
Net income	\$5,176	(\$2,942)	\$12,531	\$3,135
Other comprehensive income (loss), net of tax				
Pension liability adjustment	1,577	242	1,792	516
Foreign currency translation adjustment	<u>471</u>	<u>(4,145)</u>	<u>3,585</u>	<u>(4,779)</u>
Other comprehensive income (loss), net of tax	2,048	(3,903)	5,377	(4,263)
Comprehensive income	<u>\$7,224</u>	<u>(\$6,845)</u>	<u>\$17,908</u>	<u>(\$1,128)</u>
Less: comprehensive income (loss) attributable to noncontrolling interests	<u>(35)</u>	<u>(78)</u>	<u>(7)</u>	<u>(115)</u>
Net comprehensive income attributable to Viskase Companies, Inc	<u>\$7,259</u>	<u>(6,767)</u>	<u>\$17,915</u>	<u>(\$1,013)</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	-	-	-	12,538	-	12,538	(7)	12,531
Foreign currency translation adjustment	-	-	-	-	3,585	3,585	-	3,585
Pension liability adjustment, net of tax	-	-	-	-	1,791	1,791	-	1,791
Balance June 30, 2023	\$1,040	\$182,343	(\$298)	\$58,005	(\$61,738)	\$179,352	(\$1,160)	\$178,192

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

	6 Months Ended June 30, 2023	6 Months Ended June 30, 2022
Cash flows from operating activities:		
Net income	\$ 12,531	\$ 3,135
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	12,845	12,823
Amortization of intangibles	804	824
Amortization of deferred financing fees	214	187
Deferred income taxes	387	-
Loss on disposition or impairment of assets	11	-
Bad debt and accounts receivable provision	(138)	-
Changes in operating assets and liabilities:		
Receivables	(99)	(13,062)
Inventories	(6,297)	(12,997)
Other current assets	(544)	(2,027)
Other assets	6	(1,571)
Accounts payable	(9,609)	11,003
Accrued liabilities	7,349	(3,113)
Accrued employee benefits	(330)	(492)
Other	3,393	(437)
Total adjustments	<u>7,992</u>	<u>(8,862)</u>
Net cash provided by (used in) operating activities	20,523	(5,727)
Cash flows from investing activities:		
Capital expenditures	(7,485)	(9,041)
Proceeds from disposition of assets	8	-
Net cash used in investing activities	<u>(7,477)</u>	<u>(9,041)</u>
Cash flows from financing activities:		
Proceed from short term borrowing	7,613	10,100
Deferred financing costs	-	-
Repayment of short-term debt	(19,750)	(3,750)
Repayment of capital lease	-	-
Net cash provided by financing activities	<u>(12,137)</u>	<u>6,350</u>
Effect of currency exchange rate changes on cash	<u>(2,285)</u>	<u>6,679</u>
Net decrease in cash and equivalents	(1,376)	(1,739)
Cash, equivalents and restricted cash at beginning of period	8,783	9,876
Cash, equivalents and restricted cash at end of period	<u><u>7,407</u></u>	<u><u>8,137</u></u>
Supplemental cash flow information:		
Interest paid less capitalized interest	\$5,907	\$2,494
Income taxes paid	\$1,443	\$4,194