

# VIKASE<sup>®</sup>

Financial report for the  
fiscal quarter ended

**September 30, 2023**

CONSOLIDATED FINANCIAL STATEMENTS OF VISKASE COMPANIES, INC. AND  
SUBSIDIARIES

1. Financial Statements:

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

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

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

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

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

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

	September 30, 2023	December 31, 2022
<b>ASSETS</b>	(unaudited)	
Current assets:		
Cash and cash equivalents	\$11,517	\$8,783
Receivables, net	79,026	87,584
Inventories	113,720	103,172
Other current assets	40,725	40,152
Total current assets	244,988	239,691
Property, plant and equipment	424,906	416,628
Less accumulated depreciation	(293,196)	(274,781)
Property, plant and equipment, net	131,710	141,847
Right of use assets	22,404	24,520
Other assets, net	15,753	23,258
Intangible assets	15,544	16,808
Goodwill	3,182	3,207
Deferred income taxes	22,207	22,261
Total Assets	\$455,788	\$471,592
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Short-term debt	\$30,174	\$39,375
Accounts payable	30,532	43,377
Accrued liabilities	45,893	31,491
Short-term portion lease liabilities	4,705	4,851
Total current liabilities	111,304	119,094
Long-term debt, net of current maturities	111,597	122,521
Long-term liabilities	517	7,383
Accrued employee benefits	33,806	36,211
Deferred income taxes	3,456	3,405
Long-term lease liabilities	20,642	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	57,451	45,467
Less 805,270 treasury shares, at cost	(298)	(298)
Accumulated other comprehensive loss	(64,849)	(67,114)
Total Viskase stockholders' equity	175,687	161,438
Deficit attributable to non-controlling interest	(1,221)	(1,153)
Total stockholders' equity	174,466	160,285
Total Liabilities and Stockholders' Equity	\$455,788	\$471,592

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

	3 Months Ended September 30, 2023	3 Months Ended September 30, 2022	9 Months Ended September 30, 2023	9 Months Ended September 30, 2022
NET SALES	\$104,724	\$110,313	\$340,533	\$321,759
Cost of sales	<u>82,558</u>	<u>92,141</u>	<u>263,700</u>	<u>263,368</u>
GROSS MARGIN	22,166	18,172	76,833	58,391
Selling, general and administrative	13,373	13,262	41,784	38,386
Amortization of intangibles	405	383	1,209	1,207
Asset impairment charge	<u>-</u>	<u>27</u>	<u>18</u>	<u>27</u>
OPERATING INCOME	8,388	4,500	33,822	18,771
Interest expense	3,023	2,245	9,187	5,023
Other expense, net	<u>2,564</u>	<u>5,597</u>	<u>8,060</u>	<u>10,883</u>
INCOME BEFORE INCOME TAXES	2,801	(3,342)	16,575	2,865
Income tax provision	<u>3,417</u>	<u>57</u>	<u>4,660</u>	<u>3,129</u>
NET (Loss) INCOME	<u>(\$616)</u>	<u>(\$3,399)</u>	<u>\$11,915</u>	<u>(\$264)</u>
Less: (Loss) attributable to noncontrolling interests	<u>(62)</u>	<u>(49)</u>	<u>(69)</u>	<u>(164)</u>
Net income attributable to Viskase Companies, Inc	<u>(\$554)</u>	<u>(\$3,350)</u>	<u>\$11,984</u>	<u>(\$100)</u>

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

	3 Months Ended September 30, 2023	3 Months Ended September 30, 2022	9 Months Ended September 30, 2023	9 Months Ended September 30, 2022
Net (loss) income	(\$616)	(\$3,399)	\$11,915	(\$264)
Other comprehensive income (loss), net of tax				
Pension liability adjustment	(1,084)	393	708	909
Foreign currency translation adjustment	<u>(2,027)</u>	<u>(4,288)</u>	<u>1,558</u>	<u>(9,067)</u>
Other comprehensive (loss) income, net of tax	<u>(3,111)</u>	<u>(3,895)</u>	<u>2,266</u>	<u>(8,158)</u>
Comprehensive (loss) income	<u><u>(\$3,727)</u></u>	<u><u>(\$7,294)</u></u>	<u><u>\$14,181</u></u>	<u><u>(\$8,422)</u></u>
Less: comprehensive (loss) attributable to noncontrolling interests	<u>(62)</u>	<u>(49)</u>	<u>(69)</u>	<u>(164)</u>
Net comprehensive (loss) income attributable to Viskase Companies, Inc	<u><u>(\$3,665)</u></u>	<u><u>(7,245)</u></u>	<u><u>\$14,250</u></u>	<u><u>(\$8,258)</u></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	-	-	-	11,984	-	11,984	(69)	11,915
Foreign currency translation adjustment	-	-	-	-	1,558	1,558	-	1,558
Pension liability adjustment, net of tax	-	-	-	-	708	708	-	708
Balance September 30, 2023	\$1,040	\$182,343	(\$298)	\$57,451	(\$64,848)	\$175,688	(\$1,222)	\$174,466

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

	9 Months Ended <u>September 30, 2023</u>	9 Months Ended <u>September 30, 2022</u>
Cash flows from operating activities:		
Net income	\$ 11,915	\$ (264)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	18,784	18,892
Amortization of intangibles	1,209	1,207
Amortization of deferred financing fees	347	291
Deferred income taxes	1,460	-
Loss on disposition or impairment of assets	56	27
Bad debt and accounts receivable provision	175	-
Changes in operating assets and liabilities:		
Receivables	8,882	(8,148)
Inventories	(10,618)	(15,475)
Other current assets	11	1,055
Other assets	685	(3,729)
Accounts payable	(12,977)	6,114
Accrued liabilities	14,047	258
Accrued employee benefits	(1,695)	(646)
Other	345	(1,573)
Total adjustments	<u>20,711</u>	<u>(1,727)</u>
Net cash provided by (used in) operating activities	32,626	(1,991)
Cash flows from investing activities:		
Capital expenditures	(9,057)	(13,037)
Proceeds from disposition of assets	10	-
Net cash used in investing activities	<u>(9,047)</u>	<u>(13,037)</u>
Cash flows from financing activities:		
Proceed from short term borrowing	10,111	13,000
Deferred financing costs	(16)	(188)
Repayment of short-term debt	(30,563)	(5,625)
Repayment of capital lease	-	(19)
Net cash provided by financing activities	<u>(20,468)</u>	<u>7,168</u>
Effect of currency exchange rate changes on cash	<u>(377)</u>	<u>10,134</u>
Net decrease in cash and equivalents	2,734	2,274
Cash, equivalents and restricted cash at beginning of period	<u>8,783</u>	<u>9,873</u>
Cash, equivalents and restricted cash at end of period	<u><u>11,517</u></u>	<u><u>12,147</u></u>
Supplemental cash flow information:		
Interest paid less capitalized interest	\$8,840	\$4,720
Income taxes paid	\$2,138	\$4,421