

VIKASE[®]

Financial report for the
fiscal quarter ended

June 30, 2024

CONSOLIDATED FINANCIAL STATEMENTS OF VISKASE COMPANIES, INC. AND
SUBSIDIARIES

1. Financial Statements:

Consolidated Balance Sheets as of June 30, 2024 (unaudited) and December 31, 2023

Consolidated Statements of Operations for the three and six months ended June 30, 2024 and June 30, 2023 (unaudited)

Consolidated Statements of Comprehensive Loss for the three and six months ended June 30, 2024 and June 30, 2023 (unaudited)

Consolidated Statements of Stockholders' Equity for the six months ended June 30, 2024 (unaudited) and year ended December 31, 2023

Consolidated Statements of Cash Flows for the six months ended June 30, 2024 and June 30, 2023 (unaudited)

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

| | June 30, 2024 (unaudited) | December 31, 2023 |
|---|------------------------------|-------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$5,160 | \$7,862 |
| Receivables, net | 86,740 | 88,950 |
| Inventories | 115,027 | 111,310 |
| Other current assets | 40,703 | 42,674 |
| Total current assets | 247,630 | 250,796 |
| Property, plant and equipment | 435,753 | 436,372 |
| Less accumulated depreciation | (309,772) | (302,027) |
| Property, plant and equipment, net | 125,981 | 134,345 |
| Right of use assets | 20,793 | 22,309 |
| Other assets, net | 14,234 | 15,676 |
| Intangible assets | 14,571 | 15,799 |
| Goodwill | 3,232 | 3,321 |
| Deferred income taxes | 18,305 | 18,597 |
| Total Assets | \$444,746 | \$460,844 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Short-term debt | \$33,029 | \$21,747 |
| Accounts payable | 31,778 | 44,768 |
| Accrued liabilities | 35,497 | 39,163 |
| Short-term portion lease liabilities | 4,777 | 4,777 |
| Total current liabilities | 105,081 | 110,454 |
| Long-term debt, net of current maturities | 106,336 | 111,738 |
| Long-term liabilities | 1,804 | 1,330 |
| Accrued employee benefits | 30,146 | 32,257 |
| Deferred income taxes | 3,021 | 3,021 |
| Long-term lease liabilities | 18,481 | 20,408 |
| 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 | 62,883 | 58,974 |
| Less 805,270 treasury shares, at cost | (298) | (298) |
| Accumulated other comprehensive loss | (64,814) | (59,200) |
| Total Viskase stockholders' equity | 181,154 | 182,859 |
| Deficit attributable to non-controlling interest | (1,277) | (1,223) |
| Total stockholders' equity | 179,877 | 181,636 |
| Total Liabilities and Stockholders' Equity | \$444,746 | \$460,844 |

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

| | 3 Months Ended June 30, 2024 | 3 Months Ended June 30, 2023 | 6 Months Ended June 30, 2024 | 6 Months Ended June 30, 2023 |
|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| NET SALES | \$105,190 | \$117,962 | \$206,039 | \$235,809 |
| Cost of sales | <u>85,925</u> | <u>90,248</u> | <u>165,790</u> | <u>181,142</u> |
| GROSS MARGIN | 19,265 | 27,714 | 40,249 | 54,667 |
| Selling, general and administrative | 10,130 | 14,849 | 23,213 | 28,411 |
| Amortization of intangibles | 400 | 404 | 804 | 804 |
| Restructuring expense | 1,396 | | 1,396 | |
| Asset impairment charge | <u>-</u> | <u>18</u> | <u>-</u> | <u>18</u> |
| OPERATING INCOME | 7,339 | 12,443 | 14,836 | 25,434 |
| Interest expense | 2,847 | 2,988 | 5,525 | 6,164 |
| Other expense (income), net | <u>393</u> | <u>(1,166)</u> | <u>1,885</u> | <u>5,496</u> |
| INCOME BEFORE INCOME TAXES | 4,099 | 10,621 | 7,426 | 13,774 |
| Income tax provision | <u>2,230</u> | <u>5,445</u> | <u>3,571</u> | <u>1,243</u> |
| NET INCOME | <u>\$1,869</u> | <u>\$5,176</u> | <u>\$3,855</u> | <u>\$12,531</u> |
| Less:(loss) attributable to noncontrolling interests | <u>(11)</u> | <u>(35)</u> | <u>(54)</u> | <u>(7)</u> |
| Net income attributable to Viskase Companies, Inc | <u>\$1,880</u> | <u>\$5,211</u> | <u>\$3,909</u> | <u>\$12,538</u> |

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

| | 3 Months Ended June 30, 2024 | 3 Months Ended June 30, 2023 | 6 Months Ended June 30, 2024 | 6 Months Ended June 30, 2023 |
|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Net income | \$1,869 | \$5,176 | \$3,855 | \$12,531 |
| Other comprehensive (loss) income, net of tax | | | | |
| Pension liability adjustment | 23 | 1,577 | 17 | 1,792 |
| Foreign currency translation adjustment | <u>(3,797)</u> | <u>471</u> | <u>(5,630)</u> | <u>3,585</u> |
| Other comprehensive (loss) income, net of tax | (3,774) | 2,048 | (5,613) | 5,377 |
| Comprehensive (loss) income | <u>(\$1,905)</u> | <u>\$7,224</u> | <u>(\$1,758)</u> | <u>\$17,908</u> |
| Less: comprehensive (loss) attributable to noncontrolling interests | <u>(11)</u> | <u>(35)</u> | <u>(54)</u> | <u>(7)</u> |
| Net comprehensive (loss) income attributable to Viskase Companies, Inc | <u>(\$1,894)</u> | <u>7,259</u> | <u>(\$1,704)</u> | <u>\$17,915</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, 2022 | \$1,040 | \$182,343 | (\$298) | \$45,467 | (\$67,114) | \$161,438 | \$ (1,153) | \$160,285 |
| Net income | - | - | - | 13,506 | - | 13,506 | (70) | 13,436 |
| Foreign currency translation adjustment | - | - | - | - | 5,280 | 5,280 | - | 5,280 |
| Pension liability adjustment, net of tax | - | - | - | - | 2,634 | 2,634 | - | 2,634 |
| Balance December 31, 2023 | \$1,040 | \$182,343 | (\$298) | \$58,973 | (\$59,200) | \$182,858 | (\$1,223) | \$181,635 |
| Net Income | - | - | - | 3,909 | - | 3,909 | (54) | 3,855 |
| Foreign currency translation adjustment | - | - | - | - | (5,630) | (5,630) | - | (5,630) |
| Pension liability adjustment, net of tax | - | - | - | - | 17 | 17 | - | 17 |
| Balance June 30, 2024 | \$1,040 | \$182,343 | (\$298) | \$62,882 | (\$64,813) | \$181,154 | (\$1,277) | \$179,877 |

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

| | 6 Months Ended June 30, 2024 | 6 Months Ended June 30, 2023 |
|---|------------------------------------|------------------------------------|
| Cash flows from operating activities: | | |
| Net income | \$ 3,855 | \$ 12,531 |
| Adjustments to reconcile net income to net cash used in operating activities: | | |
| Depreciation | 11,733 | 12,845 |
| Amortization of intangibles | 804 | 804 |
| Amortization of deferred financing fees | 240 | 214 |
| Deferred income taxes | - | 387 |
| Loss on disposition of assets | 8 | 11 |
| Bad debt and accounts receivable provision | - | (138) |
| Changes in operating assets and liabilities: | | |
| Receivables | 506 | (99) |
| Inventories | (5,908) | (6,297) |
| Other current assets | 1,160 | (544) |
| Other assets | 1,399 | 6 |
| Accounts payable | (12,304) | (9,609) |
| Accrued liabilities | (2,918) | 7,349 |
| Accrued employee benefits | (1,079) | (330) |
| Other | (27) | 3,393 |
| Total adjustments | <u>(6,386)</u> | <u>7,992</u> |
| Net cash (used in) provided by operating activities | (2,531) | 20,523 |
| Cash flows from investing activities: | | |
| Capital expenditures | (5,296) | (7,485) |
| Proceeds from disposition of assets | - | 8 |
| Net cash used in investing activities | <u>(5,296)</u> | <u>(7,477)</u> |
| Cash flows from financing activities: | | |
| Proceed from short term borrowing | 11,500 | 7,613 |
| Repayment of short-term debt | (5,625) | (19,750) |
| Net cash provided by financing activities | <u>5,875</u> | <u>(12,137)</u> |
| Effect of currency exchange rate changes on cash | <u>(750)</u> | <u>(2,285)</u> |
| Net (decrease) increase in cash and equivalents | (2,702) | (1,376) |
| Cash, equivalents and restricted cash at beginning of period | <u>7,862</u> | <u>8,783</u> |
| Cash, equivalents and restricted cash at end of period | <u><u>5,160</u></u> | <u><u>7,407</u></u> |
| Supplemental cash flow information: | | |
| Interest paid less capitalized interest | \$5,223 | \$5,907 |
| Income taxes paid | \$2,213 | \$1,443 |