

VIKASE[®]

Financial report for the
fiscal quarter ended

September 30, 2024

CONSOLIDATED FINANCIAL STATEMENTS OF VISKASE COMPANIES, INC. AND
SUBSIDIARIES

1. Financial Statements:

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

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

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

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

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

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

	September 30, 2024	December 31, 2023
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$6,248	\$7,862
Receivables, net	83,061	88,950
Inventories	111,263	111,310
Other current assets	45,942	42,674
Total current assets	246,514	250,796
Property, plant and equipment	443,259	436,372
Less accumulated depreciation	(317,029)	(302,027)
Property, plant and equipment, net	126,230	134,345
Asset held for sale	399	-
Right of use assets	20,328	22,309
Other assets, net	12,892	15,676
Intangible assets	14,807	15,799
Goodwill	3,359	3,321
Deferred income taxes	18,546	18,597
Total Assets	\$443,075	\$460,844
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	\$38,495	\$21,747
Accounts payable	30,706	44,768
Accrued liabilities	29,772	39,163
Short-term portion lease liabilities	4,528	4,777
Total current liabilities	103,501	110,454
Long-term debt, net of current maturities	103,670	111,738
Long-term liabilities	847	1,330
Accrued employee benefits	29,698	32,257
Deferred income taxes	3,021	3,021
Long-term lease liabilities	18,268	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	62,728	58,974
Less 805,270 treasury shares, at cost	(298)	(298)
Accumulated other comprehensive loss	(60,477)	(59,200)
Total Viskase stockholders' equity	185,336	182,859
Deficit attributable to non-controlling interest	(1,266)	(1,223)
Total stockholders' equity	184,070	181,636
Total Liabilities and Stockholders' Equity	\$443,075	\$460,844

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

	3 Months Ended September 30, 2024	3 Months Ended September 30, 2023	9 Months Ended September 30, 2024	9 Months Ended September 30, 2023
NET SALES	\$101,504	\$104,724	\$307,543	\$340,533
Cost of sales	<u>85,911</u>	<u>82,558</u>	<u>251,701</u>	<u>263,700</u>
GROSS MARGIN	15,593	22,166	55,842	76,833
Selling, general and administrative	11,563	13,373	34,776	41,784
Amortization of intangibles	404	405	1,208	1,209
Restructuring expense	-	-	1,396	-
Asset impairment charge	<u>77</u>	<u>-</u>	<u>77</u>	<u>18</u>
OPERATING INCOME	3,549	8,388	18,385	33,822
Interest expense	2,860	3,023	8,385	9,187
Other expense, net	<u>1,024</u>	<u>2,564</u>	<u>2,909</u>	<u>8,060</u>
INCOME BEFORE INCOME TAXES	(335)	2,801	7,091	16,575
Income tax provision	<u>(191)</u>	<u>3,417</u>	<u>3,380</u>	<u>4,660</u>
NET (LOSS) INCOME	<u>(\$144)</u>	<u>(\$616)</u>	<u>\$3,711</u>	<u>\$11,915</u>
Less: income (loss) attributable to noncontrolling interests	<u>10</u>	<u>(62)</u>	<u>(44)</u>	<u>(69)</u>
Net (loss) income attributable to Viskase Companies, Inc	<u>(\$154)</u>	<u>(\$554)</u>	<u>\$3,755</u>	<u>\$11,984</u>

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

	3 Months Ended September 30, 2024	3 Months Ended September 30, 2023	9 Months Ended September 30, 2024	9 Months Ended September 30, 2023
Net (loss) income	(\$144)	(\$616)	\$3,711	\$11,915
Other comprehensive income (loss), net of tax				
Pension liability adjustment	139	(1,084)	156	708
Foreign currency translation adjustment	4,198	(2,027)	(1,432)	1,558
Other comprehensive income (loss), net of tax	4,337	(3,111)	(1,276)	2,266
Comprehensive income (loss)	<u>\$4,193</u>	<u>(\$3,727)</u>	<u>\$2,435</u>	<u>\$14,181</u>
Less: comprehensive (loss) attributable to noncontrolling interests	<u>10</u>	<u>(62)</u>	<u>(44)</u>	<u>(69)</u>
Net comprehensive (loss) income attributable to Viskase Companies, Inc	<u>\$4,183</u>	<u>(3,665)</u>	<u>\$2,479</u>	<u>\$14,250</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	-	-	-	3,755	-	3,755	(44)	3,711
Foreign currency translation adjustment	-	-	-	-	(1,432)	(1,432)	-	(1,432)
Pension liability adjustment, net of tax	-	-	-	-	156	156	-	156
Balance September 30, 2024	\$1,040	\$182,343	(\$298)	\$62,728	(\$60,476)	\$185,337	(\$1,267)	\$184,070

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

	<u>9 Months</u> <u>Ended</u> <u>September 30, 2024</u>	<u>9 Months</u> <u>Ended</u> <u>September 30, 2023</u>
Cash flows from operating activities:		
Net income	\$ 3,711	\$ 11,915
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation	16,645	18,784
Amortization of intangibles	1,208	1,209
Amortization of deferred financing fees	362	347
Deferred income taxes	-	1,460
Loss on disposition of assets	77	56
Bad debt and accounts receivable provision	-	175
Changes in operating assets and liabilities:		
Receivables	5,467	8,882
Inventories	(351)	(10,618)
Other current assets	(3,488)	11
Other assets	2,731	685
Accounts payable	(14,008)	(12,977)
Accrued liabilities	(9,696)	14,047
Accrued employee benefits	(2,776)	(1,695)
Other	443	345
Total adjustments	<u>(3,386)</u>	<u>20,711</u>
Net cash (used in) provided by operating activities	325	32,626
Cash flows from investing activities:		
Capital expenditures	(9,742)	(9,057)
Proceeds from disposition of assets	-	10
Net cash used in investing activities	<u>(9,742)</u>	<u>(9,047)</u>
Cash flows from financing activities:		
Proceed from short term borrowing	16,500	10,111
Deferred financing costs	-	(16)
Repayment of short-term debt	<u>(8,437)</u>	<u>(30,563)</u>
Net cash provided by financing activities	8,063	(20,468)
Effect of currency exchange rate changes on cash	<u>(260)</u>	<u>(377)</u>
Net (decrease) increase in cash and equivalents	(1,614)	2,734
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>6,248</u></u>	<u><u>11,517</u></u>
Supplemental cash flow information:		
Interest paid less capitalized interest	\$7,992	\$8,840
Income taxes paid	\$2,803	\$2,138