VISKASE®

Financial Report for year end

December 31, 2024

CONSOLIDATED FINANCIAL STATEMENTS
OF VISKASE COMPANIES, INC. AND SUBSIDIARIES

1. Financial Statements:

- Report of Independent Certified Public Accountants
- Consolidated Balance Sheets as of December 31, 2024 and 2023
- Consolidated Statements of Operations for the years ended December 31, 2024, 2023 and 2022
- Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2024, 2023 and 2022
- Consolidated Statements of Stockholders' Equity for the years ended December 31, 2024, 2023 and 2022
- Consolidated Statements of Cash Flows for the years ended December 31, 2024, 2023 and 2022
- Notes to Consolidated Financial Statements

2. Management's Discussion and Analysis of Financial Condition and Results of Operations (unaudited)

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Viskase Companies, Inc.

Opinion
We have audited the consolidated financial statements of Viskase Companies, Inc. (a Delaware corporation) and subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of operations, comprehensive (loss) income, stockholders' equity, and cash flows for each of the three years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion
We conducted our audits of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Grant Thornton LLP

Chicago, Illinois
March 28, 2025

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

	December 31, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	$5,704	$7,862
Receivables, net	74,809	88,950
Inventories	108,968	111,310
Other current assets	46,204	42,674
Total current assets	235,685	250,796
Property, plant and equipment	438,086	436,372
Less accumulated depreciation	(314,351)	(302,027)
Property, plant and equipment, net	123,735	134,345
Right of use assets	19,190	22,309
Other assets, net	10,899	15,676
Intangible assets	13,381	15,799
Goodwill	2,820	3,321
Deferred income taxes	16,011	18,597
Total Assets	$421,721	$460,843
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	$44,530	$21,747
Accounts payable	35,496	44,768
Accrued liabilities	23,167	39,163
Short-term portion lease liabilities	4,497	4,777
Total current liabilities	107,690	110,455
Long-term debt, net of current maturities	99,064	111,738
Long-term liabilities	-	1,330
Accrued employee benefits	25,418	32,256
Deferred income taxes	2,339	3,021
Long-term lease liabilities	17,220	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	53,613	58,973
Less 805,270 treasury shares, at cost	(298)	(298)
Accumulated other comprehensive loss	(65,386)	(59,200)
Total Viskase stockholders' equity	171,312	182,858
Deficit attributable to non-controlling interest	(1,322)	(1,223)
Total stockholders' equity	169,990	181,635
Total Liabilities and Stockholders' Equity	$421,721	$460,843

See notes to consolidated financial statements.

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

	Year Ended December 31, 2024	Year Ended December 31, 2023	Year Ended December 31, 2022
NET SALES	$403,775	$445,984	$430,834
Cost of sales	335,945	352,221	356,701
GROSS MARGIN	67,830	93,763	74,133
Selling, general and administrative	48,421	52,436	50,283
Amortization of intangibles	1,609	1,606	1,576
Asset impairment charge	448	338	27
Restructuring expense	1,917	-	-
OPERATING INCOME	15,435	39,383	22,247
Interest income		-	5
Interest expense, net	11,032	12,018	8,433
Other expense, net	10,532	10,395	4,396
(LOSS) INCOME BEFORE INCOME TAXES	(6,129)	16,970	9,423
Income tax (benefit) provision	(670)	3,534	7,139
NET (LOSS) INCOME	($5,459)	$13,436	$2,284
Less: net loss attributable to noncontrolling interests	(99)	(70)	(245)
Net (loss) income attributable to Viskase Companies, Inc	($5,360)	$13,506	$2,529
WEIGHTED AVERAGE COMMON SHARES - BASIC AND DILUTED	103,190,665	103,190,665	103,190,665
PER SHARE AMOUNTS:			
EARNINGS PER SHARE - BASIC AND DILUTED	($0.05)	$0.13	$0.02

See notes to consolidated financial statements.

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

	Year Ended December 31, 2024	Year Ended December 31, 2023	Year Ended December 31, 2022
Net (loss) income	($5,459)	$13,436	$2,284
Other comprehensive (loss) income, net of tax			
Pension liability adjustment	1,155	2,634	11,304
Foreign currency translation adjustment	(7,341)	5,280	(4,779)
Other comprehensive (loss) income, net of tax	(6,186)	7,914	6,525
Comprehensive (loss) income	($11,645)	$21,350	$8,809
Less: comprehensive loss attributable to noncontrolling interests	(99)	(70)	(245)
Net comprehensive (loss) income attributable to Viskase Companies, Inc	($11,546)	$21,420	$9,054

See notes to consolidated financial statements.

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

	Common stock	Paid in capital	Treasury stock	Retained earnings	Accumulated other comprehensive loss	Total Viskase 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 (loss)	-	-	-	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 (loss)	-	-	-	$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 (loss)	-	-	-	(5,360)	-	(5,360)	(99)	(5,459)
Foreign currency translation adjustment	-	-	-	-	(7,341)	(7,341)	-	(7,341)
Pension liability adjustment, net of tax	-	-	-	-	1,155	1,155	-	1,155
Balance December 31, 2024	$1,040	$182,343	($298)	$53,613	($65,386)	$171,312	($1,322)	$169,990

See notes to consolidated financial statements.

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

	Year Ended December 31, 2024	Year Ended December 31, 2023	Year Ended December 31, 2022
Cash flows from operating activities:			
Net income (loss)	($5,459)	$13,436	$2,284
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	23,678	25,223	27,303
Amortization of deferred financing fees	484	464	403
Deferred income taxes	787	3,241	(99)
Loss on disposition/impairment of assets	556	449	337
Bad debt and accounts receivable provision	198	175	187
Changes in operating assets and liabilities:			
Receivables	11,900	598	(8,795)
Inventories	366	(5,934)	(13,019)
Other current assets	(5,180)	(1,104)	3,509
Accounts payable	(8,016)	480	9,109
Accrued liabilities	(16,044)	6,508	(2,186)
Accrued employee benefits	(2,896)	(699)	(1,636)
Other assets	4,678	748	(4,349)
Other	(1,683)	580	(2,669)
Total adjustments	8,828	30,729	8,095
Net cash provided by operating activities	3,369	44,165	10,379
Cash flows from investing activities:			
Capital expenditures	(15,279)	(14,470)	(22,336)
Proceeds from disposition of assets	-	10	149
Net cash used in investing activities	(15,279)	(14,460)	(22,187)
Cash flows from financing activities:			
Deferred financing costs	-	(16)	(294)
Proceeds from short-term debt	21,500	10,101	14,000
Repayment of short-term debt	-	(30,240)	-
Repayment of long-term debt	(11,250)	(9,126)	(7,500)
Repayment of capital lease	-	(11)	(12)
Net cash (used in) provided by financing activities	10,250	(29,292)	6,194
Effect of currency exchange rate changes on cash	(498)	(1,334)	4,521
Net decrease in cash and equivalents	(2,158)	(921)	(1,093)
Cash and cash equivalents at beginning of period	7,862	8,783	9,876
Cash and cash equivalents at end of period	$5,704	$7,862	$8,783
Supplemental cash flow information:			
Interest paid less capitalized interest	$10,342	$11,418	$7,427
Income taxes paid	$2,483	$4,060	$7,324

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In Thousands)

1. Summary of Significant Accounting Policy

Nature of Operations

Viskase Companies, Inc. together with its subsidiaries ("we" or the "Company") is a producer of non-edible cellulosic, fibrous and plastic casings used to prepare and package processed meat products, and provides value-added support services relating to these products, for some of the largest global consumer products companies. We were incorporated in Delaware in 1970. The Company operates nine manufacturing facilities in North America, Europe, South America, and Asia and, as a result, is able to sell its products in nearly one hundred countries throughout the world.

Seasonality

Historically, our domestic sales and profits have been seasonal in nature, increasing in the spring and summer months. Sales outside of the United States follow a relatively stable pattern throughout the year.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company. Intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates in the Preparation of Financial Statements

The financial statements are prepared in accordance with generally accepted accounting principles ("GAAP") in the United States of America and include the use of estimates and assumptions that affect a number of amounts included in the Company's financial statements, including, among other things, pensions and other postretirement benefits and related disclosures, reserves for excess and obsolete inventory, allowance for credit losses, and income taxes. Management bases its estimates on historical experience and other assumptions that we believe are reasonable. If actual amounts are ultimately different from previous estimates, the revisions are included in the Company's results for the period in which the actual amounts become known. Historically, the aggregate differences, if any, between the Company's estimates and actual amounts in any year have not had a significant effect on the Company's consolidated financial statements.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers cash equivalents to consist of all highly liquid debt investments purchased with an initial maturity of approximately three months or less. Due to the short-term nature of these instruments, the carrying values approximate the fair market value. Of the cash held on deposit in the U.S., approximately $518 of the cash balance was in excess of amounts insured by the Federal Deposit Insurance Corporation. The Company performs periodic evaluations of these institutions for relative credit standing and has not experienced any losses as a result of its cash concentration. Consequently, no significant concentrations of credit risk are considered to exist.

Receivables, net

Trade accounts receivable are classified as current assets and are reported net of allowance for credit losses, which includes the evaluation of expected credit losses following the adoption of ASC Topic 326. This estimated allowance is primarily based upon our evaluation of the future expected loss for the asset. The Company estimates this using the financial condition of each customer, each customer's ability to pay and the economic conditions of the country the customer resides in. For all trade accounts receivable, the Company defines "past due" as any payment, that is at least 15 days past the contractual due date. For the year ended December 31, 2024, there have been expenses recognized of $198 related to expected credit losses.

Inventories

Inventories are valued at the lower of cost or net realizable value. Cost is determined by using the first-in, first-out ("FIFO") basis method.

Property, Plant and Equipment

The Company carries property, plant and equipment at cost, less accumulated depreciation. Property and equipment additions include acquisition of property and equipment and costs incurred for computer software purchased for internal use including related external direct costs of materials and services and payroll costs for employees directly associated with the project. Upon retirement or other disposition, cost and related accumulated depreciation are removed from the accounts, and any gain or loss is included in results of operations. Depreciation is computed on the straight-line method using a half year convention over the estimated useful lives of the assets ranging from (i) building and improvements - 10 to 32 years, (ii) machinery and equipment - 4 to 12 years, (iii) furniture and fixtures - 3 to 12 years, (iv) auto and trucks - 2 to 5 years, (v) data processing – 3 to 7 years and (vi) leasehold improvements - shorter of lease or useful life.

In the ordinary course of business, we lease certain equipment, consisting mainly of autos, and certain real property. Real property consists of manufacturing, distribution and office facilities.

Deferred Financing Costs

Deferred financing costs are presented in the balance sheet as a direct deduction from the carrying amount of debt liability and amortized as expense using the effective interest rate method over the expected term of the related debt agreement. Amortization of deferred financing costs is classified as interest expense.

Intangible Assets and Goodwill

The Company has recognized definite lived intangible assets for patents and trademarks, customer relationships, technologies and in-place leases. The intangible assets are amortized on the straight-line method over an estimated weighted average useful life of 12 years for patents and trademarks, 20 years for customer relationships, 13 years for technologies and 14 years for in-place leases.

Our estimates of the useful lives of finite-lived intangible assets consider judgments regarding the future effects of obsolescence, demand, competition and other economic factors. We conduct impairment tests when events or changes in circumstances indicate that the carrying value of these finite-lived assets may not be recoverable. Undiscounted cash flow analyses are used to determine if an impairment exists. If an impairment is determined to exist, the loss is calculated based on the estimated fair value of the assets.

Current accounting guidance provides entities an option of performing a qualitative assessment (a "step-zero" test) before performing a quantitative analysis. If the entity determines, on the basis of certain qualitative factors, that it is more-likely than- not that the goodwill is not impaired, the entity would not need to proceed to the two step impairment testing process (quantitative analysis) as prescribed in the guidance. During fourth quarter 2024, the Company performed a “step zero” test of its goodwill and concluded that there was an impairment of $350 based on this guidance.

Long-Lived Assets

The Company continues to evaluate the recoverability of long-lived assets including property, plant and equipment, trademarks and patents. Impairments are recognized when the expected undiscounted future operating cash flows derived from long-lived assets are less than their carrying value. If impairment is identified, valuation techniques deemed appropriate under the particular circumstances will be used to determine the asset’s fair value. The loss will be measured based on the excess of carrying value over the determined fair value. The review for impairment is performed whenever events or changes in circumstances indicate that the carrying amount of assets may not be recoverable. No events or changes in circumstances were identified in the current year that would indicate a change in carrying amount.

Shipping and Handling

The Company periodically bills customers for shipping charges. These amounts are included in net sales, with the associated costs included in cost of sales.

Repairs and Maintenance

Routine repairs and maintenance are charged to operations as incurred. Improvements and major repairs, which extend the useful life of an asset, are capitalized and depreciated.

Pensions and Other Postretirement Benefits

The Company uses appropriate actuarial methods and assumptions in accounting for its defined benefit pension plans and non-pension postretirement benefits.

Actual results that differ from assumptions used are accumulated and amortized over future periods and, accordingly, generally affect recognized expense and the recorded obligation in future periods. Therefore, assumptions used to calculate benefit obligations as of the end of a fiscal year directly impact the expense to be recognized in future periods. The primary assumptions affecting the Company’s accounting for employee benefits as of December 31, 2024 are as follows:

- Long-term rate of return on plan assets: The required use of the expected long-term rate of return on plan assets may result in recognized returns that are greater or less than the actual returns on those plan assets in any given year. Over time, however, the expected long-term rate of return on plan assets is designed to approximate actual earned long-term returns. The Company uses long-term historical actual return information, the mix of investments that comprise plan assets, and future estimates of long-term investment returns by reference to external sources to develop an assumption of the expected long-term rate of return on plan assets. The expected long-term rate of return is used to calculate net periodic pension cost. In determining its pension obligations, the Company is using a long-term rate of return on U.S. plan assets of 6.00% for December 31, 2024. The Company is using a long-term rate of return on French plan assets of 2.60% for 2024. The German pension plan has no assets.

- Discount rate: The discount rate is used to calculate future pension and postretirement obligations. The Company is using a Mercer Bond yield curve in determining its pension obligations. The Company is using a discount rate of 5.70% for December 31, 2024. The Company is using a weighted average discount rate of 3.49% on its non-U.S. pension plans for December 31, 2024.

Income Taxes

Deferred tax assets and liabilities are measured using enacted tax laws and tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities due to a change in tax rates is recognized in income in the period that includes the enactment date. In addition, the amounts of any future tax benefits are reduced by a valuation allowance to the extent such benefits are not expected to be realized on a more likely than not basis. Interest and penalties related to unrecognized tax benefits are included as a component of tax expense.

Other Comprehensive Income (Loss)

Other comprehensive income (loss) includes all other non-stockholder changes in equity. Changes in other comprehensive income (loss) in 2024, 2023 and 2022 resulted from changes in foreign currency translation and pension liability.

Revenue Recognition

The Company's revenues are comprised of product sales. All revenue is recognized when the Company satisfies its performance obligation(s) under the contract (either implicit or explicit) by transferring the promised product to its customer when its customer obtains control of the product. A performance obligation is a promise in a contract to transfer a distinct product or service to a customer. A contract's transaction price is allocated to each distinct performance obligation. Substantially all of the Company's contracts have a single performance obligation, as the promise to transfer products is not separately identifiable from other promises in the contract and, therefore, not distinct.

Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring products or providing services. The nature of the Company's contracts gives rise to several types of variable consideration. As such, revenue is recorded net of estimated discounts, rebates and allowances. These estimates are based on historical experience, anticipated performance and the Company's best judgment at the time. Because of the Company's certainty in estimating these amounts, they are included in the transaction price of its contracts.

Sales, value add, and other taxes collected from customers and remitted to governmental authorities are accounted for on a net (excluded from revenues) basis.

Substantially all of the Company's revenue is from products transferred to customers at a point in time. The Company recognizes revenue at the point in time in which the customer obtains control of the product, which is generally when product title passes to the customer upon shipment. In certain cases, title does not transfer and revenue is not recognized until the customer has received the products at its physical location or at port.

Financial Instruments

The Company routinely enters into fixed price natural gas agreements which require us to purchase a portion of our natural gas each month at fixed prices. These fixed price agreements qualify for the "normal purchases" scope exception under derivative and hedging standards, therefore the natural gas purchases under these contracts were expensed as incurred and included within cost of sales. As of December 31, 2024, future annual minimum purchases remaining under the agreement are $2,533.

The Company's financial instruments include cash and cash equivalents, accounts receivable and accounts payable. The carrying amounts of these financial assets and liabilities approximate fair value due to the short maturities of these instruments. Management believes the fair value of the Company's revolving loans approximate the carrying value due to credit risk or current market rates, which approximate the effective interest rates on those instruments. The fair value of the Company's term loans is estimated by discounting the future cash flow using the Company's current borrowing rates for similar types and maturities of debt.

Leases

The Company accounts for leases under FASB ASC Topic 842, Leases, which has resulted in the company reporting a right of use ("ROU") asset and lease liability related to operating leases reported on our balance sheet. Financing leases under current U.S. GAAP are classified and accounted for in substantially the same manner as capital leases under prior U.S. GAAP and therefore, we do not distinguish between financing leases and capital leases unless the context requires. The determination of whether an arrangement is or contains a lease occurs at inception. We have elected the practical expedient to include both the lease component and the non-lease component as a single component when accounting for each lease and calculating the resulting lease liability and ROU asset. The following is our accounting policy for leases in which we are the lessee.

Leases are classified as either operating or financing by the lessee depending on whether the lease terms provide for control of the underlying asset to be transferred to the lessee. When control transfers to the lessee, we classify the lease as a financing lease. All other leases are recorded as operating leases. For leases with an initial lease term in excess of twelve months, we record a ROU asset with a corresponding lease liability in our balance sheet. We have elected the practical expedient for all leases less than 12 months to not record a ROU asset or corresponding lease liability. ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at commencement of the lease based on the present value of lease payments over the lease term. ROU assets are adjusted for any lease payments made on or before commencement of the lease, less any lease incentives received.

The lease liability represents future lease payments for lease and non-lease components discounted for present value. Lease payments that may be included in the lease liability include fixed payments, variable lease payments that are based on an index or rate and payments for penalties for terminating the lease if the lessee is reasonably certain to utilize a termination option, among others. Certain of our leases contain rent escalation clauses that are specifically stated in the lease and these are included in the calculation of the lease liability. Variable lease payments for lease and non-lease components which are not based on an index or rate are excluded from the calculation of the lease liability and are recognized in the statement of operations during the period incurred.

We utilize discount rates to determine the net present value of our gross lease obligations when calculating the lease liability and related ROU asset. In cases in which the rate implicit in the lease is readily determinable, we utilize that discount rate for purposes of the net present value calculation. In most cases, our lease agreements do not have a discount rate that is readily determinable and therefore we utilize an estimate of our incremental borrowing rate. Our incremental borrowing rate is determined at lease commencement or lease modification and represents the rate of interest we would have to pay to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment. For adoption of the new standard, the rate was determined at the adoption date.

The lease term is determined by taking into account the initial period as stated in the lease contract and adjusted for any renewal options that the company is reasonably certain to exercise as well as any period of time that the lessee has control of the space before the stated initial term of the lease. If we determine that we are reasonably certain to exercise a termination option, the lease term is then adjusted to account for the expected termination date.

Operating lease expense is recorded as a single expense recognized on a straight-line basis over the lease term. Financing lease expense consists of interest expense on the financing lease liability and amortization of the ROU financing lease asset on a straight-line basis over the lease term.

New Accounting Pronouncements

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740) – Improvements to Income Tax Disclosures, which requires enhanced income tax disclosures that reflect how operations and related tax risks, as well as how tax planning and operational opportunities, affect the tax rate and prospects for future cash flows. This standard is effective for the Company beginning January 1, 2025 with early adoption permitted. We are currently assessing the impact of adopting this standard on our consolidated financial statements.

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280) – Improvements to Reportable Segment Disclosures, which includes requirements for more robust disclosures of significant segment expenses and measures of a segment's profit and loss used in assessing performance. This standard is effective for the Company's annual period beginning January 1, 2024 and interim periods beginning January 1, 2025 with early adoptions permitted. We are currently assessing the impact of adopting this standard on our consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40), which requires disclosure of specific information about costs and expenses within relevant expense captions on the face of the income statement, qualitative descriptions for expense captions not specifically disaggregated quantitatively, and the total amount and definition of selling expenses for interim and annual reporting periods. This standard is effective for the Company's annual reporting period beginning January 1, 2027 and interim reporting periods beginning January 1, 2028 and should be applied on a retrospective or prospective basis, with early adoption permitted. We are currently assessing the impact of adopting this standard on our consolidated financial statements

2. Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash and cash equivalents	$5,704	$7,862

As of December 31, 2024, and December 31, 2023, cash held in foreign banks was $5,069 and $7,218, respectively.

As of December 31, 2024, and December 31, 2023, letters of credit for $685 and $735, respectively were outstanding under our New Senior Credit Facility.

3. Receivables, net

	December 31, 2024	December 31, 2023
Accounts receivable, gross	$77,466	$91,858
Less allowance for credit losses	(2,657)	(2,908)
	$74,809	$88,950

	December 31, 2024	December 31, 2023	December 31, 2022
Beginning balance	$2,908	$3,847	$3,404
Provision (recoveries)	198	(132)	187
Write-offs	(454)	-	373
Other and translation	5	(807)	(117)
Ending balance	$2,657	$2,908	$3,847

4. Inventories

	December 31, 2024	December 31, 2023
Raw materials	$29,991	$35,573
Work in process	42,940	51,872
Finished products	36,037	23,865
	$108,968	$111,310

5. Property, Plant and Equipment, Net

Depreciation expense associated with property, plant and equipment was $22,443, $23,617 and $25,727 for the years ended December 31, 2024, 2023 and 2022, respectively.

	December 31, 2024	December 31, 2023
Land and improvements	$1,848	$1,939
Buildings and improvements	52,847	53,613
Machinery and equipment	371,661	372,311
Construction in progress	11,730	8,509
	$438,086	$436,372

Accumulated depreciation

	December 31, 2024	December 31, 2023
Land and improvements	$520	$496
Buildings and improvements	27,419	26,790
Machinery and equipment	286,412	274,741
	$314,351	$302,027

6. Other Assets

	December 31, 2024	December 31, 2023
Other taxes receivable	$10,295	$15,048
Other	604	628
	$10,899	$15,676

7. Accrued Liabilities

	December 31, 2024	December 31, 2023
Compensation and employee benefits	$8,559	$15,919
Taxes payable	8,877	17,171
Accrued volume and sales rebates	1,929	2,409
Other	3,805	3,664
	$23,170	$39,163

8. Debt Obligations

	December 31, 2024	December 31, 2023
Short-term debt:		
Senior credit facility	$34,625	$11,250
Europe Line of Credit	9,905	10,497
Total short-term debt	44,530	21,747
Long-term debt:		
Senior credit facility, net	$98,535	$111,176
Other	529	562
Total long-term debt	99,064	111,738
Total debt	$143,594	$133,485

Senior Credit Facility

On October 9, 2020, the Company and certain of its subsidiaries, entered into that certain Credit Agreement (the "Credit Agreement") with the various lenders named therein and Bank of America, N.A., as administrative agent for the lenders (the "Administrative Agent"), providing for a $150,000 term loan (the "Term Loan") and a $30,000 revolving credit facility (the "Revolving Credit Facility" and together with the Term Loan, the "Senior Credit Facility") as amended by the First Amendment to Credit Agreement dated as of August 13, 2021, the Second Amendment to Credit Agreement dated as of August 10, 2022 and as further amended by the Limited Waiver and Third Amendment to Credit Agreement dated as of February 14, 2025 (the "Third Amendment") as described below.

The Second Amendment to the Senior Credit Facility increased the commitment of the New Revolving Credit Facility to $37,000 and transitioned Term Loans on September 30, 2022 and Revolving Loans on August 30,2022 from LIBOR Loans to SOFR Loans. Amended terms of the facility are stated below.

The Third Amendment includes a waiver on covenants for the year ended December 31, 2024, and a relief period for year 2025 (the "Covenant Relief Period"). During the Covenant Relief period, the consolidated leverage ratio will be increased to 4.00X through December 31, 2025. The consolidated fixed charge coverage ratio will be modified to include only maintenance capital expenditures and a year-to-date build basis for quarter end calculation. On December 31, 2025, the consolidated fixed charge coverage ratio will return to an LTM basis. During the Covenant Relief Period, restricted payments, permitted acquisitions and other investments as defined by the Credit Agreement are not allowed and the accordion feature of the credit facility, which allowed for an increase in borrowings under the facility has been suspended.

The interest rates per annum applicable to the Amended Senior Credit Facility (other than in respect of Swingline Loans) will be SOFR, but in any event, not less than 0.00%, plus the Applicable Rate (as defined below), or, for U.S. dollar denominated loans only, made to the Company at the option of the Company, the Base Rate, defined as the highest of: (a) the Federal Funds Rate plus one-half percent (0.50%); (b) the Bank of America prime rate; and (c) the one (1) month SOFR (adjusted daily) plus one percent (1.00%), but in any case not less than 1.00%, plus the Applicable Rate. Applicable Rate means, with respect to the Amended Senior Credit Facility, a percentage per annum to be determined in accordance with the applicable pricing grid set forth in the Amended

Senior Credit Facility based upon the Company's Consolidated Coverage Ratio as reflected in a quarterly Compliance Certificate. Each Swingline Loan shall bear interest at the Base Rate plus the Applicable Rate for Base Rate loans under the New Revolving Credit Facility. As of December 31, 2024, our current interest rate is 6.94%.

The Amended Senior Credit Facility requires the Company to repay principal of the New Term Loan at the rate of 5% of the original principal balance during each of the first two years, 7.5% during the third and fourth years and 10% of the original principal balance during the fifth year. The maturity date on the Amended Senior Credit Facility is August 13, 2026.

The Company may prepay the Amended Senior Credit Facility, in whole or in part, at any time without premium or penalty, subject to reimbursement of the Lenders' breakage and redeployment costs in the case of prepayment of LIBOR borrowings and foreign currency borrowings bearing interest at a rate other than LIBOR. Each such prepayment of the New Term Facility shall be applied as directed by the Company. The unutilized portion of the commitments under the Amended Senior Credit Facility may be irrevocably reduced or terminated by the Company at any time without penalty.

The Amended Senior Credit Facility is guaranteed by each existing and future direct and indirect wholly owned material domestic Restricted Subsidiary and foreign Restricted Subsidiary of the Company (other than any Brazilian subsidiary). The Amended Senior Credit Facility is secured by substantially all assets of the Company and its material domestic Restricted Subsidiaries, with the exception of real property.

The Amended Senior Credit Facility contains various covenants which restrict the Company's ability to, among other things, incur indebtedness, create liens on our assets, make investments, enter into merger, consolidation or acquisition transactions, dispose of assets (other than in the ordinary course of business), make certain restricted payments, enter into sale and leaseback transactions and transactions with affiliates, in each case subject to permitted exceptions. The Amended Senior Credit Facility also requires that we comply with certain financial covenants, including meeting a consolidated leverage ratio and consolidated fixed charge coverage ratio. The Company has received a waiver of covenants for the period ending December 31, 2024.

Foreign Lines of Credit

In its foreign operations, the Company has unsecured lines of credit with various banks providing approximately $12,000 of availability. There were borrowings of $9,905 under the lines of credit at December 31, 2024 and borrowings of $10,498 under the lines of credit at December 31, 2023. As of December 31, 2024, our current interest rate is 4.81%.

Debt Maturity

The aggregate maturities of debt [(1)] for each of the next five years are:

	2025	2026	2027	2028	2029	Thereafter
Term Loan	$ 13,125	$ 99,375	$ -	$ -	$ -	$ -
Revolving Credit Facility	-	21,500	-	-	-	-
Other	9,905	835	-	-	-	-
	$ 23,030	$ 121,710	$ -	$ -	$ -	$ -

(1) The aggregate maturities of debt represent amounts to be paid at maturity and not the current carrying value of the debt.

9. Leases

We have operating leases primarily for real estate, equipment, and vehicles. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants. ROU assets and related lease liabilities are recorded on the balance sheet for leases with an initial term in excess of twelve months.

ROU assets and lease liabilities are as follows:

	December 31, 2024	December 31, 2023
Operating Leases:		
ROU assets	$ 19,190	$ 22,309
Lease liabilities	21,717	25,185

The following is an analysis of leased property under financing leases by major classes as of December 31, 2024 and December 31, 2023.

	December 31, 2024	December 31, 2023
Building and improvements	$453	$453
Machinery and equipment	3,599	3,535
Less: Accumulated depreciation	(4,052)	(3,988)
	$0	$0

Additional information with respect to our operating and finance leases as of December 31, 2024 is presented below.

	Operating
Weighted average remaining lease term (years)	8.49
Weighted average discount rate	7.42%

Lease expense consists of the following:

	December 31, 2024	December 31, 2023
Operating lease rent expense	$ 4,591	$ 5,255
Financing Leases:		
Amortization of ROU assets	-	10
Interest expense on lease liabilities	-	-
	$ -	$ 10

Cash flow information related to leases is as follows:

	December 31, 2024	December 31, 2023
Cash Paid For Amounts Included in the Measurement of Lease Liabilities:		
Cash used in operating activities (operating leases)	$ 4,564	$ 5,164
Cash used in operating activities (financing leases)	-	12
Supplemental Cash Flow Information:		
ROU assets obtained in exchange for lease obligations (operating leases)	$ 239	$ 114

Maturities of operating lease liabilities as of December 31, 2024 are as follows:

Year	Operating Leases
2024	$ 4,497
2025	3,928
2026	3,714
2027	3,666
2028	2,579
Thereafter	11,476
Total lease payments	29,860
Less: discounted interest	(8,143)
	$ 21,717

10. Retirement Plans

The Company has contributed $3,099 and $2,236 to pension benefits in the U.S. during the years ended December 31, 2024 and December 31, 2023, respectively.

The Company and its subsidiaries have defined contribution and defined benefit plans varying by country and subsidiary.

The Company's operations in the United States, France, and Germany historically offered defined benefit retirement plans ("Plan") to their employees. Most of these benefits have been terminated, resulting in various reductions in liabilities and curtailment gains.

Included in accumulated other comprehensive loss, net of tax is $(20,935) as of December 31, 2024. The following amounts not yet recognized in net periodic benefit cost:

	U.S. Pension Benefits	Non U.S. Pension Benefits
Net actuarial (loss) gain	($10,410)	1,741
Prior service credit	1	19

Amounts included in other comprehensive income (loss) expected to be recognized as a component of net periodic benefit cost for the year ending December 31, 2025 are:

	U.S. Pension Benefits	Non U.S. Pension Benefits
Net actuarial (loss) gain	($88)	$82

The measurement date for all defined benefit plans is December 31. The year-end status of the plans is as follows:

	U.S. Pension Benefits		Non U.S. Pension Benefits	
	2024	2023	2024	2023
Change in benefit obligation:				
Projected benefit obligation at beginning of year	$95,385	$97,738	$20,578	$17,761
Service cost	-	-	296	297
Interest cost	4,988	5,185	644	737
Plan amendments	-	-	-	(133)
Actuarial (gain) loss	(3,124)	(487)	(98)	1,962
Benefits paid	(7,563)	(7,051)	(942)	(686)
Currency translation	-	-	(1,230)	640
Estimated benefit obligation at end of year	$89,686	$95,385	$19,248	$20,578
Change in plan assets:				
Fair value of plan assets at beginning of year	$87,538	$82,693	$1,227	$1,367
Actual return on plan assets	4,202	9,661	39	33
Employer contribution	3,099	2,236	609	617
Plan settlements	-	-	-	(154)
Benefits paid	(7,563)	(7,052)	(942)	(686)
Currency translation	-	-	(75)	50
Fair value of plan assets at end of year	$87,276	$87,538	$858	$1,227
Unfunded status of the plan	($2,410)	($7,847)	($18,390)	($19,351)

	U.S. Pension Benefits		Non U.S. Pension Benefits	
	2024	2023	2024	2023
Amounts recognized in statement of financial position:				
Current liabilities	($73)	($73)	($70)	($798)
Noncurrent liabilities	(2,337)	(7,774)	(18,319)	(18,553)
Net amount recognized	($2,410)	($7,847)	($18,389)	($19,351)

The funded status of these pension plans as a percentage of the projected benefit obligation was 81% in 2024 compared to 77% in 2023. The actuarial gain for 2024 was mainly due to the discount rate on U.S. pension benefits and changes in demographics on the foreign plans.

	U.S. Pension Benefits		Non U.S. Pension Benefits	
	2024	2023	2024	2023
Projected benefit obligation	$89,686	$95,385	$19,248	$20,578
Fair value of plan assets	$87,276	$87,538	$858	$1,227

Information for defined benefit plans with accumulated benefit obligations in excess of plan assets:

	U.S. Pension Benefits		Non U.S. Pension Benefits	
	2024	2023	2024	2023
Accumulated benefit obligation	$89,686	$95,385	$19,248	$20,578
Fair value of plan assets	$87,276	$87,538	$858	$1,227

In connection with our adoption of FASB issued ASU No. 2017-07, Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost, the components of net periodic benefit cost other than the service cost component are included in the line item other expense in the income statement.

Components of net periodic benefit cost for the years ended December 31:

	U.S. Pension Benefits			Non U.S. Pension Benefits		
	2024	2023	2022	2024	2023	2022
Component of net period benefit cost						
Service cost	$ -	$ -	$ -	$308	$296	$412
Interest cost	4,988	5,185	3,655	672	725	298
Expected return on plan assets	(5,086)	(4,774)	(5,029)	(31)	(36)	(35)
Amortization of prior service cost	-	-	-	3	10	10
Amortization of actuarial loss	185	474	752	(52)	(326)	47
	$87	$ 885	$ (622)	$900	$669	$732

Weighted average assumptions used to determine the benefit obligation and net periodic benefit cost as of December 31:

	U.S. Pension Benefits		Non U.S. Pension Benefits	
	2024	2023	2024	2023
Discount rate	5,70%	5.48%	3.49%	4.11%
Expected return on plan assets	6.00%	6.00%	2.60%	2.60%
Rate of compensation increase	N/A	N/A	3.28%	3.30%

The Company evaluates its discount rate assumption annually as of December 31 for each of its retirement-related benefit plans. The Company is using a Mercer bond model for determining its U.S. pension benefits.

The Company's expected return on plan assets is evaluated annually based upon a study which includes a review of anticipated future long-term performance of individual asset classes, and consideration of the appropriate asset allocation strategy to provide for the timing and amount of benefits included in the projected benefit obligation. While the study gives appropriate consideration to recent fund performance and historical returns, the assumption is primarily a long-term prospective rate.

The Company’s overall investment strategy is a glide path to manage the plan to a fully funded status through a mix of approximately 75% of investments for long-term growth and 25% for near-term benefit payments with a wide diversification of asset types, fund strategies, and fund managers. The target allocations for plan assets are 45% equity securities, 5% in alternatives and 48% to fixed income investments. Equity securities primarily include investments in large-cap, mid-cap and small-cap companies primarily located in the United States and international developed markets. Fixed income securities include corporate bonds of companies from diversified industries, mortgage-backed securities, and U.S. Treasuries. Other types of investments include investments in hedge funds that follow several different strategies.

Plan management uses the following methods and significant assumptions to estimate fair value of investments.

Money market – overnight bank deposits and money market mutual funds maintaining at all times $1.00 Net Asset Value (“NAV”).

US Government and agency obligations – U.S. Treasury bonds, notes and other government obligations.

Exchange traded funds – marketable securities tracking asset baskets traded on active markets.

Mutual funds - Valued at the net asset value (“NAV”) of shares or units held by the Plan at year-end which is obtained from an active market or at share or unit prices provided by the fund manager with significant observable inputs.

Hedge funds - Value provided by the administrator of the fund. The pricing for these funds is provided monthly by the fund to determine the quoted price.

Common stocks - marketable corporate equity securities traded on active markets.
The fair values of the Company’s pension plan asset allocation at December 31, 2024 and 2023, by asset category are as follows:

	Fair Value Measurement at December 31, 2024			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market	$2,490	$2,490	$ -	$ -
US Government and agency obligations	56,675	1,161	55,514	-
Exchange traded funds	-	-	-	-
Mutual funds	69	69	-	-
Common stocks	28,900	28,900	-	-
Total Assets in the fair value hierarchy	$88,134	$32,620	$55,514	-

	Fair Value Measurement at December 31, 2023			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market	$2,448	$2,448	$ -	$ -
US Government and agency obligations	40,435	1,519	38,916	-
Exchange traded funds	10,699	10,699	-	-
Mutual funds	19,100	19,100	-	-
Common stocks	16,083	16,083	-	-
Total Assets in the fair value hierarchy	$88,765	$49,849	$38,916	-

The following table provides a summary of the estimated benefit payments for the postretirement plans for the next five fiscal years and thereafter.

	Total Estimated Benefit Payments	
	U.S.	Non U.S
2025	$7,975	$744
2026	7,949	782
2027	7,989	826
2028	7,901	852
2029	7,745	1,214
Thereafter	35,858	6,209

The Company's expected contribution for the 2025 fiscal year is $2,304 for the U.S. pension plan. There is no funding requirement for non-U.S. pension plans.

Savings Plans

The Company also has defined contribution savings and similar plans for eligible employees, which vary by subsidiary. The Company's aggregate contributions to these plans are based on eligible employee contributions and certain other factors. The Company expenses for these plans were $1,188, $1,218 and $1,160 in 2024, 2023 and 2022, respectively.

International Plans

The Company maintains various pension and statutory separation pay plans for its European employees. The expense, not including the French and German pension plan, in 2024, 2023, and 2022 was $(221), $1,767 and $(431), respectively. As of their most recent valuation dates, for those plans where vested benefits exceeded plan assets, the actuarially computed value of vested benefits exceeded those plans' assets by approximately $5,582.

11. Capital Stock, Treasury Stock and Paid in Capital

Authorized shares of preferred stock ($0.01 par value per share) and common stock ($0.01 par value per share) for the Company are 50,000,000 shares and 150,000,000 shares, respectively. No preferred stock has been issued.

On October 9, 2020, the Company completed a private placement of 50,000,000 shares of common stock at $2.00 per share. The Company used the net proceeds of the private placement to complete a refinancing of its short-term debt.

As a result of the private placement to complete an extinguishment of the Revolving Credit Facility and Term Loan Facility in 2020 and subsequent purchases, Icahn Enterprises L.P. currently owns approximately 90.6% of our outstanding common stock.

In 2004, the Company purchased 805,270 shares of its common stock from the underwriter for a purchase price of $298. The common stock has been accounted for as treasury stock.

12. Income Taxes

Income tax provision (benefit) consisted of:

	2024	2023	2022
Current			
Domestic	$288	$1,213	$51
Foreign	(1,746)	(920)	7,187
Total current	(1,458)	293	7,238
Deferred			
Domestic	(413)	2,170	(32)
Foreign	1,201	1,071	(67)
Total deferred	788	3,241	(99)
Total	($670)	$3,534	$7,139

The reconciliation of income tax provision (benefit) attributable to earnings differed from the amounts computed by applying the U.S. Federal statutory income tax rate to earnings by the following amounts:

Income (loss) before income taxes:	2024	2023	2022
Domestic	($9,068)	($2,995)	($6,297)
Foreign	2,939	19,965	15,720
Total	($6,129)	$16,970	$9,423
Computed income tax provision (benefit)	($1,318)	$3,592	$1,979
State and local taxes, net of federal tax	(26)	113	341
Foreign taxes, net	(2,086)	1,355	655
Valuation allowance	5,166	(1,568)	(887)
Uncertain tax positions - (benefit) expense	(4,756)	(6,214)	860
Foreign exchange impact	(4)	(24)	18
Permanent differences, net	299	2,880	1,687
Revaluation of deferreds	1,574	(328)	1,016
Other, net	481	3,728	1,470
Total income tax provision	($670)	$3,534	$7,139

Computed income tax (benefit) provision	21.0%	21.0%	21.0%
State and local taxes, net of federal tax	0.4%	0.7%	3.6%
Foreign taxes, net	33.2%	7.9%	6.9%
Valuation allowance	-82.3%	-9.2%	-9.4%
Uncertain tax positions - expense (benefit)	75.8%	-36.3%	9.1%
Foreign exchange impact	0.1%	-0.1%	0.2%
Permanent differences, net	-4.8%	16.8%	17.9%
Revaluation of deferreds	-25.1%	-1.9%	10.8%
Other, net	-7.6%	21.8%	15.7%
Effective income tax rate	10.7%	20.7%	75.8%
Statutory federal rate	21.0%	21.0%	21.0%

Temporary differences and net operating loss carryforwards that give rise to a significant portion of deferred tax assets and liabilities for 2024 and 2023 are as follows:

	2024	2023
Deferred tax asset		
Provisions not currently deductible	$11,117	$10,520
Inventory basis differences	1,484	1,797
Stock options	40	41
Pension and healthcare	2,829	4,312
Net operating loss carryforwards	16,360	15,795
Lease liability	4,050	6,409
Foreign exchange and other	4,740	2,021
Valuation allowance	(9,410)	(4,692)
Total deferred tax asset	$31,210	$36,203
Deferred tax liability		
Property, plant, and equipment	($7,069)	($7,106)
Intangible asset	(4,061)	(4,772)
Right of use assets	(4,057)	(6,480)
Foreign exchange and other	(2,351)	(2,269)
Total deferred tax liability	($17,538)	($20,627)
	$13,672	$15,576

The net deferred tax asset (liability) is classified in the balance sheet as follows:

	2024	2023
Non-current deferred tax assets	$16,011	$18,597
Non-current deferred tax liability	(2,339)	(3,021)
Non-current deferred tax assets, net	$13,672	$15,576

A valuation allowance is provided when it is more likely than not that some portion or all of the net deferred tax assets will not be realized. Management believes that is more likely than not that its net deferred tax assets will be realized based on the weight of positive evidence and future income except with respect to the loss in Brazil and a portion of the state loss in the US. The Company has a valuation allowance for Brazil December 31, 2024 and December 31, 2023 of $7,853 and $4,427, respectively. The Company has a valuation allowance in the U.S. at December 31, 2024 and December 31, 2023 of $572 and $265, respectively. The Company has a valuation allowance in Poland at December 31, 2024 of $985 and none at December 31, 2023. The Company has gross U.S. federal net operating loss carryforwards at December 31, 2024 and December 31, 2023 of $40,327 and $36,649, respectively, with amounts beginning to expire in 2025. The Company has gross net operating loss carryforwards in Brazil at December 31, 2024 and December 31, 2023 of $6,309 and $5,059, respectively, and has an unlimited carryforward period. The Company has gross net operating loss carryforwards in Poland at December 31, 2024 of $1,184 and none for 2023. The Company has gross net operating loss carryforwards in France at December 31, 2024 and December 31, 2023 of $1,907 and $4,321, respectively, and has an unlimited carryforward period. The Company has gross net operating loss carryforwards in Viskase Germany at December 31, 2024 and December 31, 2023 of $5,435 and $5,882 for Income Tax and Trade Tax, respectively. The Company has gross net operating loss carryforwards in CT Casings at December 31, 2024 of $894 and none for December 31, 2023 for Income Tax and Trade Tax. The Company also has SEZ Credits in Poland ar December 31, 2024 and December 31, 2023 of $2,418 and $2,954, respectively.

Following the Equity Private Placement, Icahn Enterprises L.P. ("IELP") became the beneficial owner of more than 80% of the shares of our common stock and the Company became a member of the consolidated group of a corporate subsidiary of Icahn Enterprises for U.S. federal income tax purposes (the "IEP Corporate Subsidiary"). As a result, the IEP Corporate Subsidiary and the Company entered into a tax allocation agreement for the allocation of certain income tax items. The Company and its subsidiaries consented to join the IEP Corporate Subsidiary's federal consolidated return and, if elected by the IEP Corporate Subsidiary, certain state consolidated returns.

Uncertainty in Income Taxes

The uncertain tax positions as of December 31, 2024 totaled $7,456. The following table summarizes the activity related to the unrecognized tax benefits.

(in thousands)	2024	2023
Unrecognized tax benefits as of January 1	$9,190	$15,983
Increases in positions taken in a prior period	-	-
Decreases in positions taken in a prior period	-	-
Decreases de to settlements	-	-
Increases due to currency translation	-	-
Decreases due to currency translation	(158)	-
Decreases due to lapse of statute of limitations	(1,576)	(6,793)
Unrecognized tax benefits as of December 31	$7,456	$9,190

In 2024, the Company recognized an approximate net decrease of $1,734 to the reserves for uncertain tax positions.

Approximately $7,456 of the total gross unrecognized tax benefits represents the amount that, if recognized, would affect the effective income tax rate in future periods. The Company and its subsidiaries are subject to U.S. federal income tax as well as income tax of multiple state and foreign jurisdictions. The Company has substantially concluded all U.S. federal income tax matters for years through 2016. Substantially all material state and local and foreign income tax matters have been concluded for years through 2013. Based on the expiration of the statute of limitations for certain jurisdictions, we do not expect any amounts of unrecognized tax benefits to be released in the next twelve months.

The Company's continuing practice is to recognize interest and/or penalties related to income tax matters in income tax expense. During the years ended December 31, 2024 and 2023, the Company recorded adjustments for interest of ($3,751) and $628, respectively, and for penalties of $10 and $10, respectively, related to these unrecognized tax benefits. In total, as of December 31, 2024 and 2023, the Company has recorded a liability of interest of $23 and $3,774, respectively, and $177 and $167, respectively, for potential penalties.

13. Goodwill and Intangible Assets, net

The Company currently has goodwill of $2,820 with an impairment of $350.

Goodwill consists of the following:

	December 31, 2024	December 31, 2023
Beginning balance	$3,321	$3,207
Impairment	(350)	-
Translation	(151)	114
Ending balance	$2,820	$3,321

Intangible assets, net consists of the following:

	December 31, 2024		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Definite live intangible assets:			
Customer relationships	$18,222	($7,879)	$10,343
Technologies	2,137	(1,014)	1,123
Patents/Trademarks	9,676	(7,842)	1,834
In-place leases	189	(108)	81
	$30,224	($16,843)	$13,381

	December 31, 2023		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Definite live intangible assets:			
Customer relationships	$19,382	($6,969)	$12,413
Technologies	2,318	(1,295)	1,023
Patents/Trademarks	9,866	(7,603)	2,263
In-place leases	201	(101)	100
	$31,767	($15,968)	$15,799

Amortization expense associated with definite-lived intangible assets was $1,609, $1,606 and $1,576 for the years ended December 31, 2024, 2023 and 2022, respectively. We utilize the straight-line method of amortization, recognized over the estimated useful lives of the assets.

The estimated future amortization expense for our definite-lived intangible assets is as follows:

2024	$1,610
2025	1,610
2026	1,610
2027	1,610
2028	1,610
Total thereafter	5,331
Total amortization	$13,381

14. Contingencies

The Company from time to time is involved in various other legal proceedings, none of which are expected to have a material adverse effect upon results of operations, cash flows or financial condition.

15. Research and Development Costs

Research and development costs are expensed as incurred and totaled $3,724, $4,755 and $5,267 for 2024, 2023, and 2022, respectively.

16. Related-Party Transactions

As of December 31, 2024, and December 31, 2023, Icahn Enterprises L.P. owned approximately 90.6% and 90.0% of our outstanding common stock, respectively.

Equity Private Placement of Common Stock & Change in Number of Authorized Shares

Beginning in the first quarter of 2020, the Company entered into discussions with a number of banks, including Bank of America ("BofA"), regarding the terms of a new senior credit facility which would replace both the Term Loan and the ABL Loan. Under the new senior credit facility proposed by BofA, the Company was required to raise at least $100,000 in equity capital, the proceeds of which were to be used, together with borrowings under the new senior credit facility, to repay the Term Loan and the ABL Loan. The Company met this condition through the issuance of 50,000,000 shares of common stock to an affiliate of IELP in a private placement transaction at a purchase price of $2.00 per share (the "Equity Private Placement"). In order to complete the offering of the Equity Private Placement, the Company amended its Amended and Restated Certificate of Incorporation to increase the number of authorized shares of the Company's common stock by 50,000,000 shares.

Prior to the completion of the Equity Private Placement, IELP beneficially owned approximately 78.6% of the Company's outstanding common stock. As a result of the Equity Private Placement, IELP is the beneficial owner of approximately 89.0% of the Company's outstanding common stock. The Equity Private Placement was approved by a Special Committee of disinterested directors of the Company.

Pension Liabilities

Applicable pension and tax laws make each member of a "controlled group" of entities, generally defined as entities in which there is at least an 80% common ownership interest, jointly and severally liable for certain pension plan obligations of any member of the controlled group. These pension obligations include ongoing contributions to fund the plan, as well as liability for any unfunded liabilities that may exist at the time the plan is terminated. In addition, the failure to pay these pension obligations when due may result in the creation of liens in favor of the pension plan or the Pension Benefit Guaranty Corporation ("PBGC") against the assets of each member of the controlled group.

As a result of the Equity Private Placement, IELP became the beneficial owner of more than 80% of the shares of our common stock and the Company became subject to the pension liabilities of all entities in which Mr. Icahn has a direct or indirect ownership interest of at least 80%. One such entity, ACF Industries LLC ("ACF"), is the sponsor of several pension plans.

On January 31, 2025, the Executive Committee of ACF approved a resolution to terminate its qualified pension plans, which is frozen and no longer accrues benefits. As of December 31, 2024, the fair value of this plan's assets exceeded its benefit obligation. The termination of the plan is effective January 31, 2025, is subject to the appropriate regulatory approvals, and is expected to be completed in fiscal year 2025. The ACF LLC ultimate settlement obligation will depend upon both the nature and timing of participant settlements and prevailing market conditions.

In connection with the Equity Private Placement, the Company entered into an agreement with Icahn Enterprises Holdings L.P. pursuant to which Icahn Enterprises Holdings L.P. has agreed to indemnify us and our subsidiaries from losses resulting from any imposition of certain pension funding or termination liabilities that may be imposed on us and our subsidiaries or our assets as a result of being a member of the Icahn controlled group.

Based on the contingent nature of potential exposure related to these affiliate pension obligations and the indemnification from Icahn Enterprises Holdings L.P., no liability has been recorded in the accompanying consolidated financial statements.

Tax Allocation

Following the Equity Private Placement, IELP became the beneficial owner of more than 80% of the shares of our common stock and the Company became a member of the consolidated group IEP Corporate Subsidiary for U.S. federal income tax purposes. As a result, the IEP Corporate Subsidiary and the Company entered into a tax allocation agreement for the allocation of certain income tax items. The Company and its subsidiaries consented to join the IEP Corporate Subsidiary’s federal consolidated return and, if elected by the IEP Corporate Subsidiary, certain state consolidated returns. In those jurisdictions where the Company and its subsidiaries will file consolidated returns with the IEP Corporate Subsidiary, the Company will pay to the IEP Corporate Subsidiary any tax it would have owed had it and its subsidiaries continued to file as a separate consolidated group. To the extent that the IEP Corporate Subsidiary consolidated group is able to reduce its tax liability as a result of including the Company and its subsidiaries in its consolidated group, the IEP Corporate Subsidiary will pay the Company 20% of such reduction on a current basis and the Company will be treated as if it would carry forward for its own use under the tax allocation agreement, 80% of the items that caused the tax reduction (the “Excess Tax Benefits”). Moreover, if the Company and its subsidiaries should ever become deconsolidated from the IEP Corporate Subsidiary, the IEP Corporate Subsidiary will reimburse the Company for any tax liability in post-consolidation years that the Company and its subsidiaries would have avoided had they actually had the Excess Tax Benefits for their own consolidated group use. The cumulative payments to the Company by the IEP Corporate Subsidiary post-consolidation will not exceed the cumulative reductions in tax to the IEP Corporate Subsidiary group resulting from the use of the Excess Tax Benefits by the IEP Corporate Subsidiary group.

17. Business Segment Information and Geographic Area Information

The Company primarily manufactures and sells cellulosic food casings as its sole business segment. The Company's operations are viewed in geographic regions of North America, South America, Europe and Asia. Intercompany sales and charges (including royalties) have been reflected as appropriate in the following information. Certain items are maintained at the Company's corporate headquarters and are not allocated geographically. They include most of the Company's debt and related interest expense and income tax benefits.

Reporting Segment Information:

	2024	2023	2022
Net sales			
North America	$205,920	$222,093	$216,819
South America	50,320	53,201	50,621
Europe	175,227	201,629	187,401
Asia	48,139	46,162	48,940
Other and eliminations	(75,831)	(77,101)	(72,947)
	$403,775	$445,984	$430,834
Operating income			
North America	$847	$5,008	$269
South America	2,463	6,094	6,334
Europe	7,455	20,597	7,774
Asia	4,670	7,684	7,870
	$15,435	$39,383	$22,247

Net Sales by country	2024	2023	2022
United States	$128,048	$135,057	$134,885
Brazil	27,300	28,733	25,226
Italy	24,829	27,184	28,249
Germany	17,041	22,594	23,014
France	12,978	12,159	10,976
Philippines	27,701	27,299	31,644
Poland	8,119	9,997	9,328
Other international	157,759	182,961	167,512
	$403,775	$445,984	$430,834

18. Interest Expense, Net

Net interest expense, net consisted of:

	December 31, 2024	December 31, 2023	December 31, 2022
Interest expense	$11,300	$12,152	$8,433
Less Capitalized interest	(268)	(134)	-
Interest expense, net	$11,032	$12,018	$8,433

19. Changes in Accumulated Other Comprehensive Loss

	Accrued Employee Benefits	Translation Adjustments	Total
Balance at December 31, 2023	($22,113)	($37,087)	($59,200)
Other comprehensive income (loss) before reclassifications	1,032	(7,341)	(6,309)
Reclassifications from accumulated other comprehensive loss to earnings	123	-	123
Balance at December 31, 2024	($20,958)	($44,428)	($65,386)

	Amounts Reclassified from Accumulated Other Comprehensive Loss	Affected Line Items in the Consolidated Statement of Operations
Accrued Employee Benefits		
Amortization of net actuarial loss	123	Other Expense, net
	$123	

20. Variable Interest Entity

The Company holds a variable interest in a joint venture for which the Company is the primary beneficiary. The joint venture, VE Netting, LLC, is a manufacturing, marketing and selling company of high-quality netting solutions for the meat and poultry industry. VE Netting, LLC is a Delaware limited liability company with its principal place of business in Lombard, IL. The netting product is manufactured under agreement by Viskase's affiliate located in Monterrey, Mexico.

As the primary beneficiary of the variable interest entity (VIE), the VIEs' assets, liabilities, and results of operations are included in the Company's consolidated financial statements as of, and for the period ended, December 31, 2024 and December 31, 2023. The other equity holders' interests are reflected in "Net loss attributable to noncontrolling interests" in the Consolidated Statements of Operations and "Noncontrolling interests" in the Consolidated Balance Sheets.

The following table summarizes the carrying amount of the VIEs' assets and liabilities included in the Company's Consolidated Balance Sheets at December 31, 2024 and December 31, 2023:

	December 31, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	$8	$23
Receivables, net	80	104
Inventories	475	508
Other current assets	51	109
Property, plant and equipment	1,277	1,277
Less: Accumulated depreciation	(870)	(742)
Property, plant and equipment,net	407	535
Other assets	16	20
Total Assets	$1,037	$1,299
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities	749	814
Total Liabilites	749	814
Paid in capital	2,931	2,931
Retained earnings	(2,643)	(2,446)
Total Stockholder Equity	288	485
Total Liabilities and Stockholders' Equity	$1,037	$1,299

All assets in the above table can only be used to settle obligations of the consolidated VIE. Liabilities are nonrecourse obligations. Amounts presented in the table above are adjusted for intercompany eliminations.

The following table summarizes the Statement of Operations of the VIE included in the Company's Consolidated Statement of Operations for the period ended December 31, 2024 and December 31, 2023.

	December 31, 2024	December 31, 2023	December 31, 2022
Net sales	$848	$1,348	$1,197
Cost of sales	949	1,207	1,371
Gross margin	(101)	141	(174)
Selling, general and administrative	54	197	228
Asset impairment	-	18	-
Operating loss	(155)	(74)	(402)
Other expense	42	64	87
Loss before income taxes	(197)	(138)	(489)
Income tax expense	-	-	-
Net loss	($197)	($138)	($489)

21. Subsequent Events

Viskase evaluated its December 31, 2024 consolidated financial statements for subsequent events through March 28, 2025, the date the consolidated financial statements were available to be issued.

As of March 21, 2025, the Company completed a private placement through the issuance of 7,142,858 shares of common stock to an affiliate of IELP at a purchase price of $2.10 per share (the “Private Placement”).

Prior to the completion of the Private Placement, IELP beneficially owned approximately 90.6% of the Company’s outstanding common stock. As a result of the Private Placement, IELP is the beneficial owner of approximately 91.2% of the Company’s outstanding common stock. The Private Placement was approved by a Special Committee of disinterested directors of the Company.

As of March 26, 2025, the Company has announced a restructuring plan to close its plant in Osceola, AR.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Unaudited)

Company Overview

The Company operates in the casing product segment of the food industry. Viskase is a worldwide leader in the production and sale of cellulosic, fibrous and plastic casings for the processed meat and poultry industry. Viskase currently operates nine manufacturing facilities throughout North America, Europe, South America and Asia. Viskase provides value-added support services relating to these products for some of the world's largest global consumer products companies. Viskase is one of the two largest worldwide producers of non-edible cellulosic casings for processed meats and one of the three largest manufacturers of non-edible fibrous casings.

Our net sales are driven by consumer demand for meat products and the level of demand for casings by processed meat manufacturers, as well as the average selling prices of our casings. Specifically, demand for our casings is dependent on population growth, overall consumption of processed meats and the types of meat products purchased by consumers. Average selling prices are dependent on overall supply and demand for casings and our product mix.

Our cellulose, fibrous and plastic casing extrusion operations are capital-intensive and are characterized by high fixed costs. Our finishing operations are labor intensive. The industry's operating results have historically been sensitive to the global balance of capacity and demand. The industry's extrusion facilities produce casings under a timed chemical process and operate continuously.

Our contribution margin varies with changes in selling price, input material costs, labor costs and manufacturing efficiencies. The total contribution margin increases as demand for our casings increases. Our financial results benefit from increased volume because we do not have to increase our fixed cost structure in proportion to increases in demand. For certain products, we operate at near capacity in our existing facilities. We regularly evaluate our capacity and projected market demand. We believe the current and planned cellulosic production capacity in our industry is in balance with global demand.

Comparison of Results of Operations for Years Ended December 31, 2024, 2023 and 2022.

The following discussion compares the results of operations for the fiscal year ended December 31, 2024 to the results of operations for the fiscal year ended December 31, 2023, and compares the results of operations for the fiscal year ended December 31, 2023 to the results of operations for the fiscal year ended December 31, 2022. We have provided the table below in order to facilitate an understanding of this discussion. The table shows our results of operations (in millions) for the 2024, 2023 and 2022 fiscal years.

	Year Ended Dec 31, 2024		Year Ended Dec 31, 2023		Year Ended Dec 31, 2022
NET SALES	$403.8	-9.5%	$446.0	3.5%	$430.8
Cost of sales	336.0	-4.6%	352.2	-1.3%	356.7
Selling, general and administrative	48.4	-7.6%	52.4	4.2%	50.3
Amortization of intangibles	1.6	0.0%	1.6	0.0%	1.6
Asset impairment	0.4	33.3%	0.3	NM	-
Restructing expense	1.90	NM	-	NM	-
OPERATING INCOME	15.3	-61.2%	39.4	77.5%	22.2
Interest expense, net of income	11.0	-8.3%	12.0	42.9%	8.4
Other expense, net	10.5	1.0%	10.4	136.4%	4.4
Income tax provision	(0.7)	NM	3.5	-50.7%	7.1
NET INCOME (LOSS)	($5.5)	NM	$13.5	487.0%	$2.3

NM= Not meaningful when comparing positive to negative numbers or to zero.

2024 Versus 2023

Net Sales. Our net sales for 2024 were $403.8 million, which represents a decrease of $42.2 million or 9.5% from the prior year. Net sales decreased $25 million from price and mix and $17 million due to volume.

Cost of Sales. Cost of sales for 2024 decreased 4.6% from the comparable prior year period. The decrease is mainly due to lower sales volume, increased expense for raw materials, manufacturing waste and lower absorption of manufacturing costs at our plants.

Selling, General and Administrative Expenses. We decreased selling, general and administrative expenses from $52.4 million in 2023 to $48.4 million in 2024. The decrease is mainly due to lower costs for employee compensation plans.

Amortization of Intangibles. The Company incurred an expense of $1.6 million during 2024 and 2023 on the amortization of intangibles recognized with the acquisitions.

Asset Impairment Charge. The Company incurred an asset impairment charge of $0.4 million in 2024 related to assets removed from service.

Operating Income. Operating income for 2024 was $15.3 million, representing a decrease of $24.1 million from the prior year. The decrease in operating income was primarily due to items discussed above.

Interest Expense. Interest expense, net of interest income, for 2024 was $11.0 million, representing a decrease of $1.0 million compared to 2023. The decrease is a result of a lower interest rate on our Term loan.

Other Expense. Other expense for 2024 was approximately $10.5 million, representing an increase of $0.1 million over 2023. The increase is primarily due to higher foreign currency translation loss offset by the higher expense in 2023 due to reversal of a receivable on an uncertain tax position with the benefit running through the income tax provision.

Income Tax Provision. During 2024, an income tax benefit of $0.7 million was recognized on the loss before income taxes of $6.2 million compared to income tax expense of $3.5 million in 2023. The 2024 effective income tax rate was (10.7%) compared to 20.7% for 2023. The income tax rate benefited from the reversal of an uncertain tax position offset by valuation allowances on deferred tax assets.

Primarily as a result of the factors discussed above, net loss for 2024 was $5.5 million compared to net income of $13.5 million for 2023.

2023 Versus 2022

Net Sales. Our net sales for 2023 were $446.0 million, which represents an increase of $15.2 million or 3.5% from the prior year. Net sales increased $40 million from price and mix, $2 million due to foreign currency translation and decrease $27 million due to volume.

Cost of Sales. Cost of sales for 2023 decreased 1.3% from the comparable prior year period. The decrease is mainly due to lower sales volume, decreased expense for raw materials and distribution cost offset by lower absorption of manufacturing costs at our plants and manufacturing performance.

Selling, General and Administrative Expenses. We increased selling, general and administrative expenses from $50.3 million in 2022 to $52.4 million in 2023. The increase is mainly due to increased costs for employee compensation plans.

Amortization of Intangibles. The Company incurred an expense of $1.6 million during 2023 and 2022 on the amortization of intangibles recognized with the acquisitions.

Asset Impairment Charge. The Company incurred an asset impairment charge of $0.3 million in 2023 related to assets removed from service.

Operating Income. Operating income for 2023 was $39.4 million, representing an increase of $17.2 million from the prior year. The increase in operating income was primarily due to items discussed above.

Interest Expense. Interest expense, net of interest income, for 2023 was $12.0 million, representing an increase of $3.6 million compared to 2022. The increase is a result of a higher interest rate on our Term loan.

Other Expense. Other expense for 2023 was approximately $10.4 million, representing an increase of $6.0 million over 2022. The increase is primarily due to the reversal of a receivable on an uncertain tax position with the benefit running through the income tax provision.

Income Tax Provision. During 2023, an income tax expense of $3.5 million was recognized on the income before income taxes of $17.0 million compared to income tax expense of

$7.1 million in 2022. The 2023 effective income tax rate was 20.7% compared to 75.8% for 2022. The income tax rate benefited from the reversal of an uncertain tax position.

Primarily as a result of the factors discussed above, net income for 2023 was $13.5 million compared to net income of $2.3 million for 2022.

Liquidity and Capital Resources

Cash and cash equivalents decreased by $2.1 million during 2024. Net cash provided by operating activities was $3.4 million and net cash used in investing activities was $15.3 million. Net cash provided by financing activities was $10.3 million. Cash flows provided by operating activities were principally attributable to results from operations and working capital needs. Our receivables decreased during 2024 due to volume and price/mix. Cash flows used in investing activities were principally attributable to capital expenditure. Cash flows provided by financing activities principally consisted of short-term debt borrowings.

Our cash held in foreign banks was $5.1 million (against a total cash balance of $5.7 million) and $7.4 million (against a total cash balance of $7.9 million) as of December 31, 2024 and December 31, 2023, respectively. Any cash held by our foreign subsidiaries does not have a significant impact on our overall liquidity, but if we fail to generate sufficient cash through our domestic operations, our foreign operations could be a potential source of liquidity.

As of December 31, 2024, the Company had positive working capital of approximately $128.0 million, with additional amounts of credit available under its New Senior Credit Facility.

New Senior Credit Facility

On October 9, 2020, Viskase Companies, Inc. (the "Company") and certain of its subsidiaries, entered into that certain Credit Agreement (the "Credit Agreement") with the various lenders named therein and Bank of America, N.A., as administrative agent for the lenders (the "Administrative Agent"), as amended by the First Amendment to Credit Agreement dated as of August 13, 2021, the Second Amendment to Credit Agreement dated as of August 10, 2022 and as further amended by the Limited Waiver and Third Amendment to Credit Agreement dated as of February 14, 2025 (the "Third Amendment") as described below.

The Third Amendment includes a waiver on covenants for the year ended December 31, 2024, and a relief period for year 2025 (the "Covenant Relief Period"). During the Covenant Relief period, the consolidated leverage ratio will be increased to 4.00X through December 31, 2025. The consolidated fixed charge coverage ratio will be modified to include only maintenance capital expenditures and a year to date build basis for quarter ending calculation. At December 31, 2025 the consolidated fixed charge coverage ratio will return to a LTM basis. During the Covenant Relief Period, restricted payments, permitted acquisitions and other investments as defined by Credit Agreement are not allowed and the accordion feature of the credit facility, which allowed for an increase in borrowings under the facility has been suspended.

The interest rates per annum applicable to the Amended Senior Credit Facility (other than in respect of Swingline Loans) will be SOFR, but in any event, not less than 0.00%, plus the

Applicable Rate (as defined below), or, for U.S. dollar denominated loans only, made to the Company at the option of the Company, the Base Rate, defined as the highest of: (a) the Federal Funds Rate plus one-half percent (0.50%); (b) the Bank of America prime rate; and (c) the one (1) month SOFR (adjusted daily) plus one percent (1.00%), but in any case not less than 1.00%. plus the Applicable Rate. Applicable Rate means, with respect to the Amended Senior Credit Facility, a percentage per annum to be determined in accordance with the applicable pricing grid set forth in the Amended Senior Credit Facility based upon the Company's Consolidated Coverage Ratio as reflected in a quarterly Compliance Certificate. Each Swingline Loan shall bear interest at the Base Rate plus the Applicable Rate for Base Rate loans under the New Revolving Credit Facility. As of December 31, 2024, our current interest rate is 6.94%.

The Amended Senior Credit Facility requires the Company to repay principal of the New Term Loan at the rate of 5% of the original principal balance during each of the first two years, 7.5% during the third and fourth years and 10% of the original principal balance during the fifth year. The maturity date on the Amended Senior Credit Facility is August 13, 2026.

The Company may prepay the Amended Senior Credit Facility, in whole or in part, at any time without premium or penalty, subject to reimbursement of the Lenders' breakage and redeployment costs in the case of prepayment of LIBOR borrowings and foreign currency borrowings bearing interest at a rate other than LIBOR. Each such prepayment of the New Term Facility shall be applied as directed by the Company. The unutilized portion of the commitments under the Amended Senior Credit Facility may be irrevocably reduced or terminated by the Company at any time without penalty.

The Amended Senior Credit Facility is guaranteed by each existing and future direct and indirect wholly owned material domestic Restricted Subsidiary and foreign Restricted Subsidiary of the Company (other than any Brazilian subsidiary). The Amended Senior Credit Facility is secured by substantially all assets of the Company and its material domestic Restricted Subsidiaries, with the exception of real property.

The Amended Senior Credit Facility contains various covenants which restrict the Company's ability to, among other things, incur indebtedness, create liens on our assets, make investments, enter into merger, consolidation or acquisition transactions, dispose of assets (other than in the ordinary course of business), make certain restricted payments, enter into sale and leaseback transactions and transactions with affiliates, in each case subject to permitted exceptions. The Amended Senior Credit Facility also requires that we comply with certain financial covenants, including meeting a consolidated leverage ratio and consolidated fixed charge coverage ratio. The Company has received a waiver of covenants for the period ending December 31, 2023.

Foreign Lines of Credit

In its foreign operations, the Company has unsecured lines of credit with various banks providing approximately $12.0 million of availability. There were borrowings of $9.9 million under the lines of credit on December 31, 2024 and $10.5 million as December 31, 2023. As of December 31, 2024, our current interest rate is 4.81%.

Pension and Postretirement Benefits

Our long-term pension and postretirement benefit liabilities totaled $25.4 million at December 31, 2024.

Expected annual cash contributions for U.S. pension liabilities are expected to be (in millions):

	2025	2026	2027	2028	2029
Pension	$ 2.3	$ 2.9	$ 2.1	$ 2.1	$ 2.0

Contract Obligations

As of December 31, 2024, the aggregate maturities of debt(1), leases and purchase commitments for each of the next five years are (in millions):

	2025	2026	2027	2028	2029	Thereafter
Term Credit Facility	$ 34.6	$ 99.4	$ -	$ -	$ -	$ -
Operating Leases	4.5	3.9	3.7	3.7	2.6	11.5
Other	9.9	0.6	-	-	-	-
	$ 49.0	$ 103.9	$ 3.7	$ 3.7	$ 2.6	$ 11.5

(1) The aggregate maturities of debt represent amounts to be paid at maturity and not the current carrying value.

New Accounting Pronouncements

Please reference Footnote 1 in our Notes to Consolidated Financial Statements.

FORWARD-LOOKING STATEMENTS

This report includes "forward-looking statements." Forward-looking statements are those that do not relate solely to historical fact. These statements relate to future events or our future financial performance and implicate known and unknown risks, uncertainties and other factors that may cause the actual results, performances or levels of activity of our business or our industry to be materially different from that expressed or implied by any such forward-looking statements. They include, but are not limited to, any statement that may predict, forecast, indicate or imply future results, performance, achievements or events. In some cases, you can identify forward-looking statements by use of words such as "believe," "anticipate," "expect," "estimate," "intend," "project," "plan," "will," "would," "could," "predict," "propose," "potential," "may" or words or phrases of similar meaning. Statements concerning our financial position, business strategy and measures to implement that strategy, including changes to operations, competitive strengths, goals, plans, references to future success and other similar matters are forward-looking statements. Forward-looking statements may relate to, among other things:

- our ability to meet liquidity requirements and to fund necessary capital expenditures;
- the strength of demand for our products, prices for our products and changes in overall demand;

- assessment of market and industry conditions and changes in the relative market shares of industry participants;
- consumption patterns and consumer preferences;
- the effects of competition and competitor responses to our products and services ;
- our ability to realize operating improvements and anticipated cost savings;
- pending or future legal proceedings and regulatory matters;
- general economic conditions and their effect on our business;
- changes in the cost or availability of raw materials and changes in energy prices or other costs;
- pricing pressures for our products;
- the cost of and compliance with environmental laws and other governmental regulations;
- our results of operations for future periods;
- our anticipated capital expenditures;
- our ability to pay, and our intentions with respect to the payment of, dividends on shares of our capital stock;
- our ability to protect our intellectual property;
- economic and industry conditions affecting our customers and suppliers
- our ability to identify, complete and integration acquisitions; and
- our strategy for the future, including opportunities that may be presented to and/or pursued by us.

These forward-looking statements are not guarantees of future performance. Forward-looking statements are based on management's expectations that involve risks and uncertainties.