

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ 305 and 307.

Multiple horizontal lines for providing details for question 17.

18 Can any resulting loss be recognized? ▶ n/a

Multiple horizontal lines for providing details for question 18.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ n/a

Multiple horizontal lines for providing details for question 19.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ *Michael Bleic* Date ▶ 1-9-17

Print your name ▶ Michael Bleic Title ▶ Chief Accounting Officer and Treasurer

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	

(REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES)

Attachments for Viskase Companies, Inc.

January 10, 2018

Part II,

14.

On November 21, 2017, Viskase Companies, Inc. ("VKSC") commenced a rights offering up to 16,666,666 shares of common stock pursuant to which stockholders of record as of November 21, 2017 received, at no cost to them, one subscription right for each share of VKSC common stock owned (the "Rights Offering"). Each subscription right entitled the stockholder to purchase 0.45632095 shares of Common Stock at the \$3.00 per whole share (the "Basic Subscription Right"). The Rights Offering expired on January 3, 2018. Under the Rights Offering, stockholders exercised rights ("Rights") to purchase 16,666,666 shares VKSC common stock.

15.

The U.S. federal income tax treatment of the receipt of a Right by a stockholder is not free from doubt. While not free from doubt, VKSC is taking the position that the receipt of Rights is not treated as a taxable distribution for U.S. federal income tax purposes. VKSC is taking the position that the fair market value of each Right on the date of receipt is less than 15% of the aggregate fair market value of the stockholder's existing shares of VKSC common stock, accordingly, absent an U.S. federal income tax election by a stockholder under I.R.C. § 307(b) and Treas. Reg. §1.307-1 to allocate existing stock basis to the Rights, the Rights are expected to be allocated a zero basis for U.S. federal income tax purposes. VKSC stockholders should read the U.S. federal income tax discussion in the Offering Circular for the Rights under "Certain Material United States Federal Income Tax Considerations" and consult their tax advisors, in light of their particular circumstances, regarding the U.S. federal income tax consequences of the Rights Offering. Responses 16-19 of this IRS Form 8937 assume that a stockholder has not made the election under I.R.C. § 307(b) and Treas. Reg. §1.307-1, which is discussed further in the Offering Circular.

16.

Based on a theoretical value calculation and limited trading data for our common stock, VKSC is taking the position that the fair market value of each Right is less than 15% of the aggregate fair market value of the existing shares of VKSC common stock and, accordingly, a change in basis calculation is not necessary.