VISKASE®

Financial report for the fiscal quarter ended

September 30, 2020

CONSOLIDATED FINANCIAL STATEMENTS
OF VISKASE COMPANIES, INC. AND SUBSIDIARIES

1. Financial Statements:

   - Report of Independent Certified Public Accountants
   - Condensed Consolidated Balance Sheets as of September 30, 2020 (unaudited) and December 31, 2019
   - Condensed Consolidated Statements of Operations for the three months and nine months ended September 30, 2020 and September 30, 2019 (unaudited)
   - Condensed Consolidated Statements of Comprehensive Income (Loss) for the three months and nine months ended September 30, 2020 and September 30, 2019 (unaudited)
   - Condensed Consolidated Statements of Stockholders' Equity for the nine months ended September 30, 2020 (unaudited) and year ended December 31, 2019
   - Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2020 and September 30, 2019 (unaudited)
   - Notes to Condensed Consolidated Financial Statements

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Viskase Companies, Inc.

We have reviewed the accompanying condensed consolidated interim financial statements of Viskase Companies, Inc. (a Delaware corporation) and subsidiaries (the "Company"), which comprise the condensed consolidated balance sheet, and the related condensed consolidated statements of operations, comprehensive income (loss), changes in stockholders' equity, and cash flows, as of September 30, 2020 and for the three-month and nine-month periods ended September 30, 2020 and 2019, and the related notes to the interim financial statements.

Management's responsibility
The Company's management is responsible for the preparation and fair presentation of the condensed consolidated interim financial statements in accordance with accounting principles generally accepted in the United States of America; this responsibility includes the design, implementation, and maintenance of internal control sufficient to provide a reasonable basis for the preparation and fair presentation of interim financial information in accordance with accounting principles generally accepted in the United States of America.

Auditor's responsibility
Our responsibility is to conduct our reviews in accordance with auditing standards generally accepted in the United States of America applicable to reviews of interim financial information. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements. Accordingly, we do not express such an opinion.

Conclusion
Based on our reviews, we are not aware of any material modifications that should be made to the condensed consolidated interim financial statements referred to above for them to be in accordance with accounting principles generally accepted in the United States of America.

Grant Thornton

Report on condensed consolidated balance sheet as of December 31, 2019

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet of the Company as of December 31, 2019, and the related consolidated statements of operations, comprehensive (loss) income, changes in stockholders' equity, and cash flows for the year then ended (not presented herein); and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated May 1, 2020. In our opinion, the accompanying condensed consolidated balance sheet of the Company as of December 31, 2019, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Grant Thornton LLP

Chicago, Illinois
November 13, 2020

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

	September 30, 2020	December 31, 2019
ASSETS	(unaudited)	
Current assets:		
Cash and cash equiv alents	$11,979	$21,820
Restricted cash	735	1,153
Receiv ables, net	95,344	77,956
Inv entories	91,752	99,821
Other current assets	44,080	43,617
Total current assets	243,890	244,367
Property, plant and equipment	397,506	384,290
Less accumulated depreciation	(241,363)	(222,495)
Property, plant and equipment, net	156,143	161,795
Right of use assets	31,968	34,062
Other assets, net	15,315	16,617
Intangible assets	22,175	22,471
Goodwill	3,475	3,376
Deferred income taxes	29,540	30,199
Total Assets	$502,506	$512,887
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	$109,856	$11,840
Accounts payable	33,056	35,038
Accrued liabilities	39,816	44,679
Short-term portion lease liabilities	5,735	6,128
Total current liabilities	188,463	97,685
Long-term debt, net of current maturities	151,602	255,865
Long-term liabilities	6,460	5,929
Accrued employee benefits	69,886	70,648
Deferred income taxes	4,474	3,991
Long-term lease liabilities	30,472	32,296
Stockholders' equity:		
Common stock, $0.01 par v alue; 53,995,935 shares issued and 53,190,665 outstanding	540	540
Paid in capital	82,843	82,843
Retained earnings	43,969	41,415
Less 805,270 treasury shares, at cost	(298)	(298)
Accumulated other comprehensiv e loss	(75,179)	(77,435)
Total Viskase stockholders' equity	51,875	47,065
Deficit attributable to non-controlling interest	(726)	(592)
Total stockholders' equity	51,149	46,473
Total Liabilities and Stockholders' Equity	$502,506	$512,887

See notes to consolidated financial statements

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

	3 Months Ended September 30, 2020	3 Months Ended September 30, 2019	9 Months Ended September 30, 2020	9 Months Ended September 30, 2019
NET SALES	$104,966	$98,394	$306,596	$290,270
Cost of sales	84,231	79,864	243,590	230,077
GROSS MARGIN	20,735	18,530	63,006	60,193
Selling, general and administrative	12,478	14,938	36,630	42,367
Amortization of intangibles	428	406	1,221	1,207
Asset impairment	323	-	323	951
Restructuring expense	-	1,408	-	8,884
OPERATING INCOME	7,506	1,778	24,832	6,784
Interest income	2	14	16	208
Interest expense	3,044	3,975	10,099	12,506
Other expense, net	69	6,872	9,403	8,487
INCOME (LOSS) BEFORE INCOME TAXES	4,395	(9,055)	5,346	(14,001)
Income tax provision	951	3,561	2,926	2,150
NET INCOME (LOSS)	$3,444	($12,616)	$2,420	($16,151)
Less: net loss attributable to noncontrolling interests	(58)	(78)	(134)	(140)
Net income (loss) attributable to Viskase Companies, Inc	$3,502	($12,538)	$2,554	($16,011)

See notes to consolidated financial statements.

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

	3 Months Ended September 30, 2020	3 Months Ended September 30, 2019	9 Months Ended September 30, 2020	9 Months Ended September 30, 2019
Net income (loss)	$3,444	($12,616)	$2,420	($16,151)
Other comprehensiv e income (loss), net of tax				
Pension liability adjustment	226	364	724	1,041
Foreign currency translation adjustment	1,654	(2,619)	1,532	(4,138)
Other comprehensiv e income (loss), net of tax	1,880	(2,255)	2,256	(3,097)
Comprehensiv e income (loss)	$5,324	($14,871)	$4,676	($19,248)
Less: comprehensiv e loss attributable to noncontrolling interests	(58)	(78)	(134)	(140)
Net comprehensiv e income (loss) attributable to Viskase Companies, Inc	$5,382	($14,793)	$4,810	($19,108)

See notes to consolidated financial statements.

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

	Common stock	Paid in capital	Treasury stock	Retained earnings	Accumulated other comprehensiv e loss	Total stockholders' equity	Non-controlling Interest	Total stockholders' equity
Balance December 31, 2018	$540	$82,843	($298)	$67,699	($79,276)	$71,508	$ (422)	$71,086
Net loss	-	-	-	(24,947)	-	(24,947)	(170)	(25,117)
Foreign currency translation adjustmer	-	-	-	-	(1,234)	(1,234)	-	(1,234)
Pension liability adjustment, net of tax	-	-	-	-	1,738	1,738	-	1,738
Elimination of stranded tax effects within AOCI resulting from tax reform	-	-	-	(1,337)	1,337	-	-	-
Balance December 31, 2019	$540	$82,843	($298)	$41,415	($77,435)	$47,065	($592)	$46,473
Net income	-	-	-	2,554	-	2,554	(134)	2,420
Foreign currency translation adjustmer	-	-	-	-	1,532	1,532	-	1,532
Pension liability adjustment, net of tax	-	-	-	-	724	724	-	724
Balance September 30, 2020	$540	$82,843	($298)	$43,969	($75,179)	$51,875	($726)	$51,149

See notes to consolidated financial statements.

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

	9 Months Ended September 30, 2020	9 Months Ended September 30, 2019
Cash flows from operating activities:		
Net income (loss)	$ 2,420	($16,151)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation	18,198	17,819
Stock-based compensation	-	168
Amortization of intangibles	1,221	1,207
Amortization of deferred financing fees	479	474
Deferred income taxes	-	7,231
Loss on disposition or impairment of assets	362	901
Bad debt and accounts receivable provision	(74)	112
Non-cash interest on term loans	83	323
Changes in operating assets and liabilities:		
Receivables	(16,367)	(11,519)
Inventories	8,926	(11,682)
Other current assets	(923)	(4,409)
Other assets	1,290	3,211
Accounts payable	(2,472)	3,721
Accrued liabilities	(4,085)	(2,785)
Accrued employee benefits	(1,541)	(944)
Other	548	1,000
Total adjustments	5,645	4,828
Net cash provided by (used in) operating activities	8,065	(11,323)
Cash flows from investing activities:		
Capital expenditures	(9,786)	(11,778)
Proceeds from disposition of assets	59	159
Net cash used in investing activities	(9,727)	(11,619)
Cash flows from financing activities:		
Proceed from short term borrowing	10,000	0
Deferred financing costs	(161)	(160)
Repayment of short-term debt	(16,736)	(3,463)
Repayment of capital lease	(397)	(265)
Net cash used in financing activities	(7,294)	(3,888)
Effect of currency exchange rate changes on cash	(1,303)	(1,375)
Net decrease in cash and equivalents	(10,259)	(28,205)
Cash, equivalents and restricted cash at beginning of period	22,973	47,190
Cash, equivalents and restricted cash at end of period	12,714	18,985
Supplemental cash flow information:		
Interest paid less capitalized interest	$9,527	$11,724
Income taxes paid	$1,186	$808

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 ten 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 doubtful accounts, 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, essentially all of the cash balance was in excess of amounts insured by the Federal Deposit Insurance Corporation or other foreign provided bank insurance. 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

Trade accounts receivable are classified as current assets and are reported net of allowance for doubtful accounts, 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 nine months ended September 30, 2020, there have been no losses or write offs 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.

We evaluate the carrying value of goodwill on at least an annual basis by applying a fair-value-based test. In evaluating the recoverability of the carrying value of goodwill, we must make assumptions regarding the fair value of our reporting units, as defined under FASB ASC Topic 350. Goodwill impairment testing involves comparing the fair value of our reporting units to their carrying values. If the book value of the reporting unit exceeds its fair value, the goodwill of the reporting unit is considered to be impaired. The amount of impairment loss is equal to the excess of the book value of the goodwill over the fair value of goodwill. The reporting unit fair value is based upon consideration of various valuation methodologies, including guideline transaction multiples, multiples of current earnings, and projected future cash flows discounted at rates commensurate with the risk involved.

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.

Shipping and Handling

The Company periodically bills customers for shipping charges. These amounts are included in net revenue, 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 September 30, 2020 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 5.85% for September 30, 2020. The Company is using a long-term rate of return on French plan assets of 3.20% for 2020. 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 was using a discount rate of 3.38% for September 30, 2020. The Company is using a weighted average discount rate of 1.70% on its non-U.S. pension plans for September 30, 2020.

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 Loss

Comprehensive loss includes all other non-stockholder changes in equity. Changes in other comprehensive loss in 2020 and 2019 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 September 30, 2020, future annual minimum purchases remaining under the agreement are $1,472.

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 Loan is estimated by discounting the future cash flow using the Company's current borrowing rates for similar types and maturities of debt.

Leases

On January 1, 2019, we adopted FASB ASC Topic 842, Leases, using the modified retrospective approach, which does not require the application of this Topic to periods prior to January 1, 2019. The guidance under Topic 842 significantly impacts our presentation of financial condition and disclosures, but did not have significant impact to our results of operations. We now have a material amount reported as 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. Effective January 1, 2019, for all leases with an initial lease term in excess of twelve months, we record a right-of-use asset with a corresponding 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. Right-of-use 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. Right-of-use assets and lease liabilities are recognized at commencement of the lease based on the present value of lease payments over the lease term. Right-of-use 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 right-of-use financing lease asset on a straight-line basis over the lease term.

New Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, Measurement of Credit Losses on Financial Instruments, which replaces the current incurred loss impairment method with a new method that reflects expected credit losses. Subsequent to the issuance of ASC Topic 326, the FASB clarified and amended guidance through several Accounting Standard Updates; hereinafter the collection of credit loss guidance is referred to as "ASC Topic 326.".These ASUs require financial assets measured at amortized cost to be presented at the net amount to be collected, which may result in the Company recognizing an impairment allowance equal to its current estimate of credit losses for assets measured. ASC Topic 326 requires the Company to broaden the range of information utilized in estimating credit losses, including the consideration of forecasted and other supportable information to explain credit loss estimates. These ASUs are effective for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. The guidance must be adopted using a modified retrospective transition method through a cumulative-effect adjustment to retained earnings (deficit) in the period of adoption. We have adopted this standard effective January 1, 2020, and based on the insignificant impact of this ASU on our condensed consolidated financial statements, no adjustments to retained earnings (deficit) were required upon adoption of ASC Topic 326.

In August 2018, the FASB issued ASU 2018-15, Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That is a Service Contract, which amends FASB ASC Subtopic 350-40, Intangibles-Goodwill and Other-Internal-Use Software. This ASU adds certain disclosure requirements related to implementation costs incurred for internal-use software and cloud computing arrangements. The amendment aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal-use software license). This ASU is effective for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. The amendments in this ASU should be applied either using a retrospective or prospective approach. We have adopted this standard on January 1, 2020 prospectively. The adoption of this standard did not have a significant impact on our consolidated financial statements.

2. Cash and cash equivalents

	September 30, 2020	December 31, 2019
Cash and cash equivalents	$11,979	$21,820
Restricted cash	735	1,153
	$12,714	$22,973

As of September 30, 2020, and December 31, 2019, cash held in foreign banks was $8,080 and $15,358, respectively.

As of September 30, 2020, and December 31, 2019, letters of credit in the amount of $735 and $985 were outstanding under facilities with a commercial bank, and were cash collateralized in a restricted account.

3. Inventories

	September 30, 2020	December 31, 2019
Raw materials	$14,438	$15,841
Work in process	47,087	59,036
Finished products	30,227	24,944
	$91,752	$99,821

4. Leases

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

Right-of-use assets and lease liabilities are as follows:

	September 30, 2020	December 31, 2019
Operating Leases:		
Right-of-use assets	$ 31,968	$ 34,062
Lease liabilities	35,993	37,850
Financing Leases:		
Right-of-use assets (property, plant and equipment, net)	212	572
Lease liabilities	214	574

Upon adoption of the new lease standard as of January 1, 2019, the Company reclassed $1,358 of lease incentive liability, $1,286 of deferred rent liability and $1,024 of lease restructuring liability to ROU assets.

The following is an analysis of leased property under financing (formerly capital) leases by major classes as of September 30, 2020 and December 31, 2019.

	September 30, 2020	December 31, 2019
Building and improvements	$453	$453
Machinery and equipment	3,599	3,599
Less: Accumulated depreciation	(3,840)	(3,480)
	$212	$572

Additional information with respect to our operating and finance leases as of September 30, 2020 is presented below.

	Operating	Finance
Weighted average remaining lease term (years)	11.25	1.10
Weighted average discount rate	7.39%	6.38%

Lease expense consists of the following:

	September 30, 2020	September 30, 2019
Operating lease rent expense	$ 4,394	$ 4,393
Financing Leases:		
Amortization of right-of-use assets	347	330
Interest expense on lease liabilities	21	35
	$ 368	$ 365

Cash flow information related to leases is as follows:

	September 30, 2020	September 30, 2019
Cash Paid For Amounts Included in the Measurement of Lease Liabilities:		
Cash used in operating activities (operating leases)	$ 4,162	$ 5,977
Cash used in operating activities (financing leases)	397	366
Cash used in financing activities (financing leases)	-	-
Supplemental Cash Flow Information:		
Right-of-use assets obtained in exchange for lease obligations (operating le	$ 44	$ 1,984
Right-of-use assets obtained in exchange for lease obligations (financing le	-	-
Re-measurement of lease liabilities	-	-

Maturities of operating and financing lease liabilities as of September 30, 2020 are as follows:

Year	Operating Leases	Financing Leases
Remaining 2020	$ 1,395	$ 136
2021	5,568	37
2022	5,363	46
2023	5,081	12
2024	4,857	-
Thereafter	31,757	-
Total lease payments	54,021	231
Less: discounted interest	(18,028)	(17)
	$ 35,993	$ 214

5. Debt Obligations

	September 30, 2020	December 31, 2019
Short-term debt:		
Bank term loan	$105,000	$2,750
Europe bank loans	$1,856	$1,875
Revolving credit facility	3,000	-
Restructured term loan	-	7,215
Total short-term debt	109,856	11,840
Long-term debt:		
Bank term loan, net of discount	$ 151,163	255,075
Europe bank loans	-	375
Other	439	415
Total long-term debt	151,602	255,865
Total debt	$261,458	$267,705

Revolving Credit Facility

On January 30, 2014, the Company entered into an Amendment Agreement to the $25,000 Revolving Credit Facility, together with an amended Loan Agreement, with Icahn Enterprises Holdings L.P. Drawings under the amended Revolving Credit Facility bear interest at daily three-month LIBOR plus 2.0%. The amended Revolving Credit Facility also provides for an unused line fee of 0.375% per annum.

On June 30, 2019, the Company entered into the Eleventh Amendment to the Loan and Security Agreement with Icahn Enterprises L.P., extending the maturity date of the Revolving Credit Facility from January 30, 2020 to January 30, 2021 and amending the maximum revolver amount to $45,000.

Indebtedness under the amended Revolving Credit Facility is secured by liens on substantially all of the Company's domestic and Mexican assets, with liens on (i) accounts, inventory, lockboxes, deposit accounts and investment property (the "ABL Priority Collateral') to be contractually senior to the liens securing the Term Loan (as hereafter defined) pursuant to an intercreditor agreement, (ii) real property, fixtures and improvements thereon, equipment and proceeds thereof (the "Fixed Asset Priority Collateral"), to be contractually subordinate to the liens securing the Term Loan pursuant to such intercreditor agreement, and (iii) all other assets, to be contractually pari passu with the liens securing the Term Loan pursuant to such intercreditor agreement. Our future direct or indirect material domestic subsidiaries are required to guarantee the obligations under the amended Revolving Credit Agreement, and to provide security by liens on their assets as described above.

The amended Revolving 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 Revolving Credit Facility also requires that we comply with certain financial covenants, including meeting a minimum EBITDA requirement and limitations on capital expenditures, in the event our usage of the Revolving Credit Facility exceeds 90% of the facility amount. The Company is in compliance with the Revolving Credit Facility covenants as of September 30, 2020. The amended Revolving Credit Facility had borrowings of $3,000 as of September 30, 2020 and no borrowings as of December 31, 2019.

In its foreign operations, the Company has unsecured lines of credit with various banks providing approximately $5,500 of availability. There were no borrowings under the lines of credit at September 30, 2020 and December 31, 2019.

Term Loan Facility

On January 30, 2014, the Company entered into a Credit Agreement with UBS AG, Stamford Branch ("UBS"), as Administrative Agent and Collateral Agent, and the Lenders parties thereto, providing for a $275,000 senior secured covenant lite term loan facility ("Term Loan"). The Term Loan bears interest at a LIBOR Rate plus 3.25% (with the LIBOR Rate carrying a 1.00% floor or at a Base Rate equal to the sum of (1) the greatest of (a) the Prime Rate, (b) the Federal Funds Effective Rate plus 0.50%, (c) one-month LIBOR plus 1.0%, or (d) 2.0%, plus (2) 2.25%). As of September 30, 2020, the interest rate was 4.25% on the Term Loan. The Term Loan has a contractual obligation to repay 1% annually that has been classified as short-term debt. The maturity date on the Term Loan is January 30, 2021. The Term Loan is subject to certain additional mandatory prepayments upon asset sales, incurrence of indebtedness not otherwise permitted, and based upon a percentage of excess cash flow. Prepayments on the Term Loan may be made at any time, subject to a prepayment premium of 1% for certain prepayments during the first six months of the term.

Indebtedness under the Term Loan is secured by liens on substantially all of the Company's domestic and Mexican assets, with liens on (i) the Fixed Asset Priority Collateral, to be contractually senior to the liens securing the Revolving Credit Facility pursuant to the intercreditor agreement, (ii) the ABL Priority Collateral, to be contractually subordinate to the liens securing the Revolving Credit Facility pursuant to the intercreditor agreement, and (iii) all other assets, to be contractually pari passu with the liens securing the Revolving Credit Facility pursuant to the intercreditor agreement. Our future direct or indirect material domestic subsidiaries are required to guarantee the obligations under the Term Loan, and to provide security by liens on their assets as described above.

Restructured Term Loan

On December 30, 2016, the Company entered into a Share and Asset Purchase Agreement ("SAPA") to purchase all of the shares in CT Casings Beteiligungs GmbH ("Walsroder") and certain assets of Poly-clip Systems LLC. As part of the consideration for the purchase, a former Seller shareholder loan was restructured and remained outstanding at the January 10, 2017 closing in the original amount of EUR 8,111 or $9,257. The Restructured Term Loan was due for repayment as follows: EUR 1,688 was paid on January 10, 2018; and the balance of EUR 6,423 was paid in full on January 10, 2020. The Restructured Term Loan bears no interest and was recorded for a book value of EUR 7,320 using an imputed interest rate of 4%.

Europe Bank Loan

On July 18, 2018, the French affiliate of the Company entered into a Term Loan Agreement with Credit Industriel Et Commercial ("CIC"), providing for a €2,000 term loan ("CIC Term Loan"). The CIC Term Loan bears interest at 0.70% with a three year maturity. The CIC Term Loan has a contractual obligation to repay 8.33% of face value of the loan on a quarterly basis. The maturity date on the Term Loan is May 15, 2021. Prepayments on the CIC Term Loan are permitted with advance notice of 30 days.

On December 2, 2018, the French affiliate of the Company entered into a second Term Loan Agreement with Credit Industriel Et Commercial ("CIC"), providing for a €2,000 term loan ("CIC Term Loan"). The CIC Term Loan bears interest at 0.75% with a two year maturity. The CIC Term Loan has a contractual obligation to repay 12.50% of face value of the loan on a quarterly basis. The maturity date on the Term Loan is October 5, 2020. Prepayments on the CIC Term Loan are permitted with advance notice of 30 days.

Debt Maturity

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

	2020 (2)	2021	2022	2023	2024	Thereafter
Term Loan Facility	$ 687	$ 255,750	$ -	$ -	$ -	$ -
Revolving Loan	-	3,000				
Europe Bank Loan	488	1,368	-	-	-	-
Other	-	-	-	-	-	942
	$ 1,175	$ 260,118	$ -	$ -	$ -	$ 942

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

(2) The amounts are for the remainder of the calendar year.

6. Accrued Liabilities

	September 30, 2020	December 31, 2019
Compensation and employee benefits	$11,829	$7,597
Taxes payable	18,042	15,887
Accrued volume and sales rebates	2,293	5,107
Accrued interest payable	24	14
Restructuring reserve	2,607	10,217
Other	5,021	5,857
	$39,816	$44,679

7. Goodwill and Intangible Assets, net

The Company currently has $3,475 of goodwill with no impairment.

Goodwill consists of the following:

	September 30, 2020	December 31, 2019
Beginning balance	$3,350	$3,428
Translation	125	(52)
Gross carrying amount	$3,475	$3,376

Intangible assets, net consists of the following:

	September 30, 2020		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Definite live intangible assets:			
Customer relationships	$20,536	($3,880)	$16,656
Technologies	2,453	(721)	1,732
Patents/Trademarks	9,861	(6,231)	3,630
In-place leases	213	(56)	157
	$33,063	($10,888)	$22,175

	December 31, 2019		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Definite live intangible assets:			
Customer relationships	$19,704	($2,955)	$16,749
Technologies	2,357	(494)	1,863
Patents/Trademarks	9,626	(5,927)	3,699
In-place leases	204	(44)	160
	$31,891	($9,420)	$22,471

Amortization expense associated with definite-lived intangible assets was $1,221 and $1,207 for the nine months ended September 30, 2020 and September 30, 2019, 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:

2020	$410
2021	1,630
2022	1,630
2023	1,630
2024	1,630
Total thereafter	15,245
Total amortization	$22,175

8. Income Taxes

For the nine months ended September 30, 2020, an income tax expense of $2,926 was recognized on the income before income taxes of $5,346 compared to income tax provision of $2,150 for the nine months ended September 30, 2019. The projected 2020 effective income tax rate is calculated at 27.63% compared to (44.6%) for 2019. The 2020 tax expense is higher than pretax book income due to the exclusion of the pretax book loss in Brazil and Poland in the effective tax rate due to the valuation allowance against the net operating losses.

Approximately $17,400 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 2015. Substantially all material state and local and foreign income tax matters have been concluded for years through 2012. Based on the expiration of the statute of limitations for certain jurisdictions, it is reasonably possible that the unrecognized tax benefits will decrease in the next twelve months by approximately $300.

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 it is more likely than not that its net deferred tax assets will be realized based on the weight of positive evidence and future income.

9. Retirement Plans

The Company has contributed $736 pension benefits in the U.S. during the period ended September 30, 2020.

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

	U.S. Pension Benefits		Non U.S. Pension Benefits	
	3 Months Ended September 30 2020	3 Months Ended September 30 2019	3 Months Ended September 30 2020	3 Months Ended September 30 2019
Component of net period benefit cost				
Service cost	$ -	$ -	$102	$103
Interest cost	1,055	1,295	80	109
Expected return on plan assets	(1,295)	(1,077)	(9)	(10)
Amortization of prior service cost	-	-	3	3
Amortization of actuarial loss	256	321	12	12
	$ 16	$ 539	$188	$217

	U.S. Pension Benefits		Non U.S. Pension Benefits	
	9 Months Ended September 30 2020	9 Months Ended September 30 2019	9 Months Ended September 30 2020	9 Months Ended September 30 2019
Component of net period benefit cost				
Service cost	$ -	$ -	$295	$309
Interest cost	3,163	3,886	229	327
Expected return on plan assets	(3,884)	(3,232)	(25)	(30)
Amortization of prior service cost	-	-	8	9
Amortization of actuarial loss	769	962	35	36
	$ 48	$ 1,616	$542	$651

All componenets of net period benefit cost except for service cost are recorded in Other Expense in the Consolidated Statement of Operations.

10. 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.

11. Stock-based compensation (Dollars in Thousands, except Per Share Amount)

Stock-based compensation cost is measured at the grant date based on fair value of the award and is recognized as an expense on a straight-line basis over the requisite service period, which is the vesting period. Included in net income is non-cash compensation expense of $0 for the nine months ended September 30, 2020 and $168 for the nine months ended September 30, 2019.

The fair values of the options granted during 2013 were estimated on the date of grant using the binomial option pricing model. The assumptions used and the estimated fair values are as follows:

	2013
Expected term	10 years
Expected stock volatility	17.33%
Risk-free interest rate	1.75%
Expected forfeiture rate	0.00%
Fair value per option	$0.51

In December 2016, the Company granted non-qualified stock options to its former Chief Executive Officer for the purchase of 600,000 shares of its common stock under an employment agreement. Options were granted at the fair market value at date of grant and will vest one third each on December 31, 2017, December 31, 2018 and December 31, 2019. As a result of the termination of the Chief Executive Officer on October 3, 2019, the stock options granted expired at the commencement of business on that date pursuant to the terms of the stock option plan. Stock option expense recognized in 2019 for this grant was reversed in October 2019.

In April 2013, the Company granted non-qualified stock options to its current Chief Administrative Officer for the purchase of 325,000 shares of its common stock under an employment agreement. Options were granted at the fair market value at date of grant and are fully vested. The options for the Chief Administrative Officer expire on April 16, 2023.

The Company's outstanding options were:

	Shares Under Option	Weighted Average Exercise Price
Outstanding, December 31, 2019	325,000	$8.00
Granted	-	-
Exercised	-	-
Forfeited	-	-
Outstanding, September 30, 2020	325,000	$8.00

Vested and exercisable options as of September 30, 2020 were 325,000 with a weighted average share price of $8.00.

12. Fair Value Measures

U.S. GAAP requires enhanced disclosures about investments and non-recurring non-financial assets and non-financial liabilities that are measured and reported at fair value and has established a hierarchal disclosure framework that prioritizes and ranks the level of market price observability used in measuring investments or non-financial assets and liabilities at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.
Investments and non-financial assets and/or liabilities measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 - Quoted prices are available in active markets for identical investments as of the reporting date. The types of investments included in Level 1 include listed equities and listed derivatives. We do not adjust the quoted price for these investments, even in situations where we hold a large position.

Level 2 - Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Investments that are generally included in this category include corporate bonds and loans, less liquid and restricted equity securities and certain over-the-counter derivatives. The inputs and assumptions of our Level 2 investments are derived from market observable sources including reported trades, broker/dealer quotes and other pertinent data.

Level 3 - Pricing inputs are unobservable for the investment and non-financial asset and/or liability and include situations where there is little, if any, market activity for the investment or non-financial asset and/or liability. The inputs into the determination of fair value require significant management judgment or estimation. Fair value is determined using comparable market transactions and other valuation methodologies, adjusted as appropriate for liquidity, credit, market and/or other risk factors.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and consideration of factors specific to the investment. Significant transfers, if any, between the levels within the fair value hierarchy are recognized at the beginning of the reporting period when changes in circumstances require such transfers.

13. Related-Party Transactions

As of September 30, 2020 and December 31, 2019, Icahn Enterprises L.P. owned approximately 78.6% of our outstanding common stock.

Insight Portfolio Group LLC (“Insight Portfolio Group”) is an entity formed and controlled by Mr. Icahn in order to maximize the potential buying power of a group of entities with which Mr. Icahn has a relationship in negotiating with a wide range of suppliers of goods, services and tangible and intangible property at negotiated rates.

On January 1, 2013, Viskase acquired a minority equity interest in Insight Portfolio Group and agreed to pay a portion of Insight Portfolio Group’s operating expenses, which was approximately $189 for the year ended 2019 and none for 2020.

In December 2019, Insight advised us that it was shutting down its services effective January 1, 2020. Supplier contracts coordinated through Insight will remain in effect through their individual terms. Effective February 10, 2020, the Company withdrew as a member of Insight and assigned its interests in Insight to another Delaware limited liability company.

Icahn Enterprises L.P. was the lender on the Company’s Revolving Credit Facility as of September 30, 2020. The Company paid Icahn Enterprises L.P. service, commitment fees and interest of $277 and $150 for the nine months ended September 30, 2020 and September 30, 2019.

14. 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:

	September 30, 2020	December 31, 2019
Identifiable assets		
North America	$203,021	$211,723
South America	55,698	58,422
Europe	197,436	194,732
Asia	46,351	48,010
	$502,506	$512,887

	3 Months Ended September 30, 2020	3 Months Ended September 30, 2019	9 Months Ended September 30, 2020	9 Months Ended September 30, 2019
Net sales by region				
North America	$51,843	$47,346	$155,992	$146,425
South America	12,936	10,456	35,457	30,453
Europe	43,337	40,516	126,937	125,385
Asia	11,671	12,463	33,291	34,687
Other and eliminations	(14,821)	(12,387)	(45,081)	(46,680)
	$104,966	$98,394	$306,596	$290,270

	3 Months Ended September 30, 2020	3 Months Ended September 30, 2019	9 Months Ended September 30, 2020	9 Months Ended September 30, 2019
Operating income				
North America	$2,570	$689	$12,034	$8,578
South America	1,715	(22)	3,181	(779)
Europe	1,407	(1,012)	4,194	(6,832)
Asia	1,810	2,123	5,423	5,817
	$7,502	$1,778	$24,832	$6,784

	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Net Sales from operations by country				
United States	$31,094	$29,387	$93,937	$90,324
Brazil	7,127	5,663	17,971	16,347
Italy	6,297	6,622	17,743	17,702
Philippines	6,329	5,407	17,567	14,944
Germany	6,511	6,276	19,103	19,411
France	3,089	3,002	8,833	9,345
Poland	1,944	2,107	6,571	6,088
Other international	42,575	39,930	124,871	116,109
	$104,966	$98,394	$306,596	$290,270

15. Changes in Accumulated Other Comprehensive Loss

	Accrued Employee Benefits	Translation Adjustments	Total
Balance at December 31, 2019	($41,313)	($36,122)	($77,435)
Other comprehensive (loss) before reclassifications	(80)	1,532	1,452
Reclassifications from accumulated other comprehensive loss to earnings	804	-	804
Balance at September 30, 2020	($40,589)	($34,590)	($75,179)

	Amounts Reclassified from Accumulated Other Comprehensive Loss	Affected Line Items in the Consolidation Statement of Operations and Comprehensive Loss
Accrued Employee Benefits		
Amortization of net actuarial loss	804	Other Income/Expense
	$804	

16. Restructuring Charges

During the year ended December 31, 2019, the Company recognized a restructuring expense in our European segment of $9,224, which we believe is our final approved restructuring plans. The costs relate to a restructuring of its French and German subsidiary operations to safeguard the Company’s competitive environment in the European market. The plan will involve the involuntary termination of approximately 150 employees, the closure of our European sales office and relocation of part of our finishing operation. The Company has also opened a European shared service center with the consolidation of corporate jobs in this market.

The following table provides details of our restructuring provisions.

	September 30, 2020	December 31, 2019
Beginning balance	$10,217	$9,515
Provision	-	9,224
Payments	(7,646)	(7,778)
ASC 842 adoption	-	(310)
Translation	36	(434)
Ending balance	$2,607	$10,217

17. 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 will be 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, September 30, 2020 and December 31, 2019. 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 September 30, 2020 and December 31, 2019:

	September 30, 2020	December 31, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	$36	$14
Receivables, net	202	139
Inventories	291	211
Other current assets	95	148
Property, plant and equipment	1,237	1,237
Less: Accumulated depreciation	(352)	(260)
Property, plant and equipment,net	885	977
Deferred tax asset	115	115
Other assets	27	26
Total Assets	$1,651	$1,630
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities	173	634
Total Liabilites	173	634
Paid in capital	2,931	2,181
Retained earnings	(1,453)	(1,185)
Total Stockholder Equity	1,478	996
Total Liabilities and Stockholders' Equity	$1,651	$1,630

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 September 30, 2020 and September 30, 2019.

	September 30, 2020	September 30, 2019
Net sales	$536	$218
Cost of sales	589	315
Gross margin	(53)	(97)
Selling, general and administrative	162	142
Operating loss	(215)	(239)
Other expense (income)	53	42
Loss before income taxes	(268)	(281)
Income tax benefit	-	-
Net loss	($268)	($281)

19. Subsequent Events

Viskase evaluated its September 30, 2020 consolidated financial statements for subsequent events through November 13, 2020, the date the consolidated financial statements were available to be issued.

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

As of the end of the quarterly period, the Company's indebtedness primarily consisted of amounts outstanding under the Company's existing Term Loan with UBS, which was scheduled to mature on January 30, 2021, and amounts outstanding and available under the Company's existing Revolving Credit Facility with an affiliate of Icahn Enterprises, L.P. ("IELP"). Beginning in the first quarter of 2020, the Company entered into discussions with a number of banks, including Bank of America, N.A. ("BofA"), regarding the terms of a new senior credit facility which would replace both the Term Loan and the Revolving Credit Facility. 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 Revolving Credit Facility. 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.

New Senior Credit Facility

On October 09, 2020, the Company entered into a Credit Agreement with BofA as Administrative Agent, Swingline Lender and L/C Issuer, and the other Loan Parties thereto, providing for a $150,000 term loan (the "New Term Loan") and a $30,000 revolving credit facility (the "New Revolving Credit Facility" and together with the New Term Loan, the "New Senior Credit Facility"). The proceeds of the New Senior Credit Facility and the Equity Private Placement were used to repay in full the Term Loan and Revolving Credit Facility.

The interest rates per annum applicable to the New Senior Credit Facility (other than in respect of Swingline Loans) will be LIBOR (or, if LIBOR is not available for an Alternative Currency, such other interest rate customarily used by BofA for such Alternative Currency) plus the Applicable Margin (as defined below), or, for U.S. dollar denominated loans only, made to the Company at the option of the Company, the Base Rate (to be 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 LIBOR (adjusted daily) plus one percent (1.00%)) plus the Applicable Margin. Applicable Margin means, with respect to the New Term Loan and the New Revolving Credit Facility, (i) from October 9, 2020 until delivery of the compliance certificate for the quarter ending September 30, 2020, 3.00% per annum, in the case of LIBOR loans, and 2.00% per annum, in the case of Base Rate loans, and (ii) thereafter, a percentage per annum to be determined in accordance with the applicable pricing grid set forth in Addendum II. Each Swingline Loan shall bear interest at the Base Rate plus the Applicable Margin for Base Rate loans under the New Revolving Credit Facility. For purposes of the New Senior Credit Facility, LIBOR and EURIBOR shall be deemed to be not less than 0.75%.

The New 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 and 7.5% of the original principal balance during the third year. The maturity date on the New Senior Credit Facility is October 09, 2023.

The Borrowers may prepay the New 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 New Senior Credit Facility may be irrevocably reduced or terminated by the Borrowers at any time without penalty.

The New 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).

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. All the minimum funding requirements of the Internal Revenue Code, as amended, and the Employee Retirement Income Security Act of 1974, as amended, for the ACF plans have been met as of September 30, 2020. If the plans were voluntarily terminated, they would be underfunded by approximately $80,000 as of September 30, 2020. These results are based on the most recent information provided by the plans' actuary. These liabilities could increase or decrease, depending on a number of factors, including future changes in benefits, investment returns, and the assumptions used to calculate the liability. As members of the controlled group, we would be liable for any failure of ACF to make ongoing pension contributions or to pay the unfunded liabilities upon a termination of the ACF pension plans. In addition, other entities now or in the future within the controlled group in which we are included may have pension plan obligations that are, or may become, underfunded and we would be liable for any failure of such entities to make ongoing pension contributions or to pay the unfunded liabilities upon termination of such plans.

The current underfunded status of the ACF pension plans requires them to notify the PBGC of certain "reportable events," such as if we cease to be a member of the ACF controlled group, or if we make certain extraordinary dividends or stock redemptions.

The obligation to report could cause us to seek to delay or reconsider the occurrence of such reportable events.

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 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. 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.