


VIKASE®

Financial Report for
the Quarter ending

March 31, 2021

VISKASE COMPANIES, INC.

Financial statements for the fiscal quarter ended March 31, 2021



CONSOLIDATED FINANCIAL STATEMENTS OF VISKASE COMPANIES, INC. AND
SUBSIDIARIES

1. Financial Statements:

Consolidated Balance Sheets as of March 31, 2021 (unaudited) and December 31, 2020

Consolidated Statements of Operations for the three months ended March 31, 2021 and March 31, 2020 (unaudited)

Consolidated Statements of Comprehensive Loss for the three months ended March 31, 2021 and March 31, 2020 (unaudited)

Consolidated Statements of Stockholders' Equity for the for the three months ended March 31, 2021 (unaudited) and year ended December 31, 2020

Consolidated Statements of Cash Flows for the three months ended March 31, 2021 and March 31, 2020 (unaudited)

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

	March 31, 2021	December 31, 2020
ASSETS	(unaudited)	
Current assets:		
Cash and cash equivalents	\$12,616	\$15,848
Receivables, net	86,383	87,946
Inventories	89,474	89,254
Other current assets	46,992	46,649
Total current assets	235,465	239,697
Property, plant and equipment	400,264	405,199
Less accumulated depreciation	(248,214)	(245,162)
Property, plant and equipment, net	152,050	160,037
Right of use assets	30,170	31,700
Other assets, net	15,265	15,899
Intangible assets	21,381	22,787
Goodwill	3,472	3,620
Deferred income taxes	29,050	29,383
Total Assets	\$486,853	\$503,123
 LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	\$18,382	\$12,134
Accounts payable	29,994	35,067
Accrued liabilities	40,270	42,176
Short-term portion lease liabilities	5,337	5,559
Total current liabilities	93,983	94,936
Long-term debt, net of current maturities	137,498	139,237
Long-term liabilities	6,766	6,906
Accrued employee benefits	68,698	78,643
Deferred income taxes	3,667	3,876
Long-term lease liabilities	28,475	29,705
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	45,257	46,157
Less 805,270 treasury shares, at cost	(298)	(298)
Accumulated other comprehensive loss	(79,782)	(78,651)
Total Viskase stockholders' equity	148,560	150,591
Deficit attributable to non-controlling interest	(794)	(771)
Total stockholders' equity	147,766	149,820
Total Liabilities and Stockholders' Equity	\$486,853	\$503,123

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

	3 Months Ended March 31, 2021	3 Months Ended March 31, 2020
NET SALES	\$101,285	\$98,478
Cost of sales	80,085	78,229
GROSS MARGIN	21,200	20,249
Selling, general and administrative	12,755	12,254
Amortization of intangibles	445	406
Asset impairment	-	-
Restructuring expense	-	-
OPERATING INCOME (LOSS)	8,000	7,589
Interest income	-	7
Interest expense	1,705	3,788
Other expense, net	6,058	6,817
LOSS BEFORE INCOME TAXES	237	(3,009)
Income tax provision(benefit)	1,161	472
NET LOSS	(\$924)	(\$3,481)
Less: net income (loss) attributable to noncontrolling interests	(23)	62
Net loss attributable to Viskase Companies, Inc	(\$901)	(\$3,543)

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

	3 Months Ended March 31, 2021	3 Months Ended March 31, 2020
Net loss	(\$924)	(\$3,481)
Other comprehensive loss, net of tax		
Pension liability adjustment	461	237
Foreign currency translation adjustment	<u>(1,592)</u>	<u>(3,399)</u>
Other comprehensive loss, net of tax	(1,131)	(3,162)
Comprehensive loss	<u>(\$2,055)</u>	<u>(\$6,643)</u>
Less: comprehensive income (loss) attributable to noncontrolling interests	<u>(23)</u>	<u>62</u>
Net comprehensive loss attributable to Viskase Companies, Inc	<u>(\$2,032)</u>	<u>(\$6,705)</u>

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

	Common stock	Paid in capital	Treasury stock	Retained earnings	Accumulated other comprehensive loss	Total stockholders' equity	Non-controlling Interest	Total stockholders' equity
Balance December 31, 2019	\$540	\$82,843	(\$298)	\$41,415	(\$77,435)	\$47,065	\$ (592)	\$46,473
Net income (loss)	-	-	-	4,742	-	4,742	(179)	4,563
Foreign currency translation adjustment	-	-	-	-	3,436	3,436	-	3,436
Pension liability adjustment, net of tax	-	-	-	-	(4,652)	(4,652)	-	(4,652)
Issuance of common stock	500	99,500	-	-	-	100,000	-	100,000
Balance December 31, 2020	\$1,040	\$182,343	(\$298)	\$46,157	(\$78,651)	\$150,591	(\$771)	\$149,820
Net loss	-	-	-	(901)	-	(901)	(23)	(924)
Foreign currency translation adjustment	-	-	-	-	(1,592)	(1,592)	-	(1,592)
Pension liability adjustment, net of tax	-	-	-	-	461	461	-	461
Balance March 31, 2021	\$1,040	\$182,343	(\$298)	\$45,256	(\$79,782)	\$148,559	(\$794)	\$147,765

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

	<u>3 Months Ended March 31, 2021</u>	<u>3 Months Ended March 31, 2020</u>
Cash flows from operating activities:		
Net loss	\$ (924)	(\$3,481)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	6,675	5,977
Amortization of intangibles	445	406
Amortization of deferred financing fees	155	172
Loss on impairment of assets	-	-
Bad debt and accounts receivable provision	257	(29)
Non-cash interest on term loans	-	27
Changes in operating assets and liabilities:		
Receivables	(737)	(8,754)
Inventories	(3,053)	(2,723)
Other current assets	(1,390)	(3,468)
Other assets	634	1,419
Accounts payable	(4,233)	5,420
Accrued liabilities	(1,179)	(1,157)
Accrued employee benefits	(8,838)	(638)
Other	2,937	203
Total adjustments	<u>(8,327)</u>	<u>(3,145)</u>
Net cash used in operating activities	(9,251)	(6,626)
Cash flows from investing activities:		
Capital expenditures	(2,175)	(1,635)
Proceeds from disposition of assets	-	30
Net cash used in investing activities	<u>(2,175)</u>	<u>(1,605)</u>
Cash flows from financing activities:		
Proceed from short term borrowing	7,000	5,000
Deferred financing costs	-	(160)
Repayment of short-term debt	(2,572)	(8,323)
Repayment of capital lease	(11)	(77)
Net cash provided by (used in) financing activities	<u>4,417</u>	<u>(3,560)</u>
Effect of currency exchange rate changes on cash	<u>3,777</u>	<u>2,831</u>
Net decrease in cash and equivalents	(3,232)	(8,960)
Cash, equivalents and restricted cash at beginning of period	<u>15,848</u>	<u>22,973</u>
Cash, equivalents and restricted cash at end of period	<u><u>12,616</u></u>	<u><u>14,013</u></u>
Supplemental cash flow information:		
Interest paid less capitalized interest	\$801	\$3,474
Income taxes paid	\$1,306	\$669
Non-cash purchase of P,P & E	-	\$1,400