

VISKASE[®]



Financial report for the
fiscal quarter ended
June 30, 2021

CONSOLIDATED FINANCIAL STATEMENTS OF VISKASE COMPANIES, INC. AND
SUBSIDIARIES

1. Financial Statements:

Consolidated Balance Sheets as of June 30, 2021 (unaudited) and December 31, 2020

Consolidated Statements of Operations for the three and six months ended June 30, 2021 and June 30, 2020 (unaudited)

Consolidated Statements of Comprehensive Loss for the three and six months ended June 30, 2021 and June 30, 2020 (unaudited)

Consolidated Statements of Stockholders' Equity for the for the six months ended June 30, 2021 (unaudited) and year ended December 31, 2020

Consolidated Statements of Cash Flows for the six months ended June 30, 2021 and June 30, 2020 (unaudited)

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

	June 30, 2021 (unaudited)	December 31, 2020
ASSETS		
Current assets:		
Cash and cash equivalents	\$9,003	\$15,848
Receivables, net	92,768	87,946
Inventories	93,474	89,254
Other current assets	47,784	46,649
Total current assets	243,029	239,697
Property, plant and equipment	406,693	405,199
Less accumulated depreciation	(255,993)	(245,162)
Property, plant and equipment, net	150,700	160,037
Right of use assets	29,922	31,700
Other assets, net	16,326	15,899
Intangible assets	21,266	22,787
Goodwill	3,523	3,620
Deferred income taxes	29,168	29,383
Total Assets	\$493,934	\$503,123
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	\$21,881	\$12,134
Accounts payable	33,851	35,067
Accrued liabilities	38,599	42,176
Short-term portion lease liabilities	5,441	5,559
Total current liabilities	99,772	94,936
Long-term debt, net of current maturities	135,784	139,237
Long-term liabilities	6,678	6,906
Accrued employee benefits	68,259	78,643
Deferred income taxes	3,530	3,876
Long-term lease liabilities	28,129	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	47,255	46,157
Less 805,270 treasury shares, at cost	(298)	(298)
Accumulated other comprehensive loss	(77,718)	(78,651)
Total Viskase stockholders' equity	152,622	150,591
Deficit attributable to non-controlling interest	(840)	(771)
Total stockholders' equity	151,782	149,820
Total Liabilities and Stockholders' Equity	\$493,934	\$503,123

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

	3 Months Ended June 30, 2021	3 Months Ended June 30, 2020	6 Months Ended June 30, 2021	6 Months Ended June 30, 2020
NET SALES	\$105,355	\$103,152	\$206,640	\$201,630
Cost of sales	<u>87,392</u>	<u>81,130</u>	<u>167,477</u>	<u>159,359</u>
GROSS MARGIN	17,963	22,022	39,163	42,271
Selling, general and administrative	10,564	11,898	23,319	24,152
Amortization of intangibles	445	387	890	793
Asset impairment	-	-	-	-
Restructuring expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OPERATING INCOME	6,954	9,737	14,954	17,326
Interest income	-	(7)	-	(14)
Interest expense	1,569	3,267	3,274	7,055
Other expense, net	<u>1,260</u>	<u>2,517</u>	<u>7,318</u>	<u>9,334</u>
INCOME BEFORE INCOME TAXES	4,125	3,960	4,362	951
Income tax provision	<u>2,172</u>	<u>1,503</u>	<u>3,333</u>	<u>1,975</u>
NET LOSS	<u>\$1,953</u>	<u>\$2,457</u>	<u>\$1,029</u>	<u>(\$1,024)</u>
Less: net loss attributable to noncontrolling interests	<u>(46)</u>	<u>(138)</u>	<u>(69)</u>	<u>(76)</u>
Net income (loss) attributable to Viskase Companies, Inc	<u><u>\$1,999</u></u>	<u><u>\$2,595</u></u>	<u><u>\$1,098</u></u>	<u><u>(\$948)</u></u>

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

	3 Months Ended June 30, 2021	3 Months Ended June 30, 2020	6 Months Ended June 30, 2021	6 Months Ended June 30, 2020
Net income (loss)	\$1,953	\$2,457	\$1,029	(\$1,024)
Other comprehensive income, net of tax				
Pension liability adjustment	250	261	711	498
Foreign currency translation adjustment	1,814	3,277	222	(122)
Other comprehensive income, net of tax	2,064	3,538	933	376
Comprehensive loss	<u>\$4,017</u>	<u>\$5,995</u>	<u>\$1,962</u>	<u>(\$648)</u>
Less: comprehensive loss attributable to noncontrolling interests	<u>(138)</u>	<u>(138)</u>	<u>(69)</u>	<u>(76)</u>
Net comprehensive loss attributable to Viskase Companies, Inc	<u>4,155</u>	<u>6,133</u>	<u>2,031</u>	<u>(572)</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 income (loss)	-	-	-	1,098	-	1,098	(69)	1,029
Foreign currency translation adjustment	-	-	-	-	222	222	-	222
Pension liability adjustment, net of tax	-	-	-	-	711	711	-	711
Balance June 30, 2021	\$1,040	\$182,343	(\$298)	\$47,255	(\$77,718)	\$152,622	(\$840)	\$151,782

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

	<u>6 Months Ended June 30, 2021</u>	<u>6 Months Ended June 30, 2020</u>
Cash flows from operating activities:		
Net income (loss)	\$ 1,029	(\$1,024)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	13,366	11,990
Amortization of intangibles	890	793
Deferred income taxes	-	-
Loss on disposition or impairment of assets	-	186
Bad debt and accounts receivable provision	99	(74)
Non-cash interest on term loans	312	55
Changes in operating assets and liabilities:		
Receivables	(6,416)	(17,276)
Inventories	(6,066)	1,262
Other current assets	(1,565)	(588)
Other assets	(426)	1,400
Accounts payable	(685)	(3,474)
Accrued liabilities	(3,165)	(1,382)
Accrued employee benefits	(8,716)	(1,230)
Other	1,596	832
Total adjustments	<u>(10,776)</u>	<u>(7,163)</u>
Net cash used in operating activities	(9,747)	(7,163)
Cash flows from investing activities:		
Capital expenditures	(5,998)	(5,761)
Proceeds from disposition of assets	9	30
Net cash used in investing activities	<u>(5,989)</u>	<u>(5,731)</u>
Cash flows from financing activities:		
Proceed from short term borrowing	11,000	10,000
Deferred financing costs	-	(140)
Repayment of short-term debt	(4,754)	(9,049)
Repayment of capital lease	(11)	-
Net cash provided by financing activities	<u>6,235</u>	<u>811</u>
Effect of currency exchange rate changes on cash	2,656	1,096
Net decrease in cash and equivalents	<u>(6,845)</u>	<u>(10,987)</u>
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>9,003</u></u>	<u><u>11,986</u></u>
Supplemental cash flow information:		
Interest paid less capitalized interest	\$2,920	\$6,641
Income taxes paid	\$2,145	\$915