

# VIKASE<sup>®</sup>

Financial report for the  
fiscal quarter ended

**September 30, 2021**

CONSOLIDATED FINANCIAL STATEMENTS OF VISKASE COMPANIES, INC. AND  
SUBSIDIARIES

1. Financial Statements:

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

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

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

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

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

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

	September 30, 2021	December 31, 2020
	(unaudited)	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$10,312	\$15,848
Receivables, net	87,464	87,946
Inventories	95,200	89,254
Other current assets	43,203	46,649
Total current assets	236,179	239,697
Property, plant and equipment	404,841	405,199
Less accumulated depreciation	(259,576)	(245,162)
Property, plant and equipment, net	145,265	160,037
Right of use assets	28,721	31,700
Other assets, net	19,054	15,899
Intangible assets	20,339	22,787
Goodwill	3,436	3,620
Deferred income taxes	28,862	29,383
Total Assets	\$481,856	\$503,123
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Short-term debt	\$20,694	\$12,134
Accounts payable	33,693	35,067
Accrued liabilities	35,869	42,176
Short-term portion lease liabilities	5,328	5,559
Total current liabilities	95,584	94,936
Long-term debt, net of current maturities	133,462	139,237
Long-term liabilities	6,876	6,906
Accrued employee benefits	66,785	78,643
Deferred income taxes	3,388	3,876
Long-term lease liabilities	27,032	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	48,482	46,157
Less 805,270 treasury shares, at cost	(298)	(298)
Accumulated other comprehensive loss	(81,956)	(78,651)
Total Viskase stockholders' equity	149,611	150,591
Deficit attributable to non-controlling interest	(882)	(771)
Total stockholders' equity	148,729	149,820
Total Liabilities and Stockholders' Equity	\$481,856	\$503,123

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

	3 Months Ended September 30, 2021	3 Months Ended September 30, 2020	9 Months Ended September 30, 2021	9 Months Ended September 30, 2020
NET SALES	\$103,904	\$104,966	\$310,544	\$306,596
Cost of sales	<u>85,950</u>	<u>84,231</u>	<u>253,427</u>	<u>243,590</u>
GROSS MARGIN	17,954	20,735	57,117	63,006
Selling, general and administrative	11,298	12,478	34,617	36,630
Amortization of intangibles	438	428	1,328	1,221
Asset impairment	-	323	-	323
Restructuring expense	<u>436</u>	<u>-</u>	<u>436</u>	<u>-</u>
OPERATING INCOME	5,782	7,506	20,736	24,832
Interest income	-	(2)	-	(16)
Interest expense	1,600	3,044	4,874	10,099
Other expense, net	<u>1,197</u>	<u>69</u>	<u>8,515</u>	<u>9,403</u>
INCOME BEFORE INCOME TAXES	2,985	4,395	7,347	5,346
Income tax provision	<u>1,800</u>	<u>951</u>	<u>5,133</u>	<u>2,926</u>
NET INCOME	<u>\$1,185</u>	<u>\$3,444</u>	<u>\$2,214</u>	<u>\$2,420</u>
Less: net loss attributable to noncontrolling interests	<u>(42)</u>	<u>(58)</u>	<u>(111)</u>	<u>(134)</u>
Net income attributable to Viskase Companies, Inc	<u>\$1,227</u>	<u>\$3,502</u>	<u>\$2,325</u>	<u>\$2,554</u>

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

	3 Months Ended September 30, 2021	3 Months Ended September 30, 2020	9 Months Ended September 30, 2021	9 Months Ended September 30, 2020
Net income	\$1,185	\$3,444	\$2,214	\$2,420
Other comprehensive income, net of tax				
Pension liability adjustment	410	226	1,121	724
Foreign currency translation adjustment	<u>(4,649)</u>	<u>1,654</u>	<u>(4,427)</u>	<u>1,532</u>
Other comprehensive (loss) income, net of tax	<u>(4,239)</u>	<u>1,880</u>	<u>(3,306)</u>	<u>2,256</u>
Comprehensive (loss) income	<u>(\$3,054)</u>	<u>\$5,324</u>	<u>(\$1,092)</u>	<u>\$4,676</u>
Less: comprehensive loss attributable to noncontrolling interests	<u>(42)</u>	<u>(58)</u>	<u>(111)</u>	<u>(134)</u>
Net comprehensive (loss) income attributable to Viskase Companies, Inc	<u>(3,012)</u>	<u>5,382</u>	<u>(981)</u>	<u>4,810</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)	-	-	-	2,325	-	2,325	(111)	2,214
Foreign currency translation adjustment	-	-	-	-	(4,427)	(4,427)	-	(4,427)
Pension liability adjustment, net of tax	-	-	-	-	1,121	1,121	-	1,121
Balance September 30, 2021	\$1,040	\$182,343	(\$298)	\$48,482	(\$81,957)	\$149,610	(\$882)	\$148,728

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

	9 Months Ended <u>September 30, 2021</u>	9 Months Ended <u>September 30, 2020</u>
Cash flows from operating activities:		
Net income	\$ 2,214	\$2,420
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation	19,566	18,198
Amortization of intangibles	1,328	1,221
Deferred income taxes	-	-
Loss on disposition or impairment of assets	-	362
Bad debt and accounts receivable provision	99	(74)
Non-cash interest on term loans	451	562
Changes in operating assets and liabilities:		
Receivables	(2,323)	(16,367)
Inventories	(8,710)	8,926
Other current assets	2,288	(923)
Other assets	(3,221)	1,290
Accounts payable	(476)	(2,472)
Accrued liabilities	(5,219)	(4,085)
Accrued employee benefits	(8,701)	(1,541)
Other	(169)	548
Total adjustments	<u>(5,087)</u>	<u>5,645</u>
Net cash (used in) provided by operating activities	(2,873)	8,065
Cash flows from investing activities:		
Capital expenditures	(9,033)	(9,786)
Proceeds from disposition of assets	9	59
Net cash used in investing activities	<u>(9,024)</u>	<u>(9,727)</u>
Cash flows from financing activities:		
Proceed from short term borrowing	10,000	10,000
Deferred financing costs	(605)	(161)
Repayment of short-term debt	(6,815)	(16,736)
Repayment of capital lease	(27)	(397)
Net cash provided by financing activities	<u>2,553</u>	<u>(7,294)</u>
Effect of currency exchange rate changes on cash	3,808	(1,303)
Net decrease in cash and equivalents	<u>(5,536)</u>	<u>(10,259)</u>
Cash, equivalents and restricted cash at beginning of period	15,848	22,973
Cash, equivalents and restricted cash at end of period	<u>10,312</u>	<u>12,714</u>
Supplemental cash flow information:		
Interest paid less capitalized interest	\$3,949	\$9,527
Income taxes paid	\$2,844	\$1,186