

VIKASE[®]



Financial report for the
fiscal quarter ended

March 31, 2022

CONSOLIDATED FINANCIAL STATEMENTS OF VISKASE COMPANIES, INC. AND
SUBSIDIARIES

1. Financial Statements:

Consolidated Balance Sheets as of March 31, 2022 (unaudited) and December 31, 2021

Consolidated Statements of Operations for the three months ended March 31, 2022 and March 31, 2021 (unaudited)

Consolidated Statements of Comprehensive Loss for the three months ended March 31, 2022 and March 31, 2021 (unaudited)

Consolidated Statements of Stockholders' Equity for the for the three months ended March 31, 2022 (unaudited) and year ended December 31, 2021

Consolidated Statements of Cash Flows for the three months ended March 31, 2022 and March 31, 2021 (unaudited)

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

	March 31, 2022 (unaudited)	December 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	\$9,790	\$9,876
Receivables, net	83,966	81,645
Inventories	104,368	93,070
Other current assets	47,998	44,307
Total current assets	246,122	228,898
Property, plant and equipment	410,027	409,499
Less accumulated depreciation	(267,006)	(262,372)
Property, plant and equipment, net	143,021	147,127
Right of use assets	27,151	27,964
Other assets, net	20,942	18,973
Intangible assets	18,747	19,531
Goodwill	3,311	3,373
Deferred income taxes	25,152	25,235
Total Assets	\$484,446	\$471,101
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	\$28,000	\$23,500
Accounts payable	41,660	35,045
Accrued liabilities	34,304	34,067
Short-term portion lease liabilities	5,113	5,196
Total current liabilities	109,077	97,808
Long-term debt, net of current maturities	130,028	131,821
Long-term liabilities	7,289	7,380
Accrued employee benefits	53,267	54,616
Deferred income taxes	2,467	2,081
Long-term lease liabilities	25,128	25,919
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	49,050	42,938
Less 805,270 treasury shares, at cost	(298)	(298)
Accumulated other comprehensive loss	(73,999)	(73,639)
Total Viskase stockholders' equity	158,136	152,384
Deficit attributable to non-controlling interest	(945)	(908)
Total stockholders' equity	157,191	151,476
Total Liabilities and Stockholders' Equity	\$484,446	\$471,101

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

	3 Months Ended March 31, 2022	3 Months Ended March 31, 2021
NET SALES	\$101,621	\$101,285
Cost of sales	<u>81,028</u>	<u>80,085</u>
GROSS MARGIN	20,593	21,200
Selling, general and administrative	12,124	12,755
Amortization of intangibles	<u>420</u>	<u>445</u>
OPERATING INCOME	8,049	8,000
Interest expense	1,158	1,705
Other (income) expense, net	<u>(618)</u>	<u>6,058</u>
INCOME BEFORE INCOME TAXES	7,509	237
Income tax provision	<u>1,432</u>	<u>1,161</u>
NET INCOME (LOSS)	<u>\$6,077</u>	<u>(\$924)</u>
Less: loss attributable to noncontrolling interests	<u>(37)</u>	<u>(23)</u>
Net income (loss) attributable to Viskase Companies, Inc	<u><u>\$6,114</u></u>	<u><u>(\$901)</u></u>

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

	3 Months Ended March 31, 2022	3 Months Ended March 31, 2021
Net income (loss)	\$6,077	(\$924)
Other comprehensive income (loss), net of tax		
Pension liability adjustment	274	461
Foreign currency translation adjustment	(634)	(1,592)
Other comprehensive loss, net of tax	(360)	(1,131)
Comprehensive income (loss)	<u>\$5,717</u>	<u>(\$2,055)</u>
Less: comprehensive loss attributable to noncontrolling interests	<u>(37)</u>	<u>(23)</u>
Net comprehensive income (loss) attributable to Viskase Companies, Inc	<u>\$5,754</u>	<u>(\$2,032)</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, 2020	\$1,040	\$182,343	(\$298)	\$46,157	(\$78,651)	\$150,591	\$ (771)	\$149,820
Net income (loss)	-	-	-	(3,219)	-	(3,219)	(137)	(3,356)
Foreign currency translation adjustment	-	-	-	-	(4,902)	(4,902)	-	(4,902)
Pension liability adjustment, net of tax	-	-	-	-	9,914	9,914	-	9,914
Balance December 31, 2021	\$1,040	\$182,343	(\$298)	\$42,938	(\$73,639)	\$152,384	(\$908)	\$151,476
Net loss	-	-	-	6,114	-	6,114	(37)	6,077
Foreign currency translation adjustment	-	-	-	-	(634)	(634)	-	(634)
Pension liability adjustment, net of tax	-	-	-	-	274	274	-	274
Balance March 31, 2022	\$1,040	\$182,343	(\$298)	\$49,052	(\$73,999)	\$158,138	(\$945)	\$157,193

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

	3 Months Ended March 31, 2022	3 Months Ended March 31, 2021
Cash flows from operating activities:		
Net income (loss)	\$ 6,077	(\$924)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	6,481	6,675
Amortization of intangibles	420	445
Amortization of deferred financing fees	94	155
Bad debt and accounts receivable provision	-	257
Changes in operating assets and liabilities:		
Receivables	(2,144)	(737)
Inventories	(11,506)	(3,053)
Other current assets	(4,299)	(1,390)
Other assets	(384)	634
Accounts payable	6,838	(4,233)
Accrued liabilities	191	(1,179)
Accrued employee benefits	(175)	(8,838)
Other	(492)	2,937
Total adjustments	<u>(4,976)</u>	<u>(8,327)</u>
Net cash provided by (used in) operating activities	1,101	(9,251)
Cash flows from investing activities:		
Capital expenditures	(3,942)	(2,175)
Proceeds from disposition of assets	-	-
Net cash used in investing activities	<u>(3,942)</u>	<u>(2,175)</u>
Cash flows from financing activities:		
Proceed from short term borrowing	4,500	7,000
Deferred financing costs	-	-
Repayment of short-term debt	(1,875)	(2,572)
Repayment of capital lease	-	(11)
Net cash provided by financing activities	<u>2,625</u>	<u>4,417</u>
Effect of currency exchange rate changes on cash	130	3,777
Net decrease in cash and equivalents	(86)	(3,232)
Cash, equivalents and restricted cash at beginning of period	9,876	15,848
Cash, equivalents and restricted cash at end of period	<u>9,790</u>	<u>12,616</u>
Supplemental cash flow information:		
Interest paid less capitalized interest	\$1,035	\$801
Income taxes paid	\$2,300	\$1,306