

VIKASE[®]



Financial report for the
fiscal quarter ended

June 30, 2022

CONSOLIDATED FINANCIAL STATEMENTS OF VISKASE COMPANIES, INC. AND
SUBSIDIARIES

1. Financial Statements:

Consolidated Balance Sheets as of June 30, 2022 (unaudited) and December 31, 2021

Consolidated Statements of Operations for the three and six months ended June 30, 2022 and June 30, 2021 (unaudited)

Consolidated Statements of Comprehensive Loss for the three and six months ended June 30, 2022 and June 30, 2021 (unaudited)

Consolidated Statements of Stockholders' Equity for the six months ended June 30, 2022 (unaudited) and year ended December 31, 2021

Consolidated Statements of Cash Flows for the six months ended June 30, 2022 and June 30, 2021 (unaudited)

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

	June 30, 2022 (unaudited)	December 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	\$8,137	\$9,876
Receivables, net	90,937	81,645
Inventories	101,848	93,070
Other current assets	45,038	44,307
Total current assets	245,960	228,898
Property, plant and equipment	405,677	409,499
Less accumulated depreciation	(267,475)	(262,372)
Property, plant and equipment, net	138,202	147,127
Right of use assets	25,013	27,964
Other assets, net	20,399	18,973
Intangible assets	17,334	19,531
Goodwill	3,131	3,373
Deferred income taxes	24,653	25,533
Total Assets	\$474,692	\$471,399
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	\$33,600	\$23,500
Accounts payable	44,647	35,045
Accrued liabilities	30,438	32,165
Short-term portion lease liabilities	4,715	5,196
Total current liabilities	113,400	95,906
Long-term debt, net of current maturities	128,210	131,821
Long-term liabilities	6,970	7,380
Accrued employee benefits	50,511	54,616
Deferred income taxes	1,908	2,081
Long-term lease liabilities	23,345	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	46,188	45,138
Less 805,270 treasury shares, at cost	(298)	(298)
Accumulated other comprehensive loss	(77,902)	(73,639)
Total Viskase stockholders' equity	151,371	154,584
Deficit attributable to non-controlling interest	(1,023)	(908)
Total stockholders' equity	150,348	153,676
Total Liabilities and Stockholders' Equity	\$474,692	\$471,399

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

	3 Months Ended June 30, 2022	3 Months Ended June 30, 2021	6 Months Ended June 30, 2022	6 Months Ended June 30, 2021
NET SALES	\$109,825	\$105,355	\$211,446	\$206,640
Cost of sales	<u>90,199</u>	<u>87,392</u>	<u>171,227</u>	<u>167,477</u>
GROSS MARGIN	19,626	17,963	40,219	39,163
Selling, general and administrative	13,000	10,564	25,124	23,319
Amortization of intangibles	<u>404</u>	<u>445</u>	<u>824</u>	<u>890</u>
OPERATING INCOME	6,222	6,954	14,271	14,954
Interest expense	1,620	1,569	2,778	3,274
Other (income) expense, net	<u>5,904</u>	<u>1,260</u>	<u>5,286</u>	<u>7,318</u>
INCOME BEFORE INCOME TAXES	(1,302)	4,125	6,207	4,362
Income tax provision	<u>1,640</u>	<u>2,172</u>	<u>3,072</u>	<u>3,333</u>
NET INCOME (LOSS)	<u>(\$2,942)</u>	<u>\$1,953</u>	<u>\$3,135</u>	<u>\$1,029</u>
Less: loss attributable to noncontrolling interests	<u>(78)</u>	<u>(46)</u>	<u>(115)</u>	<u>(69)</u>
Net income (loss) attributable to Viskase Companies, Inc	<u><u>(\$2,864)</u></u>	<u><u>\$2,595</u></u>	<u><u>\$3,250</u></u>	<u><u>\$1,098</u></u>

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

	3 Months Ended June 30, 2022	3 Months Ended June 30, 2021	6 Months Ended June 30, 2022	6 Months Ended June 30, 2021
Net income (loss)	(\$2,942)	\$1,953	\$3,135	\$1,029
Other comprehensive income (loss), net of tax				
Pension liability adjustment	242	250	516	711
Foreign currency translation adjustment	(4,145)	1,814	(4,779)	222
Other comprehensive loss, net of tax	(3,903)	2,064	(4,263)	933
Comprehensive income (loss)	<u>(\$6,845)</u>	<u>\$4,017</u>	<u>(\$1,128)</u>	<u>\$1,962</u>
Less: comprehensive loss attributable to noncontrolling interests	<u>(78)</u>	<u>(46)</u>	<u>(115)</u>	<u>(69)</u>
Net comprehensive income (loss) attributable to Viskase Companies, Inc	<u><u>(6,767)</u></u>	<u><u>4,063</u></u>	<u><u>(1,013)</u></u>	<u><u>2,031</u></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	-	-	-	3,250	-	3,250	(115)	3,135
Foreign currency translation adjustment	-	-	-	-	(4,779)	(4,779)	-	(4,779)
Pension liability adjustment, net of tax	-	-	-	-	516	516	-	516
Balance June 30, 2022	\$1,040	\$182,343	(\$298)	\$46,188	(\$77,902)	\$151,371	(\$1,023)	\$150,348

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

	6 Months Ended June 30, 2022	6 Months Ended June 30, 2021
Cash flows from operating activities:		
Net income (loss)	\$ 3,135	\$1,029
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	12,823	13,366
Amortization of intangibles	824	890
Amortization of deferred financing fees	187	312
Bad debt and accounts receivable provision	-	99
Changes in operating assets and liabilities:		
Receivables	(13,062)	(6,416)
Inventories	(12,997)	(6,066)
Other current assets	(2,027)	(1,565)
Other assets	(1,571)	(426)
Accounts payable	11,003	(685)
Accrued liabilities	(3,113)	(3,165)
Accrued employee benefits	(492)	(8,716)
Other	(437)	1,596
Total adjustments	<u>(8,862)</u>	<u>(10,776)</u>
Net cash provided by (used in) operating activities	(5,727)	(9,747)
Cash flows from investing activities:		
Capital expenditures	(9,041)	(5,998)
Proceeds from disposition of assets	-	-
Net cash used in investing activities	<u>(9,041)</u>	<u>(5,998)</u>
Cash flows from financing activities:		
Proceed from short term borrowing	10,100	11,000
Deferred financing costs	-	-
Repayment of short-term debt	(3,750)	(4,754)
Repayment of capital lease	-	(11)
Net cash provided by financing activities	<u>6,350</u>	<u>6,235</u>
Effect of currency exchange rate changes on cash	<u>6,679</u>	<u>2,656</u>
Net decrease in cash and equivalents	(1,739)	(6,845)
Cash, equivalents and restricted cash at beginning of period	<u>9,876</u>	<u>15,848</u>
Cash, equivalents and restricted cash at end of period	<u><u>8,137</u></u>	<u><u>9,003</u></u>
Supplemental cash flow information:		
Interest paid less capitalized interest	\$2,494	\$2,920
Income taxes paid	\$4,194	\$2,145