

VIKASE[®]



Financial report for the
fiscal quarter ended

September 30, 2022

CONSOLIDATED FINANCIAL STATEMENTS OF VISKASE COMPANIES, INC. AND
SUBSIDIARIES

1. Financial Statements:

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

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

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

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

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

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

	September 30, 2022	December 31, 2021
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$12,147	\$9,876
Receivables, net	83,969	81,645
Inventories	101,425	93,070
Other current assets	41,022	44,307
Total current assets	238,563	228,898
Property, plant and equipment	400,740	409,499
Less accumulated depreciation	(267,552)	(262,372)
Property, plant and equipment, net	133,188	147,127
Right of use assets	23,999	27,964
Other assets, net	22,669	18,973
Intangible assets	15,794	19,531
Goodwill	2,959	3,373
Deferred income taxes	24,124	25,235
Total Assets	\$461,296	\$471,101
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	\$36,500	\$23,500
Accounts payable	38,719	35,045
Accrued liabilities	32,977	34,067
Short-term portion lease liabilities	4,682	5,196
Total current liabilities	112,878	97,808
Long-term debt, net of current maturities	126,218	131,821
Long-term liabilities	6,893	7,380
Accrued employee benefits	48,120	54,616
Deferred income taxes	1,808	2,081
Long-term lease liabilities	22,325	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	182,341	182,343
Retained earnings	42,839	42,938
Less 805,270 treasury shares, at cost	(298)	(298)
Accumulated other comprehensive loss	(81,796)	(73,639)
Total Viskase stockholders' equity	144,126	152,384
Deficit attributable to non-controlling interest	(1,072)	(908)
Total stockholders' equity	143,054	151,476
Total Liabilities and Stockholders' Equity	\$461,296	\$471,101

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

	3 Months Ended September 30, 2022	3 Months Ended September 30, 2021	9 Months Ended September 30, 2022	9 Months Ended September 30, 2021
NET SALES	\$110,313	\$103,904	\$321,759	\$310,544
Cost of sales	<u>92,141</u>	<u>85,950</u>	<u>263,368</u>	<u>253,427</u>
GROSS MARGIN	18,172	17,954	58,391	57,117
Selling, general and administrative	13,262	11,298	38,386	34,617
Amortization of intangibles	383	438	1,207	1,328
Asset impairment	27	-	27	-
Restructuring expense	<u>-</u>	<u>436</u>	<u>-</u>	<u>436</u>
OPERATING INCOME	4,500	5,782	18,771	20,736
Interest expense	2,245	1,600	5,023	4,874
Other expense, net	<u>5,597</u>	<u>1,197</u>	<u>10,883</u>	<u>8,515</u>
INCOME BEFORE INCOME TAXES	(3,342)	2,985	2,865	7,347
Income tax provision	<u>57</u>	<u>1,800</u>	<u>3,129</u>	<u>5,133</u>
NET (LOSS) INCOME	<u>(\$3,399)</u>	<u>\$1,185</u>	<u>(\$264)</u>	<u>\$2,214</u>
Less: net loss attributable to noncontrolling interests	<u>(49)</u>	<u>(42)</u>	<u>(164)</u>	<u>(111)</u>
Net (loss) income attributable to Viskase Companies, Inc	<u>(\$3,350)</u>	<u>\$1,227</u>	<u>(\$100)</u>	<u>\$2,325</u>

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

	Ended September 30, 2022	Ended September 30, 2021	Ended September 30, 2022	Ended September 30, 2021
Net (loss) income	(\$3,399)	\$1,185	(\$264)	\$2,214
Other comprehensive income, net of tax				
Pension liability adjustment	393	410	909	1,121
Foreign currency translation adjustment	<u>(4,288)</u>	<u>(4,649)</u>	<u>(9,067)</u>	<u>(4,427)</u>
Other comprehensive loss, net of tax	<u>(3,895)</u>	<u>(4,239)</u>	<u>(8,158)</u>	<u>(3,306)</u>
Comprehensive loss	<u><u>(\$7,294)</u></u>	<u><u>(\$3,054)</u></u>	<u><u>(\$8,422)</u></u>	<u><u>(\$1,092)</u></u>
Less: comprehensive loss attributable to noncontrolling interests	<u>(49)</u>	<u>(42)</u>	<u>(164)</u>	<u>(111)</u>
Net comprehensive loss attributable to Viskase Companies, Inc	<u><u>(7,245)</u></u>	<u><u>(3,012)</u></u>	<u><u>(8,258)</u></u>	<u><u>(981)</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
Issuance of common stock	-	-	-	-	-	-	-	-
Balance December 31, 2021	\$1,040	\$182,343	(\$298)	\$42,938	(\$73,639)	\$152,384	(\$908)	\$151,476
Net income (loss)	-	-	-	(100)	-	(100)	(164)	(264)
Foreign currency translation adjustment	-	-	-	-	(9,067)	(9,067)	-	(9,067)
Pension liability adjustment, net of tax	-	-	-	-	909	909	-	909
Balance September 30, 2022	\$1,040	\$182,343	(\$298)	\$42,838	(\$81,797)	\$144,126	(\$1,072)	\$143,054

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

	9 Months Ended September 30, 2022	9 Months Ended September 30, 2021
Cash flows from operating activities:		
Net (loss) income	(\$264)	\$2,214
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation	18,892	19,566
Amortization of intangibles	1,207	1,328
Deferred income taxes	-	-
Loss on disposition or impairment of assets	27	-
Bad debt and accounts receivable provision	-	99
Non-cash interest on term loans	291	451
Changes in operating assets and liabilities:		
Receivables	(8,148)	(2,323)
Inventories	(15,475)	(8,710)
Other current assets	1,055	2,288
Other assets	(3,729)	(3,221)
Accounts payable	6,114	(476)
Accrued liabilities	258	(5,219)
Accrued employee benefits	(646)	(8,701)
Other	(1,573)	(169)
Total adjustments	<u>(1,727)</u>	<u>(5,087)</u>
Net cash (used in) operating activities	(1,991)	(2,873)
Cash flows from investing activities:		
Capital expenditures	(13,037)	(9,033)
Proceeds from disposition of assets	-	9
Net cash used in investing activities	<u>(13,037)</u>	<u>(9,024)</u>
Cash flows from financing activities:		
Proceed from short term borrowing	13,000	10,000
Deferred financing costs	(188)	(605)
Repayment of short-term debt	(5,625)	(6,815)
Repayment of capital lease	(19)	(27)
Net cash provided by financing activities	<u>7,168</u>	<u>2,553</u>
Effect of currency exchange rate changes on cash	<u>10,134</u>	<u>3,808</u>
Net decrease in cash and equivalents	2,274	(5,536)
Cash, equivalents and restricted cash at beginning of period	<u>9,873</u>	<u>15,848</u>
Cash, equivalents and restricted cash at end of period	<u><u>12,147</u></u>	<u><u>10,312</u></u>
Supplemental cash flow information:		
Interest paid less capitalized interest	\$4,720	\$3,949
Income taxes paid	\$4,421	\$2,844