The LYCRA Company

Q2 Investor Presentation

September 6, 2022

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This presentation includes operational and financial results for the quarter ended June 30, 2022. Certain of this information is based solely on management accounts and has not been reviewed or subject to audit procedures. Other information contained in this presentation reflects management estimates for periods prior to the consummation of the acquisition of The LYCRA Company. You should not place undue reliance on these estimates. Our financial information contained in this presentation has been prepared on a good faith basis based on internal reporting for the periods presented. The financial and operational information included in this presentation has not been prepared in a manner consistent with the financial information and results of operations included in the final offering memorandum related to the 7.500% Senior Secured Notes due 2025 and 5.375% Senior Secured Notes due 2023 issued by Eagle Intermediate Global Holding B.V. and Ruyi US Finance LLC (the “final offering memorandum”). Similarly, because the operational and financial results for the quarter ended June 30, 2022, included in this presentation are prepared based solely on management accounts and estimates and has not been subject to audit procedures, such information may not be prepared on a basis consistent with future bondholder reports.

The historical financial information included herein includes financial information that is not required by or presented in accordance with generally accepted accounting principles in the United States of America (“GAAP”) or any other internationally accepted accounting principles, including “EBITDA” and “Adjusted EBITDA,” and the Company’s consolidated financial information for the three months ended June 30, 2021, and the full year ended December 31, 2021.

This presentation and the oral remarks made in connection therewith may contain financial projections and forward looking statements. Such projections and statements are based on estimates and assumptions of management of The LYCRA Company regarding the Company’s future performance and operations. These forward looking statements appear in a number of places in this presentation and include statements regarding the Company’s future financial position and results of operations, its strategy, plans, objectives, goals and targets, future developments in the markets in which it participates or is seeking to participate or anticipated regulatory changes in the markets in which it operates or intends to operate. In some cases, you can identify forward looking statements by terminology such as “aim,” “anticipate,” “assume,” “believe,” “continue,” “could,” “estimate,” “expect,” “forecast,” “guidance,” “intend,” “may,” “plan,” “potential,” “predict,” “projected,” “risk,” “seek,” “should,” “target” or “will” or the negative of such terms or other comparable terminology. When considering these forward looking statements, you should keep in mind that a number of factors that are beyond the Company’s control could cause actual results to differ materially from the results contemplated by any such forward looking statements including the risks detailed under the heading “Risk Factors” in the quarterly report and the preceding annual report. We believe that the expectations reflected in these forward looking statements are reasonable but we cannot assure you that these expectations will prove to be correct and such forward looking statements included in this presentation should not be unduly relied upon. These statements speak only as of the date made.

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Executive Summary

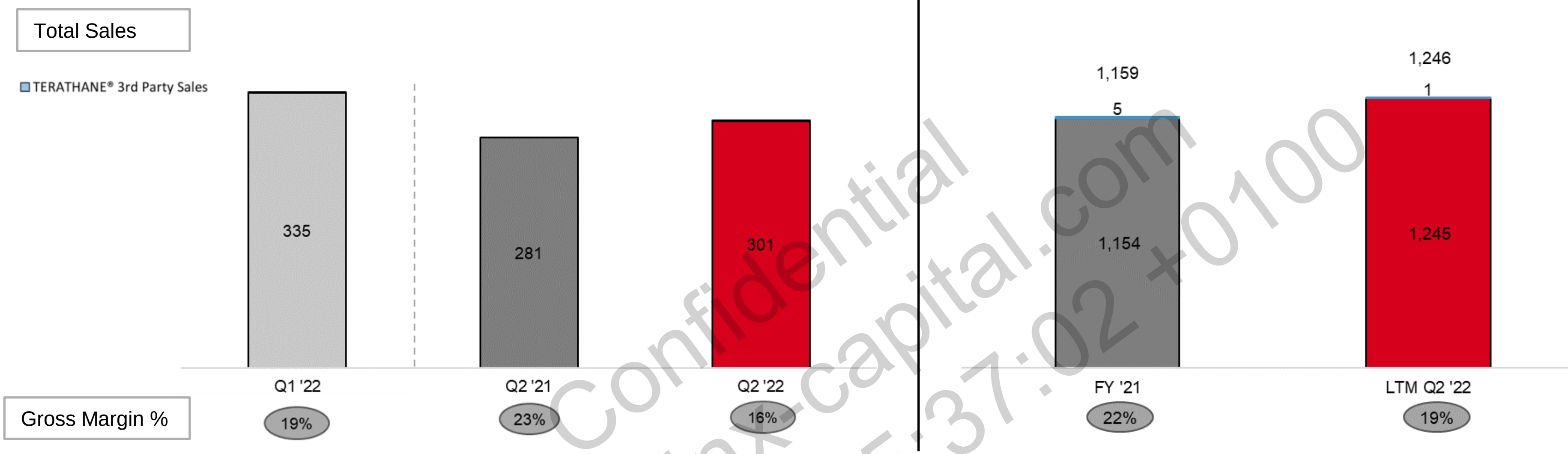
(Values in USD unless noted)

- Q2 ‘22 EBITDA was $30 million, down $19 million vs prior quarter and down $23 million vs same quarter prior year.
- Lower EBITDA in Q2 ‘22 compared to Q1 ’22 was primarily driven by lower volumes, which were a result of COVID lockdowns in China and recessionary concerns causing demand softness and mill inventory drawdown for apparel.
- The depreciation of the euro & RMB vs USD negatively impacted LYCRA® fiber price by $0.20/kg during Q2 – currency adjusted prices remain flat vs prior quarter.
- Elevated PTMEG prices and energy costs continued to move through inventory. Raw material increases had a $46 million impact on EBITDA in Q2 ‘22 compared to Q2 ’21, and energy another $10 million.
- During the period of demand softness, management chose to strategically curtail production to avoid further inventory build, resulting in global capacity utilization drop of 9% compared to Q2 ‘21.
- In connection with the conclusion of the enforcement process and change of ownership, Q2 ’22 includes management’s estimate of $821 million for goodwill and other intangible asset impairment.

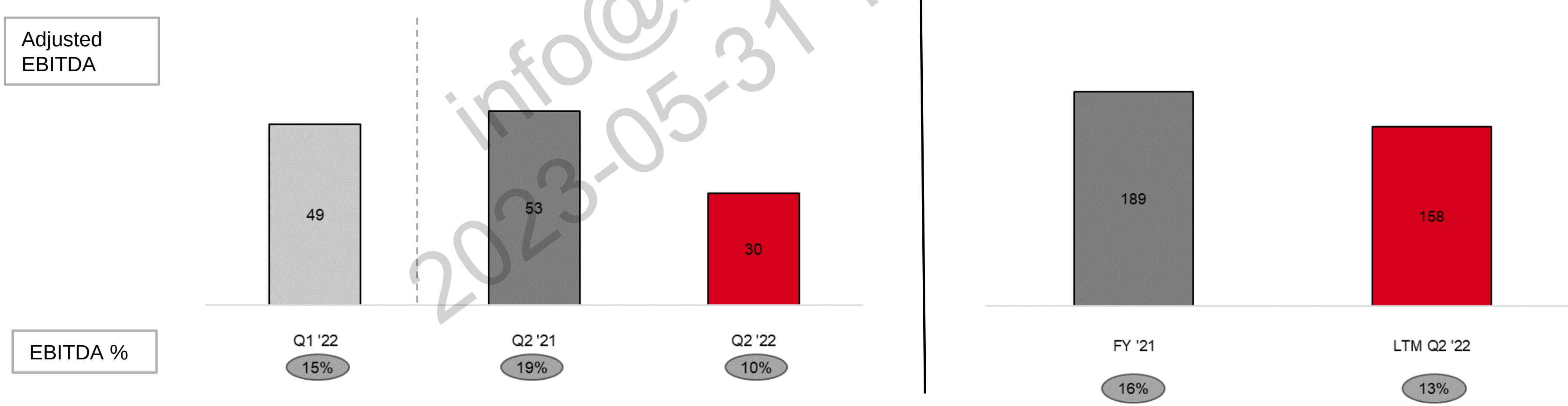
Key Financial Metrics

(Values in millions of USD unless noted)

Consolidated Total Sales & Gross Margin



Adjusted EBITDA

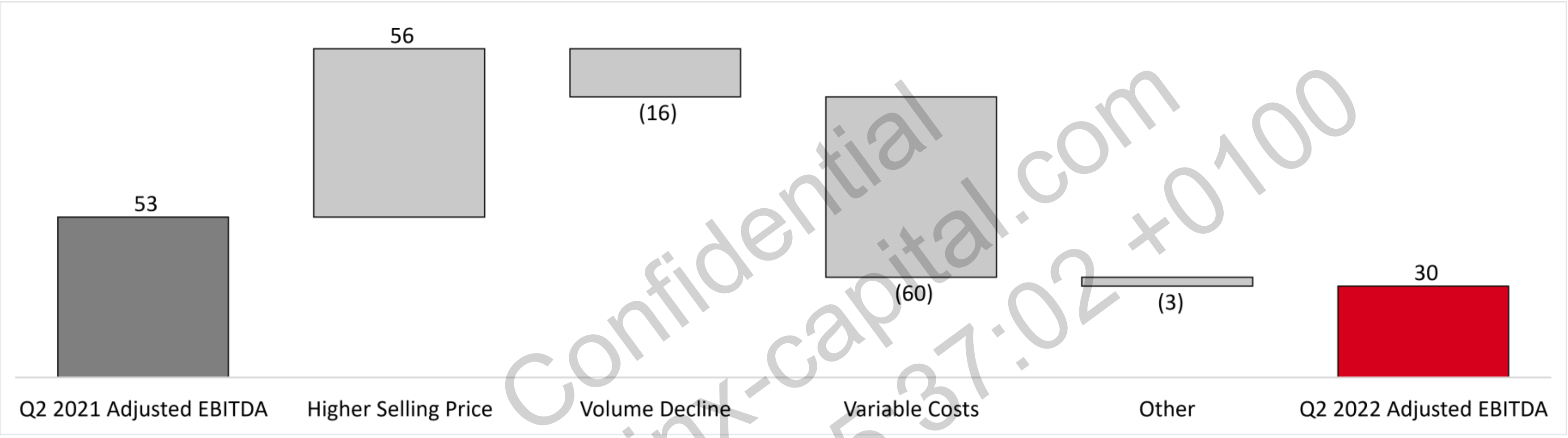


Note: EBITDA and Adjusted EBITDA are not required by or presented in accordance with GAAP or any other internationally accepted accounting principles. The financial information for the TERATHANE® business is internal management data and is not meant to represent a discontinued operations figure, or represent what may be removed from the consolidated financials after the closure.

Financial Performance

(Values in millions of USD unless noted)

Adjusted EBITDA Q2 '21 to Q2 '22 Bridge



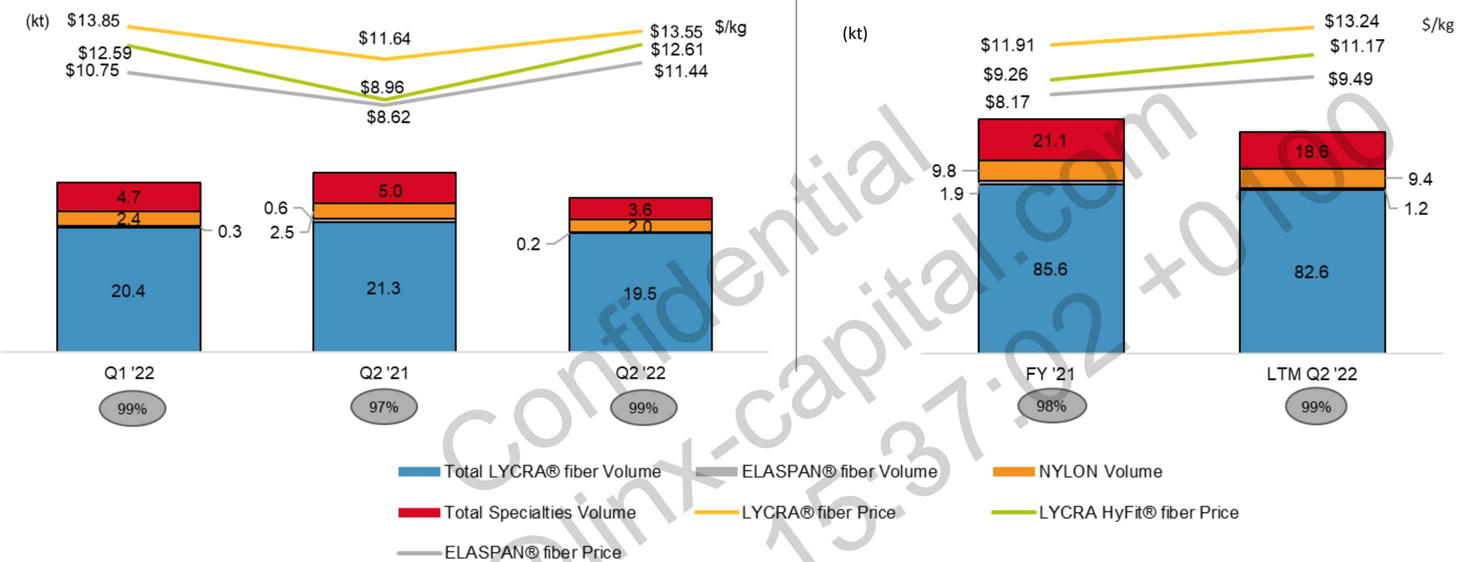
Adjusted EBITDA Q1 '22 to Q2 '22 Bridge

Note: EBITDA and Adjusted EBITDA are not required by or presented in accordance with GAAP or any other internationally accepted accounting principles.

Volume and Revenue

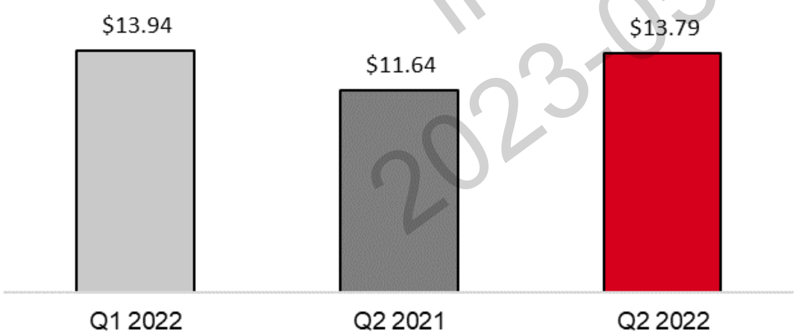
(Values in millions of USD unless noted)

Volume (kit) & LYCRA® fiber Concentration[1]



LYCRA® fiber Concentration[1]

Currency Adjusted LYCRA® fiber Prices ($/kg)

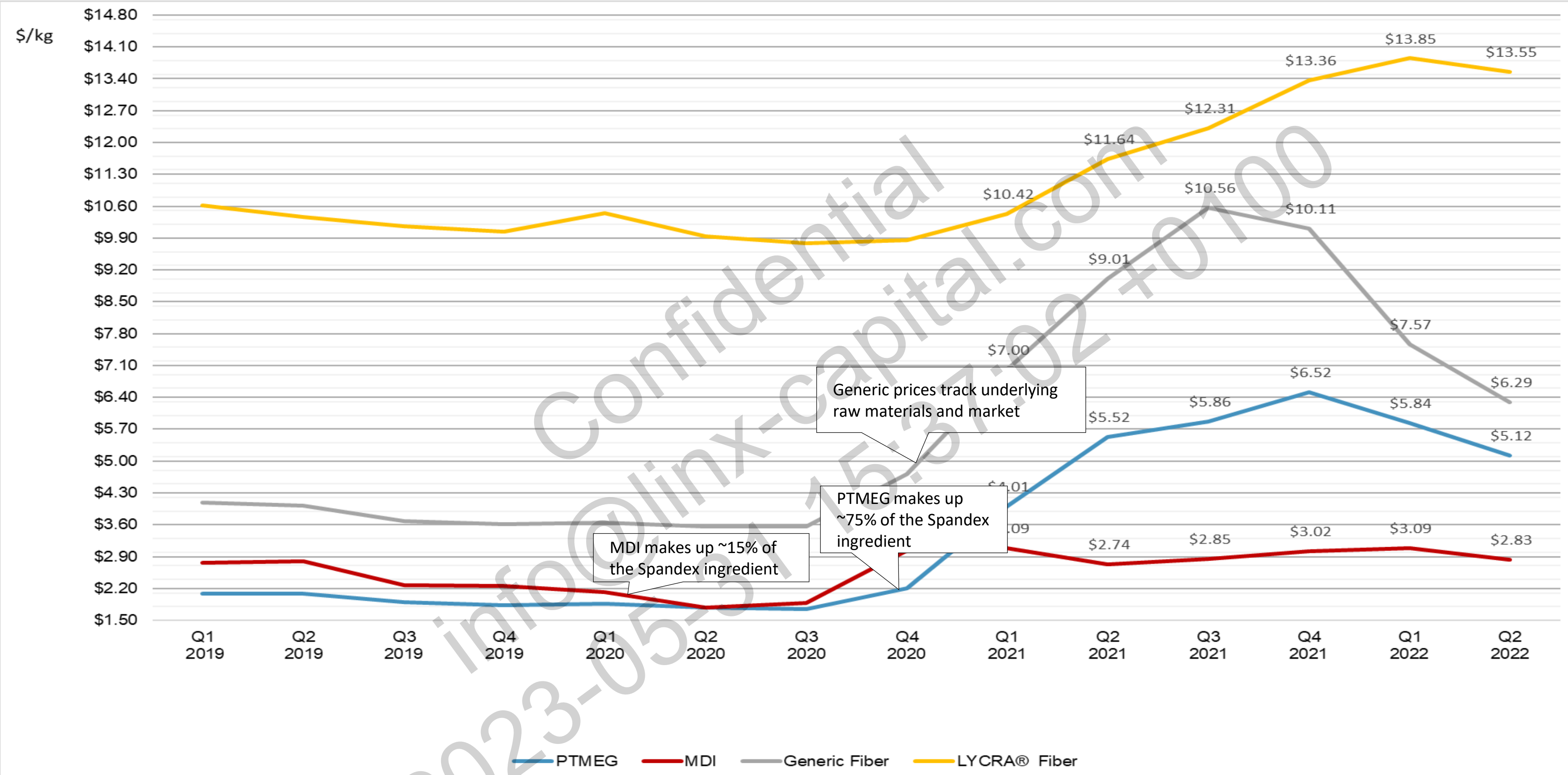


Constant currency prices measured against Q2 2021 FX rates have increased due to implementation of higher prices to offset higher raw material costs.

Note: Volumes are unaudited management estimates.

[1] LYCRA® fiber concentration reflects LYCRA® fiber and LYCRA HyFit® fiber combined volumes as a percentage of Spandex volumes.

Key Margin Drivers



Source: CCF index

Q3 '22 Updates

(Values in USD unless noted)

- Although we expect volumes to continue to be impacted by industry inventory drawdown and recessionary concerns, we are expecting the market to stabilize / slightly improve through the balance of the year.
- We expect to continue holding market share and we are working closely with key customers and distributors to stimulate sales in anticipation of some market recovery later this year.
- We expect margins to further decline in Q3 due to continued market weakness and adverse macro factors like further increases in energy and foreign exchange. Q4' 22 margins are, however, forecasted to increase as we anticipate some marginal market demand recovery, and as we limit LYCRA® fiber price erosion while starting to benefit more substantially from the sharp decline in raw material prices that started several months ago.
- The refinance of our short-term debt is expected to be completed during Q4 '22.
- We changed the Company's Board and ensured a proper governance structure is in place.
- As litigation continues related to the Laika JV, the Company remains in full control of its property, plant, and equipment in the PRC. Further, the Company remains in full control of its intellectual property rights globally. Although litigation involves risk, the Company remains confident in its ability to protect its assets and resolve favorably the Laika-related disputes.
- We are continuing to make advances on our vision and 5-year roadmap.

Appendix

Consolidated Statement of Operations

(Values in millions of USD unless noted)

	Three months ended June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	Six months ended June 30, 2021
Net sales	$ 293	$ 276	$ 621	$ 538
Sales to related parties	8	5	15	11
Total sales	301	281	636	549
Royalty and licensing income, net	1	1	3	1
Total revenue	302	282	639	550
Cost of goods sold and other operating expenses	255	217	528	414
Gross profit	47	65	111	136
Selling, general and administrative expenses	29	32	58	62
Research and development expenses	7	7	15	13
Restructuring (income) expense	21	—	25	(28)
Goodwill and other intangible assets impairment	821	—	821	—
Other (income) expense, net	(22)	3	(34)	(6)
Operating income (loss)	(809)	23	(774)	95
Equity in (income) of affiliates	(2)	(2)	(4)	(5)
Interest expense, net	21	19	41	39
Income (loss) before income taxes	(828)	6	(811)	61
Income tax expense	4	8	7	20
Consolidated net income (loss)	(832)	(2)	(818)	41
Net (income) loss attributable to noncontrolling interest	52	(1)	51	(3)
Net income (loss) attributable to The LYCRA Company	$ (780)	$ (3)	$ (767)	$ 38

Consolidated Statement of Cash Flows

(Values in millions of USD unless noted)

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Cash flows from operating activities:				
Consolidated net income (loss)	$ (832)	$ (2)	$ (818)	$ 41
Adjustments to reconcile consolidated net income to net cash provided by operating activities:				
Depreciation and amortization	17	17	34	34
Amortization of bank financing costs and discounts	3	2	5	4
Share-based compensation	—	1	1	1
Exchange rate changes on cash and cash equivalents and restricted cash	1	(1)	1	—
Undistributed (earnings) from investment in equity affiliates	(2)	(2)	(4)	(5)
Impairment of goodwill and other intangible assets	821	—	821	—
(Gain) on sale of pipeline assets	—	—	—	(23)
Abandonment (Recoveries) of long-lived assets	—	—	1	—
Deferred income taxes	(2)	1	(3)	3
Pension expense, net of contributions	—	—	—	1
Return on investment in equity affiliates	4	3	4	6
Changes in assets and liabilities: (1)				
Receivables	17	(2)	11	(12)
Inventories	(22)	(25)	(24)	(42)
Other assets	2	(5)	8	(11)
Payables	(42)	(8)	(69)	—
Other liabilities	(20)	(19)	(8)	(10)
Net cash (used in) operating activities	(55)	(40)	(40)	(13)
Cash flows from investing activities:				
Capital expenditures	(2)	(3)	(4)	(5)
Proceeds from sale of pipeline assets	—	—	—	24
Return of investment in equity affiliate	1	—	1	—
Net cash provided by (used in) investing activities	(1)	(3)	(3)	19
Cash flows from financing activities:				
Borrowings of revolvers	50	—	50	—
Repayments of revolvers	—	(20)	—	(20)
Principal payments of short-term debt	—	—	—	(18)
Dividends paid to noncontrolling interest	—	—	—	(6)
Net cash provided by (used in) financing activities	50	(20)	50	(44)
Net increase (decrease) in cash and cash equivalents and restricted cash	(6)	(63)	7	(38)
Effect of exchange rate changes on cash and cash equivalents and restricted cash	(1)	1	(1)	—
Cash and cash equivalents and restricted cash at beginning of period	48	142	35	118
Cash and cash equivalents and restricted cash at end of period	$ 41	$ 80	$ 41	$ 80

(1) Net of effect of translation

Consolidated Balance Sheet

(Values in millions of USD unless noted)

	June 30, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ 39	$ 32
Restricted cash	2	3
Receivables, net	173	184
Inventories, net	263	239
Prepaid expenses and other current assets	37	43
Total current assets	514	501
Property, plant and equipment, net	300	329
Right of use lease assets, net	56	60
Goodwill	142	953
Other intangible assets, net	461	477
Investments in equity affiliates	166	166
Other assets	10	9
Total assets	$ 1,649	$ 2,495
Liabilities and Shareholder's Equity		
Current liabilities:		
Current debt	$ 362	$ 50
Lease liabilities, current portion	5	5
Payables	85	134
Accrued and other current liabilities	83	75
Total current liabilities	535	264
Long-term debt, net	675	952
Lease liabilities, long-term	30	31
Pension and other post-retirement benefit liabilities	8	8
Other liabilities	3	7
Deferred income tax liabilities	37	40
Total liabilities	$ 1,288	$ 1,302
Shareholder's equity:		
Shareholder's equity	$ 303	$ 1,069
Accumulated other comprehensive income	12	27
Total The LYCRA Company shareholder's equity	315	1,096
Noncontrolling interest	46	97
Total shareholder's equity	361	1,193
Total liabilities and shareholder's equity	$ 1,649	$ 2,495

Management Adjusted EBITDA

($ in millions of USD unless noted)

	For the three months ended June 30, 2022	For the three months ended June 30, 2021	For the six months ended June 30, 2022	For the six months ended June 30, 2021
Consolidated net income (loss)	$ (831.5)	$ (2.0)	$ (817.9)	$ 40.8
Interest expense	21.3	19.4	41.0	39.0
Income tax expense	3.8	7.6	6.9	20.1
Depreciation and amortization	16.1	17.1	33.1	34.9
EBITDA	(790.3)	42.1	(736.9)	134.8
Joint venture EBITDA adjustment [a]	1.2	1.4	2.7	2.8
Noncontrolling interest EBITDA [b]	(1.0)	(1.7)	(2.3)	(4.4)
Foreign exchange adjustment [c]	(0.2)	0.3	—	—
Foreign exchange on bonds [d]	(10.0)	3.4	(19.5)	(6.9)
Goodwill and other intangible assets impairment [e]	821.3	—	821.3	—
Other nonrecurring items [f]	(3.5)	1.2	(3.3)	1.8
La Porte restructuring [g]	(0.2)	(0.1)	(2.8)	(28.5)
Other restructuring [h]	21.2	—	28.2	—
Impact of PRC functional currency [i]	(8.1)	2.9	(7.6)	2.9
La Porte post-closure costs [j]	—	3.4	—	7.3
Financing costs [k]	—	0.5	—	0.9
Adjusted EBITDA	$ 30.4	$ 53.4	$ 79.8	$ 110.7

Note: EBITDA and Adjusted EBITDA are not required by or presented in accordance with GAAP or any other internationally accepted accounting principles.

Management Adjusted EBITDA (cont.)

(Values in millions of USD unless noted)

(a) Represents an adjustment to conform The LYCRA Company's share of equity earnings associated with the Toray Opelontex Co., Ltd, ISH-Toray Pte. Ltd, and Shinpont Industry, Inc. joint ventures from net income to EBITDA.

(b) Represents the share of EBITDA attributable to the noncontrolling interest of The LYCRA Company Singapore Pte. Ltd.

(c) Represents foreign currency remeasurement relating to income taxes, most significantly in Hong Kong, Brazil, Switzerland, and the PRC.

(d) Represents the amount of foreign currency remeasurement on the Euro Notes.

(e) Represents the impairment loss on goodwill and other intangible assets, which is equal to the excess of the carrying value over the implied fair value.

(f) Represents certain other nonrecurring costs which for 2022 primarily represents a gain upon extinguishment of liability.

(g) Represents a reversal of certain accrued liabilities and recognition of income from the sale of pipeline assets at La Porte, net of costs associated with the transaction in March 2021.

(h) Represents accrued legal and advisory costs incurred due to the Enforcement Action and resulting change of ownership.

(i) Represents impacts from the foreign currency remeasurement (gains) losses primarily on intercompany activity with our operations in the PRC, whose functional currency is the Chinese yuan and whose currency translation impacts are reflected within Other Comprehensive Income.

(j) Represents costs incurred at La Porte following the cessation of operations in the fourth quarter of 2020.

(k) Represents one-time costs related to the Revolving Credit Facility during 2021.

Note: EBITDA and Adjusted EBITDA are not required by or presented in accordance with GAAP or any other internationally accepted accounting principles.