

The LYCRA Company

Consolidated Balance Sheets

(Amounts in millions of U.S. dollars)
(Unaudited)

<u>Assets</u>	<u>August 31, 2023</u>	<u>December 31, 2022</u>
Current assets:		
Cash and cash equivalents	\$ 75	\$ 62
Restricted cash	5	1
Receivables, net	114	119
Inventories, net	196	248
Prepaid expenses and other current assets	13	15
Total current assets	403	445
Property, plant and equipment, net	251	274
Right of use lease assets, net	55	53
Goodwill	627	627
Other intangible assets, net	456	465
Investments in equity affiliates	168	167
Deferred income taxes	8	6
Other assets	13	14
Total assets	\$ 1,981	\$ 2,051
<u>Liabilities and Shareholder's Equity</u>		
Current liabilities:		
Current debt	\$ 9	\$ 300
Lease liabilities, current portion	5	5
Payables	53	57
Accrued and other current liabilities	67	59
Total current liabilities	134	421
Long-term debt, net	1,139	784
Lease liabilities, long-term	31	29
Pension and other post-retirement benefit liabilities	6	5
Deferred income tax liabilities	39	39
Other liabilities	1	1
Total liabilities	\$ 1,350	\$ 1,279
Shareholder's equity:		
Shareholder's equity	\$ 555	\$ 686
Accumulated other comprehensive income	(7)	4
Total The LYCRA Company shareholder's equity	548	690
Noncontrolling interest	83	82
Total shareholder's equity	631	772
Total liabilities and shareholder's equity	\$ 1,981	\$ 2,051

The LYCRA Company
Consolidated Statements of Operations and Comprehensive Income

*(Amounts in millions of U.S. dollars)
(Unaudited)*

	Eight months ended August 31,	
	2023	2022
Net sales	\$ 540	\$ 793
Sales to related parties	2	15
Total sales	542	808
Royalty and licensing income, net	2	3
Total revenue	544	811
Cost of goods sold and other operating expenses	455	678
Gross profit	89	133
Selling, general and administrative expenses	72	77
Research and development expenses	19	19
Restructuring (income) expense	16	29
Impairment of goodwill and other intangible assets	-	821
Other (income) expense, net	9	(49)
Operating income (loss)	(27)	(764)
Equity in (income) loss of affiliates	(4)	21
Pension non-service cost (benefit)	(2)	-
Interest (income) expense, net	100	57
Income (loss) before income taxes	(121)	(842)
Income tax expense (benefit)	9	9
Consolidated net income (loss)	(130)	(851)
Net (income) loss attributable to noncontrolling interest	(1)	51
Net income (loss) attributable to The LYCRA Company	\$ (131)	\$ (800)
Consolidated net income (loss)	\$ (130)	\$ (851)
Other comprehensive income, net of tax		
Recognition of actuarial gain (loss)	-	-
Foreign currency translation adjustment	(10)	(15)
Comprehensive income (loss)	(140)	(866)
Net (income) loss attributable to noncontrolling interest	(1)	51
Comprehensive income (loss) attributable to The LYCRA Company	\$ (141)	\$ (815)

The LYCRA Company
Adjusted EBITDA
(Amounts in millions of U.S. dollars)
(Unaudited)

	For the eight months ended August 31,	
	2023	2022
Consolidated net income (loss)	\$ (130.1)	\$ (850.8)
Interest expense	100.4	57.1
Income tax expense	8.8	8.8
Depreciation and amortization	40.0	42.5
	19.1	(742.4)
Joint venture EBITDA adjustment ^(a)	2.9	3.6
Noncontrolling interest EBITDA ^(b)	(2.4)	(2.6)
Foreign exchange adjustment ^(c)	0.3	0.1
Foreign exchange on bonds ^(d)	2.6	(34.8)
Other items ^(e)	(0.7)	(3.3)
La Porte restructuring ^(f)	-	(2.8)
Other restructuring ^(g)	9.2	31.5
Impact of PRC functional currency ^(h)	(5.8)	(7.6)
Financing costs ⁽ⁱ⁾	16.3	-
Goodwill and other intangible assets impairment ^(j)	-	821.3
Loss on investment in equity affiliate for 50% share of goodwill impairment ^(k)	-	26
	\$ 41.5	\$ 89.0

- 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 the PRC, Brazil, Hong Kong, and Switzerland.
- d) Represents the amount of foreign currency remeasurement (gain) loss on the Euro Notes and Refinancing Notes.
- e) Represents certain unusual and nonrecurring items in which current year primarily represents a gain upon termination of pension plan in Hong Kong partially offset by losses from the write-off of certain non-operating assets. The prior year represents a gain upon extinguishment of a liability.

- f) Represents a reversal of certain accrued liabilities at La Porte.
- g) Represents costs primarily associated with the restructuring of financing arrangements and change of ownership. The prior year costs represent professional fees and other costs incurred due to the Enforcement Action and subsequent change of ownership.
- h) 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.
- i) Represents costs mainly from the loss on extinguishment of the Euro Notes and certain legal and other fees associated with the Refinancing Notes.
- j) Represents management preliminary estimate of impairment immediately following the conclusion of the Enforcement Action in June 2022.
- k) Represents prior year's charge associated with 50% share of goodwill impairment charge on equity affiliate, ISH-Toray Pte. Ltd. Immediately following the conclusion of the Enforcement Action in June 2022.