

The LYCRA Company
Consolidated Balance Sheets

*(Amounts in millions of U.S. dollars)
(Unaudited, except as noted)*

<u>Assets</u>	<u>February 29, 2024</u>	<u>December 31, 2023</u> (Audited)
Current assets:		
Cash and cash equivalents	\$ 97	\$ 85
Restricted cash	9	9
Receivables, net	116	117
Inventories, net	162	170
Prepaid expenses and other current assets	15	11
Total current assets	399	392
Property, plant and equipment, net	241	245
Right of use lease assets, net	50	52
Goodwill	334	334
Other intangible assets, net	333	335
Investments in equity affiliates	137	136
Deferred income taxes	17	17
Other assets	13	11
Total assets	\$ 1,524	\$ 1,522
<u>Liabilities and Shareholder's Equity</u>		
Current liabilities:		
Current debt	\$ 179	\$ 26
Lease liabilities, current portion	4	5
Payables	66	67
Accrued and other current liabilities	64	52
Total current liabilities	313	150
Long-term debt, net	1,017	1,158
Lease liabilities, long-term	30	31
Pension and other post-retirement benefit liabilities	12	12
Deferred income tax liabilities	37	37
Other liabilities	2	1
Total liabilities	\$ 1,411	\$ 1,389
Shareholder's equity:		
Shareholder's equity	\$ 61	\$ 81
Accumulated other comprehensive income	(8)	(8)
Total The LYCRA Company shareholder's equity	53	73
Noncontrolling interest	60	60
Total shareholder's equity	113	133
Total liabilities and shareholder's equity	\$ 1,524	\$ 1,522

The LYCRA Company
Consolidated Statements of Operations and Comprehensive Income

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

	Two months ended February 29,	
	2024	2023
Net sales	\$ 133	\$ 126
Sales to related parties	-	1
Total sales	133	127
Royalty and licensing income, net	1	1
Total revenue	134	128
Cost of goods sold and other operating expenses	103	117
Gross profit	31	11
Selling, general and administrative expenses	18	18
Research and development expenses	5	5
Restructuring (income) expense	4	1
Other (income) expense, net	(4)	(4)
Operating income (loss)	8	(9)
Equity in (income) loss of affiliates	(1)	(1)
Pension non-service cost (benefit)	-	(2)
Interest (income) expense, net	27	18
Income (loss) before income taxes	(18)	(24)
Income tax expense (benefit)	2	1
Consolidated net income (loss)	(20)	(25)
Net (income) loss attributable to noncontrolling interest	-	(1)
Net income (loss) attributable to The LYCRA Company	\$ (20)	\$ (26)
Consolidated net income (loss)	\$ (20)	\$ (25)
Other comprehensive income, net of tax		
Recognition of actuarial gain (loss)	-	(1)
Foreign currency translation adjustment	-	-
Comprehensive income (loss)	(20)	(26)
Net (income) loss attributable to noncontrolling interest	-	(1)
Comprehensive income (loss) attributable to The LYCRA Company	\$ (20)	\$ (27)

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

	Two months ended February 29,	
	2024	2023
Consolidated net income (loss)	\$ (19.5)	\$ (25.3)
Interest expense	26.9	17.7
Income tax expense	2.4	1.0
Depreciation and amortization	8.1	11.8
	17.9	5.2
Joint venture EBITDA adjustment ^(a)	0.7	0.7
Noncontrolling interest EBITDA ^(b)	(1.3)	(0.7)
Foreign exchange adjustment ^(c)	-	(0.1)
Foreign exchange on bonds ^(d)	(5.1)	(2.7)
Other items ^(e)	0.1	(1.8)
Other restructuring ^(f)	4.1	0.7
Impact of PRC functional currency ^(g)	(0.2)	-
Financing costs ^(h)	0.1	-
	\$ 16.3	\$ 1.3

- 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 Refinancing Notes and Euro Notes.
- e) Represents certain unusual and nonrecurring items.
- f) Represents costs primarily associated with the restructuring of financing arrangements. The prior year costs mainly represent legal fees associated with extension of RCF.
- g) 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.
- h) Represents costs related to factoring of accounts receivable.