

The LYCRA Company
Consolidated Balance Sheets

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

<u>Assets</u>	<u>July 31, 2023</u>	<u>December 31, 2022</u>
Current assets:		
Cash and cash equivalents	\$ 62	\$ 62
Restricted cash	2	1
Receivables, net	114	119
Inventories, net	207	248
Prepaid expenses and other current assets	14	15
Total current assets	399	445
Property, plant and equipment, net	256	274
Right of use lease assets, net	55	53
Goodwill	627	627
Other intangible assets, net	458	465
Investments in equity affiliates	167	167
Deferred income taxes	8	6
Other assets	15	14
Total assets	\$ 1,985	\$ 2,051
<u>Liabilities and Shareholder's Equity</u>		
Current liabilities:		
Current debt	\$ 8	\$ 300
Lease liabilities, current portion	5	5
Payables	52	57
Accrued and other current liabilities	56	59
Total current liabilities	121	421
Long-term debt, net	1,136	784
Lease liabilities, long-term	32	29
Pension and other post-retirement benefit liabilities	6	5
Deferred income tax liabilities	39	39
Other liabilities	1	1
Total liabilities	\$ 1,335	\$ 1,279
Shareholder's equity:		
Shareholder's equity	\$ 573	\$ 686
Accumulated other comprehensive income	(6)	4
Total The LYCRA Company shareholder's equity	567	690
Noncontrolling interest	83	82
Total shareholder's equity	650	772
Total liabilities and shareholder's equity	\$ 1,985	\$ 2,051

The LYCRA Company
Consolidated Statements of Operations and Comprehensive Income

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

	Seven months ended July 31,	
	2023	2022
Net sales	\$ 472	\$ 706
Sales to related parties	2	15
Total sales	474	721
Royalty and licensing income, net	2	3
Total revenue	476	724
Cost of goods sold and other operating expenses	399	602
Gross profit	77	122
Selling, general and administrative expenses	62	69
Research and development expenses	16	17
Restructuring (income) expense	9	25
Impairment of goodwill and other intangible assets	-	821
Other (income) expense, net	14	(45)
Operating income (loss)	(24)	(765)
Equity in (income) loss of affiliates	(3)	(4)
Pension non-service cost (benefit)	(2)	-
Interest (income) expense, net	85	49
Income (loss) before income taxes	(104)	(810)
Income tax expense (benefit)	8	8
Consolidated net income (loss)	(112)	(818)
Net (income) loss attributable to noncontrolling interest	(1)	51
Net income (loss) attributable to The LYCRA Company	\$ (113)	\$ (767)
Consolidated net income (loss)	\$ (112)	\$ (818)
Other comprehensive income, net of tax		
Recognition of actuarial gain (loss)	-	-
Foreign currency translation adjustment	(10)	(15)
Comprehensive income (loss)	(122)	(833)
Net (income) loss attributable to noncontrolling interest	(1)	51
Comprehensive income (loss) attributable to The LYCRA Company	\$ (123)	\$ (782)

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

	For the seven months ended July 31,	
	2023	2022
Consolidated net income (loss)	\$ (111.8)	\$ (817.5)
Interest expense	84.5	49.1
Income tax expense	8.0	8.3
Depreciation and amortization	35.4	37.5
	16.1	(722.6)
Joint venture EBITDA adjustment ^(a)	2.5	3.2
Noncontrolling interest EBITDA ^(b)	(2.0)	(2.5)
Foreign exchange adjustment ^(c)	0.4	-
Foreign exchange on bonds ^(d)	9.8	(31.1)
Other items ^(e)	(1.4)	(3.3)
La Porte restructuring ^(f)	-	(2.8)
Other restructuring ^(g)	6.9	28.3
Impact of PRC functional currency ^(h)	(5.8)	(7.6)
Financing costs ⁽ⁱ⁾	10.3	-
Goodwill and other intangible assets impairment ^(j)	-	821.3
	<u>\$ 36.8</u>	<u>\$ 82.9</u>

- 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. 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. 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.
- j) Represents management preliminary estimate of impairment immediately following the conclusion of the Enforcement Action in June 2022.