

The LYCRA Company
Consolidated Balance Sheets

(Amounts in millions of U.S. dollars)

<u>Assets</u>	July 31, 2024 <i>(Unaudited)</i>	December 31, 2023 <i>(Audited)</i>
Current assets:		
Cash and cash equivalents	\$ 97	\$ 85
Restricted cash	7	9
Receivables, net	125	117
Inventories, net	163	170
Prepaid expenses and other current assets	14	11
Total current assets	406	392
Property, plant and equipment, net	232	245
Right of use lease assets, net	48	52
Goodwill	334	334
Other intangible assets, net	328	335
Investments in equity affiliates	137	136
Deferred income taxes	18	17
Other assets	7	11
Total assets	\$ 1,510	\$ 1,522
<u>Liabilities and Shareholder's Equity</u>		
Current liabilities:		
Current debt	\$ 1,248	\$ 26
Lease liabilities, current portion	4	5
Payables	66	67
Accrued and other current liabilities	69	52
Total current liabilities	1,387	150
Long-term debt, net	-	1,158
Lease liabilities, long-term	27	31
Pension and other post-retirement benefit liabilities	12	12
Deferred income tax liabilities	36	37
Other liabilities	1	1
Total liabilities	\$ 1,463	\$ 1,389
Shareholder's equity:		
Shareholder's equity	\$ (8)	\$ 81
Accumulated other comprehensive income	(10)	(8)
Total The LYCRA Company shareholder's equity	(18)	73
Noncontrolling interest	65	60
Total shareholder's equity	47	133
Total liabilities and shareholder's equity	\$ 1,510	\$ 1,522

The LYCRA Company
Consolidated Statements of Operations and Comprehensive Income

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

	Seven months ended July 31,	
	2024	2023
Net sales	\$ 499	\$ 472
Sales to related parties	1	2
Total sales	500	474
Royalty and licensing income, net	2	2
Total revenue	502	476
Cost of goods sold and other operating expenses	364	399
Gross profit	138	77
Selling, general and administrative expenses	67	62
Research and development expenses	16	16
Restructuring (income) expense	14	9
Other (income) expense, net	-	14
Operating income (loss)	41	(24)
Equity in (income) loss of affiliates	(5)	(3)
Pension non-service cost (benefit)	-	(2)
Interest (income) expense, net	115	85
Income (loss) before income taxes	(69)	(104)
Income tax expense (benefit)	15	8
Consolidated net income (loss)	(84)	(112)
Net (income) loss attributable to noncontrolling interest	(5)	(1)
Net income (loss) attributable to The LYCRA Company	<u>\$ (89)</u>	<u>\$ (113)</u>
Consolidated net income (loss)	\$ (84)	\$ (112)
Other comprehensive income, net of tax		
Recognition of actuarial gain (loss)	-	-
Foreign currency translation adjustment	(2)	(10)
Comprehensive income (loss)	(86)	(122)
Net (income) loss attributable to noncontrolling interest	(5)	(1)
Comprehensive income (loss) attributable to The LYCRA Company	<u>\$ (91)</u>	<u>\$ (123)</u>

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

	Seven months ended July 31,	
	2024	2023
Consolidated net income (loss)	\$ (84.2)	\$ (111.8)
Interest expense	115.2	84.5
Income tax expense	14.5	8.0
Depreciation and amortization	26.9	35.5
EBITDA	72.4	16.2
Joint venture EBITDA adjustment ^(a)	2.5	2.6
Noncontrolling interest EBITDA ^(b)	(6.0)	(2.0)
Foreign exchange adjustment ^(c)	0.7	0.4
Foreign exchange on bonds ^(d)	(5.0)	9.8
Restructuring ^(e)	9.9	6.9
Yinchuan facility project costs ^(f)	0.7	-
Impact of PRC functional currency ^(g)	(1.3)	(5.8)
Financing costs ^(h)	2.3	10.3
Other items ⁽ⁱ⁾	0.9	(1.4)
Adjusted EBITDA	<u>\$ 77.1</u>	<u>\$ 37.0</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 transaction (gains)/losses relating to intercompany indebtedness between restricted subsidiaries and foreign currency remeasurement relating to income taxes, most significantly in the PRC, Hong Kong, Brazil, and Switzerland.
- d) Represents the amount of foreign currency remeasurement (gain) loss on senior secured debt denominated in euros.
- e) Represents costs mainly incurred to settle litigation for the Laika joint venture, severance and other costs associated with strategic projects. The prior year represents expenses primarily associated with the restructuring of financing arrangements.
- f) Represents facility pre-opening costs incurred, net of service fees received, for our joint venture with Yinchuan Shengrong in the PRC.
- g) Represents impacts from the foreign currency transaction (gains) losses primarily on intercompany activity with our operations in the PRC, whose functional currency is the Chinese yuan and whose foreign currency translation impacts are reflected within Other Comprehensive Income.
- h) Represents costs mainly incurred in connection with debt refinancing. The prior year costs primarily represent the loss upon extinguishment of the Euro Notes.
- i) Represents certain other unusual and nonrecurring items. The prior year is mainly a gain upon termination of the pension plan in Hong Kong.