

The LYCRA Company
Consolidated Balance Sheets

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

Assets	June 30, 2023	December 31, 2022
Current assets:		
Cash and cash equivalents	\$ 54	\$ 62
Restricted cash	2	1
Receivables, net	118	119
Inventories, net	213	248
Prepaid expenses and other current assets	16	15
Total current assets	403	445
Property, plant and equipment, net	258	274
Right of use lease assets, net	56	53
Goodwill	627	627
Other intangible assets, net	459	465
Investments in equity affiliates	167	167
Deferred income taxes	7	6
Other assets	15	14
Total assets	\$ 1,992	\$ 2,051
Liabilities and Shareholder's Equity		
Current liabilities:		
Current debt	\$ 6	\$ 300
Lease liabilities, current portion	6	5
Payables	61	57
Accrued and other current liabilities	50	59
Total current liabilities	123	421
Long-term debt, net	1,122	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	\$ 1,323	\$ 1,279
Shareholder's equity:		
Shareholder's equity	\$ 592	\$ 686
Accumulated other comprehensive income	(6)	4
Total The LYCRA Company shareholder's equity	586	690
Noncontrolling interest	83	82
Total shareholder's equity	669	772
Total liabilities and shareholder's equity	\$ 1,992	\$ 2,051

The LYCRA Company
Consolidated Statements of Operations and Comprehensive Income

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

	Six months ended June 30,	
	2023	2022
Net sales	\$ 404	\$ 621
Sales to related parties	2	15
Total sales	406	636
Royalty and licensing income, net	2	3
Total revenue	408	639
Cost of goods sold and other operating expenses	345	528
Gross profit	63	111
Selling, general and administrative expenses	53	58
Research and development expenses	14	15
Restructuring (income) expense	7	25
Impairment of goodwill and other intangible assets	-	821
Other (income) expense, net	11	(34)
Operating income (loss)	(22)	(774)
Equity in (income) loss of affiliates	(3)	(4)
Pension non-service cost (benefit)	(2)	-
Interest (income) expense, net	68	41
Income (loss) before income taxes	(85)	(811)
Income tax expense (benefit)	8	7
Consolidated net income (loss)	(93)	(818)
Net (income) loss attributable to noncontrolling interest	(1)	51
Net income (loss) attributable to The LYCRA Company	\$ (94)	\$ (767)
Consolidated net income (loss)	\$ (93)	\$ (818)
Other comprehensive income, net of tax		
Recognition of actuarial gain (loss)	-	-
Foreign currency translation adjustment	(10)	(15)
Comprehensive income (loss)	(103)	(833)
Net (income) loss attributable to noncontrolling interest	(1)	51
Comprehensive income (loss) attributable to The LYCRA Company	\$ (104)	\$ (782)

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

	For the six months ended June 30,	
	2023	2022
Consolidated net income (loss)	\$ (92.7)	\$ (817.9)
Interest expense	68.2	41.0
Income tax expense	7.8	6.9
Depreciation and amortization	31.7	33.1
	<u>15.0</u>	<u>(736.9)</u>
Joint venture EBITDA adjustment ^(a)	2.2	2.7
Noncontrolling interest EBITDA ^(b)	(1.8)	(2.3)
Foreign exchange adjustment ^(c)	0.3	-
Foreign exchange on bonds ^(d)	6.5	(19.5)
Other items ^(e)	(1.4)	(3.3)
La Porte restructuring ^(f)	-	(2.8)
Other restructuring ^(g)	5.2	28.2
Impact of PRC functional currency ^(h)	(5.8)	(7.6)
Financing costs ⁽ⁱ⁾	9.7	-
Goodwill and other intangible assets impairment ⁽ⁱ⁾	-	821.3
	<u>\$ 29.9</u>	<u>\$ 79.8</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.

e) Represents certain unusual and nonrecurring items in which current year primarily represents a gain upon termination of pension plan in Hong Kong and 2022 represents a gain upon extinguishment of a liability.

f) Represents a reversal of certain accrued liabilities.

g) Represents 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 upon extinguishment of the original Euro Notes.
- j) Represents management's preliminary estimate of impairment immediately following the conclusion of the Enforcement Action in June 2022.

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