

The LYCRA Company
Consolidated Balance Sheets

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

<u>Assets</u>	<u>May 31, 2023</u>	<u>December 31, 2022</u>
Current assets:		
Cash and cash equivalents	\$ 46	\$ 62
Restricted cash	1	1
Receivables, net	121	119
Inventories, net	214	248
Prepaid expenses and other current assets	15	15
Total current assets	397	445
Property, plant and equipment, net	264	274
Right of use lease assets, net	57	53
Goodwill	627	627
Other intangible assets, net	460	465
Investments in equity affiliates	166	167
Deferred income taxes	7	6
Other assets	18	14
Total assets	\$ 1,996	\$ 2,051
<u>Liabilities and Shareholder's Equity</u>		
Current liabilities:		
Current debt	\$ 6	\$ 300
Lease liabilities, current portion	6	5
Payables	52	57
Accrued and other current liabilities	50	59
Total current liabilities	114	421
Long-term debt, net	1,100	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	\$ 1,292	\$ 1,279
Shareholder's equity:		
Shareholder's equity	\$ 615	\$ 686
Accumulated other comprehensive income	6	4
Total The LYCRA Company shareholder's equity	621	690
Noncontrolling interest	83	82
Total shareholder's equity	704	772
Total liabilities and shareholder's equity	\$ 1,996	\$ 2,051

The LYCRA Company
Consolidated Statements of Operations and Comprehensive Income

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

	Five months ended May 31,	
	2023	2022
Net sales	\$ 334	\$ 525
Sales to related parties	1	13
Total sales	335	538
Royalty and licensing income, net	2	3
Total revenue	337	541
Cost of goods sold and other operating expenses	288	445
Gross profit	49	96
Selling, general and administrative expenses	44	51
Research and development expenses	12	12
Restructuring (income) expense	5	7
Other (income) expense, net	4	(27)
Operating income (loss)	(16)	53
Equity in (income) loss of affiliates	(3)	(4)
Pension non-service cost (benefit)	(2)	-
Interest expense, net	54	33
Income (loss) before income taxes	(65)	24
Income tax expense (benefit)	5	6
Consolidated net income (loss)	(70)	18
Net (income) loss attributable to noncontrolling interest	(1)	(1)
Net income (loss) attributable to The LYCRA Company	\$ (71)	\$ 17
Consolidated net income (loss)	\$ (70)	\$ 18
Other comprehensive income, net of tax		
Recognition of actuarial gain (loss)	(1)	-
Foreign currency translation adjustment	4	-
Comprehensive income (loss)	(67)	18
Net (income) loss attributable to noncontrolling interest	(1)	(1)
Comprehensive income (loss) attributable to The LYCRA Company	\$ (68)	\$ 17

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

	For the five months ended May 31,	
	2023	2022
Consolidated net income (loss)	\$ (70.5)	\$ 18.7
Interest expense	53.4	33.2
Income tax expense	5.0	5.7
Depreciation and amortization	27.4	27.6
	<u>15.3</u>	<u>85.2</u>
Joint venture EBITDA adjustment ^(a)	1.8	2.3
Noncontrolling interest EBITDA ^(b)	(1.4)	(2.1)
Foreign exchange adjustment ^(c)	0.1	0.2
Foreign exchange on bonds ^(d)	0.5	(17.1)
Other items ^(e)	(1.4)	(3.3)
La Porte restructuring ^(f)	-	(2.8)
Other restructuring ^(g)	3.8	9.4
Impact of PRC functional currency ^(h)	2.4	0.5
Financing costs ⁽ⁱ⁾	1.2	-
	<u>\$ 22.3</u>	<u>\$ 72.3</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, Hong Kong, Brazil, and Switzerland.
- d) Represents the amount of foreign currency remeasurement (gain) loss on the Euro Notes and, effective April 2023, the New Euro Notes.
- e) Represents certain other items in which current year primarily represents a gain upon termination of pension plan in Hong Kong.
- f) Represents a reversal of certain accrued liabilities.
- g) Represents professional fees and other costs incurred due to the Enforcement Action upon completion of change in 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 related to the refinancing of the Euro Notes and RCF.