

The LYCRA Company
Consolidated Balance Sheets

(Amounts in millions of U.S. dollars)

<u>Assets</u>	October, 2024 <i>(Unaudited)</i>	December 31, 2023 <i>(Audited)</i>
Current assets:		
Cash and cash equivalents	\$ 107	\$ 85
Restricted cash	7	9
Receivables, net	126	117
Inventories, net	168	170
Prepaid expenses and other current assets	11	11
Total current assets	419	392
Property, plant and equipment, net	229	245
Right of use lease assets, net	50	52
Goodwill	334	334
Other intangible assets, net	325	335
Investments in equity affiliates	140	136
Deferred income taxes	19	17
Other assets	7	11
Total assets	\$ 1,523	\$ 1,522
<u>Liabilities and Shareholder's Equity</u>		
Current liabilities:		
Current debt	\$ 1,279	\$ 26
Lease liabilities, current portion	5	5
Payables	70	67
Accrued and other current liabilities	84	52
Total current liabilities	1,438	150
Long-term debt, net	-	1,158
Lease liabilities, long-term	29	31
Pension and other post-retirement benefit liabilities	11	12
Deferred income tax liabilities	39	37
Other liabilities	2	1
Total liabilities	\$ 1,519	\$ 1,389
Shareholder's equity:		
Shareholder's equity	\$ (53)	\$ 81
Accumulated other comprehensive income	(11)	(8)
Total The LYCRA Company shareholder's equity	(64)	73
Noncontrolling interest	68	60
Total shareholder's equity	4	133
Total liabilities and shareholder's equity	\$ 1,523	\$ 1,522

See accompanying notes to the consolidated financial statements.

The LYCRA Company
Consolidated Statements of Operations and Comprehensive Income

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

	Ten months ended October 31,	
	2024	2023
Net sales	\$ 712	\$ 692
Sales to related parties	2	3
Total sales	714	695
Royalty and licensing income, net	2	2
Total revenue	716	697
Cost of goods sold and other operating expenses	517	577
Gross profit	199	120
Selling, general and administrative expenses	96	90
Research and development expenses	23	23
Restructuring (income) expense	14	19
Other (income) expense, net	9	(3)
Operating income (loss)	57	(9)
Equity in (income) loss of affiliates	(8)	(5)
Pension non-service cost (benefit)	1	(2)
Interest (income) expense, net	166	132
Income (loss) before income taxes	(102)	(134)
Income tax expense (benefit)	24	14
Consolidated net income (loss)	(126)	(148)
Net (income) loss attributable to noncontrolling interest	(8)	(2)
Net income (loss) attributable to The LYCRA Company	<u>\$ (134)</u>	<u>\$ (150)</u>
Consolidated net income (loss)	\$ (126)	\$ (148)
Other comprehensive income, net of tax		
Recognition of actuarial gain (loss)	(1)	(1)
Foreign currency translation adjustment	(2)	(8)
Comprehensive income (loss)	(129)	(157)
Net (income) loss attributable to noncontrolling interest	(8)	(2)
Comprehensive income (loss) attributable to The LYCRA Company	<u>\$ (137)</u>	<u>\$ (159)</u>

See accompanying notes to the consolidated financial statements.

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

	Ten months ended October 31,	
	2024	2023
Consolidated net income (loss)	\$ (125.9)	\$ (148.1)
Interest expense	166.0	131.9
Income tax expense	23.9	13.5
Depreciation and amortization	37.6	48.8
EBITDA	101.6	46.1
Joint venture EBITDA adjustment ^(a)	2.8	3.6
Noncontrolling interest EBITDA ^(b)	(8.7)	(2.9)
Foreign exchange adjustment ^(c)	0.8	0.3
Foreign exchange on bonds ^(d)	(6.9)	(4.4)
Restructuring ^(e)	12.9	8.9
Yinchuan facility project costs ^(f)	2.0	-
Impact of PRC functional currency ^(g)	(1.5)	(5.5)
Financing costs ^(h)	9.5	19.6
Other items ⁽ⁱ⁾	0.5	(6.6)
Adjusted EBITDA	<u>\$ 113.0</u>	<u>\$ 59.1</u>

- a) Represents an adjustment to conform The LYCRA Company's share of equity earnings associated with the TORAY LYCRA Co., Ltd (f/k/a 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 lease liabilities and 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 primarily includes professional fees and other costs associated with certain corporate actions.
- 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 refinancing our senior secured borrowings coming due in 2025. The prior year is mainly a loss on extinguishment of the Euro Notes and certain legal and other fees associated with the Refinancing Notes.
- i) Represents certain other unusual and nonrecurring items. The prior year is primarily a gain on sale of emission reduction credits and a gain upon termination of the pension plan in Hong Kong, partially offset by a strategic advisor fee and losses from the write-off of certain non-operating assets.