

The LYCRA Company
Consolidated Balance Sheets

(Amounts in millions of U.S. dollars)

<u>Assets</u>	<u>September, 2024</u> <i>(Unaudited)</i>	<u>December 31, 2023</u> <i>(Audited)</i>
Current assets:		
Cash and cash equivalents	\$ 105	\$ 85
Restricted cash	7	9
Receivables, net	132	117
Inventories, net	165	170
Prepaid expenses and other current assets	12	11
Total current assets	421	392
Property, plant and equipment, net	231	245
Right of use lease assets, net	50	52
Goodwill	334	334
Other intangible assets, net	326	335
Investments in equity affiliates	139	136
Deferred income taxes	19	17
Other assets	7	11
Total assets	\$ 1,527	\$ 1,522
 <u>Liabilities and Shareholder's Equity</u>		
Current liabilities:		
Current debt	\$ 1,280	\$ 26
Lease liabilities, current portion	5	5
Payables	72	67
Accrued and other current liabilities	79	52
Total current liabilities	1,436	150
Long-term debt, net	-	1,158
Lease liabilities, long-term	30	31
Pension and other post-retirement benefit liabilities	12	12
Deferred income tax liabilities	39	37
Other liabilities	1	1
Total liabilities	\$ 1,518	\$ 1,389
Shareholder's equity:		
Shareholder's equity	\$ (53)	\$ 81
Accumulated other comprehensive income	(4)	(8)
Total The LYCRA Company shareholder's equity	(57)	73
Noncontrolling interest	66	60
Total shareholder's equity	9	133
Total liabilities and shareholder's equity	\$ 1,527	\$ 1,522

The LYCRA Company
Consolidated Statements of Operations and Comprehensive Income

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

	Nine months ended September 30,	
	2024	2023
Net sales	\$ 644	\$ 622
Sales to related parties	2	2
Total sales	646	624
Royalty and licensing income, net	2	2
Total revenue	648	626
Cost of goods sold and other operating expenses	468	520
Gross profit	180	106
Selling, general and administrative expenses	87	81
Research and development expenses	20	21
Restructuring (income) expense	13	8
Other (income) expense, net	23	6
Operating income (loss)	37	(10)
Equity in (income) loss of affiliates	(7)	(4)
Pension non-service cost (benefit)	1	(2)
Interest (income) expense, net	149	116
Income (loss) before income taxes	(106)	(120)
Income tax expense (benefit)	22	13
Consolidated net income (loss)	(128)	(133)
Net (income) loss attributable to noncontrolling interest	(6)	(1)
Net income (loss) attributable to The LYCRA Company	\$ (134)	\$ (134)
Consolidated net income (loss)	\$ (128)	\$ (133)
Other comprehensive income, net of tax		
Recognition of actuarial gain (loss)	-	(1)
Foreign currency translation adjustment	4	(8)
Comprehensive income (loss)	(124)	(142)
Net (income) loss attributable to noncontrolling interest	(6)	(1)
Comprehensive income (loss) attributable to The LYCRA Company	\$ (130)	\$ (143)

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

	Nine months ended September 30,	
	2024	2023
Consolidated net income (loss)	\$ (127.6)	\$ (132.7)
Interest expense	148.7	116.2
Income tax expense	21.7	12.8
Depreciation and amortization	34.1	44.3
EBITDA	76.9	40.6
Joint venture EBITDA adjustment ^(a)	3.3	3.2
Noncontrolling interest EBITDA ^(b)	(7.9)	(2.6)
Foreign exchange adjustment ^(c)	1.2	0.3
Foreign exchange on bonds ^(d)	4.4	(4.1)
Restructuring ^(e)	12.7	8.0
Yinchuan facility project costs ^(f)	1.6	-
Impact of PRC functional currency ^(g)	2.8	(5.5)
Financing costs ^(h)	8.3	18.4
Other items ⁽ⁱ⁾	0.5	(8.2)
Adjusted EBITDA	<u>\$ 103.8</u>	<u>\$ 50.1</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 losses from the write-off of certain non-operating assets.