

The LYCRA Company

Consolidated Balance Sheets

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

Assets	February 29, 2024¹	December 31, 2023¹
Current assets:		
Cash and cash equivalents	\$ 97	\$ 85
Restricted cash	9	9
Receivables, net	117	118
Inventories, net	162	170
Prepaid expenses and other current assets	15	11
Total current assets	400	393
Property, plant and equipment, net	241	245
Right of use lease assets, net	50	52
Goodwill ¹	627	627
Other intangible assets, net ¹	451	453
Investments in equity affiliates ¹	167	166
Deferred income taxes	10	10
Other assets	13	12
Total assets	\$ 1,959	\$ 1,958
Liabilities and Shareholder's Equity		
Current liabilities:		
Current debt	\$ 179	\$ 26
Lease liabilities, current portion	4	5
Payables	66	67
Accrued and other current liabilities	64	52
Total current liabilities	313	150
Long-term debt, net	996	1,137
Lease liabilities, long-term	30	31
Pension and other post-retirement benefit liabilities	12	11
Deferred income tax liabilities	39	40
Other liabilities	2	1
Total liabilities	\$ 1,392	\$ 1,370
Shareholder's equity:		
Shareholder's equity ¹	\$ 491	\$ 511
Accumulated other comprehensive income	(9)	(7)
Total The LYCRA Company shareholder's equity	482	504
Noncontrolling interest	85	84
Total shareholder's equity	567	588
Total liabilities and shareholder's equity	\$ 1,959	\$ 1,958

1 Draft until impairment analysis is complete and December 31, 2023 financial statements are finalized upon filing of 2023 Annual Report by March 30, 2024.

The LYCRA Company
Consolidated Statements of Operations and Comprehensive Income

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

	Two months ended February 29,	
	2024	2023
Net sales	\$ 133	\$ 126
Sales to related parties	-	1
Total sales	133	127
Royalty and licensing income, net	1	1
Total revenue	134	128
Cost of goods sold and other operating expenses	103	117
Gross profit	31	11
Selling, general and administrative expenses	18	18
Research and development expenses	5	5
Restructuring (income) expense	4	1
Other (income) expense, net	(4)	(4)
Operating income (loss)	8	(9)
Equity in (income) loss of affiliates	(2)	(1)
Pension non-service cost (benefit)	-	(2)
Interest (income) expense, net	27	18
Income (loss) before income taxes	(17)	(24)
Income tax expense (benefit)	2	1
Consolidated net income (loss)	(19)	(25)
Net (income) loss attributable to noncontrolling interest	(1)	(1)
Net income (loss) attributable to The LYCRA Company	\$ (20)	\$ (26)
Consolidated net income (loss)	\$ (19)	\$ (25)
Other comprehensive income, net of tax		
Recognition of actuarial gain (loss)	(1)	(1)
Foreign currency translation adjustment	-	-
Comprehensive income (loss)	(20)	(26)
Net (income) loss attributable to noncontrolling interest	(1)	(1)
Comprehensive income (loss) attributable to The LYCRA Company	\$ (21)	\$ (27)

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

	Two months ended February 29,	
	2024	2023
Consolidated net income (loss)	\$ (19.5)	\$ (25.3)
Interest expense	26.9	17.7
Income tax expense	2.4	1.0
Depreciation and amortization	8.1	11.8
	17.9	5.2
Joint venture EBITDA adjustment ^(a)	0.7	0.7
Noncontrolling interest EBITDA ^(b)	(1.3)	(0.7)
Foreign exchange adjustment ^(c)	-	(0.1)
Foreign exchange on bonds ^(d)	(5.1)	(2.7)
Other items ^(e)	0.1	(1.8)
Other restructuring ^(f)	4.1	0.7
Impact of PRC functional currency ^(g)	(0.2)	-
Financing costs ^(h)	0.1	-
	<u>\$ 16.3</u>	<u>\$ 1.3</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, Brazil, Hong Kong, and Switzerland.
- d) Represents the amount of foreign currency remeasurement (gain) loss on the Refinancing Notes and Euro Notes.
- e) Represents certain unusual and nonrecurring items.
- f) Represents costs primarily associated with the restructuring of financing arrangements. The prior year costs mainly represent legal fees associated with extension of RCF.
- g) 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.
- h) Represents costs related to factoring of accounts receivable.