The LYCRA Company

Investor Update

MARCH 3, 2023

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Executive Summary

- The continued effects of China's COVID policies, softer Western retail markets and inventory overhang across the global apparel supply chain have continued to put pressure on our business in Q4 '22

- Against this backdrop, we have been focused on various initiatives to support EBITDA recovery during 2023:
  - Targeted curtailments at our manufacturing sites
  - Cost reduction measures
  - Working capital management
  - Measures to optimize prices and margins
  - Accelerate roll out of latest innovations

- While pursuing these operational initiatives, we have successfully refinanced the $100m Revolving Credit Facility ("RCF") and we are also exploring a number of options available to address the upcoming maturities of the €250m Senior Secured Notes (due 1 May 2023)

- In the context of addressing the €250m SSN maturity, the Company has exchanged proposals with an Ad Hoc Group of holders of Notes, Class B Shares and promissory note claims ("AHG") for a holistic recapitalisation of the Group
  - Discussions with the AHG failed to produce an agreement with respect to the €250m Senior Secured Notes (due 1 May 2023), the $704m Senior Secured Notes (due 2025) or any other instruments held by the AHG
  - On February 22, the Company provided a counterproposal to AHG
  - We summarise in Appendix B the last proposal made by the AHG and the Company
  - The AHG has also received access to certain material non-public Information ("MNPI"), which is summarised in Appendix A

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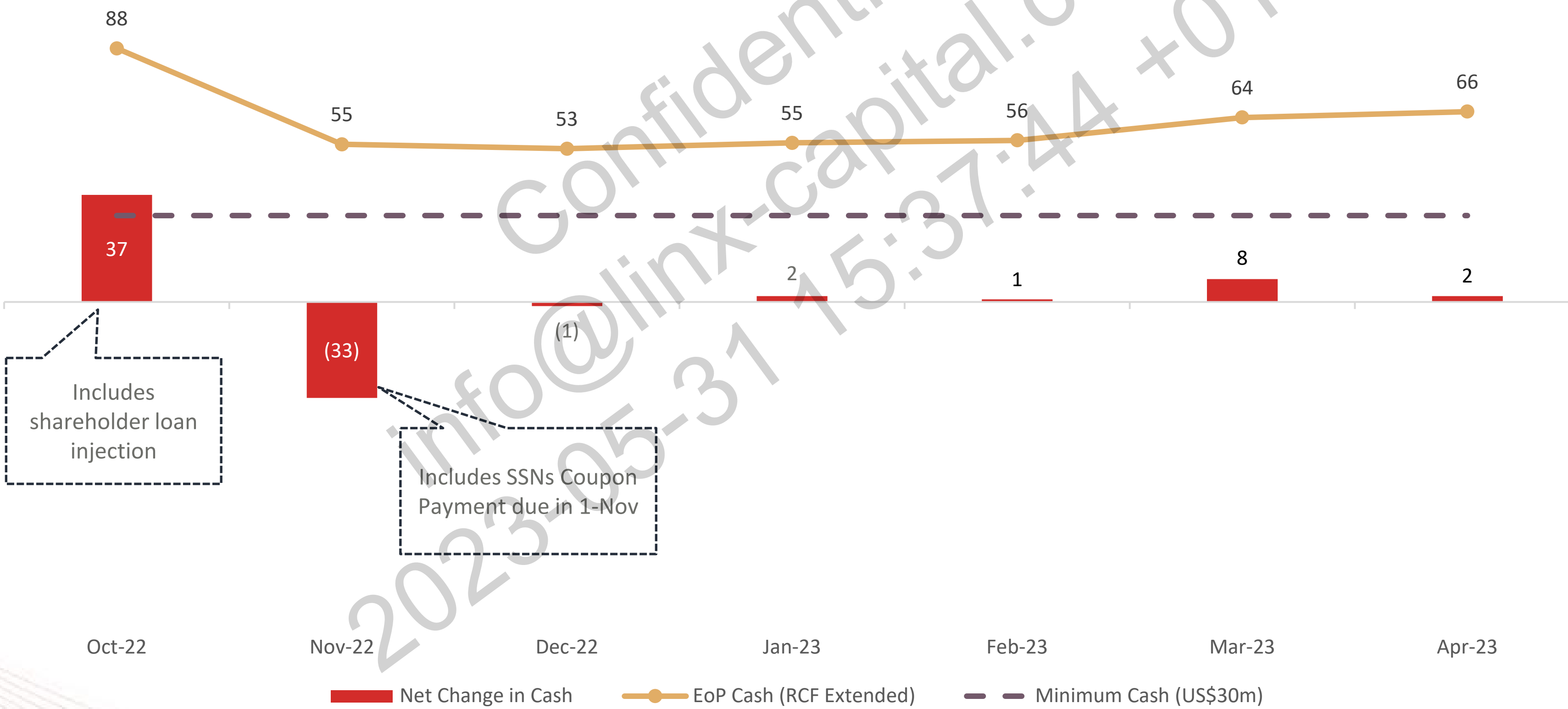
A. Cleansing Materials

Section I - Near Term Liquidity Forecast

(US$ in millions unless otherwise noted)

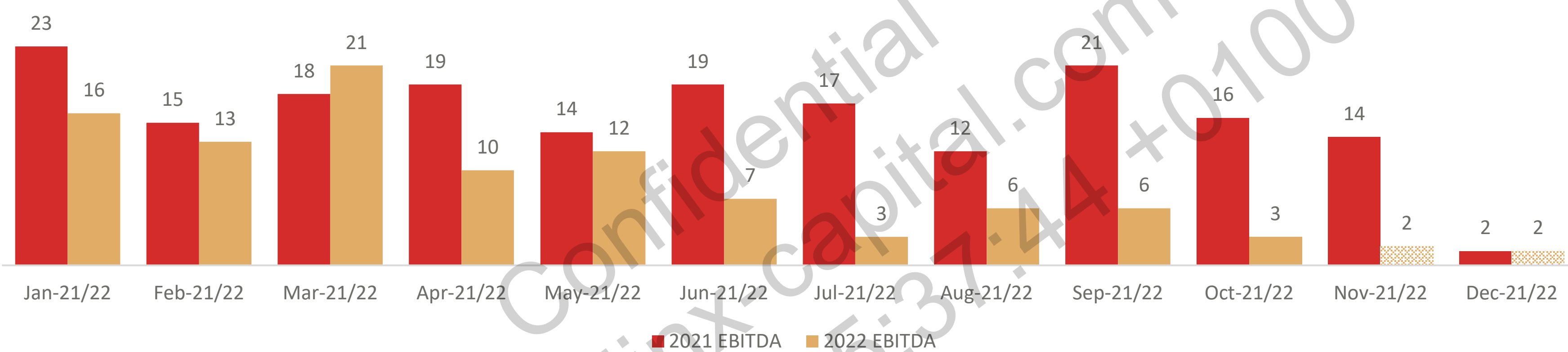


Note: EoP Cash assumes the RCF is extended beyond 1-Feb-23.

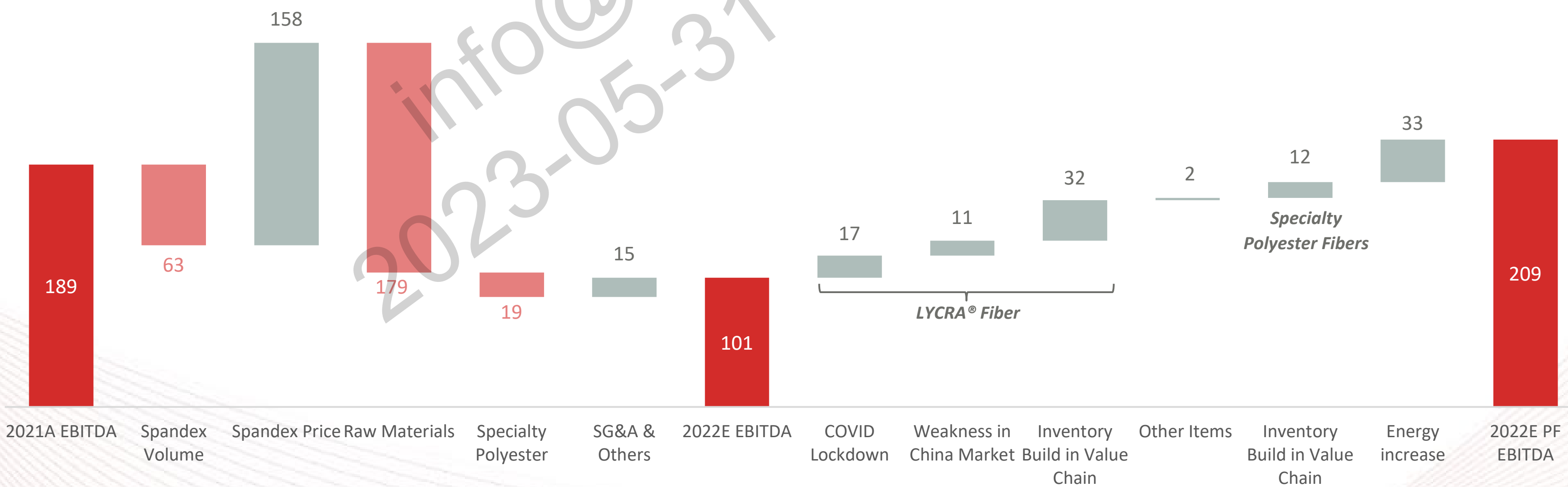
Section II - 2022 Full Year Forecast

($ in millions unless otherwise noted)

Monthly Adjusted EBITDA for 2022 vs. 2021 ($m)



2021A EBITDA to 2022E 'Normalised' EBITDA ($m)



Note: FY2022E figures represent unaudited management estimates.

Section III - 2022-2026 Preliminary Business Forecast

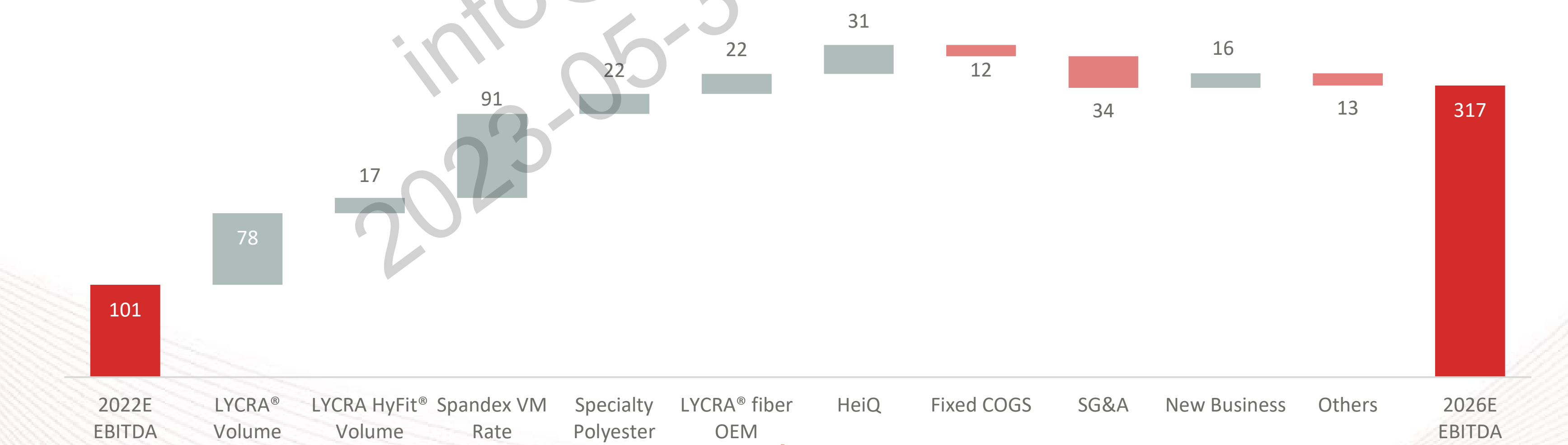
2022-2026 Business Forecast

US$m, unless otherwise stated	FY21A	FY22E	FY23E	FY24E	FY25E	FY26E
LYCRA ® Fiber Volume (kt)	58	44	48	54	58	61
LYCRA HyFit ® Fiber Volume (kt)	28	28	29	31	31	32
Others products (kt)	33	23	29	35	54	70
Total Volume (kT)	**119**	**95**	**105**	**119**	**143**	**163**
Net Sales	**1,159**	**1,090**	**1,051**	**1,140**	**1,342**	**1,536**
Gross Margin	**334**	**220**	**298**	**354**	**414**	**475**
Operating EBITDA	**189**	**101**	**170**	**202**	**257**	**317**
Unlevered FCF	**(19)**	**23**	**132**	**159**	**147**	**200**

COMMENTARY

- **LYCRA® fiber** volumes growth is based on gradual recovery of demand, supported by increased production capacity
- **LYCRA HyFit® Fiber** volume growth is based on conservative assumption on the hygiene market growth rate of 2-3% per year
- **Other products** includes ELASPAN, specialty, nylon, outsourced and new products lines
- **Net sales** is expected to decrease in 2023 due to lower product unit price, however, gross margin is expected to improve as variable COGS (mainly raw materials) also decrease in 2023, leading to higher variable margin per unit
- **Fixed COGS** expects CAGR growth by 2.0% between 2021 and 2026
- **Operating EBITDA** forecast includes **SG&A and R&D expenses** (expect CAGR growth of 0.7% between 2021 to 2026), and variable compensation
  - Limited inflation expectation is factored in the forecasts, and assumes inflation will be passed through by price increases
- **Unlevered FCF** includes:
  - **Working capital:** normalisation of DSO (42 days); DIO (90 days) and DPO (29 days)
  - **Capex:** $25 million in 2023E, $45 million in 2024E and $25 million in 2025E-2026E
  - **Cash Taxes:** assumed to be c. 15% of operating EBITDA

2022E EBITDA to 2026E EBITDA Bridge ($m)



Note: FY2022E figures represent unaudited management estimates.

Section IV – China JV Litigation Update

- As of 20 December 2022, the status of China JV Litigation is:
  - In late November 2022, the Company received a favorable ruling from the trial court in Foshan, China, finding that the Company's voting rights in the joint venture purportedly established with the Company's former equity owner are tied to subscribed capital and not paid-in capital. This ruling results in the Company being the majority owner (and controlling shareholder) of the joint venture. At this time, this ruling has been appealed.
  - The Company lost its challenge to the validity of the arbitration clause with respect to Chuanglai Fiber. The Company has received notice from the Beihei Arbitration Commission that it has lifted its stay on the arbitration proceedings now that the aforementioned litigation has been resolved.

B. Ad Hoc Group Proposal

Section I – Proposal from Ad Hoc Group

	PROPOSED TERM SHEET
Proposed Transaction Value	■ $[1.0] billion
	Treatment of Claims
Revolving Credit Facility	■ $[100]mm cash paydown from proceeds of New Super Senior Facility
2023 & 2025 SSNs, Shareholder Loan	■ Pro rata allocation of 100% of the equity of Lycra, prior to dilution from Management Incentive Plan ("MIP"), the new equity investment from existing shareholders and TBD allocation of equity to Promissory Noteholders and Class B Shares ■ At the election of the AHG, pro rata allocation of either (i) $[450]mm in cash from proceeds of exit financing or (ii) take back debt[(1)] on market terms acceptable to the AHG
Promissory Note	■ TBD allocation of the equity of Lycra
Brazil Bank Borrowing	■ Remains outstanding at current balance post reorganization
Existing Equity – Class A	■ Warrants for [ ]% of the equity, struck at a $[1,429]mm TEV
Existing Equity – Class B	■ TBD allocation of the equity of Lycra
	Additional Terms
New Super Senior Facility	■ $[TBD]mm Super Senior Facility provided by and with terms to be agreed with the AHG[(2)] ■ Proceeds use to pay down RCF in full, fund transaction process and provide liquidity for GCP
New Equity Investment	■ Up to $[75]mm new equity contribution from existing shareholders for [12.9]% of the equity, prior to dilution from MIP ■ In the event the AHG elects to receive cash proceeds of an exit financing in excess of $[450]mm, the new equity investment will receive a ratable increase in equity allocation ■ Proceeds retained as cash on balance sheet
Releases	■ Full mutual releases for all consenting classes
MIP	■ Reserve of up to 10% of the equity to be allocated by the new Board of Directors
Governance / Shareholder Matters	■ New Board to be 7 members including 5 members selected by the AHG of SSNs and 1 selected by the existing shareholders ■ New Board to include the CEO ■ Shareholder matters including Drag, Tag, Pre-emptive Rights, Information Rights and Transferability at the sole discretion of the AHG
Exit Financing	■ New senior secured term loan or bond due [2028] in the form of either: ■ $[ ]mm senior secured term loan or bond on market terms and raised through market offering; or ■ $[450]mm takeback debt / new money
Method of Implementation	■ Out of court recapitalization; or ■ Scheme of arrangement / restructuring plan or prepackaged plan of reorganization

(1) Euro:USD exchange rate to be explicitly agreed upon; Allocation between Euro denominated and Dollar denominated takeback debt and distribution to be agreed.
(2) Allocation between Euro denominated and Dollar denominated New Super Senior Facility to be agreed

Section II – Company Counterproposal to Ad Hoc Group

$100m RCF	Treatment	■ Fully repaid
$100m RCF	Facility Size	■ $50m
	Maturity	■ May-28
	Interest	■ S+8.00%
	Fees	■ [2]% PIK
EUR 2023 Notes	Treatment	■ Fully written down in return for allocation of New 2028 Notes and New Equity
	Consent Fee	■ [75]bps consent fee payable in cash
USD 2025 Notes	Description	■ Fully written down in return for allocation of New 2028 Notes and New Equity
	Consent Fee	■ [75]bps consent fee payable in cash
New 2028 Notes	Facility Size	■ Approx. $[535]m in principal amount of exchanged 2023 and 2025 Notes under the existing indenture
	Allocation	■ Approx. $[535]m New 2028 Notes allocated to 2023 and 2025 Noteholders on a pro-rata basis ■ Certain member of the AHG irrevocably elect to exchange at least $[x]m of their New 2028 Notes allocation in return for [y]% of New Equity ■ Certain member of the AHG2 irrevocably elect to exchange up to [y]% of their New Equity allocation in return for $[x]m of New 2028 Notes
	Maturity	■ May-28
	Investors	■ Certain 2025 and 2023 Noteholders, subject to allocation and take-up
	Coupon	■ [10]% cash
	Call Protection	■ [NC –1] year, [103] for year 2, [par] for year 3
	Ranking	■ Senior, second in ranking to $50m super senior debt
	Protections	■ Customary covenants and liability management protections
New Equity in Escrow		■ [15]% of pro forma equity held in escrow and allocated upon release of FY23 results on the following basis: ➢ Adjusted EBITDA >=$170m: [15]% to Existing Shareholders ➢ Adjusted EBITDA >=$160m and <$170m: [10]% to Existing Shareholders and [5]% to Noteholders ➢ Adjusted EBITDA >=$150m and <$160m: [5]% to Existing Shareholders and [10]% to Noteholders ➢ Adjusted EBITDA <$150m: [15]% to Noteholders ■ Whilst the equity is held in escrow, Class A Shareholders to retain governance control
New Equity		■ For every $ equivalent of existing 2023 and 2025 Notes not exchanged into New 2028 Notes to be written off in full in return for a pro rata allocation of [44]% of pro forma equity
Class A Shareholders		■ Subject to investment committee approval, $[27]m S/H loan fully equitized plus shareholders to provide $[75]m of new equity to support the retention of [41]% of equity ownership pro forma for transaction close ➢ Proceeds used to pay down RCF by $[50]m, transaction fees and general working capital
Class B Shareholders		■ No amendment to Class B economic interest in existing Class A equity
Conditions Precedent		■ Transaction implemented out of court, utilising 90% threshold with existing Note indentures