Reconciliation of GAAP Measures Gross Margin, Operating (Loss) Income, and Net (Loss) Income to Non-GAAP Measures Adjusted Gross Margin, Adjusted Operating (Loss) Income, and Adjusted Net (Loss) Income Unaudited (in thousands)

Three Months Ending

Reconciliation of Gross Margin to Adjusted Gross Margin - Unaudited

		Three Months Ending		
	Decei	mber 2023	December 2022	
Gross Margin	\$	8,747	\$	13,623
Production Curtailment Costs (1)		1,348		3,370
Adjusted Gross Margin	\$	10,095	\$	16,993
		12.6%		15.8%

Reconciliation of Operating Loss to Adjusted Operating (Loss) Income - Unaudited

	Tiffee Months Ending			
	Dece	December 2023 December		nber 2022
Operating Loss	\$	(4,946)	\$	(2,626)
Production Curtailment Costs (1)		1,348		3,370
Restructuring Costs (2)		813		-
Adjusted Operating (Loss) Income	\$	(2,785)	\$	744

Reconciliation of Net Loss to Adjusted Net (Loss) Income - Unaudited

		Three Months Ending			
	Dece	December 2023		December 2022	
Net Loss	\$	(8,527)	\$	(3,565)	
Production Curtailment Costs (1)		1,348		3,370	
Restructuring Costs (2)		813		-	
Tax Impact		(216)		(3,540)	
Adjusted Net (Loss) Income	S	(6,582)	\$	(3,735)	

Reconciliation of GAAP Measure Delta Group Segment Gross Margin to Non-GAAP Measure Delta Group Segment Adjusted Gross Margin - Unaudited Three Months Ending

		Three Months Ending			
	Dece	December 2023 Decem		mber 2022	
Gross Margin	\$	4,058	\$	7,760	
Production Curtailment Costs (1)		1,348		3,370	
Adjusted Gross Margin	S	5,406	\$	11,130	
	-	7.8%		11.5%	

Reconciliation of GAAP Measure Delta Group Segment Operating Income to Non-GAAP Measure Delta Group Segment Adjusted Operating Income - Unaudited

		Three Months Ending			
	Decer	ecember 2023 Decem		nber 2022	
Operating Income	\$	492	\$	123	
Production Curtailment Costs (1)		1,348		3,370	
Restructuring Costs (2)		813		-	
Adjusted Operating Income	S	2,653	\$	3,493	

⁽¹⁾ Production Curtailment Costs consist of unabsorbed fixed costs, temporary unemployment benefit payments, and other expense items resulting from the Company's decision to reduce production levels to better align with the significantly reduced demand across the activewear industry due to high inventory levels stemming from the heavy replenishment activity following pandemic-related supply chain challenges.

⁽²⁾ Restructuring Costs consist of employee severance benefits paid in connection with the transition of our more expensive Mexico manufacturing capacity to our more efficient Central America manufacturing platform, employee severance benefits paid in connection with leadership restructuring, and additional cost items incurred from restructuring activities.

Reconciliations of GAAP Net Loss to Non-GAAP Measures Earnings Before Interest Taxes Depreciation and Amortization ("EBITDA"), Adjusted Net Loss, and Adjusted EBITDA Unaudited

(in thousands)

Reconciliation of GAAP Measure Net Loss to Non-GAAP Measures EBITDA, Adjusted Net Loss, and Adjusted EBITDA - Unaudited

	Three M	onths Ending
	December 2023	
Net Loss	\$	(8,527)
Interest Expense, Net		3,577
Provision For Income Taxes		10
Delta Group Segment Depreciation and Amortization		3,041
Salt Life Group Segment Depreciation and Amortization		534
Unallocated Depreciation and Amortization		57
EBITDA		(1,308)
Production Curtailment Costs (1)		1,348
Restructuring Costs (2)		813
Tax Impact		(216)
Adjusted Net Loss		(6,582)
Interest Expense, Net		3,577
Provision For Income Taxes		226
Delta Group Segment Depreciation and Amortization		3,041
Salt Life Group Segment Depreciation and Amortization		534
Unallocated Depreciation and Amortization		57
Adjusted EBITDA	\$	853

Reconciliation of GAAP Measure Delta Group Segment Operating Income to Non-GAAP Measures Delta Group Segment EBITDA, Adjusted Delta Group Segment Operating Income, and Adjusted Delta Group Segment EBITDA – Unaudited

	 Three Months Ending December 2023	
Delta Group Segment Operating Income	\$ 492	
Delta Group Segment Depreciation and Amortization	3,041	
Delta Group Segment EBITDA	 3,533	
Production Curtailment Costs (1)	1,348	
Restructuring Costs (2)	813	
Adjusted Delta Group Segment Operating Income	2,653	
Delta Group Segment Depreciation and Amortization	3,041	
Adjusted Delta Group Segment EBITDA	\$ 5,694	

Reconciliation of GAAP Measure Salt Life Group Segment Operating Loss to Non-GAAP Measure Salt Life Group Segment EBITDA – Unaudited

Reconcination of GAAL Measure Safe Ene Group Segment Operating		Three Months Ending		
	Dece	December 2023		
Salt Life Group Segment Operating Loss	\$	(2,130)		
Salt Life Group Segment Depreciation and Amortization		534		
Salt Life Group Segment EBITDA	\$	(1,596)		

⁽¹⁾ Production Curtailment Costs consist of unabsorbed fixed costs, temporary unemployment benefit payments, and other expense items resulting from the Company's decision to reduce production levels to better align with the significantly reduced demand across the activewear industry due to high inventory levels stemming from the heavy replenishment activity following pandemic-related supply chain challenges.

⁽²⁾ Restructuring Costs consist of employee severance benefits paid in connection with the transition of our more expensive Mexico manufacturing capacity to our more efficient Central America manufacturing platform, employee severance benefits paid in connection with leadership restructuring, and additional cost items incurred from restructuring activities.

Cost of good sold 71,187 8,747 10.9%	07,295 93,672 13,623 12.7% 18,870 - (2,621)
Cost of good sold Right	93,672 13,623 12.7% 18,870
Cost of good sold 71,187 8,747 10,9%	93,672 13,623 12.7% 18,870
Gross profit 8,747 10.9% Selling, general and administrative expenses 18,614 Goodwill Impairment - (4,921) (4,921) Other income, net Operating loss (4,946) Interest expense, net Loss before provision for (benefit from) income taxes (8,523) Benefit from income taxes 10 Consolidated net loss (8,533) Less: Net loss attributable to non-controlling interest 6 Net loss attributable to shareholders \$ (8,527) Basic loss per share \$ (1,22) Diluted loss per share \$ (1,22) Weighted average number of shares outstanding 7,003 Dilutive effect of stock awards - Weighted average number of shares assuming dilution 7,003 Adjustments (813) Production Curtaliment Costs (1,348) SG&A Severance (813) Tax Impact 216 Adjusted Results Net Sales \$ 79,934 \$ Cost of good sold 69,839 Gross profit 10,095 Cost of good sold 69,839 Gross profit (1,2,921)	13,623 12.7% 18,870
Selling, general and administrative expenses 18,614 Goodwill Impairment Cither income, net (4,921) City Cit	12.7% 18,870
Coodwill Impairment	-
Other income, net (4,921) Operating loss (4,946) Interest expense, net 3,577 Loss before provision for (benefit from) income taxes (8,523) Benefit from income taxes 10 Consolidated net loss (8,533) Less: Net loss attributable to non-controlling interest 6 Net loss attributable to shareholders \$ (8,527) Basic loss per share \$ (1,22) Diluted loss per share \$ (1,22) Weighted average number of shares outstanding 7,003 Dilutive effect of stock awards - Weighted average number of shares assuming dilution 7,003 Adjustments (1,348) Production Curtaliment Costs (1,348) SG&A Severance (813) Tax Impact 216 Adjusted Results Net Sales \$ 79,934 \$ Cost of good sold 69,839 Gross profit 10,095 Sclling, general and administrative expenses 17,801 Other income, net (4,921) Operating (loss) income <td< td=""><td><u>(2,621)</u></td></td<>	<u>(2,621)</u>
Coperating loss Capability	(2,621)
Interest expense, net	
Loss before provision for (benefit from) income taxes	(2,626)
Benefit from income taxes	2,890
Consolidated net loss (8,533) Less: Net loss attributable to non-controlling interest 6 Net loss attributable to shareholders \$ (8,527) Basic loss per share \$ (1,22) Diluted loss per share \$ (1,22) Weighted average number of shares outstanding 7,003 Dilutive effect of stock awards - Weighted average number of shares assuming dilution 7,003 Adjustments (1,348) Production Curtaliment Costs (813) SG&A Severance (813) Tax Impact 216 Adjusted Results Net Sales \$ 79,934 \$ Cost of good sold 69,839 Gross profit 10,095 12,6% Selling, general and administrative expenses 17,801 Other income, net (4,921) (4,921) Operating (loss) income (2,785)	(5,516)
Less: Net loss attributable to non-controlling interest 6 Net loss attributable to shareholders \$ (8,527) \$ Basic loss per share \$ (1,22) \$ Diluted loss per share \$ (1,22) \$ Weighted average number of shares outstanding 7,003	(1,917)
Net loss attributable to shareholders \$ (8,527) \$ Basic loss per share \$ (1.22) \$ Diluted loss per share \$ (1.22) \$ Weighted average number of shares outstanding 7,003 Dilutive effect of stock awards - Weighted average number of shares assuming dilution 7,003 Adjustments Production Curtaliment Costs (1,348) SG&A Severance (813) Tax Impact 216 Adjusted Results Net Sales \$ 79,934 \$ Cost of good sold 69,839 Gross profit 10,095 12.6% 12.6% Selling, general and administrative expenses 17,801 Other income, net (4,921) Operating (loss) income (2,785)	(3,599)
Basic loss per share \$ (1.22) \$	34
Diluted loss per share \$ (1.22) \$ Weighted average number of shares outstanding Dilutive effect of stock awards 7,003 Weighted average number of shares assuming dilution 7,003 Adjustments \$ (1,348) Production Curtaliment Costs (813) SG&A Severance (813) Tax Impact 216 Adjusted Results Net Sales \$ 79,934 \$ Cost of good sold 69,839 Gross profit 10,095 Selling, general and administrative expenses 17,801 Other income, net (4,921) Operating (loss) income (2,785)	(3,565)
Weighted average number of shares outstanding 7,003 Dilutive effect of stock awards - Weighted average number of shares assuming dilution 7,003 Adjustments (1,348) Production Curtaliment Costs (813) SG&A Severance (813) Tax Impact 216 Adjusted Results Net Sales \$ 79,934 \$ Cost of good sold 69,839 Gross profit 10,095 12.6% Selling, general and administrative expenses 17,801 Other income, net (4,921) Operating (loss) income (2,785)	(0.51)
Dilutive effect of stock awards - Weighted average number of shares assuming dilution 7,003 Adjustments (1,348) Production Curtaliment Costs (813) SG&A Severance (813) Tax Impact 216 Adjusted Results Net Sales \$ 79,934 \$ Cost of good sold 69,839 Gross profit 10,095 12.6% Selling, general and administrative expenses 17,801 Other income, net (4,921) Operating (loss) income (2,785)	(0.51)
Weighted average number of shares assuming dilution 7,003 Adjustments (1,348) Production Curtaliment Costs (1,348) SG&A Severance (813) Tax Impact 216 Adjusted Results Net Sales \$ 79,934 \$ Cost of good sold 69,839 Gross profit 10,095 12.6% Selling, general and administrative expenses 17,801 Other income, net (4,921) Operating (loss) income (2,785)	6,954
Adjustments Production Curtaliment Costs (1,348) SG&A Severance (813) Tax Impact 216 Adjusted Results Net Sales \$ 79,934 \$ Cost of good sold 69,839 10,095 Gross profit 10,095 12.6% Selling, general and administrative expenses 17,801 Other income, net (4,921) Operating (loss) income (2,785)	6,954
Production Curtaliment Costs (1,348) SG&A Severance (813) Tax Impact 216 Adjusted Results Net Sales \$ 79,934 \$ Cost of good sold 69,839 69,839 Gross profit 10,095 12.6% Selling, general and administrative expenses 17,801 (4,921) Other income, net (4,921) (2,785)	
SG&A Severance (813) Tax Impact 216 Adjusted Results Net Sales \$ 79,934 \$ Cost of good sold 69,839 10,095 Gross profit 12.6% 12.6% Selling, general and administrative expenses 17,801 (4,921) Other income, net (4,921) (2,785)	(2.270)
Tax Impact 216 Adjusted Results \$ 79,934 Net Sales \$ 79,934 Cost of good sold 69,839 Gross profit 10,095 12.6% Selling, general and administrative expenses 17,801 Other income, net (4,921) Operating (loss) income (2,785)	(3,370)
Adjusted Results Net Sales \$ 79,934 \$ Cost of good sold 69,839 10,095 Gross profit 12.6% 12.6% Selling, general and administrative expenses 17,801 (4,921) Other income, net (4,921) (2,785)	3,540
Cost of good sold 69,839 Gross profit 10,095 12.6% 12.6% Selling, general and administrative expenses 17,801 Other income, net (4,921) Operating (loss) income (2,785)	
Cost of good sold 69,839 Gross profit 10,095 12.6% 12.6% Selling, general and administrative expenses 17,801 Other income, net (4,921) Operating (loss) income (2,785)	07.205
Gross profit 10,095 12.6% Selling, general and administrative expenses 17,801 Other income, net (4,921) Operating (loss) income (2,785)	07,295
Selling, general and administrative expenses 17,801 Other income, net (4,921) Operating (loss) income (2,785)	90,302
Other income, net (4,921) Operating (loss) income (2,785)	15.8%
Other income, net (4,921) Operating (loss) income (2,785)	
Operating (loss) income (2,785)	18,870
	(2,621)
(3.3%)	744
	0.7%
Interest expense, net3,577	2,890
(Loss) Income before (benefit from) provision for income taxes (6,362)	(2,146)
(Benefit from) provision for income taxes 226	1,623
Consolidated net (loss)income (6,588)	(3,769)
Less: Net loss attributable to non-controlling interest 6	(2.725)
Net (loss) income attributable to shareholders \$ (6,582) (8.2%)	(3,735)
Basic (loss) income per share \$\((0.94)\)	(0.54)
Diluted (loss) income per share \$ (0.94) \$	(0.54)
Weighted average number of shares outstanding 7,003	6,954
Dilutive effect of stock awards - 7.002	2
Weighted average number of shares assuming dilution 7,003	6,956