

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 29, 2024

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 1-10542

UNIFI, INC.

(Exact name of registrant as specified in its charter)

New York

(State or other jurisdiction of
incorporation or organization)

7201 West Friendly Avenue
Greensboro, North Carolina

(Address of principal executive offices)

11-2165495

(I.R.S. Employer
Identification No.)

27410

(Zip Code)

(336) 294-4410

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.10 per share	UFI	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of November 1, 2024, there were 18,267,203 shares of the registrant's common stock, par value \$0.10 per share, outstanding.

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that relate to our plans, objectives, estimates, and goals. Statements expressing expectations regarding our future, or projections or estimates relating to products, sales, revenues, expenditures, costs, strategies, initiatives, or earnings, are typical of such statements and are made under the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on management’s beliefs, assumptions, and expectations about our future performance, considering the information currently available to management. The words “believe,” “may,” “could,” “will,” “should,” “would,” “anticipate,” “plan,” “estimate,” “project,” “expect,” “intend,” “seek,” “strive,” and words of similar import, or the negative of such words, identify or signal the presence of forward-looking statements. These statements are not statements of historical fact; they involve risks and uncertainties that may cause our actual results, performance, or financial condition to differ materially from the expectations of future results, performance, or financial condition that we express or imply in any forward-looking statement. Factors that could contribute to such differences include, but are not limited to:

- the competitive nature of the textile industry and the impact of global competition;
- changes in the trade regulatory environment and governmental policies and legislation;
- the availability, sourcing, and pricing of raw materials;
- general domestic and international economic and industry conditions in markets where the Company competes, including economic and political factors over which the Company has no control;
- changes in consumer spending, customer preferences, fashion trends, and end-uses for the Company’s products;
- the financial condition of the Company’s customers;
- the loss of a significant customer or brand partner;
- natural disasters, industrial accidents, power or water shortages, extreme weather conditions, and other disruptions at one of the Company’s facilities;
- the disruption of operations, global demand, or financial performance as a result of catastrophic or extraordinary events, including, but not limited to, epidemics or pandemics;
- the success of the Company’s strategic business initiatives;
- the volatility of financial and credit markets, including the impacts of counterparty risk (e.g., deposit concentration and recent depositor sentiment and activity);
- the ability to service indebtedness and fund capital expenditures and strategic business initiatives;
- the availability of and access to credit on reasonable terms;
- changes in foreign currency exchange, interest, and inflation rates;
- fluctuations in production costs;
- the ability to protect intellectual property;
- the strength and reputation of the Company’s brands;
- employee relations;
- the ability to attract, retain, and motivate key employees;
- the impact of climate change or environmental, health, and safety regulations;
- the impact of tax laws, the judicial or administrative interpretations of tax laws, and/or changes in such laws or interpretations; and
- other factors discussed in “Item 1A. Risk Factors” in the Company’s Annual Report on Form 10-K for the fiscal year ended June 30, 2024 or in the Company’s other periodic reports and information filed with the Securities and Exchange Commission (the “SEC”).

All such factors are difficult to predict, contain uncertainties that may materially affect actual results, and may be beyond our control. New factors emerge from time to time, and it is not possible for management to predict all such factors or to assess the impact of each such factor on the Company. Any forward-looking statement speaks only as of the date on which such statement is made, and we do not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, except as may be required by federal securities laws.

In light of all of the above considerations, we reiterate that forward-looking statements are not guarantees of future performance, and we caution you not to rely on them as such.

UNIFI, INC.
QUARTERLY REPORT ON FORM 10-Q
FOR THE THREE MONTHS ENDED SEPTEMBER 29, 2024

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(In thousands, except share and per share amounts)

	September 29, 2024	June 30, 2024
ASSETS		
Cash and cash equivalents	\$ 13,703	\$ 26,805
Receivables, net	77,885	79,165
Inventories	145,350	131,181
Income taxes receivable	1,355	164
Other current assets	12,923	11,618
Total current assets	<u>251,216</u>	<u>248,933</u>
Property, plant and equipment, net	189,744	193,723
Operating lease assets	8,411	8,245
Deferred income taxes	5,156	5,392
Other non-current assets	12,452	12,951
Total assets	<u>\$ 466,979</u>	<u>\$ 469,244</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable	\$ 41,250	\$ 43,622
Income taxes payable	1,510	754
Current operating lease liabilities	2,434	2,251
Current portion of long-term debt	12,153	12,277
Other current liabilities	18,923	17,662
Total current liabilities	<u>76,270</u>	<u>76,566</u>
Long-term debt	119,324	117,793
Non-current operating lease liabilities	6,092	6,124
Deferred income taxes	1,869	1,869
Other long-term liabilities	3,715	3,507
Total liabilities	<u>207,270</u>	<u>205,859</u>
Commitments and contingencies		
Common stock, \$0.10 par value (500,000,000 shares authorized; 18,257,103 and 18,251,545 shares issued and outstanding as of September 29, 2024 and June 30, 2024, respectively)	1,826	1,825
Capital in excess of par value	71,419	70,952
Retained earnings	251,765	259,397
Accumulated other comprehensive loss	(65,301)	(68,789)
Total shareholders' equity	<u>259,709</u>	<u>263,385</u>
Total liabilities and shareholders' equity	<u>\$ 466,979</u>	<u>\$ 469,244</u>

See accompanying notes to condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Unaudited)
(In thousands, except per share amounts)

	For the Three Months Ended	
	September 29, 2024	October 1, 2023
Net sales	\$ 147,372	\$ 138,844
Cost of sales	137,914	139,419
Gross profit (loss)	9,458	(575)
Selling, general and administrative expenses	11,842	11,609
Provision (benefit) for bad debts	312	(209)
Other operating expense, net	520	54
Operating loss	(3,216)	(12,029)
Interest income	(257)	(581)
Interest expense	2,507	2,485
Equity in earnings of unconsolidated affiliates	(11)	(200)
Loss before income taxes	(5,455)	(13,733)
Provision (benefit) for income taxes	2,177	(463)
Net loss	<u>\$ (7,632)</u>	<u>\$ (13,270)</u>
Net loss per common share:		
Basic	\$ (0.42)	\$ (0.73)
Diluted	\$ (0.42)	\$ (0.73)

Comprehensive loss:

	For the Three Months Ended	
	September 29, 2024	October 1, 2023
Net loss	\$ (7,632)	\$ (13,270)
Other comprehensive income (loss):		
Foreign currency translation adjustments	3,488	(5,540)
Other comprehensive income (loss), net	3,488	(5,540)
Comprehensive loss	<u>\$ (4,144)</u>	<u>\$ (18,810)</u>

See accompanying notes to condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Unaudited)
(In thousands)

	Shares	Common Stock	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
Balance at June 30, 2024	18,252	\$ 1,825	\$ 70,952	\$ 259,397	\$ (68,789)	\$ 263,385
Options exercised	5	1	32	—	—	33
Stock-based compensation	—	—	435	—	—	435
Other comprehensive gain, net of tax	—	—	—	—	3,488	3,488
Net loss	—	—	—	(7,632)	—	(7,632)
Balance at September 29, 2024	<u>18,257</u>	<u>\$ 1,826</u>	<u>\$ 71,419</u>	<u>\$ 251,765</u>	<u>\$ (65,301)</u>	<u>\$ 259,709</u>

	Shares	Common Stock	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
Balance at July 2, 2023	18,081	\$ 1,808	\$ 68,901	\$ 306,792	\$ (53,891)	\$ 323,610
Options exercised	3	—	21	—	—	21
Conversion of equity units	1	—	—	—	—	—
Stock-based compensation	—	—	209	—	—	209
Common stock withheld in satisfaction of tax withholding obligations under net share settle transactions	—	—	(1)	—	—	(1)
Other comprehensive loss, net of tax	—	—	—	—	(5,540)	(5,540)
Net loss	—	—	—	(13,270)	—	(13,270)
Balance at October 1, 2023	<u>18,085</u>	<u>\$ 1,808</u>	<u>\$ 69,130</u>	<u>\$ 293,522</u>	<u>\$ (59,431)</u>	<u>\$ 305,029</u>

See accompanying notes to condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands)

	For the Three Months Ended	
	September 29, 2024	October 1, 2023
Cash and cash equivalents at beginning of period	\$ 26,805	\$ 46,960
<i>Operating activities:</i>		
Net loss	(7,632)	(13,270)
Adjustments to reconcile net loss to net cash (used) provided by operating activities:		
Equity in earnings of unconsolidated affiliates	(11)	(200)
Depreciation and amortization expense	6,547	7,026
Non-cash compensation expense	435	212
Deferred income taxes	344	(679)
Other, net	80	(62)
Changes in assets and liabilities:		
Receivables, net	2,221	4,111
Inventories	(12,851)	12,608
Other current assets	(1,091)	2,126
Income taxes	(462)	(1,148)
Accounts payable and other current liabilities	(460)	(3,432)
Other, net	46	(173)
Net cash (used) provided by operating activities	<u>(12,834)</u>	<u>7,119</u>
<i>Investing activities:</i>		
Capital expenditures	(2,018)	(2,937)
Other, net	—	457
Net cash used by investing activities	<u>(2,018)</u>	<u>(2,480)</u>
<i>Financing activities:</i>		
Proceeds from ABL Revolver	47,500	31,100
Payments on ABL Revolver	(43,000)	(27,500)
Payments on ABL Term Loan	(2,300)	(2,300)
Payments on finance lease obligations	(808)	(713)
Other, net	(162)	17
Net cash provided by financing activities	<u>1,230</u>	<u>604</u>
Effect of exchange rate changes on cash and cash equivalents	520	(688)
Net (decrease) increase in cash and cash equivalents	<u>(13,102)</u>	<u>4,555</u>
Cash and cash equivalents at end of period	<u>\$ 13,703</u>	<u>\$ 51,515</u>

See accompanying notes to condensed consolidated financial statements.

Unifi, Inc.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. Background

Unifi, Inc., a New York corporation formed in 1969 (together with its subsidiaries, "UNIFI," the "Company," "we," "us," or "our"), is a multinational company that manufactures and sells innovative recycled and synthetic products, made from polyester and nylon, primarily to other yarn manufacturers and knitters and weavers (UNIFI's "direct customers") that produce yarn and/or fabric for the apparel, hosiery, home furnishings, automotive, industrial, medical, and other end-use markets (UNIFI's "indirect customers"). We sometimes refer to these indirect customers as "brand partners." Polyester products include partially oriented yarn ("POY") and textured, solution and package dyed, twisted, beamed, and draw wound yarns, and each is available in virgin or recycled varieties. Recycled solutions, made from both pre-consumer and post-consumer waste, include plastic bottle flake ("Flake"), polyester polymer beads ("Chip"), and staple fiber. Nylon products include virgin or recycled textured, solution dyed, and spandex covered yarns.

UNIFI maintains one of the textile industry's most comprehensive product offerings that includes a range of specialized, value-added, and commodity solutions, with principal geographic markets in North America, Central America, South America, Asia, and Europe. UNIFI has direct manufacturing operations in four countries and participates in a joint venture with operations in the United States (the "U.S.").

2. Basis of Presentation; Condensed Notes

The accompanying condensed consolidated financial statements are unaudited and have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information. As contemplated by the instructions of the SEC to Form 10-Q, the following notes have been condensed and, therefore, do not contain all disclosures required in connection with annual financial statements. Reference should be made to UNIFI's year-end audited consolidated financial statements and related notes thereto contained in its Annual Report on Form 10-K for the fiscal year ended June 30, 2024 (the "2024 Form 10-K").

The financial information included in this report has been prepared by UNIFI, without audit. In the opinion of management, all adjustments, which consist of normal, recurring adjustments, considered necessary for a fair statement of the results for interim periods have been included. Nevertheless, the results shown for interim periods are not necessarily indicative of results to be expected for the full year. The preparation of financial statements in conformity with GAAP requires management to make use of estimates and assumptions that affect the amounts reported and certain financial statement disclosures. Actual results may vary from these estimates.

All amounts, except per share amounts, are presented in thousands (000s), except as otherwise noted.

The fiscal quarter for each of Unifi, Inc., its primary domestic operating subsidiaries and its subsidiary in El Salvador ended on September 29, 2024. Unifi, Inc.'s remaining material operating subsidiaries' fiscal quarter ended on September 30, 2024. There were no significant transactions or events that occurred between Unifi, Inc.'s fiscal quarter end and such wholly owned subsidiaries' fiscal quarter end. The three-month periods ended September 29, 2024 and October 1, 2023 both consisted of 13 weeks.

3. Recent Accounting Pronouncements

Issued and Pending Adoption

In December 2023, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. ASU No. 2023-09 modifies the rules on income tax disclosures to require entities to disclose (i) specific categories in the rate reconciliation, (ii) the income or loss from continuing operations before income tax expense or benefit (separated between domestic and foreign) and (iii) income tax expense or benefit from continuing operations (separated by federal, state, and foreign). The ASU also requires entities to disclose their income tax payments to international, federal, state, and local jurisdictions, among other changes. The ASU is effective for UNIFI's fiscal 2026, with early adoption permitted, and should be applied on a prospective basis, but retrospective application is permitted. UNIFI is currently evaluating the impact on the Company's disclosures but does not expect this standard will have a material impact on its consolidated financial position, results of operations, or cash flows.

In November 2023, the FASB issued ASU No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. ASU No. 2023-07 expands annual and interim disclosure requirements for reportable segments, primarily through enhanced disclosures about significant segment expenses. The ASU is effective this fiscal year for annual reporting and in the first quarter of fiscal 2026 for interim reporting, with early adoption permitted. UNIFI has not adopted this standard. UNIFI is currently evaluating the impact on the Company's disclosures but does not expect this standard will have a material impact on its consolidated financial position, results of operations, or cash flows.

Based on UNIFI's review of ASUs issued since the filing of the 2024 Form 10-K, there have been no other newly issued or newly applicable accounting pronouncements that have had, or are expected to have, a material impact on UNIFI's consolidated financial statements.

Unifi, Inc.
Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

4. Revenue

The following tables present net sales disaggregated by (i) classification of customer type and (ii) REPREVE® Fiber sales:

Third-Party Manufacturer

	For the Three Months Ended	
	September 29, 2024	October 1, 2023
Third-party manufacturer	\$ 146,219	\$ 137,620
Service	1,153	1,224
Net sales	\$ 147,372	\$ 138,844

	For the Three Months Ended	
	September 29, 2024	October 1, 2023
REPREVE® Fiber	\$ 44,742	\$ 42,461
All other products and services	102,630	96,383
Net sales	\$ 147,372	\$ 138,844

Third-party manufacturer revenue is primarily generated through sales to direct customers. Such sales represent satisfaction of UNIFI's performance obligations required by the associated revenue contracts. Each of UNIFI's reportable segments derives revenue from sales to third-party manufacturers.

Service Revenue

Service revenue is primarily generated, as services are rendered, through fulfillment of toll manufacturing of textile products or transportation services governed by written agreements. Such toll manufacturing and transportation services represent satisfaction of UNIFI's performance obligations required by the associated revenue contracts.

REPREVE® Fiber

REPREVE® Fiber represents UNIFI's collection of fiber products on our recycled platform, with or without added technologies.

Variable Consideration

For all variable consideration, where appropriate, UNIFI estimates the amount using the expected value method, which takes into consideration historical experience, current contractual requirements, specific known market events, and forecasted customer buying and payment patterns. Overall, these reserves reflect UNIFI's best estimates of the amount of consideration to which the customer is entitled based on the terms of the contracts. Variable consideration has been immaterial to UNIFI's financial statements for all periods presented.

5. Long-Term Debt

Debt Obligations

The following table and narrative presents the detail of UNIFI's debt obligations. Capitalized terms not otherwise defined within this Note shall have the meanings attributed to them in the Second Amended and Restated Credit Agreement, dated as of October 28, 2022 (the "2022 Credit Agreement") as amended.

	Scheduled Maturity Date	Weighted Average Interest Rate as of September 29, 2024	Principal Amounts as of	
			September 29, 2024	June 30, 2024
ABL Revolver	October 2027	7.4 %	\$ 24,200	\$ 19,700
ABL Term Loan	October 2027	8.1 %	98,900	101,200
Finance lease obligations	(1)	5.2 %	8,591	9,399
Total debt			131,691	130,299
Current ABL Term Loan			(9,200)	(9,200)
Current portion of finance lease obligations			(2,953)	(3,077)
Unamortized debt issuance costs			(214)	(229)
Total long-term debt			\$ 119,324	\$ 117,793

(1) Scheduled maturity dates for finance lease obligations range from March 2025 to September 2028.

ABL Facility and Amendments

On September 5, 2024, UNIFI, Inc. and certain of its subsidiaries entered into a First Amendment to the Second Amended and Restated Credit Agreement (the "First Amendment") with a syndicate of lenders. The First Amendment primarily (i) permits the sale of a Company-owned real estate asset (consisting of an industrial warehouse building and land acreage) located in Yadkinville, North Carolina with application of the net proceeds to reduce the outstanding ABL Revolver balance, in lieu of the prescribed mandatory prepayment to the ABL Term Loan; (ii) reduces the Maximum Revolver Amount from \$115,000 to \$80,000; (iii) modifies the definition of the Trigger Level as of any date of determination to the greater of (a) \$16,500 and (b) 10% of the sum of (i) the Maximum Revolver Amount plus (ii) the outstanding principal amount of the ABL Term Loan on such date of determination; (iv) increases the range of the

Unifi, Inc.
Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

Applicable Margin on (a) SOFR-based loans to a new range of 1.50% to 2.00% and (b) Base Rate-based loans to a new range of 0.50% to 1.00%, with such new ranges of Applicable Margin rates becoming immediately effective and continuing until the Company achieves a Fixed Charge Coverage Ratio of 1.05 to 1.00 or better; (v) for a Term Loan Reset, establishes an additional requirement to obtain lender approval; and (vi) modifies certain terms and conditions of the Credit Agreement including, but not limited to, Swing Loans, Letter of Credit sublimits, and costs related to normal course collateral valuations for the ABL Facility.

Subsequent Event

On October 25, 2024, UNIFI entered into a new credit agreement with Wells Fargo Bank, National Association for a \$25,000 revolving credit facility (the "2024 Facility"). The maturity date of the 2024 Facility is the earlier of (i) October 28, 2027 and (ii) the termination or refinancing of the 2022 Credit Agreement. The 2024 Facility is deemed unsecured financing for UNIFI, but is collateralized by certain assets pledged by related party Kenneth G. Langone, one of the members of UNIFI's Board of Directors. Borrowings under the 2024 Facility bear interest at a rate of SOFR plus 0.90%. The 2024 Facility contains no additional financial covenants beyond those already in effect for the 2022 Credit Agreement and is subject to a monthly unused line fee of 0.25% on available borrowing capacity. As of the report date, no amounts had been borrowed against the 2024 Facility.

6. Income Taxes

The provision (benefit) for income taxes and effective tax rate were as follows:

	For the Three Months Ended	
	September 29, 2024	October 1, 2023
Provision (benefit) for income taxes	\$ 2,177	\$ (463)
Effective tax rate	(39.9)%	3.4 %

Income Tax Expense

UNIFI's provision (benefit) for income taxes for the three months ended September 29, 2024 and October 1, 2023 was calculated by applying the estimated annual effective tax rate to year-to-date pre-tax book income and adjusting for discrete items that occurred during the period.

The effective tax rate for the three months ended September 29, 2024 and October 1, 2023 varied from the U.S. federal statutory rate primarily due to the U.S. generated losses for which UNIFI does not expect to realize a future tax benefit.

During the three months ended October 1, 2023, the Internal Revenue Service (the "IRS") audit of fiscal years 2014 through 2019 was concluded with a net refund of \$1,248. The impact from the audit adjustments to the prior periods was insignificant.

Unrecognized Tax Benefits

UNIFI regularly assesses the outcomes of both completed and ongoing examinations to ensure that its provision for income taxes is sufficient. Certain returns that remain open to examination have utilized carryforward tax attributes generated in prior tax years, including net operating losses, which could potentially be revised upon examination.

Following the conclusion of the IRS audit during the period ended October 1, 2023, UNIFI adjusted the uncertain tax positions for fiscal years 2014 through 2019 that were effectively settled. The impact from releasing the netted uncertain tax position liabilities was insignificant.

7. Shareholders' Equity

On October 31, 2018, UNIFI announced that the Company's Board of Directors approved a share repurchase program (the "2018 SRP") under which UNIFI is authorized to acquire up to \$50,000 of its common stock. The share repurchase authorization is discretionary and has no expiration date. No shares have been repurchased in fiscal 2023 and 2024 and \$38,859 remains available for repurchase.

8. Stock-Based Compensation

On October 31, 2023, UNIFI's shareholders approved a First Amendment (the "First Amendment") to the Unifi, Inc. Second Amended and Restated 2013 Incentive Compensation Plan (the "2020 Plan"). The 2020 Plan set the initial number of shares available for future issuance ("share reserve") pursuant to awards granted under the 2020 Plan to 850. The First Amendment increased the remaining share reserve by 1,100. No additional awards can be granted under prior plans; however, awards outstanding under a respective prior plan remain subject to that plan's provisions.

The following table provides information as of September 29, 2024 with respect to the number of securities remaining available for future issuance under the 2020 Plan, as amended:

Authorized under the 2020 Plan	850
Plus: Share reserve increase from the First Amendment	1,100
Plus: Awards expired, forfeited, or otherwise terminated unexercised	220
Less: Awards granted to employees	(1,106)
Less: Awards granted to non-employee directors	(204)
Available for issuance under the 2020 Plan	860

Unifi, Inc.
Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

9. Earnings Per Share

The components of the calculation of earnings per share ("EPS") are as follows:

	For the Three Months Ended	
	September 29, 2024	October 1, 2023
Net loss	\$ (7,632)	\$ (13,270)
Basic weighted average shares	18,255	18,084
Net potential common share equivalents	—	—
Diluted weighted average shares	18,255	18,084
Excluded from the calculation of common share equivalents:		
Anti-dilutive common share equivalents	478	590
Excluded from the calculation of diluted shares:		
Unvested stock options that vest upon achievement of certain market conditions	333	333

The calculation of EPS is based on the weighted average number of Unifi, Inc.'s common shares outstanding for the applicable period. The calculation of diluted EPS presents the effect of all potential dilutive common shares that were outstanding during the respective period, unless the effect of doing so is anti-dilutive.

10. Commitments and Contingencies

Collective Bargaining Agreements

While employees of UNIFI's Brazilian operations are unionized, none of the labor force employed by UNIFI's domestic or other foreign subsidiaries is currently covered by a collective bargaining agreement.

11. Related Party Transactions

Related party balances and transactions are not material to the condensed consolidated financial statements and, accordingly, are not presented separately from other financial statement captions.

There were no related party receivables as of September 29, 2024 and June 30, 2024.

Related party payables for Salem Leasing Corporation consisted of the following:

	September 29, 2024	June 30, 2024
Accounts payable	\$ 403	\$ 464
Operating lease obligations	251	301
Finance lease obligations	2,043	2,374
Total related party payables	\$ 2,697	\$ 3,139

The following were the Company's significant related party transactions:

Affiliated Entity	Transaction Type	For the Three Months Ended	
		September 29, 2024	October 1, 2023
Salem Leasing Corporation	Payments for transportation equipment costs and finance lease debt service	\$ 1,161	\$ 1,209

Unifi, Inc.
Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

12. Business Segment Information

UNIFI defines operating segments as components of the organization for which discrete financial information is available and operating results are evaluated on a regular basis by UNIFI's chief executive officer, who is the chief operating decision maker (the "CODM"), in order to assess performance and allocate resources. Characteristics of UNIFI which were relied upon in making the determination of reportable segments include the nature of the products sold, the internal organizational structure, the trade policies in the geographic regions in which UNIFI operates, and the information that is regularly reviewed by the CODM for the purpose of assessing performance and allocating resources.

UNIFI's three reportable segments are organized as follows:

- The operations within the Americas Segment exhibit similar long-term economic characteristics and primarily sell into an economic trading zone covered by the United States-Mexico-Canada Agreement and the Dominican Republic-Central America Free Trade Agreement to similar customers utilizing similar methods of distribution. These operations derive revenues primarily from manufacturing synthetic and recycled textile products with sales primarily to yarn manufacturers, knitters, and weavers that produce yarn and/or fabric for the apparel, hosiery, automotive, home furnishings, industrial, medical, and other end-use markets principally in North and Central America. The Americas Segment consists of sales and manufacturing operations in the U.S., El Salvador, and Colombia.
- The Brazil Segment primarily manufactures and sells polyester-based products to knitters and weavers that produce fabric for the apparel, automotive, home furnishings, industrial, and other end-use markets principally in Brazil. The Brazil Segment includes a manufacturing location and sales offices in Brazil.
- The operations within the Asia Segment exhibit similar long-term economic characteristics and sell to similar customers utilizing similar methods of distribution primarily in Asia and Europe. The Asia Segment primarily sources synthetic and recycled textile products from third-party suppliers and sells to yarn manufacturers, knitters, and weavers that produce fabric for the apparel, automotive, home furnishings, industrial, and other end-use markets principally in Asia and Europe. The Asia Segment includes sales offices in China, Turkey, and Hong Kong.

UNIFI evaluates the operating performance of its segments based upon Segment (Loss) Profit, which represents segment gross (loss) profit plus segment depreciation expense. This measurement of segment profit or loss best aligns segment reporting with the current assessments and evaluations performed by, and information provided to, the CODM.

The accounting policies for the segments are consistent with UNIFI's accounting policies. Intersegment sales are omitted from segment disclosures, as they are (i) insignificant to UNIFI's segments and eliminated from consolidated reporting and (ii) excluded from segment evaluations performed by the CODM.

Selected financial information is presented below:

	For the Three Months Ended September 29, 2024			
	Americas	Brazil	Asia	Total
Net sales	\$ 86,283	\$ 34,310	\$ 26,779	\$ 147,372
Cost of sales	87,661	26,373	23,880	137,914
Gross (loss) profit	(1,378)	7,937	2,899	9,458
Segment depreciation expense	5,410	741	17	6,168
Segment Profit	<u>\$ 4,032</u>	<u>\$ 8,678</u>	<u>\$ 2,916</u>	<u>\$ 15,626</u>

	For the Three Months Ended October 1, 2023			
	Americas	Brazil	Asia	Total
Net sales	\$ 81,573	\$ 29,909	\$ 27,362	\$ 138,844
Cost of sales	88,953	27,742	22,724	139,419
Gross (loss) profit	(7,380)	2,167	4,638	(575)
Segment depreciation expense	5,497	840	—	6,337
Segment (Loss) Profit	<u>\$ (1,883)</u>	<u>\$ 3,007</u>	<u>\$ 4,638</u>	<u>\$ 5,762</u>

The reconciliations of segment gross profit (loss) to consolidated loss before income taxes are as follows:

	For the Three Months Ended	
	September 29, 2024	October 1, 2023
Americas	\$ (1,378)	\$ (7,380)
Brazil	7,937	2,167
Asia	2,899	4,638
Segment gross profit (loss)	9,458	(575)
Selling, general and administrative expenses	11,842	11,609
Provision (benefit) for bad debts	312	(209)
Other operating expense, net	520	54
Operating loss	(3,216)	(12,029)
Interest income	(257)	(581)
Interest expense	2,507	2,485
Equity in earnings of unconsolidated affiliates	(11)	(200)
Loss before income taxes	<u>\$ (5,455)</u>	<u>\$ (13,733)</u>

There have been no material changes in segment assets during fiscal 2025.

Unifi, Inc.
Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

13. Investments in Unconsolidated Affiliates

Included within Other non-current assets are UNIFI's investments in unconsolidated affiliates: U.N.F. Industries, Ltd. ("UNF") and UNF America LLC ("UNFA").

U.N.F. Industries, Ltd.

In December 2023, UNIFI dissolved its interest in UNF under an agreement whereby UNIFI agreed to pay the former joint venture partner \$2,750 and recorded it as an associated contract termination cost within Restructuring costs on the Condensed Consolidated Statements of Operations and Comprehensive Loss. UNIFI made a payment to the former joint venture partner of \$1,200 in the second quarter of fiscal 2024 and the remaining \$1,550 was paid in the third quarter of fiscal 2024. Accordingly, the balance sheet information presented below as of September 29, 2024 does not include any amounts related to UNF.

UNF America LLC

Raw material and production services for UNFA are provided by Nilit America Inc. under separate supply and services agreements. UNFA's fiscal year end is December 31, and it is a limited liability company located in Ridgeway, Virginia. UNFA is treated as a partnership for its income tax reporting.

In conjunction with the formation of UNFA, UNIFI entered into a supply agreement with UNF and UNFA whereby UNIFI agreed to purchase all of its first quality nylon POY requirements for texturing (subject to certain exceptions) from either UNF or UNFA. The supply agreement has no stated minimum purchase quantities and pricing is typically negotiated every six months, based on market rates. As of September 29, 2024, UNIFI's open purchase orders related to this supply agreement, all with UNFA, were \$1,465.

UNIFI's raw material purchases under this supply agreement consisted of the following:

	For the Three Months Ended	
	September 29, 2024	October 1, 2023
UNFA	\$ 3,689	\$ 3,126
UNF	—	—
Total	\$ 3,689	\$ 3,126

As of September 29, 2024 and June 30, 2024, UNIFI had accounts payable due to UNFA of \$1,403 and \$2,197.

UNIFI has determined that UNF was, and UNFA is, a variable interest entity and has also determined that UNIFI has been the primary beneficiary of these entities, based on the terms of the supply agreement. As a result, these entities should be consolidated with UNIFI's financial results. As (i) UNIFI purchases substantially all of the output and all intercompany sales would be eliminated in consolidation, (ii) the entity balance sheets constitute 5% or less of UNIFI's current assets and total assets, and (iii) such balances are not expected to comprise a larger portion in the future, UNIFI has not included the accounts of UNF and UNFA in its consolidated financial statements and instead is accounting for these entities as equity investments. The financial results of UNF and UNFA are included in UNIFI's consolidated financial statements with a one-month lag, using the equity method of accounting and with intercompany profits eliminated in accordance with UNIFI's accounting policy. Other than the supply agreement discussed above, UNIFI does not provide any other commitments or guarantees related to UNFA. As of September 29, 2024 and June 30, 2024, UNIFI's investment in UNFA was \$1,599 and \$1,603, respectively.

Condensed balance sheet and income statement information for UNIFI's unconsolidated affiliates (including reciprocal balances) are presented in the tables below.

	September 29, 2024	June 30, 2024
Current assets	\$ 5,954	\$ 5,758
Non-current assets	453	458
Current liabilities	3,208	3,009
Non-current liabilities	—	—
Shareholders' equity and capital accounts	3,199	3,207
UNIFI's portion of undistributed earnings	1,540	1,544

	For the Three Months Ended	
	September 29, 2024	October 1, 2023
Net sales	\$ 4,210	\$ 4,741
Gross profit	515	638
(Loss) income from operations	(8)	196
Net (loss) income	(8)	165
Depreciation and amortization	7	14
Distribution received	—	—

Unifi, Inc.
Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

14. Supplemental Cash Flow Information

Cash payments for interest and taxes consist of the following:

	For the Three Months Ended	
	September 29, 2024	October 1, 2023
Interest, net of capitalized interest of \$38 and \$62, respectively	\$ 2,368	\$ 2,443
Income tax payments, net	2,558	1,633

Cash payments for taxes shown above consist primarily of income and withholding tax payments made by UNIFI in both U.S. and foreign jurisdictions, net of refunds.

Non-Cash Investing and Financing Activities

As of September 29, 2024 and June 30, 2024, \$772 and \$879, respectively, were included in accounts payable for unpaid capital expenditures. As of October 1, 2023 and July 2, 2023, \$1,084 and \$1,137, respectively, were included in accounts payable for unpaid capital expenditures.

During the three months ended September 29, 2024 and October 1, 2023, UNIFI recorded non-cash activity relating to finance leases of \$0 and \$1,633, respectively.

Unifi, Inc.
Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

15. Other Financial Data

Select balance sheet information is presented in the following table.

	September 29, 2024	June 30, 2024
Receivables, net:		
Customer receivables	\$ 79,089	\$ 80,050
Allowance for uncollectible accounts	(3,036)	(2,713)
Reserves for quality claims	(835)	(745)
Net customer receivables	75,218	76,592
Banker's acceptance notes	1,632	1,326
Other receivables	1,035	1,247
Total receivables, net	<u>\$ 77,885</u>	<u>\$ 79,165</u>
Inventories:		
Raw materials	\$ 57,696	\$ 49,391
Supplies	12,206	12,160
Work in process	8,696	8,994
Finished goods	70,122	64,449
Gross inventories	148,720	134,994
Net realizable value adjustment	(3,370)	(3,813)
Total inventories	<u>\$ 145,350</u>	<u>\$ 131,181</u>
Other current assets:		
Assets held for sale ⁽¹⁾	\$ 3,798	\$ 3,781
Vendor deposits	3,579	2,633
Prepaid expenses and other	2,554	2,133
Value-added taxes receivable	2,454	2,510
Contract assets	538	561
Total other current assets	<u>\$ 12,923</u>	<u>\$ 11,618</u>
Property, plant and equipment, net:		
Land	\$ 1,904	\$ 1,897
Land improvements	16,409	16,409
Buildings and improvements	162,840	162,414
Assets under finance leases	18,030	18,030
Machinery and equipment	653,378	650,901
Computers, software and office equipment	25,744	25,464
Transportation equipment	10,755	10,710
Construction in progress	3,350	3,319
Gross property, plant and equipment	892,410	889,144
Less: accumulated depreciation	(694,857)	(688,086)
Less: accumulated amortization – finance leases	(7,809)	(7,335)
Total property, plant and equipment, net	<u>\$ 189,744</u>	<u>\$ 193,723</u>
Other non-current assets:		
Recovery of taxes	\$ 5,794	\$ 5,543
Grantor trust	2,147	2,942
Investments in unconsolidated affiliates	1,599	1,603
Intangible assets, net	655	682
Other	2,257	2,181
Total other non-current assets	<u>\$ 12,452</u>	<u>\$ 12,951</u>
Other current liabilities:		
Payroll and fringe benefits	\$ 8,978	\$ 7,140
Utilities	2,612	2,861
Incentive compensation	1,798	1,450
Deferred revenue	1,500	1,504
Property taxes, interest and other	4,035	4,707
Total other current liabilities	<u>\$ 18,923</u>	<u>\$ 17,662</u>
Other long-term liabilities:		
Nonqualified deferred compensation plan obligation	\$ 2,175	\$ 2,008
Uncertain tax positions	1,161	1,109
Other	379	390
Total other long-term liabilities	<u>\$ 3,715</u>	<u>\$ 3,507</u>

(1) Assets held for sale as of September 29, 2024 relates to a warehouse located in Yadkinville, North Carolina. On October 30, 2024, this property was sold for \$8,100 resulting in a net gain of approximately \$4,300.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following is management's discussion and analysis of certain significant factors that have affected UNIFI's operations, along with material changes in financial condition, during the periods included in the accompanying condensed consolidated financial statements. A reference to a "note" in this section refers to the accompanying notes to condensed consolidated financial statements. A reference to the "current period" refers to the three-month period ended September 29, 2024, while a reference to the "prior period" refers to the three-month period ended October 1, 2023. Such references may be accompanied by certain phrases for added clarity. The current period and the prior period each consisted of 13 weeks.

Our discussions in this Item 2 focus on our results during, or as of, the three months ended September 29, 2024 and October 1, 2023, and, to the extent applicable, any material changes from the information discussed in the 2024 Form 10-K or other important intervening developments or information. These discussions should be read in conjunction with the 2024 Form 10-K for more detailed and background information about our business, operations, and financial condition.

Discussion of foreign currency translation is primarily associated with changes in the Brazilian Real ("BRL") and changes in the Chinese Renminbi ("RMB") versus the U.S. Dollar ("USD"). Weighted average exchange rates were as follows:

	For the Three Months Ended	
	September 29, 2024	October 1, 2023
BRL to USD	5.55	4.89
RMB to USD	7.17	7.25

All amounts, except per share amounts, are presented in thousands (000s), except as otherwise noted.

Overview and Significant General Matters

UNIFI focuses on delivering products and solutions to direct customers and brand partners throughout the world, leveraging our internal manufacturing capabilities and an enhanced global supply chain that delivers a diverse range of synthetic and recycled fibers and polymers. Our strategic initiatives include (i) leveraging our competitive advantages to grow market share in each of the major geographies we serve, (ii) expanding our presence in non-apparel markets with additional REPREVE® products, (iii) advancing the development and commercialization of innovative and sustainable solutions, and (iv) increasing brand awareness for REPREVE®. We have increased our focus on sales opportunities beyond traditional apparel customers and continue to drive innovation throughout our portfolio to further diversify the business and enhance gross profit. We believe our strategic initiatives will increase revenue and profitability and generate improved cash flows from operations.

Current Economic Environment

The challenging environment for textile production and demand has adversely impacted our consolidated sales and profitability. In addition, the following pressures have been present: (i) the impact of inflation on consumer spending and (ii) elevated interest rates for consumers and customers, including the impact on the carrying costs of customer inventories. UNIFI will continue to monitor these and other aspects of the current environment and work closely with stakeholders to ensure business continuity and liquidity.

While we recognize the disruption to global markets and supply chains caused by the conflicts in Ukraine and the Middle East, we have not been directly impacted. Indirectly, we recognize that additional or prolonged impacts to the petroleum or other global markets could cause further inflationary pressures to our global raw material costs or additional unforeseen adverse impacts.

Input Costs and Global Production Volatility

Despite lowered input and freight costs and a marginally more stable labor pool recently, global demand volatility and uncertainty continued into fiscal 2025. The threat of recession and global tensions continue to create uncertainty. Such existing challenges and future uncertainty, particularly for rising input costs, labor productivity, and global demand, could worsen and/or continue for prolonged periods, materially impacting our consolidated sales, gross profit, and operating cash flows. Also, the need for future selling price adjustments in connection with inflationary costs could impact our ability to retain current customer programs and compete successfully for new programs in certain regions.

Key Performance Indicators and Non-GAAP Financial Measures

UNIFI continuously reviews performance indicators to measure its success. These performance indicators form the basis of management's discussion and analysis included below:

- sales volume and revenue for UNIFI and for each reportable segment;
- gross (loss) profit and gross margin for UNIFI and for each reportable segment;
- net loss and diluted EPS;
- Segment (Loss) Profit, which equals segment gross (loss) profit plus segment depreciation expense;
- unit conversion margin, which represents unit net sales price less unit raw material costs, for UNIFI and for each reportable segment;
- working capital, which represents current assets less current liabilities;
- Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA"), which represents net loss before net interest expense, income tax expense, and depreciation and amortization expense;

- Adjusted EBITDA, which represents EBITDA adjusted to exclude, from time to time, certain other adjustments necessary to understand and compare the underlying results of UNIFI;
- Adjusted Net Loss, which represents net loss calculated under GAAP, adjusted to exclude certain amounts which management believes do not reflect the ongoing operations and performance of UNIFI and/or for which exclusion may be necessary to understand and compare the underlying results of UNIFI;
- Adjusted EPS, which represents Adjusted Net Loss divided by UNIFI's diluted weighted average common shares outstanding;
- Adjusted Working Capital, which equals receivables plus inventories and other current assets, less accounts payable and other current liabilities; and
- Net Debt, which represents debt principal less cash and cash equivalents.

EBITDA, Adjusted EBITDA, Adjusted Net Loss, Adjusted EPS, Adjusted Working Capital, and Net Debt (collectively, the "non-GAAP financial measures") are not determined in accordance with GAAP and should not be considered a substitute for performance measures determined in accordance with GAAP. The calculations of the non-GAAP financial measures are subjective, based on management's belief as to which items should be included or excluded in order to provide the most reasonable and comparable view of the underlying operating performance of the business. We may, from time to time, modify the amounts used to determine our non-GAAP financial measures. When applicable, management's discussion and analysis includes specific consideration for items that comprise the reconciliations of its non-GAAP financial measures. We believe that these non-GAAP financial measures better reflect UNIFI's underlying operations and performance and that their use, as operating performance measures, provides investors and analysts with a measure of operating results unaffected by differences in capital structures, capital investment cycles, and ages of related assets, among otherwise comparable companies.

Management uses Adjusted EBITDA (i) as a measurement of operating performance because it assists us in comparing our operating performance on a consistent basis, as it removes the impact of items (a) directly related to our asset base (primarily depreciation and amortization) and/or (b) that we would not expect to occur as a part of our normal business on a regular basis; (ii) for planning purposes, including the preparation of our annual operating budget; (iii) as a valuation measure for evaluating our operating performance and our capacity to incur and service debt, fund capital expenditures, and expand our business; and (iv) as one measure in determining the value of other acquisitions and dispositions. Adjusted EBITDA is a key performance metric utilized in the determination of variable compensation. We also believe Adjusted EBITDA is an appropriate supplemental measure of debt service capacity because it serves as a high-level proxy for cash generated from operations and is relevant to our fixed charge coverage ratio.

Management uses Adjusted Net Loss and Adjusted EPS (i) as measurements of net operating performance because they assist us in comparing such performance on a consistent basis, as they remove the impact of (a) items that we would not expect to occur as a part of our normal business on a regular basis and (b) components of the provision for income taxes that we would not expect to occur as a part of our underlying taxable operations; (ii) for planning purposes, including the preparation of our annual operating budget; and (iii) as measures in determining the value of other acquisitions and dispositions.

Management uses Adjusted Working Capital as an indicator of UNIFI's production efficiency and ability to manage inventories and receivables.

Management uses Net Debt as a liquidity and leverage metric to determine how much debt would remain if all cash and cash equivalents were used to pay down debt principal.

Review of Results of Operations

Three Months Ended September 29, 2024 Compared to Three Months Ended October 1, 2023

Consolidated Overview

The below tables provide:

- the components of net loss and the percentage increase or decrease over the prior period amounts, and
- a reconciliation from net loss to EBITDA and Adjusted EBITDA, and

following the tables is a discussion and analysis of the significant components of net loss.

Net Loss

	For the Three Months Ended					
	September 29, 2024			October 1, 2023		
		% of Net Sales			% of Net Sales	% Change
Net sales	\$ 147,372	100.0	\$ 138,844	100.0		6.1
Cost of sales	137,914	93.6	139,419	100.4		(1.1)
Gross profit (loss)	9,458	6.4	(575)	(0.4)		nm
SG&A	11,842	8.0	11,609	8.4		2.0
Provision (benefit) for bad debts	312	0.2	(209)	(0.2)		nm
Other operating expense, net	520	0.4	54	—		nm
Operating loss	(3,216)	(2.2)	(12,029)	(8.6)		(73.3)
Interest expense, net	2,250	1.5	1,904	1.4		18.2
Equity in earnings of unconsolidated affiliates	(11)	—	(200)	(0.1)		(94.5)
Loss before income taxes	(5,455)	(3.7)	(13,733)	(9.9)		(60.3)
Provision (benefit) for income taxes	2,177	1.5	(463)	(0.3)		nm
Net loss	\$ (7,632)	(5.2)	\$ (13,270)	(9.6)		(42.5)

nm = not meaningful

EBITDA and Adjusted EBITDA (Non-GAAP Financial Measures)

The reconciliations of the amounts reported under GAAP for Net loss to EBITDA and Adjusted EBITDA were as follows:

	For the Three Months Ended	
	September 29, 2024	October 1, 2023
Net loss	\$ (7,632)	\$ (13,270)
Interest expense, net	2,250	1,904
Provision (benefit) for income taxes	2,177	(463)
Depreciation and amortization expense ⁽¹⁾	6,504	6,988
EBITDA	3,299	(4,841)
Other adjustments ⁽²⁾	—	—
Adjusted EBITDA	\$ 3,299	\$ (4,841)

(1) Within this reconciliation, depreciation and amortization expense excludes the amortization of debt issuance costs, which are reflected in interest expense, net. However, within the accompanying Condensed Consolidated Statements of Cash Flows, amortization of debt issuance costs is reflected in depreciation and amortization expense.

(2) For the periods presented, there were no other adjustments necessary to reconcile Net loss to Adjusted EBITDA.

Adjusted Net Loss and Adjusted EPS (Non-GAAP Financial Measures)

For the current period and the prior period, there were no adjustments necessary to reconcile Net loss to Adjusted Net Loss or Adjusted EPS.

Net Sales

Consolidated net sales for the current period increased by \$8,528, or 6.1%, while consolidated sales volumes increased 7.7%, compared to the prior period. Net sales in the current period were higher primarily due to improved sales volumes in each of the reportable segments, along with favorable pricing in Brazil. Despite these sales volume improvements, volumes remain depressed, particularly in the Americas and Asia Segments as a result of continued weak global demand.

Consolidated weighted average sales prices decreased 1.6% which partially offset the volume increase. The decrease in sales prices was primarily attributable to sales mix and lower average selling prices in Asia and the Americas Segment, together with unfavorable foreign currency translation effects from the weakening of the BRL versus the USD within our Brazil Segment.

REPVEVE[®] Fiber products for the current period comprised 30%, or \$44,742, of consolidated net sales, compared to 31%, or \$42,461, for the prior period.

Gross Profit (Loss)

Gross profit for the current period increased to \$9,458 from a gross loss of \$(575) in the prior period. Gross profit increased primarily due to (i) increased sales volumes, (ii) variable cost saving initiatives, (iii) improved productivity, and (iv) higher conversion margins. However, gross profit continues to be unfavorably impacted by weak fixed cost absorption in the Americas Segment, where utilization and productivity remain below historical averages due to depressed demand.

- For the Americas Segment, gross profit increased primarily due to (i) higher sales volumes, (ii) higher conversion margins, and (iii) variable cost management efforts.
- For the Brazil Segment, gross profit increased primarily due to (i) improved selling prices, (ii) higher sales volumes from market share gains, and (iii) lower material input costs due to lower costed inventories at the beginning of the quarter.
- For the Asia Segment, gross profit decreased primarily due to lower conversion margins from a weak demand environment.

SG&A

SG&A did not change meaningfully from the prior period to the current period, nor did the change include any significant offsetting impacts.

Provision (Benefit) for Bad Debts

The current period and prior period provision reflect no material activity.

Other Operating Expense, Net

The current period and the prior period include foreign currency transaction losses (gains) of \$489 and \$(33), respectively, with no other meaningful activity.

Interest Expense, Net

Interest expense, net increased primarily due to lower interest income in the current period, associated with lower global cash balances.

Equity in Earnings of Unconsolidated Affiliates

There was no material activity for the current period or the prior period.

Income Taxes

Provision (benefit) for income taxes and the effective tax rate were as follows:

	For the Three Months Ended	
	September 29, 2024	October 1, 2023
Provision (benefit) for income taxes	\$ 2,177	\$ (463)
Effective tax rate	(39.9)%	3.4%

The effective tax rate is subject to variation due to a number of factors, including variability in pre-tax book income; the mix of income by jurisdiction; changes in deferred tax valuation allowances; and changes in statutes, audit settlement, regulations, and case law. Additionally, the impacts of discrete and other rate impacting items are more pronounced when loss before income taxes is lower.

The decrease in the effective tax rate is primarily attributable to a decrease in the valuation allowance on deferred tax asset balances adjusted by the IRS audit of tax years 2014 through 2019, which was concluded during the prior period. The impact of this on comparative results is heightened by a smaller loss before income taxes in the current period.

Net Loss

The improvement in net loss was primarily attributable to increased gross profit, partially offset by foreign currency transaction losses, higher interest expense, net, and higher income tax expense.

Adjusted EBITDA (Non-GAAP Financial Measure)

Adjusted EBITDA increased primarily attributable to increased gross profit, partially offset by foreign currency transaction losses.

Segment Overview

Following is a discussion and analysis of the revenue and profitability performance of UNIFI's reportable segments for the current period.

Americas Segment

The components of Segment Profit (Loss), each component as a percentage of net sales, and the percentage increase or decrease over the prior period amounts for the Americas Segment, were as follows:

	For the Three Months Ended					% Change
	September 29, 2024		October 1, 2023			
		% of Net Sales		% of Net Sales		
Net sales	\$ 86,283	100.0	\$ 81,573	100.0	5.8	
Cost of sales	87,661	101.6	88,953	109.0	(1.5)	
Gross loss	(1,378)	(1.6)	(7,380)	(9.0)	(81.3)	
Depreciation expense	5,410	6.3	5,497	6.7	(1.6)	
Segment Profit (Loss)	\$ 4,032	4.7	\$ (1,883)	(2.3)	nm	
Segment net sales as a percentage of consolidated amounts	58.5 %		58.8 %			
Segment Profit (Loss) as a percentage of consolidated amounts	25.8 %		(32.7) %			

The change in net sales for the Americas Segment was as follows:

Net sales for the prior period	\$ 81,573
Increase in sales volumes	6,692
Change in average selling price and sales mix	(1,982)
Net sales for the current period	\$ 86,283

The increase in net sales for the Americas Segment from the prior period to the current period was primarily attributable to higher sales volumes, partially offset by a lower-priced sales mix. Both periods were unfavorably impacted by the continued weak global textile demand environment.

The change in Segment Profit (Loss) for the Americas Segment was as follows:

Segment Loss for the prior period	\$ (1,883)
Change in underlying unit margins and sales mix	6,069
Change in sales volumes	(154)
Segment Profit for the current period	\$ 4,032

The increase in Segment Profit for the Americas Segment from the prior period to the current period was primarily attributable to higher conversion margins primarily due to improved variable cost management efforts. Segment Profit for the Americas Segment continues to be negatively impacted by a lower proportion of fiber sales volumes. As fiber products carry a higher selling price and allocation of production costs versus Chip and Flake, lower fiber production drives weaker fixed cost absorption and adversely impacts gross profit and gross margin.

Brazil Segment

The components of Segment Profit, each component as a percentage of net sales, and the percentage increase or decrease over the prior period amounts for the Brazil Segment, were as follows:

	For the Three Months Ended					% Change
	September 29, 2024		October 1, 2023			
		% of Net Sales		% of Net Sales		
Net sales	\$ 34,310	100.0	\$ 29,909	100.0	14.7	
Cost of sales	26,373	76.9	27,742	92.7	(4.9)	
Gross profit	7,937	23.1	2,167	7.3	nm	
Depreciation expense	741	2.2	840	2.8	(11.8)	
Segment Profit	\$ 8,678	25.3	\$ 3,007	10.1	188.6	
Segment net sales as a percentage of consolidated amounts	23.3 %		21.5 %			
Segment Profit as a percentage of consolidated amounts	55.5 %		52.2 %			

The change in net sales for the Brazil Segment was as follows:

Net sales for the prior period	\$	29,909
Increase in average selling price and change in sales mix		4,952
Increase in sales volumes		3,007
Unfavorable foreign currency translation effects		(3,558)
Net sales for the current period	\$	<u>34,310</u>

The increase in net sales for the Brazil Segment from the prior period to the current period was primarily attributable to (i) higher average selling prices due to increasing raw material costs and (ii) an improvement in sales volumes from market share gains, partially offset by unfavorable foreign currency translation effects from the weakening of the BRL versus the USD.

The change in Segment Profit for the Brazil Segment was as follows:

Segment Profit for the prior period	\$	3,007
Increase in underlying unit margins		5,722
Increase in sales volumes		303
Unfavorable foreign currency translation effects		(354)
Segment Profit for the current period	\$	<u>8,678</u>

The increase in Segment Profit for the Brazil Segment from the prior period to the current period was primarily attributable to (i) higher conversion margins and (ii) an increase in sales volumes discussed above, partially offset by unfavorable foreign currency translation effects. We continue to prioritize innovation and differentiation to improve our portfolio and competitive position in Brazil.

Asia Segment

The components of Segment Profit, each component as a percentage of net sales, and the percentage increase or decrease over the prior period amounts for the Asia Segment, were as follows:

	For the Three Months Ended				
	September 29, 2024		October 1, 2023		% Change
	\$	% of Net Sales	\$	% of Net Sales	
Net sales	26,779	100.0	27,362	100.0	(2.1)
Cost of sales	23,880	89.2	22,724	83.0	5.1
Gross profit	2,899	10.8	4,638	17.0	(37.5)
Depreciation expense	17	0.1	—	—	nm
Segment Profit	<u>2,916</u>	<u>10.9</u>	<u>4,638</u>	<u>17.0</u>	<u>(37.1)</u>
Segment net sales as a percentage of consolidated amounts	18.2 %		19.7 %		
Segment Profit as a percentage of consolidated amounts	18.7 %		80.5 %		

The change in net sales for the Asia Segment was as follows:

Net sales for the prior period	\$	27,362
Change in average selling price and sales mix		(1,704)
Increase in sales volumes		819
Favorable foreign currency translation effects		302
Net sales for the current period	\$	<u>26,779</u>

The decrease in net sales for the Asia Segment from the prior period to the current period was primarily attributable to changes in sales mix, partially offset by (a) an improvement in sales volumes compared to the prior period despite continued weak global demand, particularly for apparel and (b) favorable foreign currency translation effects due to the strengthening of the RMB versus the USD.

The change in Segment Profit for the Asia Segment was as follows:

Segment Profit for the prior period	\$	4,638
Change in underlying unit margins and sales mix		(1,920)
Increase in sales volumes		139
Favorable foreign currency translation effects		59
Segment Profit for the current period	\$	<u>2,916</u>

The decrease in Segment Profit for the Asia Segment from the prior period to the current period was attributable to a decline in gross margin rate associated with a change in sales mix of REPVEE products, partially offset by (a) the increase in sales volumes and (b) the favorable foreign currency translation effects.

Liquidity and Capital Resources

Note 5, "Long-Term Debt" to the condensed consolidated financial statements includes the detail of UNIFI's debt obligations and terms and conditions thereof. Further discussion and analysis of liquidity and capital resources follow.

UNIFI's primary capital requirements are for working capital, capital expenditures, and debt service. UNIFI's primary sources of capital are cash generated from operations, borrowings available under the 2022 Credit Agreement, and 2024 Facility. For the current three-month period, cash used by operations was \$12,834 and, at September 29, 2024, availability under the ABL Revolver was \$38,645.

As of September 29, 2024, all of UNIFI's \$131,691 of debt obligations were guaranteed by certain of its domestic operating subsidiaries, while nearly all of UNIFI's cash and cash equivalents were held by its foreign subsidiaries. Cash and cash equivalents held by foreign subsidiaries may not be presently available to fund UNIFI's domestic capital requirements, including its domestic debt obligations. UNIFI employs a variety of strategies to ensure that its worldwide cash is available in the locations where it is needed.

The following table presents a summary of cash and cash equivalents, borrowings available under financing arrangements, liquidity, working capital, and total debt obligations as of September 29, 2024 for domestic operations compared to foreign operations:

	Domestic	Foreign	Total
Cash and cash equivalents	\$ 479	\$ 13,224	\$ 13,703
Borrowings available under financing arrangements	38,645	—	38,645
Liquidity	\$ 39,124	\$ 13,224	\$ 52,348
Working capital	\$ 73,177	\$ 101,769	\$ 174,946
Total debt obligations	\$ 131,691	\$ —	\$ 131,691

Borrowings available under financing arrangements are generally collateralized by receivables and inventory owned in the U.S. and generally constrained by the fixed charge coverage ratio and trigger level prescribed in the 2022 Credit Agreement. Accordingly, not all of such funds are immediately available for use in UNIFI's operations. UNIFI's primary cash requirements, in addition to normal course operating activities (e.g., working capital and payroll), primarily include (i) capital expenditures that generally have commitments of up to 12 months, (ii) contractual obligations that support normal course ongoing operations and production, (iii) operating leases and finance leases, (iv) debt service, and (v) share repurchases.

Liquidity Considerations

Following the establishment of the 2024 Facility, UNIFI believes its global cash and liquidity positions are sufficient to sustain its operations and to meet its growth needs for the foreseeable future. Additionally, UNIFI considers opportunities to repatriate existing cash to reduce debt and preserve or enhance liquidity. However, further degradation in the macroeconomic environment could introduce additional liquidity risk and require UNIFI to limit cash outflows for discretionary activities while further utilizing available and additional forms of credit.

We do not currently anticipate that any adverse events or circumstances will place critical pressure on our liquidity position or our ability to fund our operations and expected business growth. Should global demand, economic activity, or input availability decline considerably for an even longer period of time, UNIFI maintains the ability to (i) seek additional credit or financing arrangements and/or (ii) re-implement cost reduction initiatives to preserve cash and secure the longevity of the business and operations. Management continues to (i) explore cost savings opportunities and (ii) prioritize repayment of debt in the current operating environment.

When business levels increase, we expect to use cash in support of working capital needs.

The following outlines the attributes relating to our credit facility as of September 29, 2024:

- UNIFI was in compliance with all applicable financial covenants in the 2022 Credit Agreement;
- excess availability before the Trigger Level (as defined in the 2022 Credit Agreement) under the ABL Revolver was \$20,755;
- the Trigger Level was \$17,890; and
- \$0 of standby letters of credit were outstanding.

On October 25, 2024, UNIFI entered into a new credit agreement with Wells Fargo Bank, National Association for a \$25,000 revolving credit facility (the "2024 Facility"). The maturity date of the 2024 Facility is the earlier of (i) October 28, 2027 and (ii) the termination or refinancing of the 2022 Credit Agreement. The 2024 Facility is deemed unsecured financing for UNIFI, but is collateralized by certain assets pledged by related party Kenneth G. Langone, one of the members of UNIFI's Board of Directors. Borrowings under the 2024 Facility bear interest at a rate of SOFR plus 0.90%. The 2024 Facility contains no additional financial covenants beyond those already in effect for the 2022 Credit Agreement and is subject to a monthly unused line fee of 0.25% on available borrowing capacity. As of the report date, no amounts had been borrowed against the 2024 Facility.

In addition to making payments in accordance with the scheduled maturities of debt required under its existing debt obligations, UNIFI may, from time to time, elect to repay additional amounts borrowed under the ABL Facility and 2024 Facility. Funds to make such repayments may come from the operating cash flows of the business or other sources and will depend upon UNIFI's strategy, prevailing market conditions, liquidity requirements, contractual restrictions within the 2022 Credit Agreement, and other factors.

Liquidity Summary

UNIFI has met its historical liquidity requirements for working capital, capital expenditures, debt service requirements, and other operating needs from its cash flows from operations and available borrowings. UNIFI believes that its existing cash balances, cash provided by operating activities, and credit facility will enable UNIFI to meet its foreseeable liquidity requirements. For its foreign operations, UNIFI expects its existing cash balances, cash provided by operating activities, and available financing arrangements will provide the needed liquidity to fund the associated operating activities and investing activities, such as future capital expenditures. UNIFI believes its operations in Asia and Brazil are in a position to obtain local country financing arrangements due to the operating results of each subsidiary.

Net Debt (Non-GAAP Financial Measure)

The reconciliations for Net Debt are as follows:

	September 29, 2024	June 30, 2024
Long-term debt	\$ 119,324	\$ 117,793
Current portion of long-term debt	12,153	12,277
Unamortized debt issuance costs	214	229
Debt principal	131,691	130,299
Less: cash and cash equivalents	13,703	26,805
Net Debt	<u>\$ 117,988</u>	<u>\$ 103,494</u>

The increase in Net Debt primarily reflects the increase in inventories and capital expenditures during the current period.

Working Capital and Adjusted Working Capital (Non-GAAP Financial Measure)

The following table presents the components of working capital and the reconciliation of working capital to Adjusted Working Capital:

	September 29, 2024	June 30, 2024
Cash and cash equivalents	\$ 13,703	\$ 26,805
Receivables, net	77,885	79,165
Inventories	145,350	131,181
Income taxes receivable	1,355	164
Other current assets	12,923	11,618
Accounts payable	(41,250)	(43,622)
Other current liabilities	(18,923)	(17,662)
Income taxes payable	(1,510)	(754)
Current operating lease liabilities	(2,434)	(2,251)
Current portion of long-term debt	(12,153)	(12,277)
Working capital	<u>\$ 174,946</u>	<u>\$ 172,367</u>
Less: Cash and cash equivalents	(13,703)	(26,805)
Less: Income taxes receivable	(1,355)	(164)
Less: Income taxes payable	1,510	754
Less: Current operating lease liabilities	2,434	2,251
Less: Current portion of long-term debt	12,153	12,277
Adjusted Working Capital	<u>\$ 175,985</u>	<u>\$ 160,680</u>

Adjusted Working Capital increased \$15,305 from June 30, 2024 to September 29, 2024.

The increase in Adjusted Working Capital was primarily attributable to an increase in inventories, partially impacted by insignificant changes in other balance sheet accounts. The increase in inventories was primarily a result of weaker-than-expected sales levels in the U.S. and Asia, causing a decrease in inventory turnover.

Operating Cash Flows

The significant components of net cash (used) provided by operating activities are summarized below.

	For the Three Months Ended	
	September 29, 2024	October 1, 2023
Net loss	\$ (7,632)	\$ (13,270)
Equity in earnings of unconsolidated affiliates	(11)	(200)
Depreciation and amortization expense	6,547	7,026
Non-cash compensation expense	435	212
Deferred income taxes	344	(679)
Subtotal	(317)	(6,911)
Receivables, net	2,221	4,111
Inventories	(12,851)	12,608
Accounts payable and other current liabilities	(460)	(3,432)
Other changes	(1,427)	743
Net cash (used) provided by operating activities	<u>\$ (12,834)</u>	<u>\$ 7,119</u>

The decrease in operating cash flows was due to increased working capital primarily from an increase in inventories (as described above), partially offset by an improvement in earnings in the current period compared to the prior period.

Investing Cash Flows

Investing activities primarily include \$2,018 for capital expenditures. UNIFI expects recent and future capital projects to provide benefits to future profitability. The additional assets from these capital projects consist primarily of machinery and equipment. In March 2023, UNIFI amended certain existing contracts related to future purchases of texturing machinery by delaying the scheduled receipt and installation of such equipment in the U.S. and El Salvador for 18 months. In December 2023, UNIFI extended this delay by an additional 12 months at no cost to the Company.

Financing Cash Flows

Financing activities primarily include net proceeds from the ABL Revolver and payments on the ABL Term Loan.

Share Repurchase Program

As described in Note 7, "Shareholders' Equity," no share repurchases have been completed in fiscal 2025.

Contractual Obligations

UNIFI incurs various financial obligations and commitments in the ordinary course of business. Financial obligations are considered to represent known future cash payments that UNIFI is required to make under existing contractual arrangements, such as debt and lease agreements.

There have been no material changes in the scheduled maturities of UNIFI's contractual obligations as disclosed under the heading "Contractual Obligations" in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in the 2024 Form 10-K.

Off-Balance Sheet Arrangements

UNIFI is not a party to any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on UNIFI's financial condition, results of operations, liquidity, or capital expenditures.

Critical Accounting Policies

UNIFI's critical accounting policies are discussed in the 2024 Form 10-K. There have been no changes to UNIFI's critical accounting policies in fiscal 2025.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

UNIFI is exposed to market risks associated with changes in interest rates, fluctuations in foreign currency exchange rates, and raw material and commodity costs, which may adversely affect its financial position, results of operations, or cash flows. UNIFI does not enter into derivative financial instruments for trading purposes, nor is it a party to any leveraged financial instruments.

Interest Rate Risk

UNIFI is exposed to interest rate risk through its borrowing activities. As of September 29, 2024, UNIFI had borrowings under its ABL Facility that totaled \$123,100. UNIFI's sensitivity analysis indicates that a 50-basis point interest rate increase as of September 29, 2024 would result in an increase in annual interest expense of approximately \$700.

Foreign Currency Exchange Rate Risk

A complete discussion of foreign currency exchange rate risk is included in the 2024 Form 10-K and is supplemented by the following disclosures.

As of September 29, 2024, UNIFI had no outstanding foreign currency forward contracts. As of September 29, 2024, foreign currency exchange rate risk positions included the following:

	Approximate Amount or Percentage
Percentage of total consolidated assets held by UNIFI's subsidiaries outside the U.S. whose functional currency is not the USD	29.5 %
Cash and cash equivalents held outside the U.S.:	
Denominated in USD	\$ 9,794
Denominated in RMB	732
Denominated in BRL	1,768
Denominated in other foreign currencies	220
Total cash and cash equivalents held outside the U.S.	\$ 12,514
Percentage of total cash and cash equivalents held outside the U.S.	91.3 %
Cash and cash equivalents held inside the U.S. in USD by foreign subsidiaries	\$ 710

Raw Material and Commodity Cost Risks

A complete discussion of raw material and commodity cost risks is included in the 2024 Form 10-K.

Other Risks

UNIFI is also exposed to geopolitical risk, including changing laws and regulations governing international trade, such as quotas, tariffs, and tax laws. The degree of impact and the frequency of these events cannot be predicted.

Item 4. Controls and Procedures

As of September 29, 2024, an evaluation of the effectiveness of UNIFI's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) was performed under the supervision and with the participation of UNIFI's management, including the principal executive officer and the principal financial officer. Based on that evaluation, UNIFI's principal executive officer and principal financial officer concluded that UNIFI's disclosure controls and procedures are effective to ensure that information required to be disclosed by UNIFI in its reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC rules and forms, and that information required to be disclosed by UNIFI in the reports UNIFI files or submits under the Exchange Act is accumulated and communicated to UNIFI's management, including its principal executive officer and its principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

There were no changes in UNIFI's internal control over financial reporting during the three months ended September 29, 2024 that have materially affected, or are reasonably likely to materially affect, UNIFI's internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

We are from time to time a party to various lawsuits, claims, and other legal proceedings that arise in the ordinary course of business. With respect to all such lawsuits, claims, and proceedings, we record reserves when it is probable a liability has been incurred and the amount of loss can be reasonably estimated. We do not believe that any of these proceedings, individually or in the aggregate, would be expected to have a material adverse effect on our results of operations, financial position, or cash flows. We maintain liability insurance for certain risks that is subject to certain self-insurance limits.

Item 1A. Risk Factors

There have been no material changes in UNIFI's risk factors from those included in "Item 1A. Risk Factors" in the 2024 Form 10-K.

Item 5. Other Information

Insider Trading Arrangements

During the quarter ended September 29, 2024, none of our directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement" (as such terms are defined in Item 408 of Regulation S-K).

Item 6. Exhibits

Exhibit No.	Description
3.1	Restated Certificate of Incorporation of Unifi, Inc. (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed October 31, 2016 (File No. 001-10542)).
3.2	Amended and Restated By-laws of Unifi, Inc., as of October 26, 2016 (incorporated by reference to Exhibit 3.2 to the Current Report on Form 8-K filed October 31, 2016 (File No. 001-10542)).
3.3	Declaration of Amendment to the Amended and Restated By-laws of Unifi, Inc. effective April 30, 2019 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed May 1, 2019 (File No. 001-10542)).
4.1	First Amendment to Second Amended and Restated Credit Agreement (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed September 6, 2024 (File No. 001-10542)).
4.2	Credit Agreement, dated as of October 25, 2024, by and among Unifi Manufacturing, Inc. and certain of its domestic affiliates (including, without limitation, Unifi, Inc.), as borrowers, Wells Fargo Bank, National Association, as administrative agent, sole lead arranger and sole book runner, and the lenders party thereto (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed October 30, 2024 (File No. 001-10542)).
10.1 ⁺	Form of Restricted Stock Unit Agreement for Employees for use in connection with the Unifi, Inc. Second Amended and Restated 2013 Incentive Compensation Plan (File No. 001-10542).
10.2 ⁺	Form of Cash-Settled Restricted Stock Unit Agreement for Employees for use in connection with the Unifi, Inc. Second Amended and Restated 2013 Incentive Compensation Plan (File No. 001-10542).
10.3 ⁺	Form of Performance Share Unit Agreement for Employees for use in connection with the Unifi, Inc. Second Amended and Restated 2013 Incentive Compensation Plan (File No. 001-10542).
10.4 ⁺	Form of Cash-Settled Performance Share Unit Agreement for Employees for use in connection with the Unifi, Inc. Second Amended and Restated 2013 Incentive Compensation Plan (File No. 001-10542).
31.1 ⁺	Certification of Principal Executive Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2 ⁺	Certification of Principal Financial Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32 ⁺⁺	Certifications of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbases Document.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

+ Filed herewith.

++ Furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

UNIFI, INC.
(Registrant)

Date: November 6, 2024

By: /s/ ANDREW J. EAKER
Andrew J. Eaker
Executive Vice President & Chief Financial Officer
Treasurer
(Principal Financial Officer and Principal
Accounting Officer)

[FORM OF] RESTRICTED STOCK UNIT AGREEMENT

This Restricted Stock Unit Agreement (this “*Agreement*”) is made by and between Unifi, Inc., a New York corporation (the “*Company*”), and [EMPLOYEE], a key employee (the “*Grantee*”) of the Company.

WITNESSETH:

WHEREAS, the Company has adopted the Unifi, Inc. Second Amended and Restated 2013 Incentive Compensation Plan, which became effective on October 29, 2020 and was further amended effective October 31, 2023 (the “*Plan*”); and

WHEREAS, the Compensation Committee (the “*Committee*”) of the Board of Directors (the “*Board*”) of the Company has determined that it is desirable and in the best interests of the Company to grant to the Grantee Restricted Stock Units (“*RSUs*”) as an incentive for the Grantee to advance the interests of the Company;

NOW, THEREFORE, the parties agree as follows:

Section 1. Incorporation of Plan. The Plan is incorporated by reference and made a part of this Agreement, and this Agreement shall be subject to the terms of the Plan, as the Plan may be amended from time to time, provided that any such amendment of the Plan must be made in accordance with Section 14 of the Plan. Unless otherwise defined herein, capitalized terms used in this Agreement shall have the meanings ascribed to them in the Plan.

Section 2. Grant of RSU; Notice of Grant. Pursuant to the Plan and subject to the terms and conditions set forth herein and therein, the Company has granted to the “*Grantee*,” and effective as of the “*Grant Date*,” a certain number of RSUs, all as set forth on the Notice of Grant attached hereto as Annex A, which Notice of Grant is incorporated by reference herein.

Section 3. Terms of Restricted Stock Units. The RSUs granted under this Agreement are subject to the following terms, conditions and restrictions:

(a) No Ownership. The Grantee shall not possess any incidents of ownership (including, without limitation, dividend and voting rights) in shares of the Company Stock in respect of the RSUs until such RSUs have been converted into shares of Company Stock and such shares have been distributed to the Grantee in the form of shares of Company Stock.

(b) Transfer of RSUs. Except as provided in this Section 3(b), the RSUs and any interest therein may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of, except by will or the laws of descent and distribution and subject to the conditions set forth in the Plan and this Agreement. Any attempt to

transfer RSUs in contravention of this Section is void ab initio. RSUs shall not be subject to execution, attachment or other process.

(c) Vesting and Conversion of RSUs. If the Grantee remains in the continuous employment of the Company from the Grant Date through the applicable “**Vesting Date**” listed below, the last of which is the “**Final Vesting Date**”, the corresponding percentage of the total number of RSUs awarded under this Agreement will become fully vested.

Vesting Date	Percentage of RSUs Vested
[]	[]%
[]	[]%
[]	[]%

There shall be no vesting of the RSUs to result in a fraction under this vesting schedule. If the vesting schedule would otherwise result in a fractional RSU, such RSU shall be rounded up to the next whole number, subject to the next sentence with respect to the Final Vesting Date. If the number of vested RSUs is rounded up on any Vesting Date prior to the Final Vesting Date, the number of RSUs in which the Grantee becomes vested on the Final Vesting Date shall be adjusted so that the total number of vested RSUs equals the number of RSUs set forth in the Notice of Grant.

On each Vesting Date, the vested RSUs shall be converted into an equivalent number of shares of Company Stock, and all such shares of Company Stock will be distributed to the Grantee within 30 days following the applicable Vesting Date, subject to the following possible deferral election by the Grantee. The Grantee may irrevocably elect, on or before the “**Deferral Election Date**” indicated on Annex A, to instead receive distributions of shares of Company Stock upon the Grantee’s “separation from service” (as such term is defined in Section 409A and described in Section 7, a “**Separation from Service**”), in either a single distribution or substantially equal annual distributions over a period of up to five years following the Grantee’s Separation from Service. Such an election must be made by completing and submitting to the Company a Deferral Election Form in substantially the form included as part of Annex B hereto.

Upon any distribution of shares of Company Stock in respect of the RSUs, the Company shall (i) issue (or make available via electronic means) to the Grantee or the Grantee’s personal representative a stock certificate representing such shares of Company Stock, or (ii) cause such number of shares to be registered in the name of the Grantee or the Grantee’s personal representative via a book-entry or other share registry process that is effective to constitute the uncertificated delivery thereof, in either case free of any restrictions.

(d) Additional Vesting Provisions.

(i) If, prior to the Final Vesting Date, the Grantee dies or has a Separation from Service as a result of Disability, all RSUs shall become fully vested, converted into an equivalent number of shares of Company Stock and distributed to the Grantee in a single distribution within 30 days following the Grantee's death or such Separation from Service, as the case may be, in either case without regard to any distribution deferral election.

(ii) If, after the Grantee attains age 65 but prior to the Final Vesting Date, the Grantee has a Separation from Service due to an involuntary termination by the Company without Cause (as defined below), all remaining unvested RSUs shall become fully vested, and all RSUs shall be converted into an equivalent number of shares of Company Stock and distributed to the Grantee in a single distribution within 30 days following such Separation from Service, without regard to any distribution deferral election.

(iii) If, prior to the Final Vesting Date, Grantee has a Separation from Service for any reason not covered in Section 3(d)(i) or Section 3(d)(ii) above, then the Grantee shall forfeit any unvested RSUs and shall not be entitled to receive any shares of Company Stock under this Agreement with respect to such forfeited RSUs.

(iv) Notwithstanding the foregoing, the Grantee shall immediately forfeit all RSUs (whether or not vested) and any underlying shares of Company Stock for which distribution has been deferred pursuant to Section 3(c) upon the Grantee's Separation from Service for Cause, whether before or after the Final Vesting Date.

(v) In the event of a Change in Control (as defined in the Plan), all RSUs shall become fully vested, be converted into shares of Company Stock and be immediately distributed to the Grantee in a single distribution within 30 days following the Change in Control, without regard to any distribution deferral election.

(vi) For purposes of this Agreement, "**Cause**" means any of the following, as determined in good faith by the Committee: (A) an act of embezzlement, theft or misappropriation by the Grantee of any property of the Company or any Related Company; (B) any breach by the Grantee of any material provision of any material agreement to which the Grantee is a party with the Company or any Related Company that is not cured, to the extent the breach is susceptible to being cured, within fourteen (14) days after the Company gives express notice to the Grantee describing such breach; (C) gross negligence by the Grantee in the discharge of his or her lawful duties to the Company or any Related Company (after receiving express notice from the Company specifying the manner in which he or she is alleged to have been grossly negligent and having had the opportunity to cure the same within thirty (30) days from receipt of such notice); (D) any act by the Grantee constituting a felony or a crime that otherwise involves dishonesty or misrepresentation; (E) the Grantee's breach of any fiduciary duty, under applicable

law, to the Company or any Related Company, regardless of whether such conduct constitutes gross negligence; or (F) any chemical or alcohol dependence by the Grantee that materially and adversely affects the performance of his or her duties or responsibilities to the Company or any Related Company.

Section 4. Equitable Adjustment. The aggregate number of shares of Company Stock subject to the RSUs shall be proportionately adjusted for any increase or decrease in the number of issued and outstanding shares of Company Stock resulting from a subdivision or consolidation of shares or other capital adjustment, or the payment of a stock dividend or other increase or decrease in such shares, effected without the receipt of consideration by the Company, or other change in corporate or capital structure. The Committee shall make the foregoing changes and any other changes, including changes in the classes of securities available, to the extent reasonably necessary or desirable to preserve the intended benefits under this Agreement in the event of any other reorganization, recapitalization, merger, consolidation, spin-off, extraordinary dividend or other distribution or similar transaction involving the Company.

Section 5. Taxes. The Grantee, upon the distribution of the RSUs, shall pay to the Company in cash the amount of any Applicable Withholding Taxes as provided in the Plan. Notwithstanding the foregoing, the Grantee may satisfy the Applicable Withholding Taxes in whole or in part, by electing (a) to deliver to the Company shares of Company Stock owned by the Grantee at the time of the distribution, (b) to have the Company withhold a portion of the RSUs to which the Grantee would otherwise be entitled or (c) a combination of the foregoing. In the event that the Grantee does not notify the Company of the Grantee's preferred method of satisfaction of the Applicable Withholding Taxes for a given Vesting Date prior to such Vesting Date, the Company shall withhold a portion of the RSUs vesting on that Vesting Date to satisfy such Applicable Withholding Taxes. Any shares of Company Stock delivered or to be withheld in satisfaction of any tax obligation of the Grantee shall have a value equal to their Fair Market Value on the day the RSUs are distributed, as provided in the Plan.

Section 6. No Right to Continued Employment. Nothing contained herein shall be deemed to confer upon the Grantee any right to continue in the employment of the Company.

Section Section 409A.

7.

(a) It is intended that this Agreement comply in all respects with the requirements of Section 409A of the Code and applicable Treasury Regulations and other generally applicable guidance issued thereunder (collectively, "**Section 409A**"), and this Agreement shall be interpreted for all purposes in accordance with this intent.

(b) Notwithstanding any other term or provision of this Agreement (including any term or provision of the Plan incorporated herein by reference), the parties hereto agree that, from time to time, the Company may, without prior notice to or consent of the Grantee, amend this Agreement to the extent determined by the

Company, in the exercise of its discretion in good faith, to be necessary or advisable to prevent the inclusion in the Grantee's gross income pursuant to the applicable Treasury Regulations of any compensation intended to be deferred hereunder. The Company shall notify the Grantee as soon as reasonably practicable of any such amendment affecting the Grantee.

(c) If the amounts payable under this Agreement are subject to any taxes, penalties or interest under Section 409A, the Grantee shall be solely liable for the payment of any such taxes, penalties or interest.

(d) Except as otherwise specifically provided herein, the time and method for payment of the RSUs as provided in Section 3 and the Deferral Election Form shall not be accelerated or delayed for any reason, unless to the extent necessary to comply with, or as may be permitted under, Section 409A.

(e) If the Grantee is deemed on the date of a Separation from Service to be a "specified employee" (within the meaning of that term under Section 409A(a)(2)(B) of the Code and determined using any identification methodology and procedure selected by the Company from time to time, or the default methodology and procedure specified under Code Section 409A, if none has been selected by the Company), then with regard to any payment or the provision of any benefit that is "nonqualified deferred compensation" within the meaning of Section 409A and that is paid as a result of the Grantee's Separation from Service, such payment or benefit shall not be made or provided prior to the date that is the earlier of (i) the expiration of the six (6)-month period measured from the date of such Separation from Service of the Grantee, and (ii) the date of the Grantee's death (the "**Delay Period**"). Upon the expiration of the Delay Period, all payments and benefits delayed pursuant to this provision (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to the Grantee in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein. For purposes of Section 409A, a distribution of shares of Company Stock following conversion of an RSU shall constitute a "payment" thereof.

Section 8. Recoupment of RSUs/Shares of Stock. Notwithstanding any provision in the Plan or this Agreement to the contrary, all RSUs and underlying shares of Company Stock awarded pursuant to this Agreement shall be subject to recoupment by the Company pursuant to the Company's Compensation Recoupment Policy, as it may be amended from time to time (or any successor policy thereto) (the "**Recoupment Policy**"). The terms of the Recoupment Policy are hereby incorporated by reference into this Agreement.

Section 9. General Matters.

(a) Heirs and Successors. This Agreement shall be binding upon, and inure to the benefit of, the Company and its successors and assigns, and upon any

person acquiring, whether by merger, consolidation, purchase of assets or otherwise, all or substantially all of the Company's assets and business. Subject to the terms of the Plan, any benefits distributable to the Grantee under this Agreement that are not distributed at the time of the Grantee's death shall be distributed, at the time and in the form determined in accordance with the provisions of this Agreement and the Plan, to the beneficiary designated by the Grantee in writing filed with the Company in such form and at such time as the Committee shall require. If a deceased Grantee failed to designate a beneficiary, or if the designated beneficiary of the deceased Grantee dies before the Grantee or before complete distribution of the benefits due under this Agreement, the amounts to be distributed under this Agreement shall be distributed to the legal representative or representatives of the estate of the last to die of the Grantee and any designated beneficiary.

(b) Amendments by the Committee. The Committee may, at any time prior to the Final Vesting Date, amend this Agreement, provided that no amendment may, in the absence of written consent by the Grantee, adversely affect the rights of the Grantee under this Agreement prior to the date of such amendment.

(c) Administration. The authority to manage and control the operation and administration of this Agreement has been vested in the Committee, and the Committee shall have all powers with respect to this Agreement that it has with respect to the Plan. Any interpretation of the Agreement by the Committee, and any decision made by it with respect to the Agreement, are final and binding.

(d) Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of North Carolina without reference to principles of conflict of laws.

(e) Resolution of Disputes. Any disputes arising under or in connection with this Agreement shall be resolved by binding arbitration before a single arbitrator, to be held in North Carolina in accordance with the commercial rules and procedures of the American Arbitration Association. Judgment upon the award by the arbitrator shall be final and subject to appeal only to the extent permitted by law. Each party shall bear such party's own expenses incurred in connection with any arbitration; provided, however, that the cost of the arbitration to the Grantee, including, without limitation, reasonable attorneys' fees of the Grantee, shall be borne by the Company if the Grantee is the prevailing party in the arbitration. Anything to the contrary notwithstanding, each party hereto has the right to proceed with a court action for injunctive relief or relief from violations of law not within the jurisdiction of an arbitrator. If any costs of the arbitration borne by the Company in accordance herewith would constitute compensation to the Grantee for Federal tax purposes, then (i) the amount of any such costs reimbursed to the Grantee in one taxable year shall not affect the amount of such costs reimbursable to the Grantee in any other taxable year, (ii) the Grantee's right to reimbursement of any such costs shall not be subject to liquidation or exchange for any other benefit, and (iii) the reimbursement of any such costs incurred by the Grantee shall be made as soon as

administratively practicable, but in any event within ten (10) days, after the date the Grantee is determined to be the prevailing party in the arbitration. The Grantee shall be responsible for submitting claims for reimbursement in a timely manner to enable payment within the timeframe provided herein.

(f) Notices. Any notice or other communication required or permitted under this Agreement, to be effective, shall be in writing and, unless otherwise expressly provided herein, shall be deemed to have been duly given (i) on the date delivered in person, (ii) on the date indicated on the return receipt if mailed postage prepaid, by certified or registered U.S. Mail, with return receipt requested, (iii) on the date transmitted by facsimile or e-mail, if sent by 5:00 P.M., Eastern Time, and confirmation of receipt thereof is reflected or obtained, or (iv) if sent by Federal Express, UPS or other nationally recognized overnight courier service or overnight express U.S. Mail, with service charges or postage prepaid, then on the next business day after delivery to the courier service or U.S. Mail (in time for and specifying next day delivery). In each case (except for personal delivery), any such notice or other communication shall be sent, as appropriate, (v) to the Grantee at the last address or facsimile number specified in the Grantee's records with the Company, or such other address or facsimile number as the Grantee may designate in writing to the Company, or (vi) to the Company, Attention: General Counsel, at its corporate headquarters address or main facsimile number at such address or such other address as the Company may designate in writing to the Grantee.

(g) Failure to Enforce Not a Waiver. The failure of either party hereto to enforce at any time any provision of this Agreement shall in no way be construed to be a waiver of such provision or of any other provision hereof.

(h) Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original but all of which together shall represent one and the same agreement.

(i) Modifications; Entire Agreement; Headings. This Agreement cannot be changed or terminated orally. This Agreement and the Plan contain the entire agreement between the parties relating to the subject matter hereof. The section headings herein are intended for reference only and shall not affect the interpretation hereof.

[Signatures Follow on Next Page]

IN WITNESS WHEREOF, the parties have executed this Agreement, including the Notice of Grant attached hereto as Annex A, effective as of the Grant Date set forth on Annex A.

UNIFI, INC.

By: _____
Name: [_____]
Title: [_____]

GRANTEE

(Signature)

Annex A

**NOTICE OF GRANT OF
RESTRICTED STOCK UNITS**

The following employee of Unifi, Inc. has been granted Restricted Stock Units pursuant to the Unifi, Inc. Second Amended and Restated 2013 Incentive Compensation Plan, as amended, in accordance with terms as set forth in this Notice of Grant and the Restricted Stock Unit Agreement to which this Notice of Grant is attached.

The terms below shall have the following meanings when used in the Restricted Stock Unit Agreement.

Grantee	[EMPLOYEE]
Address of Grantee	[_____]
Grant Date	[_____]
Deferral Election Date	[_____]
Aggregate Number of RSUs Granted	[AWARD]

Annex B

DEFERRAL ELECTION FORM AND INSTRUCTIONS

*** * * INSTRUCTIONS * * ***

You have been granted Restricted Stock Units (“*RSUs*”) pursuant to the Restricted Stock Unit Award Agreement to which this Annex B is attached as a part thereof (the “*Agreement*”). Unless otherwise defined herein or in the attached Deferral Election Form, capitalized terms have the meanings given them in the Agreement, which also includes Annex A attached thereto.

Payment of RSUs is made in shares of Company Stock after the vesting of the RSUs as described in the Agreement. You are taxed at ordinary income rates on the value of the shares of Company Stock at the time of such payment, which is the time that shares are distributed to you pursuant to the Agreement. Following such a distribution, you can sell some or all the shares at any time, subject to any applicable securities law restrictions. Or, in connection with a distribution, you can choose to have the Company withhold an appropriate number of the shares to satisfy your tax obligation.

As a general rule, your vested RSUs under the Agreement will be converted to shares of Company Stock that will be distributed to you in a single distribution within 30 days following the applicable Vesting Date. However, under Section 3(c) of the Agreement, you may elect instead to defer receipt of such shares of Company Stock until your Separation from Service, and then have the shares distributed to you in either a single distribution or substantially equal annual distributions over a period of up to five years following your Separation from Service. Such an election must be made by completing and submitting to the Company the attached Deferral Election Form on or before the Deferral Election Date.

However, if you become vested in your RSUs prior to a Vesting Date due to certain Separation from Service events as described in Section 3(d) of this Agreement or a Change in Control of the Company, you will receive your shares of Company Stock in a single distribution within 30 days following the date of such event, regardless of any deferral election that you may have made.

There may be advantages and disadvantages to making a deferral election, depending on your individual situation and future events, including future tax rates. You should consider your particular tax and financial situation before making a deferral election. You are encouraged to consult your personal tax or financial planning advisor in making a decision.

**FOR A DEFERRAL ELECTION TO BE EFFECTIVE,
YOU MUST COMPLETE AND RETURN THE ATTACHED FORM
NO LATER THAN THE DEFERRAL ELECTION DATE
TO THE OFFICE OF THE GENERAL COUNSEL**

**UNIFI, INC. RESTRICTED STOCK UNITS
DEFERRAL ELECTION FORM**

Name of Grantee: [EMPLOYEE]

All capitalized terms not defined herein have the meanings assigned to them in your [DATE] Restricted Stock Unit Agreement. ***Please check and initial the one option being elected.***

DO NOT DEFER DISTRIBUTION:

_____ I hereby elect to receive my shares of Company Stock in a single distribution within 30 days following the applicable Vesting Date.

TO DEFER DISTRIBUTION:

I hereby elect to receive distribution of the following number of shares of Company Stock pursuant to my [DATE] Restricted Stock Unit Agreement, in payment of my vested RSUs thereunder, as follows, understanding that the balance of my shares will be distributed to me, on a *pro rata* basis in accordance with Section 3(c) of my [DATE] Restricted Stock Unit Agreement:

_____ deferred percentage (must be a multiple of 10 up to 100%, and deferred shares will be rounded down to the nearest whole share) to be received in:

(a) _____ single distribution within 30 days following the date of my Separation from Service

OR

(b) _____ (***maximum of 5***) equal annual installment distributions, commencing within 30 days following my Separation from Service for the first installment and with each subsequent distribution on the respective anniversary dates of my Separation from Service.

I understand and acknowledge that:

- If I become vested in all or a portion of my RSUs prior to the applicable Vesting Date due to certain events as described in Section 3(d) of my Restricted Stock Unit Agreement or a Change in Control of the Company, my shares of Company Stock will be distributed to me in a single distribution within 30 days following the date of such event.
- ***If at any time I have a Separation from Service for Cause, I will forfeit all RSUs (whether or not vested) and all underlying shares of Company Stock that have not***

been distributed to me, including those deferred under this Deferral Election Form.

- My deferrals will be subject to all requirements of Section 409A of the Internal Revenue Code and provisions of the Plan as amended to comply with Section 409A.

I understand that this election is irrevocable. I also understand that I am making this election in accordance with the terms of the Plan and that the terms of the Plan will be used to resolve any ambiguity or inconsistency that may arise in connection with this election.

Signature of Grantee

Date

[FORM OF] CASH SETTLED RESTRICTED STOCK UNIT AGREEMENT

This Cash Settled Restricted Stock Unit Agreement (this “*Agreement*”) is made by and between Unifi, Inc., a New York corporation (the “*Company*”), and [EMPLOYEE], a key employee (the “*Grantee*”) of the Company.

WITNESSETH:

WHEREAS, the Company has adopted the Unifi, Inc. Second Amended and Restated 2013 Incentive Compensation Plan, which became effective on October 29, 2020 and was further amended effective October 31, 2023 (the “*Plan*”); and

WHEREAS, the Compensation Committee (the “*Committee*”) of the Board of Directors (the “*Board*”) of the Company has determined that it is desirable and in the best interests of the Company to grant to the Grantee Restricted Stock Units (“*RSUs*”) as an incentive for the Grantee to advance the interests of the Company;

NOW, THEREFORE, the parties agree as follows:

Section 1. Incorporation of Plan. The Plan is incorporated by reference and made a part of this Agreement, and this Agreement shall be subject to the terms of the Plan, as the Plan may be amended from time to time, provided that any such amendment of the Plan must be made in accordance with Section 14 of the Plan. Unless otherwise defined herein, capitalized terms used in this Agreement shall have the meanings ascribed to them in the Plan.

Section 2. Grant of RSU; Notice of Grant. Pursuant to the Plan and subject to the terms and conditions set forth herein and therein, the Company has granted to the “*Grantee*,” and effective as of the “*Grant Date*,” a certain number of RSUs, all as set forth on the Notice of Grant attached hereto as Annex A, which Notice of Grant is incorporated by reference herein.

Section 3. Terms of Restricted Stock Units. The RSUs granted under this Agreement are subject to the following terms, conditions and restrictions:

(a) No Ownership. The Grantee shall not possess any incidents of ownership (including, without limitation, dividend and voting rights) in shares of the Company Stock in respect of the RSUs.

(b) Transfer of RSUs. The RSUs and any interest therein may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of, except by will or the laws of descent and distribution and subject to the conditions set forth in the Plan and this Agreement. Any attempt to transfer RSUs in contravention of this Section is void ab initio. RSUs shall not be subject to execution, attachment or other process.

(c) Vesting and Conversion of RSUs. If the Grantee remains in the continuous employment of the Company from the Grant Date through the applicable “*Vesting Date*” listed below, the last of which is the “*Final Vesting Date*”, the corresponding percentage of the total number of RSUs awarded under this Agreement will become fully vested.

Vesting Date	Percentage of RSUs Vested
[]	[]%
[]	[]%
[]	[]%

There shall be no vesting of the RSUs to result in a fraction under this vesting schedule. If the vesting schedule would otherwise result in a fractional RSU, such RSU shall be rounded up to the next whole number, subject to the next sentence with respect to the Final Vesting Date. If the number of vested RSUs is rounded up on any Vesting Date prior to the Final Vesting Date, the number of RSUs in which the Grantee becomes vested on the Final Vesting Date shall be adjusted so that the total number of vested RSUs equals the number of RSUs set forth in the Notice of Grant.

On each Vesting Date, the vested RSUs shall be converted into a cash amount equal to the Fair Market Value of a share of Company Stock, as of the applicable Vesting Date, multiplied by the number of RSUs vesting on such Vesting Date, and such cash amount shall be paid to the Grantee within 30 days following the applicable Vesting Date.

(d) Additional Vesting Provisions.

(i) If, prior to the Final Vesting Date, the Grantee dies or has a Separation from Service as a result of Disability, all RSUs shall become fully vested, converted into a cash amount equal to the Fair Market Value of a share of Company Stock as of the date of such death or Separation from Service, multiplied by the number of RSUs vesting on such date, and paid to the Grantee within 30 days following the Grantee’s death or such Separation from Service, as the case may be.

(ii) If, after the Grantee attains age 65 but prior to the Final Vesting Date, the Grantee has a Separation from Service due to an involuntary termination by the Company without Cause (as defined below), all remaining unvested RSUs shall become fully vested, and all RSUs shall be converted a cash amount equal to the Fair Market Value of a share of Company Stock as of the date of such Separation from Service, multiplied by the number of RSUs vesting on such date, and paid to the Grantee within 30 days following such Separation from Service.

(iii) If, prior to the Final Vesting Date, the Grantee has a Separation from Service for any reason not covered in Section 3(d)(i) or Section 3(d)(ii) above, then the Grantee shall forfeit any unvested RSUs and shall not be entitled to receive any payment under this Agreement with respect to such forfeited RSUs.

(iv) Notwithstanding the foregoing, the Grantee shall immediately forfeit all RSUs (whether or not vested) upon the Grantee's Separation from Service for Cause, whether before or after the Final Vesting Date.

(v) In the event of a Change in Control (as defined in the Plan), all RSUs shall become fully vested, be converted into a cash amount equal to the Fair Market Value of a share of Company Stock as of the date of such Change in Control, multiplied by the number of RSUs vesting on such date, and immediately paid to the Grantee in a single distribution within 30 days following the Change in Control.

(vi) For purposes of this Agreement, "**Cause**" means any of the following, as determined in good faith by the Committee: (A) an act of embezzlement, theft or misappropriation by the Grantee of any property of the Company or any Related Company; (B) any breach by the Grantee of any material provision of any material agreement to which the Grantee is a party with the Company or any Related Company that is not cured, to the extent the breach is susceptible to being cured, within fourteen (14) days after the Company gives express notice to the Grantee describing such breach; (C) gross negligence by the Grantee in the discharge of his or her lawful duties to the Company or any Related Company (after receiving express notice from the Company specifying the manner in which he or she is alleged to have been grossly negligent and having had the opportunity to cure the same within thirty (30) days from receipt of such notice); (D) any act by the Grantee constituting a felony or a crime that otherwise involves dishonesty or misrepresentation; (E) the Grantee's breach of any fiduciary duty, under applicable law, to the Company or any Related Company, regardless of whether such conduct constitutes gross negligence; or (F) any chemical or alcohol dependence by the Grantee that materially and adversely affects the performance of his or her duties or responsibilities to the Company or any Related Company.

Section 4. Equitable Adjustment. The number of RSUs granted under this Agreement shall be proportionately adjusted for any increase or decrease in the number of issued and outstanding shares of Company Stock resulting from a subdivision or consolidation of shares or other capital adjustment, or the payment of a stock dividend or other increase or decrease in such shares, effected without the receipt of consideration by the Company, or other change in corporate or capital structure. The Committee shall make the foregoing changes and any other changes, including changes in the classes of securities available, to the extent reasonably necessary or desirable to preserve the intended benefits under this Agreement in the event of any other reorganization, recapitalization, merger, consolidation, spin-off, extraordinary dividend or other distribution or similar transaction involving the Company.

Section 5. Taxes. The Company shall withhold from any cash payment due to the Grantee hereunder the amount of any Applicable Withholding Taxes.

Section 6. No Right to Continued Employment. Nothing contained herein shall be deemed to confer upon the Grantee any right to continue in the employment of the Company.

Section Section 409A.

7.

(a) It is intended that this Agreement comply in all respects with the requirements of Section 409A of the Code and applicable Treasury Regulations and other generally applicable guidance issued thereunder (collectively, "**Section 409A**"), and this Agreement shall be interpreted for all purposes in accordance with this intent.

(b) Notwithstanding any other term or provision of this Agreement (including any term or provision of the Plan incorporated herein by reference), the parties hereto agree that, from time to time, the Company may, without prior notice to or consent of the Grantee, amend this Agreement to the extent determined by the Company, in the exercise of its discretion in good faith, to be necessary or advisable to prevent the inclusion in the Grantee's gross income pursuant to the applicable Treasury Regulations of any compensation intended to be deferred hereunder. The Company shall notify the Grantee as soon as reasonably practicable of any such amendment affecting the Grantee.

(c) If the amounts payable under this Agreement are subject to any taxes, penalties or interest under Section 409A, the Grantee shall be solely liable for the payment of any such taxes, penalties or interest.

(d) Except as otherwise specifically provided herein, the time and method for payment of the RSUs as provided in Section 3 shall not be accelerated or delayed for any reason, unless to the extent necessary to comply with, or as may be permitted under, Section 409A.

(e) If the Grantee is deemed on the date of a Separation from Service to be a "specified employee" (within the meaning of that term under Section 409A(a)(2)(B) of the Code and determined using any identification methodology and procedure selected by the Company from time to time, or the default methodology and procedure specified under Code Section 409A, if none has been selected by the Company), then with regard to any payment or the provision of any benefit that is "nonqualified deferred compensation" within the meaning of Section 409A and that is paid as a result of the Grantee's Separation from Service, such payment or benefit shall not be made or provided prior to the date that is the earlier of (i) the expiration of the six (6)-month period measured from the date of such Separation from Service of the Grantee, and (ii) the date of the Grantee's death (the "**Delay Period**"). Upon the expiration of the Delay Period, all payments and benefits delayed pursuant to this

provision (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to the Grantee in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein. For purposes of Section 409A, a payment of cash following conversion of an RSU shall constitute a “payment” thereof.

Section 8. Recoupment of RSUs. Notwithstanding any provision in the Plan or this Agreement to the contrary, all RSUs awarded and cash paid pursuant to this Agreement shall be subject to recoupment by the Company pursuant to the Company’s Compensation Recoupment Policy, as it may be amended from time to time (or any successor policy thereto) (the “**Recoupment Policy**”). The terms of the Recoupment Policy are hereby incorporated by reference into this Agreement.

Section 9. General Matters.

(a) Heirs and Successors. This Agreement shall be binding upon, and inure to the benefit of, the Company and its successors and assigns, and upon any person acquiring, whether by merger, consolidation, purchase of assets or otherwise, all or substantially all of the Company’s assets and business. Subject to the terms of the Plan, any benefits distributable to the Grantee under this Agreement that are not distributed at the time of the Grantee’s death shall be distributed, at the time and in the form determined in accordance with the provisions of this Agreement and the Plan, to the beneficiary designated by the Grantee in writing filed with the Company in such form and at such time as the Committee shall require. If a deceased Grantee failed to designate a beneficiary, or if the designated beneficiary of the deceased Grantee dies before the Grantee or before complete distribution of the benefits due under this Agreement, the amounts to be distributed under this Agreement shall be distributed to the legal representative or representatives of the estate of the last to die of the Grantee and any designated beneficiary.

(b) Amendments by the Committee. The Committee may, at any time prior to the Final Vesting Date, amend this Agreement, provided that no amendment may, in the absence of written consent by the Grantee, adversely affect the rights of the Grantee under this Agreement prior to the date of such amendment.

(c) Administration. The authority to manage and control the operation and administration of this Agreement has been vested in the Committee, and the Committee shall have all powers with respect to this Agreement that it has with respect to the Plan. Any interpretation of the Agreement by the Committee, and any decision made by it with respect to the Agreement, are final and binding.

(d) Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of North Carolina without reference to principles of conflict of laws.

(e) Resolution of Disputes. Any disputes arising under or in connection with this Agreement shall be resolved by binding arbitration before a single arbitrator, to be held in North Carolina in accordance with the commercial rules and procedures of the American Arbitration Association. Judgment upon the award by the arbitrator shall be final and subject to appeal only to the extent permitted by law. Each party shall bear such party's own expenses incurred in connection with any arbitration; provided, however, that the cost of the arbitration to the Grantee, including, without limitation, reasonable attorneys' fees of the Grantee, shall be borne by the Company if the Grantee is the prevailing party in the arbitration. Anything to the contrary notwithstanding, each party hereto has the right to proceed with a court action for injunctive relief or relief from violations of law not within the jurisdiction of an arbitrator. If any costs of the arbitration borne by the Company in accordance herewith would constitute compensation to the Grantee for Federal tax purposes, then (i) the amount of any such costs reimbursed to the Grantee in one taxable year shall not affect the amount of such costs reimbursable to the Grantee in any other taxable year, (ii) the Grantee's right to reimbursement of any such costs shall not be subject to liquidation or exchange for any other benefit, and (iii) the reimbursement of any such costs incurred by the Grantee shall be made as soon as administratively practicable, but in any event within ten (10) days, after the date the Grantee is determined to be the prevailing party in the arbitration. The Grantee shall be responsible for submitting claims for reimbursement in a timely manner to enable payment within the timeframe provided herein.

(f) Notices. Any notice or other communication required or permitted under this Agreement, to be effective, shall be in writing and, unless otherwise expressly provided herein, shall be deemed to have been duly given (i) on the date delivered in person, (ii) on the date indicated on the return receipt if mailed postage prepaid, by certified or registered U.S. Mail, with return receipt requested, (iii) on the date transmitted by facsimile or e-mail, if sent by 5:00 P.M., Eastern Time, and confirmation of receipt thereof is reflected or obtained, or (iv) if sent by Federal Express, UPS or other nationally recognized overnight courier service or overnight express U.S. Mail, with service charges or postage prepaid, then on the next business day after delivery to the courier service or U.S. Mail (in time for and specifying next day delivery). In each case (except for personal delivery), any such notice or other communication shall be sent, as appropriate, (v) to the Grantee at the last address or facsimile number specified in the Grantee's records with the Company, or such other address or facsimile number as the Grantee may designate in writing to the Company, or (vi) to the Company, Attention: General Counsel, at its corporate headquarters address or main facsimile number at such address or such other address as the Company may designate in writing to the Grantee.

(g) Failure to Enforce Not a Waiver. The failure of either party hereto to enforce at any time any provision of this Agreement shall in no way be construed to be a waiver of such provision or of any other provision hereof.

(h) Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original but all of which together shall represent one and the same agreement.

(i) Modifications; Entire Agreement; Headings. This Agreement cannot be changed or terminated orally. This Agreement and the Plan contain the entire agreement between the parties relating to the subject matter hereof. The section headings herein are intended for reference only and shall not affect the interpretation hereof.

[Signatures Follow on Next Page]

IN WITNESS WHEREOF, the parties have executed this Agreement, including the Notice of Grant attached hereto as Annex A, effective as of the Grant Date set forth on Annex A.

UNIFI, INC.

By: _____
Name: [_____]
Title: [_____]

GRANTEE

(Signature)

Annex A

**NOTICE OF GRANT OF
RESTRICTED STOCK UNITS**

The following employee of Unifi, Inc. has been granted Restricted Stock Units pursuant to the Unifi, Inc. Second Amended and Restated 2013 Incentive Compensation Plan, as amended, in accordance with terms as set forth in this Notice of Grant and the Restricted Stock Unit Agreement to which this Notice of Grant is attached.

The terms below shall have the following meanings when used in the Restricted Stock Unit Agreement.

Grantee	[EMPLOYEE]
Address of Grantee	[_____]
Grant Date	[_____]
Aggregate Number of RSUs Granted	[AWARD]

[FORM OF] PERFORMANCE SHARE UNIT AGREEMENT

This Performance Share Unit Agreement (this “*Agreement*”) is made by and between Unifi, Inc., a New York corporation (the “*Company*”), and [EMPLOYEE], a key employee (the “*Grantee*”) of the Company.

WITNESSETH:

WHEREAS, the Company has adopted the Unifi, Inc. Second Amended and Restated 2013 Incentive Compensation Plan, which became effective on October 29, 2020 and was further amended effective October 31, 2023 (the “*Plan*”); and

WHEREAS, the Compensation Committee (the “*Committee*”) of the Board of Directors (the “*Board*”) of the Company has determined that it is desirable and in the best interests of the Company to grant to the Grantee Performance Share Units (“*PSUs*”) as an incentive for the Grantee to advance the interests of the Company;

NOW, THEREFORE, the parties agree as follows:

Section 1. Incorporation of Plan. The Plan is incorporated by reference and made a part of this Agreement, and this Agreement shall be subject to the terms of the Plan, as the Plan may be amended from time to time, provided that any such amendment of the Plan must be made in accordance with Section 14 of the Plan. Unless otherwise defined herein, capitalized terms used in this Agreement shall have the meanings ascribed to them in the Plan.

Section 2. Grant of PSU; Notice of Grant. Pursuant to the Plan and subject to the terms and conditions set forth herein and therein, the Company has granted to the “*Grantee*,” and effective as of the “*Grant Date*,” a certain number of PSUs, all as set forth on the Notice of Grant attached hereto as Annex A, which Notice of Grant is incorporated by reference herein.

Section 3. Terms of PSUs. The PSUs granted under this Agreement are subject to the following terms, conditions and restrictions:

(a) No Ownership. The Grantee shall not possess any incidents of ownership (including, without limitation, dividend and voting rights) in shares of the Company Stock in respect of the PSUs until such PSUs have been converted into shares of Company Stock and such shares have been distributed to the Grantee in the form of shares of Company Stock.

(b) Transfer of PSUs. Except as provided in this Section 3(b), the PSUs and any interest therein may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of, except by will or the laws of descent and distribution and subject to the conditions set forth in the Plan and this Agreement. Any attempt to

transfer PSUs in contravention of this Section is void ab initio. PSUs shall not be subject to execution, attachment or other process.

(c) Vesting and Conversion of PSUs. If the Grantee remains in the continuous employment of the Company from the Grant Date through the end of the “**Performance Period**” listed below, the ending date of which is the “**Vesting Date**”, a percentage of the target PSUs awarded under this Agreement will become fully vested, as outlined on the Notice of Grant attached hereto as Annex A.

Performance Period Beginning Date	Performance Period Ending Date
[]	[]

On the Vesting Date, the vested PSUs shall be converted into an equivalent number of shares of Company Stock, and all such shares of Company Stock will be distributed to the Grantee within 75 days following the Vesting Date, subject to the following possible deferral election by the Grantee. The Grantee may irrevocably elect, on or before the “**Deferral Election Date**” indicated on Annex A, to instead receive distributions of shares of Company Stock upon the Grantee’s “separation from service” (as such term is defined in Section 409A and described in Section 7, a “**Separation from Service**”), in either a single distribution or substantially equal annual distributions over a period of up to five years following the Grantee’s Separation from Service. Such an election must be made by completing and submitting to the Company a Deferral Election Form in substantially the form included as part of Annex B hereto.

Upon any distribution of shares of Company Stock in respect of the PSUs, the Company shall (i) issue (or make available via electronic means) to the Grantee or the Grantee’s personal representative a stock certificate representing such shares of Company Stock, or (ii) cause such number of shares to be registered in the name of the Grantee or the Grantee’s personal representative via a book-entry or other share registry process that is effective to constitute the uncertificated delivery thereof, in either case free of any restrictions.

(d) Additional Vesting Provisions.

(i) If, prior to the Vesting Date, the Grantee dies or has a Separation from Service as a result of Disability, a *pro rata* portion, as determined on a *per diem* basis for the portion of the Performance Period that Grantee was in the continuous employment of the Company multiplied by the target number of PSUs on the Notice of Grant attached hereto as Annex A (the “**Target Number**”), of PSUs shall become fully vested, converted into an equivalent number of shares of Company Stock and distributed to the Grantee in a single distribution within 30 days following the Grantee’s death or such Separation from Service, as the case may be, in either case without regard to any distribution deferral election.

(ii) If, prior to the Vesting Date, the Grantee has a Separation from Service due to the Grantee's Retirement, the Committee may elect to award a *pro rata* portion, as determined on a *per diem* basis for the portion of the Performance Period that Grantee was in the continuous employment of the Company, of the number of PSUs that would have become vested PSUs (if the Grantee's employment had continued to the Vesting Date) pursuant to the performance criteria described in Annex A and such PSUs shall be converted into an equivalent number of shares of Company Stock and distributed to the Grantee in accordance with the Grantee's Deferral Election Form, attached hereto as Annex B.

(iii) If, after the Grantee attains age 65 but prior to the Vesting Date, the Grantee has a Separation from Service due to an involuntary termination by the Company without Cause (as defined below), the Grantee shall vest in a *pro rata* portion, as determined on a *per diem* basis for the portion of the Performance Period that Grantee was in the continuous employment of the Company, of the number of PSUs that would have become vested PSUs (if the Grantee's employment had continue to the Vesting Date) pursuant to the performance criteria described in Annex A and such PSUs shall be converted into an equivalent number of shares of Company Stock and distributed to the Grantee in accordance with the Grantee's Deferral Election Form, attached hereto as Annex B.

(iv) If, prior to the Vesting Date, Grantee has a Separation from Service for any reason not covered in Section 3(d)(i), Section 3(d)(ii) or Section 3(d)(iii) above, then the Grantee shall forfeit the PSUs and shall not be entitled to receive any shares of Company Stock under this Agreement with respect to such forfeited PSUs.

(v) Notwithstanding the foregoing, the Grantee shall immediately forfeit all PSUs (whether or not vested) and any underlying shares of Company Stock for which distribution has been deferred pursuant to Section 3(c) upon the Grantee's Separation from Service for Cause, whether before or after the Vesting Date.

(vi) In the event of a Change in Control (as defined in the Plan), the Target Number of PSUs shall become fully vested, and such PSUs shall be converted into shares of Company Stock and distributed to the Grantee in a single distribution within 30 days following the Change in Control, without regard to any distribution deferral election.

(vii) For purposes of this Agreement, "**Cause**" means any of the following, as determined in good faith by the Committee: (A) an act of embezzlement, theft or misappropriation by the Grantee of any property of the Company or any Related Company; (B) any breach by the Grantee of any material provision of any material agreement to which the Grantee is a party with the Company or any Related Company that is not cured, to the extent the breach is susceptible to being cured, within fourteen (14) days after the Company gives express notice to the Grantee describing such breach; (C) gross negligence by the Grantee in the discharge of his or her lawful duties to the Company or any Related Company (after receiving

express notice from the Company specifying the manner in which he or she is alleged to have been grossly negligent and having had the opportunity to cure the same within thirty (30) days from receipt of such notice); (D) any act by the Grantee constituting a felony or a crime that otherwise involves dishonesty or misrepresentation; (E) the Grantee's breach of any fiduciary duty, under applicable law, to the Company or any Related Company, regardless of whether such conduct constitutes gross negligence; or (F) any chemical or alcohol dependence by the Grantee that materially and adversely affects the performance of his or her duties or responsibilities to the Company or any Related Company.

Section 4. Equitable Adjustment. The aggregate number of shares of Company Stock subject to the PSUs shall be proportionately adjusted for any increase or decrease in the number of issued and outstanding shares of Company Stock resulting from a subdivision or consolidation of shares or other capital adjustment, or the payment of a stock dividend or other increase or decrease in such shares, effected without the receipt of consideration by the Company, or other change in corporate or capital structure. The Committee shall make the foregoing changes and any other changes, including changes in the classes of securities available, to the extent reasonably necessary or desirable to preserve the intended benefits under this Agreement in the event of any other reorganization, recapitalization, merger, consolidation, spin-off, extraordinary dividend or other distribution or similar transaction involving the Company.

Section 5. Taxes. The Grantee, upon the distribution of the PSUs, shall pay to the Company in cash the amount of any Applicable Withholding Taxes as provided in the Plan. Notwithstanding the foregoing, the Grantee may satisfy the Applicable Withholding Taxes in whole or in part, by electing (a) to deliver to the Company shares of Company Stock owned by the Grantee at the time of the distribution, (b) to have the Company withhold a portion of the PSUs to which the Grantee would otherwise be entitled or (c) a combination of the foregoing. In the event that the Grantee does not notify the Company of the Grantee's preferred method of satisfaction of the Applicable Withholding Taxes for the Vesting Date prior to the Vesting Date, the Company shall withhold a portion of the PSUs vesting on the Vesting Date to satisfy such Applicable Withholding Taxes. Any shares of Company Stock delivered or to be withheld in satisfaction of any tax obligation of the Grantee shall have a value equal to their Fair Market Value on the day the PSUs are distributed, as provided in the Plan.

Section 6. No Right to Continued Employment. Nothing contained herein shall be deemed to confer upon the Grantee any right to continue in the employment of the Company.

Section 409A.

7.

(a) It is intended that this Agreement comply in all respects with the requirements of Section 409A of the Code and applicable Treasury Regulations and other generally applicable guidance issued thereunder (collectively, “**Section 409A**”), and this Agreement shall be interpreted for all purposes in accordance with this intent.

(b) Notwithstanding any other term or provision of this Agreement (including any term or provision of the Plan incorporated herein by reference), the parties hereto agree that, from time to time, the Company may, without prior notice to or consent of the Grantee, amend this Agreement to the extent determined by the Company, in the exercise of its discretion in good faith, to be necessary or advisable to prevent the inclusion in the Grantee’s gross income pursuant to the applicable Treasury Regulations of any compensation intended to be deferred hereunder. The Company shall notify the Grantee as soon as reasonably practicable of any such amendment affecting the Grantee.

(c) If the amounts payable under this Agreement are subject to any taxes, penalties or interest under Section 409A, the Grantee shall be solely liable for the payment of any such taxes, penalties or interest.

(d) Except as otherwise specifically provided herein, the time and method for payment of the PSUs as provided in Section 3 and the Deferral Election Form shall not be accelerated or delayed for any reason, unless to the extent necessary to comply with, or as may be permitted under, Section 409A.

(e) If the Grantee is deemed on the date of a Separation from Service to be a “specified employee” (within the meaning of that term under Section 409A(a)(2)(B) of the Code and determined using any identification methodology and procedure selected by the Company from time to time, or the default methodology and procedure specified under Code Section 409A, if none has been selected by the Company), then with regard to any payment or the provision of any benefit that is “nonqualified deferred compensation” within the meaning of Section 409A and that is paid as a result of the Grantee’s Separation from Service, such payment or benefit shall not be made or provided prior to the date that is the earlier of (i) the expiration of the six (6)-month period measured from the date of such Separation from Service of the Grantee, and (ii) the date of the Grantee’s death (the “**Delay Period**”). Upon the expiration of the Delay Period, all payments and benefits delayed pursuant to this provision (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to the Grantee in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein. For purposes of Section 409A, a distribution of shares of Company Stock following conversion of a PSU shall constitute a “payment” thereof.

Section 8. Recoupment of PSUs/Shares of Stock. Notwithstanding any provision in the Plan or this Agreement to the contrary, all PSUs and underlying shares of Company Stock awarded pursuant to this Agreement shall be subject to recoupment by the Company pursuant to the Company's Compensation Recoupment Policy, as it may be amended from time to time (or any successor policy thereto) (the "**Recoupment Policy**"). The terms of the Recoupment Policy are hereby incorporated by reference into this Agreement.

Section 9. General Matters.

(a) Heirs and Successors. This Agreement shall be binding upon, and inure to the benefit of, the Company and its successors and assigns, and upon any person acquiring, whether by merger, consolidation, purchase of assets or otherwise, all or substantially all of the Company's assets and business. Subject to the terms of the Plan, any benefits distributable to the Grantee under this Agreement that are not distributed at the time of the Grantee's death shall be distributed, at the time and in the form determined in accordance with the provisions of this Agreement and the Plan, to the beneficiary designated by the Grantee in writing filed with the Company in such form and at such time as the Committee shall require. If a deceased Grantee failed to designate a beneficiary, or if the designated beneficiary of the deceased Grantee dies before the Grantee or before complete distribution of the benefits due under this Agreement, the amounts to be distributed under this Agreement shall be distributed to the legal representative or representatives of the estate of the last to die of the Grantee and any designated beneficiary.

(b) Amendments by the Committee. The Committee may, at any time prior to 75 days after the Final Vesting Date, amend this Agreement, provided that no amendment may, in the absence of written consent by the Grantee, adversely affect the rights of the Grantee under this Agreement prior to the date of such amendment.

(c) Administration. The authority to manage and control the operation and administration of this Agreement has been vested in the Committee, and the Committee shall have all powers with respect to this Agreement that it has with respect to the Plan. Any interpretation of the Agreement by the Committee, and any decision made by it with respect to the Agreement, are final and binding.

(d) Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of North Carolina without reference to principles of conflict of laws.

(e) Resolution of Disputes. Any disputes arising under or in connection with this Agreement shall be resolved by binding arbitration before a single arbitrator, to be held in North Carolina in accordance with the commercial rules and procedures of the American Arbitration Association. Judgment upon the award by the arbitrator shall be final and subject to appeal only to the extent permitted by law.

Each party shall bear such party's own expenses incurred in connection with any arbitration; provided, however, that the cost of the arbitration to the Grantee, including, without limitation, reasonable attorneys' fees of the Grantee, shall be borne by the Company if the Grantee is the prevailing party in the arbitration. Anything to the contrary notwithstanding, each party hereto has the right to proceed with a court action for injunctive relief or relief from violations of law not within the jurisdiction of an arbitrator. If any costs of the arbitration borne by the Company in accordance herewith would constitute compensation to the Grantee for Federal tax purposes, then (i) the amount of any such costs reimbursed to the Grantee in one taxable year shall not affect the amount of such costs reimbursable to the Grantee in any other taxable year, (ii) the Grantee's right to reimbursement of any such costs shall not be subject to liquidation or exchange for any other benefit, and (iii) the reimbursement of any such costs incurred by the Grantee shall be made as soon as administratively practicable, but in any event within ten (10) days, after the date the Grantee is determined to be the prevailing party in the arbitration. The Grantee shall be responsible for submitting claims for reimbursement in a timely manner to enable payment within the timeframe provided herein.

(f) Notices. Any notice or other communication required or permitted under this Agreement, to be effective, shall be in writing and, unless otherwise expressly provided herein, shall be deemed to have been duly given (i) on the date delivered in person, (ii) on the date indicated on the return receipt if mailed postage prepaid, by certified or registered U.S. Mail, with return receipt requested, (iii) on the date transmitted by facsimile or e-mail, if sent by 5:00 P.M., Eastern Time, and confirmation of receipt thereof is reflected or obtained, or (iv) if sent by Federal Express, UPS or other nationally recognized overnight courier service or overnight express U.S. Mail, with service charges or postage prepaid, then on the next business day after delivery to the courier service or U.S. Mail (in time for and specifying next day delivery). In each case (except for personal delivery), any such notice or other communication shall be sent, as appropriate, (v) to the Grantee at the last address or facsimile number specified in the Grantee's records with the Company, or such other address or facsimile number as the Grantee may designate in writing to the Company, or (vi) to the Company, Attention: General Counsel, at its corporate headquarters address or main facsimile number at such address or such other address as the Company may designate in writing to the Grantee.

(g) Failure to Enforce Not a Waiver. The failure of either party hereto to enforce at any time any provision of this Agreement shall in no way be construed to be a waiver of such provision or of any other provision hereof.

(h) Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original but all of which together shall represent one and the same agreement.

(i) Modifications; Entire Agreement; Headings. This Agreement cannot be changed or terminated orally. This Agreement and the Plan contain the entire

agreement between the parties relating to the subject matter hereof. The section headings herein are intended for reference only and shall not affect the interpretation hereof.

[Signatures Follow on Next Page]

IN WITNESS WHEREOF, the parties have executed this Agreement, including the Notice of Grant attached hereto as Annex A, effective as of the Grant Date set forth on Annex A.

UNIFI, INC.

By: _____
Name: [_____]
Title: [_____]

GRANTEE

(Signature)

Annex A

**NOTICE OF GRANT OF
PERFORMANCE SHARE UNITS**

The following employee has been granted Performance Share Units pursuant to the Unifi, Inc. Second Amended and Restated 2013 Incentive Compensation Plan in accordance with terms as set forth in this Notice of Grant and the Performance Share Unit Agreement to which this Notice of Grant is attached.

The terms below shall have the following meanings when used in the Performance Share Unit Agreement.

Grantee	[EMPLOYEE]
Address of Grantee	[_____]
Grant Date	[_____]
Deferral Election Date	[_____]
Target Number of PSUs	[TARGET]

Further, the actual number of PSUs that shall vest on the Vesting Date shall be determined from the following table:

[ACHIEVEMENT OF PERFORMANCE METRIC] through the Performance Period	% of Target Number of PSUs
[_____]	[_____]
[_____]	[_____]
[_____]	[_____]

Annex B

DEFERRAL ELECTION FORM AND INSTRUCTIONS

*** * * INSTRUCTIONS * * ***

You have been granted Performance Share Units (“*PSUs*”) pursuant to the Performance Share Unit Agreement to which this Annex B is attached as a part thereof (the “*Agreement*”). Unless otherwise defined herein or in the attached Deferral Election Form, capitalized terms have the meanings given them in the Agreement, which also includes Annex A attached thereto.

Payment of PSUs is made in shares of Company Stock after the vesting of the PSUs as described in the Agreement. You are taxed at ordinary income rates on the value of the shares of Company Stock at the time of such payment, which is the time that shares are distributed to you pursuant to the Agreement. Following such a distribution, you can sell some or all the shares at any time, subject to any applicable securities law restrictions. Or, in connection with a distribution, you can choose to have the Company withhold an appropriate number of the shares to satisfy your tax obligation.

As a general rule, your vested PSUs under the Agreement will be converted to shares of Company Stock that will be distributed to you in a single distribution within 30 days following the applicable Vesting Date. However, under Section 3(c) of the Agreement, you may elect instead to defer receipt of such shares of Company Stock until your Separation from Service, and then have the shares distributed to you in either a single distribution or substantially equal annual distributions over a period of up to five years following your Separation from Service. Such an election must be made by completing and submitting to the Company the attached Deferral Election Form on or before the Deferral Election Date.

However, if you become vested in your PSUs prior to the Vesting Date due to certain Separation from Service events as described in Section 3(d)(i) of this Agreement or a Change in Control of the Company, you will receive your shares of Company Stock in a single distribution within 30 days following the date of such event, regardless of any deferral election that you may have made.

There may be advantages and disadvantages to making a deferral election, depending on your individual situation and future events, including future tax rates. You should consider your particular tax and financial situation before making a deferral election. You are encouraged to consult your personal tax or financial planning advisor in making a decision.

**FOR A DEFERRAL ELECTION TO BE EFFECTIVE,
YOU MUST COMPLETE AND RETURN THE ATTACHED FORM
NO LATER THAN THE DEFERRAL ELECTION DATE
TO THE OFFICE OF THE GENERAL COUNSEL**

**UNIFI, INC. PERFORMANCE SHARE UNITS
DEFERRAL ELECTION FORM**

Name of Grantee: [EMPLOYEE]

All capitalized terms not defined herein have the meanings assigned to them in your [DATE] Performance Share Unit Agreement. ***Please check and initial the one option being elected.***

DO NOT DEFER DISTRIBUTION:

_____ I hereby elect to receive my shares of Company Stock in a single distribution within 75 days following the Vesting Date.

TO DEFER DISTRIBUTION:

I hereby elect to receive distribution of the following percentage of my shares of Company Stock pursuant to my [DATE] Performance Share Unit Agreement, in payment of my vested PSUs thereunder, as follows:

_____ deferred percentage (must be a multiple of 10 up to 100%, and deferred shares will be rounded down to the nearest whole share) to be received in:

(a) _____ single distribution within 75 days following the later of the date of my Separation from Service or the Vesting Date

OR

(b) _____ (***maximum of 5***) equal annual installment distributions, commencing within 75 days following the later of the date of my Separation from Service or the Vesting Date for the first installment and with each subsequent distribution on the respective anniversary dates thereof.

I understand and acknowledge that:

- If I become vested in all or a portion of my PSUs prior to the Vesting Date due to certain events as described in Section 3(d)(i) of my Performance Share Unit Agreement or a Change in Control of the Company, my shares of Company Stock will be distributed to me in a single distribution within 30 days following the date of such event.
- ***If at any time I have a Separation from Service for Cause, I will forfeit all PSUs (whether or not vested) and all underlying shares of Company Stock that have not been distributed to me, including those deferred under this Deferral Election Form.***

- My deferrals will be subject to all requirements of Section 409A of the Internal Revenue Code and provisions of the Plan as amended to comply with Section 409A.

I understand that this election is irrevocable. I also understand that I am making this election in accordance with the terms of the Plan and that the terms of the Plan will be used to resolve any ambiguity or inconsistency that may arise in connection with this election.

Signature of Grantee

Date

[FORM OF] CASH SETTLED PERFORMANCE SHARE UNIT AGREEMENT

This Cash Settled Performance Share Unit Agreement (this “*Agreement*”) is made by and between Unifi, Inc., a New York corporation (the “*Company*”), and [EMPLOYEE], a key employee (the “*Grantee*”) of the Company.

WITNESSETH:

WHEREAS, the Company has adopted the Unifi, Inc. Second Amended and Restated 2013 Incentive Compensation Plan, which became effective on October 29, 2020 and was further amended effective October 31, 2023 (the “*Plan*”); and

WHEREAS, the Compensation Committee (the “*Committee*”) of the Board of Directors (the “*Board*”) of the Company has determined that it is desirable and in the best interests of the Company to grant to the Grantee Performance Share Units (“*PSUs*”) as an incentive for the Grantee to advance the interests of the Company;

NOW, THEREFORE, the parties agree as follows:

Section 1. Incorporation of Plan. The Plan is incorporated by reference and made a part of this Agreement, and this Agreement shall be subject to the terms of the Plan, as the Plan may be amended from time to time, provided that any such amendment of the Plan must be made in accordance with Section 14 of the Plan. Unless otherwise defined herein, capitalized terms used in this Agreement shall have the meanings ascribed to them in the Plan.

Section 2. Grant of PSU; Notice of Grant. Pursuant to the Plan and subject to the terms and conditions set forth herein and therein, the Company has granted to the “*Grantee*,” and effective as of the “*Grant Date*,” a certain number of PSUs, all as set forth on the Notice of Grant attached hereto as Annex A, which Notice of Grant is incorporated by reference herein.

Section 3. Terms of PSUs. The PSUs granted under this Agreement are subject to the following terms, conditions and restrictions:

(a) No Ownership. The Grantee shall not possess any incidents of ownership (including, without limitation, dividend and voting rights) in shares of the Company Stock in respect of the PSUs.

(b) Transfer of PSUs. The PSUs and any interest therein may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of, except by will or the laws of descent and distribution and subject to the conditions set forth in the Plan and this Agreement. Any attempt to transfer PSUs in contravention of this Section is void ab initio. PSUs shall not be subject to execution, attachment or other process.

(c) Vesting and Conversion of PSUs. If the Grantee remains in the continuous employment of the Company from the Grant Date through the end of the “**Performance Period**” listed below, the ending date of which is the “**Vesting Date**”, a percentage of the target PSUs awarded under this Agreement will become fully vested, as outlined on the Notice of Grant attached hereto as Annex A.

Performance Period Beginning Date	Performance Period Ending Date
[]	[]

On the Vesting Date, the vested PSUs shall be converted into a cash amount equal to the Fair Market Value of a share of Company Stock, as of the Vesting Date multiplied by the number of PSUs vested, and such cash amount shall be paid to the Grantee within 30 days following the Vesting Date.

(d) Additional Vesting Provisions.

(i) If, prior to the Vesting Date, the Grantee dies or has a Separation from Service as a result of Disability, a *pro rata* portion, as determined on a *per diem* basis for the portion of the Performance Period that Grantee was in the continuous employment of the Company multiplied by the target number of PSUs on the Notice of Grant attached hereto as Annex A (the “**Target Number**”), of PSUs shall become fully vested, converted into a cash amount equal to the Fair Market Value of a share of Company Stock as of the date of such death or Separation from Service, multiplied by the number of PSUs vesting on such date, and paid to the Grantee within 30 days following the Grantee’s death or such Separation from Service, as the case may be.

(ii) If, prior to the Vesting Date, the Grantee has a Separation from Service due to the Grantee’s Retirement, the Committee may elect to award a *pro rata* portion, as determined on a *per diem* basis for the portion of the Performance Period that Grantee was in the continuous employment of the Company, of the number of PSUs that would have become vested PSUs (if the Grantee’s employment had continued to the Vesting Date) pursuant to the performance criteria described in Annex A and such PSUs shall be converted into a cash amount equal to the Fair Market Value of a share of Company Stock as of the date of such Retirement multiplied by the number of PSUs vesting on such date, and paid to the Grantee within 30 days following the Grantee’s Retirement.

(iii) If, after the Grantee attains age 65 but prior to the Vesting Date, the Grantee has a Separation from Service due to an involuntary termination by the Company without Cause (as defined below), the Grantee shall vest in a *pro rata* portion, as determined on a *per diem* basis for the portion of the Performance Period that Grantee was in the continuous employment of the Company, of the number of PSUs that would have become vested PSUs (if the Grantee’s employment had continue to the Vesting Date) pursuant to the performance criteria described in

Annex A, and such PSUs shall be converted into a cash amount equal to the Fair Market Value of a share of Company Stock as of the date of such Separation from Service, multiplied by the number of PSUs vesting on such date, and paid to the Grantee within 30 days following such Separation of Service.

(iv) If, prior to the Vesting Date, Grantee has a Separation from Service for any reason not covered in Section 3(d)(i), Section 3(d)(ii) or Section 3(d)(iii) above, then the Grantee shall forfeit the PSUs and shall not be entitled to receive any payment under this Agreement with respect to such forfeited PSUs.

(v) Notwithstanding the foregoing, the Grantee shall immediately forfeit all PSUs upon the Grantee's Separation from Service for Cause, whether before or after the Vesting Date.

(vi) In the event of a Change in Control (as defined in the Plan), the Target Number of PSUs shall become fully vested, shall be converted into a cash amount equal to the Fair Market Value of a share of Company Stock as of the date of such Change in Control multiplied by the number of PSUs vesting on such date, and immediately paid to the Grantee within 30 days following the Change in Control.

(vii) For purposes of this Agreement, "**Cause**" means any of the following, as determined in good faith by the Committee: (A) an act of embezzlement, theft or misappropriation by the Grantee of any property of the Company or any Related Company; (B) any breach by the Grantee of any material provision of any material agreement to which the Grantee is a party with the Company or any Related Company that is not cured, to the extent the breach is susceptible to being cured, within fourteen (14) days after the Company gives express notice to the Grantee describing such breach; (C) gross negligence by the Grantee in the discharge of his or her lawful duties to the Company or any Related Company (after receiving express notice from the Company specifying the manner in which he or she is alleged to have been grossly negligent and having had the opportunity to cure the same within thirty (30) days from receipt of such notice); (D) any act by the Grantee constituting a felony or a crime that otherwise involves dishonesty or misrepresentation; (E) the Grantee's breach of any fiduciary duty, under applicable law, to the Company or any Related Company, regardless of whether such conduct constitutes gross negligence; or (F) any chemical or alcohol dependence by the Grantee that materially and adversely affects the performance of his or her duties or responsibilities to the Company or any Related Company.

Section 4. Equitable Adjustment. The aggregate number of shares of Company Stock subject to the PSUs shall be proportionately adjusted for any increase or decrease in the number of issued and outstanding shares of Company Stock resulting from a subdivision or consolidation of shares or other capital adjustment, or the payment of a stock dividend or other increase or decrease in such shares, effected without the receipt of consideration by the Company, or other change in corporate or capital structure. The Committee shall make the foregoing changes and any other changes, including changes in the classes of securities available, to the extent reasonably necessary or desirable to preserve the intended benefits

under this Agreement in the event of any other reorganization, recapitalization, merger, consolidation, spin-off, extraordinary dividend or other distribution or similar transaction involving the Company.

Section 5. Taxes. The Company shall withhold from any cash payment due to the Grantee hereunder the amount of any Applicable Withholding Taxes.

Section 6. No Right to Continued Employment. Nothing contained herein shall be deemed to confer upon the Grantee any right to continue in the employment of the Company.

Section 7. Section 409A.

7.

(a) It is intended that this Agreement comply in all respects with the requirements of Section 409A of the Code and applicable Treasury Regulations and other generally applicable guidance issued thereunder (collectively, “**Section 409A**”), and this Agreement shall be interpreted for all purposes in accordance with this intent.

(b) Notwithstanding any other term or provision of this Agreement (including any term or provision of the Plan incorporated herein by reference), the parties hereto agree that, from time to time, the Company may, without prior notice to or consent of the Grantee, amend this Agreement to the extent determined by the Company, in the exercise of its discretion in good faith, to be necessary or advisable to prevent the inclusion in the Grantee’s gross income pursuant to the applicable Treasury Regulations of any compensation intended to be deferred hereunder. The Company shall notify the Grantee as soon as reasonably practicable of any such amendment affecting the Grantee.

(c) If the amounts payable under this Agreement are subject to any taxes, penalties or interest under Section 409A, the Grantee shall be solely liable for the payment of any such taxes, penalties or interest.

(d) Except as otherwise specifically provided herein, the time and method for payment of the PSUs as provided in Section 3 shall not be accelerated or delayed for any reason, unless to the extent necessary to comply with, or as may be permitted under, Section 409A.

(e) If the Grantee is deemed on the date of a Separation from Service to be a “specified employee” (within the meaning of that term under Section 409A(a)(2)(B) of the Code and determined using any identification methodology and procedure selected by the Company from time to time, or the default methodology and procedure specified under Code Section 409A, if none has been selected by the Company), then with regard to any payment or the provision of any benefit that is “nonqualified deferred compensation” within the meaning of Section 409A and that is paid as a result of the Grantee’s Separation from Service, such payment or benefit

shall not be made or provided prior to the date that is the earlier of (i) the expiration of the six (6)-month period measured from the date of such Separation from Service of the Grantee, and (ii) the date of the Grantee's death (the "**Delay Period**"). Upon the expiration of the Delay Period, all payments and benefits delayed pursuant to this provision (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to the Grantee in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein. For purposes of Section 409A, a payment of cash following conversion of a PSU shall constitute a "payment" thereof.

Section 8. Recoupment of PSUs. Notwithstanding any provision in the Plan or this Agreement to the contrary, all PSUs awarded and cash paid pursuant to this Agreement shall be subject to recoupment by the Company pursuant to the Company's Compensation Recoupment Policy, as it may be amended from time to time (or any successor policy thereto) (the "**Recoupment Policy**"). The terms of the Recoupment Policy are hereby incorporated by reference into this Agreement.

Section 9. General Matters.

(a) Heirs and Successors. This Agreement shall be binding upon, and inure to the benefit of, the Company and its successors and assigns, and upon any person acquiring, whether by merger, consolidation, purchase of assets or otherwise, all or substantially all of the Company's assets and business. Subject to the terms of the Plan, any benefits distributable to the Grantee under this Agreement that are not distributed at the time of the Grantee's death shall be distributed, at the time and in the form determined in accordance with the provisions of this Agreement and the Plan, to the beneficiary designated by the Grantee in writing filed with the Company in such form and at such time as the Committee shall require. If a deceased Grantee failed to designate a beneficiary, or if the designated beneficiary of the deceased Grantee dies before the Grantee or before complete distribution of the benefits due under this Agreement, the amounts to be distributed under this Agreement shall be distributed to the legal representative or representatives of the estate of the last to die of the Grantee and any designated beneficiary.

(b) Amendments by the Committee. The Committee may, at any time after the Vesting Date, amend this Agreement, provided that no amendment may, in the absence of written consent by the Grantee, adversely affect the rights of the Grantee under this Agreement prior to the date of such amendment.

(c) Administration. The authority to manage and control the operation and administration of this Agreement has been vested in the Committee, and the Committee shall have all powers with respect to this Agreement that it has with respect to the Plan. Any interpretation of the Agreement by the Committee, and any decision made by it with respect to the Agreement, are final and binding.

(d) Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of North Carolina without reference to principles of conflict of laws.

(e) Resolution of Disputes. Any disputes arising under or in connection with this Agreement shall be resolved by binding arbitration before a single arbitrator, to be held in North Carolina in accordance with the commercial rules and procedures of the American Arbitration Association. Judgment upon the award by the arbitrator shall be final and subject to appeal only to the extent permitted by law. Each party shall bear such party's own expenses incurred in connection with any arbitration; provided, however, that the cost of the arbitration to the Grantee, including, without limitation, reasonable attorneys' fees of the Grantee, shall be borne by the Company if the Grantee is the prevailing party in the arbitration. Anything to the contrary notwithstanding, each party hereto has the right to proceed with a court action for injunctive relief or relief from violations of law not within the jurisdiction of an arbitrator. If any costs of the arbitration borne by the Company in accordance herewith would constitute compensation to the Grantee for Federal tax purposes, then (i) the amount of any such costs reimbursed to the Grantee in one taxable year shall not affect the amount of such costs reimbursable to the Grantee in any other taxable year, (ii) the Grantee's right to reimbursement of any such costs shall not be subject to liquidation or exchange for any other benefit, and (iii) the reimbursement of any such costs incurred by the Grantee shall be made as soon as administratively practicable, but in any event within ten (10) days, after the date the Grantee is determined to be the prevailing party in the arbitration. The Grantee shall be responsible for submitting claims for reimbursement in a timely manner to enable payment within the timeframe provided herein.

(f) Notices. Any notice or other communication required or permitted under this Agreement, to be effective, shall be in writing and, unless otherwise expressly provided herein, shall be deemed to have been duly given (i) on the date delivered in person, (ii) on the date indicated on the return receipt if mailed postage prepaid, by certified or registered U.S. Mail, with return receipt requested, (iii) on the date transmitted by facsimile or e-mail, if sent by 5:00 P.M., Eastern Time, and confirmation of receipt thereof is reflected or obtained, or (iv) if sent by Federal Express, UPS or other nationally recognized overnight courier service or overnight express U.S. Mail, with service charges or postage prepaid, then on the next business day after delivery to the courier service or U.S. Mail (in time for and specifying next day delivery). In each case (except for personal delivery), any such notice or other communication shall be sent, as appropriate, (v) to the Grantee at the last address or facsimile number specified in the Grantee's records with the Company, or such other address or facsimile number as the Grantee may designate in writing to the Company, or (vi) to the Company, Attention: General Counsel, at its corporate headquarters address or main facsimile number at such address or such other address as the Company may designate in writing to the Grantee.

(g) Failure to Enforce Not a Waiver. The failure of either party hereto to enforce at any time any provision of this Agreement shall in no way be construed to be a waiver of such provision or of any other provision hereof.

(h) Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original but all of which together shall represent one and the same agreement.

(i) Modifications; Entire Agreement; Headings. This Agreement cannot be changed or terminated orally. This Agreement and the Plan contain the entire agreement between the parties relating to the subject matter hereof. The section headings herein are intended for reference only and shall not affect the interpretation hereof.

[Signatures Follow on Next Page]

IN WITNESS WHEREOF, the parties have executed this Agreement, including the Notice of Grant attached hereto as Annex A, effective as of the Grant Date set forth on Annex A.

UNIFI, INC.

By: _____
Name: [_____]
Title: [_____]

GRANTEE

(Signature)

Annex A

**NOTICE OF GRANT OF
PERFORMANCE SHARE UNITS**

The following employee has been granted Performance Share Units pursuant to the Unifi, Inc. Second Amended and Restated 2013 Incentive Compensation Plan, as amended, in accordance with terms as set forth in this Notice of Grant and the Performance Share Unit Agreement to which this Notice of Grant is attached.

The terms below shall have the following meanings when used in the Performance Share Unit Agreement.

Grantee	[EMPLOYEE]
Address of Grantee	[_____]
Grant Date	[_____]
Target Number of PSUs	[TARGET]

Further, the actual number of PSUs that shall vest on the Vesting Date shall be determined from the following table:

[ACHIEVEMENT OF PERFORMANCE METRIC] through the Performance Period	% of Target Number of PSUs
[_____]	[_____]
[_____]	[_____]
[_____]	[_____]

CERTIFICATION

I, Edmund M. Ingle, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Unifi, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 6, 2024

/s/ EDMUND M. INGLE

Edmund M. Ingle
Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION

I, Andrew J. Eaker, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Unifi, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 6, 2024

/s/ ANDREW J. EAKER

Andrew J. Eaker
Executive Vice President & Chief Financial Officer
Treasurer
(Principal Financial Officer and Principal Accounting Officer)

**CERTIFICATIONS PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, Chief Executive Officer and Chief Financial Officer of Unifi, Inc. (the "Company"), do hereby certify that:

- (1) the Quarterly Report on Form 10-Q of the Company for the fiscal period ended September 29, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 6, 2024

/s/ EDMUND M. INGLE

Edmund M. Ingle
Chief Executive Officer
(Principal Executive Officer)

/s/ ANDREW J. EAKER

Andrew J. Eaker
Executive Vice President & Chief Financial Officer
Treasurer
(Principal Financial Officer and Principal Accounting Officer)
