



A. FINANCIAL STATEMENTS

EASTMAN KODAK COMPANY CONSOLIDATED STATEMENT OF OPERATIONS

(in millions)

	Twelve Months Ended December 31,	
	2021	2020
Revenues		
Sales	\$ 925	\$ 806
Services	225	223
Total revenues	1,150	1,029
Cost of revenues		
Sales	830	743
Services	156	151
Total cost of revenues	986	894
Gross profit	164	135
Selling, general and administrative expenses	177	172
Research and development costs	33	34
Restructuring costs and other	6	17
Other operating income, net	(6)	(14)
Loss from continuing operations before interest expense, pension income excluding service cost component, loss on early extinguishment of debt, other (income) charges, net and income taxes	(46)	(74)
Interest expense	33	12
Pension income excluding service cost component	(102)	(98)
Loss on early extinguishment of debt	—	2
Other (income) charges, net	(5)	386
Earnings (loss) from continuing operations before income taxes	28	(376)
Provision for income taxes	4	168
Earnings (loss) from continuing operations	24	(544)
Earnings from discontinued operations, net of income taxes	—	3
Net income (loss)	\$ 24	\$ (541)

The notes accompanying the financial statements contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2021 are an integral part of these consolidated financial statements.

EASTMAN KODAK COMPANY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(in millions)

	December 31, 2021	December 31, 2020
ASSETS		
Cash and cash equivalents	\$ 362	\$ 196
Trade receivables, net of allowances of \$7 and \$10, respectively	175	177
Inventories, net	219	206
Other current assets	49	46
Current assets held for sale	2	2
Total current assets	<u>807</u>	<u>627</u>
Property, plant and equipment, net of accumulated depreciation	140	152
Goodwill	12	12
Intangible assets, net	34	39
Operating lease right-of-use assets	47	48
Restricted cash	54	53
Pension and other postretirement assets	1,022	262
Other long-term assets	55	55
TOTAL ASSETS	<u>\$ 2,171</u>	<u>\$ 1,248</u>
LIABILITIES, REDEEMABLE CONVERTIBLE PREFERRED STOCK AND EQUITY		
Accounts payable, trade	\$ 153	\$ 118
Short-term borrowings and current portion of long-term debt	1	2
Current portion of operating leases	13	12
Other current liabilities	142	164
Total current liabilities	<u>309</u>	<u>296</u>
Long-term debt, net of current portion	253	17
Pension and other postretirement liabilities	382	406
Operating leases, net of current portion	45	49
Other long-term liabilities	205	212
Total liabilities	<u>1,194</u>	<u>980</u>
Commitments and Contingencies (note 11)		
Redeemable, convertible preferred stock, no par value, \$100 per share liquidation preference	196	191
Equity		
Common stock, \$0.01 par value	—	—
Additional paid in capital	1,166	1,152
Treasury stock, at cost	(10)	(9)
Accumulated deficit	(596)	(620)
Accumulated other comprehensive income (loss)	221	(446)
Total shareholders' equity	<u>781</u>	<u>77</u>
TOTAL LIABILITIES, REDEEMABLE CONVERTIBLE PREFERRED STOCK AND EQUITY	<u>\$ 2,171</u>	<u>\$ 1,248</u>

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EASTMAN KODAK COMPANY
CONSOLIDATED STATEMENT OF CASH FLOWS
(in millions)

	Twelve Months Ended	
	December 31,	
	2021	2020
Cash flows from operating activities:		
Net income (loss)	\$ 24	\$ (541)
Adjustments to reconcile to net cash used in operating activities:		
Depreciation and amortization	31	37
Pension and other postretirement income	(83)	(77)
Change in fair value of the Preferred Stock and Convertible Notes embedded derivatives	(7)	382
Asset impairments	—	3
Stock based compensation	7	15
Non-cash changes in workers' compensation and postemployment reserves	(4)	4
Net loss (gain) on sales of assets	1	(10)
Loss on early extinguishment of debt	—	2
(Benefit) provision for deferred income taxes	(1)	160
(Increase) decrease in trade receivables	(5)	33
(Increase) decrease in inventories	(19)	12
Increase (decrease) in trade payables	38	(36)
Decrease in liabilities excluding borrowings and trade payables	(29)	(26)
Other items, net	-	7
Total adjustments	(71)	506
Net cash used in operating activities	(47)	(35)
Cash flows from investing activities:		
Additions to properties	(21)	(17)
Net proceeds from sales of assets	1	2
Net proceeds from return on equity investment	—	2
Net cash used in investing activities	(20)	(13)
Cash flows from financing activities:		
Net proceeds from Term Loan Credit Agreement	215	—
Net proceeds from Convertible Notes	25	—
Net proceeds from Series C Preferred Stock	99	—
Proceeds from sale of common stock	10	—
Repurchase of Series A Preferred Stock	(100)	—
Debt issuance costs	(2)	—
Proceeds from stock option exercises	—	33
Preferred stock cash dividend payments	(7)	(22)
Treasury stock purchases	(1)	—
Repayment of other borrowings	(1)	—
Finance lease payments	-	(1)
Net cash provided by financing activities	238	10
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(4)	4
Net increase (decrease) in cash, cash equivalents and restricted cash	167	(34)
Cash, cash equivalents and restricted cash, beginning of period	256	290
Cash, cash equivalents and restricted cash, end of period	\$ 423	\$ 256

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