



B. FINANCIAL STATEMENTS

EASTMAN KODAK COMPANY
CONSOLIDATED STATEMENT OF OPERATIONS (Unaudited)
(in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Revenues				
Sales	\$ 234	\$ 163	\$ 443	\$ 373
Services	57	50	113	107
Total revenues	291	213	556	480
Cost of revenues				
Sales	204	159	389	350
Services	39	33	79	73
Total cost of revenues	243	192	468	423
Gross profit	48	21	88	57
Selling, general and administrative expenses	42	34	88	82
Research and development costs	8	8	16	17
Restructuring costs and other	—	1	1	8
Other operating income, net	(6)	(3)	(7)	(10)
Earnings (loss) from continuing operations before interest expense, pension income excluding service cost component, other charges (income), net and income taxes	4	(19)	(10)	(40)
Interest expense	10	4	14	8
Pension income excluding service cost component	(26)	(27)	(51)	(53)
Other charges (income), net	1	8	1	(45)
Earnings (loss) from continuing operations before income taxes	19	(4)	26	50
Provision for income taxes	3	1	4	166
Net income (loss)	\$ 16	\$ (5)	\$ 22	\$ (116)

The notes accompanying the financial statements contained in the Company's second quarter 2021 Form 10-Q are an integral part of these consolidated financial statements.

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

	June 30, 2021	December 31, 2020
ASSETS		
Cash and cash equivalents	\$ 395	\$ 196
Trade receivables, net of allowances of \$9 and \$10, respectively	174	177
Inventories, net	234	206
Other current assets	43	46
Current assets held for sale	2	2
Total current assets	848	627
Property, plant and equipment, net of accumulated depreciation of \$438 and \$430, respectively	148	152
Goodwill	12	12
Intangible assets, net	36	39
Operating lease right-of-use assets	49	48
Restricted cash	66	53
Other long-term assets	375	317
TOTAL ASSETS	\$ 1,534	\$ 1,248
LIABILITIES, REDEEMABLE CONVERTIBLE PREFERRED STOCK AND EQUITY		
Accounts payable, trade	\$ 145	\$ 118
Short-term borrowings and current portion of long-term debt	2	2
Current portion of operating leases	18	12
Other current liabilities	144	164
Total current liabilities	309	296
Long-term debt, net of current portion	249	17
Pension and other postretirement liabilities	391	406
Operating leases, net of current portion	43	49
Other long-term liabilities	219	212
Total liabilities	1,211	980
Commitments and Contingencies (note 8)		
Redeemable, convertible preferred stock, no par value, \$100 per share liquidation preference	193	191
Equity		
Common stock, \$0.01 par value	—	—
Additional paid in capital	1,167	1,152
Treasury stock, at cost	(10)	(9)
Accumulated deficit	(598)	(620)
Accumulated other comprehensive loss	(429)	(446)
Total shareholders' equity	130	77
TOTAL LIABILITIES, REDEEMABLE CONVERTIBLE PREFERRED STOCK AND EQUITY	\$ 1,534	\$ 1,248

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

	Six Months Ended	
	June 30,	
	2021	2020
Cash flows from operating activities:		
Net income (loss)	\$ 22	\$ (116)
Adjustments to reconcile to net cash used in operating activities:		
Depreciation and amortization	16	20
Pension income	(42)	(43)
Change in fair value of embedded derivatives in the Series A, Series B and Series C Preferred Stock and Convertible Notes	—	(49)
Net gain on sales of assets	—	(9)
Asset impairments	—	3
Stock based compensation	4	1
Non-cash changes in workers' compensation reserves	(3)	—
Provision for deferred income taxes	—	160
Decrease in trade receivables	1	64
Increase in inventories	(30)	(17)
Increase in trade payables	27	(50)
Decrease in liabilities excluding borrowings and trade payables	(20)	(31)
Other items, net	4	3
Total adjustments	(43)	52
Net cash used in operating activities	(21)	(64)
Cash flows from investing activities:		
Additions to properties	(5)	(9)
Net proceeds from sales of assets/businesses	—	2
Net proceeds from return on equity investment	—	2
Net cash used in investing activities	(5)	(5)
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)	—
Preferred stock cash dividend payments	(5)	(6)
Treasury stock purchases	(1)	—
Net cash provided by (used in) financing activities	241	(6)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(2)	(3)
Net increase (decrease) in cash, cash equivalents and restricted cash	213	(78)
Cash, cash equivalents and restricted cash, beginning of period	256	290
Cash, cash equivalents and restricted cash, end of period	\$ 469	\$ 212

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