



B. FINANCIAL STATEMENTS

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenues				
Sales	\$ 234	\$ 231	\$ 734	\$ 674
Services	55	56	166	169
Total revenues	289	287	900	843
Cost of revenues				
Sales	208	206	662	595
Services	38	38	111	117
Total cost of revenues	246	244	773	712
Gross profit	43	43	127	131
Selling, general and administrative expenses	39	43	123	131
Research and development costs	8	8	26	24
Restructuring costs and other	3	—	3	1
Other operating expense (income), net	—	1	—	(6)
Loss from continuing operations before interest expense, pension income excluding service cost component, other (income) charges, net and income taxes	(7)	(9)	(25)	(19)
Interest expense	10	9	29	23
Pension income excluding service cost component	(20)	(25)	(77)	(76)
Other (income) charges, net	—	(2)	2	(1)
Earnings from continuing operations before income taxes	3	9	21	35
Provision for income taxes	1	1	2	5
Net income	\$ 2	\$ 8	\$ 19	\$ 30

The notes accompanying the financial statements contained in the Company's third quarter 2022 Form 10-Q are an integral part of these consolidated financial statements.

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

	September 30, 2022	December 31, 2021
ASSETS		
Cash and cash equivalents	\$ 216	\$ 362
Trade receivables, net of allowances of \$6 and \$7, respectively	164	175
Inventories, net	273	219
Other current assets	44	49
Current assets held for sale	2	2
Total current assets	699	807
Property, plant and equipment, net of accumulated depreciation of \$440 and \$441, respectively	147	140
Goodwill	12	12
Intangible assets, net	30	34
Operating lease right-of-use assets	41	47
Restricted cash	57	54
Pension and other postretirement assets	1,198	1,022
Other long-term assets	75	55
TOTAL ASSETS	\$ 2,259	\$ 2,171
LIABILITIES, REDEEMABLE CONVERTIBLE PREFERRED STOCK AND EQUITY		
Accounts payable, trade	\$ 147	\$ 153
Short-term borrowings and current portion of long-term debt	1	1
Current portion of operating leases	12	13
Other current liabilities	137	142
Total current liabilities	297	309
Long-term debt, net of current portion	312	253
Pension and other postretirement liabilities	336	382
Operating leases, net of current portion	36	45
Other long-term liabilities	176	205
Total liabilities	1,157	1,194
Commitments and Contingencies (Note 8)		
Redeemable, convertible preferred stock, no par value, \$100 per share liquidation preference	201	196
Equity		
Common stock, \$0.01 par value	—	—
Additional paid in capital	1,162	1,166
Treasury stock, at cost	(11)	(10)
Accumulated deficit	(577)	(596)
Accumulated other comprehensive income	327	221
Total shareholders' equity	901	781
TOTAL LIABILITIES, REDEEMABLE CONVERTIBLE PREFERRED STOCK AND EQUITY	\$ 2,259	\$ 2,171

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

	Nine Months Ended	
	September 30,	
	2022	2021
Cash flows from operating activities:		
Net income	\$ 19	\$ 30
Adjustments to reconcile to net cash used in operating activities:		
Depreciation and amortization	22	23
Pension income	(64)	(63)
Change in fair value of the Preferred Stock and Convertible Notes embedded derivatives	(1)	(3)
Net loss on sales of assets	—	1
Non-cash changes in workers' compensation reserves	(13)	(4)
Stock based compensation	4	6
Benefit from deferred taxes	(3)	(1)
(Increase) decrease in trade receivables	(7)	6
Increase in inventories	(74)	(38)
Increase in trade payables	5	33
Decrease in liabilities excluding borrowings and trade payables	(26)	(26)
Other items, net	8	3
Total adjustments	(149)	(63)
Net cash used in operating activities	(130)	(33)
Cash flows from investing activities:		
Additions to properties	(19)	(10)
Purchase of preferred equity investment	(25)	—
Net proceeds from sale of assets	-	1
Net cash used in investing activities	(44)	(9)
Cash flows from financing activities:		
Net proceeds from Term Loan Credit Agreement	49	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	(3)	(6)
Treasury stock purchases	(1)	(1)
Net cash provided by financing activities	45	240
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(14)	(3)
Net (decrease) increase in cash, cash equivalents and restricted cash	(143)	195
Cash, cash equivalents and restricted cash, beginning of period	423	256
Cash, cash equivalents and restricted cash, end of period	\$ 280	\$ 451

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