



## **A. NON-GAAP MEASURES**

In this full year 2020 financial results news release, reference is made to the following non-GAAP financial measures:

- Operational EBITDA; and
- Revenues and Operational EBITDA on a constant currency basis.

Kodak believes that these non-GAAP measures represent important internal measures of performance. Accordingly, where they are provided, it is to give investors the same financial data management uses with the belief that this information will assist the investment community in properly assessing the underlying performance of Kodak, its financial condition, results of operations and cash flow.

Kodak's segment measure of profit and loss is an adjusted earnings before interest, taxes, depreciation and amortization ("Operational EBITDA"). Operational EBITDA represents the loss from continuing operations excluding the provision for income taxes; non-service cost components of pension and OPEB income; depreciation and amortization expense; restructuring costs; stock-based compensation expense; consulting and other costs; idle costs; former Chief Executive Officer ("CEO") separation agreement compensation; loss on early extinguishment of debt, other operating (income) expense, net; interest expense; and other charges, net

The change in revenues and Operational EBITDA on a constant currency basis, as presented in this financial results news release, is calculated by using average foreign exchange rates for the twelve months ended December 31, 2019, rather than the actual average exchange rates in effect for the twelve months ended December 31, 2020.

The following table reconciles the most directly comparable GAAP measure of Net (Loss) Earnings to Operational EBITDA for the twelve months ended December 31, 2020 and 2019, respectively:

(in millions)

	FY 2020	FY 2019	\$ Change
<b>Net (Loss) Earnings</b>	<b>\$ (541)</b>	<b>\$ 116</b>	<b>\$ (657)</b>
Other	(1)	1	(2)
Depreciation and amortization	37	55	(18)
Restructuring costs and other <sup>(1)</sup>	17	16	1
Stock based compensation	15	7	8
Consulting and other costs <sup>(2)</sup>	9	7	2
Idle costs <sup>(3)</sup>	3	5	(2)
Former CEO separation agreement compensation	-	2	(2)
Other operating (income) expense, net, excluding income from transition services agreement <sup>(4)</sup>	(7)	22	(29)
Interest expense <sup>(1)</sup>	12	16	(4)
Pension income excluding service cost component <sup>(1)</sup>	(98)	(104)	6
Loss on early extinguishment of debt <sup>(1)</sup>	2	-	2
Other charges, net <sup>(1)</sup>	386	46	340
Earnings from discontinued operations, net of income tax <sup>(1)</sup>	(3)	(207)	204
Provision for income taxes <sup>(1)</sup>	168	31	137
<b>Operational EBITDA</b>	<b>\$ (1)</b>	<b>\$ 13</b>	<b>\$ (14)</b>

#### Footnote Explanations:

- (1) As reported in the Consolidated Statement of Operations.
- (2) Consulting and other costs are professional services and internal costs associated with certain corporate strategic initiatives and investigations, including the divestiture of FPD and debt refinancing in 2019.
- (3) Consists of third-party costs such as security, maintenance, and utilities required to maintain land and buildings in certain locations not used in any Kodak operations and the costs, net of any rental income received, of underutilized portions of certain properties.
- (4) \$6 million of income from the transition services agreement related to the sale of the Flexographic Packaging Business was recognized in both the years ended December 31, 2020 and 2019. The income was reported in Other operating (income) expense, net in the Consolidated Statement of Operations. Other operating (income) expense, net is typically excluded from the segment measure. However, the income from the transition services agreement was included in the segment measure.