



A. NON-GAAP MEASURES

In this full year 2021 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 income from continuing operations before income taxes excluding earnings from discontinued operations, net of income taxes, loss on early extinguishment of debt, non-service cost components of pension and OPEB income; depreciation and amortization expense; restructuring costs and other; stock-based compensation expense; consulting and other costs; idle costs; other operating income, net; interest expense; and other (income) 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, 2020, rather than the actual average exchange rates in effect for the twelve months ended December 31, 2021.

The following table reconciles the most directly comparable GAAP measure of Net Income (Loss) to Operational EBITDA for the twelve months ended December 31, 2021 and 2020, respectively:

(in millions)

	FY 2021	FY 2020	\$ Change
Net Income (Loss)	\$ 24	\$ (541)	\$ 565
Other	(2)	(1)	(1)
Depreciation and amortization	31	37	(6)
Restructuring costs and other ⁽¹⁾	6	17	(11)
Stock based compensation	7	15	(8)
Consulting and other costs ⁽²⁾	19	9	10
Idle costs ⁽³⁾	2	3	(1)
Other operating income, net, excluding income from transition services agreement ⁽⁴⁾	(6)	(7)	1
Interest expense ⁽¹⁾	33	12	21
Pension income excluding service cost component ⁽¹⁾	(102)	(98)	(4)
Loss on early extinguishment of debt ⁽¹⁾	-	2	(2)
Other (income) charges, net ⁽¹⁾	(5)	386	(391)
Earnings from discontinued operations, net of income taxes	-	(3)	3
Provision for income taxes ⁽¹⁾	4	168	(164)
Operational EBITDA	\$ 11	\$ (1)	\$ 12
Impact of foreign exchange ⁽⁵⁾	1	-	1
Operational EBITDA on a constant currency basis	\$ 12	\$ (1)	\$ 13

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, investigations and litigation.
- (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 the twelve months ended December 31, 2020. No income was recognized in the year ended December 31, 2021. The income was reported in Other operating income, net in the Consolidated Statement of Operations. Other operating income, net is typically excluded from the segment measure. However, the income from the transition services agreement was included in the segment measure.
- (5) The impact of foreign exchange is calculated by using average foreign exchange rates for the twelve months ended December 31, 2020, rather than the actual average exchange rates in effect for the twelve months ended December 31, 2021.