



A. NON-GAAP MEASURES

In this fourth quarter and full year 2022 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 excluding the provision for income taxes; 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 charges (income), 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 three or twelve months ended December 31, 2021, rather than the actual average exchange rates in effect for the three or twelve months ended December 31, 2022.

The following table reconciles the most directly comparable GAAP measure of Net Income (Loss) to Operational EBITDA and Operational EBITDA on a constant currency basis for the three months ended December 31, 2022 and 2021, respectively:

(in millions)

	Q4 2022	Q4 2021	\$ Change	Improvement %
Net Income (Loss)	\$ 7	\$ (6)	\$ 13	217%
All other	(1)	(1)	-	
Depreciation and amortization	7	8	(1)	
Restructuring costs and other	10	5	5	
Stock based compensation	1	1	-	
Consulting and other costs	(9)	6	(15)	
Idle costs	1	-	1	
Other operating income, net	(1)	-	(1)	
Interest expense	11	10	1	
Pension income excluding service cost component	(21)	(26)	5	
Other income, net	(1)	(4)	3	
Provision (benefit) for income taxes	3	(1)	4	
Operational EBITDA	\$ 7	\$ (8)	\$ 15	188%
Impact of foreign exchange ⁽⁵⁾	(1)		(1)	
Operational EBITDA on a constant currency basis	\$ 6	\$ (8)	\$ 14	175%

The following table reconciles the most directly comparable GAAP measure of Net Income



to Operational EBITDA and Operational EBITDA on a constant currency basis for the twelve months ended December 31, 2022 and 2021, respectively:

(in millions)

	FY 2022	FY 2021	\$ Change	Improvement %
Net Income	\$ 26	\$ 24	\$ 2	8%
All other	(3)	(2)	(1)	
Depreciation and amortization	29	31	(2)	
Restructuring costs and other ⁽¹⁾	13	6	7	
Stock based compensation	5	7	(2)	
Consulting and other costs ⁽²⁾	(2)	19	(21)	
Idle costs ⁽³⁾	3	2	1	
Other operating income, net	(1)	(6)	5	
Interest expense ⁽⁴⁾	40	33	7	
Pension income excluding service cost component ⁽⁴⁾	(98)	(102)	4	
Other charges (income), net ⁽⁴⁾	1	(5)	6	
Provision for income taxes ⁽⁴⁾	5	4	1	
Operational EBITDA	\$ 18	\$ 11	\$ 7	64%
Impact of foreign exchange ⁽⁵⁾	9		9	
Operational EBITDA on a constant currency basis	\$ 27	\$ 11	\$ 16	145%

Footnote Explanations:

- (1) Restructuring costs and other as reported in the Consolidated Statement of Operations plus \$3 million of inventory write-downs included in cost of revenues for the twelve months ended December 31, 2022.
- (2) Consulting and other costs are primarily professional services and internal costs associated with certain corporate strategic initiatives and investigations.
- (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) As reported in the Consolidated Statement of Operations.
- (5) The impact of foreign exchange is calculated by using average foreign exchange rates for the three or twelve months ended December 31, 2021, rather than the actual average exchange rates in effect for the three or twelve months ended December 31, 2022.