

## A. NON-GAAP MEASURES

In this third-quarter 2019 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"). 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 months ended September 30, 2018, rather than the actual exchange rates in effect for the three months ended September 30, 2019.

The following table reconciles the most directly comparable GAAP measure of Net (Loss) Income to Operational EBITDA and Operational EBITDA on a constant currency basis for the three months ended September 30, 2019 and 2018, respectively:

(in millions)

	Q3 2019	Q3 2018	\$ Change
<b>Net (Loss) Income</b>	<b>\$ (5)</b>	<b>\$ 19</b>	<b>\$ (24)</b>
Depreciation and amortization	14	17	(3)
Restructuring costs and other <sup>(1)</sup>	3	9	(6)
Stock based compensation	1	2	(1)
Consulting and other costs <sup>(2)</sup>	2	4	(2)
Idle costs <sup>(3)</sup>	1	1	-
Other operating expense (income), net, excluding income from transition services agreement <sup>(4)</sup>	12	(10)	22
Interest expense <sup>(1)</sup>	4	2	2
Pension income excluding service cost component <sup>(1)</sup>	(26)	(35)	9
Other (income) charges, net <sup>(1)</sup>	6	(4)	10
(Income) loss from discontinued operations, net of income tax <sup>(1)</sup>	(5)	1	(6)
Provision for income taxes <sup>(1)</sup>	7	3	4
<b>Operational EBITDA</b>	<b>\$ 14</b>	<b>\$ 9</b>	<b>\$ 5</b>
Impact of foreign exchange <sup>(5)</sup>	(1)	-	(1)
<b>Operational EBITDA on a constant currency basis</b>	<b>\$ 13</b>	<b>\$ 9</b>	<b>\$ 4</b>

Footnote Explanations:

- (1) As reported in the Consolidated Statement of Operations.
- (2) Consulting and other costs are primarily professional services and internal costs associated with certain corporate strategic initiatives.
- (3) Consists of 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) \$2 million of income from the transition services agreement related to the sale of the Flexographic Packaging Business was recognized in the quarter ended September 30, 2019. The income was reported in Other operating (expense) income, net in the Consolidated Statement of Operations. Other operating (expense) 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 represents the 2019 foreign exchange impact using average foreign exchange rates for the three months ended September 30, 2018, rather than the actual exchange rates in effect for the three months ended September 30, 2019.