

## A. NON-GAAP MEASURES

In this full year 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 twelve months ended December 31, 2018, rather than the actual exchange rates in effect for the twelve months ended December 31, 2019.

The following table reconciles the most directly comparable GAAP measure of Net Earnings (Loss) to Operational EBITDA and Operational EBITDA on a constant currency basis for the twelve months ended December 31, 2019 and 2018, respectively:

(in millions)

	FY 2019	FY 2018	\$ Change
<b>Net Earnings (Loss)</b>	<b>\$ 116</b>	<b>\$ (16)</b>	<b>\$ 132</b>
Depreciation and amortization	55	70	(15)
Restructuring costs and other <sup>(1)</sup>	16	17	(1)
Stock based compensation	7	6	1
Consulting and other costs <sup>(2)</sup>	7	14	(7)
Idle costs <sup>(3)</sup>	5	3	2
Former CEO separation agreement consideration	2	-	2
Other operating expense, net, excluding income from transition services agreement <sup>(4)</sup>	22	9	13
Interest expense <sup>(1)</sup>	16	9	7
Pension income excluding service cost component <sup>(1)</sup>	(104)	(131)	27
Other charges, net <sup>(1)</sup>	46	17	29
(Earnings) Loss from discontinued operations, net of income taxes <sup>(1)</sup>	(207)	7	(214)
Provision (Benefit) for income taxes <sup>(1)</sup>	31	(4)	35
<b>Operational EBITDA</b>	<b>\$ 12</b>	<b>\$ 1</b>	<b>\$ 11</b>
Impact on foreign exchange <sup>(5)</sup>	(2)	-	(2)
<b>Operational EBITDA on a constant currency basis</b>	<b>\$ 10</b>	<b>\$ 1</b>	<b>\$ 9</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, including the divestiture of the Flexographic Packaging Business and debt refinancing.
- (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 year ended December 31, 2019. The income was reported in Other operating expense, net in the Consolidated Statement of Operations. Other operating expense, 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 foreign exchange impact using average foreign exchange rates for the twelve months ended December 31, 2018, rather than the actual exchange rates in effect for the twelve months ended December 31, 2019.