



Fourth Quarter 2020 Earnings Call

March 16, 2021

Cautionary Statement Regarding Forward-looking Statements Pursuant to Safe Harbor Provisions of The Private Securities Litigation Reform Act of 1995

Cautionary Statement Regarding Forward-Looking Statements

This presentation includes “forward-looking statements” as that term is defined under the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements concerning Kodak’s plans, objectives, goals, strategies, future events, future revenue or performance, capital expenditures, liquidity, investments, financing needs and business trends and other information that is not historical information. When used in this presentation, the words “estimates,” “expects,” “anticipates,” “projects,” “plans,” “intends,” “believes,” “predicts,” “forecasts,” “strategy,” “continues,” “goals,” “targets” or future or conditional verbs, such as “will,” “should,” “could,” or “may,” and similar expressions, as well as statements that do not relate strictly to historical or current facts, are intended to identify forward-looking statements. All forward-looking statements, including management’s examination of historical operating trends and data, are based upon Kodak’s expectations and various assumptions. Future events or results may differ from those anticipated or expressed in the forward-looking statements. Important factors that could cause actual events or results to differ materially from the forward-looking statements include, among others, the risks and uncertainties described in more detail in Kodak’s Annual Report on Form 10-K for the year ended December 31, 2020 under the headings “Business,” “Risk Factors,” “Legal Proceedings” and/or “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources,” and in other filings Kodak makes with the U.S. Securities and Exchange Commission from time to time, as well as the following: Kodak’s ability to improve and sustain its operating structure, cash flow, profitability and other financial results; Kodak’s ability to achieve cash forecasts, financial projections, and projected growth; Kodak’s ability to achieve the financial and operational results contained in its business plans; Kodak’s ability to comply with the covenants in its various credit facilities; Kodak’s ability to fund continued investments, capital needs and restructuring payments and service its debt and Series B Preferred Stock and Series C Preferred Stock; the impact of the global economic environment or medical epidemics such as the COVID-19 pandemic; the impact of the investigations, litigations and claims arising out of the circumstances surrounding the announcement by the U.S. International Development Finance Corporation in July 2020 of a potential loan to a subsidiary of Kodak to support the launch of a pharmaceutical initiative; changes in foreign currency exchange rates, commodity prices, interest rates and tariff rates; Kodak’s ability to effectively anticipate technology trends and develop and market new products, solutions and technologies; Kodak’s ability to effectively compete with large, well-financed industry participants; continued sufficient availability of borrowings and letters of credit under Kodak’s asset based credit facility and letter of credit facility, Kodak’s ability to obtain additional financing if and as needed and Kodak’s ability to provide or facilitate financing for its customers; the performance by third parties of their obligations to supply products, components or services to Kodak and the ability to address supply chain disruptions and continue to obtain raw materials and components available from single sources of supply; and Kodak’s ability to effect strategic transactions, such as acquisitions, strategic alliances, divestitures and similar transactions, or to achieve the benefits sought to be achieved from such strategic transactions.

There may be other factors that may cause Kodak’s actual results to differ materially from the forward-looking statements. All forward-looking statements attributable to Kodak or persons acting on its behalf apply only as of the date of this presentation and are expressly qualified in their entirety by the cautionary statements included or referenced in this presentation. Kodak undertakes no obligation to update or revise forward-looking statements to reflect events or circumstances that arise after the date made or to reflect the occurrence of unanticipated events, except as required by law.



Agenda

- **Introduction**

Paul Dils, Chief Tax Officer and Director of Investor Relations

- **CEO Perspective**

Jim Continenza, Executive Chairman

- **2020 Financial Results and Review**

David Bullwinkle, Chief Financial Officer



CEO Perspective

- COVID-19 update:
 - Fourth quarter results were impacted by COVID-19 as the pandemic continued to present challenges for companies around the world.
 - The company was able to mitigate some of the impacts through cost savings, including furloughs and pay reductions.
- 2020 Achievements:
 - 2020 cash balance of \$196 million.
 - Generated cash in third and fourth quarters of 2020.
 - Reduced Net Debt by \$368 million.

(in millions)	As of December 31, 2020	As of March 31, 2019	\$ Change
Cash and cash equivalents	\$ 196	\$ 221	\$ (25)
Short-term and long-term debt	(19)	(414)	395
Convertible preferred stock	(191)	(175)	(16)
Deferred consideration on disposed businesses	-	(14)	14
Net debt	\$ (14)	\$ (382)	\$ 368

- Number one priority was to maintain the safety of our employees and customers and continue to contribute to the country during the pandemic.
- Continued to invest in our businesses.
 - Won Innovation Awards in Printing and Digital packaging businesses.
 - Customer First, One Kodak approach is clearly paying off.
- Materially fixed our balance sheet and financial foundation.
 - Allows us to invest in growth initiatives going forward, positioning us well for the future.



CEO Perspective

- On March 1, 2021, announced a series of financial transactions that provide access to new capital, address maturing obligations, and strengthen the Company's ability to invest in strategic growth opportunities in print, advanced materials and chemicals.
 - Financing Transactions with Kennedy Lewis Investment Management:
 - Senior Secured Term Loans for up to \$275 million; \$225 million funded at close and \$50 million delayed draw.
 - Issuance of \$25 million Non-Voting Convertible Notes.
 - 1,000,000 common shares issued at \$10 per share.
 - Redemption and exchange financing transaction with funds managed by Southeastern Asset Management:
 - Redemption of \$100 million of existing Series A Convertible Preferred Stock.
 - Exchange of the remaining \$100 million of Series A Convertible Preferred Stock for Series B Convertible Preferred Stock and five year extension.
 - Financing Transactions with Grand Oaks Capital, an investment firm founded by businessman and Paychex founder Tom Golisano:
 - Issuance of \$100 million of Series C Convertible Preferred Stock
 - Amended and extended ABL Facility and entered into a new \$50 million Letter of Credit Facility.



2020 Full Year Results

(\$ millions)	FY 2020	FY 2019	(Decline) / Improvement - \$
Consolidated Revenue	\$1,029	\$1,242	(\$213)
Less: Favorable Impact of Foreign Exchange ²	(\$9)		
Less: License Revenue Received from HuaGuang Graphics Co. Ltd Transaction		(\$13)	
Adjusted Consolidated Revenue	\$1,020	\$1,229	(\$209)
Net (Loss) Income	(\$541)	\$116	(\$657)
Changes in Fair Value of Embedded Derivative Liability Features	\$382	\$42	
Loss on Extinguishment of Debt	\$2		
Non Cash Changes in Employee Benefit Reserves	\$4	\$3	
Net Gain on Sale of Assets / Businesses	(\$10)	(\$201)	
Trade Name Impairment	\$3	\$4	
Increase in Accounts Receivable Reserves	\$3		
Increase in Deferred Tax Valuation Allowances	\$167		
Adjusted Net Income (Loss)	\$10	(\$36)	\$46
Operational EBITDA ¹	(\$1)	\$13	(\$14)
Less: License Revenue Received from HuaGuang Graphics Co. Ltd Transaction		(\$13)	
Add: Increase in Employee Benefit Reserves	\$4	\$3	
Add: Increase in Accounts Receivable Reserves	\$3		
Adjusted Operational EBITDA	\$6	\$3	\$3

- Operational EBITDA was unfavorably impacted by volume declines due to the continued impact of COVID-19 partially offset by cost savings, including furloughs and pay reductions
- FY 2020 sales and volume for growth engines:
 - Volume for KODAK SONORA Process-Free Plates declined by 6 percent
 - Annuities revenue for KODAK PROSPER declined by 7 percent
- Continued investment in ULTRASTREAM and advanced materials

This document should be read in conjunction with Eastman Kodak Company's Annual Report on Form 10-K for the year ended December 31, 2020 (the "2020 Form 10-K").

⁽¹⁾ Operational EBITDA is equivalent to "Segment Operational EBITDA" as presented in Note 27, Segment Information to the financial statements included in the 2020 Form 10-K.

⁽²⁾ Refer to page 8 of this presentation for the explanation on the calculation of constant currency.



2020 FY Cash Flow

(\$ Millions)	Twelve Months Ended December 31,			
	2020	2019	Change	
Primary Drivers of Cash:				
Cash from Operations:				
Net (loss) income	\$ (541)	\$ 116	\$ (657)	\$17M Year-Over-Year Increase in Cash Flow from Net Earnings
Depreciation and amortization	37	55	(18)	
Pension income	(77)	(91)	14	
Change in fair value of embedded conversion features derivatives	382	42	340	
Loss on extinguishment of debt	2	-	2	
Net gain on sales of assets / businesses	(10)	(201)	191	
Asset impairments	3	6	(3)	
Stock based compensation	15	7	8	
Non-cash changes in employee benefit reserves	4	3	1	
Provision for deferred income taxes	160	21	139	
Change in working capital	9	57	(48)	\$64M Year-Over-Year Decline in Cash Flow from Balance Sheet Changes
Decrease in liabilities excluding borrowings	(26)	(10)	(16)	
Other items, net	7	7	-	
Net cash (used in) provided by operating activities	(35)	12	(47)	
Net cash (used in) provided by investing activities	(13)	311	(324)	
Net cash provided by (used in) financing activities	10	(298)	308	
Effect of exchange rate changes on cash, cash equivalents and restricted cash	4	(2)	6	
Net (decrease) increase in cash, cash equivalents, restricted cash and cash in assets held for sale	\$ (34)	\$ 23	\$ (57)	
Net (decrease) increase in cash, cash equivalents, restricted cash and cash in assets held for sale	\$ (34)	\$ 23	\$ (57)	
Net increase in restricted cash and cash included in assets held for sale	(3)	(23)	20	
Net decrease in cash and cash equivalents	\$ (37)	\$ -	\$ (37)	

This document should be read in conjunction with the 2020 Form 10-K.



Non-GAAP Measures

In this fourth quarter earnings presentation, reference is made to the following non-GAAP financial measures:

- Cash and cash equivalents excluding debt, convertible preferred stock and deferred consideration on disposed businesses (“Net Debt”);
- Revenues and Operational EBITDA on a constant currency basis;
- Net (Loss) Income excluding changes in fair value of embedded derivative liability features for the Series A Preferred Stock and 2019 Convertible Notes, loss on extinguishment of debt, increase in employee benefit reserves, net gain on sale of assets / businesses, trade name impairment, increase in accounts receivable reserves and increase in deferred tax valuation allowances (“Adjusted Net Income (Loss)”);
- Operational EBITDA; and
- Operational EBITDA excluding the increase in employee benefit reserves, license revenue received from HuaGuang Graphics Co. Ltd transaction and increase in accounts receivable reserves (“Adjusted Operational EBITDA”).

Kodak believes that these non-GAAP measures represent important internal measures of performance as used by management. 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. The performance measure related to Net Debt is an important measure in evaluating the Company’s liquidity.

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 consolidated revenues and Operational EBITDA on a constant currency basis, as presented in this earnings presentation, 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.



Non-GAAP Measures

The following table reconciles the most directly comparable GAAP measure of Cash, Cash Equivalents, Restricted Cash and Cash in Assets Held for Sale, end of period to Cash and cash equivalents excluding debt, convertible preferred stock and deferred consideration on disposed businesses for the twelve months ended December 31, 2020 and three months ended March 31, 2019, respectively:

(in millions)	Twelve Months Ended December 31, 2020	Three Months Ended March 31, 2019	\$ Change
Net cash used in operating activities	\$ (35)	\$ (12)	\$ (23)
Net cash used in investing activities	(13)	(3)	(10)
Net cash provided by financing activities	10	3	7
Effect of exchange rate changes on cash, cash equivalents, restricted cash and cash in assets held for sale	4	2	2
Net decrease in cash, cash equivalents, restricted cash and cash in assets held for sale	(34)	(10)	(24)
Cash, cash equivalents, restricted cash and cash in assets held for sale, beginning of period	290	267	23
Cash, cash equivalents, restricted cash and cash in assets held for sale, end of period	256	257	(1)
Restricted cash balance and cash in assets held for sale	(60)	(36)	(24)
Cash and cash equivalents, end of period	196	221	(25)
Short-term borrowings and current portion of long-term debt	(2)	(396)	394
Long-term debt, net of current portion	(17)	(18)	1
Convertible preferred stock	(191)	(175)	(16)
Deferred consideration on disposed businesses	-	(14)	14
Cash and cash equivalents excluding debt, convertible preferred stock and deferred consideration on disposed businesses ("Net Debt")	\$ (14)	\$ (382)	\$ 368



Non-GAAP Measures

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

(in millions)

	<u>FY 2020</u>	<u>FY 2019</u>	<u>\$ Change</u>
Net (Loss) Income	\$ (541)	\$ 116	\$ (657)
Changes in Fair Value of Embedded Derivative Liability Features	382	42	340
Loss on Early Extinguishment of Debt	2	-	2
Increase in Employee Benefit Reserves	4	3	1
Net Gain on Sale of Assets / Businesses	(10)	(201)	191
Trade Name Impairment	3	4	(1)
Increase in Accounts Receivable Reserves	3	-	3
Increase in Deferred Tax Valuation Allowances	167	-	167
Adjusted Net Income (Loss)	\$ 10	\$ (36)	\$ 46



Non-GAAP Measures

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

(in millions)

	FY 2020	FY 2019	\$ Change
Net (Loss) Income	\$ (541)	\$ 116	\$ (657)
Other	(1)	1	(2)
Depreciation and amortization	37	55	(18)
Restructuring costs and other ⁽¹⁾	17	16	1
Stock based compensation	15	7	8
Consulting and other costs ⁽²⁾	9	7	2
Idle costs ⁽³⁾	3	5	(2)
Former CEO separation agreement compensation	-	2	(2)
Other operating (income) expense, net, excluding income from transition services agreement ⁽⁴⁾	(7)	22	(29)
Interest expense ⁽¹⁾	12	16	(4)
Pension income excluding service cost component ⁽¹⁾	(98)	(104)	6
Loss on early extinguishment of debt ⁽¹⁾	2	-	2
Other charges, net ⁽¹⁾	386	46	340
Earnings from discontinued operations, net of income tax ⁽¹⁾	(3)	(207)	204
Provision for income taxes ⁽¹⁾	168	31	137
Operational EBITDA	\$ (1)	\$ 13	\$ (14)
License revenue received from HuaGuang Graphics Co. Ltd transaction	-	(13)	13
Increase in employee benefit reserves	4	3	1
Increase in accounts receivable reserves	3	-	3
Operational EBITDA excluding license revenue received from HuaGuang Graphics Co. Ltd transaction, increase in employee benefit reserves and increase in accounts receivable reserves ("Adjusted Operational EBITDA")	\$ 6	\$ 3	\$ 3

Refer to Page 12 of this presentation for footnote explanations.



Non-GAAP Measures

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.





APPENDIX

Full Year Financial Summary by Reportable Segment

(\$ millions)

FY 2020 Actuals	Traditional Printing	Digital Printing	Advanced Materials & Chemicals	Brand	Total
Revenue	\$ 592	\$ 241	\$ 172	\$ 13	\$ 1,018
Operational EBITDA ⁽¹⁾	\$ 21	\$ (10)	\$ (23)	\$ 11	\$ (1)

FY 2019 Actuals	Traditional Printing	Digital Printing	Advanced Materials & Chemicals	Brand	Total
Revenue	\$ 727	\$ 293	\$ 200	\$ 12	\$ 1,232
Operational EBITDA ⁽¹⁾	\$ 48	\$ (9)	\$ (34)	\$ 8	\$ 13

FY 2020 vs. FY 2019 Actuals B/(W)	Traditional Printing	Digital Printing	Advanced Materials & Chemicals	Brand	Total
Revenue	\$ (135)	\$ (52)	\$ (28)	\$ 1	\$ (214)
Operational EBITDA	\$ (27)	\$ (1)	\$ 11	\$ 3	\$ (14)

FY 2020 Actuals on constant currency ⁽²⁾ vs. FY 2019 Actuals B/(W)	Traditional Printing	Digital Printing	Advanced Materials & Chemicals	Brand	Total
Revenue	\$ (141)	\$ (54)	\$ (29)	\$ 1	\$ (223)
Operational EBITDA	\$ (26)	\$ (1)	\$ 10	\$ 3	\$ (14)

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⁽¹⁾ Operational EBITDA is equivalent to "Segment Operational EBITDA" as presented in Note 27, Segment Information to the financial statements included in the 2020 Form 10-K.

⁽²⁾ Refer to page 8 of this presentation for the explanation on the calculation of constant currency.

Eastman Business Park segment is not a reportable segment and is excluded from the table above.





Thank You

