
Kodak A/S

Herstedøstervej 27 - 29 A, DK-2620 Albertslund

Annual Report for 1 January - 31 December 2017

CVR No 54 89 40 15

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
29/05 2018

Ulf Ingemar Malm
Chairman

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Kodak A/S for the financial year 1 January - 31 December 2017.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2017 of the Company and of the results of the Company operations for 2017.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 29 May 2018

Executive Board

Susan White

Board of Directors

Ulf Ingemar Malm
Chairman

Malin Elisabeth Wallin

Susan White

Independent Auditor's Report

To the Shareholder of Kodak A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Kodak A/S for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent Auditor's Report

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 29 May 2018

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Ole Tjørnelund Thomsen
State Authorised Public Accountant
mne10637

Thomas Lauritsen
State Authorised Public Accountant
mne34342

Company Information

The Company

Kodak A/S
Herstedøstervej 27 - 29 A
DK-2620 Albertslund

Telephone: + 45 70 20 61 22

CVR No: 54 89 40 15

Financial period: 1 January - 31 December

Incorporated: 9 November 1910

Municipality of reg. office: Albertslund

Board of Directors

Ulf Ingemar Malm, Chairman
Malin Elisabeth Wallin
Susan White

Executive Board

Susan White

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Financial Statements of Kodak A/S for 2017 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The Annual Report has been prepared under the same accounting policies as last year.

Main activity

The Company carries on with products and equipment for the graphic communications market in Denmark. Sales are made to distributors, but direct sales to end users are made in some of the Company's business areas.

Development in the year

The commissionaire contract with EK Sarl was terminated at December 31st 2016 and a new distribution contract was signed with Kodak Ltd. January 1st 2017. The change in the business model is reflected in the income statement and balance sheet. This means that the financial periods are not fully comparable.

During 2017, the Company's overall sales increased by over 10% if the comparatives was restated to same business model. This was caused by increased sales in the Graphics equipment and consumables business. The total operating profit for 2017 amounted to DKK 1.488k. For comparison, the Company showed a loss of DKK -184k for 2016.

At 31 December 2017, the Company shows equity of DKKk 9.831k. The Company is continuing its transformation to a "digital company" and focusing on commercial products where Kodak continues to be a leading supplier of digital printing plates as well as computer-to-plate devices and digital printing presses.

The expected development

The Company expects that the strategies laid down by the Parent Company defining a strong focus on the continuous development of core digital growth businesses (Commercial Inkjet, Workflow Software and Services, Packaging) will result in a positive development for the Company.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	<u>Note</u>	<u>2017</u> DKK	<u>2016</u> DKK
Gross profit/loss		9.293.093	7.538.913
Staff expenses	1	-6.925.010	-6.521.026
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		<u>-748.054</u>	<u>-1.092.848</u>
Profit/loss before financial income and expenses		1.620.029	-74.961
Financial income	2	1.260	2.130
Financial expenses	3	<u>-132.822</u>	<u>-111.445</u>
Profit/loss before tax		1.488.467	-184.276
Tax on profit/loss for the year		<u>0</u>	<u>0</u>
Net profit/loss for the year		<u>1.488.467</u>	<u>-184.276</u>

Distribution of profit

Proposed distribution of profit

Retained earnings		<u>1.488.467</u>	<u>-184.276</u>
		<u>1.488.467</u>	<u>-184.276</u>

Balance Sheet 31 December

Assets

	<u>Note</u>	<u>2017</u> DKK	<u>2016</u> DKK
Customer lists		1.044.262	566.061
Intangible assets		1.044.262	566.061
Rental equipment		293.468	0
Property, plant and equipment		293.468	0
Fixed assets		1.337.730	566.061
Inventories		50.718	0
Trade receivables		8.050.189	0
Receivables from group enterprises		3.784.049	9.352.736
Receivables		11.834.238	9.352.736
Cash at bank and in hand		2.589.760	4.129.624
Currents assets		14.474.716	13.482.360
Assets		15.812.446	14.048.421

Balance Sheet 31 December

Liabilities and equity

	<u>Note</u>	<u>2017</u> DKK	<u>2016</u> DKK
Share capital		1.000.000	1.000.000
Retained earnings		8.831.276	7.342.809
Equity	4	<u>9.831.276</u>	<u>8.342.809</u>
Trade payables		398.921	127.079
Payables to group enterprises		2.907.055	3.273.487
Other payables		2.222.631	2.305.046
Deferred income		452.563	0
Short-term debt		<u>5.981.170</u>	<u>5.705.612</u>
Debt		<u>5.981.170</u>	<u>5.705.612</u>
Liabilities and equity		<u>15.812.446</u>	<u>14.048.421</u>
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Notes to the Financial Statements

	<u>2017</u>	<u>2016</u>
	DKK	DKK
1 Staff expenses		
Wages and salaries	6.233.497	5.896.739
Pensions	543.093	527.516
Other social security expenses	148.420	96.771
	<u>6.925.010</u>	<u>6.521.026</u>
Average number of employees	<u>9</u>	<u>9</u>
2 Financial income		
Interest received from group enterprises	308	2.130
Exchange adjustments	952	0
	<u>1.260</u>	<u>2.130</u>
3 Financial expenses		
Interest paid to group enterprises	4.406	0
Other financial expenses	128.416	109.390
Exchange adjustments	0	2.055
	<u>132.822</u>	<u>111.445</u>

Notes to the Financial Statements

4 Equity

	Share capital DKK	Retained earnings DKK	Total DKK
Equity at 1 January	1.000.000	7.342.809	8.342.809
Net profit/loss for the year	0	1.488.467	1.488.467
Equity at 31 December	1.000.000	8.831.276	9.831.276

5 Contingent assets, liabilities and other financial obligations

The Company has a deferred tax asset of DKK 12.6 million (2016: DKK 12.9 million) broken down on tax loss carry-forwards of DKK 1,6 million (2016: DKK 2.1 million) and a difference between tax bases and carrying amounts of DKK 11 million (2016: DKK 10,8 million). Due to uncertainty as to whether the Company will be able to utilise the deferred tax asset, the Company has chosen not to recognise any tax asset in the balance sheet at 31 December 2017.

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	286.620	146.213
Between 1 and 5 years	283.461	76.440
	570.081	222.653

6 Related parties

Consolidated Financial Statements

Selskabet indgår i koncernrapporten for moderselskabet

Name	Place of registered office
Eastman Kodak Company	United States

Notes to the Financial Statements

7 Accounting Policies

The Annual Report of Kodak A/S for 2017 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2017 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Notes to the Financial Statements

7 Accounting Policies (continued)

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT.

Expenses for consumables

Expenses for consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company.

Notes to the Financial Statements

7 Accounting Policies (continued)

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance Sheet

Intangible assets

Intangible assets comprise customer lists and are amortised on a straight-line basis over their estimated useful lives determined on the basis of Management's experience with the individual business areas. The amortisation period does not exceed 10 years.

Intangible assets are written down to their recoverable amount if this amount is lower than the carrying amount.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Rental equipment	12-16 years
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Impairment of fixed assets

The carrying amounts of intangible assets are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Notes to the Financial Statements

7 Accounting Policies (continued)

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale equals landed cost.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.