Kodak Alaris Holdings Limited

Kodak alaris

Annual Report & Accounts | 2022

Contents

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Highlights[1]

- The Group loss after tax for the year ended 31 March 2022 (FY22) reduced to $17m (2021: $39m[1]), due to significant recovery of trading volumes in both businesses as COVID-19 restrictions eased.

- Revenue of $510m (2021: $419m, which excludes revenue related to the PPDS business sold in 2021), increased by 22% (2021: 22% reduction) from the prior year despite the adverse impact of foreign currency movements during the year.

- Gross margins increased by 2% during the year to 33% (2021: 31%[1]) reflecting the benefit from the disposal of the PPDS business in the prior year, despite substantial economic headwinds from higher distribution costs and premiums on component pricing due to supply shortages.

- The Group delivered an adjusted EBITDA[2] of $51m (2021: $28m[1]) predominantly though higher trading volumes and a reduction of operating costs due to rightsizing activities in the prior year which offset the reductions in COVID-19 related government funding schemes.

- Excellent progress was made by the cross functional team during the year executing the design, implementation, and modernisation of the ERP system in July 2022. Corresponding costs of $2m have been capitalised and the non-recurring charges related to this activity amounted to $1m (2021: nil).

- The Group remains committed to future growth and increased the investment in engineering for the year to $35m (2021: $31m). The majority of investment related to continued development of Infuse solutions in Alaris and supporting in-store systems and out-of-store solutions in Kodak Moments.

- Kodak Moments has demonstrated resilience in its market despite numerous challenges from regional COVID lockdown interruptions and subsequent supply chain disruptions. This included successful deployment of the enhanced in-store equipment programme and maintenance of viable partnerships through signing new contracts.

- Kodak Moments was awarded the 2022 Technical Image Press Association (TIPA) Best Photo Retail Service[3] for its innovation in developing the LittlePix print station. The innovative Kodak Moments LittlePix solution allows consumers to print the popular mini retro format instantly in store. It features a modern, contemporary design and intuitive web-based kiosk software that creates a seamless and elevated in-store photo experience.

- Alaris met its global go to market strategic aims through completion of its divestment programme in 6 countries during the year. Trading performance has been bolstered through notable product deals and continues to grow in new software and solutions initiatives.

- Alaris continues to receive industry accolades for its leading hardware and software products, including being awarded the Buyers Lab (BLI) 2022 Scanner Line of the Year[4] and a 5-Star Rating from the CRN Partner Program Guide[5].

- The Group is committed to creating a diverse and inclusive work environment and during the year celebrated and supported the International Women's Day and Pride Month to raise awareness of the business benefits of diverse backgrounds and cultural perspectives. From this, it has created a programme centred around "Be You" with the aim of nurturing a working environment based on employee value, inclusion, respect and authenticity.

- As the Group achieved the current 5-year Environmental Sustainability Goals earlier than planned, the next set of goals has been established during the year with a vision of being carbon neutral by 2050.

- The Group ended the year with significant liquidity resulting from a closing cash balance of $71m (2021: $79m) which includes $1m of net sale proceeds from the completion of the divestment programme to simplify the Group's organisational structure.

- As at 31 March 2022, the Group has not drawn on the available $50m shareholder funding facility. After the reporting date the facility was extended to 29 September 2025 and the potential default event relating to the assets of the Group being less than its liabilities was removed from the facility terms by the shareholder.

1 Throughout the strategic report the FY21 results have been presented including continuing and discontinued activities, unless stated otherwise. See page 110 for the summary.
2 Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, impairment and non-recurring items. See page 110 for the non-GAAP reconciliation.
3 TIPA World Awards 2022, recognizing and honouring industry companies & their products, serving as a guide for consumer purchasing decisions (announced May 2022).
4 BLI analysts bestow the coveted line of the year honour annually to the vendor whose product line is rated the best overall, with models at every level excelling in BLI's rigorous two-month laboratory evaluations.
5 CRN®5-Star Rating 2022 Partner Programme Guide Announced March 2022.

Highlights (continued)

Revenue $m[1]

$510

FY21[3]: **$446** | FY20[4]: **$628**

Group revenue improved by 14% from the prior year, largely through increases in Kodak Moments as restrictions were lifted in many retail outlets during the year.

Adjusting for the prior year disposal of PPDS and operations in Brazil, revenue increased by 22% against the prior year.

Gross Profit (GP) $m[1]

$168

FY21[3]: **$136** | FY20[4]: **$186**

Gross Profit % increased by 2% to 33% (2021: 31%), reflecting the prior year disposal of the lower performing PPDS business and despite higher materials and logistic costs incurred during the year.

Adjusted EBITDA $m[1,2]

$51

FY21[3]: **$28** | FY20[4]: **$42**

Recovery of trading activities following COVID-19 disruptions in the prior year has delivered a $23m improvement to adjusted EBITDA.

Commensurate with increased trading volumes, an additional $8m of direct costs have been incurred largely from R&D and SG&A activities, offset by cost savings due to rightsizing activities completed in the prior year.

Loss After Tax $m[1]

($17)

FY21[3]: **($39)** | FY20[4]: **($91)**

Loss after tax for the year of $17m which includes a $5m gain on the sale of businesses as a result of the programme to rationalise the Group's legal entity footprint and a $14m impairment charge, reflecting the impact of current cost inflation in the Kodak Moments business outlook.

The prior year results included an $11m loss on disposal of PPDS and $11m related to the cumulative translation losses in Argentina.

Net (Liabilities) / Assets $m

($25)

FY21[3]: **($8)** | FY20[4]: **$16**

The Group had net liabilities of $25m in FY22 which includes $145m of Tranche B loan notes from the shareholder which do not mature until 31 August 2028.

Closing Cash $m

$71

FY21[3]: **$79** | FY20[4]: **$69**

The Group utilised $8m of cash in the year ended 31 March 2022, resulting in a substantial closing cash balance of $71m. The outflow includes $16m of capital expenditure less $1m of divestment proceeds.

1 2021 includes continuing and discontinued operations, see page 110 for the summary.
2 Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, impairment and non-recurring items. See page 110 for the non-GAAP reconciliation.
3 FY21 = year ended 31 March 2021.
4 FY20 = year ended 31 March 2020.

Chair's Statement

The Board of Kodak Alaris Holdings Limited is pleased to report its results for the year to 31 March 2022. These results reflect the total business performance of the Company and its subsidiaries, together referred to as the 'Group'.

The last year has seen a significant recovery from the initial impacts of the COVID-19 pandemic. The Board is proud of the way the business and the employees have continued to manage the impact of the pandemic and navigate the after-effects such as supply chain disruption and inflationary pressure. The Board is extremely grateful to the management and employees for delivering results that exceeded expectations for FY22.

Leadership and Board changes

Mark Alflatt who was named CEO in July 2020 completed his contract and resigned from the Board on 31 March 2022. I want to thank Mark for leading the business through the significant challenges of COVID-19 and the resulting disruption. Mark has left the Group in a stronger position than when he assumed leadership of it. Mark provided a seamless transition to Paul Wells who assumed the role of CEO effective 1 April 2022. Paul had held a number of senior roles in Kodak Alaris and has been working closely with the Board over the last 7 years, most recently serving as the COO of Kodak Alaris and the leader of various transformation activities.

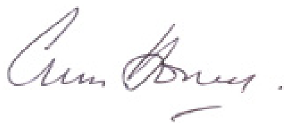
I am delighted to announce that Anastasia Roumelioti joined the Board as a Non-Executive Director in May 2022. Anastasia brings significant experience in digital transformation and strategy to complement the existing structure of the Board. The Board and I very much look forward to working with Anastasia.

Dividends

While the Group's cash balance and liquidity is in a strong position, the Board did not deem it appropriate to consider paying a dividend as it is projecting that cash will be required in FY23 due to continuing inflationary pressures arising from macroeconomic factors and also to support the investments being made in Alaris and Kodak Moments. The Board will continue to monitor the Group's balance sheet strength and liquidity needs, the ongoing cash and investment needs of the Group and the uncertainty driven by the economic effects of the pandemic in determining the timing and scale of potential dividend distributions.

After the Balance Sheet date

The Group extended access to a funding facility of up to $50m provided by its shareholder that was undrawn during the FY22 year and remains undrawn at this time. The Board considers it important to maintain financial flexibility, especially given the uncertain environment created by the after-effects of the pandemic and the recent developments in Eastern Europe.



Chris Howell
Chair
1 August 2022

Chief Executive's Statement

COVID-19 and the after-effects of the pandemic continued to dominate FY22. Our highest priority remained to ensure the safety of our global team. Easing of restrictions and responses to the pandemic varied widely across the globe and the teams responded well ensuring the safety of our employees and seeking to optimise business opportunities in an ever-changing landscape of restrictions. We saw demand increases approaching pre-pandemic levels in many areas across our businesses as restrictions eased.

The impact of the pandemic became very evident in the supply chain disruption that followed over 2 years of pandemic control measures. The teams showed incredible resiliency and creativity in negotiating the numerous challenges from component availability to logistical and other supply chain challenges. Many inflationary costs, including components, transportation and labour costs exceeded predictions but they were well managed by our teams and mitigated where possible.

Despite these challenges the performance of the businesses was strong, with **revenue**[1] growing by 14% to $510m and **adjusted EBITDA**[1,2] of $51m growing 82% compared to the previous year. There was a net outflow of **cash** of $8m, largely due to supply chain challenges resulting in higher inventories being held, but the total cash position of the Group at year end remained strong at $71m. We have experienced a significant **foreign exchange impact**, mainly resulting from a weakening of the euro over the year from $1.18 to $1.11. The Group reported a **loss after tax**[1] of $17m, an improvement of $22m on the previous year.

Our priorities remain focused on driving the maximum value from the core businesses, while adapting to create new opportunities for growth in an adjacent digital world. We will exploit our core engineering, market and customer knowledge and technical expertise to facilitate the future growth plans of Alaris and Kodak Moments.

Transformation

We have continued to drive simplification of our corporate structure reducing the number of legal entities and transforming to a simplified go to market structure for the rest of the world.

We were on schedule and budget with the modernisation of our ERP system to Microsoft D365 that went live in July 2022. We continue to rationalise our property portfolio to realign to the post-pandemic requirements for hybrid working.

We have successfully implemented the core of Dayforce as our Human Capital Management system and will continue to roll out further modules over the coming months, ensuring we have a modern, user-friendly tool to support our employment processes.

Mission, Vision and Values

Our **Mission** at Kodak Alaris remains unchanged and our teams lived up to it and delivered on it in FY22: to transform and maximise the profitability of the portfolio of our two businesses that make up Kodak Alaris, to create further value in a culturally renewed values-driven company; a company that invests in growth businesses, systematically and reliably delivers on its financial commitments, operates within an efficient, cost-effective infrastructure and based on a cultural foundation of innovation, transparency, discipline and accountability.

Our **Vision** for our businesses remains as ambitious: to be recognised by the market as the leading provider of products and services in each of the segments we participate in. We want to lead in each key industry we participate in through better products, better quality and reliability, better customer service, the best and the brightest employee talent, and world class partners around the globe.

Our well-established Kodak Alaris **Values** that we live and breathe by can be defined by the acronym I-ACT:

- **Innovation** as the core of Kodak Alaris as a technology company
- **Accountability** to deliver on our commitments
- **Customer Satisfaction** in all aspects of our business
- **Teamwork** in how we resolve issues and grow our portfolio

1 2021 includes continuing and discontinued operations, see page 110 for the summary.
2 Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, impairment and non-recurring items. See page 110 for the non-GAAP reconciliation.

Chief Executive's Statement (continued)

Task Force on Climate-related Financial Disclosures (TCFD)

We are also increasing our efforts to align our climate-related disclosures with TCFD recommendations and strengthen communications about sustainability initiatives and performance. Climate-related initiatives for the Group are primarily driven by transition risks - categories of risks associated with the transition to a lower-carbon economy. Escalating costs associated with government policies (such as carbon tax), product regulations, and changing market expectations are anticipated in pathways leading to a low carbon economy. To minimise these risks and potential impacts, we have committed to a new set of Group Sustainability Goals with a vision to achieve a carbon neutral value chain by 2050.

People and Talent

Our employees are our greatest asset. Their ability to respond to unprecedented change and disruption as a result of COVID-19 has been admirable. These challenges included significant supply chain disruption, lockdowns and other restrictions and inflation. As a team they exceeded the agreed plan for the year.

As experienced by many companies coming out of COVID-19, we have seen an increase in voluntary attrition, with it exceeding 10% for the first time since Kodak Alaris was established. Whilst an increase, this level of attrition remains well below market benchmarks. We have successfully recruited over 200 new team members, with the greatest number being hired in the US.

We are in the midst of coordinating a post COVID-19 return to office in various locations, with a view to a hybrid way of working where possible.

Financial Outlook

Revenue will be curtailed to an extent by component supply issues in the short-term. We have product programmes in place to ensure we can partially mitigate these challenges within the year. Transportation disruption will add to supply disruption in the short term and build upon already significant transportation costs. We do see price increases offsetting some of the inflationary pressures that we are experiencing in component and raw material purchases as well as transportation and logistics. We believe that we will overcome the short-term supply chain issues, manage the medium-term inflation impacts and return to full component availability by the end of forthcoming year. This outlook, whilst it will consume cash, gives us the confidence to continue to invest in both the core businesses as well as in growth initiatives in both Kodak Moments and Alaris.

With significant business in Europe, in particular Germany, the USD to euro exchange rate continues to be a risk and has a significant impact on our FY23 plans.

After managing the current headwinds, we believe we have sufficient cash and liquidity to self-fund our operations and investments, without needing to access our credit facility. The Group extended access to a funding facility of up to $50m provided by its shareholder that was undrawn during FY22 and remains undrawn at the date of this report.

We are encouraged by the strength of leadership we have across our businesses. We are well positioned to prosper in our chosen markets and navigate the challenges in order to continue to build on our competitive position.

Paul Wells
Chief Executive Officer
1 August 2022

STRATEGIC REPORT

Business Review

Kodak alaris

Kodak Alaris is combining imaging science and digital transformation to bring simple solutions to our customers.

Kodak Alaris is a global technology company that's delivering future value through customer solutions. Our advanced, patented intellectual property combines breakthrough technologies, digital transformation, and human know-how to unlock the power of images and information. We enable businesses to run faster, governments to run smarter by turning data in to powerful, actionable insights and provide consumers innovative solutions to preserve and enjoy their most cherished memories.

We are UK owned, with a global reach, supporting customers in more than 100 countries. Our major office locations are in the US, UK, Germany, Mexico, and China. Our legacy is rich: born from one of the world's most iconic brands, we have a strong heritage in innovation, and a sharp focus on bringing technology to market. Our future is powered by our employees' creativity.

Who we are

Kodak Alaris was formed in 2013 by the UK Kodak Pension Plan, after it had acquired the Kodak Personalised Imaging and Document Imaging businesses from the Eastman Kodak Company. On 10 November 2020 the Group was formally transferred from KPP2 to The Board of the Pension Protection Fund (PPF), its sole shareholder.

What our businesses do

Kodak Moments

Kodak Moments is a leading global provider of photo products and services to retailers, consumers, and entertainment properties. We inspire consumers to bring their memories to life - delivering innovative, high-quality photo products and experiences they find truly meaningful. Powered by over 100,000 consumer touchpoints across 30 countries globally, it's our mission to be the brand consumers choose to celebrate and preserve life's memories, from the big events to the everyday moments that matter.

Alaris

Alaris is a leading provider of information capture solutions that simplify business processes. We exist to help the world make sense of information with smart, connected solutions powered by decades of image science innovation. Our award-winning range of scanners, software and services is available worldwide, and through our network of channel partners. Alaris has taken steps to fulfill service commitments to current customers and to continue to serve the markets on a cross-border basis through Authorised Service Providers and in country distribution partners.

Business Review
Kodak Moments

Kodak Moments inspires customers to capture and share joy in moments big and small—from everyday memories to life's biggest milestones.

We continue to lead the industry with innovative products and creative solutions that help connect our customers to the moments that matter most.

Kodak Moments is a leading global provider of photo products and services to retailers, consumers, and entertainment properties.

It's our mission to be the brand that customers choose to celebrate and relive their memories in print, from the big events to the Everyday Moments™ that matter. Powered by over 100,000 consumer touchpoints across 30 countries, we're proud to provide a smart, seamless customer experience and high-quality photo products. Kodak Moments, For All That Matters™.

Business overview

Kodak Moments has continued to invest in global retailer photo offerings while simultaneously managing the challenges of the global pandemic. We have continued our commitment to develop mobile-first, consumer-centric products. Our category leadership sets us apart. By continually investing in brand, channel, product, and technological innovation, we are executing on our dynamic transformation and reshaping the industry by launching innovative products like LittlePix and opening new channels with key partners.

Our installed base offers ease, convenience, and choice in creating and delivering a portfolio of high-quality photo products such as prints, enlargements and photo merchandise to consumers through our retail partners. Our offerings include Kodak Moments iOS and Android mobile apps as well as Kodak Moments desktop and mobile websites for order creation with both ship-to-home and BOPIS (buy-online-pick-up-in-store) fulfilment options.

Kodak Moments has a global supply chain reach with expanded converting and packaging facilities around the world for delivery to regional channel partners. Our in-store equipment continues to be sourced from original manufacturing partners and is assembled by third-party integrators located in the US and Germany. Our retail printing consumables are manufactured in our ISO-certified (ISO 9001 Quality Management System and ISO 14001 Environmental Management) facility in the US and through our strategic partner in Germany. Kodak Moments thermal paper products are certified under the internationally recognised Forest Stewardship Council® (FSC®) Chain of Custody (CoC) standard.

Industry dynamics

Kodak Moment's market participation is based on the overall global photo output market, which was valued at $18bn[1] in 2020, split between the prints market at $11bn and photo merchandise (e.g., home decor, photo books, cards and mugs) at $7bn. Customer access has been shifting to different degrees globally to online purchases, including buy-online-pick-up-in-store. The market improved in 2021 for physical store-based retailers as retail opened up and more picture-taking events and activities resumed.

A 2021 report by Futuresource Consulting Ltd.[2] projects that buy-online-pick-up-in-store photo print sales will grow by a CAGR of 4% in Western European photo markets while web to home photo print sales will grow by 5.8% through 2025. Futuresource also reported that in 2020, 96% of sales in the growing photo merchandise segment of products were sold via e-commerce in Western Europe, a

1 InfoTrends Worldwide Photo Merchandise Summary Forecast, 2015-2020.
2 Western Europe-6 Photo Prints Market Report, July 2021.

STRATEGIC REPORT

Business Review (continued)

Kodak Moments

trend fuelled by the pandemic but not expected to reverse itself. Meanwhile a 2021 report by Rise Above Research[1] on consumer photo merchandise purchasing behaviours reported that 48 percent of respondents had purchased photo merchandise in the past 12 months, up nearly 4 percent from the 2020 survey results.

2021 produced global Ecommerce growth of 16.3%[2]. Ecommerce is expected to continue double digit growth over the next few years and in 2022 it is predicted by research firm eMarketer[2] that it will top $5 Trillion in sales for the first time.

Achievements

Awards

Kodak Moments was awarded the 2022 TIPA Best Photo Retail Service[3] for its innovation in developing the LittlePix print station. The innovative Kodak Moments LittlePix solution allows consumers to print the popular mini retro format instantly in store. It features a modern, contemporary design and intuitive web-based kiosk software that creates a seamless and elevated in-store photo experience. Designed to engage a younger demographic and meet consumer demand, LittlePix are perfect for sharing with friends, decorating or gifting with stylish packaging.

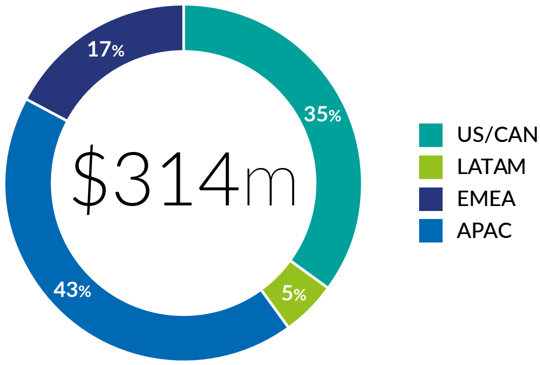
Film products

Kodak Moments continues to be the market leader in providing consumer and professional photographic film and one-time-use cameras for traditional silver halide image capture. The continued resurgence of interest in film photography in combination with selective price increases ensured that revenue exceeded the previous fiscal year.

Kodak Moments financials

Kodak Moments generated revenue from continuing operations of $314m for the year to 31 March 2022, an increase of 30% compared to the prior year (2021: $242m, excluding discontinued Brazil operations of $1m). The revenue increase has been primarily driven by the partial recovery from the COVID-19 pandemic. All significant product lines showed an improvement in sales, with higher demand / volumes and pricing impacting the top line.

Revenue by region for 12 months to 31 March 2022



(2021: US / Can 35%, LATAM 4%, EMEA 42%, APAC 19%)

Gross profit for the year to 31 March 2022 amounted to $88m, representing an increase of 41% year-over-year largely due to higher pricing and a shift in product mix (2021: $62m[4]). This gross profit improvement was achieved in spite of considerable global supply chain and logistics pandemic related cost increases in the year.

Future outlook

We operate in a competitive market that includes the challenge of retail transformation. Our focus for FY23 is to enable the post pandemic business growth by continuing our innovation investment and providing outstanding customer service. Our consistent areas of focus include mobile-first, multi-channel photo printing and gifting that makes creating and purchasing high-quality Kodak Moments photo products easy. We continue to gain intellectual property from our investments in this area and are integrating these innovations into both current and future planned products.

We anticipate the supply chain and logistics effect of the pandemic will continue to have an impact on the retail photo printing market. However, Kodak Moments has a strong and resilient portfolio of key retail customers and supply partners. We are continuing to invest in our branded eco-system as we develop a strategy of omni-channel retail and are seeing growth in our online business and out-of-store ordering.

The Film business continues to see a strong demand for our products. We are excited to see the impact of the launch of the new 120 format Gold 200 film.

1 2021 US Photo Merchandise Study Report.
2 January 2022 Global Ecommerce Forecast.
3 TIPA World Awards 2022, recognizing and honouring industry companies & their products, serving as a guide for consumer purchasing decisions (announced May 2022).
4 Results from discontinued operations in Brazil are excluded.

STRATEGIC REPORT

Business Review

Alaris

a Kodak Alaris business

The Alaris business of Kodak Alaris, which goes to market as Kodak Alaris, is a leading provider of information capture solutions that automate business processes. We exist to help the world make sense of information with smart, connected solutions powered by decades of image science innovation. Our award-winning range of scanners, software and services is available worldwide, and through our network of channel partners.

Business overview

The Alaris business enables organisations to digitise content and onboard critical information into business workflows, digital repositories, and the cloud.

The business is uniquely differentiated through its industry leading image science technology. Its innovative Perfect Page technology enables businesses to increase accuracy while reducing the time required to extract important business information. It offers advanced paper handling capabilities in addition to fast and efficient image processing that yield significantly smaller file sizes and reduce the time spent digitising documents. The data capture process is made complete with software solutions that capture, extract, and deliver data to business applications quickly and accurately.

Industry dynamics

The capture market had a strong recovery in FY22 following the pandemic driven decline in FY21. There was a generally robust improvement in all of Alaris's key industries throughout the year. The trends established early in the pandemic around remote/hybrid work, increased pace of digitisation, and process/workflow automation continued to support the demand for scanners and Intelligent Document Processing (IDP) solutions. However, industrywide headwinds began to emerge late in the year around the impact of COVID-19 variants, supply chain (component shortages and shipping), and high global inflation. Despite these headwinds, Alaris managed to grow revenue and gain share in the document scanners market.

Market revenue for global production capture scanners was down 4% due to a slower recovery in France, UK and Saudi Arabia plus a slowdown in China. However, the demand for high-speed production scanners is expected to recover as businesses invest in digital transformation and backfile conversion initiatives. We expect demand to be particularly strong in the US federal government space due to the looming M-19-21 National Archives and Records Administration (NARA) deadline to no longer accept paper records after December 2022. Market revenues for global distributed capture scanners were up 11% in FY22. The growth in the distributed capture market was largely driven by increased adoption of cloud solutions, support of hybrid workers, and continued investment in workflow/process automation. Our FY22 global share was 25% in production capture and 8% in distributed capture.

Achievements

Product launch

The Alaris business expanded its portfolio to include a new line of production capture scanners compliant with the United States Federal Agencies Digital Guidelines Initiative (FADGI) Standards. To achieve FADGI 3-star standards, our devices produce high quality images that enable researchers to note details like paper condition and weave, age, ink type and much more. The FADGI-compliant Kodak i5250 and Kodak i5850 scanners from Alaris ensure that organisations will have assurance that all digital images submitted to NARA will comply with FADGI 3-star requirements.

Awards

The Alaris business continues to win industry accolades for its innovative product and service offerings, capturing the Keypoint Intelligence - BLI Scanner Line of the Year[1] award for the sixth time in the last seven years. The Kodak S3000 Series Scanners were also chosen by Keypoint Intelligence analysts as winner for its outstanding value, excellent reliability and OCR[2] read rates, superior media handling capabilities, and software integration[1] - including Kodak Capture Pro and Kodak Info Input Solution - to help businesses extend digital automation to the point of capture. Keypoint Intelligence is the world's leading independent evaluator of document imaging hardware, software, and services. Alaris has won more awards than any other scanner manufacturer in the testing lab's 60-year history.

Industry analysts and influencers continue to recognise Alaris expertise across the globe. UK-based PrintIT Reseller

1 BLI analysts bestow the coveted Line of the Year honour annually to the vendor whose product line is rated the best overall, with models at every level excelling in BLI's rigorous two-month laboratory evaluations.
2 Optical character recognition.

Business Review (continued)

Alaris
a Kodak Alaris business

Magazine presented the Kodak S3000 Series Scanners with its Scanner Line of the Year[1] award while Document Manager Magazine recognised Kodak Alaris Perfect Page Technology with its Data Capture Recognition Product of the Year[2] award for 2021. Alaris also earned a 5-star rating[3] from CRN®, a brand of The Channel Company, in its 2022 Partner Programme Guide. This was the fifth time Alaris received this honour from CRN®.

Global service organisation Net Promoter Score

With a focus on customer productivity, the Services organisation partners with our customers to provide installation, repair and maintenance and professional service engagements. The business's unique ability to serve customers around the world with responsiveness, technical accuracy, and professionalism is unmatched in the industry and is demonstrated by world-class Net Promoter Scores.

Solutions growth

As the Alaris business continued to execute on its growth strategies, it achieved significant year-on-year growth in software and solutions and benefited from successful proof of concept in customer initiatives such as:

- A government agency in Costa Rica which is using the Infuse Smart Connected Scanning solution in more than 60 locations around the country to manage and automate the records of adopted children.

- A bank located in France which is using Info Input Solution and Professional Services to create a digital banking solution that harmonises the data capture process across multiple inputs.

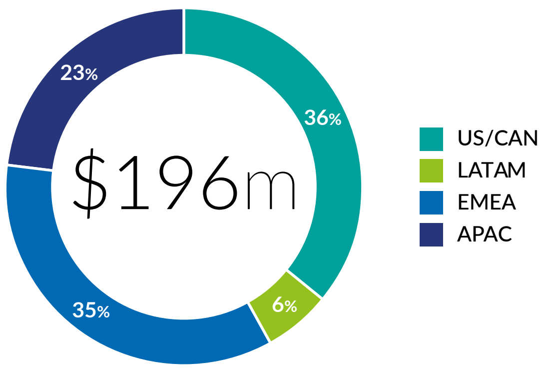
Supply chain agility

The Alaris business navigated historic global supply chain challenges including the lack of available semi-conductor components, cost inflation and transportation disruptions. The business demonstrated meaningful pricing leverage and organisational agility to materially moderate the impacts of those challenges. This is a testament to the strong collaboration among sales, operations, manufacturing, and engineering.

Alaris financials

Alaris generated revenue from continuing operations of $196m for the year to 31 March 2022, an increase of 11% compared to the prior year (2021: $176m excluding discontinued Brazil operations of $2m). Product revenue was up 23% versus prior year driven by multiyear purchases by a large US government agency, strong education sector performance in APAC and expanding China business; service revenue sustained at 96% of prior year with historic highs in renewals & continued strong growth of professional services.

Revenue by region for 12 months to 31 March 2022



(2021: US/Can 34%, LATAM 6%, EMEA 37%, APAC 23%)

Gross profit for the year to 31 March 2022 amounted to $80m, representing an increase of 3% year-over-year (for the year to 31 March 2021: $78m[4]). Gross profit, as a % of sales declined from 44% to 41% compared to the prior year, a result of unfavourable purchase price variance and higher transportation costs.

1 PrintIT Awards 2021: Winners announced, December 2021.
2 DM (Document Manager Magazine) Awards 2021: Winners announced, November 2021.
3 CRN®5-Star Rating 2022 Partner Programme Guide Announced March 2022.
4 Results from discontinued operations in Brazil are excluded.

Business Review (continued)

Alaris

a Kodak Alaris business

Future outlook

In many parts of the world, the image capture marketplace is progressing from a focus on digitisation to one of automation – a trend that is accelerating as impacts of the pandemic subside. Market consolidation and manufacturer retrenchment is also changing the competitive landscape.

In FY23, we plan to support this evolution by continuing to provide our traditional scanners, software, and services offerings to the vertical markets where we've performed strongly including logistics, finance, government, healthcare and Business Process Outsourcing - all of which we expect to remain strong.

We plan to protect our key markets and expand our reach with additional investment in the portfolio bringing to market new versions of our award-winning production capture and distributed capture scanners and software solutions; through continued innovation within the cloud-based connected software and solutions space; and by developing organisational capabilities that drive growth and customer value in software solutions and professional services. In the short-term we expect product revenue to be curtailed to an extent by component supply issues and we have product programmes in place to ensure we can partially mitigate these challenges within the year.

Financial Performance Review

Kodak Alaris has faced another challenging year, contending with supply chain disruptions, increased materials and logistics costs as well as the adverse impacts of foreign currency movements. Despite this, the Group delivered its trading results above those for the prior year, while also successfully reducing its legal entity footprint and completing its divestment programme to simplify how the business goes to market.

Extracts from consolidated balance sheet and five year financial summary[2]

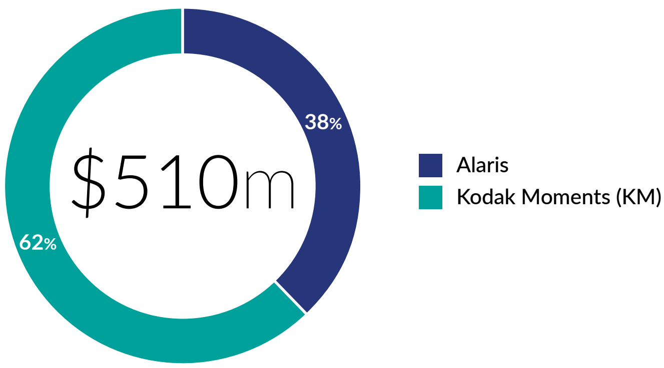
$m	Year ended 31 March 2022	Year ended 31 March 2021
Revenue[2]	510	446
Gross Profit[2]	168	136
Gross Profit %[2]	33%	31%
Adjusted Costs[3]	(117)	(109)
Adjusted EBITDA[1 2]	51	28
Closing Cash	71	79
Net Working Capital	86	71
Net (Liabilities) / Assets	(25)	(8)
Net Loss	(17)	(39)

Revenue – for the year end 31 March 2022, the Group generated revenue of $510m, an increase of $64m (14%) compared with $446m[2] for the year end 31 March 2021 despite $9m of adverse impact from the weakening of the euro against the USD. After adjusting for the prior year disposal of the PPDS business and Brazil operations, revenue on a continuing basis increased by $91m (22%) compared to the previous year (2021: 22% reduction).

On a continuing basis, Alaris revenue increased by $20m (11%) driven by strong US product growth and educational sector performance together with continued growth in China. Service revenue declined by 3% versus the prior year (2021: 6% decline), despite higher renewal levels and strategic divestments.

Kodak Moments revenue increased by $72m (30%) on a continuing basis despite continued trading volatility during the year. This reflects improved trading conditions following the prior year COVID-19 disruptions to the global retail landscape. Most of the revenue increase related to Film $30m (38%) and consumables $25m (23%) as a result of the recovery of the retail photo printing market.

Revenue by business for year ended 31 March 2022



(2021[1]: Alaris 40%, KM 55%, PPDS 5%)

1 Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, impairment and non-recurring items. See page 110 for the non-GAAP reconciliation.
2 2021 includes continuing and discontinued operations, see page 110 for the summary.
3 Adjusted costs represent the difference between gross profit and the adjusted EBITDA. See page 110 for the non-GAAP reconciliation.

STRATEGIC REPORT

Financial Performance Review (continued)

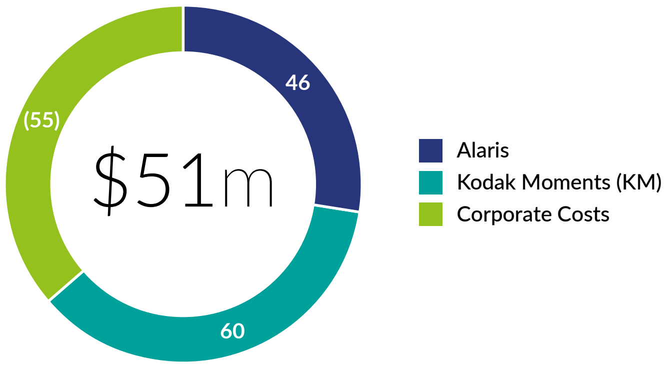
Gross Profit – for the year was $168m, a 24% increase on the prior year (2021: $136m[1]), reflecting trading volume increases across both businesses but predominantly from Kodak Moments. Gross profit % increased to 33% (2021: 31%[1]) despite increased materials and logistics costs, reflecting the benefit from the disposal of the lower return PPDS business in the prior year.

Engineering – the Group invested $35m (2021: $31m) in future products and technologies with $6m (2021: $8m) being capitalised into intangible assets reflecting investment in new products and future product streams and $29m (2021: $23m) being expensed to the income statement as either research and development or cost of sales.

ERP upgrade – a cross functional project team was formed at the start of the year to prepare the business for ERP transition whilst simultaneously looking for opportunities to simplify and improve efficiency of business processes by reduction of bespoke customisations, consolidation of independent software vendors and introduction of new applications offering enhanced functionality. The Group capitalised $2m (2021: nil) during the year which represents implementation costs to change existing systems and interfaces to integrate them with D365.

Adjusted EBITDA[2] – the Group delivered an adjusted EBITDA for the year ended 31 March 2022 of $51m (2021: $28m[1]), exceeding the prior year by 82% due to the ongoing recovery in demand post pandemic. The prior year results included $7m of losses from discontinued operations and on a continuing basis, the Group increased adjusted EBITDA by $16m (2021: $16m decline). The increase reflects improved trading activity and normalisation of employee costs following cessation of government funding schemes, resulting in adjusted costs[3] of $117m (2021: $109m[1]).

Adjusted EBITDA[2] by business for year ended 31 March 2022



(2021[1]: Alaris $49m, KM $40m, AIF ($2m), Corporate ($53m), Discontinued Ops ($6m))

Non-recurring items – the Group incurred non-recurring costs for the year end 31 March 2022 of $1m (2021: $27m[1]). The gain from the change of go to market model for Alaris and Kodak Moments operations amounted to $5m (2021: loss of $11m) and will enable further simplification of the legal entity footprint. The corresponding restructuring costs amounted to $3m (2021: $3m) and a further $2m (2021: $1m) of costs were incurred relating to the business transformation. Additionally, $1m relates to configuration and customisation of the ERP application software and ongoing litigation costs arising from the discontinuation of the relationship with ITyX Technology GmbH (2021: $1m).

Loss / gain on disposal of fixed assets – there was a net loss on disposal of fixed assets in the year to 31 March 2022 of $1m (2021: gain of $1m).

Impairment – the carrying value of goodwill and intangible assets that have indefinite useful lives is tested for impairment annually and impairment was indicated for Kodak Moments for the year of $14m (2021: nil), reflecting the impact of current cost inflation in the business outlook used for the assessment. In the previous year an impairment charge of $2m was incurred on several Alaris software development products due to pandemic delays.

Interest expense – interest expense amounted to $13m (2021: $13m[1]). Most of this expense relates to long-term Loan Notes which are due for settlement in 2028. Interest is satisfied by means of a transfer of new notes to the loan note holder.

1 2021 includes continuing and discontinued operations, see page 110 for the summary.
2 Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, impairment and non-recurring items. See page 110 for the Non-GAAP reconciliation.
3 Adjusted costs represent the difference between gross profit and the adjusted EBITDA. See page 110 for the non-GAAP reconciliation.

Financial Performance Review (continued)

Tax – tax expense was $8m for the year ended 31 March 2022 (2021: $5m[1]), which is split into both current and deferred tax and is driven by a mix of income from various taxing jurisdictions, many of which have higher statutory tax rates than the UK. The difference between current and deferred tax results from the difference in timing of taxability or deductibility of various income items. The increase in tax charge arises from additional profit from improved trading activity in the year and gains on the business sales.

Loss after tax – the Group reported a loss after tax and interest of $17m for the year to 31 March 2022 (2021: $39m[1]). This includes foreign exchange losses of $3m (2021: $8m gain), $44m (2021: $31m) of depreciation, amortisation, loss on disposal and impairment as well as net non-recurring items of $1m (2021: $27m).

Cash – the Group continued to prioritise cash management and closed the year with a cash balance of $71m (2021: $79m), representing a net outflow of $8m (2021: $10m inflow) mainly from increased working capital.

Funding arrangements – in addition to the loan notes above, the Group has access to committed funding from its shareholder of up to $50m until September 2025. Borrowing is limited based on a formula of available obligor collateral and is subject to compliance with the corresponding financial covenants. As of 31 March 2022, the Group had not drawn on this available facility and after the reporting date the potential default event relating to the assets of the Group being less than its liabilities was removed from the facility terms by the shareholder.

Net working capital[2] – was $86m at 31 March 2022, an increase of $15m from the prior year closing position (2021: $71m). This increase resulted from payment of trade payables coinciding with the last day of the financial year and higher inventory balances.

Net liabilities – the Group had net liabilities as at 31 March 2022 of $25m (2021: $8m), which include $145m of Tranche B Loan Notes from the shareholder which do not mature until 31 August 2028.

Transformation activities – the change of go to market model has been completed in 7 more countries during the year, 3 legal entities have been liquidated and 2 branches have been deregistered. The Group continues to pursue cost savings and operational efficiencies as part of its transformation programme.

Dividends – the Company has a dividend policy which outlines the considerations of balancing near term business performance, investment needs and broader economic uncertainties in determining the timing and scale of dividends to the shareholder. The Board did not deem it appropriate to consider declaring a dividend for the reasons given above and in the knowledge that the Company has insufficient distributable reserves available.

Diane Gardner
Chief Financial Officer
1 August 2022

1 2021 includes continuing and discontinued operations, see page 110 for the summary.
2 Net working capital represents the difference between trade receivables, inventories and trade payables at year end.

Risk Report

With global operations, Kodak Alaris faces an evolving complex and diverse set of risks and uncertainties. Our goal is to continuously improve our risk-management processes and further develop a risk culture, which helps deliver our goals and strategic objectives.

Our approach

The Risk Management framework uses a top-down approach to identify the Group's key risks and we continue to refine our framework to identify, evaluate, mitigate and monitor the risks we face as a business. The Corporate Risk register identifies the principal risks facing the business and a summary of the top seven risks are detailed on page 23 of this report.

We also continue to ensure there are appropriate processes to identify and mitigate the operational, functional and regional risks associated with both of the individual business units.

Corporate oversight

Risk management

The Risk Committee is comprised of the Kodak Alaris Executive Committee (KAEC) members and a variety of senior management specialists. The committee establishes the nature and extent of risk that the Group is willing to accept in pursuit of its strategic objectives. This is achieved through robust quarterly assessments of the risk register, which focus on the evolving risk landscape, emerging risks and ongoing significant risks. Key risks facing the business are reviewed by the Board on a bi-annual basis.

Financial control

The Group's internal risk management and control systems are designed to ensure that effective appropriate controls are in place at all levels in the organisation and that these controls are tailored to the day-to-day working environment in which the Group operates.

In addition, the Group seeks to promote a culture of transparency and openness to ensure the timely identification, evaluation and reporting of risks.

The Group continues to standardise and enhance its financial and accounting policies, processes, systems and controls. Regular Business Assurance reviews are performed to assess the design and operational effectiveness of these controls and to provide assurance that the position of the Group is fairly reflected and that the Group complies with approved accounting standards and practices.

Political risk

The Risk Committee and the Board closely monitor global events, including recent developments in Eastern Europe, and any potential repercussions, following the UK's exit from the European Union.

We manage global logistics and supply chain issues in such a way as to minimise any disruption to our customers. Financial risks such as access to funding, FX risk management and tax matters are also monitored and actioned appropriately.

Key areas of risk focus

The Risk Committee continues to challenge and improve the quality of risk information generated across the business. Detailed reviews are completed on targeted risks where there has been an increase in the risk score, or where a new risk has been identified. The purpose of these reviews is to assess the nature and extent of the risk, the effectiveness of any control(s) in place and to highlight any additional mitigating actions required.

Business assurance

The Audit Committee reviews and approves the Business Assurance audit programme annually. Progress against the approved plan is then reviewed at each subsequent meeting. The Committee may require a change in focus or additional audits, following the results of certain audits and any changes in the business environment.

Results of audits are reported to the KAEC and senior management, and where required, corrective actions are agreed. Summarised results are presented to the Audit Committee along with progress against agreed actions. It is noted that overall audit ratings have improved year on year.

Risk Report (continued)

Risk appetite

Our approach continues to be to minimise exposure to environmental, health & safety, reputational and operational risks, whilst accepting that the business operates in challenging and highly competitive markets. Therefore, it is necessary to take certain calculated strategic, commercial and investment risks in order to seize opportunities and deliver against our strategic objectives.

Task Force on Climate-related Financial Disclosure (TCFD)

Climate-related risks and opportunities are assessed by a multi-function team that evaluates the likelihood and severity of potential impacts from at least two climate scenarios. An Intergovernmental Panel on Climate Change (IPCC) "business as usual" scenario based on Representative Concentration Pathway 8.5 (RPC8.5 AR5) was selected to represent a future with a smaller number of policy changes to reduce emissions and characterised by increasing GHG emissions and global mean temperatures. An ambitious IPCC 1.5°C low-carbon transition pathway was selected to represent an aggressive low carbon economy transition, driven by significant policy, technology, and market changes. The threats and risks associated with these scenarios were derived from IPCC Fifth Assessment Report (AR5) and the IPCC Special Report on the impacts of global warming of 1.5°C (Oct2018). The risk assessment method and climate scenarios selected were aligned with recommendations from the TCFD. More than thirty physical and transition risks associated with these scenarios were evaluated. Consequences to Group business operations, supply chain, and customers were considered over short (1-3 year), mid (3-10 year), and long term (>10 year) timeframes. Opportunities were also identified and recorded. Risk scores were calculated as a product of the likelihood and severity with the same process and factors used for other risks in the Corporate Risk register, enabling integration into existing processes.

Risk Report (continued)

Kodak Alaris Principal Risks

The table below summarises the Group's top risks as agreed by the KAEC and the Board, along with the potential impact of these risks and ongoing risk management activities:

DESCRIPTION OF RISK	POTENTIAL IMPACT ON THE GROUP	RISK MANAGEMENT ACTIVITIES	TREND
Dependence on key suppliers Issues with one of our key suppliers could result in increased prices or non-availability of key inputs.	• Supply shortages or quality issues • Inability to meet customer demands • Reduction in EBITDA and cash generation	• Pro-active identification and management of single supply source situations, including identifying and working with potential alternative suppliers • Increased visibility of tier 2 and 3 suppliers and identification of alternative sourcing options • Regular engagement with suppliers and our supply chain partners • Renegotiation of key contractual terms with key existing suppliers • Reviewing product design to facilitate use of more readily available parts and components	↔
Supply Chain Disruption Issues with supply chain logistics (importing/exporting, port congestion, driver shortages and carrier capacity constraints) may result in increased costs or non-availability of key inputs.	• Supply shortages or quality issues • Inability to meet customer demands • Reduction in EBITDA and cash generation	• Identifying and working with potential alternative suppliers • Amendments to contractual provisions with existing suppliers • Active management of sales prices to mitigate higher input costs	↑
Growth initiatives Insufficient available opportunities and/or the business is unable to take advantage of available opportunities for growth.	• Declining revenues • Reduction in EBITDA and cash generation	• Regular review of business unit performance by the KAEC • In-depth Board review of potential growth opportunities • Investment in global technology initiatives to promote efficiency • Active balance sheet management to ensure that funding levels are sufficient to take advantage of growth opportunities • Continued targeted investment in growth opportunities in both KM (e-commerce and ship-to-home) and Alaris (Infuse and Original Equipment Manufacturer strategies)	↑
People Inability to attract and retain high calibre staff in highly competitive labour markets.	• Decreased productivity • Increased staff turnover • Low staff morale • Lack of skillset required to support growth • Staff underperformance • Increased salaries and recruitment costs due to labour shortages	• Drive recognition and retention through the Employee Engagement Survey process. Ensure that issues raised during the Survey are considered and addressed • Structured talent identification and development processes • Succession planning for key roles in sales and engineering • Targeted recruitment to secure the skills necessary to support the Group's strategy • Regular and transparent communication at all levels within the Group	↓
IT - Cyber security and data privacy/protection Business is hit by a cyber-attack or significant data loss. COVID-19 has resulted in a surge in cyber-attacks.	• Shut down, or partial shutdown, of operations • Reputational / brand damage • Regulatory fines • Reduction in EBITDA and cash generation	• Development of robust incident response plan with a dedicated expert team, including a nominated Security Officer • Acquisition of up-to-date tools to support the detection and prevention of unauthorised access • Appointment of Data Privacy Officer to lead Data Privacy Compliance Programme • Ongoing information security training programmes • Enhanced Board reporting of cyber threats	↔
Going concern and cash liquidity The business is unable to continue trading and/or meet its financial obligations due to cash shortages.	• The Group is unable to meet liabilities as they become due • Liquidity constraints result in increased cost of capital and/or in reduced investment in key projects	• The Group has access to committed funding from its shareholder of up to $50m until September 2025 • Active ongoing liquidity management via robust short and long-term cash flow planning and management of foreign exchange exposure • Optimisation of cash outflows by selectively supporting capital investments, ongoing development of a fit for purpose footprint in the jurisdictions in which the Group operates and reducing unnecessary discretionary spend	↓
Geo-Political Risk The business is unable to operate or operate effectively in certain regions due to war or conflict.	• Shutdown, or reduction in operations • Increased prices due to trade war / higher tariffs • Supply chain disruptions reduce the availability of key inputs / leads to higher prices	• A multifunctional team is reviewing operational, supplier and Group risks on a regular basis • The Board and KAEC are actively monitoring developments in Eastern Europe and the potential impact on the Group's activities • The Group has undertaken scenario planning and developed strategies and policies to deal with potential situations • Service parts pricing management	↑

KEY: ↑ **Risk increasing** ↔ **Risk unchanged** ↓ **Risk reduced**

Environmental & Social Responsibility

At Kodak Alaris we are committed to ensuring that our business is conducted according to rigorous ethical, professional, and legal standards. We are a responsible employer that provides environmentally responsible products and services, safe workplaces for our employees, and invests in Community Outreach Programmes as a vital part of our Corporate Social Responsibility (CSR) Programme.

We are on a mission to maintain safe, injury-free workplaces along with providing products and services that are environmentally responsible and safe throughout their lifecycle. Sustainability, people and planet figure prominently in our worldwide Environmental, Health & Safety (EH&S) policy whose core objectives include:

- preventing pollution, mitigating climate impact and protecting the environment; and
- preventing injury and promoting employee health, safety and wellbeing

Community Outreach

Our Community Outreach Programme is reviewed and endorsed by our KAEC at the beginning of each fiscal year in order to support our local communities in influencing and driving a positive impact to health and wellness, education and the environment.

We have a responsibility to care for the people, the environment and the communities where we live and work. This is important to our employees, our customers, our investors and our neighbours in our communities. It is also a clear driver of employee experience/engagement and helps us foster a positive company culture and attract the best talent.

Our community outreach strategy places priority on organisations that help people in our communities improve their health and wellbeing, improve daily life for those who are in need, advance medical research and disease prevention awareness. Our global campaigns across FY22 focused on addressing impacts of the COVID-19 pandemic, as follows:

Global Wellness Distance Challenge exceeded our goal of 800 miles (1,287.48 km) with 150 employees participating globally and achieving an astounding 9,627 miles. A donation from Kodak Alaris was made to organisations in support of disease prevention and to further address health and mental health issues across our communities.

Kodak Alaris hosted a Global food drive which gained global employee participation providing both food and monetary support to local food cupboards and organisations. The collective results of the campaign resulted in a company donation to the World Central Kitchen.

Year-end Community Outreach/Gift Drive extended support to global organisations in the US, Mexico and the UK responding to those in need by providing children and families with holiday gifts and support over the holiday season.

Kodak Alaris fully supports the people of Ukraine as they face the devastating conflict in their country. We have ceased all business activity in Russia and Belarus and will do all we can to support the people of Ukraine. A donation was made to UNICEF to support children in Ukraine.

Our People

Kodak Alaris encourages employees to get involved with their local communities both through their own personal passions and through Kodak Alaris sponsored initiatives and events. During FY22, we maintained global employee community networks to continue the support of our local communities whilst also prioritising and safeguarding the health, safety, and wellbeing of our employees. For more information on employee engagement, including diversity and inclusion, see the directors' report on Page 40.

Safe Operations

We have maintained our strong emphasis on injury prevention, resulting in:

- a low annual injury rate of three lost time injuries per 1,000 employees in FY22.
- no penalties, fines, safety recalls, or enforcement actions for products or our worldwide operations.
- a robust COVID-19 prevention programme to minimise workplace exposure and transmission.

Environmental & Social Responsibility (continued)

Environmental stewardship

100% of Kodak Moments thermal paper receiver distributed globally was manufactured under the **Forest Stewardship Council® (FSC®) Chain of Custody (CoC)** Certificate (SCS-COC-006903), by the close of calendar year 2021.

FSC® CoC certification communicates to Kodak Moments customers that its thermal paper receiver, which produces quality prints and photo products, is sourced from FSC® certified **responsibly managed forests** and other controlled sources.

Kodak Moments Colorado, which maintains our FSC® Certificate, also received recognition as a **Gold Leader member of the Colorado Environmental Leadership Program**. This process involved an in-person, on-site inspection of the facility and **its beyond compliance sustainability projects.**

100% of the Alaris business' scanners qualify for the **EPEAT (Electronic Product Environmental Assessment Tool) Registry**. This is an internationally recognised Type I voluntary ecolabel with Bronze, Silver and Gold levels based on **environmental attributes that span the full product lifecycle.** More than **35%** of the Kodak Alaris scanner portfolio is registered **Gold** (exceeding the 5-yr goal of 10%) – more models than any of our competitors. The remaining portfolio is registered at the Silver level.

The UK trading subsidiary, Kodak Alaris Limited (KAL), is in the scope of the UK government's **Energy Saving Opportunities Scheme (ESOS)**. Under ESOS, KAL recorded a 12-month energy consumption of 621,492 kWh which includes all direct electricity purchase and our direct commercial travel activities. This figure was calculated following the UK's ESOS methodology. Using the most recent conversion factor provided by the UK government (0.212 kgCO2e/kWh) we estimate our emissions were 132 tonnes CO2e during the 12 months (1 October 2020 through 30 September 2021).

KAL is also subject to **Streamlined Energy & Carbon Reporting (SECR)** obligations which requires the setting and reporting of Key Performance Indicators (KPIs). Management set a KPI to reduce KAL total emissions per FTE. The UK operation had 118 FTEs at the end of 2021 which yields a value of 1.12 tonnes CO2e per FTE; our aim is to reduce this by at least 5% year over year – however, we recognise the significant impact that the global pandemic has had on transportation and building occupancy.

Task Force on Climate-related Financial Disclosures (TCFD)

Kodak Alaris voluntarily complies with the TCFD recommendations within this report, to the extent that the information is available. This disclosure reflects the Group's recognition of the threat posed by climate change and the need to reduce GHG emissions. Kodak Alaris supports the goals of Article 2 of the Paris Agreement, "holding the increase in the global average temperature to well below 2°C and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels". It also recognises that meeting the goals of Article 2 of the Paris Agreement requires global carbon emissions to peak as soon as possible and then to decline to reach net zero in the next 30–50 years.

TCFD disclosures	
Governance	Page 30
Strategy	Page 8
Risk Management	Page 22
Metrics and targets	Page 25

For more information, please see EH&S pages of our internet site: https://www.kodakalaris.com/company/environment-health-and-safety

Environmental & Social Responsibility (continued)

Completed Sustainability Goals

The voluntary "beyond compliance" 5-Year environmental goals, approved by the Board in October 2016 were achieved or exceeded one year early, as detailed below:

5-YEAR ENVIRONMENTAL GOALS FROM 2016	ACHIEVED BY 2021
Reduce our total greenhouse gas (GHG) emissions (tCo2-eq) per $ revenue by 5% compared with 2015	A reduction in total greenhouse gas (GHG) emissions (tCo2-eq) per $ revenue of 6.4%
Maintain uninterrupted ISO 14001 Environmental Management System certifications	Uninterrupted ISO 14001 Environmental Management System certifications (no significant non-conformance)
Meet Australian Packaging Covenant Organisation (APCO)	All Australian Packaging Covenant Organisation (APCO) commitments met & increased score to 50%
All Scanners will meet Electronic Product Environmental Assessment Tool (EPEAT) criteria (100% Bronze, 80% Silver and 10% Gold)	100% of Scanners meet Electronic Product Environmental Assessment Tool (EPEAT) Silver criteria and 36% Gold

With the early completion of the 5-Year environmental goals above, focus in FY22 shifted toward establishing the next set of sustainability goals. Since the inception of our 5-Year environmental goals in 2016, the Paris Agreement and subsequent Climate Summits have placed more emphasis on absolute GHG reduction targets rather than GHG intensity. A formal climate risk assessment was completed to identify the greatest climate-related risks and opportunities for the Group. Metrics and targets were proposed to mitigate the highest scoring risks which were approved by the Board of Directors and then incorporated into a new set of Group Sustainability Goals.

New Sustainability Goals

2022 GOALS
Vision: Carbon neutral value chain (scope 1, 2 & 3 emissions) by 2050
Mid-term GHG reduction: 50% reduction in scope 1 & 2 emissions by 2030 (2019 baseline)
Alaris: 90% of scanner portfolio registered EPEAT GOLD* by 2025 [scope 3] *based on 2021 IE criteria
Kodak Moments: 25% use phase energy reduction in new equipment by 2030 [scope 3] 2019 baseline
Environmental Management System: Maintain uninterrupted ISO 14001 certifications

Stakeholder Engagement

The Board and the KAEC recognise the immense value that stakeholders provide in supporting Kodak Alaris' business and operations. Those stakeholders include The Board of the Pension Protection Fund, employees, suppliers, customers, the community and environment. It has been a challenging year for the Group. As well as continuing to manage all the challenges that arose through COVID-19, including new variants, the commercial impacts of COVID-19 which manifested itself through labour shortages, key component unavailability, transportation and logistics delays and inflationary pressures required sensitive and careful management. Long standing relationships with key stakeholders were more valuable than ever.

Whilst we also as a Group saw proportionately more employee attrition in FY22 than in recent years this was lower than in many other industries, which is a testament to the investment made in employees.

Section 172

Successful stakeholder engagement also underpins the essence of what is contained within Section 172 of the Companies Act 2006; it is a director's duty to promote the success of the Company by having regard to stakeholder interests when discharging this duty. The following statement sets out how the directors at Kodak Alaris are discharging their duties.

Consequences of decisions in the long-term

Following the transfer of the ownership of the Group to The Board of the Pension Protection Fund (PPF) in 2020, the disposal of the PPDS and AI Foundry businesses and the move to a retain, run and grow strategy for the Alaris and Kodak Moments businesses, the Board and KAEC during FY22 were fully focussed on the operation of these two businesses and future growth opportunities. The sale of the PPDS and AI Foundry businesses in the prior year presented the opportunity to reduce complexity and operating costs across the Group. In FY22 the Group ceased conducting business directly in 7 countries thus allowing it to reduce the number of legal entities and associated headcount and real estate. The exits were accomplished through business sales to long standing partners. Elsewhere the Group continued to invest in an upgrade to its ERP platform. The investment along with right sizing of the Group ensures it is better focussed to capitalise on growth in markets where it is already established with minimal further investment.

Maintaining a reputation for high standards in business conduct

Kodak Alaris seeks to maintain a reputation for high standards of conduct. There is an ethos in Kodak Alaris of "doing what is right" whether that be typified by supporting employees and their families through COVID-19, helping local charitable organisations or ensuring that as an organisation we maintain safe, injury-free workplaces. These are just a few of many examples of how the values that underpin the Business Conduct Guide, which was approved by the directors, are exemplified by the Board, Executive Committee and employees to ensure that operational decision making is both values based and sustainable and aligned to the requirements of Section 172.

Stakeholder Engagement (continued)

Group engagement with stakeholders is outlined below:

SHAREHOLDER	EMPLOYEES
Engagement with our shareholder, The Board of the Pension Protection Fund, was critical to ensure: **a) it supported the decision to cease conducting business directly in a number of countries which resulted in a number of business sales to long standing partners with minimal operational impact on the business** **b) it received the financial and business information in a timely manner that was due to it under the revolving credit facility and that all requests for information were dealt with to ensure the continued availability of the facility** **PPF Engagement** An obvious example of engagement with the shareholder is the representation of the PPF at all Group Board meetings. The Chair of the Board and Mr. Morley both represent the PPF's interests, Mr. Morley being the CEO at the PPF. Additionally, the CEO, CFO, Group General Counsel and Group Treasurer attended monthly reporting meetings with the PPF. Such meetings address the trading performance of the Group, updates on key projects, litigation and matters relating to the revolving credit facility.	**The Board is committed to making Kodak Alaris a great place to work. Engagement with employees globally at all levels of the organisation is key to understanding local issues and how they impact how employees are feeling. This helps Kodak Alaris continuously evaluate its culture, environment and values.** **Town Halls** The CEO regularly engages with employees through Global Town Halls. Although there was a change in the CEO at 31 March 2022, Town Halls continue to involve a "Q&A Session" where employees have the opportunity to ask the CEO questions about the performance of the business or strategy. There were 5 Global Town Halls through the financial year hosted by the CEO. Participants have also included the Chair of the Board and members of the KAEC. Where COVID-19 has allowed face to face meetings and briefings have taken place with employees where access has been provided to the Chair, CEO, CFO and members of the KAEC. **Diversity and Inclusion** Diversity and Inclusion are important to the Group and the Board and the KAEC accept there is further work to be done. The Group recognises having a more diverse workforce can bring new ideas, remove barriers and foster collaboration. The Group has celebrated International Women's Day and Pride Month and has supported these initiatives to ensure they have longevity within the Group. The Employee Engagement Group has organised discussion groups, inspirational speakers and meet the leader's events to promote and encourage "Be You". **Employee engagement survey** Kodak Alaris also conducts an employee engagement survey and invites all employees globally to provide open and honest feedback on what it is like to work for Kodak Alaris. The results of the survey enable the Board and the KAEC to identify key themes and where acted upon has led to improvements in the current working environment. **Health and Safety** The Board takes a direct interest in the health and safety of the workforce. At the majority of Board meetings, the Board reviewed key metrics relating to employee lost time to assess any underlying root causes and areas for improvement. **COVID-19** Since January 2020, a dedicated global cross functional team led by the Health and Safety function with the support of the Board and the KAEC has been established solely aimed at ensuring that all employees and visitors remain safe, healthy and free of COVID-19. Many key locations were re-opened in a controlled fashion throughout the year as local regulations permitted which facilitated a return to office subject to strict protocols being observed such as social distancing, mask wearing and registration. Employees have been involved in and developed local plans to combat the spread of the virus. Since the onset of COVID-19, the KAEC and Board at every meeting receive a detailed update on progress made.

Stakeholder Engagement (continued)

SUPPLIERS

The value of relationships with key suppliers was tested to the limits during the year as several risks outside of the control of the Group became apparent. Unprecedented global demand for semiconductors and other components coupled with incidents such as a catastrophic fire at a key semiconductor supplier placed an enormous amount of emphasis on the sourcing of components. Whilst shortfalls continue these have been mitigated somewhat by leveraging key relationships to secure supplies. In parallel, other suppliers have had to temporarily close manufacturing facilities due to local COVID-19 restrictions.

Unsurprisingly therefore key supply relationships have been reviewed at all Board and KAEC meetings to understand where risks lie, where key dependencies and the full suite of all other available options including spot buys, auction processes, re-engineering of products, contract management and exposures.

Given the volatility of the supply chain the reinforcement that all actions must be legal and ethical has been important.

Treating our suppliers fairly

The Board acknowledges that suppliers must invest in their operations, sometimes for the long term and they would not be incentivised to do this without having sufficient comfort that the Group would treat them fairly. As such we have a regular dialogue with key suppliers sharing details of our commitment to a sector/product line for forward planning purposes. A substantial number of agreements with key suppliers also have volume purchasing commitments that run out several months in the interests of fostering an open, transparent purchasing environment that allows long term planning to be made by the suppliers. Certain directors most notably the CEO and CFO have taken a personal role in negotiating such terms.

COVID-19

Throughout COVID-19, and as noted in the prior Annual Report & Accounts, many suppliers agreed at the request of the Group to a) not enforce minimum purchase requirements which would have penalised the Group; b) accept longer payment terms; and c) agreed to less favourable supply terms. Given the sacrifices they made we have chosen to work very closely with several of those suppliers to ensure they benefit from the reversal of fortune as supply chains became constrained over the past year.

Dealing with suppliers that act legally and ethically

It is a priority of the Board that all supplies are sourced both legally and ethically. As such we engage with all suppliers to ensure they are aware of and commit to comply with our “Supplier’s Code of Conduct” which is a Board approved governance policy. This ensures that supplies are not produced with child labour and that working practices are both legal and meet the standards we expect. Over time this approach will drive up standards within the supplier’s operations, community and environment. In accordance with UK legislation and guidance the Board has approved a policy that takes a risk-based approach to identify modern slavery and servitude. A supplier questionnaire complimented by desktop reviews and supplier onboarding checks and protocols are in use to assess whether suppliers to the Group are acting legally and responsibly. These activities support the principles as set out in our Supplier Code of Conduct that we expect suppliers to adhere to if they wish to contract with the Group.

Other supplier engagements

Supplier workshops typically would be quarterly however due to the criticality of the supply chain in the current environment and travel restrictions through the year day-to-day management of suppliers and component lines has been ongoing.

CUSTOMERS

At all Board meetings, given the uncertainty in the macro-economic environment, a detailed business review took place. Although a review of trading was undertaken as a matter of course, key risks and concerns were also reviewed. This year was an unprecedented year for management of risks some of which included (in no particular order): inability to ship final product on time; retention of staff; shortage of components to manufacture product; negative public relations from go to market changes; recent developments in Eastern Europe; blockage of Suez Canal; shortage of shipping containers; lorry driver constraints, etc.

An assessment was undertaken to understand how each of these issues impacts customers and mitigating actions were taken where possible, and economic, to do so. Having an open dialogue with customers on the challenges the Group faces has been positive ensuring they understand the issues. This investment has minimised the commercial downsides to the Group.

Kodak Moments customer engagement

Engagement with key customers of Kodak Moments has been a high priority of the Board to ensure the needs of the customer are being serviced into the future. This has involved rolling out new photo products and services to retail customers to ensure the Kodak Moments solution stays ahead of its competitors.

Virtual demonstrations & meetings

The implementation of virtual event technology and upgrades in experience centre capabilities were in response to the desire for continued customer intimacy even during the pandemic. These investments allow the Alaris business to deliver live presentations, product demos, video content and real-time interactivity together into virtual events. Kick off meetings, new product launches and customer business reviews reached new levels of engagement as a result.

COVID-19

The pandemic has increased the need for flexibility and scalability from the Alaris business. Process/workflow automation has accelerated the shift from scan-to-repository to scan-to-workflow. This has led to a transition to document capture at the edge of business processes and increased adoption of cloud solutions.

The Kodak Moments business was significantly impacted by COVID-19 as the majority of its revenue comes from bricks and mortar retailers. During the year whilst global restrictions lifted in some countries local restrictions were reinstalled. Those restrictions were in key markets for Kodak Moments such as Germany and Australia with overall revenue volatile and dependent on kiosks being open and available for use. Continuing to invest in alternative revenue channels such as ship-to-home and direct to consumer has therefore been a key focus for the team.

COMMUNITY AND THE ENVIRONMENT

The Board has a continued commitment to environmental responsibility and giving back through global initiatives and programmes.

Environmental

More than ever, the Group is investing in its sustainability initiatives with a commitment to be carbon neutral as a Group by 2050.

A significant amount of work has been undertaken to identify the short and medium-term initiatives and workstreams required to ultimately achieve the ambition of being carbon neutral. A cross functional team from the Alaris and Kodak Moments businesses lead by the EH&S function will determine how to drive performance to meet each goal and performance against the goals will be reviewed quarterly by the KAEC and six monthly by the Board.

Shorter term and mid-term goals have been approved by the Board and are already being actioned with the intent to be carbon neutral by 2050. Please refer to the Environmental & Social Responsibility Section on pages 24 to 26 for further details.

We continue to maintain four externally accredited ISO14001 Environmental Management Systems, which require policy as well as senior management leadership and commitment, with the goal of continuous improvement and minimisation of environmental impacts.

Community outreach

The Board takes a keen interest in and encourages Kodak Alaris to play a wider role supporting the communities where it operates and further afield.

During the year, a contribution was made to UNICEF to support their work with the children of Ukraine following Russia’s invasion.

Employees in Rochester, US participated in the Day of Caring and United Way Annual Pledge Campaign carrying out cleaning, painting and other work at care homes, animal rescue centres and the YMCA.

Elsewhere donations were made by employees to food banks in Guadalajara, Mexico, Rochester, US and Hemel Hempstead, UK and a fundraising campaign was run for Hillingdon Autistic Care and Support Charity in memory of a former employee. For more information see page 24 of the strategic report.

The Strategic Report was approved by the Board and signed on its behalf by Paul Wells.

Paul Wells
Chief Executive Officer - 1 August 2022

Governance Statement

The shareholder is a strong advocate for good corporate governance, so it is not surprising that the Group continues to voluntarily adopt as far as is reasonably practical given it is a privately-owned Group and not a listed Group, the principles of the UK Corporate Governance Code (July 2018) (the "Code") and the Wates Corporate Governance Principles for Large Private Companies. The adoption of these principles is designed to drive high standards of corporate governance through the Group and as a consequence secure long-term value for the shareholder.

The Code sets out how governance is achieved through the application of its five main principles and their supporting provisions:

- Board leadership and company purpose;
- division of responsibilities;
- composition, succession and evaluation;
- audit, risk and internal control; and
- remuneration.

Board leadership and company purpose

The Board is ultimately responsible to the shareholder for all the Group's activities, its strategy and financial performance, The Board's role is to ensure the Company operates with a clear sense of purpose, ethically and within an agreed corporate governance framework. Its role is successfully executed through collective engagement with many stakeholders, including employees, by demonstrating a combined sense of purpose. Having a clear vision and purpose helps to inform the Board in its decision making and in the promotion of the long-term sustainable success of the Group.

The Board and the Group take the consequences of climate change very seriously and acknowledge that they are in a uniquely privileged position to help address the challenge. Consequently, through the past 12 months and going forwards there will be an even greater focus on climate and sustainability risks. As a result, new environmental and sustainability goals were approved by the Board in FY22 which commits the Group to be net zero by 2050 with near term actions to achieve that long term target already underway. Recommendations from the TCFD have informed our approach.

Division of responsibilities

Role of the Chair - The Chair is responsible for leading the Board and ensuring its effectiveness in governing the affairs of the Group. The Chair ensures that links between the KAEC and the Group's shareholder are transparent and robust, whilst also providing support and challenge to the Executive Board members.

Role of the Chief Executive (CEO) - The CEO is responsible for the implementation and execution of the Group's strategy and for the day-to-day management of the Group. The CEO is supported by his fellow Executive Director and the KAEC members.

Role of the Non-Executive Directors - The Non-Executive Directors provide constructive challenge to the Executive Board members; monitor the delivery of the agreed strategy and provide strategy and market input to the Group's businesses. This input ensures appropriate co-ordination and sharing of knowledge, information and best practice across the Group.

The Board is satisfied that the Chair and each of the Non-Executive Directors have committed sufficient time during the year to enable them to fulfil their duties as directors of the Group.

The Group General Counsel and Company Secretary is responsible for advising the Board on all governance matters and supports the Chair in this capacity. In addition, the Group General Counsel also acts as the Group Compliance Officer and reports to the Board on all compliance issues.

The Board is supported by the KAEC and three Board Committees which operate on a Group-wide basis – Audit, Nomination and Remuneration. The Board structure is designed to enable the Board and its Committees to receive the appropriate business and functional support required to discharge their responsibilities and to facilitate an appropriate level of information to allow constructive challenge and debate at Board level.

Governance Statement (continued)

The Board of Directors

Chair, Executive Directors and Non-Executive Directors

The Board of Directors is responsible for the overall management of the Group and maintaining effective operational control of the Group, including significant financial, organisational, legal and regulatory matters.

Kodak Alaris Executive Committee (KAEC)

Chief Executive Officer, Chief Financial Officer, Kodak Moments and Alaris Presidents, Group HR Director, VP Operations (Extended KAEC), Group Compliance Officer, Group General Counsel and Company Secretary.

Audit Committee

Responsible for monitoring the integrity of the Group's financial statements, effectiveness of internal controls, approving accounting policies and confirming independence of external auditor.

Remuneration Committee

Responsible for determining the overall framework and policy for the remuneration of the Chairman, Executive Directors and the KAEC and other remuneration arrangements.

Nomination Committee

Responsible for Board composition, appointment of directors and succession planning.

Board composition

The Board is led by an experienced, independent Chair who represents the PPF's interests. The Board has six directors (including the Chair), one of whom was appointed to the Board as of 23 May 2022, and the Company Secretary. Of the six directors, four are Non-Executive directors (two of whom are appointed to represent the PPF's interests) and two are Executive Directors. The quorum for the Board is two directors. See pages 35 to 37 for more detail on the directors.

Board responsibilities, attendance and activities

At each Board meeting, to ensure independent judgment, the directors were invited to disclose any conflicts of interest. Any external appointments proposed to be undertaken that required the prior approval of the Board were also disclosed. The CEO provided an update on the Group's key activities and the CFO provided an update on the Group's financial performance for the year.

One of the Company Secretary's responsibilities is to ensure the business and the outcomes of each Board meeting are properly reflected in the Board minutes, together with any concerns noted by the Board. Board minutes were taken at each Board and Committee meeting throughout the year.

During the year the Board met on nine scheduled occasions at which all members were present except for Mr. Morley who was unable to attend one meeting.

A summary of the meetings and attendance for all Board and Committee meetings is as follows:

Board and Board Committee Attendance 2022[1]

Directors	Board (9)	Audit Committee (5)	Remuneration Committee (5)	Nomination Committee (1)
Chris Howell	9	N/A	5	1
Mark Alflatt	9	N/A	N/A	N/A
Diane Gardner	9	N/A	N/A	N/A
Oliver Morley	8	5	4	-
Stephen Webster	9	5	5	1

1 Chris Howell attended 5 Audit Committees during the year as a guest and Mark Alflatt and Diane Gardner both attended 5 Audit and Remuneration Committees during the year as guests. None of them are members of those Committees and therefore did not count towards a quorum.

Governance Statement (continued)

Key Initiatives

During the year significant investment was made in maturing the Data Privacy Compliance Programme under the leadership of the Group Data Privacy Officer and Deputy Data Privacy Officer. Key highlights included an external audit of the Data Privacy Programme the results of which were positive in all key areas with recommendations for improvement in several medium and low risk areas, all of which have been or are in the process of being implemented. Elsewhere the Group, as a consequence of the Schrems II decision, a landmark decision on European data privacy protection, has been implementing the European Commission's Standard Contract Clauses (SCC's) in all agreements that involve data processing and have also developed and implemented a Data Transfer Risk Assessment for all new data processing activity. We have also updated the Group's Data Privacy Policy and implemented a new intra-group Data Transfer Agreement following recent legislative changes. Training has been provided throughout the year to employees on the legislative changes, how these impact the Group's operations and the resources available to employees to ensure continued compliance.

Given the widespread rise in cyber-attacks and fraudulent activity globally, with the oversight of the Audit Committee and Board, we continued to make investment in our Information Security programme. Ensuring our security tools are current has enabled the Group during the year to be alert to and thwart multiple daily malicious attempts to penetrate its IT network. In parallel, a focus on employee training has had good results enabling the Group to avoid any successful phishing attacks during the year. The Information Security Office continues to collaborate closely with the Data Privacy Office ensuring global alignment to policies and compliance and during the year ensured key projects such as obligations relative to CCPA and GDPR and the new Human Capital Management System were fully reviewed and recommendations enacted before implementation. Shortly, the resilience of the Group's Information Security protocols and its Incident Response Plan will be tested with a mock Cybersecurity breach supported by external experts.

The two contract lifecycle management software programmes, one for Alaris and one for Kodak Moments which were launched in 2021, aimed at simplifying, accelerating and ensuring an audit trail associated with the creation, negotiation, execution and renewal of contracts is now embedded into the Group's day-to-day operations and received further investment during the year as an e-signing feature was enabled enhancing the capability and ease of use of the tool and creating an audit trail in relation to signatures.

In addition, the Group continued to operate its modern slavery and whistleblowing compliance programmes.

The Group also provides the means for any employee to raise confidentially any matters of concern. This facility is available anonymously to employees 24/7 across the World and accommodates over twenty languages. Any matters reported are initially reviewed by the Group Compliance Officer and independently investigated in accordance with an agreed protocol. Investigations are reviewed by the Board at each Board meeting together with details of any follow-up action. These efforts were complimented by e-learning modules to emphasise compliance.

Furthermore, the Board has undertaken a review of the steps necessary to comply with section 172 of the Companies Act 2006. Further details of this work are set out in this report and the Directors' Report.

Composition, succession and evaluation

Nomination Committee

The Nomination Committee is chaired by Mr. Howell who is also Chair of the Board of Kodak Alaris Holdings Limited. The composition of the Committee includes all the Non-Executive Directors. The quorum for the Nomination Committee is two.

The Nomination Committee has responsibility for:

- succession planning, appointments to the Board and key roles within the Group;
- Board evaluation and development activities;
- reviewing leadership development programmes for the Group and to consider programmes for the continuing development of Non-Executive Directors.

The Committee discharges its responsibilities through its meetings which are normally held at a minimum twice per year and at other times as needed.

Governance Statement (continued)

Board evaluation and outcome

The Board in order to be effective needs to have representatives that bring an appropriate balance of skills, experience and diversity.

Following a review of the diversity and skillset within the Board during FY22 it was decided that in order to support the required investments in technology across the Group to support the go to market efforts an additional Non-Executive director should be appointed with experience in helping companies execute a digital transformation. A successful recruitment process resulted in the appointment of Mrs. Anastasia Roumelioti to the Board on 23 May 2022.

Audit, risk and internal control

The Audit Committee has adopted as widely as possible the recommendations of the Brydon report on the Quality and Effectiveness of Audit and in the event they become legislation, it was agreed to revisit how the legislation and the principles underpinning it might be adopted by the Group in the interests of further improving governance and reporting. Although not yet adopted, many of the recommendations of the Brydon report have been incorporated into the white paper published by HM government on 18 March 2021 "Restoring Trust in Audit and Corporate Governance". The Audit Committee continues to track the progress of these recommendations through the legislative process and will be ready to implement any changes as required or deemed desirable.

During FY22, as in prior years, the Company undertook a further review of its internal approval framework and a number of changes were adopted by the Audit Committee and the Board aimed at simplification or improving accountability and reporting.

Compliance

With the assistance of the Audit Committee, the Board approves the Group's governance framework and reviews its risk management and internal controls processes with a view to maintaining high standards of corporate governance across the Group.

As in prior years, the Audit Committee regularly reviewed throughout the year the Group's emerging and principal risks together with how these are being managed and mitigated. The value of the existing governance structure was a critical factor in the Company's successful response to COVID-19 and the consequential understanding and management of the oversight of risks and costs arising from component and supply chain issues, logistics and transportation challenges, the uncertain geopolitical situation and foreign exchange risks.

Audit Committee

During the year, the Audit Committee was chaired by Mr. Webster who is an independent Non-Executive Director with extensive financial experience gained in a number of prior senior positions. Mr. Howell attends by invitation only in order for the Group to comply with Provision 24 of the revised UK Corporate Governance Code 2018, which requires that the Chair should not be a member of the Audit Committee. The composition of the Audit Committee is three of the four Non-Executive Directors (noting Mr. Howell attends as an observer). The CFO is required to be present at all meetings. The quorum for the Audit Committee is two.

The Audit Committee has responsibility for:

- monitoring the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance, and reviewing significant financial reporting judgments contained in them;
- providing advice on whether the annual report and accounts taken as a whole, is fair, balanced and understandable and provides the information necessary for the shareholder to assess the Group's financial performance, business model and strategy;
- reviewing the internal financial and risk controls within the Group;
- monitoring and reviewing the effectiveness of the Business Assurance function;
- conducting the tender process and making recommendations about the appointment, renewal and removal of the external auditor and reviewing and approving any fees relating to the external auditor;
- reviewing and monitoring the external auditor's independence and objectivity;

Governance Statement (continued)

- reviewing the quality of and effectiveness of the external audit process; and
- developing a policy on the engagement of the external auditor for the supply of non-audit services.

During the year the Audit Committee met on five scheduled occasions at which all members were present.

Remuneration

The Remuneration Committee was chaired during the year by Mr. Webster an independent Non-Executive Director with experience being a member of other Remuneration Committees. The composition of the Committee includes all the Non-Executive Directors. The quorum for the Remuneration Committee is two.

The Remuneration Committee has responsibility for:

- determining the overall framework and policy for the remuneration of the Chair, Executive Directors and the KAEC;
- employee remuneration and related policies, and the alignment of incentives and rewards with culture;
- the appointment of any remuneration consultant as required;
- setting a remuneration policy in respect of Executive Directors and the KAEC to provide market competitive packages that are intended to attract, motivate and retain high calibre individuals necessary to develop the Group.

Items discussed included senior management objectives, performance management, incentive schemes and Board appointments. The retained advisor for remuneration is Willis Towers Watson. The Committee discharges its responsibilities through its meetings which are held at a minimum twice per year and at other times as needed.

Chris Howell
Chair
1 August 2022

Board of Directors

Chris Howell

Chair
Chris was appointed to the Board as a Non-Executive Director in July 2020 to represent the interests of the PPF and was then elected Chair on 9 October 2020.

Experience:
Chris has over 25 years of international corporate advisory experience and previously managed Alban House, a small award-winning global advisory and restructuring business with a proven track record of delivering financial transformation and turnaround advice. He was a Managing Director at KPMG LLP (between 2006 and 2009) where he provided restructuring and corporate advice to numerous UK and international corporate clients across a broad and diverse range of sectors.

Chris is a highly experienced Chair and advisor having guided numerous companies through challenging situations where guidance and support was required with refinancing, restructuring and transformation. He is a Fellow of the Institute for Turnaround / Fellow Association of Business Recovery Professionals and was awarded the IFT Listed Company Turnaround of the Year in 2011.

External directorships:
Panther Partners Limited.
Yasimol Unipessoal Lda.

Committees:
Chris is Chair of the Nomination Committee and a member of the Remuneration Committee.

Paul Wells

Chief Executive Officer and Executive Director
Paul was promoted to Chief Executive Officer on 1 April 2022, taking over the position from Mark Alflatt who departed upon the expiry of his contract on 31 March 2022. Paul has overall leadership responsibility for Kodak Alaris, its financial and operational performance and strategy, as well as cultural transformation.

Experience:
Paul joined the Group in January 2015 initially as Group HR Director and then from July 2020 as Chief Operating Officer. Paul was previously VP Human Resources at Nokia having spent more than 14 years with Nokia in various People roles across the group.

External directorships:
None.

Diane Gardner

Chief Financial Officer and Executive Director
Diane was appointed Chief Financial Officer in July 2020.

Experience:
Diane has over 20 years of progressive finance experience with both public and private companies. She joined Kodak Alaris upon its inception in September 2013 as Chief Tax Officer and was subsequently named Vice President of Tax & Treasury in September 2017. Diane was appointed Deputy CFO in August 2019 and served in that position until her appointment as Chief Financial Officer.

External directorships:
None.

GOVERNANCE

Board of Directors (continued)

Oliver Morley

Non-Executive Director representing the Pension Protection Fund
Oliver was appointed to the Board as a Non-Executive Director in April 2020 to represent the interests of the Pension Protection Fund.

Experience:
Oliver is the Chief Executive Officer of the Pension Protection Fund where he oversees the management, development and direction of the organisation, a position he has held since 2018.

Prior to joining the Pension Protection Fund, Oliver was CEO of the UK Driver and Vehicle Licensing Agency (DVLA) and led the successful digital transformation of one of the UK's biggest multi-channel service organisations with over 45 million customers and £6 billion of revenue. Prior to this he was Chief Executive and Keeper of The National Archives, which brings genealogy and key historical records to life for millions of users.

Before this, Oliver worked at Thomson Reuters in a range of senior global and regional roles from FX and Money Markets to market data and technology.

External directorships:
None.

Committees:
Oliver is a member of the Audit, Nomination and Remuneration Committees

Stephen P. Webster

Senior Independent Director and Chairman to the Audit, Risk and Remuneration Committees
Stephen was appointed an independent Non-Executive Director in June 2014.

Experience:
Stephen was Chief Financial Officer for more than 15 years at Wolseley plc, (now known as Ferguson plc), a leading specialist distributor of plumbing and heating products and building materials and a FTSE 100 Group company based in the UK with global operations. He was responsible for Wolseley's listing on the New York Stock Exchange in 2001. Prior to joining Wolseley, he was a partner for more than eight years at PricewaterhouseCoopers. Stephen is a Fellow of the Institute of Chartered Accountants.

Stephen has held several other Non-Executive appointments and has chaired three Audit Committees prior to joining the Board of Kodak Alaris. He was a Non-Executive Director of Aventas Group, an internationally diversified industrial manufacturing business headquartered in Ireland, where he was the Senior Independent Director and a member of the Audit and Remuneration Committees, and a Non-Executive Director of Aqualisa Group, a leading shower designer and manufacturer in the UK where he was Chair of the Audit Committee. He was also a Non-Executive Director of European Care Group, a leading independent health and social care group, providing educational and supported living services, where he was Chair of the Audit Committee. In addition, he was also a consulting member of the Gerson Lehrman Group Research Council for three years until 2014 and a Chair of the Audit and Risk Committee and a Non-Executive Director of Bradford & Bingley plc for five years until 2008.

External directorships:
None.

Committees:
Stephen is Chair of the Audit and Remuneration Committees and a member of the Nomination Committee.

Board of Directors (continued)

Anastasia Roumelioti

Non-Executive Director
Anastasia was appointed an independent Non-Executive Director in May 2022.

Experience:
Most recently, Anastasia was a director in an e-business team that focused on consumer acquisition and retention at Reckitt, a FTSE 100 consumer product group based in the UK with operations worldwide. Prior to this, Anastasia was Head of Digital Centre of Excellence in the Specialised Nutrition business at Danone, a global producer of food and drink products. Anastasia helps businesses deliver growth through digital transformation and innovation.

External directorships:
Raffolux Limited.

Committees:
Anastasia is a member of the Audit, Nomination and Remuneration Committees.

John O'Reilly

Group General Counsel, Group Compliance Officer and Company Secretary
John joined Kodak Alaris in September 2014 as the Group General Counsel and Company Secretary to the Board and has since assumed the role of Group Compliance Officer.

Experience:
As well as having overall responsibility for the Group's Legal and Compliance functions, John is also a member of the KAEC. Previously John was the General Counsel for the EMEA and APAC regions at Parker Hannifin, a global engineering business based out of Cleveland, Ohio and prior to this Corporate M&A counsel at Rolls-Royce plc. Before moving in-house, John spent 8 years in private practice as an M&A lawyer. He is a qualified Solicitor in England and Wales.

Directors' Report

Principal activities

The principal activities of the Group and its subsidiaries are the sale of scanning hardware, capture software and associated services, consumer and professional photographic products, photo kiosks and dry technology photo labs and event imaging systems.

The review of performance during the year ended 31 March 2022, expected future development, and principal values and uncertainties are contained in the Strategic Report on pages 4 to 29.

Directors

The Directors who held office during the period were as follows:

- Chris Howell – (Chair) Non-Executive Director representing Pension Protection Fund
- Oliver Morley – Non-Executive Director representing Pension Protection Fund
- Stephen Webster - Senior Independent Director
- Anastasia Roumelioti – Independent Non-Executive Director (appointed 23 May 2022)
- Paul Wells (Chief Executive Officer) – Executive Director (appointed 1 April 2022)
- Diane Gardner (Chief Financial Officer) – Executive Director
- Mark Alflatt (Chief Executive Officer) – Executive Director (resigned 31 March 2022)

Director indemnities and insurance

In accordance with the Companies Act 2006 and the Company's Articles, the Group has purchased Directors' and Officers' liability insurance, which remains in place at the date of this report. The Group reviews its insurance policies on an annual basis in order to satisfy itself that its level of cover remains adequate.

Sole shareholder

The Group has since November 2020 been wholly and ultimately owned by The Board of the Pension Protection Fund (PPF). Prior to this it was owned by KPP (No. 2) Trustees Limited (a company registered in England with registered number 8819827). During the year the Chair, Chief Executive Officer and Chief Financial Officer reported to the shareholder and its advisors on all key matters of importance, and to seek feedback on the strategy being undertaken and the performance of the Group. The Chair reported to the Board at each Board meeting to ensure the feedback of the shareholder was known to the Board.

Financial risk management

Details of the Group's financial risk management policies and objectives in respect of its use of financial instruments are included in note 25 to the consolidated financial statements, together with a description of its exposure, including its exposure to market risk, credit risk, liquidity risk and capital risk of the Group, in connection with such financial instruments.

Given the uncertain macro-economic environment as a result of geopolitical events, the Board has discussed and considered the possible effects of exchange rate fluctuations on its future results, but it is not the Board's accepted practice to forecast forward exchange rates. Any future foreign exchange gains or losses will be included in the income statement.

The Group has performed its regular review of expected credit loss provisions as part of the year-end process and recorded additional provisions where it considered there to be particular risks, specifically as a result of the fragile trading environment due to geopolitical events and continuing global supply chain issues.

The Group has the benefit of a senior credit facility with its shareholder, the PPF, which provides the Group with additional borrowing capacity of up to $50m. The original three-year facility was due to expire in September 2023. After the reporting date the Group has extended the facility by a further two years to September 2025.

Directors' Report (continued)

Subsequent events and future developments

Since the end of the year the Group has been trading at or ahead of its forecasts and our businesses continue to adapt to the supply chain disruption that has followed over two years of pandemic control measures. However, the situation remains fragile and subject to change with some countries where Kodak Alaris has key customers and revenue introducing localised COVID-19 restrictions as necessary. The Group continues to undertake a series of transformation activities, including the ERP transition executed in July 2022 which is an important milestone in preparing the Group for the future.

After the reporting date the $50 million shareholder funding facility was extended to 29 September 2025 and the default event relating to the assets of the Group being less than its liabilities was removed from the facility terms by the shareholder.

Going concern

Following the change in the shareholder to the PPF in November 2020, the shareholder continues to instruct the Board to retain, run and grow the Alaris and Kodak Moments businesses and oversee the work required to maximise shareholder value. As a result, a key focus during the year was the restructuring of the Group to reduce corporate costs and complexity of operations following the divestments of the AI Foundry and PPDS businesses in the prior year. That work was successfully executed and permits the KAEC and the Board to now make strategic investments going forwards in line with the approved operating plans with a number of those investments planned in FY23. As a consequence, the directors concluded that the going concern basis was appropriate for the financial statements for the year ended 31 March 2022.

After making enquiries the directors have concluded that it is appropriate to adopt the going concern basis, having undertaken a rigorous assessment of the financial forecasts with specific consideration to the trading position of the Group in the context of the supply chain disruptions that have followed the global COVID-19 pandemic, for the reasons set out below. The Group will continue to take action as necessary to protect its liquidity thus reducing the possibility of requiring any borrowings under the credit facility. If deemed necessary, the Group could implement a range of cost reductions as it has done successfully previously which could include reducing discretionary spend, tightening control of working capital, eliminating travel, employee furloughs or reduced work hours and delaying investment decisions. Despite the overall market dynamics, the directors are confident that in the medium term the post COVID-19 environment trading will recover and then improve as the Group implements the planned investment to exploit its core engineering, market and customer knowledge as well as technical expertise.

In assessing the going concern position of the Group, the directors have considered all the available planning information, including the current year budget and the most recent forecasts for the period to 31 March 2024 contained in the latest 5-year financial forecast as well as a forecast assessment of the covenant compliance required within the going concern period. In each scenario there is sufficient liquidity to be able to pay liabilities as they fall due, through to the end of the period reviewed, being March 2024, and there is sufficient headroom to achieve all the covenant requirements of the Group's Senior Credit Facility.

The directors acknowledge that the forecasts represent a post COVID-19 growth, recovery and expansion plan and have considered risks relating to expansionary activities including amounts and timing of potential cash flows and also reviewed models including a severe but plausible trading scenario that covers the period to March 2024, to determine whether projected peak borrowing requirements would exceed committed facilities and whether the covenants associated with these facilities would be breached. In the severe but plausible case management estimated a 50% decrease in EBITDA resulting from changes in the assumptions regarding component availability recoverability, timing of product price increases and timing of corporate cost reductions. In the severe but plausible case and without implementing any mitigating actions management concluded that the Group would have sufficient liquidity to meet its obligations although the Group would need to draw under the facility to do so.

Despite the above the Group incurred a loss for the year of $17m and had net liabilities as at 31 March 2022 of $25m. These liabilities include $145m of Tranche B Loan Notes from the shareholder which do not mature until 31 August 2028. At 31 March 2022, the Group had a cash position of $71m and access to undrawn committed funding through to September 2025, as described above. The directors are confident that the Group has sufficient liquidity over the medium term to continue operating as well as provide financial support to each of its subsidiaries, if required.

Directors' Report (continued)

Research and development

During the year ended 31 March 2022 the Group invested a total of $22m (2021: $20m[1]) in research and development expenditure to support the development of future products and markets. A total of $16m (2021: $12m[1]) was charged to the income statement in the year. In addition, $6m (2021: $8m) was capitalised as internally developed intangible assets. The investments improved and expanded our Kodak Moments and Alaris software applications and enhanced our kiosk, dry lab and scanner product lines. The Group plans to continue to invest in research and development.

Branches outside UK

The Group has subsidiaries and associates outside the UK which are set out in note 5 of the Company Financial Statements.

Political donations

Neither the Group nor any of its subsidiaries made any political donations or incurred any political expenditure during the period (2021: nil).

Dividends

Kodak Alaris Holdings Limited Dividend Policy:

As a result of the direction provided to the Board to actively explore an orderly disposal of the Group and its component businesses, the Board did not declare the dividend planned to be paid to KPP2 in September 2018 and has not declared a dividend since.

As the business divestment project has ceased and the Group has moved to a retain and run strategy, it will in the future seek to declare dividends subject to any limitations required by third party debt providers such as any Revolving Credit Facility or other Term Debt Facility providers and subject to the Board being satisfied on the availability of minimum cash and liquidity levels, the future cash needs of the business for normal operations including cash requirements for investment and otherwise that the payment is in the best interests of the Group.

Employee engagement

The Board recognise that its employees are key to successfully delivering its strategy and sustaining future business. During the year the Group employed an average of 1,496 employees (2021: 1,678) in 14 countries (2021: 23).

The Board recognises the importance of engaging its employees to help them make their fullest contribution to the business and to drive the business forward. Through a variety of channels, the leadership team seeks to listen to employees' views and opinions and keep them informed about developments and prospects for the business. One example includes regular global Town Hall sessions delivered by the CEO and the BU Presidents that provide employees with the opportunity to ask questions about the business. As reported elsewhere the Group also conducted in January/February 2022 its regular annual employee engagement survey, inviting all employees globally to provide open and honest feedback on what it is like to work for Kodak Alaris. The results of the survey enable the Board and the KAEC to identify key themes and where acted upon has led to improvements in the current working environment.

During the year a key focus was talent and development across the Group, investing in our employees and their development needs is critical to the retention of our employees particularly against the backdrop of a strong labour market in key markets where the Group operates. A talent mapping exercise was completed during the year allowing the KAEC and the Board to assess the current skillset within the organisation, the skillset required for the Group to execute its operating plan and the skills gap. Where gaps have been identified, these are being addressed through the employee's personal performance plan with access to learning and courses being made available.

Employee engagement through corporate social responsibility is acknowledged as another way of helping to retain and motivate employees and although due to COVID-19 it was often difficult to undertake events, notwithstanding that challenge there were many notable initiatives pursued by our employees during the year which are documented in detail elsewhere in this Report.

1 2021 includes continuing and discontinued operations, see page 110 for the summary

Directors' Report (continued)

The Board is committed to creating a diverse and inclusive work environment as it recognises the business benefits. New ideas, greater knowledge and understanding and increased collaboration are some of the advantages an inclusive culture can bring. A programme centred around "Be You" has used the opportunities created by International Women's Day and Pride Month to raise awareness of the value of diverse backgrounds and cultural perspectives. Increasing efforts in these areas will improve retention and career progression, attract talent and improve customer service.

For more information see pages 27 to 29 of the Strategic report.

Business relationships

The Board performs detailed reviews of its relationships with key partners at the Board meetings. This includes review of macro level issues that have the potential to impact financial performance of the Group as well as key customer, supplier and financing relationships, where necessary.

Litigation, which has the potential to materially impact the Group is also reviewed at Board meetings.

For more information see pages 27 to 29 of the Strategic report.

Disclosure of information to Auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Group's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information. Further, the Board considers the annual report and accounts to be fair, balanced and understandable and provides the information necessary for the shareholder to assess the Group's position, performance, business model and strategy.

Auditor

KPMG LLP were first appointed as auditor on 30 August 2013. During the year, the Company retendered its external audit work and following a competitive tender process overseen by the Audit Committee, the Board has agreed to appoint Grant Thornton LLP as the external auditor for FY23 and beyond. In order to ensure a seamless transition, Grant Thornton LLP have been shadowing KPMG LLP during the course of the FY22 external audit.

It is expected that as a result of the considerable business simplification undertaken significant external audit cost savings will be secured for FY23 and beyond versus prior years.

The Board would like to thank KPMG LLP for their support and engagement as the external auditor.

Approved by the Board on 1 August 2022 and signed on its behalf by

Diane Gardner
Director, Chief Financial Officer

Audit Committee Report

The purpose of the Kodak Alaris Audit Committee Report for the year ended 31 March 2022 is to provide insight into the focus, work and key issues considered by the Audit Committee. The Audit Committee monitors the Group's accounting policies, control environment and financial reporting process on behalf of the Board of Directors. The Group's management has primary responsibility for the financial statements, for maintaining effective internal control over financial reporting, and for assessing the effectiveness of internal control over financial reporting.

System of risk management and internal control

The Audit Committee has been delegated, by the Board, the responsibility of monitoring the effectiveness of the Group's system of risk management and internal control.
It does so through:

- reviews and discussions with management and executives;
- review of business assurance reports, which focus on the Group's highest risk areas; and
- the use of external audit reports as part of the year-end audit and ongoing review processes.

Key issues identified through this process are discussed by the Audit Committee with actions, owners and timelines being agreed, implemented and monitored. The Audit Committee regularly reviews the risk management process and its development (see Risk Report on pages 21 to 23 for more detail) and receives regular updates from the CFO, the Compliance officer and updates on any relevant whistleblowing activity from the Corporate Compliance Officer.

Configuration

The Audit Committee comprises three of the four Non-Executive Directors of the Board, whose relevant experience is set out on pages 35 to 37. In addition, by invitation, the Non-Executive Chair, Chief Executive Officer (CEO), Chief Financial Officer (CFO), the Group General Counsel, the Group Financial Controller and the Director of Business Assurance attend meetings of the Audit Committee together with the Group's external auditors.

Responsibilities

The Audit Committee has been established to monitor the integrity of the Group's financial statements, the effectiveness of the internal financial controls, to approve relevant accounting policies and to confirm the independence of the external auditors. The terms of reference for the Audit Committee were reviewed in March 2021 and amended to reflect current requirements, where appropriate. During the year, the Audit Committee, within their scope, supported management, external auditors, business assurance and other members of the senior management team, in fulfilling their responsibilities.

The key responsibility of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities by monitoring:

- financial reporting processes;
- key accounting policies;
- the effectiveness of the Group's internal control and internal audit;
- the Group's risk management systems;
- the external audit of the financial statements; and
- the independence of the external auditors and in particular the provision of additional services to the Group.

The Audit Committee regularly informs the Board of its activities and recommendations. Where it is dissatisfied with, or if it considers that action or improvement is required concerning any aspect of financial reporting, risk management, internal control, compliance or business assurance related activities, it promptly raises these concerns with the Board. The Audit Committee has no executive role, and the directors remain responsible for the Group's affairs.

Audit Committee Report (continued)

Activities and major areas

The Audit Committee met on 5 occasions during the year and there was full attendance at each meeting. Meetings are scheduled to coincide with key dates in the financial reporting cycle. The Audit Committee has a rolling programme of agenda items to ensure that relevant matters are properly considered.

The main activities of the Audit Committee during the year and up to the date of signing the financial statements were:

AUDIT COMMITTEE ACTIVITIES	MAY 2021	JULY 2021	NOV 2021	JAN 2022	MAR 2022	MAY 2022	JUNE 2022	JULY 2022
Review of the annual report and financial statements		✓						✓
Review of going concern accounting assumption	✓	✓				✓		✓
Review of external auditor's reports	✓	✓		✓	✓	✓	✓	✓
Review of the report on accounting issues and key accounting judgements – including impact of COVID-19, one-off items, discontinued operations, valuation of defined benefit pension assets/liabilities and asset impairment	✓	✓		✓		✓	✓	✓
Review of corporate governance compliance		✓						✓
Review and approval of audit plan including status updates and results of work completed and Business Assurance Code of Practice	✓	✓		✓	✓	✓		✓
Risk management update and Risk Register review	✓	✓			✓			✓
Review and assessment of internal controls	✓	✓		✓		✓		✓
Review of external auditor's fees, non-audit services, engagement letter and independence		✓		✓				✓
Audit tender and appointment of statutory auditor		✓	✓					✓
Review of corporate tax update and tax strategy	✓	✓			✓	✓		✓
Review of Audit and Risk Committee terms of reference	✓							
Climate change reporting update						✓		

Stephen Webster
Audit Committee Chair
1 August 2022

Statement of Directors' Responsibilities

Statement of directors' responsibilities in respect of the Annual Report and the financial statements.

The directors are responsible for preparing the Annual Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and parent Company financial statements for each financial year. Under that law they have elected to prepare both the Group and the parent Company financial statements in accordance with UK-adopted international accounting standards and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with UK-adopted international accounting standards;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report and a Directors' Report that complies with that law and those regulations.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Chris Howell
Chair
1 August 2022

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KODAK ALARIS HOLDINGS LIMITED

Opinion

We have audited the financial statements of Kodak Alaris Holdings Limited ("the Company") for the year ended 31 March 2022 which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement, Company Balance Sheet, Company Statement of Changes in Equity, Company Cash Flow Statement and related notes, including the accounting policies in note 2.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2022 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent Company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of, the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

Independent Auditor's Report (continued)

KPMG

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of management as to the Company's policies and procedures to prevent and detect fraud as well as enquiring whether management have knowledge of any actual, suspected or alleged fraud;
- reading minutes of meetings of those charged with governance; and
- using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. This included communication from the Group audit team to full scope component audit teams of relevant fraud risks identified at the Group level and request to full scope component audit teams to report to the Group audit team any instances of fraud that could give rise to a material misstatement at the Group level.

As required by auditing standards and taking into account possible incentives or pressures to misstate performance and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue is recorded in the wrong period and the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the Group-wide fraud risk management controls.

We performed procedures including:

- identifying journal entries and other adjustments to test based on risk criteria and comparing any identified entries to supporting documentation. These included those posted to unusual accounts and other high risk journals criteria used;
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias, including assessing the valuation of goodwill and other intangibles, the valuation of investments held in the Company balance sheet and the valuation of defined benefit pension schemes for bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. This included communication from the Group to component audit teams of relevant laws and regulations identified at the Group level, and a request for component auditors to report to the Group team any instances of non-compliance with laws and regulations that could give rise to a material misstatement at Group level.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, taxation legislation and pension schemes legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Independent Auditor's Report (continued)

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety legislation, fraud, anti-bribery and anti-corruption, money laundering legislation, employment law and social security legislation, contract legislation, Foreign Corrupt Practices Act, environmental protection legislation and certain aspects of Company legislation recognising the nature of the Group's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in other information;
- in our opinion the information given in the strategic report and the directors' report for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 45, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent 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 unless they either intend to

Independent Auditor's Report (continued)

liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Tricker
(Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL

1 August 2022

Consolidated Financial Statements

Consolidated Income Statement

for the year ended 31 March 2022

	Note	Year ending 31 March 2022 $000	Year ending 31 March 2021 $000
Continuing operations			
Revenue	3	**510,291**	418,934
Cost of sales		**(341,966)**	(279,443)
Gross profit		**168,325**	139,491
Administrative expenses	4	**(146,313)**	(138,572)
Research and development expensed		**(16,038)**	(12,050)
Operating profit / (loss)		**5,974**	(11,131)
Financial income	8	**323**	8,143
Financial expenses	8	**(16,254)**	(12,512)
Loss before tax		**(9,957)**	(15,500)
Income tax provision	9	**(7,505)**	(4,662)
Loss from continuing operations		**(17,462)**	(20,162)
Discontinued operations			
Loss from discontinued operations, net of tax	10	**-**	(18,812)
Loss for the year		**(17,462)**	(38,974)

Total loss for the year is attributable to the equity holder of the parent.

The notes on pages 55 to 95 are an integral part of these consolidated financial statements.

Consolidated Financial Statements
(continued)

Consolidated Statement of Comprehensive Income
for the year ended 31 March 2022

	Note	Year ending 31 March 2022 $000	Year ending 31 March 2021 $000
Loss for the year		**(17,462)**	(38,974)
Other comprehensive income / (expense):			
Items that will not be reclassified to profit or loss			
Re-measurements of defined benefit liability	*22*	**1,165**	1,505
Deferred tax on other comprehensive loss for the year	*15*	**(129)**	(407)
Items that may be recycled subsequently to profit or loss			
Foreign currency translation differences – foreign operations	*24*	**(707)**	13,956
Other comprehensive income for the year, net of tax		**329**	15,054
Total comprehensive expense for the year		**(17,133)**	(23,920)

The notes on pages 55 to 95 are an integral part of these consolidated financial statements.

Consolidated Financial Statements
(continued)

Consolidated Balance Sheet
at 31 March 2022

	Note	31 March 2022 $000	31 March 2021 $000
Assets			
Property, plant and equipment	*12*	**23,753**	35,633
Intangible assets	*13*	**30,921**	45,974
Goodwill	*13*	**16,400**	18,225
Trade and other receivables	*18*	**1,805**	2,508
Investments in equity-accounted investees	*14*	**-**	224
Deferred tax assets	*15*	**9,944**	13,846
Non-current assets		**82,823**	116,410
Inventories	*16*	**56,988**	50,546
Other investments	*17*	**213**	-
Trade and other receivables	*18*	**74,500**	76,744
Cash and cash equivalents	*19*	**71,217**	78,941
Current assets		**202,918**	206,231
Total assets		**285,741**	322,641
Liabilities			
Other Interest-bearing loans and borrowings	*20*	**(157,272)**	(149,535)
Other payables	*21*	**(16,261)**	(18,314)
Employee benefits	*22*	**(15,450)**	(18,185)
Provisions	*23*	**(4,097)**	(3,984)
Deferred tax liabilities	*15*	**(1,796)**	(6,206)
Non-current liabilities		**(194,876)**	(196,224)
Other Interest-bearing loans and borrowings	*20*	**(5,638)**	(5,924)
Trade and other payables	*21*	**(105,586)**	(122,485)
Income and other tax payable	*9*	**(974)**	(3,897)
Provisions	*23*	**(3,786)**	(2,097)
Current liabilities		**(115,984)**	(134,403)
Total liabilities		**(310,860)**	(330,627)
Net liabilities		**(25,119)**	(7,986)
Equity attributable to equity holders of the parent			
Share capital	*24*	**167,000**	167,000
Retained deficit	*24*	**(763,536)**	(747,110)
Capital contribution reserve	*24*	**573,348**	573,348
Translation reserve	*24*	**(1,931)**	(1,224)
Total deficit		**(25,119)**	(7,986)

The notes on pages 55 to 95 form part of these financial statements.

These financial statements were approved by the Board of Directors on 1 August 2022 and were signed on its behalf by:

Diane Gardner
Chief Financial Officer

Company registered number: 8550309

Consolidated Financial Statements
(continued)

Consolidated Statement of Changes in Equity
for the year ended 31 March 2022

	Note	**Share capital $000**	**Capital contribution reserve $000**	**Translation reserve $000**	**Retained deficit $000**	**Total equity $000**
Balance at 1 April 2020		167,000	573,348	(15,180)	(709,234)	15,934
Total comprehensive income for the year						
Loss for the year		-	-	-	(38,974)	(38,974)
Other comprehensive income	*22,24,15*	-	-	13,956	1,098	15,054
Total comprehensive income / (expense) for the year		-	-	13,956	(37,876)	(23,920)
Balance at 31 March 2021		167,000	573,348	(1,224)	(747,110)	(7,986)
Balance at 1 April 2021		**167,000**	**573,348**	**(1,224)**	**(747,110)**	**(7,986)**
Total comprehensive income for the year						
Loss for the year		-	-	-	**(17,462)**	**(17,462)**
Other comprehensive (expense)/income	*22,24,15*	-	-	**(707)**	**1,036**	**329**
Total comprehensive expense for the year		-	-	**(707)**	**(16,426)**	**(17,133)**
Balance at 31 March 2022		**167,000**	**573,348**	**(1,931)**	**(763,536)**	**(25,119)**

The notes on pages 55 to 95 form part of these financial statements.

FINANCIAL STATEMENTS

Consolidated Financial Statements
(continued)

Consolidated Cash Flow Statement
for the year ended 31 March 2022

	Note	Year ending 31 March 2022 $000	Year ending 31 March 2021 $000
Cash flows from operating activities			
Loss for the year[1]		**(17,462)**	(38,974)
Adjustments for:			
Depreciation and impairment charge	*12*	**12,273**	5,847
Amortisation and impairment charge	*13*	**21,564**	20,132
Depreciation and impairment charge on right-of-use assets	*26*	**9,203**	5,231
Loss on disposal of property, plant and equipment		**972**	540
Loss / (gain) on disposal of land and buildings		**71**	(1,053)
Foreign exchange hedging		**(200)**	-
Loss on sale of discontinued operation	*10*	**-**	11,388
(Gain) / loss on sale of businesses[2]		**(5,049)**	10,474
Interest on lease liabilities	*26*	**797**	966
Other non-cash movements		**715**	(480)
IAS 19 pension charge	*22*	**923**	1,294
Taxation expense	*9*	**7,505**	4,591
Net foreign exchange losses/(gains)		**1,789**	(8,055)
Net financial expense	*8*	**11,793**	10,942
		44,894	22,843
(Increase)/decrease in trade and other receivables		**(108)**	23,881
(Increase) / decrease in inventories		**(7,314)**	5,061
Increase / (decrease) in provisions		**2,073**	(13,259)
Decrease in trade and other payables		**(12,907)**	(15,244)
Taxation paid		**(10,948)**	(4,525)
Cash contributions to pension schemes	*22*	**(1,076)**	(1,623)
Net cash from operating activities		**14,614**	17,134
Cash flows from investing activities			
Purchase of property, plant and equipment	*12*	**(8,289)**	(10,907)
Acquisition of intangible assets	*13*	**(7,453)**	(8,357)
Proceeds from sale of property, plant and equipment		**320**	700
Interest received		**323**	611
Proceeds from sale of discontinued operation, net of cash disposed	*10*	**-**	3,904
Proceeds from sale of businesses		**1,488**	3,743
Contingent consideration received		**-**	13,930
Net cash (used in) / from investing activities		**(13,611)**	3,624
Cash flows from financing activities			
Decrease in long term borrowings		**(500)**	(640)
Lease payments	*26*	**(6,231)**	(6,697)
Loan arrangement fees paid		**-**	(3,246)
Interest paid		**(649)**	(3,586)
Net cash used in financing activities		**(7,380)**	(14,169)
Net (decrease) / increase in cash and cash equivalents		**(6,377)**	6,589
Cash and cash equivalents at beginning of the year		**78,941**	69,387
Effect of exchange rate fluctuations on cash held		**(1,347)**	2,965
Cash and cash equivalents at the end of the year	*19*	**71,217**	78,941

In the prior year the Group elected to present a statement of cash flows that included an analysis of all cash flows in total - i.e. including both continuing and discontinued operations; amounts related to discontinued operations by operating, investing and financing activities are disclosed in note 10.

The notes on pages 55 to 95 form part of these financial statements.

1 Net cash used in operating activities includes non-recurring costs for business projects of $3,486 thousand (2021: $5,305 thousand), and restructuring costs of $3,076 thousand (2021: $1,707 thousand) as well as non-recurring receipts for government grants of $nil (2021: $2,657 thousand).

2 (Gain)/loss on sale of businesses relates to the change of go to market model for Alaris and Kodak Moments operations. These were not considered significant enough to be treated as discontinued operations. Net proceeds from sales amounted to $1,488 thousand (2021: $7,647 thousand for discontinued and continuing operations).

Notes to the Consolidated Financial Statements

(forming part of the financial statements)

Note 1: General information

Kodak Alaris Holdings Limited (the 'Company') is a private company limited by shares, incorporated and domiciled in England and Wales. The Company's registered office is at Hemel One, Boundary Way, Hemel Hempstead, HP2 7YU. The consolidated financial statements comprise of the Company and its subsidiaries (together referred to as the 'Group').

Note 2: Accounting policies

A. Basis of preparation

The Group and Company financial statements have been prepared in accordance with UK-adopted international accounting standards. The Group and Company financial statements have been prepared on a going concern basis for the reasons outlined in note 2C.

The Group financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in accordance with UK-adopted international accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 32.

On publishing the parent company financial statements here together with the Group financial statements, the Company is taking advantage of the exemption in s408 of the Companies Act 2006 not to present its individual income statement and related notes that form a part of these approved financial statements.

B. Recent accounting developments

Accounting standards adopted in the year

The Group considered the impact to the following standards and amendments which were endorsed by the EU or the new UK endorsement board and are effective for the year ended 31 March 2022:

- Amendments to IFRS 3 References to the Conceptual Framework
- Amendment to IFRS 16: COVID-19-Related Rent Concessions beyond 20 June 2021
- Amendments to IAS 37: Onerous contracts – Cost of Fulfilling Contract
- Amendments to IAS 16: Proceeds before Intended Use
- Amendments to IFRS 1, IFRS 9, IFRS 16, IAS 41: Annual Improvements to IFRS Standards 2018-2020 Cycle

The changes in the standards are either not relevant or do not have a significant impact on the Group.

Accounting standards not yet adopted

The following standard and interpretation have been issued by the International Accounting Standards Board (IASB) and IFRIC but have not been adopted either because they were not endorsed by the EU or the new UK endorsement board at 31 March 2022 or they are not yet mandatory, and the Group has not chosen to early adopt. The Group plans to adopt these standards and interpretations when they become effective. The impact on the Group's financial statements of the future standards, amendments and interpretations is still under review and where appropriate, a description of the impact of certain standards and amendments is provided below:

International accounting standards and interpretations	Effective date
Amendments to IAS 1: Presentation of Financial Statements Classification of Liabilities as Current or Non-Current	1 January 2023
Amendments to IFRS 17: Insurance Contracts	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8: Definition of Accounting Estimates	1 January 2023
Amendments to ISAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

The changes in the standards are either not relevant or not expected to have a significant impact on the Group.

Notes to the Consolidated Financial Statements
(continued)

C. Going concern

The directors must satisfy themselves as to the Group's ability to continue as a going concern for a minimum of 12 months from the approval of the financial statements. After making enquiries the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

In the year to 31 March 2021, the directors concluded that under the base case scenario it was appropriate to prepare the financial statements on a going concern basis. However, under the original terms of the Group's three-year credit facility a potential default event existed where the assets of the Group were less than its liabilities (taking into account contingent and prospective liabilities). In the severe but plausible downside cash flow scenario where the business operated at a 50% EBITDA reduction against plan, a material uncertainty existed related to the expectation that should the Group not reverse its net liabilities position in the forecast period a further covenant waiver and additional finance would be needed from its shareholder. Whilst expected to be received there could have been no certainty that such waivers or additional funding would be forthcoming. At the balance sheet date the Group had net liabilities of $25 million and had received a waiver from the shareholder although this default event was later removed from the facility terms in July 2022.

The Group meets its day-to-day working capital requirements through its operations and cash held and at 31 March 2022 the Group had a cash position of $71 million. In addition, the Group's existing credit facilities include a 3-year committed Senior Credit Facility (the "facility") of up to $50 million provided by its shareholder on 29 September 2020 which was undrawn at the balance sheet date. In July 2022 the term of the facility was extended by a further two years through to 29 September 2025. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance and cost mitigation, show that the Group should be able to operate within the level of its current facilities and in compliance with the financial covenants, described below.

The financial covenants attached to the facility are as follows:

- Asset Cover ratio (Adjusted Net Debt /Inventory and Receivables) shall not exceed 0.50:1
- Leverage ratio (Total Net Debt/EBITDA) shall not exceed 1.50:1
- Interest Cover ratio (EBITDA/Net Finance Charges) shall not be less than 4.00:1

In addition, the facility contains an Available Collateral covenant, which limits borrowing based on certain minimum levels of collateral being available, or on a multiple of the previous 12 months' EBITDA whichever is the lower.

After making enquiries the directors have concluded that it is appropriate to adopt the going concern basis, having undertaken a rigorous assessment of the financial forecasts with specific consideration to the trading position of the Group in the context of the supply chain disruptions that have followed the global COVID-19 pandemic, for the reasons set out below. The going concern basis is further predicated on the continued support of the shareholder, who have reiterated their intention to retain, run and grow the business, as well as their provision of the two-year extension to the credit facility signed in July 2022. The directors view these as indications of the shareholder's continued support of the business and its future ambitions and based on discussions with the shareholder believe it unlikely the shareholder will change direction from this current strategy.

In assessing the going concern position of the Group, the directors have considered all the available planning information, including the current year budget and the most recent forecasts for the period to 31 March 2024 contained in the latest 5-year financial forecast to 31 March 2027 as well as a forecast assessment of the covenant compliance required within the going concern period. In each scenario there is sufficient liquidity to be able to pay liabilities as they fall due, through to the end of the period reviewed, being March 2024, and there is sufficient headroom to achieve all the covenant requirements of the Group's Senior Credit Facility. The directors acknowledge that the forecasts represent a post-COVID-19 growth, recovery and expansion plan and have considered risks relating to expansionary activities including amounts and timing of potential cash flows and also reviewed models including a severe but plausible downside trading scenario that covers the period to March 2024, to determine whether projected peak borrowing requirements would exceed committed facilities and whether the covenants associated with these facilities would be breached. The principal underlying assumptions related to the estimated trading impact are a 50% delay in the short-term recovery of the Alaris component supply issues, a 50% reduction in planned Film price increases combined with a 50% reduction in cost savings and operational efficiencies realised from the transformation programme.

In the severe but plausible case and without implementing any mitigating actions management concluded that the Group would have sufficient liquidity to meet its obligations although the Group would need to draw under the facility to do so.

Notwithstanding that the Group incurred a loss for the year of $17 million and had net liabilities as at 31 March 2022 of $25 million these liabilities include $145 million of Tranche B Loan Notes from the shareholder which do not mature until 31 August 2028, and the directors have a reasonable expectation that the Group and Company will have sufficient funds to continue to meet its liabilities as they fall due for a period of at least a year and therefore have prepared the financial statements on a going concern basis.

Notes to the Consolidated Financial Statements
(continued)

D. Basis of consolidation

Subsidiaries are entities controlled by the Group at the reporting date. Control exists when the Group has power over an entity, exposure to variable returns from its involvement with an entity and the ability to use its power over an entity so as to affect the Company's returns. The acquisition date is the date on which control is transferred to the acquirer.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated on consolidation. When the Group loses control over a subsidiary or business combination, it derecognises the assets and liabilities of the subsidiary, and any related Non-Controlling Interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

All subsidiaries have the same reporting date which are co-terminus with the Group, with the exception of Kodak Alaris Imaging Equipment (Shanghai) Co. Ltd, Kodak Alaris Management (Shanghai) Co. Ltd., and Kodak Alaris Mexico S.A. de C.V. which all have a 31 December year-end in-line with local legislation.

E. Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. Investments in associates are stated using the equity method.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within the statement of profit or loss.

F. Foreign Currency

Transactions in foreign currencies are translated to the respective functional currencies of the Group's entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

The Group's presentation currency is US dollars (USD). The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentation currency at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the month where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income and accumulated in the translation reserve.

On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

G. Classification of financial instruments

Financial instruments issued by the Group are treated as equity only to the extent that they include no contractual obligations upon the Company (or Group) to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company (or Group). Where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares. Transaction costs on the issue of shares are deducted in equity reserve.

Where a financial instrument that contains both equity and financial liability components exists these components are separated and accounted for individually under the above policy.

H. Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Notes to the Consolidated Financial Statements
(continued)

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition, and if the amounts are material, they are measured at amortised cost using the effective interest method, less any impairment losses. The Group applies the IFRS 9 simplified approach to measuring expected credit losses (ECL), which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and the days past due, and a 180-day default criterion is applied, individually for each subsidiary in the Group, as a means of calculating the ECL percentage to be applied to each category of days past due for that entity.

In addition to the ECL provision, the Group reviews trade receivables to make additional provisions where objective evidence of default of receivable payment history or circumstances exists.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition, and if the amounts are material, they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and current balances with banks and similar institutions, which are readily convertible to known amounts of cash. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

The Group applies the practical expedient allowed by IFRS 9, assuming there is no significant increase in the credit risk of cash where the credit risk remains low at the reporting date. Accordingly, the Group applies the general approach to cash.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributed transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

I. Derivative financial instruments

Derivative financial instruments are recognised at fair value. The gain or loss on re-measurement to fair value is recognised immediately in profit or loss.

J. Intra-group financial instruments

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its Group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

K. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

The Group capitalises costs directly related to the acquisition or construction of a capital asset if the item has a useful life of three years or more. The Group capitalises costs incurred during the ownership of a capital asset if the expenditure increases the asset's productive capacity, enhances the asset's performance or operating efficiency, or extends the useful life of the asset.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of property, plant and equipment. Depreciation methods, useful lives and residual values are reviewed at each balance sheet date. Land is not depreciated. Typical estimated useful lives are as follows:

- Buildings and building equipment - 5 to 20 years
- Plant and equipment - 5 to 15 years
- Rental equipment - 4 years
- Assets under construction are not depreciated.

Derecognition

The Group derecognises property, plant and equipment:
(a) on disposal; or
(b) when no future economic benefits are expected from its use or disposal

L. Leases

The Group leases various properties and vehicles. Property lease terms are negotiated on an individual basis and contain a range of different terms and conditions. Vehicle lease terms tend to be of a standard nature. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Notes to the Consolidated Financial Statements
(continued)

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance expense. The finance expense is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis, as follows:

- Property 1 to 10 years
- Motor vehicles and other equipment 3 to 4 years

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

The right-of-use assets are also subject to impairment.

The Group does not recognise any of its property leases as being short-term but does for some of its vehicles. The Group does not recognise any of its leases as being of low value. The Group continues to recognise in profit or loss payments made under such leases on a straight-line basis over the terms of the leases.

The Group does not have any variable lease payments that depend on sales.

There are no contracts with lessor only extension options.

M. Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. The Group measures goodwill at the acquisition date as the fair value of the consideration transferred; plus the recognised amount of any non-controlling interests in the acquiree; plus the fair value of the existing equity interest in the acquiree; less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

N. Intangible assets and goodwill

Goodwill

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment in the investee.

Research and development

Expenditure on research activities is recognised in the income statement as an expense as incurred.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group has the technical ability and has sufficient resources to complete development, future economic benefits are probable and if the Group can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design for the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

Software

Software includes capitalised cost of the Group's ERP software and expenditure on major updates, which enhances the value of the software. Software is stated at cost less accumulated amortisation and accumulated impairment losses.

Other intangible assets

Other intangible assets, including customer relationships, patents and trademarks, that are acquired by the Group are stated at cost less accumulated amortisation and less accumulated impairment losses. Expenditure on renewal of patents is recognised in the income statement as an expense as incurred.

Notes to the Consolidated Financial Statements
(continued)

Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment annually. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Patents – unexpired life of patents, average approximately 10 years
- Customer relationships – 5 to 15 years
- Capitalised development costs – 3 to 5 years
- Capitalised software development costs – up to 3 years
- Trademarks – 5 years
- Computers and software – 3 years
- ERP hardware and software – 7 years

Derecognition

The Group derecognises an intangible asset:
(a) on disposal; or
(b) when no future economic benefits are expected from its use or disposal

O. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is based on the weighted average principle and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

P. Impairment excluding inventories and deferred tax assets

Financial assets (including receivables)

A financial asset not carried at fair value through profit or loss, is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

In line with IFRS 9 the Group segments its trade receivables based on shared characteristics and recognises a loss allowance for the lifetime expected credit loss for each segment. The expected credit loss is based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors such as significant financial difficulty of the debtor or default by the debtor, general economic conditions and an assessment of current and forecast conditions at the reporting date.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated prior to the end of each reporting period.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value, an assessment has been made of the price that would be received for sale in an orderly transaction between market participants at the measurement date. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or (CGUs) subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis subject to the recoverable amount of the asset.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

These reductions in carrying amounts shall be treated as impairment losses on individual assets and recognised in accordance with IAS 36.

Notes to the Consolidated Financial Statements
(continued)

Q. Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets are deducted. The Group determines the net interest on the net defined benefit liability/asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset). The discount rate is the yield at the reporting date on bonds that have a credit rating of at least AA or equivalent, that have maturity dates approximating the terms of the Group's obligations and that are denominated in the currency in which the benefits are expected to be paid. In regions where corporate bond markets are not deep it is based on government bonds.

Re-measurements arising from defined benefit plans comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Group recognises them immediately in other comprehensive income and all other expenses related to defined benefit plans in employee benefit expenses in profit or loss.

When the benefits of a plan are changed, or when a plan is curtailed, the portion of the changed benefit related to past service, or the gain or loss on curtailment, is recognised immediately in profit or loss when the plan amendment or curtailment occurs.

The calculation of the defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan or reductions in future contributions and takes into account the adverse effect of any minimum funding requirements.

The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs. The gain or loss on a settlement is the difference between the present value of the defined benefit obligation being settled as determined on the date of settlement and the settlement price, including any plan assets transferred and any payments made directly by the Group in connection with the settlement.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

R. Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

S. Revenue

Revenues comprise sales to outside customers after discounts, excluding value added taxes. The main revenue streams of the Group are:

- Product consumables;
- Equipment hardware:
- Software sales; and
- Services sales.

The Group recognises revenue based on the delivery of performance obligations and an assessment of when control is transferred to the customer. Control is transferred when the customer can direct the use of and obtain substantially all the remaining benefits from the asset. Revenue is recognised either 'over time' as control of the performance obligation is transferred to the customer or when the performance obligation in the contract has been performed ('point in time'). For contracts that permit the customer to return an item, the amount of revenue recognised is adjusted for expected returns, which are estimated based on historical data. The Group reviews its estimate of expected returns at each reporting date.

Product consumables - the performance obligation is the product being supplied. Revenue is recognised when control of the products has been transferred, when the Group has discharged its shipping obligations and there is no further obligation that could affect the distributors' acceptance of the product.

Equipment hardware - scanners and photo kiosks. The performance obligation is the equipment being supplied. Revenue is recognised when control of the products has transferred, when the Group has discharged its shipping obligations and there is no further obligation that could affect the distributors' acceptance of the product. Where the Group is responsible for installing the equipment, revenue is recognised when the equipment is installed at the customer.

Notes to the Consolidated Financial Statements
(continued)

Manufacturer fault warranties do not comprise a separate performance obligation and are accounted for in accordance with IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'. The Group accrues the estimated cost of post-sale obligations based on historical experience at the time the Group recognises revenue.

Software sales - for software with a right to use which transfers immediately to the customer, revenue is recognised at the point of time when the software is delivered. For right to access software licences which require continuous upgrades and updates for the software to remain useful, revenue is recognised over time.

Services sales – comprise a diverse range of performance obligations, including event imaging solutions and customer support, marketing, technical advice, warranty and maintenance agreements. The contract price is deferred and recognised in line with the service period. In situations where the service is provided as part of a package, the transaction price is allocated to these performance obligations based on the standalone selling price method or cost-plus margin approach.

T. Financing income and expenses

Financing expenses comprise interest payable and net foreign exchange losses that are recognised in the income statement (see foreign currency accounting policy). Financing income comprise interest receivable on funds invested, dividend income, and net foreign exchange gains.

Interest receivable and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

U. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. Government grants received are varied in nature and are recognised in the income statement so as to match them with the related expenses that they are intended to compensate. Where grants are received in a different period to the related expenses, they are initially recognised in the Balance Sheet, and released to the income statement to match the related expenditure.

V. Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

W. Non-recurring items

Non-recurring items are significant items within profit or loss that derive from individual events that fall within the ordinary activities of the Group. They are identified as non-recurring by virtue of their size, nature and incidence and have been separately disclosed in order to give a better view of the underlying trading of the Group.

X. Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate line of business or significant geographic area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale. When an operation is classified as a discontinued operation, the comparative statement of profit and loss and OCI is represented as if the operation has been discontinued from the start of the comparative year.

Notes to the Consolidated Financial Statements
(continued)

Note 3: Revenue

Segmental split of revenue:

	AI Foundry $000	Kodak Moments $000	Alaris $000	Continuing Operations Total $000	Discontinued Operations Total $000	Total Year ending 31 March 2022 $000
Sale of goods	-	**276,503**	**118,026**	**394,529**	-	**394,529**
Rendering of services	-	**38,196**	**77,566**	**115,762**	-	**115,762**
Total revenues	-	**314,699**	**195,592**	**510,291**	-	**510,291**

	AI Foundry $000	Kodak Moments $000	Alaris $000	Continuing Operations Total $000	Discontinued Operations Total $000	Total Year ending 31 March 2021 $000
Sale of goods	43	207,135	95,954	303,132	24,025	327,157
Rendering of services	433	35,056	80,313	115,802	2,687	118,489
Total revenues	476	242,191	176,267	418,934	26,712	445,646

Geographical split of revenue:

Continuing operations	United States & Canada $000	Europe, Middle East & Africa $000	Latin America $000	Asia-Pacific $000	Total Year ending 31 March 2022 $000
Sale of goods	**137,464**	**147,582**	**25,729**	**83,754**	**394,529**
Rendering of services	**44,414**	**55,174**	**1,291**	**14,883**	**115,762**
Total revenues	**181,878**	**202,756**	**27,020**	**98,637**	**510,291**

	United States & Canada $000	Europe, Middle East & Africa $000	Latin America $000	Asia-Pacific $000	Total Year ending 31 March 2021 $000
Sale of goods	101,294	114,928	19,883	67,027	303,132
Rendering of services	46,548	52,628	1,541	15,085	115,802
Total revenues	147,842	167,556	21,424	82,112	418,934

Discontinued operations	United States & Canada $000	Europe, Middle East & Africa $000	Latin America $000	Asia-Pacific $000	Total Year ending 31 March 2021 $000
Sale of goods	7,170	3,932	5,049	7,874	24,025
Rendering of services	2,258	-	407	22	2,687
Total revenues	9,428	3,932	5,456	7,896	26,712

Notes to the Consolidated Financial Statements
(continued)

Note 4: Administrative expenses (continuing operations)

	Note	Year ending 31 March 2022 $000	Year ending 31 March 2021 $000
Advertising		**6,859**	4,040
Marketing		**6,931**	6,572
Sales expenses		**30,553**	28,170
Depreciation and amortisation		**20,801**	23,414
General and administrative		**65,876**	59,849
Ongoing administration expenses[1]		**131,020**	122,045
Impairment: Land and buildings	12	**343**	-
Machinery and equipment	12	**4,554**	-
Rental equipment	12	**56**	-
Right of use assets – property/equipment	12	**4,758**	-
Construction in progress	13	**786**	-
Customer relationships	13	**70**	-
Development costs	13	**3,566**	1,698
Software	13	**40**	-
Goodwill	13	**26**	-
Impairment		**14,199**	1,698
Legal, professional, and other costs[2]		**3,486**	5,305
Government grants[3]		**-**	(2,657)
Restructuring costs[4]		**3,076**	1,707
(Gain) / loss on divestiture[5]		**(5,468)**	10,474
Non-recurring items[6]		**1,094**	14,829
Total administrative expenses		**146,313**	138,572

Note 5: Auditor's remuneration

	Year ending 31 March 2022 $000	Year ending 31 March 2021 $000
Audit of these financial statements	**1,218**	1,257
Audit of the statutory financial statements of subsidiaries of the Company	**597**	705
Taxation compliance services	**-**	57
Audit – related assurance services	**17**	29
Total Auditor's remuneration	**1,832**	2,048

1 Depreciation of $8,037 thousand is included within COGS and therefore excluded from this figure.

2 Internal staff costs and consultancy, legal and due diligence fees relating to transformation activities and programme to rationalise the Group's legal entity footprint in line with the reduced trading levels plus external charges incurred in relation to the ERP upgrade and legal costs associated with the ongoing action in Germany arising from the discontinuation of the relationship with ITyX Solutions AG.

3 Funding from various government grants and COVID-19 Assistance schemes globally.

4 Restructuring costs primarily relate to transformation activities.

5 (Gain)/loss on divestiture relates to the change of go to market model for Alaris & Kodak Moments operations (2021: loss principally related to Argentina).

6 This amount is included in cash flow statement in loss for the year and is dealt with in net cash flow from operating activities.

Notes to the Consolidated Financial Statements
(continued)

Note 6: Staff numbers and costs

The average number of persons employed by the Group (including directors) during the year, analysed by geography, was as follows:

	Number of Employees Year ending 31 March 2022	Number of Employees Year ending 31 March 2021
Country/Region		
United Kingdom	**117**	124
United States & Canada	**772**	830
Europe, Middle East & Africa	**187**	208
Asia-Pacific	**293**	340
Latin America	**127**	176
Total staff numbers per Country/Region	**1,496**	**1,678**
Segment		
Kodak Moments	**478**	504
Alaris	**703**	768
PPDS	**-**	38
AI Foundry	**-**	7
Shared	**315**	361
Total staff numbers per segment	**1,496**	**1,678**

The aggregate payroll costs of these persons were as follows:

	Year ending 31 March 2022 $000	Year ending 31 March 2021 $000
Wages and salaries	**131,648**	124,286
Social security costs	**11,234**	10,275
Contributions to defined contribution plans	**5,071**	2,945
Expenses related to defined benefit plans	**923**	1,294
Total staff costs	**148,876**	**138,800**

During the year the Group received various government grants to support the cost of retaining employees during the COVID-19 pandemic. The costs of these employees are included above, net of government grants of $295 thousand (2021: $2,657 thousand) received as compensation for the ongoing employment costs of these individuals.

Notes to the Consolidated Financial Statements
(continued)

Note 7: Directors' remuneration

	Year ending 31 March 2022 $000	Year ending 31 March 2021 $000
Directors' emoluments	**1,431**	2,367
Amounts receivable under short term, variable pay schemes	**876**	-
Long-term incentive plan	**66**	-
Company contributions to defined contribution pension plans	**87**	78
Benefits in kind	**18**	36
Severance payments	**710**	-
Amounts paid to third parties in respect of directors' services	**388**	74
Total Directors' remuneration	**3,576**	2,555

The aggregate of emoluments of the highest paid director was $2,448 thousand (2021: $1,359 thousand) and Company pension contributions of $76 thousand (2021: $72 thousand) were made to a money purchase scheme on their behalf.

	Number of directors Year ending 31 March 2022	Number of directors Year ending 31 March 2021
Retirement benefits are accruing to the following number of directors under:		
Defined contribution pension schemes	**2**	2

Note 8: Finance income and expense (continuing operations)

	Year ending 31 March 2022 $000	Year ending 31 March 2021 $000
Financial income		
Interest income financial assets	**323**	579
Foreign exchange gain	**-**	7,564
Total financial income	**323**	8,143
Financial expenses		
Total interest expense on financial liabilities measured at amortised cost	**11,821**	11,283
Interest on lease liabilities	**797**	963
Interest expense on pension obligations	**295**	266
Foreign exchange loss	**3,341**	-
Total financial expenses	**16,254**	12,512

Notes to the Consolidated Financial Statements
(continued)

Note 9: Taxation (continuing operations)

Recognised in the income statement

	Year ending 31 March 2022 $000	Year ending 31 March 2021 $000
Current tax expense		
Current period:		
United Kingdom	**(213)**	939
Foreign	**7,604**	4,960
Adjustments for prior year	**1,058**	(377)
Current tax expense	**8,449**	5,522
Deferred tax expense:		
Origination and reversal of temporary differences	**(6,838)**	(8,693)
Reduction in tax rate	**5**	512
Current year losses for which no deferred tax asset was recognised	**6,973**	7,823
Adjustments for prior year	**(1,084)**	(502)
Deferred tax benefit	**(944)**	(860)
Total income tax provision	**7,505**	4,662

Reconciliation of effective tax rate

	Year ending 31 March 2022 $000	Year ending 31 March 2021 $000
Loss for the year	**(17,462)**	(20,162)
Total income tax provision	**7,505**	4,662
Loss excluding taxation	**(9,957)**	(15,500)
Tax using the UK corporation tax rate of 19% (2021: 19%)	**(1,892)**	(2,945)
Effect of tax rates in foreign jurisdictions	**(761)**	(6,176)
Reduction in tax rate on deferred tax balances	**5**	512
Non-deductible expenses	**3,206**	6,327
Current year losses for which no deferred tax asset was recognised	**6,973**	7,823
Over provided in prior years	**(26)**	(879)
Total income tax provision	**7,505**	4,662

Income tax recognised in other comprehensive income

	Year ending 31 March 2022 $000	Year ending 31 March 2021 $000
Foreign exchange translation differences	**38**	(585)
Minimum pension liability	**(129)**	(407)
Total tax recognised in other comprehensive income	**(91)**	(992)

Current Income Tax Asset/Liability

	Year ending 31 March 2022 $000	Year ending 31 March 2021 $000
Current Asset	**-**	-
Current Liability	**(974)**	(3,897)

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021 (with enactment on 10 June 2021). There is no quantifiable impact from the rate change as deferred tax assets in the UK companies are currently only recognised to the extent they directly offset arising deferred tax liabilities,

The calculation of the Group's total tax charge involves consideration of applicable tax laws and regulations in multiple jurisdictions. From time to time, the Group is subject to tax audits and uncertainties in these jurisdictions. The issues involved can be complex and, where the interpretation of local tax law is not clear, management relies on judgement and accounting estimates to ensure all uncertain tax positions are adequately provided for in accordance with IFRIC 23 'Uncertainty over Income Tax Treatments', representing the Group's view of the most likely outcome, or, where multiple issues are considered likely to be settled together, the probability weighted amounts of the range of outcomes.

In Germany, agreement was reached with the tax authority at a meeting on 20 May 2022, on an appropriate settlement amount to conclude an ongoing tax audit in relation to financial years 2016 to 2018 and covering a range of issues. As such, the Group has provided for tax of $656 thousand in accordance with this agreement. Furthermore, an additional amount of $242 thousand has been provided in respect of issues identified from the audit that may impact later years.

Notes to the Consolidated Financial Statements
(continued)

Of the total tax provision, $242 thousand relates to tax on temporary differences (i.e. expected to reverse in future periods), and a corresponding adjustment has therefore been made to deferred tax attributes.

The audit is expected to be formally closed in Q2 FY23, following receipt of written confirmation of the settlement amount from the tax authorities and payment of all amounts due.

Factors that may affect the future tax charge

Many factors will affect the Group's future tax rate, the main ones being future legislative developments, future profitability of underlying subsidiaries and tax uncertainties.

Worldwide tax reform continues and this could impact the Group over the longer term. The Group continues to monitor activity in this area.

Note 10: Discontinued operations

On 1 November 2020 the Paper, Photochemicals, Display and Software (PPDS) business was sold to Sino Promise Group Limited, comprising the sale of shares in both Brazil wholly owned subsidiaries and various asset sales. The Brazil subsidiaries results included PPDS trading and manufacturing operations in Manaus as well as less significant amounts from trading by the Alaris and Kodak Moments businesses. The entire impact of the disposal of Brazil and the wider PPDS business, were included in discontinued operations.

Results from the discontinued operations for the prior year are presented below:

Income Statement

	Note	Year ending 31 March 2022 $000	Year ending 31 March 2021 $000
Discontinued operation			
Revenue	*3*	-	26,712
Cost of sales		-	(29,930)
Gross profit		-	(3,218)
Administrative expenses		-	(4,245)
Research and development expensed		-	-
Operating loss		-	(7,463)
Financial income		-	32
Financial expenses		-	(64)
Loss before tax		-	(7,495)
Income tax provision		-	44
Loss after tax from discontinued operations		-	(7,451)
Gain / (loss) on sale of discontinued operations		-	(11,388)
Income tax on loss on sale of discontinued operations		-	27
Loss from discontinued operations		-	(18,812)
Non-recurring items			
Restructuring costs		-	702
Loss on divestiture[1]		-	11,388
Total non-recurring items		-	12,090
Loss from discontinued items as above		-	(18,812)
Adjusted for:			
Income tax		-	(71)
Depreciation and amortisation		-	49
Impairment		-	-
Loss on disposal of property, plant and equipment		-	-
Non-recurring items		-	12,090
Net finance cost		-	32
Adjusted EBITDA discontinued operations		-	(6,712)

Total loss from discontinued operations is attributable to the equity holder of the parent.

1 Loss on divestiture included USD 2,684 thousand of transfer of cumulative translation differences re the Brazilian entities.

Notes to the Consolidated Financial Statements
(continued)

Cash Flow

	Year ending 31 March 2022 $000	Year ending 31 March 2021 $000
Cash flows from:		
Operating activities	-	7,159
Investing activities	-	3,904
Net cash inflow	-	11,063

Effect of disposal on the financial position of the Group

	Year ending 31 March 2022 $000	Year ending 31 March 2021 $000
Property, plant and equipment	-	24
Intangible assets	-	345
Goodwill	-	115
Deferred tax assets	-	1,122
Inventories	-	7,552
Trade and other receivables	-	1,300
Cash and cash equivalents	-	1,969
Deferred tax liabilities	-	(34)
Trade and other payables	-	(1,451)
Tax payable	-	(217)
Provisions	-	(173)
Cumulative translation reserve	-	6,709
Net Assets and Liabilities	-	**17,261**
Consideration received, satisfied in cash	-	5,873
Cash and cash equivalents disposed of	-	(1,969)
Net cash inflow	-	**3,904**

Notes to the Consolidated Financial Statements
(continued)

Note 11: Adjusted earnings before interest, tax, depreciation and amortisation (adjusted EBITDA from continuing operations)

Management has presented adjusted EBITDA as its relevant income statement performance measure consistently over many years. The aim is to provide a measure of operating performance that represents the normalised level of performance, avoiding the distortions of one-off gains or losses. It represents the controllable performance of the business units and Group as a whole and is employed throughout the Group. It is used as part of the internal reporting metrics, along with several other income statement, working capital and cash performance measures, for the management team (KAEC), the Company's Board and shareholder reporting. It also forms the basis of employee incentive schemes ensuring alignment through the organisation from target setting to performance to incentives. Adjusted EBITDA is calculated by adjusting the loss from continuing operations to exclude the impact of taxation, net finance costs, depreciation, amortisation, non-recurring items, impairment losses/reversals related to goodwill, intangible assets, property, plant and equipment and the re-measurement of disposal groups.

The Group's definition of adjusted EBITDA may not be comparable with similarly titled performance measures and disclosures by other entities.

	Note	**Year ending 31 March 2022 $000**	**Year ending 31 March 2021 $000**
Loss from continuing operations		**(17,462)**	(20,162)
Total income tax provision	*9*	**7,505**	4,662
Loss before tax		**(9,957)**	(15,500)
Adjusted for:			
Net finance costs	*8*	**15,931**	4,369
Loss on disposal of property, plant and equipment	*12*	**972**	540
Loss / (gain) on disposal of land and buildings	*12*	**71**	(1,053)
Depreciation	*12*	**11,765**	11,062
Amortisation	*13*	**17,076**	18,400
Impairment	*4*	**14,199**	1,698
Non-recurring items	*4*	**1,094**	14,829
Adjusted EBITDA		**51,151**	34,345

Notes to the Consolidated Financial Statements
(continued)

Note 12: Property, plant and equipment

	Land and buildings $000	Plant and equipment $000	Rental Equipment $000	Under construction $000	Total $000
Cost					
Balance at 1 April 2020	40,590	62,779	70,455	4,444	178,268
Reclassification – other	-	12	(1,276)	-	(1,264)
Acquisitions	2,580	1,071	99	10,103	13,853
Transfer from under construction	1,678	3,210	9,002	(13,890)	-
Disposals	(1,901)	(1,688)	(15,323)	-	(18,912)
Other movements	-	(4)	-	-	(4)
Effect of movements in foreign exchange	713	563	4,268	41	5,585
Balance at 31 March 2021	43,660	65,943	67,225	698	177,526
Balance at 1 April 2021	**43,660**	**65,943**	**67,225**	**698**	**177,526**
Acquisitions	**1,731**	**2,505**	**10**	**7,335**	**11,581**
Transfer from under construction	**-**	**2,343**	**3,117**	**(5,551)**	**(91)**
Disposals	**(7,285)**	**(3,680)**	**(5,702)**	**20**	**(16,647)**
Other movements	**-**	**48**	**-**	**-**	**48**
Effect of movements in foreign exchange	**(61)**	**(8)**	**(2,976)**	**(27)**	**(3,072)**
Balance at 31 March 2022	**38,045**	**67,151**	**61,674**	**2,475**	**169,345**
Depreciation and impairment					
Balance at 1 April 2020	(26,092)	(53,091)	(65,665)	(10)	(144,858)
Reclassification - Other	-	(107)	668	-	561
Depreciation charge for the year	(4,300)	(4,287)	(2,491)	-	(11,078)
Depreciation on disposals	1,901	1,026	15,323	-	18,250
Other movements	85	(9)	-	10	86
Effect of movements in foreign exchange	(406)	(469)	(3,979)	-	(4,854)
Balance at 31 March 2021	(28,812)	(56,937)	(56,144)	-	(141,893)
Balance at 1 April 2021	**(28,812)**	**(56,937)**	**(56,144)**	**-**	**(141,893)**
Depreciation charge for the year	**(3,706)**	**(3,853)**	**(4,206)**	**-**	**(11,765)**
Depreciation on disposals	**6,943**	**2,602**	**5,702**	**-**	**15,247**
Impairment charge for the year	**(4,360)**	**(4,708)**	**(27)**	**(616)**	**(9,711)**
Effect of movements in foreign exchange	**78**	**(46)**	**2,498**	**-**	**2,530**
Balance at 31 March 2022	**(29,857)**	**(62,942)**	**(52,177)**	**(616)**	**(145,592)**
Net book value at 31 March 2021	14,848	9,006	11,081	698	35,633
Net book value at 31 March 2022	**8,188**	**4,209**	**9,497**	**1,859**	**23,753**

Property plant and equipment under construction at 31 March 2022 totalled $1,859 thousand (2021: $698 thousand) and primarily relates to Alaris tooling, testing equipment, Kodak Moments rental equipment in transit and manufacturing equipment. The amount of borrowing costs capitalised during the year was nil (2021: nil).

Included in plant and equipment are right-of-use assets related to facility and vehicle leases as well as capitalised spare parts used in the ongoing maintenance requirements of the Group.

Property improvements and plant and equipment assets with a cost of $9,703 thousand (2021: $1,358 thousand) and a carrying value of $253 thousand (2021: nil) were derecognised as they were no longer being used. Rental equipment at a cost of $5,702 thousand (2021: $15,323 thousand) with nil net book value has been derecognised as they were no longer in service.

Due to the impact of current cost inflation in the Kodak Moments business outlook an impairment charge of $9,711 thousand (2021: nil) was made against the carrying value of land and buildings, right of use assets, machinery and equipment, rental equipment assets and assets under construction.

In the prior year land, buildings and machinery and equipment assets with a carrying value of $24 thousand were disposed of as part of the sale of the PPDS business (note 10). Machinery, equipment and right-of-use assets with a carrying value of $100 thousand were disposed of as part of the sale of AI Foundry and changes in the go-to-market model in EMEA and Argentina.

Rental equipment assets of $nil (2021: $1,276 thousand) were provided to secure the renewal of a customer contract and have been reclassified as contract assets.

Notes to the Consolidated Financial Statements
(continued)

Note 13: Intangible assets

	Goodwill $000	Customer Relationships $000	Trademarks and Patents $000	Development costs $000	Software $000	Under construction $000	Total $000
Cost							
Balance at 1 April 2020	129,468	116,537	214,892	58,535	36,883	-	556,315
Other acquisitions – internally developed	-	-	-	7,991	-	-	7,991
Acquisitions	-	366	-	-	-	-	366
Disposals	(624)	(16,260)	(13,693)	(1,833)	(18)	-	(32,428)
Other reclassifications	-	-	-	(155)	-	-	(155)
Effect of movements in foreign exchange	5,428	4,500	-	-	(8)	-	9,920
Balance at 31 March 2021	**134,272**	**105,143**	**201,199**	**64,538**	**36,857**	**-**	**542,009**
Balance at 1 April 2021	134,272	105,143	201,199	64,538	36,857	-	542,009
Other acquisitions – internally developed	-	-	-	-	-	5,657	5,657
Acquisitions	-	-	-	-	-	1,796	1,796
Transfer from under construction	-	-	-	4,075	91	(4,075)	91
Disposals	(806)	(2,184)	-	(9,073)	(28)	-	(12,091)
Effect of movements in foreign exchange	(2,392)	(1,782)	-	-	-	-	(4,174)
Balance at 31 March 2022	**131,074**	**101,177**	**201,199**	**59,540**	**36,920**	**3,378**	**533,288**
Amortisation and impairment							
Balance at 1 April 2020	(110,209)	(95,068)	(195,287)	(41,375)	(36,414)	-	(478,353)
Amortisation for the year	-	(4,005)	(7,335)	(6,873)	(221)	-	(18,434)
Impairment for the year	-	-	-	(1,698)	-	-	(1,698)
Disposals	(1,481)	15,457	13,693	724	18	-	28,411
Other reclassifications	-	-	-	155	-	-	155
Effect of movements in foreign exchange	(4,357)	(3,543)	-	-	9	-	(7,891)
Balance at 31 March 2021	**(116,047)**	**(87,159)**	**(188,929)**	**(49,067)**	**(36,608)**	**-**	**(477,810)**
Balance at 1 April 2021	(116,047)	(87,159)	(188,929)	(49,067)	(36,608)	-	(477,810)
Amortisation for the year	-	(3,394)	(5,802)	(7,672)	(208)	-	(17,076)
Impairment for the year	(26)	(70)	-	(3,566)	(40)	(786)	(4,488)
Disposals	(555)	1,410	-	9,073	28	-	9,956
Effect of movements in foreign exchange	1,954	1,497	-	-	-	-	3,451
Balance at 31 March 2022	**(114,674)**	**(87,716)**	**(194,731)**	**(51,232)**	**(36,828)**	**(786)**	**(485,967)**
Net book value at 31 March 2021	18,225	17,984	12,270	15,471	249	-	64,199
Net book value at 31 March 2022	**16,400**	**13,461**	**6,468**	**8,308**	**92**	**2,592**	**47,321**

Customer relationships include cost of $2,500 thousand for intangible assets similar in nature to customer relationships which have been fully amortised. These assets were classified as “Other” in the prior year and have been re-classified to “Customer Relationships”. Assets under construction at 31 March 2022 totalled $2,592 thousand (2021: $nil) primarily ERP upgrade costs and Alaris scanner development costs.

Amortisation of the intangible assets is included in administrative expenses.

The cash-generating-units (CGU’s) of the Group are determined by management to be Alaris, Kodak Moments and Film. The cash inflows for Film are largely independent of the cash inflows for the rest of Kodak Moments, and it is therefore treated as a separate CGU.

An impairment charge of $2,531 thousand was recognised in the year related to the assessment of Kodak Moments development costs. In the comparative year an impairment charge of $1,698 thousand was recognised for Alaris development costs.

In addition to the above, an impairment charge of $11,642 thousand (2021: nil) was recognised related to the wider assessment of the recoverability of the Kodak Moments CGU following anticipated reductions in gross margin rates due to post pandemic supply chain challenges. As the goodwill balance is nil the impairment charge in the Kodak Moments business unit was allocated to customer relationships, development costs, software, ERP assets under construction, land and buildings, right of use assets, machinery and equipment and rental equipment (see note 12).

As a result of the disposals of the Alaris service business in Austria, Hong Kong, Italy and Switzerland during the year, intangible assets with a carrying value of $2,135 thousand (2021: $2,116 thousand) were derecognised and included in the gain recorded on sale. Development costs of $9,073 thousand (2021: nil) with nil net book value have been derecognised during the year as they were no longer being used.

Notes to the Consolidated Financial Statements
(continued)

The following table summarises impairment charges and amounts written off recorded by business unit and asset category:

Impairment Charges		Year ending 31 March 2022 $000		Year ending 31 March 2021 $000
Alaris Business Unit				
Development costs (see (iii))		-		1,698
Goodwill (see (v))		**26**		-
Total Alaris Business Unit Impairment Charges		**26**		1,698
Kodak Moments Business Unit				
Customer Relationships (see (ii))		**70**		-
Development costs (see (iii))		**3,566**		-
Software		**40**		-
Under construction (see (iv))		**786**		-
Property, plant and equipment allocated as follows:				
Land and buildings (note 12)	**343**		-	
Machinery and equipment (note 12)	**4,554**		-	
Rental equipment (note 12)	**56**		-	
Right of use assets – property & equipment (note 12)	**4,758**		-	
Total impairment charge allocated to property, plant and equipment		**9,711**		-
Total Kodak Moments Business Unit Impairment Charges		**14,173**		-
Total Impairment Charges		**14,199**		1,698
Impairment charges – Intangibles		4,488		1,698
Impairment charges – Property plant & equipment (note 12)		9,711		-

i. Trademark and patents

At 31 March 2022 trademark assets associated with the Alaris, Kodak Moments and Film CGUs have a carrying value of nil (2021: $3,213 thousand, nil and $25 thousand respectively).

Patent assets have a carrying value for Alaris of $6,468 thousand at 31 March 2022 (2021: $9,029 thousand), Kodak Moments and Film are nil (2021: nil and $3 thousand respectively).

The recoverability of these assets was considered through the wider assessment of the recoverability of the CGUs and is reported in section v.

ii. Customer relationships

The carrying value of customer relationship assets for Kodak Moments and Alaris at 31 March 2022 are nil and $13,461 thousand respectively (2021: $1,316 thousand and $16,668 thousand).

The trading impact of the COVID-19 pandemic on the markets Alaris serves was less than projected and the recovery has been quicker. Alaris performed well in the year but faces headwinds from supply chain disruptions and price inflation which indicated a potential impairment of the Alaris assets. An assessment was completed, and no impairment was required.

The Kodak Moments customer relationships were reviewed as part of the wider assessment of the recoverability of the CGUs and an impairment of $70 thousand (2021: nil) was recorded as reported in section v.

iii. Development costs

The carrying value of capitalised development costs at 31 March 2022, for Kodak Moments and Alaris are nil and $8,308 thousand respectively (2021: $3,635 thousand and $11,836 thousand).

Kodak Moments capitalised development cost assets were reviewed as part of the wider assessment of the recoverability of the CGU's and an impairment charge of $1,035 thousand (2021: nil) was recorded.

Alaris capitalised development cost assets were determined to be fully recoverable, and no impairments were required. In the prior year an impairment charge of $1,698 thousand was recognised for Alaris due to changes in strategy and budget constraints limiting the ability to complete projects, and the technology developed could not be used elsewhere.

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iv. Under construction

The carrying value of in process development costs at 31 March 2022 for Kodak Moments and Alaris are nil and $1,555 thousand. The recoverability of Kodak Moments and Alaris in process development costs was reviewed as part of the annual assessment of intangible assets not yet available for use. Due to the gross margin reductions resulting from supply constraints, higher transport costs and component cost increases in Kodak Moments an impairment loss of $2,531 thousand (2021: nil) was recorded. An additional impairment loss of $91 thousand (2021: nil) was recorded for Kodak Moments as part of the wider assessment of the recoverability of the CGU's.

The carrying value of in process ERP development costs are $1,037 thousand (2021: nil). The recoverability of the in process ERP development costs were reviewed as part of the wider assessment of the recoverability of the CGUs and an impairment charge of $695 thousand was recorded.

v. Impairment testing for CGUs containing goodwill

Goodwill was tested for impairment as at 31 March 2022, the Group has three CGUs and goodwill is monitored at CGU level. For the purposes of impairment testing, goodwill has been allocated entirely to the Alaris business unit:

Allocation of Goodwill	Year ending 31 March 2022 $000	Year ending 31 March 2021 $000
Alaris Business Unit	**16,400**	18,225
Total Goodwill	**16,400**	18,225

Whilst Kodak Moments and Film have no goodwill, the impact of supply chain disruptions, component cost increases and increased transportation costs, create a risk that the recoverable amounts would be less than the carrying values of the other underlying assets, necessitating a review.

The recoverable amounts have been based on value in use determined by discounting the future cash flows to be generated from the continuing use of the CGU.

Alaris

The Alaris business realised a strong recovery in the year ended 31 March 2022 after the COVID-19 pandemic driven declines in the prior year while also contending with historic global supply chain challenges including the lack of available semi-conductor components, cost inflation and transportation disruptions. The outlook used in the impairment assessment reflects overall scanner market expectations and the continuing near term impact of component availability and cost inflation. The recoverable value of the Alaris CGU exceeded the carrying value by $31,000 thousand and no impairment loss was recognised (2021: nil). A $26 thousand goodwill impairment charge was recognised to correct the closing accumulated impairment balance.

The key assumptions used in the estimation of the value in use were as follows:

Alaris CGU Impairment Test	Year ending 31 March 2022	Year ending 31 March 2021
Discount rate	**22.5%**	14.7%
Terminal value growth rate	**0.0%**	0.0%
EBITDA growth rate (average over five years)[1]	**9.3%**	3.7%

The discount rate is a pre-tax measure based on the weighted average cost of capital comprised of the required return on equity plus the current cost of debt, weighted by the relative debt and equity ratios for comparable companies. The cost of equity was determined using the Capital Asset Pricing Model modified to include premiums for country risk, the size of the businesses and a judgmental factor reflecting execution risks in achieving forecasted cash flow growth. The cost of debt was estimated based on the normalised yield to maturity for USD-denominated BB notes.

Five years of cash flows (2021: four years) were included in the discounted cash flow model with the impact of component shortages and cost inflation reflected principally in the first year. The growth rate in the terminal value is zero.

EBITDA for the year ended 31 March 2022, reflects increased sales volumes and reduced gross margins due to component cost inflation and higher transport cost The outlook assumed the component shortages and the associated cost inflation would continue into 2023[2] affecting sales volumes and margin and normalise by the start of 2024. R&D and administration costs are increased in support of a refresh of part of the Alaris product portfolio and investments in software and solutions growth. EBITDA is expected to decline in 2023 by 50% when compared to 2022 due to supply chain constraints and component price inflation and return to normal levels by 2024.

1 The management plan used in the 2022 assessment was 5 years, starting with year 2023 (2021: 4 years, starting with year 2022)

2 All references to a year relate to the financial year e.g. 2023 is the year ended 31 March 2023.

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Management considered a variety of scenarios to determine the sensitivity of the recoverable value to changing assumptions. Management further considered that a reasonably possible change in EBITDA due to reduced benefits from its portfolio refresh and using a negative terminal value growth rate assumption could cause the recoverable amount to equal the carrying value. The table below shows the amount by which these assumptions would need to change individually for the estimated recoverable amount to equal the carrying value.

Change required for recoverable value to equal the carrying value	Year ending 31 March 2021
Reduce cash flow benefits from portfolio refresh	(35)%
Terminal value growth rate	(1.4)%

Recoverable value estimates are affected by changes in the discount rate. A 1% increase in the post-tax discount rate reduced the recoverable value by $5,000 thousand, and a 2% increase reduced the recoverable value by $8,000 thousand.

Alaris operates in a mature market and market share expectations from new product introductions, go-to-market changes and anticipated consolidation offset the general market declines. A zero terminal value growth rate was used to reflect these offsetting dynamics. It is possible that expectations in the outlook may not be realised. In that event the terminal value growth rate would need to reduce to negative 1.4% for the recoverable value to equal the carrying value.

Recoverable values are sensitive to EBITDA growth rates. EBITDA is expected to decline significantly in 2023. The growth rate of 9.3% over five years reflects the recovery from the steep decline in that year, with a return to normal conditions by 2024 and expected market share gains from a refresh of its portfolio of production and distributed scanners. The recoverable value is dependent on these investments and if the market share gains are not realised the EBITDA growth rate will not be achieved. Reducing the expected cash inflows from these investments by 25% reduced the recoverable value by $22,000 thousand.

Management included the impact of current year supply constraints in the cash flow estimates and assumed resolution of the shortages and a return to normal price levels by the start of 2024 based on internal mitigation actions and external recovery. Management remains confident in this expectation, but, if the impact of component shortages persists, or the mitigation activities are delayed this could result in a more significant impact on the Alaris DC market share, and the recoverable value would decline. Assuming a permanent market share impact with a 50% decrease in DC revenue growth after 2023, the recoverable value decreased by $15,000 thousand.

Reducing EBITDA in the final year by $1,000 thousand (2.4%) reduced the recoverable value by $8,000 thousand.

The recoverable amount incorporates management's expectations of growth in software and solutions by enhancing features of its INfuse scanner and developing organisational capability in software and solutions. Management evaluated a scenario where the growth in software and solutions was 50% lower than anticipated reducing the recoverable value by $10,000 thousand.

Kodak Moments

Measures taken by many countries in response to the COVID-19 pandemic were relaxed in the year ended 31 March 2022 resulting in increased sales for Kodak Moments, though not to pre-pandemic levels. Management has incorporated revised expectations for post pandemic market growth along with the impact of current cost inflation in the outlook used in the impairment assessment. The carrying value of the Kodak Moments CGU exceeded the recoverable value and an impairment loss of $11,642 thousand was recognised (2021: nil).

The key assumptions used in the estimation of the value in use were as follows:

Kodak Moments CGU Impairment Test	Year ending 31 March 2022	Year ending 31 March 2021
Discount rate	**12.0%**	15.2%
Terminal value growth rate	**0.0%**	0.0%
Average EBITDA growth rate over five years[1]	**13.4%**	5.8%

The discount rate is a pre-tax measure estimated based on the weighted average cost of capital for similar businesses and adjusted for country risk, company size risk, and the risk inherent in the business and its ability to achieve the estimates. It is calculated in the same manner as Alaris but reflects risks specific to the Kodak Moments CGU.

Five years of cash flows (2021: four years) were included in the discounted cash flow model, with the impact of decreased revenues and lower margins coupled with increased R&D and administration costs yielding relatively low EBIDTA values. After considering corporate cost allocations and sustaining capital requirements, cash flows are negative. The outlook includes investments in 2023[2] to redefine the growth strategy for the future but does not include cash flow benefits that could be expected to accrue from those investments.

EBITDA in the first year of the plan, decreased from 2022 reflecting lower margin expectations and an initial investment to enable the business to refine its e-commerce growth strategies. The outlook does not include future revenue or margin growth related to this investment or other growth strategies. Core sales volumes will increase modestly in the following years while margins remain relatively low, and R&D and administration costs remain constant. The outlook used to estimate the recoverable value does not contemplate revenue returning to pre-COVID levels and does not include actions to mitigate cost increases. EBITDA increases at an average growth rate of 13.4% over the 5 years included in the plan.

1 The management plan used in the 2022 assessment was 5 years, starting with year 2023 (2021: 4 years, starting with year 2022)

2 All references to a year relate to the financial year e.g. 2023 is the year ended 31 March 2023.

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Management considered different scenarios to determine possible changes in EBITDA that could cause the recoverable amount to equal the carrying value including higher gross margins and using positive terminal value growth rates. The table below shows the amount by which these assumptions would need to change individually for the estimated recoverable amount to equal the carrying value.

Change required for recoverable value to equal the carrying value	Year ending 31 March 2021
Increase in gross margin over forecast period	12.9%
Terminal value growth rate	6.8%

Management expectations regarding volume, selling prices and costs are key assumptions affecting gross profit and EBITDA. Average gross margin rates in the outlook are 6% lower than the average for year ended 31 March 2022. Management evaluated various scenarios and determined that based on the volumes included in the outlook, Kodak Moment's gross profit rates would need to increase by 12.9% to avoid an impairment.

The average EBITDA growth rate over the 5 years of the plan is 13.4%. EBITDA in 2023 is expected to decline significantly compared to 2022 and the growth rate reflects the expected recovery due to increased sales volumes as well as lower R&D and administration costs spend beginning in 2024. Growth tapers over the 5 years of the plan to align with lower growth rates in the final years of the outlook, and to reflect higher execution risk beyond the last year, the growth rate used in the terminal value is zero. A terminal value growth rate of 6.8% would be required to avoid an impairment.

Film

The relaxation of pandemic related restrictions during the year and the continuing resurgence of interest in film photography improved Film results. Management has incorporated expectations for future growth and profitability in the outlook used in the impairment assessment. The recoverable value for Film exceeded the carrying value by $192,000 thousand (2021: $31,000 thousand) and no impairments were recorded. The carrying value of intangibles are $405 thousand (2021: $36 thousand).

Note 14: Investments in equity accounted investees

Investments in associates	Country of incorporation	Class of shares held	Ownership %	31 March 2022 $000	31 March 2021 $000
Immobiliare Aquileja S.r.l. (formerly Fotomarket)	Italy	Ordinary	20.9%	-	224
ITyX Technology GmbH[1]	Germany	Ordinary	25.1%	**17,860**	17,860
				17,860	18,084
Provision				**(17,860)**	(17,860)
Total investments in associates				**-**	224

	31 March 2022 $000	31 March 2021 $000
Balance at beginning of the year	**224**	211
Reclassification to other investments	**(213)**	-
Effect of movements in foreign exchange	**(11)**	13
Balance at the end of the year	**-**	224

During the year, the shareholding in Immobileware Aquileja S.r.l. (formerly Fotomarket) has been reclassified as a non-listed equity investment. There was no change in percentage ownership of the ITyX investment during the year. The results of all associated undertakings are individually, and in their entirety, not material to the Group and hence have not been included in the Group's financial statements.

1 ITyX Technology GmbH: Carl-Benz Strasse 10-12, D-56218 Mülheim-Kärlich. Nature of relationship – associate. In 2015, we discontinued our relationship with ITyX Technology GmbH (ITyX) and the investment was fully provided for. The discontinuation of the relationship was subject to legal proceedings and details are provided in note 28.

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Note 15: Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets 31 March 2022 $000	Liabilities 31 March 2022 $000	Assets 31 March 2021 $000	Liabilities 31 March 2021 $000
Property, plant and equipment	**337**	**(4)**	175	(61)
Intangible assets	**1,839**	**(1,466)**	2,008	(1,930)
Inventories	**396**	**(57)**	411	(339)
Financial assets	-	**(2)**	3	-
Employee benefits	**4,628**	**(1)**	6,449	(1,653)
Provisions	**844**	**(1)**	935	(551)
Tax value of loss carry-forwards	-	-	834	-
Other	**1,900**	**(265)**	3,031	(1,672)
Total Tax	**9,944**	**(1,796)**	13,846	(6,206)
Net Tax asset		**8,148**		7,640

Movement in deferred tax during the year:

	1 April 2021 $000	Recognised in income $000	Recognised in equity $000	Foreign exchange impact $000	Discontinued operations $000	31 March 2022 $000
Property, plant and equipment	114	231	-	(12)	-	**333**
Intangible assets	78	310	-	(15)	-	**373**
Inventories	72	279	-	(12)	-	**339**
Financial assets	3	(5)	-	-	-	**(2)**
Employee benefits	4,796	134	(129)	(174)	-	**4,627**
Provisions	384	493	-	(34)	-	**843**
Tax value of loss carry-forwards utilised	834	(834)	-	-	-	**-**
Other	1,359	336	-	(60)	-	**1,635**
Movement in deferred tax	7,640	944	(129)	(307)	-	**8,148**

	1 April 2020 $000	Recognised in income $000	Recognised in equity $000	Foreign exchange impact $000	Discontinued operations $000	31 March 2021 $000
Property, plant and equipment	(632)	850	-	-	(104)	114
Intangible assets	(530)	616	-	-	(8)	78
Inventories	136	14	-	-	(78)	72
Financial assets	(16)	(356)	-	360	15	3
Employee benefits	4,646	613	(407)	-	(56)	4,796
Provisions	638	(52)	-	-	(202)	384
Tax value of loss carry-forwards utilised	1,506	(121)	-	-	(551)	834
Other	2,167	(704)	-	-	(104)	1,359
Movement in deferred tax	7,915	860	(407)	360	(1,088)	7,640

The Group has not recognised deferred tax assets in respect of various deductible temporary differences, tax losses and tax credits, particularly in relation to its US and UK operations. The Group does not recognise deferred tax assets if it cannot anticipate being able to offset them against existing deferred tax liabilities or against future profits or gains.

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The total unrecognised deferred tax position is as follows:

	Gross		Unrecognised deferred tax	
	31 March 2022 $000	**31 March 2021 $000**	**31 March 2022 $000**	**31 March 2021 $000**
Tax losses	**470,423**	627,948	**116,091**	148,718
Tax credits	**3,414**	3,274	**3,414**	3,274
Other temporary differences	**275,964**	287,788	**69,138**	71,053
Total	**749,801**	919,010	**188,643**	223,045

The ownership change from KPP2 to The Board of the Pension Protection Fund in FY21 caused a limitation on the US entity's ability to utilise loss carry forwards. The annual limitation for losses incurred prior to the ownership change is $96 thousand (tax effected). Approximately $52,000 thousand of the total $102,000 thousand (tax effected) of US federal level losses are expected to expire prior to their utilization and as a result their deferred balance has been reduced accordingly. Of the remaining $50,000 thousand of losses approximately $37,000 thousand are subject to the same limitation however they have no expiration and remain available indefinitely. The losses not subject to the limitation are approximately $13,000 thousand and also remain available indefinitely. It is also noted that each set of state rules regarding Section 382 loss limitations differ, and thus different carry forwards may result at the state level. It is anticipated that at least $9,000 thousand of the total $17,000 thousand (tax effected) of state losses are expected to expire prior to their utilization and their deferred balance has also been reduced. As stated above, no deferred tax asset is currently being recognised on these US losses.

There are no expiry dates applying to any other unrecognised deferred tax assets.

Note 16: Inventories

	31 March 2022 $000	**31 March 2021 $000**
Raw materials and consumables	**7,135**	4,465
Work in progress	**4,486**	3,342
Finished goods	**45,367**	42,739
Total inventories	**56,988**	50,546

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the period amounted to $205,000 thousand (2021: $178,000 thousand). The write-down of inventories to net realisable value amounted to $9,000 thousand (2021: $11,000 thousand). There were no reversals of write-downs during the period (2021: $nil).

Note 17: Other Investments

Current Investments	**Country of incorporation**	**Class of shares held**	**Ownership %**	**31 March 2022 $000**	**31 March 2021 $000**
Immobiliare Aquileja S.r.l. (formerly Fotomarket)	Italy	Ordinary	20.9%	**213**	-
Total current investments				**213**	-

As detailed in note 14 the shareholding in Immobiliare Aquileja S.r.l. (formerly Fotomarket) has been reclassified from an investment in associate during the year and was sold to the majority shareholder after the reporting date as disclosed in note 31.

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Note 18: Trade and other receivables

	31 March 2022 $000	31 March 2021 $000
Trade receivables	**63,607**	63,172
Other receivables	**4,982**	6,415
Unbilled revenue	**1,257**	467
Prepayments	**6,459**	9,198
Total trade and other receivables	**76,305**	79,252
Non-current	**1,805**	2,508
Current	**74,500**	76,744
Total trade and other receivables	**76,305**	79,252

There were no material amounts pledged as collateral for the year (2021: nil).

The average credit period on sales of goods is 47 days (2021: 56 days). The average credit period at 31 March 2022 excludes amounts accrued for rebate purposes which have not been agreed with customers.

The Group applies a simplified approach to measure the loss allowance for trade receivables classified at amortised cost, using the lifetime expected loss provision. The expected credit loss on trade receivables is estimated using a provision matrix by reference to past default experience and credit rating, adjusted as appropriate for current observable data.

Note 19: Cash and cash equivalents

	31 March 2022 $000	31 March 2021 $000
Cash and cash equivalents	**71,217**	78,941

Cash and cash equivalents include $212 thousand (2021: $1,592 thousand) that are restricted as to withdrawal or use under the terms of certain contractual agreements.

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Note 20: Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate and foreign currency risk, see note 25.

	31 March 2022 $000	31 March 2021 $000
Tranche B Loan Notes	**144,265**	134,342
Interest payable	**970**	828
Other borrowings	**501**	1,001
Lease liabilities (note 26)	**11,536**	13,364
Non-current liabilities	**157,272**	149,535
Other borrowings	**507**	507
Lease liabilities (note 26)	**5,131**	5,417
Current liabilities	**5,638**	5,924

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Fair value 31 March 2022 $000	Carrying amount 31 March 2022 $000	Fair value 31 March 2021 $000	Carrying amount 31 March 2021 $000
Tranche B Loan Notes	USD	SONIA + 7%	2028	**145,235**	**145,235**	135,170	135,170
Lease liabilities	USD	1% - 10%	2023 -2028	**16,667**	**16,667**	18,781	18,781
Assumed loan notes	USD	2%	2023	**1,008**	**1,008**	1,508	1,508
Senior Credit Facility	USD	Base + 4.5%	2025	**-**	**-**	-	-
				162,910	**162,910**	155,459	155,459

The $100 million Tranche B Loan Notes are secured on certain assets of the Group. Interest is satisfied by means of a transfer of new notes to the loan note holder, the notes mature on 31 August 2028.

Any drawings under the Senior Credit Facility of up to $50 million are secured on certain assets of the Group and borrowing is limited based on a formula of available obligor collateral and the previous 12 month's EBITDA. The facility is provided on a committed basis. It is available until 29 September 2025 and was undrawn as at 31 March 2022.

Note 21: Trade and other payables

	31 March 2022 $000	31 March 2021 $000
Trade payables	**34,978**	42,594
Deferred revenue	**38,772**	42,458
Non-trade payables and accrued expense	**31,836**	37,433
Current	**105,586**	122,485
Other payables	**654**	1,311
Deferred revenue	**15,607**	17,003
Non-current	**16,261**	18,314

Trade payables are non-interest bearing and are normally settled on 52 day terms (2021: 68 day terms).

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Note 22: Employee benefits

Pension Plans

The Group sponsors various pension schemes in accordance with local regulations and practices. Eligibility for participation in the various plans is either based on completion of a specified period of continuous service, or date of hire. The plans generally are financed by employee and employer contributions. Among these schemes are defined contribution plans as well as defined benefit plans.

Defined contribution plans
The Group's contributions under these plans amounted to $5,071 thousand (2021: $2,945 thousand) during the year.

Defined benefit plans
The Group operates defined benefit plans in various countries, the main locations being Germany, the Netherlands, France, and Mexico. Approximately 71% of the total net defined benefit liability accrued to date relates to the defined benefit plans in Germany, which for the most part are pension plans that provide benefits to members in the form of a guaranteed level of pension payable for life.

The pension plans in Austria, Italy and Switzerland were divested during the year as a result of the change of go to market model for Alaris & Kodak Moments operations.

The majority of benefit payments are from funded arrangements; however, there are also a number of unfunded plans where the Group meets the benefit payments as they come due. Plan assets held in funded arrangements are governed by local regulations and practices in each country and are generally held at third-party insurers. The movement in the defined benefit obligation and fair value of plan assets over the prior and current years is as follows:

	Present value of defined benefit obligation 31 March 2022 $000	Fair value of plan assets 31 March 2022 $000	Net balance sheet position 31 March 2022 $000
Amounts recognised at 01 April 2021	(57,379)	39,194	**(18,185)**
IAS 19 Cost			
Current service cost	(1,247)	-	**(1,247)**
Past service cost – curtailments	335	-	**335**
Cost of termination benefits	-	-	-
Administration expense	(11)	-	**(11)**
Settlements	42	(42)	-
Interest (expense)/income	(728)	433	**(295)**
(Expense)/Benefit Recognised in Income Statement	(1,609)	391	**(1,218)**
Actuarial gains/(losses)			
Return on plan assets, excluding interest expense	-	(4,055)	**(4,055)**
Gain from change in demographic assumptions	4	-	**4**
Gain from change in financial assumptions	4,154	-	**4,154**
Gain from actuarial experience	1,062	-	**1,062**
Actuarial gains/(losses) recognised in consolidated statement of other comprehensive income	5,220	(4,055)	**1,165**
Cash flow			
Employer contributions	-	1,076	**1,076**
Employee contributions	(57)	57	-
Benefits paid directly by the Company	213	(213)	-
Benefits paid from plan assets	1,038	(1,038)	-
Net cash inflow/(outflow)	1,194	(118)	**1,076**
Other			
Divestitures	3,134	(2,061)	**1,073**
Exchange differences	2,170	(1,531)	**639**
Total other	5,304	(3,592)	**1,712**
Amounts recognised at 31 March 2022	**(47,270)**	**31,820**	**(15,450)**

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	Present value of defined benefit obligation 31 March 2021 $000	Fair value of plan assets 31 March 2021 $000	Net balance sheet position 31 March 2021 $000
Amounts recognised at 01 April 2020	(56,508)	37,859	(18,649)
IAS 19 Cost			
Current service cost	(1,355)	-	(1,355)
Past service cost – curtailments	117	-	117
Cost of termination benefits	(42)	-	(42)
Administration expense	(11)	-	(11)
Settlements	5	(8)	(3)
Interest (expense)/income	(661)	395	(266)
(Expense)/Benefit Recognised in Income Statement	(1,947)	387	(1,560)
Actuarial gains/(losses)			
Return on plan assets, excluding interest expense	-	(1,325)	(1,325)
Loss from change in demographic assumptions	275	-	275
Gain from change in financial assumptions	1,279	-	1,279
Gain from actuarial experience	1,276	-	1,276
Actuarial gains/(losses) recognised in consolidated statement of other comprehensive income	2,830	(1,325)	1,505
Cash flow			
Employer contributions	-	1,623	1,623
Employee contributions	(58)	58	-
Benefits paid directly by the Company	246	(246)	-
Benefits paid from plan assets	1,362	(1,362)	-
Net cash inflow	1,550	73	1,623
Other			
Exchange differences	(3,304)	2,200	(1,104)
Total other	(3,304)	2,200	(1,104)
Amounts recognised at 31 March 2021	(57,379)	39,194	(18,185)

Details of the plans for both the balance sheet and the weighted average duration of the defined benefit obligation as at 31 March 2022 and 31 March 2021 are shown below:

	31 March 2022 $000	31 March 2021 $000
Present value of defined benefit obligation	**(47,270)**	(57,379)
of which: amounts owing to active members	**(26,360)**	(33,824)
of which: amounts owing to not active members	**(6,816)**	(8,557)
of which: amounts owing to pensioners	**(14,094)**	(14,998)
Fair value of plan assets	**31,820**	39,194
Net defined benefit liability	**(15,450)**	(18,185)
Weighted average duration of defined benefit obligation	17 Years	17 Years

Disaggregation of fair value plan assets by class are shown below:

Plan Assets	Quoted 31 March 2022 $000	Other 31 March 2022 $000	Total 31 March 2022 $000
Cash, Fixed Income, Equities	298	-	**298**
Other	-	31,522	**31,522**
Total	298	31,522	**31,820**

Notes to the Consolidated Financial Statements
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The principal assumption used at the year-end was the discount rate. The weighted-average discount rate used at 31 March 2022 was 2.0% (2021: 1.3%).

Other significant assumptions include the rate of future salary increases and the rate of future pension increases. The weighted-average salary increase assumption at the period-end was 2.5% (2021: 2.2%). The weighted-average future pension increase assumption was 1.9% (2021: 1.6%).
Mortality assumptions are based on the latest available standard mortality tables for the individual countries concerned. For example, in Germany, the life expectancy for a male aged 65 at the balance sheet date is 20.5 years and 24.0 years for a female, while the life expectancy at age 65 for a male aged 50 at the balance sheet date is 22.6 years and 25.7 years for a female.

The expense recognized in income for the year was $1,218 thousand (2021: 1,560 thousand) relating primarily to current service costs of $1,247 thousand, with the remainder relating to interest expense of $295 thousand, curtailment gains of $335 thousand resulting from Group-led restructuring, and net settlements and administration costs were $11 thousand.

The net defined benefit liability decreased by $2,735 thousand (2021: $464 thousand). This is primarily due to higher discount rates in several countries, which decreased liabilities substantially, experience gains, divestitures, and currency gains. These were offset by asset losses due to the remeasurement of the annuity contracts at an increased discount rate.

The Group expects to make a contribution of $737 thousand (2021: $912 thousand) to the defined benefit plans, including benefit payments to participants in unfunded plans, during the next financial year.

The fair value of plan assets does not include any amounts relating to the Group's own financial instruments or any of the property occupied by, or other assets used by the Group.

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below.

Change in bond yields: A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plan's insurance holdings.

Life expectancy: Some of the plans obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans liability.

Salary increases: Some of the plans benefit obligations related to active members are linked to their salaries. Higher salary increases will therefore tend to lead to higher plan liabilities.

Investment risk is managed through the use of third-party insurance contracts as funding vehicles.

Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to the assumptions set out above. The following table shows the sensitivity of the defined benefit obligation to changes in each significant assumption:

	Increase/(decrease) in defined benefit obligation ($000)
Discount rate – Increase by 100 basis points	(7,001)
Rate of salary increase – Increase by 100 basis points	2,184
Rate of pension increase – Increase by 100 basis points	6,430

Funding

Contributions to the defined benefit plans are generally made in accordance with the relevant insurance tariffs and are intended to meet or exceed minimum funding requirements based on local statutory and contractual requirements and associated taxation rules.

Notes to the Consolidated Financial Statements
(continued)

Note 23: Provisions

	Warranties $000	Restructuring $000	Asset Retirement Obligations $000	Self-Funded Medical Claims $000	Other $000	Total $000
Balance at 1 April 2020	1,063	241	4,156	-	12,223	17,683
Provisions made during the period	1,529	4,282	789	-	14	6,614
Provisions used during the period	(1,581)	(3,641)	(146)	-	(12,154)	(17,522)
Provisions reversed during the period	(219)	(392)	(108)	-	(45)	(764)
Effect of movement in foreign exchange	(33)	(7)	116	-	(6)	70
Balance at 31 March 2021	759	483	4,807	-	32	6,081
Non-current	-	-	3,984	-	-	3,984
Current	759	483	823	-	32	2,097
Total provisions at 31 March 2021	759	483	4,807	-	32	6,081
Balance at 1 April 2021	759	483	4,807	-	32	6,081
Provisions made during the year	1,685	4,024	198	4,057	598	10,562
Provisions used during the year	(1,654)	(2,436)	(828)	(3,355)	(28)	(8,301)
Provisions reversed during the year	(203)	(45)	-	-	(4)	(252)
Effect of movement in foreign exchange	17	(138)	(80)	-	(6)	(207)
Balance at 31 March 2022	604	1,888	4,097	702	592	7,883
Non-current	-	-	4,097	-	-	4,097
Current	604	1,888	-	702	592	3,786
Total provisions at 31 March 2022	604	1,888	4,097	702	592	7,883

Warranties

The Group provides warranties in connection with equipment sold and generally these cover a period of up to one year.

Restructuring

Provisions for restructuring include severance costs and non-cancellable raw materials costs for discontinued product lines which are expected to be utilised within a year. The provision is based on those restructuring actions which have been approved and communicated as of 31 March 2022.

Asset Retirement Obligations

Provisions for asset retirement obligations includes the cost of remediating asbestos contained in buildings the Group owns or leases as right-of-use assets, as well as the cost of removing and disposing of equipment loaned to customers. Provisions for asbestos remediation costs are estimates of future remediation costs based on current rates and assumed settlement dates which are not known with certainty as of the balance sheet date. The majority of the provision for removing and disposing of loaned equipment can be expected to be utilised in three to five years.

Self-funded Medical Claims

Self-funded medical claims include a provision in relation to the change in the US from fully insured medical insurance to a self-funded scheme. Costs include estimates for healthcare and prescription claims. Utilisation is expected to occur with 12 months of the reporting date.

Other

Other provisions include $592 thousand in relation to on-going tax audit activities and is expected to be utilised within a year.

Notes to the Consolidated Financial Statements
(continued)

Note 24: Capital and reserves

Share capital	31 March 2022 Number	31 March 2022 $000	31 March 2021 Number	31 March 2021 $000
Authorised & issued for cash ordinary shares of $1.00 each	**167,000**	**167,000**	167,000	167,000

Other equity	Capital contribution reserve $000	Translation reserve $000	Retained deficit $000	Total other equity $000
1 April 2020	573,348	(15,180)	(709,234)	(151,066)
Loss for the year	-	-	(38,974)	(38,974)
Items that will not be recycled to profit or loss:				
Re-measurements of defined benefit liability	-	-	1,505	1,505
Deferred tax on other comprehensive loss for the year	-	-	(407)	(407)
Items that are or may be recycled to profit or loss:				
Foreign currency translation differences – foreign operations, net	-	13,956	-	13,956
Total other equity as at 31 March 2021	573,348	(1,224)	(747,110)	(174,986)
1 April 2021	573,348	(1,224)	(747,110)	(174,986)
Loss for the year	-	-	(17,462)	(17,462)
Items that will not be recycled to profit or loss:				
Re-measurements of defined benefit liability	-	-	1,165	1,165
Deferred tax on other comprehensive loss for the year	-	-	(129)	(129)
Items that are or may be recycled to profit or loss:				
Foreign currency translation differences – foreign operations, net	-	(707)	-	(707)
Total other equity as at 31 March 2022	**573,348**	**(1,931)**	**(763,536)**	**(192,119)**

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. The capital contribution reserve is distributable.

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

Dividends

No dividends were recognised during the year and no dividends were proposed by the directors after the balance sheet date (2021: nil).

Notes to the Consolidated Financial Statements
(continued)

Note 25: Financial Instruments

(a) Fair values of financial instruments

For financial instruments not held at fair value, the carrying value is deemed to be a reasonable approximation of fair value.

Except as outlined below, there are no significant derivative financial instruments at 31 March 2022 or 31 March 2021.

No financial instruments are carried at fair value under level 1 or level 3 of the hierarchy table.

	Level	Carrying amount 31 March 2022 $000	Fair value 31 March 2022 $000	Carrying amount 31 March 2021 $000	Fair value 31 March 2021 $000
Financial liabilities measured at amortised cost					
Tranche B CISX Listed Loan Notes SONIA+7% Maturity 2028	2	**144,265**	**144,265**	134,342	134,342
Assumed loan notes 2% Maturity 2023	2	**1,008**	**1,008**	1,508	1,508
Lease liabilities 1% - 29% Maturity 2020-2028	2	**16,667**	**16,667**	18,781	18,781

(b) Credit risk

Financial risk management

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investments held with financial institutions.

At the balance sheet date there were significant concentrations of credit risk exposure to retail customers in the Kodak Moments business. This is driven by the seasonality of sales. Management is confident about the recoverability of these balances with the majority of amounts outstanding at 31 March 2022 having been collected post year-end.

The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Deposits are only made with pre-approved counterparties. Credit evaluations are performed on all customers requiring credit.

Exposure to credit risk

The maximum exposure to credit risk at the balance sheet date by class of financial instrument was as follows:

	31 March 2022 $000	31 March 2021 $000
Cash and cash equivalents	**71,217**	78,941
Trade receivables	**63,607**	63,172
Other receivables	**4,982**	6,415

The concentration of credit risk for trade receivables at the balance sheet date by geographic region was as follows:

	31 March 2022 $000	31 March 2021 $000
US and Canada	**22,042**	21,340
Europe, Middle East and Africa	**26,578**	26,474
Asia Pacific	**10,929**	11,659
Latin America	**4,058**	3,699
	63,607	63,172

Impairment of financial assets

The Group has the following types of financial assets that are subject to the expected credit loss model:

- trade receivables for sales of products, equipment, software, services and integrated solutions

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, no impairment losses have been identified or recognised.

Notes to the Consolidated Financial Statements
(continued)

Credit quality of financial assets and impairment losses

The aging of trade receivables at the balance sheet date was:

	Gross 31 March 2022 $000	Impairment 31 March 2022 $000	Gross 31 March 2021 $000	Impairment 31 March 2021 $000
Current	**58,445**	**(113)**	58,219	(561)
Past due 1-30 days	**3,752**	**(11)**	3,991	(100)
Past due 31-60 days	**1,197**	**(29)**	1,387	(45)
Past due 61-90 days	**372**	**(35)**	237	(64)
More than 90 days	**334**	**(305)**	799	(691)
	64,100	**(493)**	64,633	(1,461)

The historical expected loss rates are adjusted to reflect current and forward-looking information on factors affecting the ability of the customers to settle the receivables. The Group has identified factors in the countries in which it sells its goods and services to be the most relevant, and accordingly adjusts the historical loss rates based on expected changes in these factors.

	Current $000	Past due 1-30 days $000	Past due 31-60 days $000	Past due 61-90 days $000	More than 90 days $000	Total $000
Year ended 31 March 2022						
Expected credit loss rate (default rate)	0.19%	0.28%	2.44%	9.46%	91.37%	
Carrying value of trade receivables	58,445	3,752	1,197	372	334	64,100
Expected credit loss	(113)	(11)	(29)	(35)	(305)	(493)
Net carrying value of trade receivables	**58,332**	**3,741**	**1,168**	**337**	**29**	**63,607**

The impairment provision for trade receivables as at 31 March 2022 reconciles to the opening provision as follows:

	31 March 2022 $000
31 March 2021	(1,461)
Decrease in provision recognised in profit or loss during the year	542
Unused amount reversed	422
Effect of movements in foreign exchange	4
At 31 March 2022	**(493)**

(c) Liquidity risk

Financial risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group's policy on funding is to ensure that it has access to liquidity and has appropriate funding structures in place so that there is always sufficient long-term funding and short-term facilities in place to meet foreseeable peak borrowing requirements.

On 29 September 2020, the Group entered into a three-year lending facility (the "facility") with its previous shareholder KPP2. The lender's rights and obligations under this facility were subsequently transferred to The Board of the Pension Protection Fund at the date of the change in ownership in November 2020. In July 2022 the term of the facility was extended by a further two years. This makes available up to $50 million of borrowing capacity until September 2025. The amount of the facility available for drawing also varies depending upon the available collateral and the previous 12 months' EBITDA. At 31 March 2022, drawings would have been limited to $46.6 million. We expect available collateral to fluctuate according to the seasonality of the business such that the full amount of the facility is available at peak times. At the date of this report the facility remains undrawn. The facility has covenants in place throughout the reporting period and after the reporting date the potential default event relating to the assets of the Group being less than its liabilities was removed from the facility terms by the shareholder.

As of 31 March 2022, the facility was undrawn (2021: nil). Interest is charged at a floating rate based on the Bank of England's Base Rate plus a variable margin.

The Board believes the facility provides sufficient liquidity to meet the requirements of the Group's subsidiaries.

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	Carrying amount $000	Contractual cash flows $000	1 year or less $000	1 to 2 years $000	2 to > 5 years $000	5 years and over $000
31 March 2022						
Tranche B Loan Notes	**144,265**	**239,086**	**-**	**-**	**-**	**239,086**
Interest payable (long-term)	**970**	**970**	**-**	**-**	**-**	**970**
Assumed loan notes	**1,008**	**1,008**	**508**	**500**	**-**	**-**
Trade payables	**34,978**	**34,978**	**34,978**	**-**	**-**	**-**
Lease liabilities	**16,667**	**21,394**	**5,163**	**3,252**	**8,888**	**4,091**
31 March 2021						
Tranche B Loan Notes	134,342	230,132	-	-	-	230,132
Interest payable (long-term)	828	828	-	-	-	828
Assumed loan notes	1,508	1,508	508	500	500	-
Trade payables	42,594	42,594	42,594	-	-	-
Lease liabilities	18,781	21,328	5,562	4,420	6,312	5,034

(d) Market risk

Financial risk management

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments.

Foreign currency and interest rate risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of the Group. The functional currencies of the Group's major trading companies are USD, EUR and RMB. The currencies in which these transactions are primarily denominated are also USD, EUR, GBP and RMB. On a net basis across all its trading currencies, the Group is typically long on EUR, CAD, AUD and JPY and short on USD. The Group has in place a foreign exchange strategy and policy and has entered into forward exchange contracts to buy and sell USD in exchange for EUR and vice versa. As at 31 March 2022 there were contracts in place with a total value of EUR 3 million and maturity dates between 20 April 2022 and 23 January 2023. The mark to market value of these transactions was $200 thousand at 31 March 2022 (2021: nil).

Market risk - Foreign currency risk

The exposure to foreign currency risk is as follows based on the carrying amount for monetary financial instruments:

	GBP $000	EUR $000	USD $000	RMB $000	Other $000	Total $000
31 March 2022						
Cash and cash equivalents	**15,051**	**8,712**	**31,839**	**5,842**	**9,773**	**71,217**
Trade receivables	**5,389**	**20,789**	**22,940**	**2,559**	**11,930**	**63,607**
Other receivables	**144**	**915**	**1,072**	**280**	**2,571**	**4,982**
Borrowings, including interest	**-**	**-**	**(146,243)**	**-**	**-**	**(146,243)**
Trade payables	**(775)**	**(6,522)**	**(20,901)**	**(2,447)**	**(4,333)**	**(34,978)**
Lease liabilities	**(351)**	**(931)**	**(13,182)**	**(1,331)**	**(872)**	**(16,667)**
31 March 2021						
Cash and cash equivalents	15,765	11,431	35,092	8,429	8,224	78,941
Trade receivables	2,270	20,604	26,263	1,936	12,099	63,172
Other receivables	(131)	2,934	2,524	275	813	6,415
Borrowings, including interest	-	-	(136,678)	-	-	(136,678)
Trade payables	(1,320)	(9,368)	(22,734)	(4,698)	(4,474)	(42,594)
Lease liabilities	(699)	(1,119)	(14,332)	(1,683)	(948)	(18,781)

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Sensitivity analysis:

A 10% percent strengthening of the following currencies against the USD at 31 March 2022 would have increased/ (decreased) equity and profit or loss by the amounts shown below. This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables, in particular other exchange rates and interest rates, remain constant.

	Equity at 31 March 2022 $000	Profit or loss Year ending 31 March 2022 $000	Equity at 31 March 2021 $000	Profit or loss Year ending 31 March 2021 $000
EUR	-	2,296	-	2,448
GBP	-	1,946	-	1,588

A 10% percent weakening of the above currencies against the USD at 31 March 2022 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Market risk – Interest rate risk

Profile:

At the balance sheet date, the interest rate profile of the Group's interest-bearing financial instruments was as follows:

	31 March 2022 $000	31 March 2021 $000
Variable rate instruments		
Financial liabilities – Tranche B CISX Listed Loan Notes	**144,265**	134,342

Sensitivity analysis

A change of 1 percentage point in interest rates at the balance sheet date would have increased/ (decreased) net assets and profit or loss by the amounts shown below. This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant and considers the effect of variable rate instruments, financial instrument at fair value through profit or loss or available for sale with fixed interest rates and the fixed rate element of interest rate swaps.

Profit or loss	31 March 2022 $000	31 March 2021 $000
Increase	**(1,395)**	(1,338)
Decrease	**1,395**	1,338

(e) Capital management

The Group's objectives when managing capital are to safeguard its solvency in order to provide optimal returns for its ultimate parent company, and to maintain an efficient capital structure.

In doing so, the Group's strategy is to retain appropriate levels of liquidity headroom to ensure financial stability and flexibility. To achieve this strategy and maintain this position, the Group ensures a combination of short-term liquidity headroom with a long-term debt maturity profile. As at the balance sheet date the Group's average debt maturity profile was 6.4 years (2021: 7.4 years).

In order to maintain or realign the capital structure, the Group may adjust the amount of dividends paid to shareholder, return capital to shareholder, issue new shares, or sell assets to reduce debt.

Notes to the Consolidated Financial Statements
(continued)

Note 26: Leases

i) Group as a lessee

The Group leases various properties and vehicles. Property contract terms vary from 1 year to 10 years and vehicle contracts have a typical duration of 3 to 4 years. Property lease terms are negotiated on an individual basis and contain a range of different terms and conditions. Vehicle lease terms tend to be of a standard nature. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

The Group does not recognise any of its property leases as being short-term but does for some of its vehicles. The Group does not recognise any of its leases as being of low value. The Group does not have any variable lease payments that depend on sales.

Some property leases contain extension options. Our best estimate of potential future lease payments not included in lease liabilities is $15,000 thousand (2021: $16,000 thousand) assuming all extension options will be exercised. However, all property lease contracts will continue to be reviewed.

There are no contracts with lessor only extension options.

(ii) Right-of-use assets

Right-of-use assets are presented as property, plant and equipment. Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year.

	Land & buildings $000	**Plant & equipment $000**	**Total $000**
Balance at 1 April 2021	**8,837**	**1,688**	**10,525**
Depreciation charge for the year	**(3,166)**	**(1,279)**	**(4,445)**
Additions	**1,522**	**1,845**	**3,367**
Derecognition of right-of-use assets	**(27)**	**-**	**(27)**
Impairment charge	**(4,017)**	**(741)**	**(4,758)**
Effect of movement in foreign exchange	**11**	**(23)**	**(12)**
Balance at 31 March 2022	**3,160**	**1,490**	**4,650**

	Land & buildings $000	**Plant & equipment $000**	**Total $000**
Balance at 1 April 2020	9,748	2,791	12,539
Depreciation charge for the year	(3,733)	(1,498)	(5,231)
Additions	4,336	356	4,692
Derecognition of right-of-use assets	(1,758)	-	(1,758)
Effect of movement in foreign exchange	244	39	283
Balance at 31 March 2021	8,837	1,688	10,525

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(iii) Lease liability

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the year.

	Land & buildings $000	Plant & equipment $000	Total $000
Balance at 1 April 2021	**17,028**	**1,753**	**18,781**
Additions	**1,522**	**1,845**	**3,367**
Derecognition	**(27)**	**-**	**(27)**
Accretion of interest	**705**	**92**	**797**
Payments	**(4,849)**	**(1,382)**	**(6,231)**
Effect of movement in foreign exchange	**4**	**(24)**	**(20)**
Balance at 31 March 2022	**14,383**	**2,284**	**16,667**
Current	**4,092**	**1,039**	**5,131**
Non-current	**10,291**	**1,245**	**11,536**

	Land & buildings $000	Plant & equipment $000	Total $000
Balance at 1 April 2020	18,447	2,857	21,304
Additions	4,336	356	4,692
Derecognition	(1,756)	-	(1,756)
Accretion of interest	828	138	966
Payments	(5,050)	(1,647)	(6,697)
Effect of movement in foreign exchange	223	49	272
Balance at 31 March 2021	17,028	1,753	18,781
Current	4,377	1,040	5,417
Non-current	12,651	713	13,364

(iv) Amounts recognised in the income statement

Year ended 31 March 2022	**$000**
Leases under IFRS 16	
Depreciation of right-of-use assets	**4,445**
Impairment of right-of-use assets	**4,758**
Interest on lease liabilities	**797**
Expense relating to short-term leases	**1,854**
Total	**11,854**

Year ended 31 March 2021	**$000**
Leases under IFRS 16	
Depreciation of right-of-use assets	5,231
Gain on derecognition of right-of-use assets	(304)
Interest on lease liabilities	966
Expense relating to short-term leases	1,384
Total	7,277

During the previous year, as part of a strategic initiative to review the office space footprint, the Group exercised an option specified in the lease contract to terminate the lease of a portion of its US offices at Rochester Tech Park. When this component of the lease was capitalised as a right of use asset it included an estimated dilapidation cost. The early termination of the lease resulted in a gain of $304 thousand, representing the net effect of the derecognition of the carrying amount of the right-of-use asset of $1,452 thousand and the corresponding lease liability of $1,756 thousand. In addition, as a result of entering into a sub-lease during the year $306 thousand of right-of-use assets has been derecognised.

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Note 27: Commitments

Capital commitments

There are no material capital commitments for the Group at 31 March 2022 (2021: nil).

At 31 March 2022 the Group had non-cancellable purchase commitments amounting to $20,572 thousand (2020: $19,520 thousand).

Guarantees and indemnities

The Company has issued certain guarantees in respect of a number of third parties. The guarantees held on behalf of the Company by HSBC totals $1,407 thousand (2021: $1,000 thousand).

The Company has issued certain guarantees in relation to its subsidiaries. In line with our policy no amount was considered probable hence no contingent liabilities have been recorded.

Note 28: Contingencies

The Company is the plaintiff in a German litigation action brought against ITyX Technology GmbH, ITyX KG and Süleyman Arayan. The matters at stake relate to Kodak Alaris Holdings Limited's shares in ITyX Technology GmbH, the validity of a call option, the validity of the termination of an investment framework agreement, the withdrawal of the Company as a shareholder from ITyX Technology GmbH and compensation due to the Company arising from such withdrawal. According to the Federal Court of Justice decision of 3 May 2022 the amount in dispute is EUR 11,546 thousand. The Company expects to receive compensation to be awarded by the Court for the shares in line with a valuation determined by a court appointed independent valuation expert – that valuation being up to a maximum of the amount in dispute.

On 9 March 2021, the Higher Regional Court of Frankfurt rendered a partial interlocutory judgement on the merits in which it declared that the defendants cannot derive any rights from the call option, the Company validly terminated the investment framework agreement, the Company validly withdrew from ITyX Technology GmbH as a shareholder and compensation is due to the Company equal to the fair market value for its shares. With a decision dated 8 March 2022 the Federal Court of Justice denied the defendants' leave to appeal. The judgement of 9 March 2021 thereby became res judicata. The appointment of an expert for the valuation of the shares in ITyX Technology GmbH by the Higher Regional Court of Frankfurt is the next step. Once a valuation of the shares is agreed or determined it is anticipated that the Court will order the transfer of those shares by the Company in return for payment of compensation equivalent to the valuation.

The Company is the defendant in a German litigation action brought by ITyX Solutions AG. ITyX Solutions AG has claimed damages of EUR 48,367 thousand plus USD 69,683 thousand and interest thereon. The matters at stake relate to alleged immoral behaviour by Kodak Alaris Inc. orchestrated by the Company intended to cause damage to ITyX Solutions AG through the termination of certain commercial agreements. In the judgement of 26 November 2020, the District Court of Cologne dismissed ITyX Solution AG's claims in their entirety. ITyX Solutions AG filed an appeal on 22 December 2020 with the Higher Regional Court of Cologne. The Company is defending the appeal.

The Company filed a costs claim against ITyX Solutions AG which was granted by the District Court of Cologne. On 26 October 2021 the Company received payment of EUR 468 thousand from ITyX Solutions AG being the full amount of the costs award.
Based on the advice of external counsel it is unlikely that the Company will incur any damages.

The Company is the defendant in a German litigation action brought by ITyX Technology GmbH. ITyX Technology GmbH is suing the Company for damages of EUR 2,000 thousand plus interest thereon which ITyX Technology GmbH claims is due and payable pursuant to an investment framework agreement to which the Company is a party. Following the Court hearing on 30 November 2021 and with judgement dated 3 March 2022 the Court of First Instance dismissed ITyX Technology GmbH's complaint in its entirety for a second time by upholding the earlier default judgement, in the Company's favour, of 28 July 2020. ITyX Technology GmbH filed an appeal with legal brief dated 17 March 2022 with the Higher Regional Court of Frankfurt. Based on the advice of external counsel it is unlikely the Company will incur any damages.

Kodak Alaris France SAS is the defendant in a French litigation action brought by an ex-employee following a restructuring. A final hearing before the Administrative Court of Appeal later in the financial year is anticipated. Based on the advice of external counsel it is unlikely that Kodak Alaris France SAS will incur any significant damages.

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(continued)

Note 29: Related parties

The Group had related party transactions with its directors, various pension schemes and its ultimate parent. The disclosure of the director's remuneration is reported under note 7 and transactions with the pension schemes are disclosed in note 22. The Group also has minor equity accounted investments but there were no transactions recorded between the Group and these investees. None of the Directors or their immediate relatives own shares of the Company. All transactions have been conducted on an arms-length basis.

	Costs paid on behalf of ultimate parent $'000	Interest expense $000	Amounts owed to related party $000
31 March 2022			
Ultimate parent of the Group	**554**	**10,065**	**145,235**
Associates	-	-	-
	554	**10,065**	**145,235**
31 March 2021			
Ultimate parent of the Group	2,157	10,041	135,170
Associates	-	-	-
	2,157	10,041	135,170

In addition to the transactions and balances shown in the above table, the Group has been charged $304 thousand (2021: nil) for professional services provided to the ultimate parent company by Yasimol Unipessoal Lda. Of the amount charged, $60 thousand was outstanding at 31 March 2022 (2021: nil).

The Group has been charged nil (2021: $14 thousand) for professional services provided to the ultimate parent company by Ross Trustees Services Limited.

All subsidiaries have adopted the same reporting date as the Company, with the exception of Kodak Alaris Imaging Equipment (Shanghai) Co. Ltd., Kodak Alaris Management (Shanghai) Co. Ltd. and Kodak Alaris Mexico S.A. de C.V. which have remained on a 31 December year-end in line with local legislation.

There are no material non-controlling interests in any of the above investments as the Group holds 100% of all subsidiary entities when stakes held by intermediate holding companies are considered.

Compensation of Key Management Personnel of the Group

Key management personnel include directors (executive and non-executive) and members of the Kodak Alaris Executive Committee.

	31 March 2022 $000	31 March 2021 $000
Short term employee benefits	**6,180**	5,463
Post-employment benefits	**65**	12
Other long-term employment benefits	**374**	-
	6,619	5,475

The amount owed to key management personnel at 31 March 2022 amounted to $3,120 thousand (2021: $2,115 thousand).

Notes to the Consolidated Financial Statements
(continued)

The consolidated financial statements include the financial statements of Kodak Alaris Holdings Limited and the subsidiaries listed in the following table:

Name	Registered office	Country of incorporation	Class of shares held
Directly held			
Kodak Alaris S.A.I.C. [1]	Jose Ingenieros 3241, piso 2, oficina 8, de la localidad de Beccar, partido de San Isidro, Provincia de Buenos Aires	Argentina	Ordinary
Kodak Alaris Australia Pty. Limited	Anchor 1, Waterman Business Centre, Chadstone Shopping Centre, Level 2, 1341 Dandegnong Road, Malvern East, VIC 3145, Australia	Australia	Ordinary
Kodak Alaris Belgium SA[1]	Avenue de Port 86c, Box 204, 1000 Bruxelles	Belgium	Ordinary
Kodak Alaris Operations Canada Inc.	67 Yonge Street, Suite 701, Toronto, Ontario MSE 1J8	Canada	Ordinary
Kodak Alaris Imaging Equipment (Shanghai) Co. Ltd.[2]	General Factory Building, Floor 1, Building 6, No. 1510 Chuanqiao Road, Shanghai Jinqiao Economic & Technological Development Zone, Shanghai 201206	China	Ordinary
Kodak Alaris Management (Shanghai) Co. Ltd.[2]	Area A, Ist Floor, Building 8, 27 New Jinqioa Road, Jinqiao Economic and Technology Development Zone, Pudong New District, Shanghai	China	Ordinary
Kodak Alaris France SAS	37-39 Avenue Ledru Rollin CS 11237, 75012 Paris, Cedex 12	France	Ordinary
Kodak Alaris Germany GmbH	Augsburger Straße 712 70329 Stuttgart Germany	Germany	Ordinary
Kodak Alaris Hong Kong Limited[3]	Unit 2, 10/F., NEO, 123 Hoi Bun Road, Kwun Tong, Kowloon	Hong Kong	Ordinary
Kodak Alaris India Private Limited[3]	1403A, Bhumiraj Costarica, Plot No 1 and 2, Sector 18, Sanpada, Navi Mumbai – 400705, Maharashtra, India	India	Ordinary
Kodak Alaris Italy S.R.L.[3]	Viale Monte Santo 1/3 20124 Milano, Italy	Italy	Ordinary
Kodak Alaris Japan Kabushiki-Kaisha	KDX Ochanomizu-Building, 2-9 Kanda Surugadai, Chioda-ku, Tokyo	Japan	Ordinary
Kodak Alaris Mexico S.A. de C.V.[4]	Amado Nervo 2200, Torre BIO I Planta Baja, Ciudad del Sol, Zapopan, Jalisco, 45050	Mexico	Ordinary
Kodak Alaris Netherlands B.V.[1]	Kosterijland 10, 3981AJ Bunnik	Netherlands	Ordinary
Kodak Alaris Singapore Pte. Ltd.[5]	600 North Bridge Road, Parkview Square, #10-01, Singapore 188778	Singapore	Ordinary
Kodak Alaris Spain, S.L.U.[3]	Calle Serrano 41, 4°, 28001, Madrid, Spain	Spain	Ordinary
Kodak Alaris Switzerland Sàrl[3]	Boulevard Georges-Favon 8, c/o Zedra Trust Company (Suisse) SA, 1204 Genève, Switzerland	Switzerland	Ordinary
Kodak Alaris Limited[6]	Hemel One, Boundary Way, Hemel Hempstead, Herts., HP2 7YU	United Kingdom	Ordinary
Kodak Alaris Inc.	2711 Centreville Road, Suite 400, Wilmington, Delaware 19808	United States	Ordinary
Indirectly held			
Kodak Alaris International Limited Zweigniederlassung Österreich[3]	Neustiftgasse 5/1/9, 1070 Wien	Austria	Ordinary
Kodak Alaris Limited Ireland Branch[7]	1st Floor, 10-11 Exchange Place, IFSC, Dublin 1	Ireland	Ordinary
Kodak Alaris International Limited[6]	Hemel One, Boundary Way, Hemel Hempstead, Herts., HP2 7YU	United Kingdom	Ordinary
Kodak Alaris Limited Dubai Branch	Office 701, Cayan Business Center, Barsha Heights (TECOM), PO Box 75636, Dubai, UAE	UAE	Ordinary
Kodak Alaris Management (Shanghai) Co. Ltd. – Beijing Branch	Unit 1008A&1009, 10th Floor, Tower A, Yingke Center, No. Jia 2 North Gongti Road, Chaoyang District, Beijing	China	Ordinary

During the year the entities in Argentina, Belgium and the Netherlands were liquidated and the branch in Ireland was deregistered. There have been no other changes in % ownership held in the year.

Note 30: Ultimate parent company

The Company is wholly owned by The Board of the Pension Protection Fund. The Pension Protection Fund is a statutory fund in the United Kingdom, intended to protect members if their defined benefits pension fund becomes insolvent. It was established by the Pensions Act 2004 and is accountable to Parliament through the Secretary of State for the Departments for Work and Pensions.

1 In the previous year the Group announced that it had changed the go to market model for operations in Argentina, Belgium and Netherlands. Kodak Alaris Belgium S.A. was liquidated in September 2021, Kodak Alaris Netherlands B.V. was liquidated in February 2022 and Kodak Alaris S.A.I.C. was liquidated in March 2022.

2 With effect from February 2022 Kodak Alaris Imaging Equipment (Shanghai) Co. Ltd. and Kodak Alaris Management (Shanghai) Co. Ltd. were held directly by the Company.

3 The Group announced further go to market model changes during the year for operations in Austria, Hong Kong, India, Italy, Spain and Switzerland. These entities are planned for liquidation.

4 Kodak Alaris Services Mexico, S.A. De C.V. merged with Kodak Alaris Mexico S. A. de C.V. on 1 September 2021.

5 Kodak Alaris Singapore Pte. Ltd. has a Philippine representation office. The Kodak Alaris Singapore Pte. Ltd. Thailand Rep. office was deregistered on 30 July 2021.

6 As permitted by s379 of the Companies Act 2006, the Group has taken advantage of the audit exemption in relation to the individual accounts of these companies.

7 The Kodak Alaris Limited Ireland Branch was deregistered in March 2022.

Notes to the Consolidated Financial Statements
(continued)

Note 31: Subsequent events

After the reporting date Kodak Alaris International Limited sold its 20.94% shareholding in Immobiliare Aquileja S.r.l. (formerly Fotomarket) to the majority shareholder. The sale of the investment completed on 13 April 2022 for a consideration of $213 thousand.

After the reporting date, the $50 million shareholder funding facility was extended to 29 September 2025 and the default event relating to the assets of the Group being less than its liabilities was removed from the facility terms by the shareholder.

Note 32: Accounting estimates and judgements

Preparing these financial statements in conformity with UK-adopted international accounting standards requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income, and expense. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Key judgements and estimates include the following:

Non-recurring items (note 4)

The Group incurs costs and earns income that is non-recurring in nature or that, in the Directors' judgement, need to be disclosed separately by virtue of their size and incidence in order for users of the consolidated financial statements to obtain a proper understanding of the financial information and the underlying performance of the business.

Impairment of Goodwill and cash-generating units (notes 12 and 13)

Goodwill is not amortised but is tested annually for impairment and carried at cost less accumulated impairment losses. Future impairment review calculations require the use of estimates related to the profitability and cash-generating ability of the acquired businesses, and the discount rate used in discounting these projected cash flows.

The Directors adopt a value in use approach for calculating the impairment of goodwill and cash-generating units at the reporting date. Value in use is calculated from cash flow projections based on the Group's five-year plan and details of the key estimates and sensitivities are disclosed in note 13.

Amortisation and impairment of intangibles (note 13)

The amortisation of intangible assets requires estimates to be made of their economic useful life to determine the appropriate rate of amortisation. Future impairment analysis may lead to write-offs of the unamortised balances.

Capitalisation of development costs (note 13)

The Group undertakes development activities and capitalises certain expenditure as internally generated intangible assets when certain criteria are met. Judgement is required to determine when accumulation of costs to be capitalised begins and ends as well as determining the appropriate amortisation period. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. At 31 March 2022, the carrying amount of capitalised development costs was $10,926 thousand (2021: $15,471 thousand). If a product is determined to become obsolete in a future period, the unamortised balance would need to be written off.

Taxes (note 15)

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. Further details on taxes are disclosed in note 15.

Defined benefit pension schemes (note 22)

Determining the value of future defined benefit pension obligations requires the use of certain assumptions including inflation rates, salary increases and mortality rates, among others. Changes to these assumptions can significantly affect the value of the obligation. These assumptions are applied on the advice of an independent actuary.

Provisions (note 23)

The Group identified a number of ongoing contractual disputes and other potential claims from customers, employees, and suppliers. Management has estimated the value of any future economic outflows associated with these matters including, where relevant, assessment based of external legal and expert advice and prior experience of such claims. If management had concluded differently regarding the estimated value of any future economic outflows associated with these matters, the provision and income statement expense recorded would increase/decrease respectively.

Lease terms (note 26)

The Group has applied judgement to determine the lease term for those lease contracts that include a renewal or break option. The assessment of whether the Group is reasonably certain to exercise a renewal option or not to exercise a break option significantly impacts the value of lease liabilities and right-of-use assets recognised on the balance sheet.

FINANCIAL STATEMENTS

Company Financial Statements

Company Balance Sheet
at 31 March 2022

	Note	31 March 2022 $000	(Restated)[1] 31 March 2021 $000
Assets			
Intangible assets	*3*	**1,649**	**5,375**
Trade and other receivables	*4*	**64,170**	**73,103**
Investments in subsidiaries	*5*	**45,114**	**39,153**
Non-current assets		**110,933**	**117,631**
Trade and other receivables	*4*	**478,091**	**495,592**
Cash and cash equivalents	*7*	**40,166**	**38,177**
Current assets		**518,257**	**533,769**
Total assets		**629,190**	**651,400**
Liabilities			
Employee Benefits	*8*	**(746)**	**-**
Other interest-bearing loans and borrowings	*9*	**(145,235)**	**(135,170)**
Other payables	*10*	**(632)**	**(510)**
Non-current liabilities		**(146,613)**	**(135,680)**
Other interest-bearing loans and borrowings	*9*	**(427,356)**	**(428,607)**
Trade and other payables	*10*	**(97,761)**	**(95,109)**
Income Tax Payable		**(71)**	**-**
Provisions	*11*	**(14)**	**-**
Current liabilities		**(525,202)**	**(523,716)**
Total liabilities		**(671,815)**	**(659,396)**
Net liabilities		**(42,625)**	**(7,996)**
Equity attributable to equity holders of the parent			
Share capital	*12*	**167,000**	**167,000**
Retained deficit	*12*	**(782,973)**	**(748,344)**
Capital contribution reserve	*12*	**573,348**	**573,348**
Total deficit		**(42,625)**	**(7,996)**

The notes on pages 99 to 108 form part of these financial statements.

These financial statements were approved by the Board of Directors on 1 August 2022 and were signed on its behalf by:

Diane Gardner
Chief Financial Officer

Company registered number: 8550309

1 See note 2 for details

Company Financial Statements (continued)

Company Statement of Changes in Equity

for the year ended 31 March 2022

	Share Capital $000	Capital contribution reserve $000	Retained deficit $000	Total parent equity $000
Balance at 1 April 2020	167,000	573,348	(724,762)	15,586
Loss for the year	-	-	(23,582)	(23,582)
Total comprehensive expense for the year	-	-	(23,582)	(23,582)
Balance at 31 March 2021	167,000	573,348	(748,344)	(7,996)
Balance at 1 April 2021	167,000	573,348	(748,344)	(7,996)
Other comprehensive income	-	-	128	128
Loss for the year	-	-	(34,757)	(34,757)
Total comprehensive expense for the year	-	-	**(34,629)**	**(34,629)**
Balance at 31 March 2022	**167,000**	**573,348**	**(782,973)**	**(42,625)**

The notes on pages 99 to 108 form part of these financial statements.

Company Financial Statements (continued)

Company Cash Flow Statement
for the year ended 31 March 2022

	Note	Year ending 31 March 2022 $000	Year ending 31 March 2021 $000
Cash flows from operating activities			
Loss for the year[1]		**(34,757)**	(23,582)
Adjustments for:			
Amortisation	3	**3,726**	4,881
Expected credit losses on amounts due from Group undertakings	13	**33,428**	918
Intercompany dividends		**(16,939)**	(7,390)
Investment impairment	5	**515**	21,400
Loss on sale of investments		**1,317**	1,599
Loss on sale of businesses		**-**	1,004
Taxation		**(351)**	317
IAS 19 pension charge	8	**9**	-
Intercompany management fees		**1,535**	744
Foreign exchange loss		**(2,911)**	(12,927)
Royalties income		**(6,034)**	(6,720)
Finance interest income		**-**	(8)
Net intercompany interest		**(6,801)**	(6,497)
Interest expense		**11,503**	10,875
Foreign exchange hedging		**(200)**	-
		(15,960)	(15,386)
Increase in trade and other receivables	4	**(561)**	(166)
Increase in provisions	11	**14**	-
Decrease in trade and other payables	10	**(759)**	(2,280)
Cash contributions to pension scheme	8	**(56)**	-
(Decrease)/Increase in tax payable		**(91)**	215
Net cash used in operating activities		**(17,413)**	(17,617)
Cash flows from investing activities			
Proceeds from sale of discontinued operations		**-**	5,975
Cash dividend received		**-**	604
Interest received		**-**	8
Net cash from investing activities		**-**	6,587
Cash flows from financing activities			
Increase in loans and advances to Group undertakings		**(97)**	-
Repayments in loans and advances to Group undertakings		**-**	17,766
Loan arrangement fees paid		**-**	(2,665)
Bank charges and interest paid		**(515)**	(317)
Increase in loans and borrowings from Group undertakings		**20,788**	-
Repayments of loans and borrowings from Group undertakings		**-**	(10,515)
Net cash from financing activities		**20,176**	4,269
Net increase/(decrease) in cash and cash equivalents		**2,763**	(6,761)
Cash and cash equivalents at beginning of year	7	**38,177**	42,658
Effect of exchange rate fluctuations on cash held		**(774)**	2,280
Cash and cash equivalents at the end of the year	7	**40,166**	38,177

The notes on pages 99 to 108 form part of these financial statements.

1 Net cash used in operating activities includes non-recurring business projects costs of $2,065 thousand (2021: $4,840 thousand).

Notes to the Company Financial Statements
(forming part of the financial statements)

Note 1: Accounting policies

The Company financial statements have been prepared in accordance with UK-adopted international accounting standards, in-line with the consolidated financial statements. Accordingly, the accounting policies included in Note 2 and accounting estimates and judgements included in Note 32 of the consolidated financial statements are also applicable to the Company financial statements.

On publishing the parent company financial statements here together with the Group financial statements, the Company is taking advantage of the exemption in s408 of the Companies Act 2006 not to present its individual income statement and related notes that form a part of these approved financial statements.

Note 2: Prior year adjustment

The intercompany balances between the Company and its subsidiaries consist of interest-bearing loans and borrowings (including working capital and structural loans), trade receivables and trade payables. Where there are amounts both due from and owed to the same subsidiary these amounts should be reported gross in the Company's balance sheet as there is no legally enforceable right to set off the recognised amounts. The intercompany balances as at 31 March 2021 were incorrectly reported on a net basis and intercompany receivables totalling $71,755 thousand which were not expected to be received within 12 months after the reporting date had also been incorrectly classified as current. The comparative balances have been restated. There was no impact on either the Company statement of changes in equity or on the Company cash flow statement[1]. Each of the affected financial statement line items has been restated and the impact is summarised in the following table:

Balance Sheet as at 31 March 2021:

		Impact of correction	
	As previously reported $000	**Adjustments $000**	**As restated $000**
Non-current trade and other receivables	1,348	71,755	73,103
Current trade and other receivables	269,973	225,619	495,592
Total assets	354,026	297,374	651,400
Current other interest-bearing loans and borrowings	(131,233)	(297,374)	(428,607)

1 There are no cash movements resulting from the above changes as the intercompany balances existed at 31 March 2020.

Notes to the Company Financial Statements
(continued)

Note 3: Intangible assets

	Other Intangibles $000	Trademarks and Patents $000	Total $000
Cost			
Balance at 1 April 2020	2,500	152,921	155,421
Disposals [1]	-	(6,135)	(6,135)
Balance at 31 March 2021	2,500	146,786	149,286
Balance at 1 April 2021	2,500	146,786	149,286
Balance at 31 March 2022	**2,500**	**146,786**	**149,286**
Amortisation and impairment			
Balance at 1 April 2020	(2,500)	(142,665)	(145,165)
Amortisation charge	-	(4,881)	(4,881)
Disposals[1]	-	6,135	6,135
Balance at 31 March 2021	(2,500)	(141,411)	(143,911)
Balance at 1 April 2021	(2,500)	(141,411)	(143,911)
Amortisation charge	-	(3,726)	(3,726)
Balance at 31 March 2022	**(2,500)**	**(145,137)**	**(147,637)**
Net book value at 31 March 2021	-	5,375	5,375
Net book value at 31 March 2022	**-**	**1,649**	**1,649**

Based on the assessment techniques as described in note 13 of the consolidated financial statements, the Company recorded no impairment charges on brand assets during the year (2021: nil).

Note 4: Trade and other receivables

	31 March 2022 $000	(Restated) 31 March 2021 $000
Other trade receivables	**318**	193
Prepayments	**1,821**	2,640
Amounts due from Group undertakings	**540,122**	565,862
Total trade and other receivables	**542,261**	568,695
Non-current	**64,170**	73,103
Current	**478,091**	495,592
Total trade and other receivables	**542,261**	568,695

There were no material amounts pledged as collateral for the year (2021: nil). Amounts due from Group undertakings includes $430 thousand (2021: $459 thousand) which relates to interest bearing loans and advances due from subsidiaries.

1 As part of the sale of the PPDS business to Sino Promise Group Limited on 1 November 2020 (see note 4), the Company disposed of trademarks and patent assets in the prior year with a combined cost of $6,135 thousand. These assets disposed of were fully written down.

Notes to the Company Financial Statements
(continued)

Note 5: Investments

Investments in subsidiaries	Country of Incorporation	Ownership %	Carrying value 1 April 2021 $000	Acquisition $000	Disposals $000	Impairment charge $000	Carrying value 31 March 2022 $000	Carrying value 31 March 2021 $000
Directly held								
Kodak Alaris S.A.I.C.[1]	Argentina	-	-	-	-	-	**-**	-
Kodak Alaris Australia Pty. Limited	Australia	100%	500	-	-	-	**500**	500
Kodak Alaris Belgium SA[1]	Belgium	99%	224	-	(224)	-	**-**	224
Kodak Alaris Operations Canada Inc.	Canada	100%	1,043	-	-	-	**1,043**	1,043
Kodak Alaris Imaging Equipment (Shanghai) Co. Ltd.[2]	China	100%	-	2,100	-	-	**2,100**	-
Kodak Alaris Management (Shanghai) Co. Ltd.[2]	China	100%	-	4,600	-	-	**4,600**	-
Kodak Alaris France SAS	France	100%	815	-	-	-	**815**	815
Kodak Alaris Germany GmbH	Germany	100%	6,034	-	-	-	**6,034**	6,034
Kodak Alaris Hong Kong Ltd.[3]	Hong Kong	100%	2,600	-	-	-	**2,600**	2,600
Kodak Alaris India Private Limited[3]	India	99%	1,755	-	-	-	**1,755**	1,755
Kodak Alaris Italy S.R.L.[3]	Italy	100%	242	-	-	-	**242**	242
Kodak Alaris Japan Kabushiki-Kaisha	Japan	100%	-	-	-	-	**-**	-
Kodak Alaris Services Mexico, S.A. De C.V.[4]	Mexico	99%	4	-	(4)	-	**-**	4
Kodak Alaris Mexico S.A. de C.V.[4]	Mexico	99%	2,104	4	-	-	**2,108**	2,104
Kodak Alaris Netherlands B.V.[1]	Netherlands	100%	-	-	-	-	**-**	-
Kodak Alaris Singapore Pte. Ltd.[5]	Singapore	100%	3,000	-	-	-	**3,000**	3,000
Kodak Alaris Spain, S.L.U.[3]	Spain	100%	6	-	-	-	**6**	6
Kodak Alaris Switzerland Sarl[3]	Switzerland	100%	2,242	-	-	-	**2,242**	2,242
Kodak Alaris Limited[6]	United Kingdom	100%	18,069	-	-	-	**18,069**	18,069
Kodak Alaris Inc.	United States	100%	-	-	-	-	**-**	-
Indirectly held								
Kodak Alaris International Limited Zweigniederlassung Österreich[3]	Austria	100%	-	-	-	-	**-**	-
Kodak Alaris Limited Ireland Branch[7]	Ireland	100%	-	-	-	-	**-**	-
Kodak Alaris International Limited[6]	United Kingdom	100%	515	-	-	(515)	**-**	515
Kodak Alaris Limited Dubai Branch	UAE	100%	-	-	-	-	**-**	-
Kodak Alaris Management (Shanghai) Co. Ltd. – Beijing Branch	China	100%	-	-	-	-	**-**	-
			39,153	6,704	(228)	(515)	**45,114**	39,153

Investments are carried at cost less provision for impairment. The Company considers the carrying value of its investments in subsidiaries annually to determine whether any indicators of impairment exist, which includes considering whether the Company net liability position is lower than that of the Group.

Where indicators of impairment existed, the Company then assessed whether the recoverable amount exceeded the carrying value of the investment in that entity through a value in use discounted cashflow model, using the principles and assumptions set out for the consolidated intangible assets (Note 13), and considering entity specific cash flows. The Company has recorded impairment charges of $515 thousand in relation to the investment in Kodak Alaris International Limited.

In 2021 the Company recorded impairment charges in relation to investments of $1,069 thousand in Kodak Alaris S.A.I.C. and $20,331 thousand in relation to Kodak Alaris Inc.. These investments have been fully impaired.

1 The previous year the Group announced that it had changed the go to market model for operations in Argentina, Belgium and Netherlands. Kodak Alaris Belgium S.A. was liquidated in September 2021, Kodak Alaris Netherlands B.V. was liquidated in February 2022 and Kodak Alaris S.A.I.C. was liquidated in March 2022.

2 With effect from February 2022 Kodak Alaris Imaging Equipment (Shanghai) Co. Ltd. and Kodak Alaris Management (Shanghai) Co. Ltd. were held directly by the Company.

3 The Group announced further go to market model changes during the year for operations in Austria, Hong Kong, India, Italy, Spain and Switzerland. These entities are planned for liquidation.

4 Kodak Alaris Services Mexico S.A De C.V. merged with Kodak Alaris Mexico S.A. de C.V. on 1 September 2021.

5 Kodak Alaris Singapore Ptd. Ltd. has a Philippine representation office. The Kodak Alaris Singapore Pte. Ltd. Thailand Rep. office was deregistered on 30 July 2021.

6 6 As permitted by s379 of the Companies Act 2006, the Group has taken advantage of the audit exemption in relation to the individual accounts of these companies.

7 The Kodak Alaris Limited Ireland Branch was deregistered in March 2022.

Notes to the Company Financial Statements
(continued)

Investments in associates	Country of Incorporation	Ownership %	31 March 2022 $000	31 March 2021 $000
ITyX Technology GmbH[1]	Germany	25.1%	-	17,860
			-	17,860
Provision			-	(17,860)
			-	-

Note 6: Deferred tax assets and liabilities

There was no recognised deferred tax at 31 March 2022 (2021: nil).

No deferred tax assets were recognised in respect of gross tax losses of $138,669 thousand (2021: $125,611 thousand) or gross corporate interest restriction adjustments of $62,942 thousand (2021: $59,301 thousand) due to uncertainty over their future use. There are no statutory time limits for use of either attribute.

Note 7: Cash and cash equivalents

	31 March 2022 $000	31 March 2021 $000
Cash and cash equivalents	**40,166**	38,177

Cash and cash equivalents include nil (2021: $1,203 thousand) that are restricted as to withdrawal or use under the terms of certain contractual agreements.

1 In 2015, we discontinued our relationship with ITyX Technology GmbH (ITyX) and the investment was fully provided for. The discontinuation of the relationship is subject to legal proceedings and details are provided in note 28 of the consolidated financial statements. The financial impact of the legal proceedings with ITyX was not material to the 2022 financial performance of the Company and although the financial impact going forward is unknown, it will not be material to the 2023 financial performance of the Company.

Notes to the Company Financial Statements

(continued)

Note 8: Employee Benefits

	Present value of defined benefit obligation 31 March 2022 $000	Fair value of plan assets 31 March 2022 $000	Net balance sheet position 31 March 2022 $000
Amounts recognised at 01 April 2021	-	-	-
Balance transferred	(8,565)	7,604	**(961)**
IAS 19 Cost			
Interest (expense)/income	(83)	74	**(9)**
(Expense)/Benefit Recognised in Income Statement	(83)	74	**(9)**
Actuarial gains/(losses)			
Return on plan assets, excluding interest expense	-	(912)	**(912)**
Gain from change in financial assumptions	667	-	**667**
Gain from actuarial experience	373	-	**373**
Actuarial gains/(losses) recognised in consolidated statement of other comprehensive income	1,040	(912)	**128**
Cash flow			
Employer contributions	-	56	**56**
Benefits paid from plan assets	303	(303)	**-**
Net cash inflow/(outflow)	303	(247)	**56**
Other			
Exchange differences	357	(317)	**40**
Total other	357	(317)	**40**
Amounts recognised at 31 March 2022	**(6,948)**	**6,202**	**(746)**

The pension scheme of Kodak Alaris Netherlands B.V. was transferred to Kodak Alaris Holdings Limited on 23 July 2021. See note 22 of consolidated financial statements for details of plan assumptions.

Note 9: Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Company's exposure to interest rate and foreign currency risk, see note 13.

	31 March 2022 $000	(Restated) 31 March 2021 $000
Loan notes	**144,265**	134,342
Interest payable	**970**	828
Non-current liabilities	**145,235**	135,170
Loan from associate/subsidiaries	**427,356**	428,607
Current liabilities	**427,356**	428,607

Notes to the Company Financial Statements
(continued)

Note 10: Trade and other payables

	31 March 2022 $000	31 March 2021 $000
Trade payables	**374**	851
Amounts due to other Group undertakings	**92,004**	88,037
Other trade payables and accrued expense	**5,383**	6,221
Current	**97,761**	95,109
Other payables	**632**	510
Non-current	**632**	510

Trade payables are non-interest bearing and are normally settled on 60-day terms) (2021: 60-day terms).

Note 11: Provisions

	Restructuring $000
Balance at 1 April 2021	**-**
Provision made during the year	**(100)**
Provision used during the year	**86**
Balance at 31 March 2022	**(14)**
Current	**(14)**

Note 12: Capital and reserves

	31 March 2022 Number	31 March 2022 $000	31 March 2021 Number	31 March 2021 $000
Share capital				
Authorised & issued for cash ordinary shares of $1.00 each	**167,000**	**167,000**	167,000	167,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Dividends

Dividends of $16,939 thousand (2021: $7,390 thousand) were recognized during the period. No dividends were proposed by the Directors after the balance sheet date.

Capital contribution reserve

The capital contribution reserve is distributable. On 7 April 2017 the previous shareholder KPP2 released $575,348 thousand of debt in consideration for the issue of 100 additional $1 ordinary shares with a share premium of $575,348 thousand. In addition, the Company reduced its share capital by extinguishing its share premium account to create distributable reserves.

Other equity	Capital contribution reserve $000	Translation reserve $000	Retained deficit $000	Total other comprehensive income $000
1 April 2020	573,348	-	(724,762)	(151,414)
Loss for the year	-	-	(23,582)	(23,582)
Total other equity at 31 March 2021	573,348	-	(748,344)	(174,996)
1 April 2021	573,348	-	(748,344)	(174,996)
Re-measurement of defined benefit liability	-	-	128	128
Loss for the year	-	-	(34,757)	(34,757)
Total other equity at 31 March 2022	**573,348**	**-**	**(782,973)**	**(209,625)**

Notes to the Company Financial Statements
(continued)

Note 13: Financial instruments

(a) Fair values of financial instruments

For financial instruments not held at fair value, the carrying value is deemed to be a reasonable approximation of fair value.

Except as outlined below, there are no significant derivative financial instruments at 31 March 2022 (2021: nil).

No financial instruments are carried at fair value under level 1 or level 3 of the hierarchy table.

	Level	Carrying amount 31 March 2022 $000	Fair value 31 March 2022 $000	(Restated) Carrying amount 31 March 2021 $000	(Restated) Fair value 31 March 2021 $000
Financial liabilities measured at amortised cost					
Tranche B CISX Listed Loan Notes SONIA+7% Maturity 2028	2	**144,265**	**144,265**	134,342	134,342
Loans due to Group undertakings	2	**427,356**	**427,356**	428,607	428,607

(b) Credit risk

Financial risk management

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investment cash held with financial institutions.

The Company has no receivables due from an external third party and hence has no external credit risk as at the reporting date.

The Company has the following types of financial assets that are subject to the expected credit loss model:

Credit quality of amount due from Group undertakings and impairment losses

	Gross 31 March 2022 $000	Impairment 31 March 2022 $000	(Restated) Gross 31 March 2021 $000	(Restated) Impairment 31 March 2021 $000
Amount due from Group undertakings	**574,468**	**(34,346)**	566,780	(918)

The impairment provision for amount due from Group undertaking as at 31 March 2022 reconciles to the opening provision as follows:

	31 March 2022 $000
At 31 March 2021	(918)
Utilisation of provision during the year	-
Increase in provision recognised in profit or loss during the year	(33,428)
At 31 March 2022	**(34,346)**

(c) Liquidity risk

Financial risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Company's liquidity requirements are supported by both the Group's funding arrangement in place until 29 September 2025 with its shareholder the Board of the Pension Protection Fund and the funding structures that are in place.

Notes to the Company Financial Statements
(continued)

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the effect of netting agreements:

	Carrying amount $000	Contractual cash flows $000	1 year or less $000	1 to 2 years $000	2 to > 5 years $000	5 years and over $000
31 March 2022						
Tranche B Loan Notes	**144,265**	**239,086**	**-**	**-**	**-**	**239,086**
Loans due to Group undertakings	**427,356**	**427,356**	**427,356**	**-**	**-**	**-**
Interest payable (long-term)	**970**	**970**	**-**	**-**	**-**	**970**
31 March 2021						
Tranche B Loan Notes	134,342	230,132	-	-	-	230,132
Loans due to Group undertakings (Restated)	428,607	428,607	428,607	-	-	-
Interest payable (long-term)	828	828	-	-	-	828

(d) Market risk

Financial risk management

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments.

Foreign currency and interest rate risk

The Company has entered into forward foreign exchange contracts to buy and sell USD in exchange for EUR and vice versa. As at 31 March 2022 there were contracts in place with a total value of EUR 3 million and maturity dates of between 20 April 2022 and 23 January 2023. The mark to market value of these transactions was $200 thousand at 31 March 2022 (2021: nil).

Market risk - Foreign currency risk

The exposure to foreign currency risk is as follows based on the carrying amount for monetary financial instruments:

	GBP $000	EUR $000	USD $000	Swiss Franc $000	Other $000	Total $000
31 March 2022						
Cash and cash equivalents	**13,839**	**3,448**	**20,426**	**-**	**2,453**	**40,166**
Investments in Group Undertakings	**13,505**	**5,771**	**22,618**	**2,002**	**1,218**	**45,114**
Other receivables	**(2,261)**	**-**	**2,579**	**-**	**-**	**318**
Amounts due from Group Undertakings	**248,409**	**96,581**	**174,109**	**-**	**21,023**	**540,122**
Loans due to Group Undertakings	**38,078**	**(438,081)**	**(16,899)**	**(8,004)**	**(2,450)**	**(427,356)**
Borrowings, including interest	**-**	**-**	**(145,235)**	**-**	**-**	**(145,235)**
Trade payables	**(274)**	**(100)**	**-**	**-**	**-**	**(374)**
Amounts due to Group undertakings	**(2,061)**	**-**	**(89,888)**	**-**	**(55)**	**(92,004)**
Other payables	**-**	**-**	**(632)**	**-**	**-**	**(632)**
31 March 2021						
Cash and cash equivalents	12,615	1,579	23,045	-	938	38,177
Investments in Group Undertakings	13,890	5,771	16,271	2,002	1,219	39,153
Amounts due from Group Undertakings (restated)	250,989	95,757	200,563	-	18,553	565,862
Loans due to Group Undertakings (restated)	36,669	(419,135)	(30,252)	-	(15,889)	(428,607)
Borrowings, including interest	-	-	(135,170)	-	-	(135,170)
Trade payables	(743)	(60)	(77)	-	29	(851)
Amounts due to Group undertakings	-	-	(88,037)	-	-	(88,037)

Notes to the Company Financial Statements
(continued)

Sensitivity analysis:

A 10% percent weakening of the following currencies against the USD at 31 March 2022 would have increased/(decreased) equity and profit or loss by the amounts shown below. This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date. This analysis assumes that all other variables, in particular other exchange rates and interest rates, remain constant:

	Equity at 31 March 2022 $000	**Profit or loss Year ending 31 March 2022 $000**	**Equity at 31 March 2021 $000**	**(Restated) Profit or loss Year ending 31 March 2021 $000**
EUR	**-**	**(33,815)**	-	32,186
GBP	**-**	**29,573**	-	(29,952)

A 10% percent strengthening of the above currencies against the USD at 31 March 2022 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Market risk – Interest rate risk

See note 25 of the consolidated financial statements.

(e) Capital management

The Company's objectives when managing capital are to safeguard its solvency in order to provide optimal returns for the Company, and to maintain an efficient capital structure.

In doing so, the Company's strategy is to retain appropriate levels of liquidity headroom to ensure financial stability and flexibility. To achieve this strategy and maintain this position, the Group ensures a combination of short-term liquidity headroom with a long-term debt maturity profile. As at the balance sheet date the Group's average debt maturity profile was 6.4 years (2021: 7.4 years).

In order to maintain or realign the capital structure, the Group may adjust the amount of dividends paid to shareholder, return capital to shareholder, issue new shares, or sell assets to reduce debt.

Note 14: Commitments

Capital commitments

There are no material capital commitments for the Company at 31 March 2022 (2021: nil).

Guarantees and indemnities

The Company has issued certain guarantees in respect of a number of third parties. The guarantees held on behalf of the Company by HSBC totals $1,407 thousand (2021: $1,000 thousand).

The Company has issued certain guarantees in relation to its subsidiaries. In line with our policy no amount was considered probable hence no contingent liabilities have been recorded.

Note 15: Contingencies

See note 28 of the consolidated financial statements (2021: nil).

Notes to the Company Financial Statements
(continued)

Note 16: Related parties

The Company had related party transactions with its directors, subsidiaries, and ultimate parent. The disclosure of the director's remuneration is reported under note 7 of the consolidated financial statements – Directors' Remuneration. Details on the shareholding in the subsidiary companies is detailed in note 4.

	Costs paid on behalf of ultimate parent $000	Interest and royalty income $000	Interest and royalty expense $000	Amounts owed by related party $000	Amounts owed to related party $000
Year ending 31 March 2022					
Ultimate parent of the Group	**554**	**-**	**10,064**	**-**	**145,235**
Subsidiaries	**-**	**12,867**	**32**	**540,122**	**519,360**
Associates	**-**	**-**	**-**	**-**	**-**
	554	**12,867**	**10,096**	**540,122**	**664,595**
Year ending 31 March 2021					
Ultimate parent of the Group	2,157	-	10,041	-	135,170
Subsidiaries (restated)	-	13,281	64	565,862	516,644
Associates	-	-	-	-	-
	2,157	13,281	10,105	565,862	651,814

In addition to the transactions and balances shown in the above table, the Company has been charged $304 thousand (2021: nil) for professional services provided to the ultimate parent company by Yasimol Unipessoal Lda. Of the amount charged $60 thousand was outstanding at 31 March 2022 (2021: nil).

The Company has also been charged nil (2021: $14 thousand) for professional services provided to the ultimate parent company by Ross Trustees Services Limited.

Note 17: Ultimate parent company

The Company is wholly owned by The Board of the Pension Protection Fund. The Pension Protection Fund is a statutory fund in the United Kingdom, intended to protect members if their defined benefits pension fund becomes insolvent. It was established by the Pensions Act 2004 and is accountable to Parliament through the Secretary of State for the Departments for Work and Pensions.

Note 18: Subsequent events

See note 31 of the consolidated financial statements.

Note 19: Accounting estimates and judgements

In addition to the accounting estimates and judgements included in note 32 of the Group financial statements, which are also applicable to the Company financial statements, the following applies:

Key sources of estimation uncertainty

Impairment of Investments

Investments are carried at cost less accumulated impairment losses. Future impairment review calculations require the use of estimates related to the profitability and cash-generating ability of the subsidiary, the growth rate used for extrapolation purposes and the discount rate used in discounting these projected cash flows. Management have also exercised judgement in evaluating the impact of COVID-19 and component shortages on those calculations.

Five Year Financial Summary

Five Year Financial Summary

	Unaudited 3 months to 31 March 2017 $000	Unaudited 12 months to 31 March 2018 $000	Audited 15 months to 31 March 2018 $000	Audited 12 months to 31 March 2019 $000	Audited 12 months to 31 March 2020[1] $000	Audited 12 months to 31 March 2021[1] $000	Audited 12 months to 31 March 2022 $000
Revenue	138,608	697,116	835,724	656,089	628,147	445,646	510,291
Gross profit	34,078	200,361	234,439	202,085	186,152	136,273	168,325
Gross profit %	24.6%[2]	28.7%	28.1%	30.8%	29.6%	30.6%	33.0%
Operating profit / (loss)	(38,658)	(119,871)	(158,529)	(9,454)	(62,231)	(18,594)	5,974
Loss after tax	(54,500)	(137,401)	(191,901)	(39,654)	(90,770)	(38,974)	(17,462)
Adjusted EBITDA [3]	(21,864)	39,804	17,940	47,743	42,424	27,633	51,151
Adjusted costs[4]	55,942	160,557	216,499	154,342	143,729	108,640	117,174
Net working capital [5]	95,049	80,435	80,435	86,824	79,210	71,124	85,618
Total surplus / (deficit) [6]	(287,027)	157,232	157,232	110,039	15,934	(7,986)	(25,119)

1 Includes continuing and discontinued operations.

2 Reduced trading period.

3 Adjusted earnings before interest, tax, depreciation, amortisation and non-recurring items.

4 Adjusted costs represent the difference between gross profit and the adjusted EBITDA.

5 Net working capital represents the difference between trade receivables, inventories and trade payables at year/period end.

6 Represents closing balances at year/period end.

Summary of Continuing and Discontinued Operations including Non-GAAP Reconciliation

Continuing and discontinued operations

	Year ending 31 March 2022			Year ending 31 March 2021		
	Continuing $000	Discontinued $000	Total $000	Continuing $000	Discontinued $000	Total $000
Revenue	510,291	-	510,291	418,934	26,712	445,646
Cost of sales	(341,966)	-	(341,966)	(279,443)	(29,930)	(309,373)
Gross profit/(loss)	168,325	-	168,325	139,491	(3,218)	136,273
Administrative expenses	(146,313)	-	(146,313)	(138,572)	(4,245)	(142,817)
Research and development expensed	(16,038)	-	(16,038)	(12,050)	-	(12,050)
Operating profit/(loss)	5,974	-	5,974	(11,131)	(7,463)	(18,594)
Financial income	323	-	323	8,143	32	8,175
Financial expenses	(16,254)	-	(16,254)	(12,512)	(64)	(12,576)
Loss for the year before tax	(9,957)	-	(9,957)	(15,500)	(7,495)	(22,995)
Income tax provision	(7,505)	-	(7,505)	(4,662)	44	(4,618)
Loss for the year after tax	(17,462)	-	(17,462)	(20,162)	(7,451)	(27,613)
Loss on sale of discontinued operations	-	-	-	-	(11,388)	(11,388)
Income tax on loss on sale of discontinued operations	-	-	-	-	27	27
Loss for the year	(17,462)	-	(17,462)	(20,162)	(18,812)	(38,974)

Management has presented the performance measure adjusted EBITDA because it monitors this performance measure at a consolidated level and believes that this measure is relevant to an understanding of the Group's financial performance. Adjusted EBITDA is calculated by adjusting loss from continuing operations to exclude the impact of taxation, net finance costs, depreciation, amortisation, non-recurring items, impairment losses/reversals related to goodwill, intangible assets, property, plant and equipment and the re-measurement of disposal groups.

Adjusted EBITDA is a non-GAAP measure and not a defined performance measure in IFRS. It is reconciled as follows:

Non-GAAP reconciliation

	Year ending 31 March 2022			Year ending 31 March 2021		
	Continuing $000	Discontinued $000	Total $000	Continuing $000	Discontinued $000	Total $000
Loss for the year after tax	(17,462)	-	(17,462)	(20,162)	(18,812)	(38,974)
Income tax provision	7,505	-	7,505	4,662	(71)	4,591
Net finance costs	15,931	-	15,931	4,369	32	4,401
Depreciation, amortisation and loss/(gain) on disposal	29,884	-	29,884	28,949	49	28,998
Impairment charge	14,199	-	14,199	1,698	-	1,698
EBITDA	50,057	-	50,057	19,516	(18,802)	714
Legal, professional and other costs	3,486	-	3,486	5,305	-	5,305
Government grants	-	-	-	(2,657)	-	(2,657)
Restructuring costs	3,076	-	3,076	1,707	702	2,409
(Gain)/loss on divestiture	(5,468)	-	(5,468)	10,474	11,388	21,862
Non-recurring items[1]	1,094	-	1,094	14,829	12,090	26,919
Adjusted EBITDA	51,151	-	51,151	34,345	(6,712)	27,633

1 See notes 4 and 10 for more detail. Non-recurring items are included within administrative expenses.

Kodak alaris

Kodak Alaris Holdings Limited

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