

Registered number: 668675

KYNDRYL IRELAND LIMITED

Annual report and financial statements

For the financial year ended 31 March 2025

KYNDRYL IRELAND LIMITED

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KYNDRYL IRELAND LIMITED

Company Information

| | |
|-----------------------------|---|
| Directors | Brendan McDermott Christopher Chivers John Chambers |
| Company secretary | Tracey Paine |
| Registered number | 668675 |
| Registered office | Building 5 IBM Technology Campus Damastown Industrial Estate Mulhuddart Dublin 15 D15 K82N |
| Independent auditors | PricewaterhouseCoopers Chartered Accountants and Statutory Audit Firm One Spencer Dock North Wall Quay Dublin 1 D01 X9R7 |
| Bankers | JP Morgan Bank 79 Sir John Rogerson's Quay Grand Canal Dock Dublin |
| Solicitors | William Fry 2 Grand Canal Square Dublin 2 |

KYNDRYL IRELAND LIMITED

Directors' report For the financial year ended 31 March 2025

The directors present their report and the audited financial statements for the financial year ended 31 March 2025.

Principal activities and review of the business

Kyndryl Ireland Limited (the "Company" or "Kyndryl Ireland") is a subsidiary of Kyndryl Holdings, Inc. (the "ultimate parent company").

Kyndryl Holdings, Inc. is a leading provider of mission critical enterprise technology services offering advisory, implementation and managed service capabilities to thousands of customers in more than 60 countries. As the world's largest IT infrastructure services provider, the Company designs, builds, manages and modernises the complex information systems that the world depends on every day. The Company's management team have a long track record of helping enterprises navigate major technological changes, particularly by enabling our customers to focus on the core aspects of their businesses during these shifts while trusting us with their most critical systems. Our purpose is to design, build and manage secure and responsive private, public and multi-cloud environments to serve our customer's needs and accelerate their digital transformations.

Kyndryl Ireland provides engineering talent, operating paradigms derived from our knowledge and data around IT patterns. This enables us to deliver advisory, implementation and managed services at scale across technology infrastructures that allow our customers to de-risk and realise the full value of their digital transformations. We do this while embracing new technologies and solutions and continually expanding our skills and capabilities, as we help advance the vital systems that power progress for our customers. We deliver technology services capabilities, insights and depth of expertise to modernise and manage IT environments based on our customers' unique needs. We offer services across domains such as cloud services, core enterprise and zCloud services, applications, data and artificial intelligence ("AI") services, digital workplace services, security and resiliency services and network and edge services as we continue to support our customers through technological change. Our services enable us to modernise and manage cloud and on- premise environments as "one" for our customers, enabling them to scale seamlessly.

To deliver these services, Kyndryl Ireland relies on our team of skilled practitioners, within the Kyndryl Group. Given that our large and diversified customer base operates in multiple industries, we utilise a flexible labour and delivery model with a balanced mix of global and local talent as needed to meet customer-specific needs, regulatory requirements and data protection and labour laws. Our employees leverage their deep engineering expertise and extensive experience operating complex and heterogeneous technology environments to drive service quality, intellectual property development and our long-term trusted customer relationships.

The Company's management team have a long track record of relationships providing high quality, mission-critical services that are core to operations with customers that represent the backbones of their respective industries. These customers entrust us to deliver the services they need and to manage their complex environments so that they can achieve their business objectives.

We partner with a broader ecosystem, including a wide range of hyperscale cloud providers, system integrators, independent software vendors and technology vendors from startups to market leaders. This enables us to serve our customers with contemporary technological capabilities that best fit their needs and open new avenues for growth. This is all underpinned by our ability to integrate and operate mission-critical technology at scale using deep engineering expertise and intellectual property.

We are focused on driving revenue growth with sustainable margins by extending our leadership in the markets in which we operate while investing in our capabilities and expanding our high-value, next-generation services consistent with customer needs.

KYNDRYL IRELAND LIMITED**Directors' report (continued)
For the financial year ended 31 March 2025**

The key performance indicators during the period were as follows:

| Key indicators of performance | 1 April 2024 | 1 April 2023 | 1 April 2024 | 1 April 2023 |
|--------------------------------------|-----------------------------|-----------------------------|---|---|
| | to 31 March 2025 €000 | to 31 March 2024 €000 | to 31 March 2025 as a % of revenue | to 31 March 2024 as a % of revenue |
| Revenue | 119,786 | 122,698 | | |
| Gross profit | 8,920 | 9,821 | 7.5 | 8.0 |
| Operating (loss)/profit | (6,464) | 245 | (5.4) | 0.2 |

| Key indicators of financial position | 31 March 2025 | 31 March 2024 |
|---|---------------|---------------|
| | €000 | €000 |
| Cash and cash equivalents | Nil | Nil |
| Net current assets less debtors > 1 year | 12,139 | 11,704 |
| Net assets | 47,324 | 53,326 |
| Current ratio* | 1.5 | 1.3 |

*Referencing current assets less Debtors > 1 year divided by current liabilities per the balance sheet.

The Company has seen revenue for this financial year of €119,785,587 (2024: €122,698,460). This has been driven by strong customer relationships. The operating loss in the financial year was €6,463,955 (2024: profit of €245,213). The Company's net assets position is €47,323,093 (2024: €53,324,843). The cash and cash equivalents at the end of the financial year were €Nil (2024: €Nil).

Kyndryl Ireland is managed by the Kyndryl Ireland board of directors. The overall performance and results for all Kyndryl entities are analysed on a worldwide Kyndryl measurement basis. The development, performance, and position of Kyndryl Holdings, Inc., which includes the Ireland entity, is discussed on pages 28 to 45 in the Corporation's annual report for the year ended 31 March 2025, which does not form part of this report. Details of where to obtain a copy of these financial statements is shown in note 25.

Directors of the Company

The directors who served during the financial year ended 31 March 2025 were as follows:

Christopher Chivers
John Chambers
Brendan McDermott

Results and dividends

The loss for the financial year, after taxation, amounted to €5,515,445 (2024: €116,188).

The directors did not recommend the payment of a dividend for the financial year ended 31 March 2025.

KYNDRYL IRELAND LIMITED

Directors' report (continued) For the financial year ended 31 March 2025

Principal risks and uncertainties

The principal risks and uncertainties of the Company are managed on a Group basis. They include the following risks set out below:

Economic environment

Our business and operations could be adversely impacted by local legal, economic, political, health and other conditions.

We are a globally integrated company and have operations worldwide. Changes in the laws or policies of the countries in which we operate, or inadequate development or enforcement of such laws or policies, could affect our business and our overall results of operations. Our results of operations also could be affected by economic and political changes in those countries and by macroeconomic changes, including recessions, inflation, and currency fluctuations between EUR and non-EUR currencies.

In the current macroeconomic environment, customers continue to balance short-term challenges and opportunities for transformation. While some customers have begun to accelerate their digital transformation and increase their expenditures, the short-term priorities of other customers continue to be focused on operational stability, flexibility and cash preservation, and as such, we may experience some disruptions in transactional performance.

We are exposed to currency risk that could adversely impact our costs.

We derive a significant percentage of our costs from our affiliates operating in local currency environments, and those costs are affected by changes in the relative values of non-EUR currencies and EUR, as well as sudden shifts in regional or global economic activity. The effect of this is partially mitigated by treasury hedging programmes.

Talent Retention

If we are unable to attract and retain key personnel and other skilled employees, our business could be harmed.

Our people are the heart of our business and much of our future success depends on the continued service, availability and integrity of skilled employees, including technical, sales and staff resources. Skilled and experienced personnel in the areas where we compete are in high demand, and competition for their talents is intense. Any failure to attract, integrate, motivate and retain these employees could harm our business.

Profitability

We may not meet our growth and productivity objectives.

We are on a journey of developing our business and simplifying our operations. We continue to expand our professional services capability and must ensure that our services remain competitive in a rapidly changing technological environment. Kyndryl has forged alliances with a broad community of partner organisations and future growth relies on expanding the benefits these alliances bring to our customers.

We have successfully demonstrated that our customers are choosing to remain with Kyndryl but cannot be complacent. We must continue to develop cutting-edge innovations in a highly competitive and rapidly evolving environment and implement and integrate such innovations with speed and versatility. So that customers choose to award us additional business.

KYNDRYL IRELAND LIMITED

Directors' report (continued) For the financial year ended 31 March 2025

Financial risk management

The Company is exposed to a variety of financial risks as a result of its operations which include the effects of changes in market prices, credit risk, liquidity risk, interest rate risk and currency risk. The Company has a strong risk management program in place aligned to the worldwide programme of the Company's ultimate parent company, Kyndryl Holdings, Inc.

Price risk

The financial risk posed by external vendors is managed and controlled by Kyndryl's central procurement function. Procurement is the only business unit in Kyndryl which is authorised to make financial commitments to external vendors. The unit has responsibility for achieving overall value for Kyndryl in terms of supplier selection at the optimum price. All procurement activities are carried out under worldwide Kyndryl guidelines. The financial risk posed by sales price is managed through a central pricing team. The business only agrees to sign contracts once the appropriate pricing approval has been obtained.

Credit risk

The Company has in place policies that require appropriate credit checks on potential customers before sales are made, and regular reviews of credit limits on existing customers are carried out.

Liquidity and interest rate risk

If required, the Company has access to internal funding from Kyndryl Treasury Services Designated Activity Company (In-House Bank) in Ireland. The In-House Bank is ultimately funded by Kyndryl Holdings, Inc. Any borrowing is treated as short term debt finance. The Company did not have any other short term or long-term debt finance as at 31 March 2025. Currently the Company has a nil cash position and deposits surplus cash to the In-House Bank. As the Company invests or borrows cash balances internally, it operates daily in either a cash or overdraft position with no fixed period debt in place. Interest is paid or earned on the daily balance using the variable one month interest rate as the base.

Currency risk

Changes in the relative values of non-EUR currencies to the Euro may affect our financial results and financial position. Large changes in currency exchange rates relative to our functional currency could increase the cost of our services to customers relative to local competitors, thereby causing us to lose existing or potential customers.

Future developments

Kyndryl Ireland is committed to the health and continuous improvement of the vital systems at the heart of the Ireland digital economy.

The Irish Government's 2022 Digital strategy seeks to position Ireland as a digital leader, driving and enabling digital transformation across the economy and society. Aligning with the EU Digital Compass directive, the Irish government's 'Harnessing Digital - The Digital Ireland Framework' sets out ambition to drive and enable the digital transition across the Irish economy and society across the four core dimensions; Digital Transformation of Business; Digital Infrastructure; Skills; and Digitalisation of Public Services, all supported by a modern, cohesive, well-resourced regulatory framework:

To support its ambitions, the Irish government has committed to:

- drive a step-change in the digital transformation of businesses to sustain Ireland's attractiveness as a location for leading digital enterprises; and maximise the benefits of the digital transition for the wider ecosystem.
- prioritize key infrastructure enablers such as universal connectivity and robust cyber security capacity and expertise.

KYNDRYL IRELAND LIMITED

Directors' report (continued) For the financial year ended 31 March 2025

Future developments (continued)

- deliver skills for all to ensure all cohorts in society can engage with, and benefit from digitalisation - this includes high-level digital skills, broader digital skills for the wider labour market, and digital skills for society more generally.
- drive the further digitalisation of public services through the creation of a trusted, user-driven, intuitive, inclusive and efficient world-leading digital government service, including a focus on the digitalisation of the health system.
- a modern, cohesive, well-resourced regulatory framework is central to Ireland's success. This includes effective highly skilled new and forthcoming regulators; working to maximise the coherence of digital issues and to support a wider regulatory co-operation framework; and being a strong voice in Europe for a balanced approach to digital regulation.

The Irish Government has set a goal to have 75% enterprise take-up in Cloud, Big Data and AI by 2030 and the 2022 Digital Economy and Society Index saw Ireland maintain a strong overall position coming fifth out of the EU27 on digital progress. Within the EU27 Ireland remains a Digital front runner and Kyndryl Ireland participates at the heart of this industry. We provide services for customers' technology environments that power their businesses. These services span areas such as management of mission-critical systems across dedicated data centers and multiple clouds. As customers advance their digital transformations, they are looking for partners that understand their business objectives and unique digital journeys and have the skills to instrument and engineer the IT environments to enable their transformations. The Company's long-standing position as an informed and trusted partner, with decades-long relationships and leading capabilities, provides us with the knowledge and expertise to help existing and new customers realise their future. The market for these services is large and dynamic and through continued collaboration and partnership with a broad community of alliance partner organisations, Kyndryl Ireland can serve an increased share of this growing market. Growth in this market is driven by services that are aligned to customers' transformations, including public cloud managed data, security intelligent automation services and managed services for edge environments representing a smaller portion of the market.

Kyndryl has a clear and detailed strategy to drive growth, the "3As and the Plus Plus" strategy. This strategy focuses on three main areas: alliances, advanced delivery, and focused accounts. Our growth strategy also includes expanding advisory services business, Kyndryl Consult and aims to leverage our AI-enabled open integration platform, Kyndryl Bridge, to provide real-time insights and actionable data to customers, enhancing their productivity and reducing risks.

Several trends underpin the growth of our market, including:

- **Enhancing the digital transformation journey for businesses.** By leveraging advanced technologies such as artificial intelligence and machine learning, Kyndryl Bridge provides real-time insights and analytics, helping our customers to optimise their operations and make data-driven decisions. The highly customisable platform allows Companies to tailor it to their specific needs and integrate it seamlessly with their existing systems, empowering businesses to achieve greater agility, resilience, and growth in an increasingly digital world.
- **Turning valuable business insights into business value.** Companies continue to navigate complex IT landscapes which drives the need for a comprehensive consulting services to help accelerate digital transformation by aligning business outcomes with the technology that drives them by providing strategic visioning, architecture design, and organisational change management. Kyndryl Consult offers deep domain knowledge and expertise to drive innovation and achieve meaningful business outcomes for Companies.
- **Greater demand for digital transformation services.** Companies continue to digitally transform to deliver better customer experiences and compete more effectively, which drives the need for services to support modernising hybrid IT estates. This trend has expanded in recent years as organisations look to further their digital capabilities and new technologies proliferate. While customers seek to transform, skills availability often represents a challenge, with lack of skills often being an impediment to transformation of the IT environment.

KYNDRYL IRELAND LIMITED

Directors' report (continued) For the financial year ended 31 March 2025

Going Concern

The Company's management have made an assessment of the Company's ability to continue as a going concern, including a review of future cash flow forecasts, consideration of downside risks and access to internal funding from Kyndryl Treasury Services Designated Activity Company and is satisfied that the Company has sufficient resources to continue in business for at least 12 months from the approval of these financial statements. The financial statements have been prepared on the going concern basis, which contemplates the realisation of assets and the settlement of liabilities in the ordinary course of business.

Research and development activities

The Company did not engage in any research and development during the financial year (2024: €Nil).

Political donations

Kyndryl Ireland launched its internal online giving platform in February 2022, which allows employees to donate to vetted registered charities.

Kyndryl Code of Conduct states that Kyndryl will not endorse, support or make contributions or payments to any political parties or candidates, including through political action committees, campaign funds, trade or industry associations or similar organisations. No political donations have been made in this financial year.

Events after the reporting date

There have been no material adjusting or disclosable events since the financial year end.

Directors' and secretary's interests in shared and debentures

In accordance with section 329 (1) to (4) of the Companies Act 2014, none of the directors or secretary who held office at the financial year end date or at any time during the financial year held any interests in shares of the Company or group companies greater than 1% of the nominal value of the shares of those companies.

Accounting records

The measures taken by the directors to ensure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The Company's accounting records are accessible at the Company's registered office at: Building 5, IBM Technology Campus, Damastown Industrial Estate, Mulhuddart, Dublin 15, D15 K82N.

Statement on relevant audit information

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the directors have taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

KYNDRYL IRELAND LIMITED

Directors' report (continued) For the financial year ended 31 March 2025

Director's Compliance Statement

We, the directors of the Company, who held office at the date of approval of these Financial Statements are responsible for securing the Company's compliance with its relevant obligations; and

We confirm that the following matters have been done under section 225(2) of the Companies Act 2014 in fulfilling its responsibilities.

- drawing up of a compliance policy statement setting out the Company's policies (that, in our opinion, are appropriate to the Company) respecting compliance by the Company with its relevant obligations; and
- putting in place appropriate arrangements or structures (that, in our opinion) are, designed to secure material compliance with the Company's relevant obligations.

We have reviewed, during the financial year, the arrangements or structures which have been put in place to secure such material compliance with the relevant obligations. 'Compliance policy statement' and 'relevant obligations' shall have the meaning as set out in section 225, Companies Act 2014.


Appointment of Auditors


The auditors, PricewaterhouseCoopers, continue in office in accordance with section 383(2) of the Companies Act 2014.

Audit Committee statement

In accordance with Section 167(2) of the Companies Act 2014, the Company has decided not to establish an audit committee. The reason for not establishing an audit committee is that the Company is a subsidiary of Kyndryl Holdings, Inc. Kyndryl Holdings, Inc. has an established audit committee which has oversight of the entire Kyndryl group, which includes Kyndryl Ireland Limited. This committee, together with Kyndryl group internal audit and the reporting processes in place, are in the opinion of the directors of the Company, sufficient to ensure compliance with the provision of the Act.

This report was approved by the board on 26-Feb-2026 | 10:39 AM CET and signed on its behalf.

DocuSigned by:

.....E01BAF8AAEDD434.....
Christopher Chivers
Director

Signed by:

.....FC955D5451E949E.....
Brendan McDermott
Director

KYNDRYL IRELAND LIMITED

**Directors' responsibilities statement
For the financial year ended 31 March 2025**

The directors acknowledge their responsibilities for preparing the Directors' report and the financial statements in accordance with Irish law.

Irish law requires the directors to prepare financial statements for each financial year giving a true and fair view of the Company's assets, liabilities and financial position at the end of the financial year and the profit or loss of the Company for the financial year. Under that law the directors have elected to prepare the financial statements in accordance with Irish Generally Accepted Accounting Practice (accounting standards issued by the UK Financial Reporting Council), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland and Irish law'.

Under Irish 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 Company, of the profit or loss of the Company for that financial year and that they otherwise comply with Section 329 of the Companies Act 2014.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be audited.


They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board

DocuSigned by:

.....E01BAF8AAEDD43A.....
Christopher Chivers
Director

Date: 26-Feb-2026 | 10:59 AM CET

Signed by:

.....FC955D5451E949E.....
Brendan McDermott
Director

Date: 26-Feb-2026 | 10:39 AM CET

Independent auditors' report to the members of Kyndryl Ireland Limited

Report on the audit of the financial statements

Opinion

In our opinion, Kyndryl Ireland Limited's financial statements:

- give a true and fair view of the company's assets, liabilities and financial position as at 31 March 2025 and of its loss for the year then ended;
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Irish law); and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

We have audited the financial statements, included within the Annual Report, which comprise:

- the Balance sheet as at 31 March 2025;
- the Profit and loss account and Statement of comprehensive income for the year then ended; the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a description of the accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law.

Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the Companies Act 2014 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (Ireland) and the Companies Act 2014 require us to also report certain opinions and matters as described below:

- In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 March 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.
- Based on our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 9, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The directors are also 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.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf

This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with section 391 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2014 opinions on other matters

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.

Other exception reporting

Directors' remuneration and transactions

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.



Gareth Hynes
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin, Ireland
26 February 2026

KYNDRYL IRELAND LIMITED**Profit and loss account and Statement of comprehensive income
For the financial year ended 31 March 2025**

| | Note | 2025 €000 | 2024 €000 |
|--|------|----------------|--------------|
| Revenue | 4 | 119,786 | 122,698 |
| Cost of sales | | (110,866) | (112,877) |
| Gross profit | | <u>8,920</u> | <u>9,821</u> |
| Administrative expenses | | (15,384) | (9,576) |
| Operating (loss)/profit | | <u>(6,464)</u> | <u>245</u> |
| Interest receivable and similar income | 9 | 408 | 120 |
| Interest payable and similar charges | 10 | (21) | (114) |
| (Loss)/profit before taxation | 5 | <u>(6,077)</u> | <u>251</u> |
| Tax | 11 | 562 | (367) |
| Loss for the financial year | | <u>(5,515)</u> | <u>(116)</u> |
| Other comprehensive income | | | |
| Other comprehensive income | | - | - |
| Total comprehensive loss for the financial year | | <u>(5,515)</u> | <u>(116)</u> |

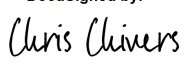
The above results were derived from continuing operations.


The notes on pages 16 to 35 form an integral part of these financial statements.

KYNDRYL IRELAND LIMITED**(Registration number: 668675)****BALANCE SHEET
As at 31 March 2025**

| | Note | 2025 €000 | 2024 €000 |
|---|-------|----------------|---------------|
| Fixed assets | | | |
| Property, plant and equipment | 12 | 31,506 | 34,530 |
| | | <u>31,506</u> | <u>34,530</u> |
| Current assets | | | |
| Debtors: amounts falling due after more than one year | 13 | 4,931 | 7,392 |
| Debtors: amounts falling due within one year | 13 | 36,782 | 45,914 |
| | | <u>41,713</u> | <u>53,306</u> |
| Creditors: amounts falling due within one year | 14 | (24,643) | (34,210) |
| | | <u>17,070</u> | <u>19,096</u> |
| Net current assets | | <u>17,070</u> | <u>19,096</u> |
| Total assets less current liabilities | | <u>48,576</u> | <u>53,626</u> |
| Creditors: amounts falling due after more than one year | 15 | (1,252) | (300) |
| | | <u>(1,252)</u> | <u>(300)</u> |
| Net assets | | <u>47,324</u> | <u>53,326</u> |
| Capital and reserves | | | |
| Called up share capital presented as equity | 17 | 58,465 | 58,465 |
| Share-based payment reserve | 20 | 1,639 | 2,126 |
| Other reserves | 18,19 | (6,873) | (6,873) |
| Profit and loss account | 18 | (5,907) | (392) |
| | | <u>47,324</u> | <u>53,326</u> |
| Total Shareholders' funds | | <u>47,324</u> | <u>53,326</u> |

Approved and authorised by the board on 26-Feb-2026 | 10:39 AM CET and signed on its behalf by:

DocuSigned by:

 E01BAF8AAEDD434.....
 Christopher Chivers
 Director

Signed by:

 FG958D6461E949E.....
 Brendan McDermott
 Director

The notes on pages 16 to 35 form an integral part of these financial statements.

KYNDRYL IRELAND LIMITED**Statement of changes in equity
For the financial year ended 31 March 2025**

| | Called up share capital presented as equity €000 | Share-based payment reserve €000 | Other reserves €000 | Profit and loss account €000 | Total Shareholders' funds €000 |
|--|--|---|---------------------------|------------------------------------|---|
| At 1 April 2024 | 58,465 | 2,126 | (6,873) | (392) | 53,326 |
| Total comprehensive loss for the financial year | - | - | - | (5,515) | (5,515) |
| Share-based payment movement (Note 20) | - | 468 | - | - | 468 |
| Share-based payment recharge | - | (955) | - | - | (955) |
| At 31 March 2025 | 58,465 | 1,639 | (6,873) | (5,907) | 47,324 |

The notes on pages 16 to 35 form an integral part of these financial statements.

**Statement of changes in equity
For the financial year ended 31 March 2024**

| | Called up share capital presented as equity €000 | Share-based payment reserve €000 | Other reserves €000 | Profit and loss account €000 | Total Shareholders' funds €000 |
|--|--|---|---------------------------|------------------------------------|---|
| At 1 April 2023 | 58,465 | 1,627 | (6,873) | (276) | 52,943 |
| Total comprehensive loss for the financial year | - | - | - | (116) | (116) |
| Share-based payment movement (Note 20) | - | 499 | - | - | 499 |
| At 31 March 2024 | 58,465 | 2,126 | (6,873) | (392) | 53,326 |

The notes on pages 16 to 35 form an integral part of these financial statements.

KYNDRYL IRELAND LIMITED**Notes to the financial statements (continued)
For the financial year ended 31 March 2025****1. General information**

Kyndryl Ireland Limited is a private company limited by share capital incorporated in Ireland under the Companies Act 2014.

These financial statements comprising the profit and loss account and statement of comprehensive income, balance sheet and the related notes constitute the financial statements of Kyndryl Ireland Limited for the financial year ended 31 March 2025.

The address of its registered office is Building 5, IBM Technology Campus, Damastown Industrial Estate, Mulhuddart, Dublin 15.

The nature of the Company is that of a managed IT infrastructure services provider and its principal activities are set out in the Directors report. The Company's registration number is 668675.

The financial statements of Kyndryl Ireland Limited were approved and authorised for issue by the board of directors on _____ 26-Feb-2026 | 10:39 AM CET

2. Accounting policies**2.1 Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the financial periods presented, unless otherwise stated.

2.2 Statement of compliance

The financial statements of the Company for the year ended 31 March 2025 have been prepared on the going concern basis and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102).

2.3 Basis of preparation of financial statements

These financial statements have been prepared in accordance with of Financial Reporting Standard 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' and Irish Statute comprising the Companies Act 2014 (the "Act"). These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

2.4 Summary of disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 102:

- i. the requirements of Section 3 'Financial Statement Presentation' paragraph 3.17 (d) and the requirements of Section 7 'Statement of Cash Flows';
- ii. the requirement for disclosures of Section 11 'Basic Financial Instruments' paragraphs 11.39 to 11.48A and of Section 12 'Other Financial Instrument Issues' paragraphs 12.26 to 12.29;
- iii. the requirements of Section 33 'Related Party Disclosures', paragraph 33.7; and
- iv. the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23.

KYNDRYL IRELAND LIMITED**Notes to the financial statements (continued)
For the financial year ended 31 March 2025****2. Accounting policies (continued)****2.5 Foreign currency translation****Functional and presentation currency**

The Company's functional and presentational currency is Euros (€) and rounded to the nearest €'000 except where otherwise indicated.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each year end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in Profit and loss account and Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and loss account and Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in Profit and loss account and Statement of comprehensive income within administrative expenses.

2.6 Going concern

The Company's management have made an assessment of the Company's ability to continue as a going concern, including a review of future cash flow forecasts, consideration of downside risks and access to internal funding from Kyndryl Treasury Services Designated Activity Company and is satisfied that the Company has sufficient resources to continue in business for at least 12 months from the date of approval of these financial statements. The financial statements have been prepared on the going concern basis, which contemplates the realisation of assets and the settlement of liabilities in the ordinary course of business.

2.7 Revenue recognition**Revenue from contracts with customers**

The Company accounts for a contract with a customer when it has written approval, the contract is committed, the rights of the parties, including payment terms, are identified, the contract has commercial substance and consideration is probable of collection.

Revenue is recognised when, or as, control of a promised product or service transfers to a customer, in an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring those products or services. If the consideration promised in a contract includes a variable amount, the Company estimates the amount to which it expects to be entitled using either the expected value or most likely amount method. The Company's contracts may include terms that could cause variability in the transaction price, including, for example, rebates, volume discounts, service-level penalties, and performance bonuses or other forms of contingent revenue.

KYNDRYL IRELAND LIMITED**Notes to the financial statements (continued)
For the financial year ended 31 March 2025****2. Accounting policies (continued)****2.7 Revenue recognition (continued)****Revenue from contracts with customers (continued)**

The Company only includes estimated amounts in the transaction price to the extent it is highly probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. The Company may not be able to reliably estimate contingent revenue in certain long-term arrangements due to uncertainties that are not expected to be resolved for a long period of time or when the Company's experience with similar types of contracts is limited. The Company's arrangements infrequently include contingent revenue. Estimates of variable consideration and the determination of whether to include estimated amounts in the transaction price are based on all information (historical, current and forecasted) that is reasonably available to the Company, taking into consideration the type of customer, the type of transaction and the specific facts and circumstances of each arrangement.

The Company's standard billing terms are that payment is due upon receipt of invoice, payable within 30 days. Invoices are generally issued as control transfers and/or as services are rendered. Additionally, in determining the transaction price, the Company adjusts the promised amount of consideration for the effects of the time value of money if the billing terms are not standard and the timing of payments agreed to by the parties to the contract provide the customer or the Company with a significant benefit of financing, in which case the contract contains a significant financing component. As a practical expedient, the Company does not account for significant financing components if the period between when the Company transfers the promised product or service to the customer and when the customer pays for that product or service will be one year or less.

The Company may include subcontractor services or third-party vendor equipment or software in certain integrated services arrangements. In these types of arrangements, revenue from sales of third-party vendor products or services is recorded net of costs when the Company is acting as an agent between the customer and the vendor, and gross when the Company is the principal for the transaction. To determine whether the Company is an agent or principal, the Company considers whether it obtains control of the products or services before they are transferred to the customer. In making this evaluation, several factors are considered, most notably whether the Company has primary responsibility for fulfilment to the customer, as well as inventory risk and pricing discretion.

The Company assesses collectability at the inception of a contract. If a contract meets the collectability criterion at contract inception, the criterion should not be reassessed unless there is an indication of a significant change in facts and circumstances. If consideration for an overall arrangement is not considered collectible but cash is received, revenue cannot be recognised until there are no remaining obligations and substantially all of the consideration has been received, or the contract is terminated, or the Company stops transferring goods/services and has no obligation to transfer additional goods/services and the cash is non-refundable in all cases. Prior to the adoption of the new revenue standard, revenue is recorded when cash is received for poor credit rated customers and suspense customers. In addition to the aforementioned general policies, the following are the specific revenue recognition policies for arrangements with multiple performance obligations and for each major category of revenue.

Services

The Company's primary services offerings include information technology (IT) datacentre and business process transformation outsourcing, application management services, technology infrastructure and system maintenance, web hosting, and the design and development of complex IT systems to a client's specifications (design and build). These services offerings fall primarily under the Company's Technology Services & Cloud Platforms segment. The Company's services are provided on a time-and-material basis, as a fixed-price contract or as a fixed-price per measure of output contract and the contract terms range from less than one year to over ten years.

KYNDRYL IRELAND LIMITED**Notes to the financial statements (continued)
For the financial year ended 31 March 2025****2. Accounting policies (continued)****2.7 Revenue recognition (continued)****Services (continued)**

In services arrangements, the Company typically satisfies the performance obligation and recognises revenue over time. In design and build arrangements, the performance obligation is satisfied over time either because the customer controls the asset as it is created (e.g., when the asset is built at the customer site) or because the Company's performance does not create an asset with an alternative use and the Company has an enforceable right to payment plus a reasonable profit for performance completed to date. In most other services arrangements, the performance obligation is satisfied over time because the customer simultaneously receives and consumes the benefits provided as the Company performs the services.

In outsourcing, other managed services and application management, the Company determines whether the services performed during the initial phases of the arrangement, such as setup activities, are distinct. In most cases, the arrangement is a single performance obligation comprised of a series of distinct services that are substantially the same and that have the same pattern of transfer (i.e., distinct days of service). The Company applies a measure of progress (typically time-based) to any fixed consideration and allocates variable consideration to the distinct periods of service based on usage. As a result, revenue is generally recognised over the period the services are provided on a usage basis. This results in revenue recognition that corresponds with the value to the customer of the services transferred to date relative to the remaining services promised.

Revenue from time-and-material contracts is recognised on an output basis as labour hours are delivered and/or direct expenses are incurred. Revenue from as-a-Service type contracts, such as Infrastructure-as-a-Service, is recognised either on a straight-line basis or on a usage basis, depending on the terms of the arrangement (such as whether the Company is standing ready to perform or whether the contract has usage-based metrics). If the as-a-Service contract includes setup activities, those promises in the arrangement are evaluated to determine if they are distinct. Revenue related to maintenance and support services and extended warranty is recognised on a straight-line basis over the period of performance because the Company is standing ready to provide services throughout the contract period.

In fixed-price design and build contracts, revenue is recognised based on progress towards completion of the performance obligation using a cost-to-complete measure of progress (i.e., percentage-of-completion (POC) method of accounting). Revenue is recognised based on the labour costs incurred to date as a percentage of the total estimated labour costs to fulfil the contract. Due to the nature of the work performed in these arrangements, the estimation of cost at completion is complex, subject to many variables and requires significant judgment. Key factors reviewed by the Company to estimate costs to complete each contract are future labour and product costs and expected productivity efficiencies. If circumstances arise that change the original estimates of revenues, costs, or extent of progress toward completion, revisions to the estimates are made. These revisions may result in increases or decreases in estimated revenues or costs, and such revisions are reflected in revenue on a cumulative catch-up basis in the period in which the circumstances that gave rise to the revision become known to the Company.

The amount of revenue is recognised in the reporting period on a cumulative catch-up basis (i.e., from performance obligations is satisfied, or partially satisfied, in previous periods). The Company performs ongoing profitability analyses of its design and build services contracts accounted for using a cost-to-cost measure of progress in order to determine whether the latest estimates of revenues, costs and profits require updating. For contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision. Onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

KYNDRYL IRELAND LIMITED**Notes to the financial statements (continued)
For the financial year ended 31 March 2025****2. Accounting policies (continued)****2.7 Revenue recognition (continued)****Services (continued)**

In some services contracts, the Company bills the customer prior to recognising revenue from performing the services and the amount is classified as a deferred income. In other services contracts, the Company performs the services prior to billing the customer. When the Company performs services prior to billing the customer in design and build contracts, the right to consideration is typically subject to milestone completion or customer acceptance and the unbilled accounts receivable is classified as a contract asset. Billings usually occur in the month after the Company performs the services or in accordance with specific contractual provisions.

Intercompany Services and Sales

The Company's intercompany services include support services and infrastructure services provided to its related companies. These services are provided on a cost plus pre-agreed mark-up. The Company has elected the practical expedient to recognise revenue from these services in the amount to which the Company has a right to invoice. Customers are invoiced monthly, quarterly, annually, or upon completion of projects; and consideration is payable when invoiced.

Standalone Selling Price

The Company allocates the transaction price to each performance obligation on a relative standalone selling price basis. The standalone selling price (SSP) is the price at which the Company would sell a promised product or service separately to a customer. In most cases, the Company is able to establish SSP based on the observable prices of products or services sold separately in comparable circumstances to similar customers. The Company typically establishes a standalone selling price range for its products and services which are reassessed on a periodic basis or when facts and circumstances change.

In certain instances, the Company may not be able to establish a standalone selling price range based on observable prices and the Company estimates the standalone selling price. The Company estimates SSP by considering multiple factors including, but not limited to, overall market conditions, including geographic or regional specific factors, competitive positioning, competitor actions, internal costs, profit objectives and pricing practices. Additionally, in certain circumstances, the Company may estimate SSP for a product or service by applying the residual approach. This approach has been most commonly used when certain perpetual software licenses are only sold bundled with one year of post-contract support and a price has not been established for the software. Estimating SSP is a formal process that includes review and approval by the Company's management.

Services Costs

Recurring operating costs for services contracts, including costs related to bid and proposal activities are expensed as incurred.

For fixed-price design and build contracts, the costs of external hardware and software accounted for under the cost-to-cost measure of progress are deferred and recognised based on the labour costs incurred to date (i.e., the measure of progress), as a percentage of the total estimated labour costs to fulfil the contract as control transfers over time for these performance obligations.

Certain eligible, non-recurring costs incurred in the initial phases of outsourcing contracts and other cloud-based services contracts (i.e., setup costs) are capitalised when the costs relate directly to the contract, the costs generate or enhance resources of the Company that will be used in satisfying the performance obligation in the future, and the costs are expected to be recovered. These costs consist of transition and setup costs related to the installation of systems and processes and other deferred fulfilment costs, including, prepaid assets used in services contracts (i.e., prepaid software or prepaid maintenance), and other deferred fulfilment costs eligible for capitalization. Capitalised costs are amortised on a straight-line basis over the expected period of benefit, which includes anticipated contract renewals or extensions, consistent with the transfer to the customer of the

KYNDRYL IRELAND LIMITED**Notes to the financial statements (continued)
For the financial year ended 31 March 2025****2. Accounting policies (continued)****2.7 Revenue recognition (continued)****Services Costs (continued)**

services to which the asset relates. Additionally, fixed assets associated with these contracts are capitalised and depreciated on a straight-line basis over the expected useful life of the asset.

If an asset is contract specific, then the depreciation period is the shorter of the useful life of the asset or the contract term. Amounts paid to customers in excess of the fair value of acquired assets used in outsourcing arrangements are deferred and amortised on a straight-line basis as a reduction of revenue over the expected period of benefit. The Company performs periodic reviews to assess the recoverability of deferred contract transition and setup costs. This review is done by comparing the carrying amount of the asset to the remaining amount of consideration the Company expects to receive for the services to which the asset relates, less the costs that relate directly to providing those services that have not yet been recognised. If the carrying amount is deemed not recoverable, an impairment loss is recognised.

In situations in which an outsourcing contract is terminated, the terms of the contract may require the customer to reimburse the Company for the recovery of unbilled accounts receivable, unamortised deferred costs incurred to purchase specific assets utilised in the delivery of services and to pay any additional costs incurred by the Company to transition the services.

Incremental Costs of Obtaining a Contract

Incremental costs of obtaining a contract (e.g. sales commissions) are capitalised and amortised on a straight-line basis over the expected customer relationship period if the Company expects to recover those costs. The Company previously expensed these costs as incurred. The expected customer relationship is determined based on the average customer relationship period, including expected renewals, for each offering type. Expected renewal periods are only included in the expected customer relationship period if commission amounts paid upon renewal are not commensurate with amounts paid on the initial contract. Incremental costs of obtaining a contract include only those costs the Company incurs to obtain a contract that it would not have incurred if the contract had not been obtained.

The Company has determined that certain commissions programmes meet the requirements to be capitalised. Some commission programs are not subject to capitalization as the commission expense is paid and recognised as the related revenue is recognised. Additionally, as a practical expedient, the Company expenses costs to obtain a contract as incurred if the amortisation period would have been a year or less. These costs are included in selling, general and administrative expenses.

2.8 Interest income

Interest income is recognised in Profit and loss account and Statement of comprehensive income using the effective interest method.

2.9 Interest payable and similar charges

Finance costs are charged to Profit and loss account and Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

KYNDRYL IRELAND LIMITED**Notes to the financial statements (continued)
For the financial year ended 31 March 2025****2. Accounting policies (continued)****2.10 Defined contribution pension obligation**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in Profit and loss account and Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.11 Share based payments

Kyndryl grants the Company's employees Restricted Stock Units (RSUs), market-conditioned performance awards (Launch Performance Stock Units, or "Launch PSUs") and stock options. RSUs are stock awards granted to employees that entitle the holder to shares of Kyndryl common stock as the award vests, typically over a one to four year period, with settlement occurring in shares. Market-conditioned performance awards are restricted stock units granted to employees with vesting conditions based on Kyndryl's stock price and are cliff-vested at the end of the service period, with settlement occurring in shares. Stock options are vested over a one to four-year period with a maximum term of 4 years, with settlement occurring in shares. The Company establishes stock-based compensation values at the grant date, based on the estimated fair value of the award and recognises the cost on a straight-line basis (net of estimated forfeitures) over the requisite employee service period. Dividend equivalents are not paid on the stock-based awards described above. The fair value of the RSUs is determined based on Kyndryl's stock price, adjusted for the exclusion of dividend equivalents where applicable. The fair value of market-conditioned performance awards is determined on the date of grant using a Monte Carlo simulation model which estimates the probability of satisfying market conditions. The fair value of stock options is determined using a Black-Scholes model. Stock-based compensation cost is recorded in cost of sales and admin expenses in the Profit and loss account and Statement of comprehensive income. Re-charges from Kyndryl Inc. in respect of equity awards granted to employees of the Company are recorded as a reduction in the related share-based payment reserve.

2.12 Current and deferred tax

The tax expense for the financial year comprises current and deferred tax. Tax is recognised in Profit and loss account and Statement of comprehensive income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

KYNDRYL IRELAND LIMITED**Notes to the financial statements (continued)
For the financial year ended 31 March 2025****2. Accounting policies (continued)****2.12 Current and deferred tax (continued)**

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.13 Property, plant and equipment

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

| | |
|-------------------------|-------------------|
| Land | - Not depreciated |
| Land improvements | - 20 years |
| Building | - 50 years |
| Building equipment | - 10-18 years |
| Furniture and fixtures | - 3-15 years |
| Machinery and equipment | - 2-10 years |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in Profit and loss account and Statement of comprehensive income.

2.14 Debtors

Debtors with no stated interest rate are recorded at transaction price. Any losses arising on impairment are recognised in the Profit and loss account and Statement of comprehensive income.

2.15 Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

2.16 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

KYNDRYL IRELAND LIMITED**Notes to the financial statements (continued)
For the financial year ended 31 March 2025****2. Accounting policies (continued)****2.17 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account and Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

KYNDRYL IRELAND LIMITED**Notes to the financial statements (continued)
For the financial year ended 31 March 2025****3. Judgments in applying accounting policies and key sources of estimation uncertainty**

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Judgements and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

a) Recoverability of debtors:

Estimates are made in respect of the recoverable value of trade and other debtors. When assessing the level of provisions required, factors including current trading experience, historical experience and the ageing profile of debtors are considered.

b) Useful economic life of tangible assets:

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on future investments, economic utilisation and the physical condition of the assets.

c) Costs to Complete Service Contracts

The Company enters into numerous service contracts through its services businesses. During the contractual period, revenue, cost and profits may be impacted by estimates of the ultimate profitability of each contract, especially contracts for which the Company uses cost-to-cost measures of progress (i.e. percentage-of-completion (POC) method of accounting). If at any time these estimates indicate the contract will be unprofitable, the entire estimated loss for the remainder of the contract is recorded immediately in cost.

The Company performs ongoing profitability analyses of its POC based services contracts in order to determine whether the latest estimates require updating. For any contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision. An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The unavoidable costs under a contract reflects the least net cost of exiting from the contract, which is the lower of cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. Key factors reviewed by the Company to estimate the future costs to complete each contract are future labour costs, future product costs and expected productivity efficiencies. Contract loss provisions recorded as a component of other accrued expenses and provision were not required to be recognised in the Company at 31 March 2025 and 2024.

KYNDRYL IRELAND LIMITED**Notes to the financial statements (continued)
For the financial year ended 31 March 2025****4. Revenue**

An analysis of revenue by class of business is as follows:

| | 2025 €000 | 2024 €000 |
|---------|--------------|--------------|
| Revenue | 119,786 | 122,698 |

An analysis of the Company's revenue is as follows:

| | Home €000 | 2025 Export €000 | Total €000 | Home €000 | 2024 Export €000 | Total €000 |
|--|---------------|------------------------|----------------|---------------|------------------------|----------------|
| Revenue from contracts with customers | | | | | | |
| Services | 86,059 | 29,958 | 116,017 | 88,972 | 33,726 | 122,698 |
| Hardware | 3,769 | - | 3,769 | - | - | - |
| Total Revenue | <u>89,828</u> | <u>29,958</u> | <u>119,786</u> | <u>88,972</u> | <u>33,726</u> | <u>122,698</u> |

5. (Loss)/profit before taxation

The (loss)/profit before tax is stated after charging/(crediting):

| | 2025 €000 | 2024 €000 |
|---|--------------|--------------|
| Depreciation of tangible fixed assets (Note 12) | 6,527 | 6,230 |
| Lease payments recognised as an expense | 1,471 | 773 |
| Foreign exchange (gain)/loss | (42) | 41 |

6. Auditors' remuneration

| | 2025 €000 | 2024 €000 |
|--|--------------|--------------|
| Fees payable to the Company's auditor for the audit of the Company's annual accounts | 115 | 123 |

KYNDRYL IRELAND LIMITED**Notes to the financial statements (continued)
For the financial year ended 31 March 2025****7. Employees**

Staff costs were as follows:

| | 2025 €000 | 2024 €000 |
|--|---------------|---------------|
| Wages and salaries | 29,346 | 29,098 |
| Social security costs | 3,341 | 3,335 |
| Defined contribution pension costs (Note 23) | 1,971 | 1,983 |
| Share-based payment expense (Note 20) | 468 | 499 |
| Total staff costs | <u>35,126</u> | <u>34,915</u> |

The average monthly number of employees, including the directors, during the financial year was as follows:

| | 2025 No. | 2024 No. |
|-------------------|-------------|-------------|
| Contract services | 152 | 171 |
| Support services | 49 | 55 |
| | <u>201</u> | <u>226</u> |

8. Directors' remuneration

| | 2025 €000 | 2024 €000 |
|--|--------------|--------------|
| Aggregate amount of emoluments in respect of directors' qualifying services | 1,146 | 1,002 |
| The aggregate amount of the gains by the directors on the exercise of share options during the financial year | 57 | 29 |
| The aggregate amount of the money or value of other assets, including shares but excluding share options, paid to or receivable by the directors under long term incentive schemes in respect of qualifying services | - | 14 |
| Aggregate amount of Company contributions to a defined retirement scheme in respect of directors' qualifying services | 65 | 113 |
| | <u>1,268</u> | <u>1,158</u> |

Remuneration for certain directors is borne by other companies within the Kyndryl group and not specifically recharged. The directors do not consider it is practicable to allocate remuneration received between qualifying services provided to the Company and other services provided to the Kyndryl group of companies.

KYNDRYL IRELAND LIMITED**Notes to the financial statements (continued)
For the financial year ended 31 March 2025****9. Interest receivable and similar income**

| | 2025 €000 | 2024 €000 |
|--|--------------|--------------|
| Interest receivable from group companies | 408 | 120 |

10. Interest payable and similar charges

| | 2025 €000 | 2024 €000 |
|--|--------------|--------------|
| Interest payable to group undertakings | 21 | 114 |

11. Tax

| | 2025 €000 | 2024 €000 |
|---|--------------|--------------|
| Corporation tax | | |
| Current tax on (loss)/profit for the financial year | 2 | 388 |
| Adjustments in respect of prior period | - | 116 |
| Total current tax | <u>2</u> | <u>504</u> |
| Deferred tax | | |
| Arising from origination and reversal of timing differences | (640) | (50) |
| Adjustment in respect of prior period | 76 | (87) |
| Total deferred tax | <u>(564)</u> | <u>(137)</u> |
| Tax | <u>(562)</u> | <u>367</u> |

KYNDRYL IRELAND LIMITED**Notes to the financial statements (continued)
For the financial year ended 31 March 2025****11. Tax (continued)****Factors affecting tax (credit)/charge for the financial year**

The tax assessed for the financial year is lower than (2024 - higher than) the standard rate of corporation tax in Ireland of 12.5% (2024 - 12.5%). The differences are explained below:

| | 2025 €000 | 2024 €000 |
|---|--------------|--------------|
| (Loss)/profit before tax | (6,077) | 251 |
| (Loss)/profit before tax on ordinary activities multiplied by standard rate of corporation tax in Ireland of 12.5% (2024 - 12.5%) | (760) | 31 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 11 | 16 |
| Depreciation on assets not qualifying for tax depreciation | 58 | 274 |
| Withholding tax expensed | 2 | 2 |
| Adjustments in respect of prior period | 76 | 29 |
| Income taxed at higher rate of corporation tax | 51 | 15 |
| Total tax (credit)/charge for the financial year | (562) | 367 |

OECD Pillar Two Model

Pillar Two legislation was enacted in Ireland in July 2023 and is effective for accounting periods beginning on or after 1 January 2024. For Kyndryl Ireland Ltd, this means the rules apply from 1 April 2024.

The parent company has assessed the potential exposure to Pillar Two top-up tax for the year ended 31 March 2025, based on available financial data and current OECD and Irish Revenue guidance. The analysis indicates that there is no potential liability to Pillar Two top-up tax.

In accordance with the amendments to FRS 102 Section 29 issued in July 2023, the Company has applied the exception to recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes.

The Company will continue to monitor developments in Pillar Two legislation and guidance, and will update its assessment and disclosures as appropriate in future reporting periods.

KYNDRYL IRELAND LIMITED

Notes to the financial statements (continued) For the financial year ended 31 March 2025

12. Property, plant and equipment

| | Land €000 | Land Improvements €000 | Building €000 | Building Equipment €000 | Furniture & Fixtures €000 | Machinery & Equipment €000 | Assets under Construction €000 | Total €000 |
|---------------------------------|--------------|------------------------------|------------------|-------------------------------|---------------------------------|----------------------------------|--------------------------------------|---------------|
| Cost | | | | | | | | |
| At 1 April 2024 | 1,475 | 2,004 | 15,412 | 24,120 | 4,399 | 55,267 | 47 | 102,724 |
| Additions | - | - | 85 | - | 1 | 5,043 | 19 | 5,148 |
| Disposals | (63) | - | (414) | - | (802) | (2,446) | - | (3,725) |
| Reclassification | - | - | 24,120 | (24,120) | - | - | - | - |
| Transfers | - | - | - | - | - | (65) | (19) | (84) |
| At 31 March 2025 | 1,412 | 2,004 | 39,203 | - | 3,598 | 57,799 | 47 | 104,063 |
| Accumulated Depreciation | | | | | | | | |
| At 1 April 2024 | - | 1,857 | 5,556 | 15,674 | 2,088 | 43,019 | - | 68,194 |
| Charge for the financial year | - | 17 | 1,599 | - | 540 | 4,371 | - | 6,527 |
| Disposals | - | - | (36) | - | (234) | (1,845) | - | (2,115) |
| Transfers | - | - | - | - | - | (49) | - | (49) |
| Reclassification | - | - | 15,674 | (15,674) | - | - | - | - |
| At 31 March 2025 | - | 1,874 | 22,793 | - | 2,394 | 45,496 | - | 72,557 |
| Net book value | | | | | | | | |
| At 31 March 2025 | 1,412 | 130 | 16,410 | - | 1,204 | 12,303 | 47 | 31,506 |
| At 31 March 2024 | 1,475 | 147 | 9,856 | 8,446 | 2,311 | 12,248 | 47 | 34,530 |

KYNDRYL IRELAND LIMITED**Notes to the financial statements (continued)
For the financial year ended 31 March 2025****13. Debtors**

| | 2025 €000 | 2024 €000 |
|--|---------------|---------------|
| Due after more than one year | | |
| Prepayments and other non-current assets | 3,013 | 6,038 |
| Deferred tax asset (Note 16) | 1,918 | 1,354 |
| | <u>4,931</u> | <u>7,392</u> |
| | 2025 €000 | 2024 €000 |
| Due within one year | | |
| Trade debtors | 6,113 | 11,485 |
| Amounts owed by group undertakings | 18,508 | 25,657 |
| Prepayments and other current assets | 11,631 | 8,772 |
| Tax recoverable | 530 | - |
| | <u>36,782</u> | <u>45,914</u> |

Amounts owed by group undertakings are unsecured, interest free and are repayable on demand.

14. Creditors: Amounts falling due within one year

| | 2025 €000 | 2024 €000 |
|------------------------------------|---------------|---------------|
| Trade creditors | 8,678 | 15,081 |
| Amounts owed to group undertakings | 3,505 | 9,917 |
| Corporation tax | - | 256 |
| Current tax liabilities | 2,570 | 3,006 |
| Other creditors | 4,266 | 4,445 |
| Deferred income | 5,624 | 1,505 |
| | <u>24,643</u> | <u>34,210</u> |

Creditors for tax and social insurance are payable in the timeframe set down in the relevant legislation.

Amounts owed to group undertakings are unsecured, non-interest bearing and are repayable within one year.

Current tax liabilities include payroll tax liability amounting to €995,372 (2024: €1,395,115) and value added tax liability amounting to €1,574,195 (2024: €1,610,757).

KYNDRYL IRELAND LIMITED

Notes to the financial statements (continued) For the financial year ended 31 March 2025

15. Creditors: Amounts falling due after more than one year

| | 2025 €000 | 2024 €000 |
|-----------------|--------------|--------------|
| Deferred income | 1,252 | 300 |

16. Deferred taxation

| | 2025 €000 |
|---|--------------|
| At beginning of the financial year | 1,354 |
| Movement during the financial year (Note 11) | 640 |
| Adjustment in respect of prior period (Note 11) | (76) |
| At end of the financial year | 1,918 |

The movements were as follows:

| | 2025 €000 | 2024 €000 |
|---|--------------|--------------|
| Accelerated capital allowances and other fixed asset differences at 12.5% | 1,110 | 1,087 |
| Tax losses carried forward and other deductions at 12.5% | 608 | - |
| Short-term differences (trade) at 12.5% | 204 | 267 |
| Short-term differences (higher rate) at 25% | (4) | - |
| | 1,918 | 1,354 |

17. Called up share capital presented as equity

| | 2025 €000 | 2024 €000 |
|---|--------------|--------------|
| Authorised, allotted, called up and fully paid | | |
| 58,465 (2024 - 58,465) Ordinary shares of €1.00 each | 58,465 | 58,465 |

During the financial period ended 31 March 2022, the Company's former ultimate parent company International Business Machine Corporation carried out a divestiture exercise to spin off its Managed Infrastructure Services (MIS) unit of its Global Technology Services segment to an independent company, Kyndryl Holdings, Inc. As part of the transfer of business (see Note 19), Kyndryl Ireland Limited issued 58,465,007 ordinary shares of €1 each.

The Company has one class of ordinary shares which carry no right to fixed income.

KYNDRYL IRELAND LIMITED**Notes to the financial statements (continued)
For the financial year ended 31 March 2025****18. Reserves****Share-based payment reserve**

This reserve is created due to share-based payments scheme offered by the Company (Note 20).

Other reserves

This reserve was created in the financial period ended 31 March 2022 due to the difference between the purchase consideration paid and the net assets transferred from IBM Ireland Product Distribution Limited to Kyndryl Ireland Limited of €6,872,915 (Note 19).

Profit and loss account

Profit and loss account represents accumulated comprehensive income for the financial year and prior financial periods less dividends paid.

19. Other reserves

During the financial period ended 31 March 2022, the Company's former ultimate parent company International Business Machines Corporation ("IBM") carried out a divestiture exercise to spin off its Managed Infrastructure Services (MIS) unit of its Global Technology Services (GTS) segment to an independent company, Kyndryl Holdings, Inc. As part of the implementation, MIS business including assets and liabilities was sold to Kyndryl Ireland Limited at a consideration of €58,465,007 by issuing 58,465,007 ordinary shares of €1 each. The acquisition from IBM resulted in the creation of the other reserves of €6,872,915.

20. Share based payments

Kyndryl grants the Company's employees Restricted Stock Units (RSUs), market-conditioned performance awards (Performance Stock Units, or "PSUs") and stock options. RSUs are stock awards granted to employees that entitle the holder to shares of Kyndryl common stock as the award vests, typically over a one to four-year period, with settlement occurring in shares. Market-conditioned performance awards are restricted stock units granted to employees with vesting conditions based on Kyndryl's stock price and are cliff-vested at the end of the service period, with settlement occurring in shares. Stock options are vested over a one- to four-year period with a maximum term of 4 years, with settlement occurring in shares. The Company establishes stock-based compensation values at the grant date, based on the estimated fair value of the award and recognises the cost on a straight-line basis (net of estimated forfeitures) over the requisite employee service period. Dividend equivalents are not paid on the stock-based awards described above. The fair value of the RSUs is determined based on Kyndryl's stock price, adjusted for the exclusion of dividend equivalents where applicable. The fair value of market-conditioned performance awards is determined on the date of grant using a Monte Carlo simulation model which estimates the probability of satisfying market conditions. The fair value of stock options is determined using a Black-Scholes model. Stock-based compensation cost is recorded in cost of sales and admin expenses in the profit and loss account based on the employees' respective functions.

At the time of Kyndryl's Spin-off, each outstanding IBM RSU and PSU held by a Company employee was converted into a Kyndryl RSU. The equity award exchange ratio was determined as the closing per share price of IBM shares on the last trading day prior to the Spin-off divided by the opening price of Kyndryl common stock on the first trading day following the Spin-off.

The amount shown in the statement of changes in equity of €468,969 (2024: €498,520) includes the amount recognised in profit and loss amounting to €468,969 (2024: €498,520) - expense arising from equity-settled awards.

KYNDRYL IRELAND LIMITED**Notes to the financial statements (continued)
For the financial year ended 31 March 2025****21. Commitments under operating leases**

At 31 March 2025 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

| | 2025 €000 | 2024 €000 |
|--|--------------|--------------|
| Not later than 1 year | 177 | 316 |
| Later than 1 year and not later than 5 years | 109 | 444 |
| Later than 5 years | - | - |
| | <u>286</u> | <u>760</u> |

22. Bank guarantee

The Company has provided a commitment of €3,000,000 (2024: €3,000,000) in the form of a bank guarantee to IBM Ireland Product Distribution Limited relating to the fulfilment of the Electrical Licensee and Resolution Agreement.

23. Defined contribution pension scheme

The Company operates a defined contribution pension scheme. The pension cost charge for the financial year represents contribution payable by the Company to the scheme and amounted to €1,970,993 (2024: €1,983,362). The amount payable at end of the financial year is €Nil (2024: €Nil).

24. Related party transactions

The Company has availed of the exemption provided in FRS 102 paragraph 33.1A for wholly subsidiary undertakings whose voting rights are controlled within the group, from the requirements to give details of transactions with entities that are part of the group or investees of the group qualifying as related parties.

25. Parent and ultimate parent undertaking

The Company's immediate parent is Kyndryl 2 B.V, incorporated in The Netherlands.

The ultimate parent is Kyndryl Holdings, Inc., incorporated in United States of America.

The most senior parent entity producing publicly available financial statements is Kyndryl Holdings, Inc.. These financial statements are available upon request from 1 Vanderbilt Ave, New York, 10017, United States of America.

The parent of the largest group in which these financial statements are consolidated is Kyndryl Holdings, Inc., incorporated in United States of America.

The address of Kyndryl Holdings, Inc. is:
1 Vanderbilt Ave, New York, 10017, United States of America.

The parent of the smallest group in which these financial statements are consolidated is Kyndryl 2 B.V, incorporated in The Netherlands.

The address of Kyndryl 2 B.V is:
Mercuriusplein 1, 2132 HA Hoofddorp, the Netherlands.

KYNDRYL IRELAND LIMITED

**Notes to the financial statements (continued)
For the financial year ended 31 March 2025**

26. Events after the reporting date

There have been no material adjusting or disclosable events since the financial year end.