UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q
☒ QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE QUARTERLY PERIOD ENDED DECEMBER 31, 2025
OR
☐ TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE TRANSITION PERIOD FROM ________________ TO ________________

001-40853
(Commission file number)

Kyndryl Holdings, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**86-1185492**
(State or other jurisdiction of incorporation or organization)	(IRS employer identification number)
One Vanderbilt Avenue, 15th Floor **New York, New York**	**10017**
(Address of principal executive offices)	(Zip Code)

855-596-3795
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common stock, par value $0.01 per share	KD	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section l3 or l5(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒	Accelerated filer ☐
Non-accelerated filer ☐	Smaller reporting company ☐
	Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares of the registrant's Common Stock, par value $0.01 per share, outstanding as of February 2, 2026 was 225,447,192.

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Part I - Financial Information

Item 1. Consolidated Financial Statements (Unaudited):

KYNDRYL HOLDINGS, INC.
CONSOLIDATED INCOME STATEMENT
(In millions, except per share amounts)
(Unaudited)

	Three Months Ended December 31, 2025	Three Months Ended December 31, 2024	Nine Months Ended December 31, 2025	Nine Months Ended December 31, 2024
Revenues	$ 3,859	$ 3,744	$ 11,323	$ 11,257
Cost of services	$ 3,016	$ 2,981	$ 8,883	$ 8,939
Selling, general and administrative expenses	672	647	1,976	1,951
Workforce rebalancing charges	16	17	61	92
Transaction-related costs (benefits)	38	(148)	38	(128)
Interest expense	21	24	60	77
Other expense (income)	6	(35)	24	9
Total costs and expenses	$ 3,768	$ 3,486	$ 11,042	$ 10,940
Income before income taxes	$ 91	$ 258	$ 281	$ 317
Provision for income taxes	$ 34	$ 43	$ 100	$ 134
Net income	$ 57	$ 215	$ 181	$ 183
Basic earnings per share	$ 0.25	$ 0.93	$ 0.79	$ 0.79
Diluted earnings per share	$ 0.25	$ 0.89	$ 0.77	$ 0.77
Weighted-average basic shares outstanding	227.7	232.2	229.5	231.5
Weighted-average diluted shares outstanding	232.5	240.7	235.8	238.3

The accompanying notes are an integral part of the financial statements.

KYNDRYL HOLDINGS, INC.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)
(Dollars in millions)
(Unaudited)

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2025	**2024**	**2025**	**2024**
Net income	$ 57	$ 215	$ 181	$ 183
Other comprehensive income (loss), before tax:				
Foreign currency translation adjustments:				
Foreign currency translation adjustments	(17)	(248)	190	(159)
Unrealized gains (losses) on net investment hedges	26	55	(112)	26
Total foreign currency translation adjustments	9	(193)	77	(133)
Unrealized gains (losses) on cash flow hedges:				
Unrealized gains (losses) arising during the period	10	(4)	8	(19)
Reclassification of (gains) losses to net income	(3)	9	(2)	9
Total unrealized gains (losses) on cash flow hedges	7	5	6	(10)
Retirement-related benefit plans:				
Prior service (costs) credits	(36)	—	(36)	—
Net gains (losses) arising during the period	(2)	8	(2)	8
Curtailments and settlements	—	1	—	1
Amortization of prior service costs (credits)	1	—	1	—
Amortization of net (gains) losses	3	4	8	12
Total retirement-related benefit plans	(34)	13	(29)	21
Other comprehensive income (loss), before tax	(19)	(175)	54	(122)
Income tax (expense) benefit related to items of other comprehensive income (loss)	9	(5)	8	(4)
Other comprehensive income (loss), net of tax	(10)	(180)	62	(126)
Total comprehensive income (loss)	$ 47	$ 35	$ 243	$ 58

The accompanying notes are an integral part of the financial statements.

KYNDRYL HOLDINGS, INC.
CONSOLIDATED BALANCE SHEET
(In millions, except per share amount)
(Unaudited)

	December 31, 2025	March 31, 2025
Assets:		
Current assets:		
Cash and cash equivalents	$ 1,348	$ 1,786
Restricted cash	4	3
Accounts receivable (net of allowances for credit losses of $10 at December 31, 2025 and $13 at March 31, 2025)	1,353	1,345
Deferred costs (current portion)	1,089	1,009
Prepaid expenses and other current assets	532	446
Total current assets	$ 4,325	$ 4,589
Property and equipment, net	$ 2,621	$ 2,570
Operating right-of-use assets, net	855	731
Deferred costs (noncurrent portion)	1,840	1,040
Deferred taxes	281	204
Goodwill	787	790
Intangible assets, net	167	218
Pension assets	179	148
Other noncurrent assets	221	162
Total assets	$ 11,276	$ 10,452
Liabilities:		
Current liabilities:		
Accounts payable	$ 1,242	$ 1,351
Value-added tax and income tax liabilities	327	256
Current portion of long-term debt	805	129
Accrued compensation and benefits	370	652
Deferred income (current portion)	759	746
Operating lease liabilities (current portion)	285	274
Accrued contract costs	472	437
Other accrued expenses and liabilities	783	454
Total current liabilities	$ 5,043	$ 4,300
Long-term debt	$ 2,295	$ 3,042
Retirement and nonpension postretirement benefit obligations	544	483
Deferred income (noncurrent portion)	377	341
Operating lease liabilities (noncurrent portion)	590	511
Other noncurrent liabilities	1,119	443
Total liabilities	$ 9,967	$ 9,121
Commitments and contingencies		
Equity:		
Stockholders' equity		
Common stock, par value $0.01 per share, and additional paid-in capital (shares authorized: 1,000.0; shares issued: December 31, 2025 – 244.4, March 31, 2025 – 238.2)	$ 4,710	$ 4,631
Accumulated deficit	(1,886)	(2,067)
Treasury stock, at cost (shares: December 31, 2025 – 18.4, March 31, 2025 – 7.5)	(532)	(184)
Accumulated other comprehensive income (loss)	(1,098)	(1,160)
Total stockholders' equity before non-controlling interests	$ 1,194	$ 1,219
Non-controlling interests	115	113
Total equity	$ 1,309	$ 1,331
Total liabilities and equity	$ 11,276	$ 10,452

The accompanying notes are an integral part of the financial statements.

KYNDRYL HOLDINGS, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
(Dollars in millions)
(Unaudited)

	Nine Months Ended December 31, 2025	Nine Months Ended December 31, 2024
Cash flows from operating activities:		
Net income	$ 181	$ 183
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization:		
Depreciation of property, equipment and capitalized software	577	471
Depreciation of right-of-use assets	222	220
Amortization of transition costs and prepaid software	927	974
Amortization of capitalized contract costs	340	314
Amortization of acquisition-related intangible assets	20	23
Stock-based compensation	73	78
Deferred taxes	(47)	22
Net (gain) loss on asset sales and other	38	(108)
Change in operating assets and liabilities:		
Right-of-use assets and liabilities (excluding depreciation)	(257)	(212)
Workforce rebalancing liabilities	(5)	(22)
Receivables	(63)	177
Accounts payable	(188)	(265)
Taxes	71	(39)
Deferred costs (excluding amortization)	(2,059)	(1,273)
Other assets and other liabilities	620	(183)
Net cash provided by operating activities	$ 450	$ 361
Cash flows from investing activities:		
Capital expenditures	$ (492)	$ (365)
Proceeds from disposition of property and equipment	60	70
Acquisitions and divestitures, net of cash acquired	1	137
Other investing activities, net	(5)	(42)
Net cash used in investing activities	$ (436)	$ (199)
Cash flows from financing activities:		
Debt repayments	$ (105)	$ (108)
Common stock repurchases	(250)	(30)
Common stock repurchases for tax withholdings	(93)	(32)
Other financing activities, net	1	(2)
Net cash used in financing activities	$ (448)	$ (172)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	$ (2)	$ (39)
Net change in cash, cash equivalents and restricted cash	$ (437)	$ (49)
Cash, cash equivalents and restricted cash at beginning of period	$ 1,789	$ 1,554
Cash, cash equivalents and restricted cash at end of period	$ 1,352	$ 1,505
Supplemental data:		
Income taxes paid, net of refunds received	$ 128	$ 123
Interest paid on debt	$ 97	$ 100

The accompanying notes are an integral part of the financial statements.

KYNDRYL HOLDINGS, INC.
CONSOLIDATED STATEMENT OF EQUITY
(In millions)
(Unaudited)

	Common Stock and Additional Paid-In Capital		Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Accumulated Deficit	Non-Controlling Interests	Total Equity
	Shares	Amount					
Equity – October 1, 2025	229.4	$ 4,686	$ (1,088)	$ (427)	$ (1,943)	$ 112	$ 1,340
Net income					57		57
Other comprehensive income (loss), net of tax			(10)				(10)
Activity related to employee stock plans	0.5	25					25
Purchases of treasury stock	(3.9)			(105)			(105)
Changes in non-controlling interests						3	3
Equity – December 31, 2025	226.0	$ 4,710	$ (1,098)	$ (532)	$ (1,886)	$ 115	$ 1,309

	Common Stock and Additional Paid-In Capital		Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Accumulated Deficit	Non-Controlling Interests	Total Equity
	Shares	Amount					
Equity – October 1, 2024	232.2	$ 4,575	$ (1,090)	$ (69)	$ (2,351)	$ 107	$ 1,172
Net income					215		215
Other comprehensive income (loss), net of tax			(180)				(180)
Activity related to employee stock plans	0.7	32					32
Purchases of treasury stock	(1.1)			(38)			(38)
Changes in non-controlling interests						3	3
Equity – December 31, 2024	231.8	$ 4,607	$ (1,270)	$ (107)	$ (2,136)	$ 110	$ 1,204

	Common Stock and Additional Paid-In Capital		Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Accumulated Deficit	Non-Controlling Interests	Total Equity
	Shares	Amount					
Equity – April 1, 2025	230.6	$ 4,631	$ (1,160)	$ (184)	$ (2,067)	$ 113	$ 1,331
Net income					181		181
Other comprehensive income (loss), net of tax			62				62
Activity related to employee stock plans	6.2	80					80
Purchases of treasury stock	(10.9)			(348)			(348)
Changes in non-controlling interests						2	2
Equity – December 31, 2025	226.0	$ 4,710	$ (1,098)	$ (532)	$ (1,886)	$ 115	$ 1,309

	Common Stock and Additional Paid-In Capital		Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Accumulated Deficit	Non-Controlling Interests	Total Equity
	Shares	Amount					
Equity – April 1, 2024	230.4	$ 4,524	$ (1,145)	$ (45)	$ (2,319)	$ 107	$ 1,122
Net income					183		183
Other comprehensive income (loss), net of tax			(126)				(126)
Activity related to employee stock plans	3.5	83					83
Purchases of treasury stock	(2.1)			(62)			(62)
Changes in non-controlling interests						3	3
Equity – December 31, 2024	231.8	$ 4,607	$ (1,270)	$ (107)	$ (2,136)	$ 110	$ 1,204

The accompanying notes are an integral part of the financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

Description of Business

Kyndryl Holdings, Inc. (“we”, “the Company” or “Kyndryl”) 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 modernizes the complex information systems that the world depends on every day.

Prior to November 3, 2021, the Company was wholly owned by International Business Machines Corporation (“IBM” or “former Parent”). In November 2021, our former Parent effected the spin-off (the “Separation,” the “Spin-off” or “spin”) of the infrastructure services unit of its Global Technology Services segment through the distribution of shares of Kyndryl’s common stock to IBM stockholders.

Basis of Presentation

The accompanying condensed Consolidated Financial Statements and footnotes have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Management believes the accompanying financial statements include all adjustments necessary to state fairly the Company’s financial position and its results of operations for all the periods presented. The information included in this Form 10-Q should be read in conjunction with the Company’s Annual Report on Form 10-K for the fiscal year ended March 31, 2025.

Within the financial statements and tables presented, certain columns and rows may not add due to the use of rounded numbers for disclosure purposes. Percentages presented are calculated from the underlying whole-dollar amounts.

Principles of Consolidation

The accompanying financial statements are presented on a consolidated basis. All significant transactions and intercompany accounts between Kyndryl entities were eliminated.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect amounts that are reported in the consolidated financial statements and accompanying disclosures. Estimates are used in determining the following, among others: revenue, costs to complete service contracts, income taxes, pension assumptions, valuation of assets including goodwill and intangible assets, the depreciable and amortizable lives of long-lived assets, loss contingencies, allowance for credit losses, and deferred transition costs. We prepared these estimates based on the most current and best available information, but actual results could differ materially from these estimates and assumptions.

The Company uses the estimated annual effective tax rate method in computing its interim tax provision in accordance with U.S. GAAP. The estimated annual effective tax rate is applied to the year-to-date ordinary income, exclusive of discrete items, to arrive at the reported interim tax provision.

NOTE 2. ACCOUNTING PRONOUNCEMENTS

Recent Pronouncements

In December 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2023-09, *Income Taxes (Topic 740) – Improvements to Income Tax Disclosures*, which is intended to enhance the transparency and usefulness of income tax disclosures through improved reporting related to the rate reconciliation and income taxes paid. The guidance is effective for annual periods beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact of this guidance on the disclosures in its consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, *Disaggregation of Income Statement Expenses*, which is intended to improve the usefulness of expense information contained in public entity income statements through the disaggregation of relevant expense captions in the notes to the financial statements. The guidance should be applied prospectively, effective for fiscal years beginning after December 15, 2026 and interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact of this guidance on the disclosures in its consolidated financial statements.

In May 2025, the FASB issued ASU 2025-03, *Business Combinations (Topic 805) and Consolidation (Topic 810): Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity*, which amends the guidance for determining the acquirer in certain transactions. The guidance should be applied prospectively, effective for the fiscal years beginning after December 15, 2026 and interim reporting periods within fiscal years beginning after December 15, 2026, with early adoption permitted. The Company has evaluated the impact of the guidance and does not expect it to have a material impact on the Company's consolidated financial statements.

In September 2025, the FASB issued ASU 2025-06, *Intangibles – Goodwill and Other (Topic 350): Targeted Improvements to the Accounting for Internal-Use Software*, which amends the criteria for capitalization of internal-use software costs. The guidance is effective for the fiscal years beginning after December 15, 2027 and interim reporting periods within fiscal years beginning after December 15, 2027, with early adoption permitted. The Company has evaluated the impact of the guidance and does not expect it to have a material impact on the Company's consolidated financial statements.

NOTE 3. REVENUE RECOGNITION

Disaggregation of Revenue

The Company views its segment results to be the best view of disaggregated revenue. Refer to Note 4 – Segments.

Remaining Performance Obligations

The remaining performance obligation ("RPO") represents the aggregate amount of contractual deliverables yet to be recognized as revenue at the end of the reporting period. It is intended to be a statement of overall work under contract that has not yet been performed and does not include contracts for which the customer is not committed. The customer is not considered committed when it is able to terminate for convenience without payment of a substantive penalty. The RPO also includes estimates of variable consideration. RPO estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustments for revenue that has not materialized and adjustments for currency.

At December 31, 2025, the aggregate amount of RPO related to customer contracts that are unsatisfied or partially unsatisfied was $33.6 billion. Approximately 57 percent of the amount is expected to be recognized as revenue in the next two years, approximately 38 percent in the subsequent three years, and the balance thereafter.

During the three and nine months ended December 31, 2025, revenue was increased by $42 million and $39 million, respectively, and during the three and nine months ended December 31, 2024, revenue was increased by $22 million and $32 million, respectively, for performance obligations satisfied (or partially satisfied) in previous periods, mainly due to changes in estimates.

Notes to Consolidated Financial Statements (continued)

Contract Balances

The following table provides information about accounts receivable, contract assets and deferred income balances:

(Dollars in millions)	December 31, 2025	March 31, 2025
Accounts receivable (net of allowances for credit losses of $10 at December 31, 2025 and $13 at March 31, 2025)*	$ 1,353	$ 1,345
Contract assets†	48	50
Deferred income (current)	759	746
Deferred income (noncurrent)	377	341

* Included unbilled receivable balances of $398 million at December 31, 2025 and $425 million at March 31, 2025.
† Contract assets represent goods or services delivered by the Company which give the Company the right to consideration that is typically subject to milestone completion or client acceptance and are included within prepaid expenses and other current assets in the Consolidated Balance Sheet.

The amount of revenue recognized during the three and nine months ended December 31, 2025 that was included within the deferred income balance at the beginning of the period was $395 million and $640 million, respectively. The amount of revenue recognized during the three and nine months ended December 31, 2024 that was included within the deferred income balance at the beginning of the period was $338 million and $661 million, respectively.

The following table provides roll-forwards of the accounts receivable allowance for expected credit losses for the nine months ended December 31, 2025 and 2024.

	Nine Months Ended December 31,	
(Dollars in millions)	2025	2024
Beginning balance	$ 13	$ 22
Additions (releases)	3	(6)
Write-offs	(6)	(1)
Other*	1	(2)
Ending balance	$ 10	$ 13

* Primarily represents translation adjustments.

The allowance for expected credit losses for contract assets was not material in any of the periods presented.

Major Clients

No single client represented more than 10 percent of the Company's total revenue during the three and nine months ended December 31, 2025 and 2024. No single client represented more than 10 percent of the Company's total accounts receivable balance as of December 31, 2025 and March 31, 2025.

Notes to Consolidated Financial Statements (continued)

Deferred Costs

The following table provides amounts of capitalized costs to acquire and fulfill customer contracts at December 31, 2025 and March 31, 2025:

(Dollars in millions)	December 31, 2025	March 31, 2025
Deferred transition costs	$ 775	$ 697
Prepaid software costs	1,668	876
Capitalized costs to fulfill contracts	209	195
Capitalized costs to obtain contracts	275	281
Total deferred costs*	$ 2,928	$ 2,049

* Of the total deferred costs, $1,089 million was current and $1,840 million was noncurrent at December 31, 2025, and $1,009 million was current and $1,040 million was noncurrent at March 31, 2025.

The amount of total deferred costs amortized for the three months ended December 31, 2025 was $422 million, composed of $59 million of amortization of deferred transition costs, $255 million of amortization of prepaid software and $109 million of amortization of capitalized contract costs. The amount of total deferred costs amortized for the nine months ended December 31, 2025 was $1,267 million, composed of $181 million of amortization of deferred transition costs, $746 million of amortization of prepaid software and $340 million of amortization of capitalized contract costs. The amount of total deferred costs amortized for the three months ended December 31, 2024 was $436 million, composed of $72 million of amortization of deferred transition costs, $255 million of amortization of prepaid software and $109 million of amortization of capitalized contract costs. The amount of total deferred costs amortized for the nine months ended December 31, 2024 was $1,288 million, composed of $219 million of amortization of deferred transition costs, $754 million of amortization of prepaid software and $314 million of amortization of capitalized contract costs.

NOTE 4. SEGMENTS

Our reportable segments correspond to how the chief operating decision maker (“CODM”), our chief executive officer, reviews performance and allocates resources. Our four reportable segments consist of the following:

United States: This reportable segment is comprised of Kyndryl’s operations in the United States.

Japan: This reportable segment is comprised of Kyndryl’s operations in Japan.

Principal Markets: This reportable segment represents the aggregation of our operations in Canada, France, Germany, India, Italy, Spain / Portugal, and the United Kingdom / Ireland.

Strategic Markets: This reportable segment is comprised of our operations in all other countries in which we operate.

The measure of segment operating performance used by Kyndryl’s CODM is adjusted EBITDA, which allows our CODM to evaluate operating results excluding certain items whose fluctuation from period to period do not necessarily correspond to changes in the operations of our business. Adjusted EBITDA is defined as net income excluding income taxes, interest expense, depreciation and amortization (excluding depreciation of right-of-use assets and amortization of capitalized contract costs), charges related to ceasing to use leased and owned fixed assets, charges related to lease terminations, transaction-related costs and benefits, pension expenses other than pension servicing costs and multi-employer plan costs, stock-based compensation expense, workforce rebalancing charges incurred prior to March 31, 2024, impairment expense, significant litigation costs and benefits, and currency impacts of highly inflationary countries. The CODM reviews revenue and adjusted EBITDA to assess performance and allocate resources to the segments. The Company does not allocate assets to the above reportable segments for our CODM’s review.

Notes to Consolidated Financial Statements (continued)

Our geographic markets frequently work together to sell and implement certain contracts. The resulting revenues and costs from these contracts may be apportioned among the participating geographic markets. The economic environment and its effects on the industries served by our geographic markets affect revenues and operating expenses within our geographic markets to differing degrees. Currency fluctuations also tend to affect our geographic markets differently, depending on the geographic concentrations and locations of their businesses.

The following tables reflect the results of the Company's segments:

	Three Months Ended December 31, 2025				
(Dollars in millions)	**United States**	**Japan**	**Principal Markets**	**Strategic Markets**	**Total Segments**
Revenue	$ 958	$ 568	$ 1,428	$ 905	$ 3,859
Cost of service, excluding depreciation and amortization*	595	359	980	580	2,514
Selling, general and administrative expenses, excluding depreciation and amortization*	147	80	224	153	605
Other items†	11	3	2	3	19
Segment adjusted EBITDA	$ 205	$ 126	$ 221	$ 169	$ 721

	Three Months Ended December 31, 2024				
(Dollars in millions)	**United States**	**Japan**	**Principal Markets**	**Strategic Markets**	**Total Segments**
Revenue	$ 961	$ 579	$ 1,300	$ 904	$ 3,744
Cost of service, excluding depreciation and amortization*	611	391	864	594	2,460
Selling, general and administrative expenses, excluding depreciation and amortization*	151	84	203	136	574
Other items†	(5)	(7)	7	(13)	(18)
Segment adjusted EBITDA	$ 204	$ 111	$ 226	$ 187	$ 728

* Cost of service, excluding depreciation and amortization and selling, general and administrative expenses, excluding depreciation and amortization are both used in calculating segment adjusted EBITDA and exclude depreciation of property, equipment and capitalized software and amortization of transition costs and prepaid software.

† Other items include workforce rebalancing charges and other expense (income).

Notes to Consolidated Financial Statements (continued)

(Dollars in millions)	Nine Months Ended December 31, 2025 United States	Japan	Principal Markets	Strategic Markets	Total Segments
Revenue	$ 2,768	$ 1,728	$ 4,119	$ 2,709	$ 11,323
Cost of service, excluding depreciation and amortization*	1,722	1,096	2,812	1,763	7,393
Selling, general and administrative expenses, excluding depreciation and amortization*	429	255	658	451	1,793
Other items†	21	14	19	20	75
Segment adjusted EBITDA	$ 596	$ 364	$ 629	$ 474	$ 2,063

(Dollars in millions)	Nine Months Ended December 31, 2024 United States	Japan	Principal Markets	Strategic Markets	Total Segments
Revenue	$ 2,907	$ 1,753	$ 3,933	$ 2,664	$ 11,257
Cost of service, excluding depreciation and amortization*	1,889	1,205	2,617	1,777	7,488
Selling, general and administrative expenses, excluding depreciation and amortization*	493	255	631	415	1,795
Other items†	28	5	30	27	90
Segment adjusted EBITDA	$ 496	$ 288	$ 655	$ 445	$ 1,884

* Cost of service, excluding depreciation and amortization and selling, general and administrative expenses, excluding depreciation and amortization are both used in calculating segment adjusted EBITDA and exclude depreciation of property, equipment and capitalized software and amortization of transition costs and prepaid software.

† Other items include workforce rebalancing charges and other expense (income).

The following table reconciles segment adjusted EBITDA to consolidated pretax income:

(Dollars in millions)	Three Months Ended December 31, 2025	Three Months Ended December 31, 2024	Nine Months Ended December 31, 2025	Nine Months Ended December 31, 2024
Segment adjusted EBITDA	$ 721	$ 728	$ 2,063	$ 1,884
Charges related to ceasing to use leased/fixed assets and lease terminations	—	(9)	—	(29)
Transaction-related costs (benefits)	(38)	148	(38)	128
Stock-based compensation expense	(23)	(29)	(73)	(78)
Interest expense	(21)	(24)	(60)	(77)
Depreciation of property, equipment and capitalized software	(193)	(195)	(577)	(471)
Amortization expense	(320)	(333)	(947)	(997)
Corporate expense not allocated to the segments	(26)	(24)	(79)	(66)
Other adjustments*	(10)	(4)	(6)	23
Pretax income	$ 91	$ 258	$ 281	$ 317

* Other adjustments represent pension expenses other than pension servicing costs and multi-employer plan costs, significant litigation costs and benefits, and currency impacts of highly inflationary countries.

NOTE 5. TAXES

For the three months ended December 31, 2025, the Company's effective tax rate was 37.4%, compared to 16.7% for the three months ended December 31, 2024. For the nine months ended December 31, 2025, the Company's effective tax rate was 35.7%, compared to 42.2% for the nine months ended December 31, 2024.

Notes to Consolidated Financial Statements (continued)

The Company’s effective tax rate for the three and nine months ended December 31, 2025, and the nine months ended December 31, 2024, was higher than the Company’s statutory tax rate primarily due to taxes on foreign operations and valuation allowances recorded in certain jurisdictions against deferred tax assets that are not more likely than not to be realized. The Company’s effective tax rate for the three months ended December 31, 2024 was lower than the Company’s statutory tax rate because the tax expense associated with the Company’s Securities Industry Services divestiture (see Note 8 – Acquisitions and Divestitures) was below the statutory rate.

In July 2025, the U.S. government enacted new tax legislation that, among other things, made permanent items such as 100% bonus depreciation on certain fixed assets, immediate expensing of domestic research costs and an increased business interest expense limitation. It also included modifications to several international tax provisions. The Company has recorded no material incremental tax expense or benefit related to the legislation.

NOTE 6. EARNINGS PER SHARE

We did not declare any dividends in the periods presented. The following table provides the computation of basic and diluted earnings per share of common stock for the three and nine months ended December 31, 2025 and 2024.

(In millions, except per share amounts)	Three Months Ended December 31, 2025	Three Months Ended December 31, 2024	Nine Months Ended December 31, 2025	Nine Months Ended December 31, 2024
Net income on which basic and diluted earnings per share is calculated	$ 57	$ 215	$ 181	$ 183
Number of shares on which basic earnings per share is calculated	227.7	232.2	229.5	231.5
Dilutive effect of stock options and equity awards	4.7	8.5	6.3	6.8
Number of shares on which diluted earnings per share is calculated	232.5	240.7	235.8	238.3
Basic earnings per share	$ 0.25	$ 0.93	$ 0.79	$ 0.79
Diluted earnings per share	0.25	0.89	0.77	0.77

The following securities were not included in the computation of diluted earnings per share because to do so would have been anti-dilutive:

(In millions)	Three Months Ended December 31, 2025	Three Months Ended December 31, 2024	Nine Months Ended December 31, 2025	Nine Months Ended December 31, 2024
Nonvested restricted stock units	2.7	—	2.0	0.8
Nonvested performance-conditioned stock units	2.3	3.9	3.2	4.5
Nonvested market-conditioned stock units	—	—	—	0.9
Total	4.9	3.9	5.2	6.2

Notes to Consolidated Financial Statements (continued)

NOTE 7. FINANCIAL ASSETS AND LIABILITIES

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company classifies certain assets and liabilities based on the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date,

- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly and

- Level 3 – Unobservable inputs for the asset or liability.

The level of an asset or liability within the fair value hierarchy is determined based on the lowest level of any input that is significant to the fair value measurement. The determination of fair value considers various factors including yield curves and time value underlying the financial instruments. For derivatives and debt securities, the Company uses a discounted cash flow analysis using discount rates commensurate with the duration of the instrument.

In determining the fair value of financial instruments, the Company considers certain market valuation adjustments to the “base valuations” using the methodologies described below for several parameters that market participants would consider in determining fair value:

- Counterparty credit risk adjustments are applied to financial instruments, taking into account the actual credit risk of a counterparty as observed in the credit default swap market to determine the true fair value of such an instrument.

- Credit risk adjustments are applied to reflect the Company’s own credit risk when valuing liabilities measured at fair value. The methodology is consistent with that applied in developing counterparty credit risk adjustments, but incorporates the Company’s credit risk as observed in the credit default swap market.

Certain non-financial assets such as property, plant and equipment, operating right-of-use assets, land, goodwill and intangible assets are recorded at fair value or at cost, as appropriate, in the period they are initially recognized, and such balances may be adjusted in subsequent periods if an event occurs or circumstances change that indicate that the asset may be impaired. The impairment models used for non-financial assets depend on the type of asset. The fair value measurements, in such instances, would be classified in Level 3 of the fair value hierarchy.

We perform a qualitative assessment of asset impairments on a periodic basis and recognize an impairment if there are sufficient indicators that the fair value is less than carrying value. There were no impairments of non-financial assets recognized for the three and nine months ended December 31, 2025 and 2024.

Notes to Consolidated Financial Statements (continued)

Financial Assets and Liabilities Measured at Fair Value

The following table presents the Company’s financial assets and financial liabilities that are measured at fair value on a recurring basis at December 31, 2025 and March 31, 2025:

(Dollars in millions)	Fair Value Hierarchy Level	At December 31, 2025			At March 31, 2025		
		Assets	Liabilities	Fair Value	Assets	Liabilities	Fair Value
Derivatives designated as hedging instruments:							
Foreign exchange contracts	2	$ 14	$ 81	$ (68)	$ 6	$ 29	$ (23)
Cross-currency swap contracts	2	36	18	18	12	11	—
Derivatives not designated as hedging instruments:							
Foreign exchange contracts	2	9	3	6	27	2	25
Total		$ 59	$ 102	$ (43)	$ 45	$ 43	$ 2

The gross balances of derivative assets, including accrued interest, are contained within prepaid expenses and other current assets and other noncurrent assets in the Consolidated Balance Sheet. The gross balances of derivative liabilities are contained within other accrued expenses and liabilities and other noncurrent liabilities in the Consolidated Balance Sheet. The Company may enter into master netting agreements with certain counterparties that allow for netting of exposures. There was no netting of derivative assets against liabilities in the Consolidated Balance Sheet at December 31, 2025 and March 31, 2025. The Company manages counterparty risk by seeking counterparties of high credit quality and by monitoring credit ratings, credit spreads and other relevant public information about its counterparties. The Company does not anticipate nonperformance by any of the counterparties.

Financial Assets and Liabilities Not Measured at Fair Value

Accounts receivable are financial assets with carrying values that approximate fair value. Accounts payable, other accrued expenses and short-term debt are financial liabilities with carrying values that approximate fair value. If measured at fair value in the consolidated financial statements, these financial instruments would be classified as Level 3 in the fair value hierarchy, except for short-term debt, which would be classified as Level 2.

The Company also has time deposits that have maturities of 90 days or less, and their carrying values approximate fair value. They are measured for impairment on a recurring basis by comparing their fair value with their amortized cost basis. There were no impairments of financial assets recognized for any of the periods presented. The balances of these time deposits with maturities of 90 days or less contained within cash and cash equivalents in the Consolidated Balance Sheet at December 31, 2025 and March 31, 2025 were $572 million and $765 million, respectively. If measured at fair value in the consolidated financial statements, time deposits with maturities of 90 days or less would be categorized as Level 2 in the fair value hierarchy.

The fair value of our outstanding debt (excluding finance lease obligations) is based on various methodologies, including quoted prices in active markets for identical debt instruments, which is a Level 1 measurement, or calculated fair value using an expected present value technique that uses rates currently available to the Company for debt in active markets with similar terms and remaining maturities, which is a Level 2 measurement. See Note 10 – Borrowings for additional information. Our outstanding debt (excluding finance lease obligations) had a carrying value of $2.9 billion as of December 31, 2025 and March 31, 2025, with an estimated fair value of $2.7 billion as of December 31, 2025 and March 31, 2025.

Notes to Consolidated Financial Statements (continued)

Transfers of Financial Assets

The Company has entered into agreements with third-party financial institutions to sell certain financial assets (primarily trade receivables) without recourse. The Company has determined these are true sales. The carrying value of the financial asset sold is derecognized, and a net gain or loss on the sale is recognized, at the time of the transfer.

The net proceeds from these arrangements are reflected as cash provided by operating activities in the Consolidated Statement of Cash Flows. Gross proceeds from receivables sold to third parties under this program were $629 million and $1.8 billion for the three and nine months ended December 31, 2025, respectively, and $760 million and $2.6 billion for the three and nine months ended December 31, 2024, respectively. The fees associated with the transfers of receivables were $2 million and $12 million for the three and nine months ended December 31, 2025, respectively, and $8 million and $28 million for the three and nine months ended December 31, 2024, respectively.

Derivative Financial Instruments

The following table summarizes the notional amounts of the Company's outstanding derivatives:

	At December 31, 2025			At March 31, 2025		
(Dollars in millions)	**Foreign Exchange Contracts**	**Cross-currency Swap Contracts**	**Total Notional Amount**	**Foreign Exchange Contracts**	**Cross-currency Swap Contracts**	**Total Notional Amount**
Derivatives designated as hedging instruments						
Cash flow hedges	$ 565	$ —	$ 565	$ 357	$ —	$ 357
Net investment hedges	1,102	500	1,602	1,485	500	1,985
Derivatives not designated as hedging instruments	$ 1,175	$ —	$ 1,175	$ 1,148	$ —	$ 1,148

The notional amounts of derivative instruments do not necessarily represent the amounts exchanged by the Company with third parties and are not necessarily a direct measure of the financial exposure.

Derivatives Designated as Hedging Instruments

Cash Flow Hedges

The Company has foreign exchange derivative financial instruments designated as cash flow hedges to manage the volatility of cash flows that relate to operating expenses and intercompany payments for royalties denominated in certain currencies. Changes in fair value of derivatives designated as cash flow hedges are recorded, net of applicable taxes, in other comprehensive income ("OCI") and subsequently reclassified into the same income statement line item as the hedged exposure when the underlying hedged item is recognized in earnings. The cash flows associated with derivatives designated as cash flow hedges are reported in cash flows from operating activities in the Consolidated Statement of Cash Flows.

At December 31, 2025, the maximum remaining length of time over which the Company has hedged its exposure is approximately one year. At December 31, 2025 and March 31, 2025, the weighted-average remaining maturity of these instruments was approximately 0.4 years and 0.5 years, respectively. At December 31, 2025 and March 31, 2025, in connection with cash flow hedges of foreign currency transactions, the Company had unrealized gains of $5 million and losses of $1 million (each before taxes), respectively, in accumulated other comprehensive income ("AOCI"). The Company estimates that $5 million (before taxes) of deferred net gains on derivatives in AOCI at December 31, 2025 will be reclassified to net income within the next twelve months, providing an offsetting economic impact against the underlying anticipated transactions.

Notes to Consolidated Financial Statements (continued)

Net Investment Hedges

The Company has entered into and designated cross-currency interest rate swap contracts and currency forward contracts as net investment hedges to mitigate foreign exchange exposure related to net investments. Under the terms of the cross-currency swaps, the Company makes fixed-rate payments in foreign currencies and receives fixed-rate amounts in U.S. dollars, with the exchange of the underlying notional amounts at maturity whereby the Company will receive U.S. dollars and pay foreign currencies at exchange rates which are determined at contract inception. Under the terms of the currency forward contracts, the Company commits to sell the local currency of certain subsidiaries in exchange for U.S. dollars at specified forward rates. Derivatives designated as net investment hedges are accounted for using the spot method, with changes in the fair value of the derivatives attributable to changes in spot rates recorded within foreign currency translation ("CTA") as a component of other comprehensive income (loss) and remaining there until the hedged net investments are sold or substantially liquidated. The changes in the fair value of the derivatives that are attributable to changes in the difference between the forward rate and spot rate are excluded from the assessment of hedge effectiveness. The changes in fair value that are attributable to the excluded components are initially recorded in CTA and then recognized in interest expense on the Consolidated Income Statement over the life of the derivative instruments. Cash flows from derivatives designated as net investment hedges are reported as cash flows from investing activities in the Consolidated Statement of Cash Flows, except for cash flows from the periodic interest settlements of cross-currency interest rate swaps designated as net investment hedges, which are reported as cash flows from operating activities in the Consolidated Statement of Cash Flows.

At December 31, 2025, the maximum remaining length of time over which the Company has hedged its exposure is approximately eight years. The weighted-average remaining maturity of the Company's net investment hedge instruments was approximately three years at December 31, 2025 and March 31, 2025. At December 31, 2025 and March 31, 2025, the Company had unrealized losses of $119 million and $6 million (each before taxes), respectively, in AOCI related to net investment hedges. As of December 31, 2025, $47 million of these unrealized losses relate to settled instruments.

Derivatives Not Designated as Hedging Instruments

The Company enters into currency forward and swap contracts to hedge exposures related to assets, liabilities and earnings across its subsidiaries. These contracts are not designated as hedging instruments, and therefore changes in fair value of these contracts are reported in earnings in other expense (income) in the Consolidated Income Statement. The gains and losses on these contracts generally offset the gains and losses in the underlying hedged exposures, which are also reported in other expense (income) in the Consolidated Income Statement. Cash flows from derivatives not designated as hedges are reported in cash flows from investing activities in the Consolidated Statement of Cash Flows. The terms of these contracts are generally less than one year.

Notes to Consolidated Financial Statements (continued)

The Effect of Derivative Instruments in the Consolidated Income Statement

The effects of derivatives designated as hedging instruments on the Consolidated Income Statement and Other Comprehensive Income are as follows:

(Dollars in millions) Three months ended December 31:	Unrealized Gain (Loss) Recognized in OCI 2025	Unrealized Gain (Loss) Recognized in OCI 2024	Consolidated Income Statement Line Item	Gain (Loss) Reclassified from AOCI to Income 2025	Gain (Loss) Reclassified from AOCI to Income 2024	Amounts Excluded from Effectiveness Testing 2025	Amounts Excluded from Effectiveness Testing 2024
Derivative instruments in cash flow hedges:							
Foreign exchange contracts	$ 10	$ (4)	Cost of services	$ 1	$ (9)	$ —	$ —
			Other expense (income)	2	—	—	—
Derivative instruments in net investment hedges:							
Cross-currency swaps	28	17	Interest expense	—	4	3	4
Foreign exchange contracts	(2)	43	Interest expense	—	3	6	3
Total	$ 36	$ 57		$ 3	$ (3)	$ 9	$ 6

(Dollars in millions) Nine months ended December 31:	Unrealized Gain (Loss) Recognized in OCI 2025	Unrealized Gain (Loss) Recognized in OCI 2024	Consolidated Income Statement Line Item	Gain (Loss) Reclassified from AOCI to Income 2025	Gain (Loss) Reclassified from AOCI to Income 2024	Amounts Excluded from Effectiveness Testing 2025	Amounts Excluded from Effectiveness Testing 2024
Derivative instruments in cash flow hedges:							
Foreign exchange contracts	$ 8	$ (19)	Cost of services	$ (2)	$ (9)	$ —	$ —
			Other expense (income)	5	—	—	—
Derivative instruments in net investment hedges:							
Cross-currency swaps	15	18	Interest expense	—	9	9	9
Foreign exchange contracts	(127)	24	Interest expense	—	6	21	6
Total	$ (104)	$ 23		$ 2	$ 6	$ 29	$ 16

The effects of derivatives not designated as hedging instruments on the Consolidated Income Statement are as follows:

(Dollars in millions) Three months ended December 31:	Consolidated Income Statement Line Item	Gain (Loss) Recognized on Derivatives 2025	Gain (Loss) Recognized on Derivatives 2024
Foreign exchange contracts	Other expense (income)	$ (7)	$ (54)
Total		$ (7)	$ (54)

(Dollars in millions) Nine months ended December 31:	Consolidated Income Statement Line Item	Gain (Loss) Recognized on Derivatives 2025	Gain (Loss) Recognized on Derivatives 2024
Foreign exchange contracts	Other expense (income)	$ 35	$ (51)
Total		$ 35	$ (51)

For the three months ended December 31, 2025 and 2024, our net income included a gain of $2 million and a gain of $85 million (each before taxes), respectively, from foreign currency transactions. For the nine months ended December 31, 2025 and 2024, our net income included a loss of $58 million and a gain of $38 million (each before taxes), respectively, from foreign currency transactions.

Notes to Consolidated Financial Statements (continued)

NOTE 8. ACQUISITIONS AND DIVESTITURES

Pending Acquisition of Solvinity Group B.V.

In November 2025, the Company entered into an agreement to acquire all outstanding equity interests of Solvinity Group B.V., a provider of managed cloud platforms and services in the Netherlands, for cash consideration of approximately €100 million. The acquisition is expected to close in the first half of calendar year 2026, subject to customary closing conditions, including regulatory approval.

Disposal of the Securities Industry Services (“SIS”) Platform in Canada

In November 2024, the Company completed the sale of its transaction processing platform for securities brokerage industry services in Canada (which is a component of the Company’s Principal Markets segment), for approximately $185 million in cash. In connection with the sale, the Company recognized a $145 million pretax gain, which was recorded within transaction-related costs (benefits) on the Consolidated Income Statement. This disposition was not accounted for as discontinued operations as it did not meet the relevant criteria. The carrying value of the net assets sold was not material.

NOTE 9. INTANGIBLE ASSETS INCLUDING GOODWILL

Intangible Assets

The following table presents the Company’s intangible asset balances by major asset class.

	At December 31, 2025			At March 31, 2025		
(Dollars in millions)	**Gross Carrying Amount**	**Accumulated Amortization**	**Net Carrying Amount**	**Gross Carrying Amount**	**Accumulated Amortization**	**Net Carrying Amount**
Capitalized software	$ 162	$ (51)	$ 111	$ 216	$ (76)	$ 141
Customer relationships*	118	(73)	45	121	(60)	61
Completed technology	13	(4)	9	13	(2)	11
Patents and trademarks*	14	(11)	3	15	(10)	5
Total	$ 307	$ (140)	$ 167	$ 365	$ (148)	$ 218

* Amounts include effects from foreign currency translation.

The net carrying amount of intangible assets decreased by $51 million during the nine months ended December 31, 2025, primarily due to the reclassification of certain capitalized software intangibles to prepaid assets and other noncurrent assets resulting from the migration of on-premises software to a cloud-based solution. The aggregate intangible asset amortization expense was $14 million and $42 million for the three and nine months ended December 31, 2025, compared to $18 million and $54 million for the three and nine months ended December 31, 2024, respectively. This included amortization of capitalized software of $7 million and $22 million for the three and nine months ended December 31, 2025, respectively, which was reported in “Depreciation of property, equipment and capitalized software” on the Consolidated Statement of Cash Flows.

Notes to Consolidated Financial Statements (continued)

The future amortization expense relating to intangible assets currently recorded in the Consolidated Balance Sheet was estimated to be the following at December 31, 2025:

(Dollars in millions)	Capitalized Software	Customer Relationships	Completed Technology	Patents and Trademarks	Total
Year ending March 31:					
2026 (remaining three months)	$ 8	$ 5	$ 1	$ 1	$ 14
2027	31	18	3	2	54
2028	30	5	3	—	38
2029	25	5	3	—	32
2030	14	4	—	—	17
Thereafter	3	8	—	—	11

Goodwill

The changes in the goodwill balances by segment for the nine months ended December 31, 2025 were as follows:

(Dollars in millions) Segment	Balance at March 31, 2025	Foreign Currency Translation Adjustments	Balance at December 31, 2025
United States	$ 11	$ —	$ 11
Japan	489	(3)	485
Principal Markets	92	—	92
Strategic Markets	198	—	198
Total	$ 790	$ (3)	$ 787

There were no goodwill impairment losses recorded for the nine months ended December 31, 2025 and 2024. Management reviews goodwill for impairment annually and whenever events or changes in circumstances indicate the carrying value of goodwill may not be recoverable by first assessing qualitative factors to determine if it is more likely than not that fair value is less than carrying value.

Notes to Consolidated Financial Statements (continued)

NOTE 10. BORROWINGS

Debt

The following table presents the components of our debt:

(Dollars in millions)	Interest Rate	Maturity	December 31, 2025	March 31, 2025
Unsecured senior notes due 2026	2.05%	October 2026	$ 700	$ 700
Unsecured senior notes due 2028	2.70%	October 2028	500	500
Unsecured senior notes due 2031	3.15%	October 2031	650	650
Unsecured senior notes due 2034	6.35%*	February 2034	500	500
Unsecured senior notes due 2041	4.10%	October 2041	550	550
Finance lease and other obligations	5.53%†	2026-2031	216	290
			$ 3,116	$ 3,190
Less: Unamortized discount			4	4
Less: Unamortized debt issuance costs			12	14
Less: Current portion of long-term debt			805	129
Total long-term debt			$ 2,295	$ 3,042

* Including the cross-currency swaps that the Company entered into subsequent to the issuance of the unsecured senior notes due 2034, the effective interest rate on such notes was approximately 3.84% at the time of issuance. For more information, see Note 7 – Financial Assets and Liabilities.

† Weighted-average discount rate.

Contractual obligations of long-term debt outstanding at December 31, 2025, exclusive of finance lease obligations, are as follows:

(Dollars in millions)*	Principal
Year ending March 31:	
2026 (remaining three months)	$ 7
2027	710
2028	—
2029	500
2030	—
Thereafter	1,700
Total	$ 2,917

* Contractual obligations approximate scheduled repayments.

As of December 31, 2025, there were no borrowings under the Company's revolving credit agreement. The Company is in compliance with its debt covenants in all periods presented.

In February 2026, the Company borrowed $1 billion under its $3.15 billion revolving credit agreement. Proceeds are intended to be used for working capital and other general corporate purposes, which may include repayment of indebtedness and acquisitions.

NOTE 11. COMMITMENTS AND CONTINGENCIES

The Company guarantees certain loans and financial commitments. The maximum potential future payment under these financial guarantees and the fair value of these guarantees recognized in the Consolidated Balance Sheet at December 31, 2025 and March 31, 2025 were not material. Additionally, the Company has contractual commitments

Notes to Consolidated Financial Statements (continued)

that are noncancellable with certain software, hardware and cloud partners used in the delivery of services to customers. During the nine months ended December 31, 2025, contractual commitments decreased due to satisfaction of existing commitments outpacing new additions.

As a Fortune 500 company with customers and employees around the world, Kyndryl is subject to, and could become subject to, either as plaintiff or defendant, a variety of contingencies, including claims, demands and suits, investigations, tax matters and other legal proceedings that arise from time to time, including in the ordinary course of its business. In addition, given the rapidly evolving external landscape of cybersecurity, privacy and data protection laws, regulations and threat actors, the Company or its clients has and could become subject to actions or proceedings in various jurisdictions. The Company is also subject to, and could become subject to, actions and proceedings in various jurisdictions involving a wide range of labor and employment issues (including matters related to contested employment decisions, country-specific labor and employment laws, and the Company's benefit plans), as well as actions with respect to commercial matters, contracts, securities, foreign operations, competition law, environmental matters and regulatory compliance matters, among others. These actions have been and may be commenced by a number of different parties, including competitors, clients, suppliers, service providers, licensees, employees, government and regulatory agencies, stockholders and representatives of the locations in which the Company does business. Some of the actions to which the Company is, or may become, party involve particularly complex technical issues, and some actions raise novel questions under the laws of the various jurisdictions in which these matters arise. Additionally, the Company is, and may become, a party to agreements pursuant to which it may be obligated to indemnify the other party with respect to certain disputed matters. The Company cannot predict the final outcome in any type of legal proceeding described above and there can be no assurance that the Company will be successful or obtain any requested relief or outcome in any matter. Matters often develop over a long period of time and expectations can change as a result of new findings, rulings, appeals, settlements, legal or regulatory changes or other factors. From time to time, the Company may discontinue or settle and compromise matters as appropriate in the Company's best interest.

The Company records a provision with respect to a claim, suit, investigation or proceeding when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. If the Company is unable to assess the outcome of a matter or estimate the possible loss or range of losses that could potentially result from such matter, a liability is not recorded.

The Company reviews claims, suits, investigations and proceedings, and decisions are made with respect to recording or adjusting provisions and relevant disclosures to reflect the impact and status of settlement discussions, discovery, procedural and substantive rulings, reviews by counsel and other information pertinent to a particular matter. In the three months ended December 31, 2025, the Company recorded a reserve related to an interim arbitration decision on a pre-spin customer contract dispute that was recorded as transaction-related costs.

Whether any losses, damages or remedies finally determined in any claim, suit, investigation or proceeding could reasonably have a material effect on the Company's business, financial condition, results of operations or cash flows will depend on a number of variables, including the timing and amount of such losses or damages; the structure and type of any such remedies; the significance of the impact any such losses, damages or remedies may have in the consolidated financial statements; and the unique facts and circumstances of the particular matter that may give rise to additional factors. While the Company will continue to prosecute or defend itself vigorously, as appropriate, it is possible that the Company's business, financial condition, results of operations or cash flows could be affected overall or in any particular fiscal period by any of these matters or any claims or legal proceedings that arise as a result of these matters. In addition, the legal costs associated with the foregoing could be substantial, regardless of their outcome.

SEC Matter

The Company received and is responding to voluntary document requests from the Division of Enforcement of the Securities and Exchange Commission (the "SEC") relating to the Company's cash management practices, related disclosures, the efficacy of the Company's internal control over financial reporting, and certain other matters. The

Notes to Consolidated Financial Statements (continued)

Company is cooperating with the SEC. The matter is ongoing and the Company cannot currently predict its final outcome.

Securities Litigation

In February 2026, a purported Company stockholder filed a putative class action in the U.S. District Court for the Eastern District of New York against the Company and certain current and former officers, alleging false and misleading statements in the Company's disclosures. The plaintiff seeks monetary damages and costs and expenses. The matter is ongoing and the Company cannot currently predict its final outcome.

NOTE 12. EQUITY

The following tables present reclassifications and taxes related to items of other comprehensive income (loss) for the three and nine months ended December 31, 2025 and 2024:

(Dollars in millions)	Pretax Amount	Tax (Expense) Benefit	Net-of-Tax Amount
For the three months ended December 31, 2025:			
Foreign currency translation adjustments:			
Foreign currency translation adjustments	$ (17)	$ —	$ (17)
Unrealized gains (losses) on net investment hedges	26	2	28
Total foreign currency translation adjustments	$ 9	$ 2	$ 11
Unrealized gains (losses) on cash flow hedges:			
Unrealized gains (losses) arising during the period	$ 10	$ —	$ 10
Reclassification of (gains) losses to net income	(3)	(2)	(5)
Total unrealized gains (losses) on cash flow hedges	$ 7	$ (2)	$ 5
Retirement-related benefit plans:			
Prior service (costs) credits	$ (36)	$ 9	$ (27)
Net gains (losses) arising during the period	(2)	1	(1)
Amortization of prior service costs (credits)	1	—	—
Amortization of net (gains) losses	3	(1)	2
Total retirement-related benefit plans	$ (34)	$ 9	$ (26)
Other comprehensive income (loss)	$ (19)	$ 9	$ (10)
For the three months ended December 31, 2024:			
Foreign currency translation adjustments:			
Foreign currency translation adjustments	$ (248)	$ —	$ (248)
Unrealized gains (losses) on net investment hedges	55	—	55
Total foreign currency translation adjustments	$ (193)	$ —	$ (193)
Unrealized gains (losses) on cash flow hedges:			
Unrealized gains (losses) arising during the period	$ (4)	$ (3)	$ (7)
Reclassification of (gains) losses to net income	9	—	9
Total unrealized gains (losses) on cash flow hedges	$ 5	$ (3)	$ 2
Retirement-related benefit plans:			
Net gains (losses) arising during the period	$ 8	$ —	$ 8
Curtailments and settlements	1	—	—
Amortization of net (gains) losses	4	(1)	3
Total retirement-related benefit plans	$ 13	$ (2)	$ 11
Other comprehensive income (loss)	$ (175)	$ (5)	$ (180)

Notes to Consolidated Financial Statements (continued)

(Dollars in millions)	Pretax Amount	Tax (Expense) Benefit	Net-of-Tax Amount
For the nine months ended December 31, 2025:			
Foreign currency translation adjustments:			
Foreign currency translation adjustments	$ 190	$ —	$ 190
Unrealized gains (losses) on net investment hedges	(112)	2	(110)
Total foreign currency translation adjustments	$ 77	$ 2	$ 80
Unrealized gains (losses) on cash flow hedges:			
Unrealized gains (losses) arising during the period	$ 8	$ —	$ 8
Reclassification of (gains) losses to net income	(2)	(2)	(4)
Total unrealized gains (losses) on cash flow hedges	$ 6	$ (2)	$ 4
Retirement-related benefit plans:			
Prior service (costs) credits	$ (36)	$ 9	$ (27)
Net gains (losses) arising during the period	(2)	1	(1)
Amortization of prior service costs (credits)	1	—	—
Amortization of net (gains) losses	8	(2)	5
Total retirement-related benefit plans	$ (29)	$ 7	$ (22)
Other comprehensive income (loss)	$ 54	$ 8	$ 62
For the nine months ended December 31, 2024:			
Foreign currency translation adjustments:			
Foreign currency translation adjustments	$ (159)	$ —	$ (159)
Unrealized gains (losses) on net investment hedges	26	—	26
Total foreign currency translation adjustments	$ (133)	$ —	$ (133)
Unrealized gains (losses) on cash flow hedges:			
Unrealized gains (losses) arising during the period	$ (19)	$ —	$ (19)
Reclassification of (gains) losses to net income	9	—	9
Total unrealized gains (losses) on cash flow hedges	$ (10)	$ —	$ (9)
Retirement-related benefit plans:			
Net gains (losses) arising during the period	$ 8	$ —	$ 8
Curtailments and settlements	1	—	—
Amortization of net (gains) losses	12	(3)	8
Total retirement-related benefit plans	$ 21	$ (4)	$ 16
Other comprehensive income (loss)	$ (122)	$ (4)	$ (126)

Notes to Consolidated Financial Statements (continued)

The following tables present the components of accumulated other comprehensive income (loss), net of taxes:

(Dollars in millions)	Net Unrealized Gain (Losses) on Cash Flow Hedges	Foreign Currency Translation Adjustments*	Net Change Retirement-Related Benefit Plans	Accumulated Other Comprehensive Income (Loss)
October 1, 2025	$ —	$ (947)	$ (142)	$ (1,088)
Other comprehensive income (loss)	5	11	(26)	(10)
December 31, 2025	$ 5	$ (936)	$ (167)	$ (1,098)
October 1, 2024	$ (11)	$ (907)	$ (172)	$ (1,090)
Other comprehensive income (loss)	2	(193)	11	(180)
December 31, 2024	$ (9)	$ (1,100)	$ (161)	$ (1,270)

(Dollars in millions)	Net Unrealized Gain (Losses) on Cash Flow Hedges	Foreign Currency Translation Adjustments*	Net Change Retirement-Related Benefit Plans	Accumulated Other Comprehensive Income (Loss)
April 1, 2025	$ 1	$ (1,016)	$ (145)	$ (1,160)
Other comprehensive income (loss)	4	80	(22)	62
December 31, 2025	$ 5	$ (936)	$ (167)	$ (1,098)
April 1, 2024	$ —	$ (967)	$ (178)	$ (1,145)
Other comprehensive income (loss)	(9)	(133)	16	(126)
December 31, 2024	$ (9)	$ (1,100)	$ (161)	$ (1,270)

* Foreign currency translation adjustments are presented gross.

Share Repurchase Program

In November 2024, the Company's Board of Directors authorized a share repurchase program of up to $300 million of the Company's common stock, and in November 2025, the Company announced that the Board of Directors authorized an additional $400 million of repurchase capacity under this program (the "Share Repurchase Program"). Under the Share Repurchase Program, the Company may repurchase shares of its common stock from time to time in open market transactions and may also repurchase shares in accelerated share buyback programs, tender offers, privately negotiated transactions or by other means. Repurchases may also be made under a Rule 10b5-1 trading plan. The timing and amount of repurchase transactions will be determined by the Company's management based on its evaluation of market conditions, share price, legal requirements and other factors. The program does not have a set expiration date and may be suspended, modified or discontinued at any time without prior notice.

During the three and nine months ended December 31, 2025, the Company repurchased 3.7 and 8.4 million shares of its common stock at an aggregate cost of $100 and $254 million, respectively, under the Share Repurchase Program. As of December 31, 2025, approximately $351 million of capacity remained available under the Share Repurchase Program.

Notes to Consolidated Financial Statements (continued)

NOTE 13. RETIREMENT-RELATED BENEFITS

The following table presents the components of net periodic pension cost for the defined benefit pension plans recognized in the Consolidated Income Statement for the three and nine months ended December 31, 2025 and 2024.

(Dollars in millions)	Three Months Ended December 31, 2025	Three Months Ended December 31, 2024	Nine Months Ended December 31, 2025	Nine Months Ended December 31, 2024
Service cost	$ 8	$ 9	$ 24	$ 26
Interest cost*	15	13	44	40
Expected return on plan assets*	(16)	(15)	(47)	(44)
Amortization of prior service costs (credits)*	1	—	1	1
Recognized actuarial losses (gains)*	3	4	8	12
Curtailments and settlements*	—	(2)	—	(1)
Net periodic pension cost	$ 10	$ 9	$ 29	$ 33

* These components of net periodic pension cost are included in other expense (income) in the Consolidated Income Statement.

The components of net periodic benefit cost for the nonpension postretirement benefit plans and multi-employer plans recognized in the Consolidated Income Statement were not material for any period presented.

NOTE 14. WORKFORCE REBALANCING AND SITE-RATIONALIZATION CHARGES

During the nine months ended December 31, 2025, the Company initiated actions to reduce our overall cost structure and increase our operating efficiency which we expect to continue through the end of the fiscal year 2026. We expect these actions will result in workforce rebalancing charges (the “Fiscal 2026 Program”) of approximately $60 million.

During the year ended March 31, 2025, the Company implemented actions to reduce our overall cost structure and increase our operating efficiency (the “Fiscal 2025 Program”). The total charges incurred related to the Fiscal 2025 Program were $162 million, consisting of $114 million in workforce rebalancing charges and $48 million in charges related to ceasing to use leased and owned fixed assets. The Company expects that these actions will reduce future payroll costs, rent expenses and depreciation of property and equipment.

The following table presents the segment breakout of charges incurred during the three and nine months ended December 31, 2025 and 2024.

(Dollars in millions)	Three Months Ended December 31, 2025	Three Months Ended December 31, 2024	Nine Months Ended December 31, 2025	Nine Months Ended December 31, 2024	Costs Incurred to Date Fiscal 2026 Program	Costs Incurred to Date Fiscal 2025 Program
United States	$ 11	$ 18	$ 20	$ 59	$ 20	$ 62
Japan	—	1	5	4	5	12
Principal Markets	1	4	15	18	15	30
Strategic Markets	4	4	21	40	21	58
Total charges	$ 16	$ 26	$ 61	$ 120	$ 61	$ 162

Notes to Consolidated Financial Statements (continued)

The following table presents the classification of workforce rebalancing and site-rationalization activities in the Consolidated Income Statement during the three and nine months ended December 31, 2025 and 2024.

	Three Months Ended December 31,		Nine Months Ended December 31,		Costs Incurred to Date	
(Dollars in millions)	**2025**	**2024**	**2025**	**2024**	**Fiscal 2026 Program**	**Fiscal 2025 Program**
Cost of services	$ —	$ 9	$ —	$ 27	$ —	$ 45
Selling, general and administrative expenses	—	—	—	2	—	3
Workforce rebalancing charges	16	17	61	92	61	114
Total charges	$ 16	$ 26	$ 61	$ 120	$ 61	$ 162

The following table presents the components of and changes in our workforce rebalancing liabilities during the nine months ended December 31, 2025.

(Dollars in millions)	**Fiscal 2026 Program**	**Fiscal 2025 Program***
Balance at March 31, 2025	$ —	$ 16
Charges	61	
Cash payments	(47)	(14)
Balance at December 31, 2025	$ 14	$ 2

* The Fiscal 2025 Program balance excludes workforce rebalancing liabilities inherited from our former Parent of $16 million as of March 31, 2025. Current-year movement excludes cash payments of $5 million, non-cash adjustment of ($1) million and ending balance of $11 million related to actions initiated by our former Parent. Workforce rebalancing liabilities are recorded within other liabilities in the Consolidated Balance Sheet.

Item 2.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE AND NINE MONTHS ENDED DECEMBER 31, 2025

Overview

	Three Months Ended December 31,		Nine Months Ended December 31,	
(Dollars in millions)	**2025**	**2024**	**2025**	**2024**
Revenue	$ 3,859	$ 3,744	$ 11,323	$ 11,257
Revenue growth (GAAP)	3 %	(5)%	1 %	(8)%
Revenue growth in constant currency*	0 %	(3)%	(2)%	(6)%
Net income	$ 57	$ 215	$ 181	$ 183
Adjusted EBITDA*	$ 696	$ 704	$ 1,984	$ 1,818

* Revenue growth in constant currency and adjusted EBITDA are non-GAAP financial metrics. For definitions of these metrics and a reconciliation of adjusted EBITDA to the most directly comparable financial measure calculated and presented in accordance with U.S. GAAP, see "Segment Results."

(Dollars in millions)	**December 31, 2025**	**March 31, 2025**
Assets	$ 11,276	$ 10,452
Liabilities	9,967	9,121
Equity	1,309	1,331

Kyndryl Holdings, Inc. was formed as a wholly-owned subsidiary of IBM in September 2021 to hold the operations of the infrastructure services unit of IBM's Global Technology Services segment. On November 3, 2021, Kyndryl separated from IBM through a spin-off that was tax-free for U.S. federal tax purposes. Following the Separation, Kyndryl became an independent, publicly-traded company and the world's leading IT infrastructure services provider.

Financial Performance Summary

Macro Dynamics

Most economists, including the International Monetary Fund, expect positive but subdued global macroeconomic growth in calendar year 2026 amid ongoing trade tensions and heightened macroeconomic uncertainties. Global markets have experienced volatility from time to time in recent months, driven by geopolitical developments, concerns over changes in global trade policies and the imposition of import tariffs by the United States, reactions from other nations and proposed U.S. government spending reductions. Increased economic uncertainty can impact the level and composition of global macroeconomic activity.

Financial Performance

For the three months ended December 31, 2025, we reported $3.9 billion in revenue, an increase of 3 percent compared to the prior-year period. The revenue performance included a favorable currency exchange rate impact of three points. United States revenue was unchanged, Japan revenue decreased 2 percent, Principal Markets revenue increased 10 percent and Strategic Markets revenue was unchanged, in each case compared to the three months ended December 31, 2024. During the period, growth in Kyndryl Consult and hyperscaler-related revenues were partially offset by lengthening sales cycles. Margins were adversely affected by the lengthening sales cycles, in addition to higher labor costs driven by investments to support our strategic growth initiatives and an unanticipated decline in overall employee attrition, partially offset by incremental savings from our strategic growth initiatives. Net income of $57 million decreased by $158 million versus the prior-year period, reflecting a $138 million after-tax gain from the sale of our SIS

Management Discussion (continued)

platform (classified as a transaction-related benefit) in the prior-year period and $28 million of an after-tax transaction-related cost in the current period related to an interim arbitration decision on a pre-spin matter.

For the nine months ended December 31, 2025, we reported $11.3 billion in revenue, an increase of 1 percent compared to the prior-year period. The revenue performance included a favorable currency exchange rate impact of three points. United States revenue declined 5 percent, Japan revenue declined 1 percent, Principal Markets revenue increased 5 percent and Strategic Markets revenue increased 2 percent, in each case compared to the nine months ended December 31, 2024. Net income of $181 million decreased by $2 million versus the prior-year period reflecting a $138 million after-tax gain from the sale of our SIS platform (classified as a transaction-related benefit) in the prior-year period, partially offset by progress on our key initiatives to drive operating efficiencies.

Segment Results

The following table presents our reportable segments' revenue and adjusted EBITDA for the three and nine months ended December 31, 2025 and 2024. Segment revenue and revenue growth in constant currency exclude any transactions between the segments.

(Dollars in millions)	Three Months Ended December 31, 2025	Three Months Ended December 31, 2024	Year-over-Year Change 2025 vs. 2024	Nine Months Ended December 31, 2025	Nine Months Ended December 31, 2024	Year-over-Year Change 2025 vs. 2024
Revenue						
United States	$ 958	$ 961	(0)%	$ 2,768	$ 2,907	(5)%
Japan	568	579	(2)%	1,728	1,753	(1)%
Principal Markets	1,428	1,300	10 %	4,119	3,933	5 %
Strategic Markets	905	904	0 %	2,709	2,664	2 %
Total revenue	$ 3,859	$ 3,744	3 %	$ 11,323	$ 11,257	1 %
Revenue growth in constant currency*	0 %	(3)%		(2)%	(6)%	
Adjusted EBITDA*						
United States	$ 205	$ 204	0 %	$ 596	$ 496	20 %
Japan	126	111	14 %	364	288	26 %
Principal Markets	221	226	(2)%	629	655	(4)%
Strategic Markets	169	187	(10)%	474	445	7 %
Corporate and other†	(26)	(24)	NM	(79)	(66)	NM
Total adjusted EBITDA*	$ 696	$ 704	(1)%	$ 1,984	$ 1,818	9 %

NM – not meaningful

* Revenue growth in constant currency and adjusted EBITDA are non-GAAP financial metrics. See the information below for definitions of these metrics and a reconciliation of adjusted EBITDA to net income.

† Represents net amounts not allocated to segments.

We report our financial results in accordance with U.S. GAAP. We also present certain non-GAAP financial measures to provide useful supplemental information to investors. We provide these non-GAAP financial measures as we believe they enhance visibility to underlying results and the impact of management decisions on operational performance, enable better comparison to peer companies and allow us to provide a long-term strategic view of the business going forward.

Revenue growth in constant currency is a non-GAAP measure that eliminates the effects of exchange rate fluctuations when translating from foreign currencies to the United States dollar. It is calculated by using the average exchange rates that existed for the same period of the prior year. Constant-currency measures are provided so that revenue can be viewed without the effect of fluctuations in currency exchange rates, which is consistent with how management evaluates our revenue results and trends.

Management Discussion (continued)

Additionally, management uses adjusted EBITDA to evaluate our performance. Adjusted EBITDA is a non-GAAP measure and defined as net income excluding income taxes, interest expense, depreciation and amortization (excluding depreciation of right-of-use assets and amortization of capitalized contract costs), charges related to ceasing to use leased/fixed assets, charges related to lease terminations, transaction-related costs, pension expenses other than pension servicing costs and multi-employer plan costs, stock-based compensation expense, workforce rebalancing charges incurred prior to March 31, 2024, impairment expense, significant litigation costs and benefits, and currency impacts of highly inflationary countries. We believe that adjusted EBITDA is a helpful supplemental measure to assist investors in evaluating our operating results as it excludes certain items whose fluctuation from period to period does not necessarily correspond to changes in the operations of our business.

These disclosures are provided in addition to and not as a substitute for the percentage change in revenue and profit or loss measures on a U.S. GAAP basis compared to the corresponding period in the prior year. Other companies may calculate and define similarly labeled items differently, which may limit the usefulness of these measures for comparative purposes.

The following table provides a reconciliation of U.S. GAAP net income to adjusted EBITDA:

	Three Months Ended December 31,		Nine Months Ended December 31,	
(Dollars in millions)	**2025**	**2024**	**2025**	**2024**
Net income	$ 57	$ 215	$ 181	$ 183
Provision for income taxes	34	43	100	134
Interest expense	21	24	60	77
Depreciation of property, equipment and capitalized software	193	195	577	471
Amortization expense	320	333	947	997
Charges related to ceasing to use leased/fixed assets and lease terminations	—	9	—	29
Transaction-related costs (benefits)	38	(148)	38	(128)
Stock-based compensation expense	23	29	73	78
Other adjustments*	10	4	6	(23)
Adjusted EBITDA (non-GAAP)	$ 696	$ 704	$ 1,984	$ 1,818

* Other adjustments represent pension expenses other than pension servicing costs and multi-employer plan costs, significant litigation costs and benefits, and currency impacts of highly inflationary countries.

United States

	Three Months Ended December 31,		Nine Months Ended December 31,	
(Dollars in millions)	**2025**	**2024**	**2025**	**2024**
Revenue	$ 958	$ 961	$ 2,768	$ 2,907
Revenue year-over-year change	(0)%	(7)%	(5)%	(12)%
Adjusted EBITDA	$ 205	$ 204	$ 596	$ 496
Adjusted EBITDA year-over-year change	0 %		20 %	

For the three months ended December 31, 2025, United States revenue of $958 million was unchanged compared to the prior-year period. Adjusted EBITDA increased $1 million from the prior-year quarter.

For the nine months ended December 31, 2025, United States revenue of $2.8 billion decreased 5 percent compared to the prior-year period, reflecting the Company's efforts to reduce certain low-margin revenues and the expiration of certain low- and negative-margin contracts entered into before the Spin-off. Adjusted EBITDA increased $100 million from the prior-year period, primarily driven by progress on our key initiatives to drive operating efficiencies, including lower sales, general and administrative expenses.

Management Discussion (continued)

Japan

(Dollars in millions)	Three Months Ended December 31, 2025	Three Months Ended December 31, 2024	Nine Months Ended December 31, 2025	Nine Months Ended December 31, 2024
Revenue	$ 568	$ 579	$ 1,728	$ 1,753
Revenue year-over-year change	(2)%	0 %	(1)%	0 %
Revenue growth in constant currency	(1)%	3 %	(4)%	6 %
Adjusted EBITDA	$ 126	$ 111	$ 364	$ 288
Adjusted EBITDA year-over-year change	14 %		26 %	

For the three months ended December 31, 2025, Japan revenue of $568 million decreased 2 percent, and decreased 1 percent in constant currency, compared to the prior-year quarter. Adjusted EBITDA increased $15 million from the prior-year quarter, driven by progress on our key initiatives to drive operating efficiencies.

For the nine months ended December 31, 2025, Japan revenue of $1.7 billion decreased 1 percent, and decreased 4 percent in constant currency, compared to the prior-year period, driven by actions the Company has taken to reduce certain low-margin components of its customer relationships. Adjusted EBITDA increased $76 million from the prior-year period, driven by progress on our key initiatives to drive operating efficiencies.

Principal Markets

(Dollars in millions)	Three Months Ended December 31, 2025	Three Months Ended December 31, 2024	Nine Months Ended December 31, 2025	Nine Months Ended December 31, 2024
Revenue	$ 1,428	$ 1,300	$ 4,119	$ 3,933
Revenue year-over-year change	10 %	(4)%	5 %	(5)%
Revenue growth in constant currency	4 %	(4)%	0 %	(5)%
Adjusted EBITDA	$ 221	$ 226	$ 629	$ 655
Adjusted EBITDA year-over-year change	(2)%		(4)%	

For the three months ended December 31, 2025, Principal Markets revenue of $1.4 billion increased 10 percent compared to the prior-year quarter, primarily driven by a favorable currency exchange rate impact of six points and signings from prior periods converting into revenue. Adjusted EBITDA decreased $5 million from the prior-year quarter, primarily due to increased expenses to support future growth.

For the nine months ended December 31, 2025, Principal Markets revenue of $4.1 billion increased 5 percent compared to the prior-year period, primarily driven by a favorable currency exchange rate impact of five points. Adjusted EBITDA decreased $26 million from the prior-year period, primarily due to a vendor credit in the prior year, largely offset by progress on our key initiatives to drive operating efficiencies.

Strategic Markets

(Dollars in millions)	Three Months Ended December 31, 2025	Three Months Ended December 31, 2024	Nine Months Ended December 31, 2025	Nine Months Ended December 31, 2024
Revenue	$ 905	$ 904	$ 2,709	$ 2,664
Revenue year-over-year change	0 %	(6)%	2 %	(11)%
Revenue growth in constant currency	(7)%	(3)%	(2)%	(10)%
Adjusted EBITDA	$ 169	$ 187	$ 474	$ 445
Adjusted EBITDA year-over-year change	(10)%		7 %	

For the three months ended December 31, 2025, Strategic Markets revenue of $905 million was unchanged, and decreased 7 percent in constant currency, compared to the prior-year quarter, primarily driven by actions the Company has taken to reduce certain low-margin components of its customer relationships. Additionally, revenues were impacted

Management Discussion (continued)

by certain regulatory uncertainties specifically regarding data sovereignty in Europe. Adjusted EBITDA decreased $18 million from the prior-year quarter, driven by increased costs to support future growth primarily due to higher labor costs from increased investments locally in Europe.

For the nine months ended December 31, 2025, Strategic Markets revenue of $2.7 billion increased 2 percent, and decreased 2 percent in constant currency, compared to the prior-year period, primarily driven by actions the Company has taken to reduce certain low-margin components of its customer relationships. Adjusted EBITDA increased $29 million from the prior-year period, primarily due to progress on our key initiatives to drive operating efficiencies.

Corporate and Other

Corporate and other had an adjusted EBITDA loss of $26 million in the three months ended December 31, 2025, compared to a loss of $24 million in the three months ended December 31, 2024. Corporate and other had an adjusted EBITDA loss of $79 million in the nine months ended December 31, 2025, compared to a loss of $66 million in the nine months ended December 31, 2024.

Costs and Expenses

(Dollars in millions)	Three Months Ended December 31, 2025	Three Months Ended December 31, 2024	Percent of Revenue 2025	Percent of Revenue 2024	Change 2025 vs. 2024
Revenue	$ 3,859	$ 3,744	100.0 %	100.0 %	3 %
Cost of services	3,016	2,981	78.1 %	79.6 %	1 %
Selling, general and administrative expenses	672	647	17.4 %	17.3 %	4 %
Workforce rebalancing charges	16	17	0.4 %	0.5 %	(5)%
Transaction-related costs (benefits)	38	(148)	1.0 %	(4.0)%	NM
Interest expense	21	24	0.5 %	0.6 %	(14)%
Other expense (income)	6	(35)	0.2 %	(0.9)%	NM
Income before income taxes	$ 91	$ 258			

NM – not meaningful

Cost of services was 78.1% of revenue in the three months ended December 31, 2025, compared to 79.6% in the three months ended December 31, 2024, driven by progress on our key initiatives to drive operating efficiencies. Selling, general and administrative expenses were 17.4% of revenue in the three months ended December 31, 2025 compared to 17.3% in the prior-year quarter, driven by increased expenses to support future growth and lower attrition rates. Workforce rebalancing charges were 0.4% of revenue in the three months ended December 31, 2025 versus 0.5% of revenue in the prior-year quarter. Transaction-related costs (benefits) were 1.0% of revenue in the three months ended December 31, 2025, compared to (4.0)% of revenue in the three months ended December 31, 2024, due to a current-quarter reserve for an interim arbitration decision on a pre-spin matter compared to a $145 million pretax gain from the sale of the SIS platform in the prior year. Interest expense was 0.5% of revenue in the three months ended December 31, 2025 compared to 0.6% in the prior-year quarter. Other expense (income) was 0.2% of revenue in the three months ended December 31, 2025, compared to (0.9)% of revenue in the prior-year quarter, driven by currency-related hedging gains in the prior period.

Management Discussion (continued)

(Dollars in millions)	Nine Months Ended December 31, 2025	Nine Months Ended December 31, 2024	Percent of Revenue 2025	Percent of Revenue 2024	Change 2025 vs. 2024
Revenue	$ 11,323	$ 11,257	100.0 %	100.0 %	1 %
Cost of services	8,883	8,939	78.4 %	79.4 %	(1)%
Selling, general and administrative expenses	1,976	1,951	17.5 %	17.3 %	1 %
Workforce rebalancing charges	61	92	0.5 %	0.8 %	(34)%
Transaction-related costs (benefits)	38	(128)	0.3 %	(1.1)%	NM
Interest expense	60	77	0.5 %	0.7 %	(22)%
Other expense (income)	24	9	0.2 %	0.1 %	160 %
Income before income taxes	$ 281	$ 317			

NM – not meaningful

Cost of services was 78.4% of revenue in the nine months ended December 31, 2025, compared to 79.4% in the nine months ended December 31, 2024, driven by progress on our key initiatives to drive operating efficiencies. Selling, general and administrative expenses were 17.5% of revenue in the nine months ended December 31, 2025 compared to 17.3% in the prior-year period, driven by increased expenses to support future growth. Workforce rebalancing charges were 0.5% of revenue in the nine months ended December 31, 2025 versus 0.8% of revenue in the prior-year period. Transaction-related costs (benefits) were 0.3% of revenue in the nine months ended December 31, 2025, compared to (1.1)% of revenue in the nine months ended December 31, 2024, due to a current-quarter reserve for an interim arbitration decision on a pre-spin matter compared to a $145 million pretax gain from the sale of the SIS platform in the prior year. Interest expense was 0.5% of revenue in the nine months ended December 31, 2025 compared to 0.7% in the prior-year period. Other expense (income) was 0.2% of revenue in the nine months ended December 31, 2025 compared to 0.1% in the prior-year period.

Transaction-Related Costs

The Company classifies certain expenses and benefits related to the Separation, acquisitions and divestitures as “transaction-related costs (benefits)” in the Consolidated Income Statement. Transaction-related costs include gains or losses, employee retention expenses, information technology costs, marketing expenses to establish the Kyndryl brand, legal, accounting, consulting and other professional service costs, costs and benefits resulting from settlements with our former Parent associated with pre-Separation and Separation-related matters, and other costs related to contract and supplier novation and integration, associated with acquisitions, divestitures or the Separation.

Workforce Rebalancing and Site-Rationalization Charges

Fiscal 2026 Program

During the three and nine months ended December 31, 2025, management initiated actions to reduce the Company’s overall cost structure and enhance operating efficiency. As a result of these actions, the Company recorded workforce rebalancing charges of $16 million and $61 million for the three and nine months ended December 31, 2025, respectively.

Total cash outlays for this program are expected to be approximately $60 million, of which approximately $47 million has been paid through December 31, 2025, and the remainder is expected to be paid thereafter. Management expects that these workforce rebalancing activities will reduce annual payroll costs and related expenses by more than $100 million. There can be no guarantee that we will achieve our expected cost savings.

The Company will continue to seek opportunities to improve operational efficiency and reduce costs, which may result in additional charges in future periods. For additional information, see Note 14 – Workforce Rebalancing Charges in the accompanying Consolidated Financial Statements.

Management Discussion (continued)

Fiscal 2025 Program

During fiscal year 2025, management implemented actions to reduce the Company's overall cost structure and increase our operating efficiency. During the year ended March 31, 2025, the Company recorded $114 million in workforce rebalancing charges and $48 million in charges related to ceasing to use leased and owned fixed assets.

Total cash outlays for this program are expected to be approximately $150 million, of which approximately $138 million has been paid through December 31, 2025, and the remainder is expected to be paid thereafter. Management expects that these workforce rebalancing and site-rationalization activities will reduce payroll costs, rent expenses and depreciation of property and equipment by more than $200 million in fiscal year 2026. There can be no guarantee that we will achieve our expected cost savings.

Income Taxes

The provision for income taxes for the three months ended December 31, 2025 was $34 million, compared to $43 million for the three months ended December 31, 2024. Our income tax expense for the three months ended December 31, 2025 and 2024 was primarily related to taxes on foreign operations and valuation allowances recorded in certain jurisdictions against deferred tax assets that are not more likely than not to be realized.

The provision for income taxes for the nine months ended December 31, 2025 was $100 million, compared to $134 million for the nine months ended December 31, 2024. Our income tax expense for the nine months ended December 31, 2025 and 2024 was primarily related to taxes on foreign operations and valuation allowances recorded in certain jurisdictions against deferred tax assets that are not more likely than not to be realized.

In assessing the need for a valuation allowance, management considers all available evidence for each jurisdiction, including past operating results, estimates of future taxable income, the reversal of existing temporary differences, and the feasibility of ongoing tax planning strategies and actions. Estimates of future taxable income and loss could change, perhaps materially, which may require us to revise our assessment of the recoverability of the deferred tax asset at that time.

Financial Position

Dynamics

Total assets of $11.3 billion increased by $824 million (and increased by $447 million adjusted for currency) from March 31, 2025, primarily driven by an increase in deferred costs of $879 million mainly due to an extended and amended multi-year, third-party software agreement and an increase in operating right-of-use assets, net, of $124 million due to additions outpacing amortization, partially offset by a decrease in cash and cash equivalents of $438 million mainly due to share repurchases.

Total liabilities of $10.0 billion increased by $846 million (and increased by $630 million adjusted for currency) from March 31, 2025, primarily as a result of an increase in other noncurrent liabilities of $675 million driven by the extended and amended multi-year, third-party software agreement.

Total equity of $1.3 billion decreased by $22 million from March 31, 2025, principally due to $254 million of share repurchases under our Share Repurchase Program and $93 million of shares repurchased to settle tax withholdings related to the vesting of stock-based awards, partially offset by our nine-month earnings of $181 million and other comprehensive income of $62 million in the period, as well as activity related to employee stock plans of $80 million.

Management Discussion (continued)

Cash Flow

Our cash flows from operating, investing and financing activities are summarized in the table below.

(Dollars in millions)	Nine Months Ended December 31, 2025	2024
Net cash provided by (used in):		
Operating activities	$ 450	$ 361
Investing activities	(436)	(199)
Financing activities	(448)	(172)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(2)	(39)
Net change in cash, cash equivalents and restricted cash	$ (437)	$ (49)

Net cash provided by operating activities was $450 million in the nine months ended December 31, 2025, compared to $361 million in the prior-year period mainly due to the year-over-year increase in net income excluding the gain on sale of the SIS platform in the prior year (the cash flow effect of which is included in net cash used in investing activities).

Net cash used in investing activities was $436 million in the nine months ended December 31, 2025, compared to a net cash use of $199 million in the prior-year period due to cash provided by the sale of the SIS platform in the prior-year period.

Net cash used in financing activities totaled $448 million in the nine months ended December 31, 2025, compared to net cash used by financing activities of $172 million in the prior-year period, mainly due to share repurchases of $254 million under the Company's Share Repurchase Program.

As part of our ongoing cash and commercial management strategy with customers and suppliers and as previously disclosed, our standard practice since the time of our spin-off from IBM is to actively manage our working capital, including accounts receivables and accounts payables. This includes optimizing payment terms and conditions, accelerating certain cash receipts (including through the sale of trade receivables to third-party financial institutions) and delaying certain cash payments (including deferring vendor payments quarter to quarter, in certain cases beyond vendor payment terms), and undertaking other discretionary cash and working capital management initiatives. The magnitude of these practices (including deferrals) varies from quarter to quarter. The effects of these practices, including any impacts on our cash flows, have been and are reflected in our accounts payable, accounts receivable and operating cash flows, which are accounted for in accordance with U.S. GAAP. Our working capital and cash flows have also reflected the impact of accrued contract costs in certain periods due to the timing of vendor billings. We may, from time to time, revise or adapt our cash and working capital management practices as we deem appropriate.

Other Information

Signings

The following table presents the Company's signings for the three and nine months ended December 31, 2025 and 2024.

(Dollars in billions)	Three Months Ended December 31, 2025	2024	Nine Months Ended December 31, 2025	2024
Total signings	$ 3.9	$ 4.1	$ 9.9	$ 12.7

Signings decreased by $140 million, or 3% in the three months ended December 31, 2025, compared to the prior-year quarter. Signings decreased by $2.8 billion, or 22%, in the nine months ended December 31, 2024, primarily because the quarter ended September 30, 2024 included a $1.8

Management Discussion (continued)

billion signing, the largest signing in Kyndryl's history as an independent company. Management uses signings to monitor the performance of the business, as a measure of customer engagement and our ability to drive growth. There are no third-party standards or requirements governing the calculation of signings. We define signings as an initial estimate of the value of a customer's commitment under a contract. The calculation involves estimates and judgments to gauge the extent of a customer's commitment, including the type and duration of the agreement and the presence of termination charges or wind-down costs. Contract extensions and increases in scope are treated as signings only to the extent of the incremental new value. Signings can vary over time due to a variety of factors including, but not limited to, the timing of signing a small number of larger outsourcing contracts as well as the length of those contracts. The conversion of signings into revenue may vary based on the types of services and solutions, customer decisions and other factors, which may include, but are not limited to, the macroeconomic environment or external events.

Liquidity and Capital Resources

We believe that our existing cash and cash equivalents and our revolving credit agreement will be sufficient to meet our anticipated operating cash needs and to fund our planned capital investments, debt maturities, stock repurchases and acquisitions for at least the next twelve months.

Senior Unsecured Notes

In October 2021, in preparation for our Spin-off, we completed the offering of $2.4 billion in aggregate principal amount of senior unsecured fixed-rate notes as follows: $700 million aggregate principal amount of 2.05% Senior Notes due 2026, $500 million aggregate principal amount of 2.70% Senior Notes due 2028, $650 million aggregate principal amount of 3.15% Senior Notes due 2031 and $550 million aggregate principal amount of 4.10% Senior Notes due 2041 (the "Initial Notes"). The Initial Notes were offered and sold to qualified institutional buyers in reliance on Rule 144A under the Securities Act and to non-U.S. persons in reliance on Regulation S of the Securities Act. In connection with the issuance of the Initial Notes, we entered into a registration rights agreement with the purchasers of the Initial Notes, pursuant to which we completed a registered offering to exchange each series of Initial Notes for new notes with substantially identical terms during the quarter ended September 30, 2022.

In February 2024, we completed a registered offering of $500 million in aggregate principal amount of 6.35% senior unsecured notes due 2034 (the "2034 Notes"). We received proceeds of $494 million, net of debt issuance costs and discounts. The 2034 Notes are the Company's senior unsecured obligations and rank equally in right of payment with all of the Company's other existing and future senior unsecured indebtedness.

The Initial Notes and the 2034 Notes are subject to customary affirmative covenants, negative covenants and events of default for financings of this type and are redeemable at our option in a customary manner.

We have outstanding $700 million of fixed-rate notes that mature in October 2026. We expect to refinance these notes prior to maturity.

Revolving Credit Agreement

In October 2021, we entered into a $3.15 billion multi-currency revolving credit agreement (the "Revolving Credit Agreement"), which expires, unless extended, in October 2026. The Revolving Credit Agreement was amended in June 2023, replacing the London Interbank Offered Rate ("LIBOR") with the Secured Overnight Financing Rate ("SOFR"). In March 2025, we further amended the agreement, extending the maturity to March 2030. Interest rates on borrowings under the Revolving Credit Agreement will be based on prevailing market interest rates, plus a margin, as further described in the Revolving Credit Agreement. As of December 31, 2025, no amounts were drawn under the Revolving Credit Agreement. In February 2026, the Company borrowed $1 billion under the Revolving Credit Agreement. Proceeds are intended to be used for working capital and other general corporate purposes, which may include repayment of indebtedness and acquisitions.

Management Discussion (continued)

The Revolving Credit Agreement includes certain customary mandatory prepayment provisions. In addition, it includes customary events of default and affirmative and negative covenants as well as a maintenance covenant that will require that the ratio of our indebtedness for borrowed money to consolidated EBITDA (as defined in the Revolving Credit Agreement) for any period of four consecutive fiscal quarters be no greater than 3.50 to 1.00. As of December 31, 2025, the Company is in compliance with its debt covenants.

Transfers of Financial Assets

The Company has entered into arrangements with third-party financial institutions to sell certain financial assets (primarily trade receivables) without recourse. The Company has determined these are true sales. The carrying value of the financial asset sold is derecognized, and a net gain or loss on the sale is recognized, at the time of the transfer. An agreement, which was executed in November 2021 and subsequently amended, enabled us to sell certain of our trade receivables to the counterparty. The initial term of this agreement was 18 months, and the agreement automatically resets to a term of 18 months after every six months, unless either party elects not to extend. This agreement was further amended during the quarter ended September 30, 2024 to reduce the committed facility limit from $1 billion to $600 million and to add an incremental uncommitted facility limit of $200 million that is subject to the counterparty's sole discretion to purchase such incremental amounts. We have also entered into additional agreements with a separate third-party financial institution that enable us to sell receivables. These agreements were first executed in June 2022 and subsequently amended to renew automatically every 18 months, unless either party elects not to extend. These facilities are committed for approximately $250 million in the aggregate.

The net proceeds from these agreements are reflected as cash provided by operating activities in the Consolidated Statement of Cash Flows. Gross proceeds from receivables sold to third parties under the aforementioned programs were $629 million and $1.8 billion for the three and nine months ended December 31, 2025, respectively, and $760 million and $2.6 billion for the three and nine months ended December 31, 2024, respectively. The fees associated with the transfers of receivables were $2 million and $12 million for the three and nine months ended December 31, 2025, and were $8 million and $28 million for the three and nine months ended December 31, 2024, respectively. The year-to-year decline in the gross proceeds from sales of receivables was primarily due to a higher volume of intra-period factoring transactions in the prior period.

Since our Spin-off, the declining volumes of sales of receivables have been primarily driven by factoring of receivables from pre-spin customer contracts that gave certain customers extended payment financing terms. As we have transitioned to new signings, including with existing customers, we have provided customers with less extended payment financing terms, which has caused these balances in the aggregate to continue to decline.

Supplier Financing Program

In the year ended March 31, 2024, the Company initiated a supplier financing program with a third-party financial institution under which the Company agrees to pay the financial institution the stated amounts of invoices from participating suppliers on the originally invoiced due date, which have an average term of 90 to 120 days. The financial institution offers earlier payment of the invoices at the sole discretion of the supplier for a discounted amount. The Company does not provide secured legal assets or other forms of guarantees under the arrangements. The Company or the financial institution may terminate the agreement upon at least 180 days' notice. The Company's obligations under this program continue to be recognized as accounts payable in the Consolidated Balance Sheet. The obligations outstanding under this program were immaterial at December 31, 2025 and March 31, 2025.

Share Repurchase Program

In November 2024, the Company's Board of Directors authorized a share repurchase program of up to $300 million of the Company's common stock, and in November 2025, the Company announced that the Board of Directors authorized an additional $400 million of repurchase capacity under this program. Under the Share Repurchase Program, the Company may repurchase shares of its common stock from time to time in open market transactions and may also

Management Discussion (continued)

repurchase shares in accelerated share buyback programs, tender offers, privately negotiated transactions or by other means. Repurchases may also be made under a Rule 10b5-1 trading plan. The timing and amount of repurchase transactions will be determined by the Company's management based on its evaluation of market conditions, share price, legal requirements and other factors. The program does not have a set expiration date and may be suspended, modified or discontinued at any time without prior notice.

During the three and nine months ended December 31, 2025, the Company repurchased 3.7 and 8.4 million shares of its common stock at an aggregate cost of $100 and $254 million, respectively, under the Share Repurchase Program. As of December 31, 2025, approximately $351 million of capacity remained available under the Share Repurchase Program.

Critical Accounting Estimates

The application of U.S. GAAP requires us to make estimates and assumptions about certain items and future events that directly affect our reported financial condition. There have been no changes to our critical accounting policies and estimates as described in our Annual Report on Form 10-K for the fiscal year ended March 31, 2025 for more information; we refer to the Annual Report on Form 10-K for the fiscal year ended March 31, 2025 as the "Form 10-K".

Cautionary Note Regarding Forward-Looking Statements

This report contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact included in this report, including statements concerning the Company's plans, objectives, goals, beliefs, business strategies, future events, business condition, results of operations, financial position, business outlook, business trends, the outcome of legal and regulatory claims, suits, investigations and other matters, the remediation of material weaknesses and other non-historical statements in this report are forward-looking statements. Such forward-looking statements often contain words such as "aim," "anticipate," "believe," "could," "estimate," "expect," "forecast," "intend," "may," "objectives," "opportunity," "plan," "position," "predict," "project," "should," "seek," "target," "will," "would," and other similar words or expressions or the negative thereof or other variations thereon. Forward-looking statements are based on the Company's current assumptions and beliefs. The Company's actual business, financial condition, results of operations, liquidity, cash flows, internal controls, reputation, stock price and key relationships may differ materially from those suggested by forward-looking statements as a result of risks and uncertainties which include, among others:

- failure to attract new customers, retain existing customers or sell services to customers;
- failure to meet growth and productivity objectives and maintain our capital allocation strategy;
- competition;
- impacts of relationships with critical suppliers and partners;
- failure to address and adapt to technological developments and trends;
- inability to attract and retain key personnel and other skilled employees;
- impact of economic, geopolitical, public health and other conditions;
- damage to the Company's reputation and impact resulting from negative publicity;
- inability to accurately estimate the cost of services and the timeline for completion of contracts;
- service delivery issues;
- the Company's ability to successfully manage acquisitions and dispositions, including integration challenges, failure to achieve objectives, the assumption of liabilities and higher debt levels;
- the Company's ability to refinance maturing debt on favorable terms in a timely manner, or at all, and risks related to the Company's access to capital and credit markets;
- the impact of our business with foreign, state and local government customers;
- failure of the Company's intellectual property rights to prevent competitive offerings and the failure of the Company to obtain, retain and extend necessary licenses;

Management Discussion (continued)

- the impairment of our goodwill or long-lived assets;
- risks relating to cybersecurity, data governance and privacy;
- risks relating to non-compliance with legal and regulatory requirements and changes in laws, regulations and policies in the U.S. and countries where the Company and its customers do business, including with respect to tariffs, taxes and other controls on imports or exports;
- adverse effects from tax matters and environmental matters;
- risks related to legal and regulatory claims, suits, investigations, proceedings and other matters, and consequences related thereto;
- the Company's ability to remediate, and the timing and costs related to the remediation of, material weaknesses in internal control over financial reporting, as well as the Company's ability to maintain effective controls in the future;
- potential indemnification obligations;
- impact of changes in market liquidity conditions and customer credit risk on receivables;
- the Company's pension plans;
- the impact of currency fluctuations; and
- risks related to the Company's common stock and the securities market.

Additional risks and uncertainties include, among others, those risks and uncertainties described in the "Risk Factors" section of our Form 10-K for the fiscal year ended March 31, 2025 (as amended) and our Form 10-Qs for the fiscal quarters ended June 30, 2025 and September 30, 2025 (each, as amended), as such factors may be updated from time to time in the Company's subsequent filings with the SEC. In addition, other risks and uncertainties that are not currently known to the Company or that the Company currently deems immaterial may also impact actual results and outcomes. Any forward-looking statement in this report speaks only as of the date on which it is made. Except as required by law, the Company assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Available Information

We routinely post on or make accessible through our corporate website at www.kyndryl.com and Investor Relations website at https://investors.kyndryl.com information that may be material or of interest to our investors, including news and materials regarding our financial performance, business developments, investor events and other important information regarding the Company. You may automatically receive email alerts and other information about the Company when you enroll your email address by visiting the "Investor Email Alerts" section under the "Resources" section at https://investors.kyndryl.com. We encourage investors, media, our customers, consumers, business partners and others interested in our Company to review the information we provide through these channels. The information contained on the websites referenced above is not, and shall not be deemed to be, incorporated into this filing or any of our other filings with the SEC.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

For our disclosures about market risk, see the information under the heading "Quantitative and Qualitative Disclosures About Market Risk" in the Form 10-K. There have been no material changes to the Company's disclosure about market risk in the Form 10-K.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

The Company's management, with the participation of the Chief Executive Officer and the Interim Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of December 31, 2025. Based on that evaluation, management, with the participation of the Chief Executive Officer and the Interim Chief Financial Officer, has concluded that the Company's disclosure controls and procedures were not effective as of December 31, 2025 due to the material weaknesses in internal control over financial reporting described below.

Management has concluded that the consolidated financial statements for the periods covered by and included in this report fairly present, in all material respects, the Company's financial position, results of operations and cash flows in conformity with GAAP.

Material Weaknesses in Internal Control over Financial Reporting

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of a company's annual or interim financial statements will not be prevented or detected on a timely basis. The material weaknesses described below did not result in a misstatement of the Company's current or previously issued consolidated financial statements; however, these material weaknesses could result in misstatements that would result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected.

The Company identified the following material weaknesses in its internal control over financial reporting:

- The Company's senior finance executives failed to set an appropriate tone at the top based on the principles associated with the control environment component of the COSO framework. Specifically, there was a lack of transparency with the Company's Chief Executive Officer, the Audit Committee of the Board of Directors (the "Board") and the Board, such that disclosure processes, including with respect to certain cash management practices regarding deferring vendor payments quarter to quarter, were impacted. Additionally, the Company lacked an appropriate complement of finance personnel with sufficient understanding of their responsibilities as Disclosure Committee members and with adequate competency in their responsibilities regarding disclosure controls.

- The Company did not design and maintain effective controls related to the information and communication component of the COSO framework to ensure appropriate communication pertaining to the disclosure process between certain functions within the Company, including the Company's Disclosure Committee and the Chief Executive Officer, as well as with the Audit Committee and the Board.

- The aforementioned material weaknesses contributed to an additional material weakness. The Company did not design and maintain effective controls regarding the internal investigation, escalation and documentation of complaints made through the Company's reporting hotline and certain other available reporting channels, including with respect to appropriate escalation of certain complaints to the Audit Committee.

Management Discussion (continued)

Remediation Plan and Activities

The Company has appointed an Interim Chief Financial Officer, Interim General Counsel and Interim Corporate Controller. In addition, the Company expects to make the following enhancements to its internal control over financial reporting to remediate the material weaknesses described above:

- provide updated training on disclosure controls and procedures and internal control over financial reporting and requirements under the Sarbanes-Oxley Act of 2002, including training courses on applicable federal securities laws for members of management;
- enhance the Company's controls, policies, procedures and training related to timely and accurate communication and information sharing, including enhancing key controls concerning information communicated regarding the application of the Company's cash management practices;
- enhance existing Disclosure Committee responsibilities to include, among other requirements, additional discussions and provide incremental training on these responsibilities; and
- enhance the Company's controls, policies, procedures and training related to the Company's reporting hotline, including related to the evaluation and escalation to the Company's Audit Committee of certain reports made through the hotline and certain other available reporting channels.

As the Company continues to evaluate and work to improve its internal control over financial reporting and disclosure controls and procedures, it may decide to take additional or different measures to address control deficiencies or modify the remediation actions described above. While the Company believes that these efforts will improve its internal control over financial reporting, the Company will not be able to conclude whether the steps the Company is taking will remediate the material weaknesses in internal control over financial reporting until a sustained period of time has passed to allow management to test the design and operational effectiveness of the new controls.

Changes in Internal Control over Financial Reporting

There have been no changes in the Company's internal control over financial reporting (as such term is defined in Rule 13a-15(f) of the Exchange Act) that occurred during the quarter ended December 31, 2025 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Part II — Other Information

Item 1. Legal Proceedings

Refer to Note 11 – Commitments and Contingencies, in the notes to consolidated financial statements in this report.

Item 1A. Risk Factors

For a discussion of the Company's potential risks and uncertainties, see the information under the heading "Risk Factors" in the Company's Form 10-K for the year ended March 31, 2025 (as amended) and the information provided below.

The SEC matter and related events are ongoing, and the timing for their resolution and outcome cannot be predicted.

As previously disclosed, the Company, through the Audit Committee of its Board, is reviewing its cash management practices, related disclosures, the efficacy of the Company's internal control over financial reporting, and certain other matters following the Company's receipt of voluntary document requests from the Division of Enforcement of the SEC relating to such matters. This matter is ongoing and the Company cannot currently predict its final outcome.

As a result, the Company has become subject to a number of risks, including:

- the price of the Company's common stock has declined, and may be volatile in the future, as a result of announcements, developments or actions related to the review;
- the Company is subject to legal and regulatory claims, suits, investigations, proceedings and other matters, which can be costly and time-consuming to defend, and may result in substantial financial and legal liability;
- the Company's access to the capital and credit markets and the cost of such capital may be impacted, including as a result of actions taken by credit rating agencies;
- the Company experiences increased scrutiny from regulatory authorities, investors and other stakeholders, which could impact its business and result in additional investigations or regulatory actions;
- the availability of directors' and officers' liability insurance or other types of insurance may be costlier or more difficult to obtain; and
- the Company may be required to pay expenses, fines or damages, or agree to remedies, that could have an adverse impact on its business, results of operations, financial condition or liquidity.

The Company identified material weaknesses in the Company's internal control over financial reporting, which impact the Company's ability to maintain an effective system of internal control over financial reporting.

The Company has identified material weaknesses in the Company's internal control over financial reporting. See "Controls and Procedures" in Part I, Item 4 of this report. While the Company has developed a remediation plan, the material weaknesses cannot be considered remediated until the applicable remedial controls are implemented and operate for a sufficient period of time to allow management to conclude, through testing, that the remediation plan is implemented and the controls are operating effectively. The Company may be unable to remediate these material weaknesses in a timely manner, which could cause investors to lose confidence in the accuracy and completeness of the Company's financial reports and further impact the price of the Company's common stock.

Negative publicity adversely affects the Company and the price of its common stock.

The Company is subject to negative publicity as a result of the Company's review, through the Audit Committee of the Board, discussed above. Negative publicity, including adverse media coverage, unfavorable commentary or reports published by short sellers and public statements or actions by stockholders (such as in connection with efforts by private law firms to solicit clients for securities or derivative litigation), significantly impacts the price and volatility of the Company's common stock, regardless of the accuracy of such commentary, reports or actions. Negative publicity also impacts the terms under which some customers and suppliers are willing to continue to do business with the Company, affects the Company's ability to attract and retain employees, and harms the Company's relationships with investors, lenders and other stakeholders. In addition, negative publicity or unfavorable perceptions make it more difficult for the Company and its employees to operate, resulting in reduced morale, a potential increase in employee turnover and difficulty attracting talent. As a result, negative publicity adversely impacts the Company's business, reputation and the price of its common stock.

Item 2. Unregistered Sales of Equity Securities, Use of Proceeds, and Issuer Purchases of Equity Securities

A summary of our common stock repurchases during the three months ended December 31, 2025 is set forth in the table below.

Period	Total Number of Shares Repurchased[a]	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs (in millions)
October 1 - 31	929,298	$ 28.81	929,298	$ 25
November 1 - 30	1,461,995	25.42	1,461,995	387
December 1 - 31	1,342,517	26.85	1,342,517	351
Total			3,733,810	

(a) All shares were repurchased in open market transactions pursuant to a Share Repurchase Program authorized by our Board of Directors, of which $300 million was publicly announced on November 21, 2024, and an additional $400 million was publicly announced on November 4, 2025. The Share Repurchase Program does not have a set expiration date and may be suspended, modified or discontinued at any time without prior notice. Amounts shown herein exclude common stock repurchases to settle tax withholdings related to the vesting of stock-based awards. See further description of the Stock Repurchase Program in "Part I, Item 2—Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources— Share Repurchase Program."

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the three months ended December 31, 2025, none of the Company's directors or executive officers adopted, terminated or modified a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement" as such terms are defined in Item 408 of Regulation S-K.

As previously disclosed on a current report on Form 8-K filed on January 6, 2026, Maryjo Charbonnier notified the Company of her intent to retire from her role as Chief Human Resources Officer of the Company, effective as of March 31, 2026. Thereafter, she will remain an employee and serve as an Executive Advisor until August 31, 2026. On February 16, 2026, Ms. Charbonnier entered into an employment agreement in connection with her continued employment as an Executive Advisor effective from April 1, 2026 until August 31, 2026. While serving as an Executive Advisor, Ms. Charbonnier will continue to receive her current annual base salary and remains eligible to vest in her outstanding equity awards in accordance with the terms of the Company's long-term incentive program. Any remaining unvested equity awards as of the termination date of her employment will be forfeited. The foregoing summary of Ms. Charbonnier's employment agreement governing her role as an Executive Advisor does not purport to be complete and is qualified in its entirety by reference to the full text of such agreement, which is filed as Exhibit 10.2 to this Quarterly Report on Form 10-Q.

Item 6. Exhibits

Exhibit Number	Description of Exhibit
2.1	Separation and Distribution Agreement, dated as of November 2, 2021, by and between International Business Machines Corporation and the registrant, was filed as Exhibit 2.1 to the registrant's Current Report on Form 8-K filed on November 4, 2021, and is hereby incorporated by reference.
3.1	Amended and Restated Certificate of Incorporation of the registrant was filed as Exhibit 3.1 to the registrant's Current Report on Form 8-K filed on November 4, 2021, and is hereby incorporated by reference.
3.2	Amended and Restated Bylaws of the registrant, effective January 25, 2023, was filed as Exhibit 3.1 to the registrant's Current Report on Form 8-K filed on January 27, 2023, and is hereby incorporated by reference.
10.1	Fifth Amendment to Amended and Restated Receivable Purchase Agreement, dated February 4, 2026, by and among Banco Santander S.A., Kyndryl, Inc. and Kyndryl Holdings, Inc. (filed herewith)
10.2	Employment Agreement between Maryjo Charbonnier and Kyndryl, Inc., dated as of February 16, 2026 (filed herewith)
31.1	Certification of principal executive officer, as required by Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
31.2	Certification of principal financial officer, as required by Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
32.1	Certification of principal executive officer, as required by Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
32.2	Certification of principal financial officer, as required by Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
101.INS	XBRL Instance Document – the instance document does not appear on the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File – the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by the Company in these agreements or other documents were made solely within the specific context of the relevant agreement or document and do not apply in any other context or at any time other than the date they were made.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Kyndryl Holdings, Inc.
(Registrant)

Date: February 17, 2026

By: /s/ Harsh Chugh

Harsh Chugh

Interim Chief Financial Officer (Principal Financial Officer and Authorized Signatory)

FIFTH AMENDMENT

TO AMENDED AND RESTATED RECEIVABLES PURCHASE AGREEMENT

THIS FIFTH AMENDMENT TO AMENDED AND RESTATED RECEIVABLES PURCHASE AGREEMENT (this "**Amendment**"), dated as of February 4, 2026 (the "**Amendment Effective Date**"), is entered into by and among Banco Santander S.A. ("**Santander**"), Kyndryl, Inc., a Delaware corporation ("**Kyndryl**"), and Kyndryl Holdings Inc., a Delaware corporation ("**Parent**"). This Amendment amends that certain Amended and Restated Receivables Purchase Agreement, dated as of October 28, 2021, as amended by the First Amendment to Amended and Restated Receivables Purchase Agreement dated January 26, 2022, the Second Amendment to Amended and Restated Receivables Purchase Agreement dated September 21, 2022, the Third Amendment to Amended and Restated Receivables Purchase Agreement dated December 21, 2022, and the Fourth Amendment to Amended and Restated Receivables Purchase Agreement dated July 26, 2024 (collectively, the "**Agreement**"), among, *inter alia*, Kyndryl, Santander, and solely for purposes of Section 13.19 thereof, Parent.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

A. **Defined Terms.** All initially capitalized terms used herein without definition shall have the respective meanings ascribed thereto in the Agreement, as amended hereby.

B. **Amendments to the Agreement.** The Agreement is hereby amended as follows:

1. The following definition of "Aggregate Non-EPP Balance" shall be included in alphabetical order in Appendix A (Certain Defined Terms) of the Agreement as set forth below:

   "Aggregate Non-EPP Balance" means, at any time, the aggregate outstanding balance at such time of all Purchased Receivables that are Non-EPP Receivables.

2. The defined terms set forth in Appendix A (Certain Defined Terms) of the Agreement are hereby amended and replaced in its entirety as follows:

   "Obligor EPP Limit" means, with respect to any Obligor, the maximum aggregate amount of Purchased Receivables that are EPP Receivables owing by such Obligor that may be outstanding under the Facility at any time, as set forth on the Obligor Schedule or as otherwise agreed in writing by Purchaser and Kyndryl (which may be by exchange of emails between any person listed for Purchaser and any person listed for Kyndryl on Schedule 1); provided, that notwithstanding anything to the contrary in this Agreement, the Purchaser shall be entitled to reduce or withdraw the Obligor Limit with respect to any Obligor (Uncommitted) in its sole discretion at any time and from time to time without prior notice.

   "Obligor Limit" means, with respect to any Obligor, either the Obligor EPP Limit or the Obligor Non-EPP Limit of such Obligor, as applicable (each of which shall constitute a separate limit applicable only to EPP Receivables or only to Non-EPP Receivables, as the case may be).

"Obligor Non-EPP Limit" means, with respect to any Obligor, the maximum aggregate amount of Purchased Receivables that are Non-EPP Receivables owing by such Obligor that may be outstanding under the Facility at any time, as set forth on the Obligor Schedule or as otherwise agreed in writing by Purchaser and Kyndryl (which may be by exchange of emails between any person listed for Purchaser and any person listed for Kyndryl on Schedule 1); provided, that notwithstanding anything to the contrary in this Agreement, the Purchaser shall be entitled to reduce or withdraw the Obligor Limit with respect to any Obligor (Uncommitted) in its sole discretion at any time and from time to time without prior notice.

"Obligor Schedule" means the schedule attached as an exhibit to the Fee Letter (including both Part A and Part B) titled "*Obligor Schedule*", as such Obligor Schedule may be amended, supplemented or otherwise modified following the Closing Date as Kyndryl and the Purchaser mutually agree from time to time pursuant to Section 13.16. In the event there is ambiguity, conflict or an inconsistency between any term used in the Obligor Schedule with those terms used in the Agreement, the terms of the Agreement shall prevail.

3. Clause 2.1 (*Committed Facility*) of the Agreement shall be amended and restated as follows:

2.1 Committed Facility; Facility Limit. Subject to the terms and conditions of this Agreement, Purchaser agrees to provide the Facility to the Sellers from time to time during the Availability Period; provided, that in no event shall the sum of: (i) the Aggregate EPP Balance; and (ii) the Aggregate Non-EPP Balance exceed the Facility Limit at any time. Subject to the terms and conditions herein set forth and in accordance with Section 2.2 hereof, (a) the Purchaser is committed to purchase Receivables hereunder solely with respect to an Obligor (Committed) up to the Obligor EPP Limit or the Obligor Non-EPP Limit (as applicable) for such Obligor and (b) the Purchaser may, on an uncommitted basis, purchase Receivables, in the Purchaser's sole discretion, with respect to (i) EPP Receivables of an Obligor (Committed) in excess of the Obligor EPP Limit for such Obligor and (ii) Non-EPP Receivables of an Obligor (Committed) in excess of the Obligor Non-EPP Limit for such Obligor. If the daily average Aggregate EPP Balance plus the average Aggregate Non-EPP Balance (as applicable) for any successive three-month period falls below the Facility Limit Threshold, Purchaser, in its sole discretion, shall be entitled to reduce the Facility Limit down to not less than 10% above such aggregate daily average Aggregate EPP Balance plus daily average Aggregate Non-EPP Balance; or such higher amount the Purchaser selects, provided that the Purchaser shall provide Kyndryl notice of such reduction at least thirty (30) days prior to the reduction of the Facility Limit.

4. Section (h) of Clause 2.2 (*Purchase and Sale*) of the Agreement shall be amended and restated as follows:

(h) Regular Monthly Purchases (Non-EPP Receivables Only). Subject to the terms and conditions of this Agreement, from time to time during the Availability Period, the Seller may offer, and the Purchaser (i) with regards to any Designated Non-EPP Receivables arisen from an Obligor (Uncommitted), in its sole discretion may purchase; and (ii) with regards to any Designated Non-EPP Receivables

<u>arisen from an</u> Obligor (Committed), shall purchase; Designated Non-EPP Receivables in accordance with the following procedures:

(i) On or prior to the seventh (7th) calendar day of any calendar month during the Availability Period, the Seller may deliver (including via email) to the Purchaser a preliminary indicative file in a form mutually agreed by Kyndryl and Purchaser (each such file, an "Indicative Non-EPP Receivables File") setting forth a preliminary list of Obligors and face amount of Non-EPP Receivables owing by each such Obligor to be offered for sale in such calendar month (and such other information as is mutually agreed by the Purchaser and Kyndryl). Within ten (10) calendar days of receipt by the Purchaser of an Indicative Non-EPP Receivables File delivered by Seller on a timely basis pursuant to the preceding sentence, Purchaser shall provide a preliminary indication of interest (the "Indicative Purchaser Response") to Seller. On or prior to the second (2nd) Business Day after receipt by Seller of an Indicative Purchaser Response (as extended in the reasonable discretion of the Purchaser for any calendar month, the "Final Notice Date"), the Seller shall deliver (including via email) to the Purchaser an updated Indicative Non-EPP Receivables File or confirmation that there are no changes to the previously delivered Indicative Non-EPP Receivables File for such calendar month.

(ii) With respect to the most recent Indicative Non-EPP Receivables File delivered by the Seller on or prior to the Final Notice Date in any calendar month pursuant to clause (i) of this subsection, the Purchaser will deliver (including via email) to Kyndryl on or prior to the applicable Cut Off Date for such calendar month, notification (for any calendar month, as updated by the Purchaser in its sole discretion in accordance with restrictions set forth in clauses (A) and (B) below for such calendar month, a "Non-EPP Obligor Information Notice") with respect to the following,: (A) which (if any) Obligors not listed in the most recent Fee Letter but are set forth on such Indicative Non-EPP Receivables File and are approved by the Purchaser as an "Eligible Obligor" for such calendar month, (B) no reductions in the Obligor Non-EPP Limit set forth in the most recent Fee Letter for such calendar month for each such Eligible Obligor, (C) the Maximum Tenor of the Non-EPP Receivables for each such Eligible Obligor for such calendar month, (D) the Buffer Period for each such Eligible Obligor for such calendar month, (E) such other information of the type set forth in the Obligor Schedule (with respect to EPP Receivables), as applicable to the Non-EPP Receivables of any such Eligible Obligor for such calendar month, and (F) the applicable Margin; provided, if the Margin is not included on any Non-EPP Obligor Information Notice, it will be the applicable Margin in the most recent Fee Letter). At any time and from time to time, promptly upon the Purchaser determining that there will be a change in any Non-EPP Obligor Information Notice for any calendar month, the Purchaser shall deliver (including via email) to the Seller an updated Non-EPP Obligor

Information Notice for such calendar month adding to, deleting from, or otherwise modifying the information set forth therein; provided that Purchaser may not remove an Obligor (Committed), reduce the applicable Obligor Non-EPP Limit, or change the Margin as set forth in the most recent Fee Letter. Any notices delivered pursuant to clause (i) of this subsection or this clause (ii) may be delivered via an email from or to (as applicable) any of the persons identified with respect to Purchaser or Kyndryl (on behalf of itself and the other Sellers), as applicable, on Schedule 1 (Addresses for Notices) that apply with respect to changes to the Obligor Schedule or in any other manner permitted hereunder.

(iii) On or prior to the applicable Cut Off Date with respect to Non-EPP Receivables for each calendar month during the Availability Period, the Seller may deliver (including via email) to the Purchaser a file in a form mutually agreed by Kyndryl and Purchaser listing the Designated Non-EPP Receivables owing by an Eligible Obligor for such calendar month (up to, or exceeding, the Obligor Non-EPP Limit for each such Eligible Obligor for such calendar month) that are offered for sale hereunder by Seller for such calendar month (each such file, a “Non-EPP Specification”), which Non-EPP Specification shall constitute a firm offer for sale of the Designated Non-EPP Receivables listed thereon at a Purchase Price determined based on the Margin set forth in the most recent Fee Letter that has been delivered to the Seller by the Purchaser for such calendar month at such time. The Non-EPP Specification shall include, among other things, identification of the relevant Contract, applicable Eligible Obligor, invoice number, confirmed face amount and Payment Due Date for each such Designated Non-EPP Receivable. The Seller shall not submit any Non-EPP Specification hereunder for any calendar month unless all of the conditions precedent set forth in Section 2.7 (excluding Section 2.7(h), subsection (C)) will be satisfied on the applicable Purchase Date. If the Purchaser delivers to the Seller a new Non-EPP Obligor Information Notice for any calendar month after receipt of a Non-EPP Specification for such calendar month (or an End of Period Specification for Non-EPP Receivables for such calendar month), the Seller may, by written notice delivered (including by email) to the Purchaser as soon as reasonably practicable (and in any event prior to the Approved Purchase Date for such calendar month) do any of the following: (A) rescind such Non-EPP Specification, (B) affirm such Non-EPP Specification subject to the terms of the new Non-EPP Obligor Information Notice (as long as it is in compliance therewith), or (C) submit a new (replacement) Non-EPP Specification for such calendar month (or, if applicable, End of Period Specification for Non-EPP Receivables for such calendar month) based on such new Non-EPP Obligor Information Notice (in compliance with all requirements set forth in this clause (iii) and, if applicable, subsection (c) of this Section), which shall constitute a firm offer for the sale of the Designated Non-EPP

Receivables listed thereon at a Purchase Price determined based on the Margin set forth in the most recent Fee Letter.

(iv) On the Approved Purchase Date for any calendar month, the Purchaser: (i) with regards to any Designated Non-EPP Receivables arisen from an Obligor (Uncommitted), in its sole discretion may purchase any, all or none of such; and (ii) with regards to any Designated Non-EPP Receivables arisen from an Obligor (Committed), shall purchase; any Designated Non-EPP Receivables listed on the applicable Non-EPP Specification for such calendar month. Without limiting the Purchaser's sole discretion in determining whether or not to purchase any Non-EPP Receivables arisen from an Obligor (Uncommitted), on any Approved Purchase Date (as set forth in the preceding sentence), Purchaser will use commercially reasonable efforts, subject to the conditions precedent set forth in Section 2.7 and the customary internal approvals of Purchaser and other operational and market factors, to specify in the Non-EPP Obligor Information Notice for any calendar month, an Obligor Non-EPP Limit for each Eligible Obligor not currently listed in the most recent Fee Letter for such calendar month in an amount equal to the amount of Non-EPP Receivables owing by such Eligible Obligor that Purchaser intends to purchase on the applicable Approved Purchase Date in such calendar month. The Purchaser will use commercially reasonable efforts to promptly notify the Seller if Purchaser believes it is reasonably likely to make any changes for any calendar month to the Non-EPP Obligor Information Notice previously delivered in such calendar month. If Purchaser purchases such Designated Non-EPP Receivables exceeding the applicable Obligor Non-EPP Limit, or purchases any Designated EPP Receivables exceeding the applicable Obligor EPP Limit, the Purchaser acknowledges that such excess purchased amounts shall not result in Seller's breach of Section 6.1(a)(xxi), and for avoidance of doubt, such excess purchased amounts shall not be a Repurchase Event under Section 9.1.

5. Section (h) of Clause 2.7 (*Conditions Precedent to Each Purchase*) of the Agreement shall be amended and restated as follows:

(h) after giving effect to such purchase (and treating all Designated Receivables to be purchased on such Purchase Date as Purchased Receivables), in no event would (A) the sum of the Aggregate EPP Balance and the Aggregate Non-EPP Balance exceed the Facility Limit, (B) the sum of the Outstanding Obligor EPP Balance and the Outstanding Obligor Non-EPP Balance of any Obligor exceed the sum of the Obligor EPP Limit plus the Obligor Non-EPP Limit of such Obligor;

6. Section 8.2 (a) of the Agreement (Seller Negative Covenants) is hereby deleted in its entirety and replaced with the following:

(a) (i) extend, amend or otherwise modify any of the terms of any Purchased Receivable in any material respect or make any material forbearances or waivers with respect thereto, including with respect to the maturity or Payment Due Date thereof, (ii) grant any Dilution with respect to any Purchased Receivable (unless a payment is made to the Purchaser for such Dilution in accordance with this Agreement), or (iii) cancel, rescind, amend, waive or otherwise modify or change any Contract related to such Purchased Receivable in any manner relevant to the eligibility of such Purchased Receivable for purchase hereunder or that would adversely affect the value, validity, enforceability or collectability of the related Purchased Receivable, in each case, without the prior written consent of Purchaser, such consent not to be unreasonably withheld, conditioned or delayed.

7. Schedule 1 (Addresses for Notices),

A. In subsection (a) replace the Attention to addressee to the following:

Attention:

Email:

B. Replace the table that lists those additional Persons who are designated by Kyndryl for purposes of Section 2.2(a) and Section 13.16 and for determining the Obligor Limit of any Obligor as follows:

C. **Representations and Warranties.** Each of Parent and Kyndryl hereby represents and warrants as of the Amendment Effective Date as follows:

1. Both immediately before and immediately after giving effect to this Amendment, the representations and warranties set forth in the Agreement and each other Transaction Document (including, without limitation, each Participation Agreement executed on or prior to the date hereof) are true and correct on and as of the date hereof, as though made on the date hereof (except to the extent that such representations and warranties expressly relate solely to an earlier date, in which case such representations and warranties shall be true and correct as of such earlier date).

2. To the extent that notice to or the consent, acceptance, acknowledgement or approval of any Seller (other than Kyndryl) is required pursuant to the applicable Participation Agreement to which it is party to effectuate any amendment to or modification of the Agreement, as incorporated by reference into such Participation Agreement, such Seller has received such notice or provided such consent, acceptance, acknowledgement or approval (collectively, the “Required Consents”) and Kyndryl is executing this Agreement on behalf of itself and each such other Seller. Kyndryl will provide a copy of

this Agreement to each other Seller (whether or not consent hereto is required by any such other Seller).

3. Both immediately before and immediately after giving effect to this Amendment, the representations and warranties set forth in subsections (b) though (i) of Section 6.1 of the Agreement are true and correct with respect to Parent in connection with its obligations under Section 13.19 of the Agreement, as if each reference in such representations and warranties to "Seller" were a reference to "Parent" for purposes hereof.

4. Each of Parent, Kyndryl and each other Seller has the organizational power and authority to execute (if applicable) and be bound by the terms and provisions of this Amendment (and any applicable Required Consent to which any other Seller is a signatory) and each of them has taken all necessary organizational action to authorize and approve the execution and delivery (to the extent applicable) and performance of this Amendment and the Agreement, as amended hereby (and, in the case of each Seller other than Kyndryl, as the Agreement, as amended hereby, is incorporated into the Participation Agreement to which it is a party), and the foregoing constitutes the legal, valid, and binding obligation of such party, enforceable against such party in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and subject to general principles of equity.

5. No Triggering Event, Purchaser Termination Event, or event that with the giving of notice, or lapse of time or both would give rise to a Triggering Event or Purchaser Termination Event has occurred, in each such case, both immediately before and immediately after giving effect to this Amendment.

6. No Insolvency Event has occurred with respect to Parent, Kyndryl or any other Seller.

D. **__Additional Terms__.** The parties hereto further agree to the following terms:

1. This Amendment shall be effective solely for the specific purpose for which it is given and shall not create a course of dealing between the parties in any respect. The execution, delivery, and performance of this Amendment shall not operate, except as expressly set forth herein, as a waiver of, consent to, or a modification or amendment of, any right, power, or remedy of Purchaser under the Agreement, any Participation Agreement, or any other Transaction Document. Except for the amendments to the Agreement expressly set forth herein (and as the Agreement, as amended hereby, is incorporated by reference into each Participation Agreement), the Agreement, each Participation Agreement and each other Transaction Document shall remain unchanged and in full force and effect in accordance with their respective terms and are hereby ratified and confirmed in all respects.

2. Upon and after the effectiveness of this Amendment, each reference in the Agreement to "this Agreement", "hereunder", "herein", "hereof" or words of like import referring to the Agreement, and each reference in any Participation Agreement or any other Transaction Document to "the Receivables Purchase Agreement", "the Amended and Restated Receivables Purchase Agreement", "thereunder", "therein", "thereof" or words of like import referring to the Agreement, shall mean and be a reference to the Agreement as modified and amended hereby.

3. This Amendment, and the terms and provisions hereof, the Agreement (as amended hereby) and the other Transaction Documents (after giving effect to this Amendment) constitute the entire understanding and agreement between the parties hereto or thereto with respect to the subject matter hereof and thereof and supersede any and all prior or contemporaneous amendments or understandings with respect to the subject matter hereof, whether express or implied, oral or written. The terms and provisions of this Amendment shall prevail over any conflicting terms of any other Transaction Document.

4. Each of Parent and Kyndryl, on behalf of itself and each other Seller, hereby (i) reaffirms its obligations under each Transaction Document to which it is a party after giving effect to the terms and provisions of this Amendment and (ii) ratifies and reaffirms the validity, enforceability, perfection and first priority ownership interest of the Purchaser in, to and under each Purchased Receivable transferred pursuant to the Agreement or any Participation Agreement, as applicable.

5. If any provision in this Amendment shall be invalid, illegal or unenforceable, such provision shall be severable from the remainder of this Amendment and the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

6. SECTIONS 13.9, 13.10 AND 13.11 OF THE AGREEMENT (GOVERNING LAW, SUBMISSION TO JURISDICTION AND WAIVER OF JURY TRIAL) ARE HEREBY INCORPORATED HEREIN *MUTATIS MUTANDIS* AS IF SET FORTH IN FULL HEREIN.

7. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, taken together, shall constitute but one and the same agreement. Delivery of an executed counterpart of this Amendment by facsimile or other electronic method of transmission shall be equally effective as delivery of an original executed counterpart of this Amendment.

[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed and delivered as of the date first above written.

BANCO SANTANDER, S.A., as Purchaser

By: /s/ Javier Moreno
Name: Javier Moreno
Title: Executive Director

By: /s/ Belen Humanes
Name: Belen Humanes
Title: Associate

KYNDRYL, INC., as Seller

By: /s/ Evan Barth
Name: Evan Barth
Title: Vice President, Associate General Counsel and Assistant Secretary

KYNDRYL HOLDINGS, INC., solely for purposes of Section 13.19 of the Receivables Purchase Agreement, as Parent

By: /s/ Evan Barth
Name: Evan Barth
Title: Vice President, Associate General Counsel and Assistant Secretary

Employment Agreement

This Employment Agreement (the "**Agreement**") is made and entered into as of February 16, 2026, by and between Maryjo Charbonnier (the "**Executive**") and Kyndryl, Inc. ("**Kyndryl**" or the "**Company**").

WHEREAS, the Company desires to employ the Executive on the terms and conditions set forth herein; and

WHEREAS, the Executive desires to be employed by the Company on such terms and conditions.

NOW, THEREFORE, in consideration of the mutual covenants, promises, and obligations set forth herein, the parties agree as follows:

1 Term. The Executive's employment hereunder shall be effective as of April 1, 2026 (the "**Effective Date**") and shall continue until terminated at the will of either or both parties. The parties currently anticipate that this Agreement will likely continue until August 31, 2026; however, both parties understand and agree that either party may terminate this Agreement at any time, with or without notice. The parties understand that they should confer approximately sixty (60) days prior to the estimated termination date stated above to affirm their intention to conclude or extend the expected duration of the Agreement. The period during which the Executive is employed by the Company hereunder is hereinafter referred to as the "**Employment Term.**"

2 Position and Duties.

2.1 Position. During the Employment Term, the Executive shall serve in the role of Executive Advisor to the Company, reporting to Martin Schroeter. In such position, the Executive will assist with the transition of the Chief Human Resources Officer role and responsibilities. In such capacity, the Executive shall have such duties, authority, and responsibilities as shall be determined from time to time by Martin Schroeter, which duties, authority, and responsibilities are consistent with the Executive's position.

2.2 Hours of Work and Work Location. During the Employment Term, the parties agree that the Executive should devote a minimum of twenty (20) hours per week to the performance of Executive's duties hereunder. The parties agree, however, that the specific working hours may vary from week to week and that the Compensation detailed in Section 3 below will not vary based on actual hours worked. The Executive shall primarily perform her work functions from her home office in Connecticut, although the parties understand and agree that periodic travel, including but not limited to the Company's headquarters in New York, may be required.

2.3 Compliance with Company Policies and Procedures. The Executive agrees to review and comply with all relevant Company policies and procedures, including but not limited to the Kyndryl Code of Conduct ("**Code of Conduct**"), as well as to timely complete all required training. The Executive further agrees to review and abide by the Agreement Regarding Confidential Information, and Intellectual Property and other matters ("**ARCIIP**"), including the restrictive covenants and obligations contained herein, and acknowledges that certain obligations under the ARCIIP will survive the Executive's Termination Date.

2.4 Performance of Outside Work. During the Employment Term, the Executive will comply with the Kyndryl Code of Conduct, including its requirements related to conflicts of interest and performance of outside work. Holding a similar position at another company, working for a competitor, engaging in a profession or occupation for compensation, or serving as a member of a board of directors, advisory board, or advisory council may result in a conflict of interest. As outlined in the Code of Conduct, the Executive must obtain prior review and approval from management and Kyndryl Legal. These activities must not interfere with the performance of the Executive's duties and responsibilities to the Company under this Agreement.

3 Total Rewards & Compensation.

3.1 Base Salary. The Company shall pay the Executive an annual base salary of $700,000 in periodic installments in accordance with the Company's customary payroll practices and applicable wage payment laws, but no less frequently than monthly. This base salary will remain the same regardless of actual hours worked. The parties do not expect that there will be any adjustments or increases to the Executive's Base Salary during the term of this Agreement. The Executive's annual base salary, as in effect from time to time, is hereinafter referred to as "**Base Salary**."

3.2 Previously Awarded Equity Awards. The Executive shall remain eligible to vest in existing equity awards pursuant to the terms of the governing plan and corresponding award agreements; however, the Executive will not be considered for additional equity award grants. The applicable Change-in-Control provisions of the Amended and Restated Long-Term Performance Plan shall apply to these existing awards.

3.3 Employee Benefits. During the Employment Term, the Executive shall be entitled to participate in all employee benefit plans, practices, and programs maintained by the Company, as in effect from time to time (collectively, "**Employee Benefit Plans**") available as a part-time Employee to the extent consistent with applicable law and the terms of the applicable Employee Benefit Plans, including without limitation, health care (including medical, dental, vision), flexible spending accounts (FSA), Kyndryl 401(k) Plan, and the Kyndryl Excess Plan.

3.4 Vacation; Paid Time Off. During the Employment Term, the Executive is entitled to 7.5 days of paid vacation days per calendar year if they have less than 10 years of service with the Company, commensurate with a part-time executive role under the Kyndryl US Holiday and Vacation Policy. Paid holidays and personal choice days are also provided according to the Policy.

3.5 Travel, Administrative Support, and Business Expenses. The Executive shall be entitled to reimbursement for all reasonable and necessary out-of-pocket business, entertainment, and travel expenses incurred by the Executive in connection with the performance of the Executive's duties hereunder in accordance with the Company's expense reimbursement policies and procedures for a Band A executive. The Executive will be eligible for administrative support for travel and expense reimbursement and calendar management.

4 Waiver and Release of Claims by Executive. The Executive acknowledges and agrees that the compensation and benefits provided under this Agreement (other than the Accrued Amounts) are in exchange of and contingent on Executive's execution of this Agreement (including the waiver and release as set forth in Exhibit A hereof (the "**Release**").

5 Termination of Employment. The Employment Term and the Executive's employment hereunder may be terminated by either the Company or the Executive at any time and for any reason (the date on which Executive's employment is terminated, the "**Termination Date**"). Each party agrees that they will make their best efforts to provide the other party at least sixty (60) days advance written notice of termination. Upon termination, the Executive shall be entitled to the compensation and benefits described in this Section 5 and shall have no further rights to any compensation or any other benefits from the Company or any of its affiliates.

5.1 Amounts Due Upon Termination of Employment. Upon termination, the Executive shall be entitled to receive:

a. any accrued but unpaid Base Salary and accrued but unused vacation which shall be paid on the pay date immediately following the Termination Date in accordance with the Company's customary payroll procedures; and

b. reimbursement for unreimbursed business expenses properly incurred by the Executive, which shall be subject to and paid in accordance with the Company's expense reimbursement policy (together with clause (a), the "**Accrued Amounts**").

c. The treatment of any outstanding equity awards shall be determined in accordance with the terms of the plan and the applicable award agreements.

d. The continuation of any applicable benefits or bonuses shall be determined in accordance with the terms of the relevant plan.

5.2 Termination Upon the Executive's Death.

a. The Executive's employment hereunder shall terminate automatically on the Executive's death during the Employment Term.

b. If the Executive's employment is terminated during the Employment Term on account of the Executive's death, the Executive (or the Executive's estate and/or beneficiaries, as the case may be) shall be entitled to the amounts detailed in Section 5.1 above.

5.3 Resignation of All Other Positions. On termination of the Executive's employment hereunder for any reason, the Executive shall be deemed to have resigned, as of the Termination Date, from all positions that the Executive holds as an officer or member of the Board (or a committee thereof) of the Company or any of its affiliates. The Executive's transition from a full-time employee to the role as defined in this Agreement will not constitute a break in service for benefit purposes.

6 Cooperation. The parties agree that certain matters in which the Executive will be involved during the Employment Term may necessitate the Executive's cooperation in the future. Accordingly, following the termination of the Executive's employment for any reason, to the extent reasonably requested by the Company, the Executive shall cooperate with the Company in connection with matters arising out of the Executive's service to the Company; provided that the Company shall make reasonable efforts to minimize disruption of the Executive's other activities.

7 Restrictive Covenants.

7.1 The Executive agrees that, as consideration for entering into this Employment Agreement, the Noncompetition Agreement provided as Attachment 1 shall remain in full force and effect during the Employment Term and for a period of twelve (12) months from the Executive's Termination Date. The Executive specifically acknowledges that these provisions include the covenants in Paragraphs 1(e) and (f) of the Executive's Noncompetition Agreement, which will apply through the first anniversary of the Termination Date and are valid and enforceable.

7.2 The Executive agrees that Kyndryl shall have the right to appropriate injunctive relief provided in Paragraph 4 of the Noncompetition Agreement to enforce the provisions of this Agreement.

7.3 The Executive acknowledges that the obligations under the Noncompetition Agreement are in addition to the obligations contained in the ARCIIP, which will also survive the Termination Date.

8 Confidential Information and Intellectual Property. The Executive is aware of the legal obligations as stated in the ARCIIP, which includes the Executive's obligation not to disclose to anyone outside of Kyndryl or use in other than Kyndryl's business, any confidential information or material of or possessed by Kyndryl. These and all other obligations regarding intellectual property, and confidential information will continue to apply to the Executive after the Termination Date. If at any time in the future, the Executive wishes to disclose or use any confidential information or if the Executive should be in doubt as to whether any information may be confidential to the Company, the Executive will, before such disclosure or use, obtain written permission from an authorized officer of Kyndryl to do so, subject to Section 10 (Protected Rights) hereof. The Executive further understands that such permission may be refused. In addition, subject to Section 10 (Protected Rights) hereof, the Executive agrees not to comment on any matter in a manner that would reveal any such confidential information.

Nothing in this Agreement shall prohibit the Executive from complying with any lawful subpoena or court order or taking any other actions affirmatively authorized by law.

The Executive acknowledges that, as an senior level executive, he or she will acquire and possess to a greater extent than most Kyndryl employees, information which is confidential and proprietary to the Company. The Executive may disclose Company confidential information if required to do so to comply with applicable laws, legal proceedings, or governmental regulations, provided that the Executive gives Kyndryl, when legally permissible, prior notice of such order or requirement to disclose such confidential information in order to give Kyndryl a reasonable opportunity to obtain a protective order. The Executive is not required to provide such notice to Kyndryl with respect to requests from the Securities and Exchange Commission ("**SEC**"). The Executive should be aware that the disclosure of confidential information would place Kyndryl at a serious competitive disadvantage and could cause it serious damage, financial and otherwise. Except as provided herein, any unauthorized disclosure of confidential information could result in criminal penalties (including fines and imprisonment) assessed against the Executive.

The Executive has disclosed, and will disclose, in writing to the Kyndryl Intellectual Property Law department, any inventions, works of authorship, or other developments made, conceived, written, or otherwise created, solely by the Executive or jointly with others, during the Executive's employment with Kyndryl, all of which Kyndryl owns by virtue of the ARCIIP. The Executive recognizes that he or she has an obligation to execute papers in connection with patents or patent applications on such inventions to complete filings and assignments to Kyndryl.

9 Non-Disparagement. Subject to Section 10 (Protected Rights), the Executive agrees and covenants that the Executive will not at any time make, publish, or communicate to any person or entity or in any public forum any defamatory or disparaging remarks, comments, or statements concerning the Company or its businesses, or any of its employees, officers, and existing and prospective customers, suppliers, investors and other associated third parties.

This Section does not, in any way, restrict or impede the Executive from exercising protected rights to the extent that such rights cannot be waived by agreement or from complying with any applicable law or regulation or a valid order of a court of competent jurisdiction or an authorized government agency, provided that such compliance does not exceed that required by the law, regulation, or order. The Executive shall promptly provide written notice of any such order to Kyndryl's General Counsel.

10 Protected Rights. By signing this Agreement, both the Company and the Executive agree that (i) this Agreement does not limit the Executive's right to discuss the Executive's engagement of service or unlawful acts in Company's workplace, including but not limited to sexual harassment, or report possible violations of law or regulation with any federal, state or local government agency, or to discuss the terms and conditions of the Executive's engagement of service with others to the extent expressly permitted by Section 7 of the National Labor Relations Act; (ii) nothing in this Agreement or otherwise limits the Executive's ability to communicate directly with and provide information, including documents, not otherwise protected from disclosure by any applicable law or privilege to the SEC, the Department of Justice ("**DOJ**") or any other federal, state or local governmental agency or commission or self-regulatory agency ("**Governmental Agencies**") regarding possible legal violations, without disclosure to Company; (iii) Company may not retaliate against the Executive for any of these activities, and nothing in this Agreement or otherwise requires the Executive to waive any monetary award or other payment that the Executive might become entitled to from the SEC or any other Government Agency; and (iv) nothing in this Agreement or otherwise requires the Executive to disclose any communications the Executive may have had or information the Executive may have provided to the SEC or any other Government Agencies regarding possible legal violations. Notwithstanding anything to the contrary in this Agreement or otherwise, as provided for in the Defend Trade Secrets Act of 2016 (18 U.S.C. § 1833(b)), the Company acknowledges that the Executive will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. The Company further acknowledges that, without limiting the foregoing, if the Executive files a lawsuit for retaliation by Company for reporting a suspected violation of law, the Executive may disclose the trade secret to Executive's attorney and use the trade secret information in the court proceeding, if the Executive (x) files any document containing the trade secret under seal, and (y) does not disclose the trade secret, except pursuant to court order.

11 Exit Obligations. Subject to Section 10 (Protected Rights) hereof, at termination or the Company's request at any time during the Executive's employment, the Executive shall (i) provide or return to the Company any and all Company property, including but not limited to access cards, security devices, employer credit cards, network access devices, computers, cell phones, smartphones, equipment, documents, work product, email messages, thumb drives or other removable information storage devices, hard drives, and data and all Company documents and materials belonging to the Company and stored in any fashion, including but not limited to those that constitute or contain any Confidential Information or Work Product, that are in the possession or control of the Executive, whether they were provided to the Executive by the Company or any of its business associates or created by the Executive in connection with the Executive's employment by the Company; and (ii) delete or destroy all copies of any such documents and materials not returned to the Company that remain in the Executive's possession or control, including those stored on any non-Company devices, networks, storage locations, and media in the Executive's possession or control.

12 Governing Law: Jurisdiction and Venue. This Agreement, for all purposes, shall be construed in accordance with the laws of New York without regard to conflicts of law principles. Any action or proceeding by either of the parties to enforce this Agreement shall be brought only in a state or federal court located in the state of New York, county of New York. The parties hereby irrevocably submit to the exclusive jurisdiction of such courts and waive the defense of inconvenient forum to the maintenance of any such action or proceeding in such venue.

13 Entire Agreement. Unless specifically provided herein, this Agreement contains all of the understandings and representations between the Executive and the Company pertaining to the subject matter hereof and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, with respect to such subject

matter. The parties mutually agree that the Agreement can be specifically enforced in court and can be cited as evidence in legal proceedings alleging breach of the Agreement.

14 Modification and Waiver. No provision of this Agreement may be amended or modified unless such amendment or modification is agreed to in writing and signed by the Executive and by the Chief Human Resources Officer of the Company. No waiver by either of the parties of any breach by the other party hereto of any condition or provision of this Agreement to be performed by the other party hereto shall be deemed a waiver of any similar or dissimilar provision or condition at the same or any prior or subsequent time, nor shall the failure of or delay by either of the parties in exercising any right, power, or privilege hereunder operate as a waiver thereof to preclude any other or further exercise thereof or the exercise of any other such right, power, or privilege.

15 Severability. Should any provision of this Agreement be held by a court of competent jurisdiction to be enforceable only if modified, or if any portion of this Agreement shall be held as unenforceable and thus stricken, such holding shall not affect the validity of the remainder of this Agreement, the balance of which shall continue to be binding upon the parties with any such modification to become a part hereof and treated as though originally set forth in this Agreement.

The parties further agree that any such court is expressly authorized to modify any such unenforceable provision of this Agreement in lieu of severing such unenforceable provision from this Agreement in its entirety, whether by rewriting the offending provision, deleting any or all of the offending provision, adding additional language to this Agreement, or by making such other modifications as it deems warranted to carry out the intent and agreement of the parties as embodied herein to the maximum extent permitted by law.

The parties expressly agree that this Agreement as so modified by the court shall be binding upon and enforceable against each of them. In any event, should one or more of the provisions of this Agreement be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions hereof, and if such provision or provisions are not modified as provided above, this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had not been set forth herein.

16 Captions. Captions and headings in this Agreement are for convenience only and should not affect interpretation.

17 Counterparts. This Agreement may be executed in separate counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

18 Successors and Assigns. This Agreement is personal to the Executive and shall not be assigned by the Executive. The Company may assign this Agreement to a successor or assign of its business or assets. The Agreement benefits the Company and its permitted successors and assigns.

19 Notice. Notices and all other communications provided for in this Agreement shall be in writing and shall be delivered personally, via e-mail, or sent by registered or certified mail, return receipt requested, or by overnight carrier to the parties at the addresses set forth below (or such other addresses as specified by the parties by like notice):

If to the Company:

Kyndryl
1 Vanderbilt Avenue, 15th Floor
New York, NY 10017
ATTN: KYNDRYL CHIEF HUMAN RESOURCES OFFICER

If to the Executive:

20 Representations of the Executive. The Executive represents and warrants to the Company that:

a. The Executive's acceptance of employment with the Company and the performance of duties hereunder will not conflict with or result in a violation of, a breach of, or a default under any contract, agreement, or understanding to which the Executive is a party or is otherwise bound.

b. The Executive's acceptance of employment with the Company and the performance of duties hereunder will not violate any non-solicitation, non-competition, or other similar covenant or agreement of a prior employer.

21 Withholding. The Company shall have the right to withhold from any amount payable hereunder any Federal, state, and local taxes in order for the Company to satisfy any withholding tax obligation it may have under any applicable law or regulation.

22 Survival. Upon the expiration or other termination of this Agreement, the respective rights and obligations of the parties hereto shall survive such expiration or other termination to the extent necessary to carry out the intentions of the parties under this Agreement.

23 Acknowledgement of Full Understanding. THE EXECUTIVE ACKNOWLEDGES AND AGREES THAT THE EXECUTIVE HAS FULLY READ, UNDERSTANDS AND VOLUNTARILY ENTERS INTO THIS AGREEMENT. THE EXECUTIVE ACKNOWLEDGES AND AGREES THAT THE EXECUTIVE HAS HAD AN OPPORTUNITY TO ASK QUESTIONS AND CONSULT WITH AN ATTORNEY OF THE EXECUTIVE'S CHOICE BEFORE SIGNING THIS AGREEMENT.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

KYNDRYL, INC.

By: /s/ Martin Schroeter
Name: Martin Schroeter
Title: Chief Executive Officer

EXECUTIVE

Signature:/s/ Maryjo Charbonnier
Print Name: Maryjo Charbonnier

Exhibit A

Waiver and Release

1. Waiver of Severance. The Executive acknowledges and agrees that, as a material condition of employment and in consideration of the compensation and benefits provided under this Agreement, the Executive hereby knowingly and voluntarily waives any and all rights to participate in, or receive severance benefits under any severance plan or policy of the Company (including the Kyndryl Executive Severance Plan), whether such plan is formal or informal, written or unwritten, and whether or not such plan is subject to the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"). This waiver includes, without limitation, any claim to severance pay, continuation of benefits, or other post-termination compensation that may otherwise be available under the Company's severance policies or plans, including any ERISA-covered severance plan. The Executive further agrees that this waiver is made knowingly and voluntarily, after having had the opportunity to consult with legal counsel, and with full understanding of the rights being waived.

2. General Release of Claims. In consideration of the compensation and benefits provided under this Agreement, the Executive, for himself or herself, Executive's spouse, heirs, administrators, children, representatives, executors, successors, assigns, and all other persons claiming through Executive, if any (collectively, "**Releasers**"), does hereby release, waive, and forever discharge the Company, and the Company's subsidiaries, parents, affiliates, related organizations, and equity holders, and their respective affiliates, employees, officers, directors, attorneys, successors, and assigns or each of the foregoing (collectively, the "**Releasees**") from, and does fully waive any obligations or liabilities of Releasees to Releasers of any kind and nature that Releasers had, have, or might claim to have against Releasees at the time Executive executes this release for or in respect of any and all liability, actions, charges, causes of action, demands, damages, or claims for relief, remuneration, sums of money, accounts or expenses, in connection with Executive's employment by the Company, including any action arising in tort including libel, slander, defamation or intentional infliction of emotional distress, and claims under any federal, state or local statute including Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1866 and 1871 (42 U.S.C. § 1981), the Equal Pay Act, Employee Retirement Income Security Act, Family and Medical Leave Act, the National Labor Relations Act, the Fair Labor Standards Act, the Americans with Disabilities Act of 1990, the Rehabilitation Act of 1973, or the discrimination or employment laws of any state or municipality, and/or any claims under any express or implied contract which Releasers may claim existed with Releasees. This also includes a release by Executive of any claims for breach of contract, wrongful discharge and all claims for alleged physical or personal injury, emotional distress relating to or arising out of Executive's employment with Company or the termination of that employment; and any claims under the WARN Act or any similar law, which requires, among other things, that advance notice be given of certain work force reductions. The foregoing release does not apply to (a) any claims which by law cannot be waived in a private agreement between an employer and employee; (b) any rights the Executive may have to receive vested amounts under any of the Company's employee benefit plans and/or pension plans or programs; (c) the Executive's rights in and to any equity or ownership interest that the Executive continues to hold following termination; (d) the Executive's rights to medical benefit continuation coverage, on a self-pay basis, pursuant to federal law (COBRA); (e) any rights or claims that are based on events occurring after the date on which the Executive signs this release; (f) any claims to indemnification or insurance coverage, including but not limited to directors & officers insurance, that the Executive may have with respect to any claims made or threatened against the Executive in the Executive's capacity as a director, officer or employee of the

Company, whether pursuant to any statute, insurance policy, corporate charter, corporate bylaw, written corporate policy (or the equivalent for any partnership, limited liability company or other non-corporate organizational body), or other common law or statutory right; (g) pursuant to the Company's expense reimbursement policies; (h) the Executive's right to the Accrued Amounts; and (i) any claims for contribution in the event the Executive and any of the Releasees are found to be jointly liable.

3. Excluded from this waiver and release are any claims which cannot be waived by law, including but not limited to the right to participate in an investigation conducted by certain government agencies. The Executive represents and warrants that he has not filed any complaint, charge, or lawsuit against the Releasees with any government agency or any court.

4. The Executive acknowledges and recites that:

    a. The Executive has executed this release knowingly and voluntarily and has read and understands this release in its entirety;

    b. The Executive has been advised and directed orally and in writing (and this subsection (b) constitutes such written direction) to seek legal counsel and any other advice she or he wishes with respect to this release before executing it;

    c. The Executive is specifically waiving any claims regarding age discrimination;

    d. The Executive's execution of this release has not been forced by any employee or agent of the Company, and Executive has had an opportunity to negotiate about the terms of this release.

    e. The Executive has been given at least twenty-one (21) days to consider this release, and if executed prior to the expiration of the twenty-one (21) day period, such execution is knowing and voluntary.

    f. The compensation, benefits and other promises that the Executive is to receive under this Agreement are sufficient consideration for this release.

5. The Executive may revoke this release within seven (7) calendar days after signing it. To be effective, the Executive must notify Kyndryl in writing by sending notice of revocation to Kyndryl Offboarding at kynusoff@kyndryl.com within the seven (7) day period.

EXECUTIVE
Signature:/s/ Maryjo Charbonnier
Print Name: Maryjo Charbonnier

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Martin J. Schroeter, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Kyndryl Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 17, 2026

/s/ Martin J. Schroeter

Martin J. Schroeter
Chairman and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Harsh Chugh, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Kyndryl Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 17, 2026

/s/ Harsh Chugh

Harsh Chugh
Interim Chief Financial Officer
(Principal Financial Officer)

KYNDRYL HOLDINGS, INC.

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Kyndryl Holdings, Inc. (the “Company”) on Form 10-Q for the quarterly period ended December 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Martin J. Schroeter, Chairman and Chief Executive Officer of the Company, do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 17, 2026

/s/ Martin J. Schroeter
Martin J. Schroeter
Chairman and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

KYNDRYL HOLDINGS, INC.

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Kyndryl Holdings, Inc. (the “Company”) on Form 10-Q for the quarterly period ended December 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Harsh Chugh, Interim Chief Financial Officer of the Company, do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 17, 2026

/s/ Harsh Chugh

Harsh Chugh
Interim Chief Financial Officer
(Principal Financial Officer)