Quarter Ended March 31, 2022 Earnings

May 5, 2022

Disclaimers

Forward-looking statements

This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements often contain words such as “will,” “anticipate,” “predict,” “project,” “plan,” “forecast,” “estimate,” “expect,” “intend,” “target,” “may,” “should,” “would,” “could,” “outlook” and other similar words or expressions or the negative thereof or other variations thereon. All statements, other than statements of historical fact, including without limitation statements representing management's beliefs about future events, transactions, strategies, operations and financial results, may be forward-looking statements. These statements do not guarantee future performance and speak only as of the date they are made, and the Company does not undertake to update its forward-looking statements. Actual outcomes or results may differ materially from those suggested by forward-looking statements as a result of risks and uncertainties which include, among others: risks related to the Company’s recent spin-off from International Business Machines Corporation (“IBM”); failure to attract new customers, retain existing customers or sell additional services to customers; technological developments and the Company's response to such developments; failure to meet growth and productivity objectives; competition; impacts of relationships with critical suppliers; inability to attract and retain key personnel and other skilled employees; impact of local legal, economic, political, health and other conditions, including the COVID-19 pandemic; a downturn in economic environment and customer spending budgets; damage to the Company's reputation; 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, alliances and dispositions, including integration challenges, failure to achieve objectives, the assumption of liabilities, and higher debt levels; the impact of our business with government customers; failure of the Company's intellectual property rights to prevent competitive offerings and the failure of the company to obtain necessary licenses; risks relating to cybersecurity and data privacy; adverse effects from tax matters and environmental matters; legal proceedings and investigatory risks; impact of changes in market liquidity conditions and customer credit risk on receivables; the Company's pension plans; the impact of foreign currency fluctuations; risks related to the Company's common stock and the securities market; and other factors described in the “Risk Factors” section of the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2021 filed with the Securities and Exchange Commission (the “SEC”) on March 10, 2022, as such factors may be updated from time to time in the Company's periodic filings with the SEC.

Pro forma financial information

This presentation also includes certain pro forma financial information. The pro forma adjustments assume that the Company’s spin-off from IBM and related transactions occurred as of January 1, 2020. The pro forma financial information is unaudited and is presented for illustrative purposes only and is not necessarily indicative of the operating results or financial position that would have occurred if the relevant transactions had been consummated on the date indicated, nor is it indicative of future operating results. The pro forma financial information presented includes adjustments that would not be included in the pro forma financial statements contained in a registration statement filed with the SEC that contain pro forma information prepared in accordance with Regulation S-X under the Securities Act.

Non-GAAP financial measures

Financial information contained in this presentation includes certain financial measures that are calculated and presented on the basis of methodologies other than in accordance with generally accepted accounting policies in the United States of America (GAAP), such as adjusted EBITDA, adjusted pretax income, adjusted EBITDA margin, adjusted pretax margin, adjusted free cash flow, constant currency, pro forma adjusted pretax income, pro forma adjusted EBITDA, pro forma adjusted EBITDA margin, pro forma adjusted pretax margin and pro forma adjusted free cash flow, which include or exclude certain items from the most directly comparable GAAP financial measure. These non-GAAP measures differ from reported GAAP measures and are intended to illustrate what management believes are relevant period-over-period comparisons and are helpful to investors as an additional tool for further understanding and assessing Kyndryl's expected ongoing operating performance. Exclusion of items in our non-GAAP presentation should not be considered an inference that these items are unusual, infrequent or non-recurring. Definitions of the non-GAAP measures are included in the appendix of this presentation. A reconciliation of non-GAAP financial measures for historical periods to the most directly comparable GAAP financial measure appears in the appendix to this presentation. Any non-GAAP financial measure used in this presentation is in addition to, and not meant to be considered superior to, or a substitute for, measures prepared in accordance with GAAP. A reconciliation of forward-looking non-GAAP financial information is not included in this presentation because the individual components of such non-GAAP reconciliation are not currently available without unreasonable effort. For the same reasons, we are unable to address the probable significance of the unavailable information, which could be material to future results.

Martin Schroeter

Chairman and Chief Executive Officer

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Key highlights

Performance
Quarterly results in line with guidance

Looking ahead
Providing outlook for fiscal year* beginning April 2022

Future objectives
Reaffirming medium-term goals

Alliances
Announced major partnerships with key technology providers

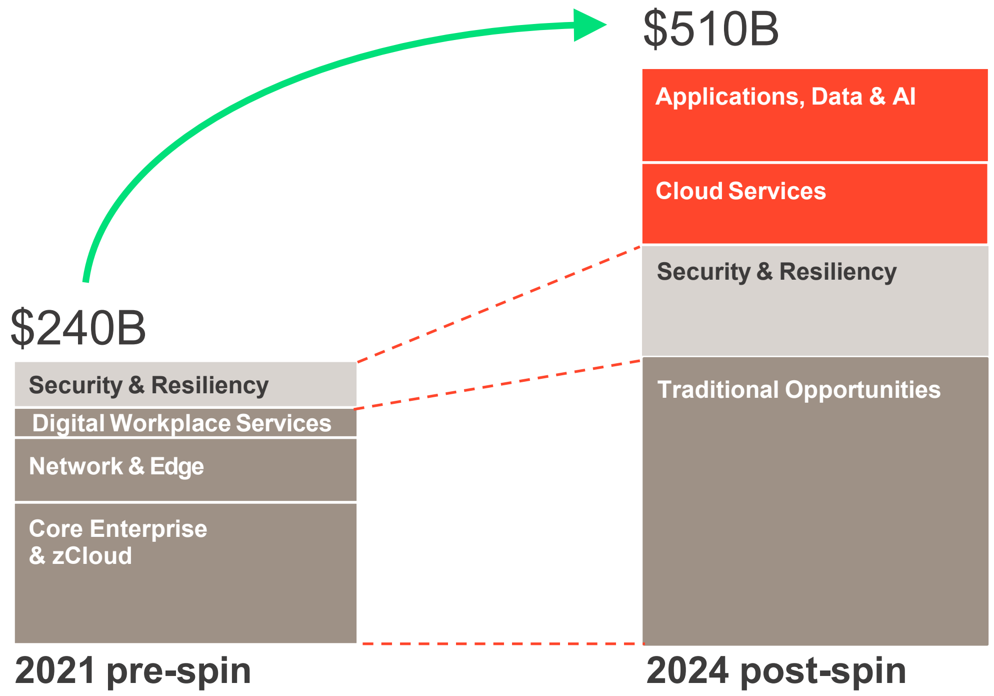
Advanced Delivery
Quality, cost benefiting from incremental automation

Accounts
Strengthening existing relationships

*Our fiscal year 2023 is the twelve months beginning April 1, 2022 and ending March 31, 2023

Our independence unlocks a large and growing addressable market

Becoming independent changed Kyndryl's mission



Kyndryl's addressable markets

Our capabilities differentiate us

- End-to-end perspective through six global practices
- Unparalleled data and IP assets
- Broad ecosystem through technology partnerships
- Optimized delivery models
- Skills and thought leadership positioning Kyndryl as employer of choice

We design, build, manage and modernize the mission-critical systems that the world depends on

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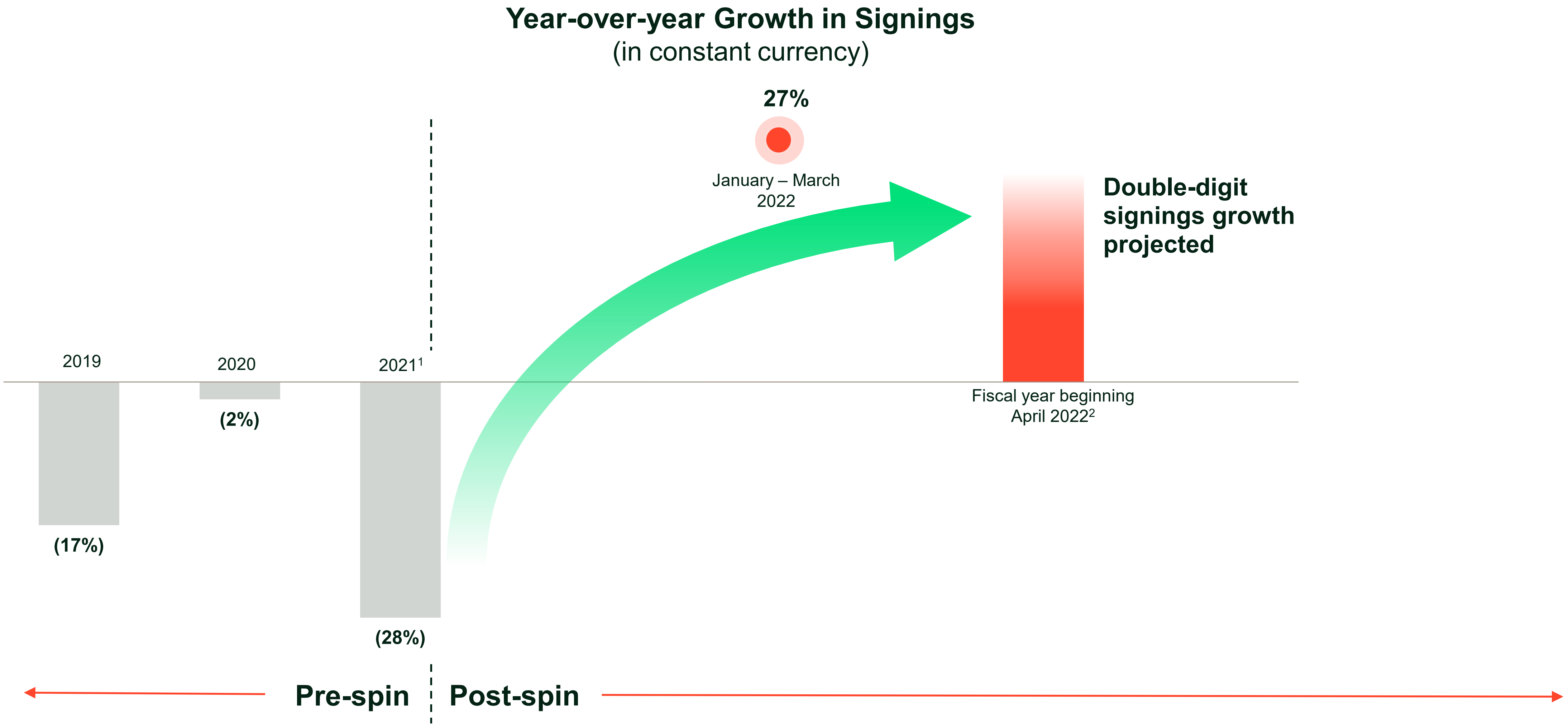
Strong signings growth creates path to profitable revenue growth in calendar year 2025



We're strengthening our signings trajectory through our freedom of action and larger addressable market

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[1]Reflects growth on a pro forma basis
[2]Growth for the fiscal year beginning April 2022 and ending March 2023 versus pro forma calendar 2021
See appendix for reconciliation of non-GAAP metrics

Three major initiatives driving our progress

Alliances

Driving signings, certifications and revenues with our new ecosystem partners and capabilities

Advanced Delivery

Transforming service delivery through upskilling and automation

Accounts

Addressing elements of the business with substandard margins

Global strategic alliances with leading technology providers

Prior announcements

Microsoft

Google Cloud

vmware

SAP Partner

Recently announced partnerships

aws

- Strategic partnership bringing together expertise, skills and global resources to help customers transform their businesses
- Developing an accelerator for VMware Cloud on AWS

NOKIA

- Global network and edge computing alliance aimed at helping enterprise customers accelerate their digital transformations with reliable and secure LTE and 5G private wireless networking

CLOUDERA

- Global partnership to help customers enable and drive hybrid cloud, multicloud and edge computing data initiatives
- Establishing joint innovation center to help customers accelerate cloud migration

Lenovo

- Expansion of global partnership to develop and deliver scalable hybrid cloud solutions and edge computing implementations
- Employing automation, optimization and differentiated IT infrastructure services

PURESTORAGE

- Global alliance to deliver application and infrastructure modernization, automation, multicloud management and containerization solutions
- Providing cyber-resiliency elements natively at the storage layer to enable cloud-based applications and data portability

DELL Technologies

- Expansion of global alliance helping customers use data optimization, infrastructure management services, and a cyber resilience solution to protect critical business assets
- Offering joint solution to secure critical data sets and provide a verified process to recover data

Expanding relationships, signing new customers

Deutsche Bank

- Supporting the company's core banking system consolidation onto one platform and the migration of certain applications to the cloud
- Also extended existing service into 2025

Manpower

- Supporting the digital transformation of Manpower's infrastructure and applications in France, including the Manpower.fr website
- Helping Manpower France adopt a hybrid cloud strategy to gain greater business flexibility, security and service continuity

permanent tsb

- Advancing the bank's digital transformation with an agile and secure environment built for the future of banking
- Collaborating to deliver a seamless, integrated hybrid cloud management solution

RD RaiaDrogasil S.A.

- Offering support and deep expertise in digital workplace services to improve IT efficiency across more than 2,500 drugstores
- Agreement expands automation to speed IT troubleshooting and free up employees to focus on higher-value tasks

MOTIVA

- Streamlining Motiva's IT services, accelerating its cloud journey and laying the foundation for its enterprise-wide digital transformation
- $160M, five-year agreement

Salut/ Servei Català de la Salut

- Digitally transforming the Cataluña Health System and improving the diagnostic process by optimizing and managing the anatomic pathology environment

Fiscal year 2023 milestones for our three major initiatives

Alliances

- ~$1 billion in signings tied to hyperscalers, virtually all incremental
- Continue to increase hyperscaler certifications at Kyndryl from 16,000 at year-end 2021
- $200 million of annualized revenue from signings tied to new ecosystem partners

Advanced Delivery

- Redeploy people to serve new sources of revenue
- Enhance delivery quality and reduce operational risk for customers
- Eliminate ~$200 million in annualized cost

Accounts

- Deliver $75 million of in-year benefit and enter fiscal year ’24 with a $200 million annualized run-rate

Our fiscal year 2023 milestones remain unchanged from the targets we laid out in March

Milestones are for the fiscal year beginning April 1, 2022 and ending March 31, 2023

Progress on our three major initiatives in the March quarter

Alliances

Major partnerships with key technology providers

$1B+

Hyperscaler pipeline

10%

Growth in cloud certifications from year-end

Advanced Delivery

Quality, cost benefiting from incremental automation

900+

Kyndryls redeployed

$46M

Annualized savings from automation

Accounts

Began to strengthen existing relationships

$6M

Profit improvement in the quarter

$26M

Annualized profit improvement

Early momentum gives us a head start toward our fiscal year 2023 milestones

Executing on our strategic objectives

Pre-November 2021 spin	Recent progress	Medium-term
Limited partnerships with hyperscalers, ISVs and systems integrators	Major hyperscaler alliances, new partnerships	Extensive, integrated IT ecosystem
20% employees with cloud-related certifications, mostly IBM-related	Reached 17,500+ hyperscaler certifications	50% employees with cloud-related certifications, related to hyperscalers
~10% revenue from advisory & implementation services	16% March quarter signings from advisory & implementation services	~15% of revenue from advisory & implementation services
Declining revenues	Double-digit March quarter signings growth	Revenue growth by calendar year 2025
Mid-teens adjusted EBITDA margins	Executing on three A's initiatives to drive profitable growth	High-teens adjusted EBITDA margins

We're advancing toward our medium-term goals, which are consistent with the targets we laid out in October

David Wyshner

Chief Financial Officer

Financial overview

Quarterly results

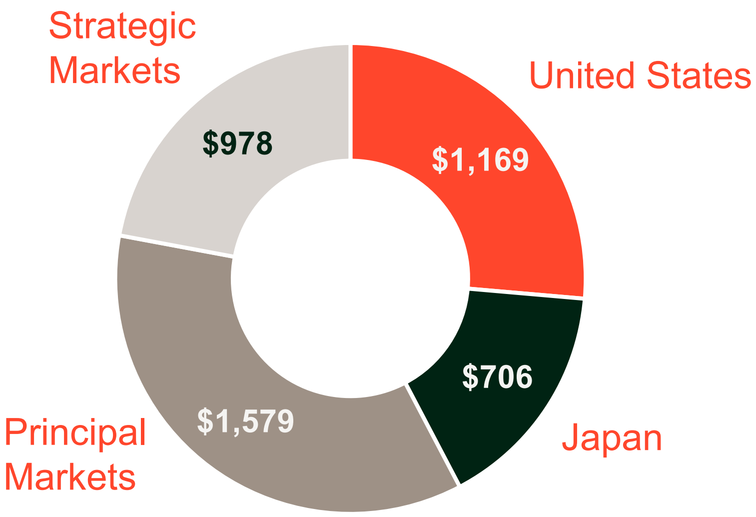
Balance sheet, liquidity and free cash flow

Outlook

Quarter ended March 31, 2022 financial highlights

($ in millions)	Quarter Ended March 31, 2021[1]	Quarter Ended March 31, 2022
Signings	$2,607	**$3,149**
Growth, in constant currency		27%
Revenue	$4,709	**$4,431**
Growth, in constant currency		(2%)
Adjusted EBITDA	$605	**$536**
Adjusted EBITDA margin	12.9%	12.1%
Adjusted pretax income (loss)	($64)	**($51)**
Adjusted pretax margin	(1.4%)	(1.1%)

Quarterly revenue by segment
($ in millions)



Financial results were in line with expectations; signings were up significantly compared to prior-year period

Principal Markets: Operations in Australia/New Zealand, Canada, France, Germany, India, Italy, Spain/Portugal and United Kingdom/Ireland
Strategic Markets: Operations in all other geographic locations
[1]Metrics for the quarter ended March 31, 2021 are pro forma
See appendix for reconciliation of non-GAAP metrics

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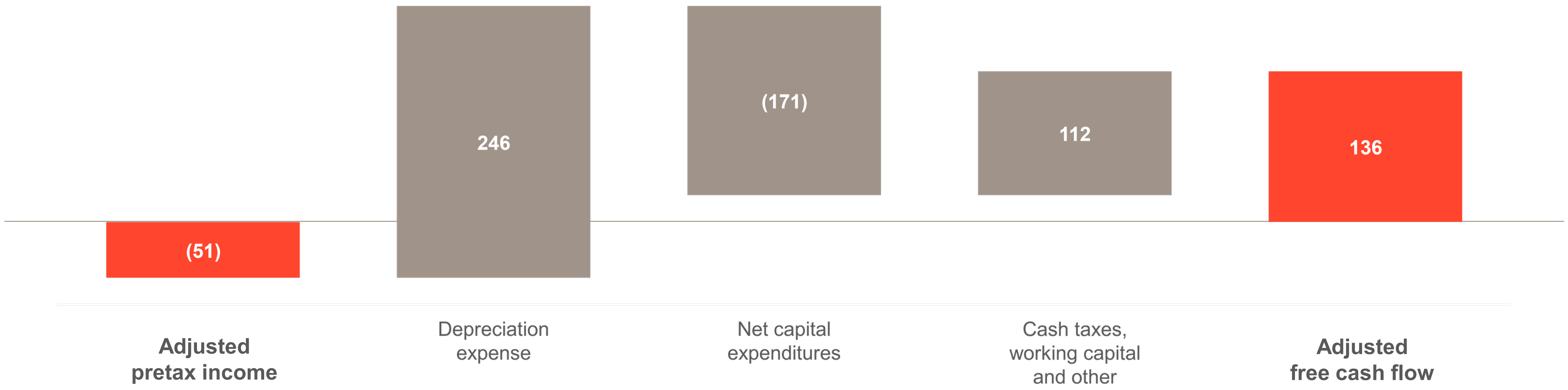
Quarter ended March 31, 2022 adjusted free cash flow

($ in millions)



Quarter ended March 31, 2022 balance sheet and cash flow metrics

$5.3B
Available liquidity[1]

$2.1B
Cash

$189M
Cash flow from operations

$3.2B
Debt

$1.1B
Net debt

$136M
Adjusted free cash flow

We're on a solid financial footing to execute our strategy

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[1] Consists of $2.1 billion of cash and $3.2 billion of undrawn senior unsecured credit facility
See appendix for reconciliation of non-GAAP metrics

Over the medium term, our initiatives will contribute to profit growth

	Alliances Driving signings, certifications and revenues through our new ecosystem partners	Advanced Delivery Transforming service delivery through upskilling and automation	Accounts Addressing elements of the business with substandard margins	plus Advisory services growth, growth in practices, expense management, etc.
Signings	✓			✓
Revenues	✓		✓*	✓
Cost savings		✓		✓
Pretax income	✓	✓	✓	✓
Medium-term annual pretax opportunity	**$0.2B**	**$0.6B**	**$0.8B**	**$0.4B**

Expected benefits will drive margin expansion

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*May include positive impacts from expanded scope and increased pricing and reductions from terminated contracts

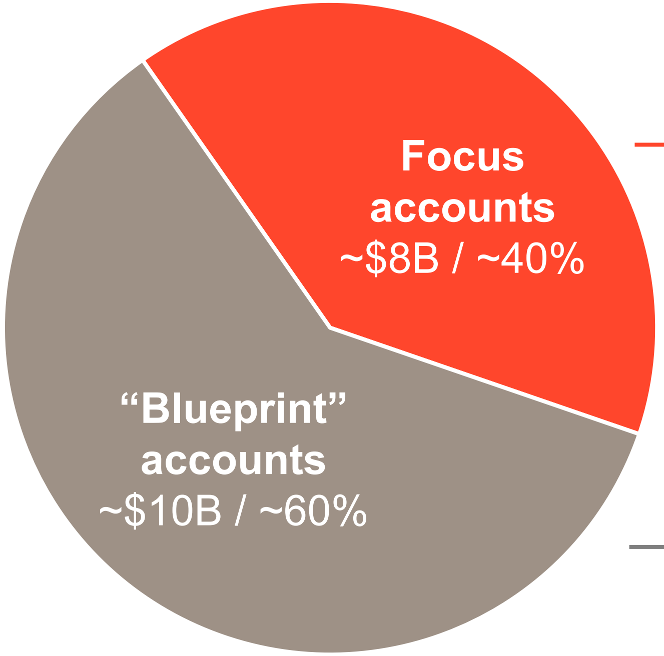
Outlook

Outlook for fiscal year beginning April 2022

Signings	Double-digit growth	• In constant currency • Compared to calendar 2021 pro forma signings
Revenues	\$16.5B – \$16.7B	• (4)% to (3)% constant-currency decline versus pro forma revenue for the twelve months ended March 2022 • (6)% to (4)% constant-currency decline versus calendar 2021 pro forma[1]
Adjusted EBITDA margin	13% – 14%	• 30 bps currency headwinds versus calendar 2021 • 60 bps negative impact of certain software being expensed rather than capitalized and amortized versus calendar 2021
Adjusted pretax margin[2]	0% – 1%	• Consistent with 2021 pro forma results, despite 60 bps of currency headwinds

[1]Outlook includes ~\$1.0B negative currency impact compared to calendar 2021
[2]Depreciation expense projected to be ~\$1.0B; amortization expense projected to be ~\$1.1B; interest expense projected to be ~\$0.1B
Gross capital expenditures projected to be ~\$750M; net capital expenditures projected to be ~\$700M. ~\$400M of cash projected to be used for transaction-related items, primarily post-Separation systems migration costs, re-branding costs and outlays related to a broad-based employee retention program implemented by IBM

Transforming focus accounts into high-value “blueprint” accounts



Revenue[1]

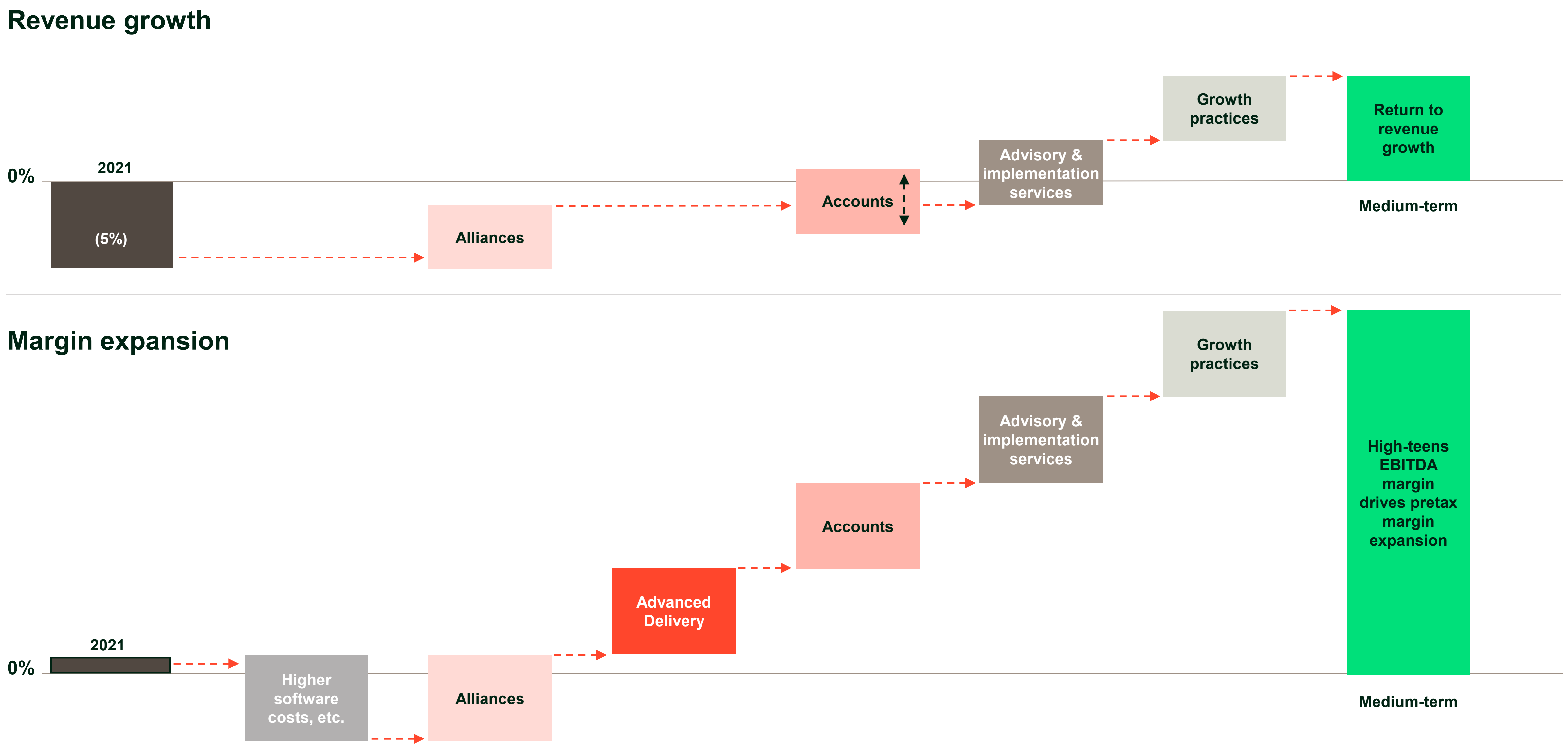
~0% average gross margin → **Accounts initiative: ~$800M medium-term annual pretax profit opportunity**

Mid-20s average gross margin → **Substantial existing value**

We have substantial value embedded in our business <u>and</u> a significant value-creation opportunity

[1]Revenue represents trailing twelve-months historical (GAAP) revenue from April 1, 2021 through March 31, 2022

Our strategies will help us deliver revenue and profit growth in the medium term



Revenue growth and margin expansion box sizes not drawn to scale

Martin Schroeter

Chairman and Chief Executive Officer

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Investment highlights

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- Separation more than doubles our addressable market from $240 billion pre-spin to $510 billion by 2024, with market growth driven by numerous interrelated tailwinds
- World leader in designing, building, managing and modernizing mission-critical information systems spanning the digital transformation journey
- Competitive advantage stems from our people, data and intellectual property
- Trusted long-term partner to over 4,000 blue-chip customers, including 75% of the Fortune 100
- New freedom to invest for growth while expanding our ecosystem of strategic partners and service capabilities, enhancing customers' access to a wider range of technology solutions
- Strong financial characteristics with annuity-like annual revenues, mid-teens adjusted EBITDA margins and investment-grade credit ratings
- Focused, growth-oriented culture, committed to high ESG standards and led by a highly experienced executive team

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Appendix

Accolades

ESG commitment

Our services and revenue mix

Financial metrics

Definitions and rationale for non-GAAP metrics

Reconciliation of non-GAAP metrics

Recent accolades highlight strong performance and customer satisfaction

constellation RESEARCH

Best Partnership
(Kyndryl and Microsoft), 2021

NelsonHall

Leader in cognitive & self-healing
IT infrastructure management, 2021

AVASANT

Kyndryl Security & Resiliency named a Market Leader in *Cybersecurity Services 2022 RadarView* report

Five9

Systems Integrator Innovator of the Year (Kyndryl's Digital Workplace Practice), 2021

Everest Group

Leader: 2021 Aware (Intelligent) IT Infrastructure Services Automation PEAK Matrix Assessment

FROST & SULLIVAN

2021 Global Enabling Technology Leadership Award in the managed enterprise resource planning market

vmware

2022 Partner Value Award, EMEA

FROST & SULLIVAN

Leader: Frost Radar™ Global Managed Cloud Services Market, 2021

ISG

2022 Leader in Mainframe Modernization, Mainframe as a Service and Mainframe Operations in U.S., Canada and Europe

Strong commitment to ESG principles

Environment

- Establish Kyndryl's baseline, systems and processes to track and validate environmental impact
- Manage climate risk by working to set net zero goals and align with TCFD framework
- Build baseline and set carbon, waste and water reduction goals aligned to international standards
- Source 75%+ data center electricity from renewable sources in the medium term

Commit to sustainable business practices and operations

Social

- Execute human capital strategy to attract, retain and motivate our workforce
- Increase overall and executive representation of our workforce, in alignment with the diversity of the communities in which we operate, and ensure an inclusive work environment
- Build Kyndryl's corporate social responsibility practice centered around employee engagement

Lead in human capital, inclusion, diversity & equity, and corporate social responsibility

Governance

- Establish Board oversight of ESG issues and commit to maintaining a diverse Board, in line with leading practices
- Publish ESG report to highlight commitments and progress toward goals
- Create Kyndryl Trust Center to feature relevant policy positions on privacy, cybersecurity and Kyndryl's own AI ethics
- Launch ethics training globally for all employees

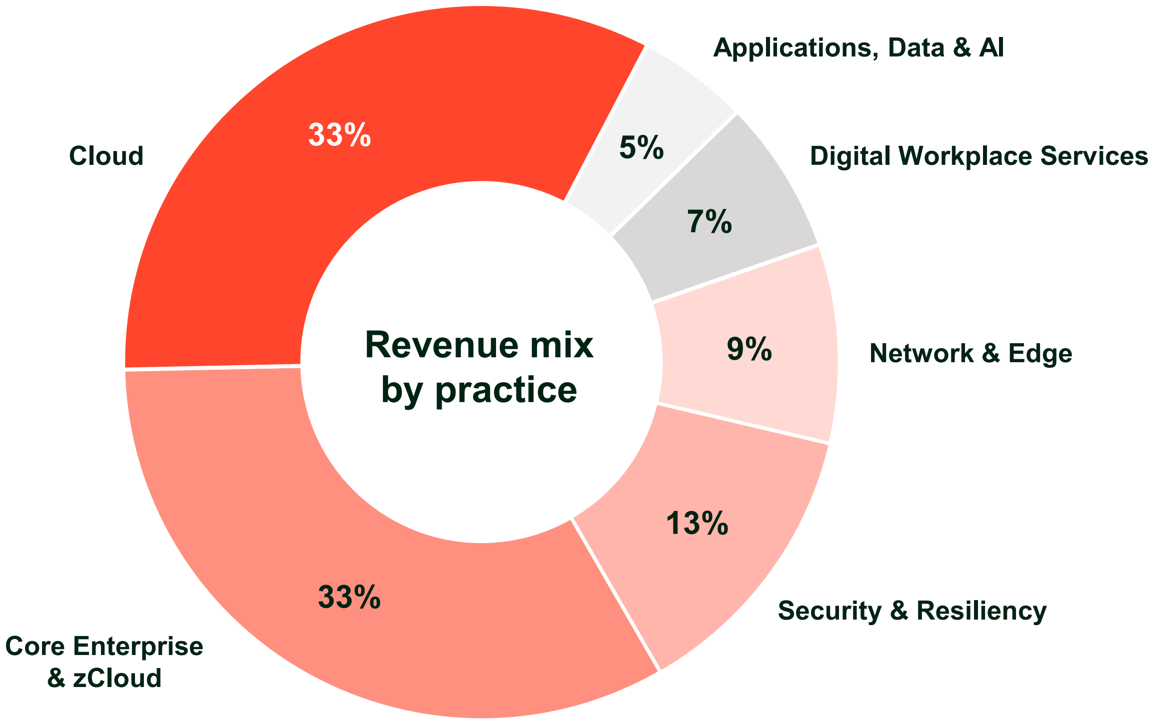
Operate with integrity

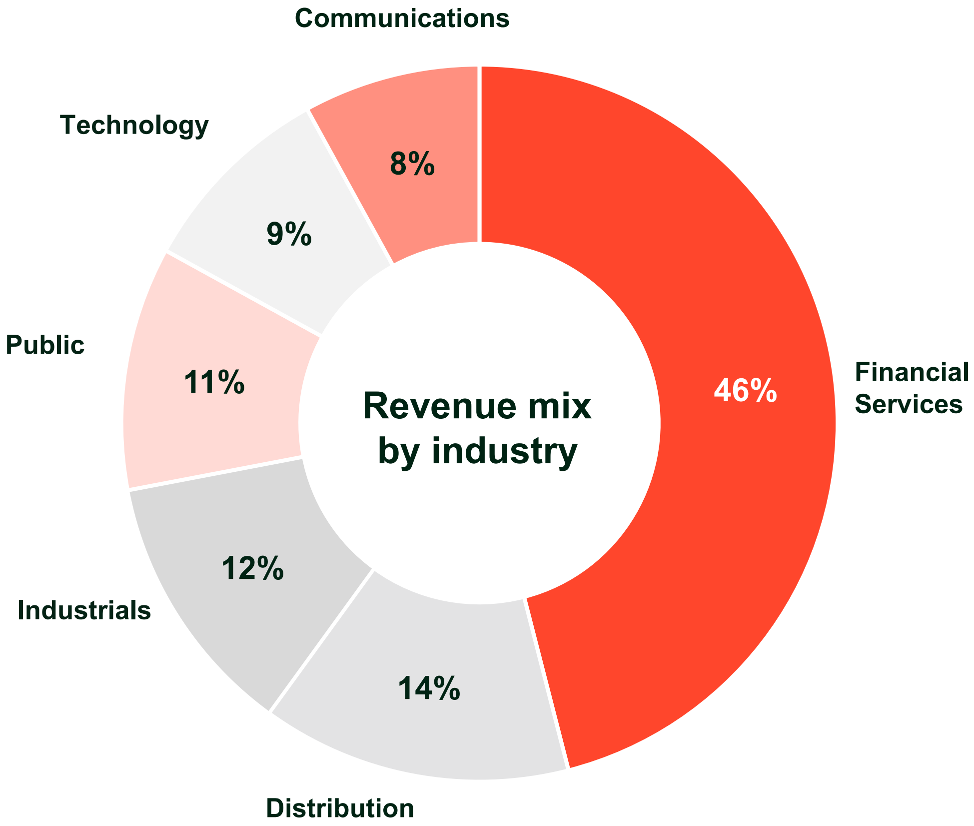
Establish baseline → Engage stakeholders and define goals → Track and measure → Report

Our services

Practice	Overview	Medium-term revenue growth opportunity
Cloud	Delivering seamless, integrated, multicloud management in a hybrid model	Single-digit growth driven by hyperscaler partnerships
Applications, Data & AI	Providing full application platform hosting and expert assistance for application modernization	Double-digit growth
Security & Resiliency	Delivering full line of cybersecurity, business continuity and disaster recovery services to help customers continuously adapt to new threats and regulatory standards	Single-digit growth aligned to cloud
Network & Edge	Providing unified network services for cloud and data center connectivity	Mid-single-digit growth driven by Edge
Digital Workplace	Enhancing user experience and work location flexibility by providing a consumer experience to employees	Low-single-digit growth
Core Enterprise & zCloud	Providing secure, unified and fault-tolerant mainframe services for our customers' core infrastructure	Stable revenue

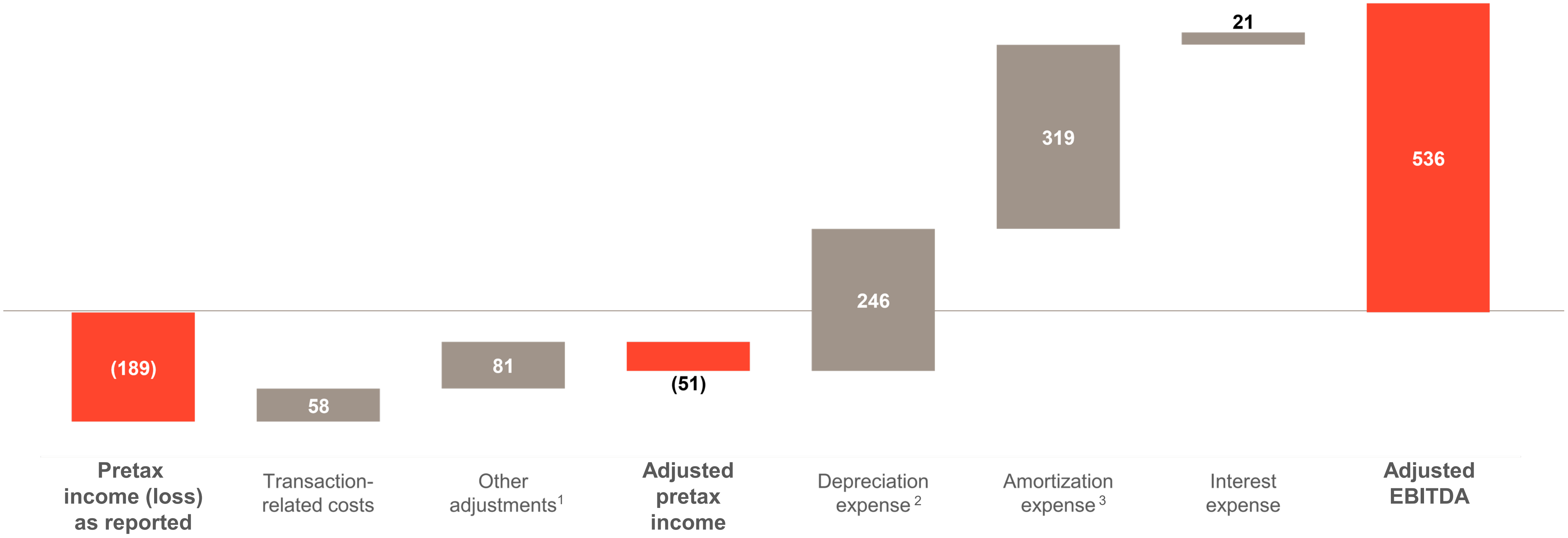
Our revenues by global practice and industry





Quarter ended March 31, 2022 adjusted pretax income and adjusted EBITDA

($ in millions)



[1]Effects of amortization of intangible assets, stock-based compensation, pension costs other than pension servicing costs and multi-employer plan costs, significant litigation costs, workforce rebalancing charges and foreign currency impacts of highly inflationary countries
[2]Excludes depreciation of right-of-use assets
[3]Excludes amortization of capitalized contract costs

Definitions and rationale for non-GAAP metrics

Metric	Definition
Adjusted EBITDA, pro forma adjusted EBITDA, adjusted EBITDA margin and pro forma adjusted EBITDA margin	Adjusted EBITDA is defined as net income (loss) excluding net interest expense, income taxes, depreciation and amortization (excluding depreciation of right-of-use assets and amortization of capitalized contract costs), transaction-related costs, pension costs other than pension servicing costs and multi-employer plan costs, stock-based compensation, workforce rebalancing charges, impairment expense, significant litigation costs, and foreign currency impacts of highly inflationary countries. Pro forma adjusted EBITDA is adjusted EBITDA, further adjusted for excess cost allocations from our former Parent, incremental costs to support independence and growth, other adjustments related to post-Separation commercial pricing agreements with IBM, the portion of the IBM business that was conveyed to Kyndryl and ongoing effects of the Separation-related transactions. Adjusted EBITDA margin is calculated by dividing adjusted EBITDA, as defined above, by revenue. Pro forma adjusted EBITDA margin is calculated by dividing pro forma adjusted EBITDA, as defined above, by pro forma revenue. Management uses adjusted EBITDA, pro forma adjusted EBITDA, adjusted EBITDA margin and pro forma adjusted EBITDA margin to evaluate our performance. Management also uses these metrics when publicly providing our business outlook. We believe they are a helpful supplemental measure to assist investors in evaluating our operating results as they exclude certain items whose fluctuation from period to period do not necessarily correspond to changes in the operations of our business. Adjusted EBITDA, pro forma adjusted EBITDA, adjusted EBITDA margin and pro forma adjusted EBITDA margin are financial measures that are not recognized under U.S. GAAP and should not be considered as an alternative to net income (loss) or other measures of financial performance or liquidity derived in accordance with U.S. GAAP.
Adjusted pretax income, pro forma adjusted pretax income, adjusted pretax margin and pro forma pretax margin	Adjusted pretax income is defined as pretax income excluding transaction-related costs, pension costs other than pension servicing costs and multi-employer plan costs, stock-based compensation, amortization of intangible assets, workforce rebalancing charges, impairment expense, significant litigation costs and foreign currency impacts of highly inflationary countries. Pro forma adjusted pretax income is adjusted pretax income, further adjusted for excess cost allocations from our former Parent, incremental costs to support independence and growth, other adjustments related to post-Separation commercial pricing agreements with IBM, the portion of the IBM business that was conveyed to Kyndryl and ongoing effects of the Separation-related transactions. Adjusted pretax margin is calculated by dividing adjusted pretax income, as defined above, by revenue. Pro forma adjusted pretax margin is calculated by dividing pro forma adjusted pretax income, as defined above, by pro forma revenue. Management uses adjusted pretax income, pro forma adjusted pretax income, adjusted pretax margin and pro forma pretax margin to evaluate our performance. Management also uses them when publicly providing our business outlook. We believe adjusted pretax income, pro forma adjusted pretax income, adjusted pretax margin and pro forma pretax margin are helpful supplemental metrics for investors in evaluating our operating performance because they can be used by investors to measure a company's operating performance without regard to items excluded from the calculation of such measures, which can vary substantially from company to company. Adjusted pretax income, pro forma adjusted pretax income, adjusted pretax margin and pro forma adjusted pretax margin eliminate the impact of expenses that do not relate to core business performance. These measures are financial measures that are not recognized under U.S. GAAP and should not be considered as an alternative to net income (loss) or other measures of financial performance or liquidity derived in accordance with U.S. GAAP.
Adjusted free cash flow and pro forma adjusted free cash flow	Adjusted free cash flow is defined as cash flow from operations after adding back transaction-related costs and workforce rebalancing payments less net capital expenditures. This metric is further adjusted for adjustments related to post-Separation commercial pricing agreements with IBM, the portion of the IBM business that was conveyed to Kyndryl and the ongoing effects of the Separation-related transactions to arrive at pro forma adjusted free cash flow. Management uses adjusted free cash flow and pro forma adjusted free cash flow as a measure to evaluate its operating results, plan strategic investments and assess our ability and need to incur and service debt. We believe adjusted free cash flow is a useful supplemental financial measure to aid investors in assessing our ability to pursue business opportunities and investments and to service our debt. Adjusted free cash flow is a financial measure that is not recognized under U.S. GAAP and should not be considered as an alternative to cash flows from operations or liquidity derived in accordance with U.S. GAAP.
Signings and pro forma signings	Signings are defined by Kyndryl as an initial estimate of the value of a customer's commitment under a contract. We calculate this based on various considerations including the type and duration of the agreement as well as 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. 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 macroeconomic environment or external events. Pro forma signings reflect the portion of the IBM business that was conveyed to Kyndryl and the ongoing effects of the Separation-related transactions. Management believes that the estimated value of signings provide insight into the Company's potential future revenue, and management uses signings as a tool to monitor the performance of the business including the business' ability to attract new customers and sell additional scope into our existing customer base, as well as views signings as useful decision-making information for investors.

Reconciliation of non-GAAP metrics

($ in millions)

Reconciliation of net income to adjusted pretax income (loss) and adjusted EBITDA

	Three Months Ended March 31, 2022
Net income (loss) (GAAP)	**($229)**
Plus: Provision for income taxes	40
Pretax income (loss)	**($189)**
Non-operating adjustments (before tax)	
Workforce rebalancing charges	-
Transaction-related costs	58
Stock-based compensation expense	31
Amortization of intangible assets	7
Other adjustments[1]	43
Adjusted pretax income (loss)	**($51)**
Adjusted pretax income (loss) margin	*(1.1%)*
Interest expense	21
Depreciation expense	246
Amortization expense	319
Adjusted EBITDA	**$536**
Adjusted EBITDA margin	*12.1%*
Revenue	**$4,431**

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[1] Adjustments reflect pension costs other than pension servicing costs and multi-employer plan costs, significant litigation costs and foreign currency impacts of highly inflationary countries

Reconciliation of non-GAAP metrics (continued)

($ in millions)

Reconciliation of net income to pro forma pretax income (loss) and pro forma adjusted EBITDA

	Three Months Ended March 31, 2021
Net income (loss) (GAAP)	**($494)**
Plus: Provision for income taxes	91
Pretax income (loss)	**($403)**
Non-operating adjustments (before tax)	
Workforce rebalancing charges	52
Transaction-related costs	55
Stock-based compensation expense	16
Amortization of intangible assets	7
Excess cost allocations from IBM	154
Effects of post-Separation commercial agreements with IBM	118
Incremental costs to support independence and growth	(94)
Pro forma and other adjustments[1]	32
Pro forma adjusted pretax income (loss)	**($64)**
Pro forma adjusted pretax margin	*(1.4%)*
Interest expense	20
Depreciation expense	327
Amortization expense	323
Pro forma adjusted EBITDA	**$605**
Pro forma adjusted EBITDA margin	*12.9%*
Pro forma revenue	**$4,709**

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[1] Pro forma and other adjustments represent pension costs other than pension servicing costs and multi-employer plan costs, significant litigation costs, foreign currency impacts of highly inflationary countries, post-Separation commercial pricing arrangements with IBM, the portion of the IBM business that was conveyed to Kyndryl and the ongoing effects of the Separation-related transactions

Reconciliation of non-GAAP metrics (continued)

($ in millions)

Reconciliation of historical revenue to pro forma revenue

	Three Months Ended March 31,		Year-over-year Change
	2022	2021	
Historical revenue (GAAP)	**$4,431**	**$4,771**	**(7%)**
Pro forma adjustments[1]	-	(63)	
Pro forma revenue	**$4,431**	**$4,709**	**(6%)**
Pro forma revenue in constant currency[2]			*(2%)*

Reconciliation of cash flow from operations to adjusted free cash flow

	Three Months Ended March 31, 2022
Cash flow from operations (GAAP)	**$189**
Plus: Workforce rebalancing payments	49
Plus: Transaction-related costs[3]	70
Less: Net capital expenditures	(171)
Adjusted free cash flow	**$136**

Numbers may not add due to rounding

[1] Adjustments to reflect the portion of the IBM business that was conveyed to Kyndryl and the ongoing effects of the Separation-related transactions

[2] Constant-currency information compares results between periods as if exchange rates had remained constant period over period. We define constant-currency revenues as total revenues excluding the impact of foreign exchange rate movements and use it to determine the constant-currency revenue growth on a year-over-year basis. Constant-currency revenues are calculated by translating current period revenues using corresponding prior-period exchange rates

[3] Transaction-related costs primarily relate to post-Separation systems migration costs and re-branding costs

Reconciliation of non-GAAP metrics (continued)

($ in millions)

Reconciliation of historical cash flow from operations to pro forma adjusted free cash flow

	Year Ended December 31, 2021
Historical cash flow from operations (GAAP)	**($119)**
Plus: Workforce rebalancing payments	370
Plus: Pro forma adjustments[1]	697
Plus: Transaction-related costs[2]	514
Pro forma adjusted cash flow from operations	**$1,462**
Less: Net capital expenditures	(558)
Pro forma adjusted free cash flow	**$904**

Numbers may not add due to rounding

[1] Pro forma adjustments reflect effects of excess cost allocations from our former Parent, post-Separation commercial pricing agreements with IBM, and the portion of the IBM business that was conveyed to Kyndryl and the ongoing effects of the Separation-related transactions.

[2] Transaction-related costs primarily relate to post-separation systems migration costs, re-branding costs and costs related to employee retention program implemented by our former Parent

Reconciliation of non-GAAP metrics (continued)

Reconciliation of signings to pro forma signings (in billions)

	Three Months Ended March 31,		Year-over-year Change
	2022	2021	
Historical signings	**$3.1**	**$2.5**	**26%**
Pro forma adjustments[1]	-	0.1	
Pro forma signings	**$3.1**	**$2.6**	**21%**
Pro forma signings in constant currency[2]			*27%*

	Year Ended December 31,		Year-over-year Change
	2021	2020	
Historical signings	**$13.5**	**$17.8**	**(24%)**
Pro forma adjustments[1]	0.5	1.4	
Pro forma signings	**$13.9**	**$19.2**	**(27%)**
Pro forma signings in constant currency[2]			*(28%)*

	Year Ended December 31,		Year-over-year Change
	2020	2019	
Historical signings	**$17.8**	**$18.1**	**(2%)**
Signings growth in constant currency[2]			*(2%)*

	Year Ended December 31,		Year-over-year Change
	2019	2018	
Historical signings	**$18.1**	**$22.4**	**(19%)**
Signings growth in constant currency[2]			*(17%)*

[1] Adjustments to reflect the portion of the IBM business that was conveyed to Kyndryl and the ongoing effects of the Separation-related transactions
[2] Constant-currency information compares results between periods as if exchange rates had remained constant period over period. We define constant-currency revenues as total revenues excluding the impact of foreign exchange rate movements and use it to determine the constant-currency revenue growth on a year-over-year basis. Constant-currency revenues are calculated by translating current period revenues using corresponding prior-period exchange rates