



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2024 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 926 410 350
Organisasjonsform: Aksjeselskap
Foretaksnavn: KYNDRYL NORWAY AS
Forretningsadresse: Øvre Vollgate 13
0158 OSLO

Regnskapsår

Årsregnskapets periode: 01.04.2023 - 31.03.2024

Konsern

Morselskap i konsern: Ja
Konsernregnskap lagt ved: Nei

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Forenklet IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Emil Stampe
Dato for fastsettelse av årsregnskapet: 19.12.2024

Grunnlag for avgivelse

År 2024: Årsregnskapet er elektronisk innlevert
År 2023: Tall er hentet fra elektronisk innlevert årsregnskap fra 2024

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 23.10.2025



Resultatregnskap

Beløp i: NOK	Note	2024	2023
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2	701 971 000	745 255 000
Annen driftsinntekt	3	158 123 000	113 541 000
Sum inntekter		860 094 000	858 796 000
Kostnader			
Varekostnad	3	637 123 000	584 533 000
Lønnskostnad	4, 5	95 843 000	116 489 000
Avskrivning	7	43 209 000	50 684 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	8	3 712 000	14 166 000
Annen driftskostnad	3, 4	84 886 000	82 351 000
Sum kostnader		864 774 000	848 223 000
Driftsresultat		-4 679 000	10 574 000
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap		3 723 000	
Renteinntekt fra foretak i samme konsern	3	4 670 000	943 000
Annen finansinntekt		11 075 000	
Sum finansinntekter		19 468 000	943 000
Rentekostnad til foretak i samme konsern	3	62 000	
Annen finanskostnad		19 078 000	30 953 000
Sum finanskostnader		19 140 000	30 953 000
Netto finans		328 000	-30 010 000
Ordinært resultat før skattekostnad		-4 351 000	-19 437 000
Skattekostnad på ordinært resultat	6	-940 000	-4 141 000
Ordinært resultat etter skattekostnad		-3 411 000	-15 296 000
Årsresultat		-3 411 000	-15 296 000
Overføringer og disponeringer			
Overføringer annen egenkapital	10	-3 411 000	-15 296 000



Resultatregnskap

Beløp i: NOK	Note	2024	2023
Sum overføringer og disponeringer		-3 411 000	-15 296 000



Balanse

Beløp i: NOK	Note	2024	2023
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	6	41 417 000	40 476 000
Sum immaterielle eiendeler		41 417 000	40 476 000
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom	7	100 927 000	128 624 000
Fast bygningsinventar, leide bygg	8	14 229 000	15 342 000
Sum varige driftsmidler		115 156 000	143 966 000
Finansielle anleggsmidler			
Investering i datterselskap	9	85 538 000	85 538 000
Andre fordringer		10 713 000	11 640 000
Sum finansielle anleggsmidler		96 251 000	97 178 000
Sum anleggsmidler		252 823 000	281 620 000
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer	3	255 174 000	130 187 000
Andre fordringer	3	166 388 000	234 039 000
Sum fordringer		421 563 000	364 226 000
Sum omløpsmidler		421 563 000	364 226 000
SUM EIENDELER		674 386 000	645 846 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital	10, 11	16 400 000	16 400 000



Balanse

Beløp i: NOK	Note	2024	2023
Overkurs	10	190 241 000	190 241 000
Annen innskutt egenkapital	10	182 058 000	181 891 000
Sum innskutt egenkapital		388 700 000	388 533 000
Opptjent egenkapital			
Annen egenkapital	10	-29 630 000	-26 219 000
Sum opptjent egenkapital		-29 630 000	-26 219 000
Sum egenkapital		359 070 000	362 313 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	12	11 002 000	13 225 000
Øvrig langsiktig gjeld		410 000	1 323 000
Sum annen langsiktig gjeld		11 413 000	14 548 000
Sum langsiktig gjeld		11 412 000	14 548 000
Kortsiktig gjeld			
Leverandørgjeld	3	280 897 000	162 825 000
Betalbar skatt	6		0
Skyldige offentlige avgifter	13	1 997 000	70 779 000
Annen kortsiktig gjeld	3, 3, 12	21 009 000	35 381 000
Sum kortsiktig gjeld		303 903 000	268 985 000
Sum gjeld		315 316 000	283 533 000
SUM EGENKAPITAL OG GJELD		674 386 000	645 846 000



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2024 - GENERELL INFORMASJON

Journalnummer: 2025 300162

Enheten

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årsregnskapet til selskapet: Forenklet IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Emil Stampe
Dato for fastsettelse av årsregnskapet: 19.12.2024

Revisjon

Årsregnskapet er utarbeidet av ekstern
autorisert regnskapsfører: Ja

Grunnlag for avgivelse

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Brønnøysundregistrene, 06.01.2025



Organisasjonsnr: 926 410 350
KYNDRYL NORWAY AS

RESULTATREGNSKAP

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Organisasjonsnr: 926 410 350
KYNDRYL NORWAY AS

BALANSE

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Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til			
kredittinstitusjoner	12	11 002 000	13 225 000
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Organisasjonsnr: 926 410 350
KYNDRYL NORWAY AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note
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Antall aksjer og aksjeeiere

<u>Aksjeklasse</u>	<u>Ant. aksjer</u>	<u>Pålydende</u>	<u>Bokført verdi</u>
Ordinary shares	1490946.00	11.00	16400.41
<u>Aksjeeiere - fritekst</u>	<u>Antall</u>	<u>Eierandel</u>	<u>Aksjeklasse</u>
Kyndryl 1 BV	1490946.00	100.00%	Ordinary shares
<u>Sum</u>	<u>Sum antall</u>	<u>Sum eierandel</u>	
	1490946.00	100.00%	

The entity is part of the consolidated accounts for Kyndryl Holdings Inc., a Company registered in the United States of America. Kyndryl Norway AS is a 100% owned subsidiary of Kyndryl 1 BV, Netherlands. All shares have equal voting rights.

Note
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Lønn og ytelser

<u>Lønn</u>	<u>Årets</u>	<u>Fjorårets</u>
	62194000.00	88692000.00
<u>Arbeidsgiveravgift</u>	<u>Årets</u>	<u>Fjorårets</u>
	12783000.00	16721000.00
<u>Pensjonskostnader</u>	<u>Årets</u>	<u>Fjorårets</u>
	3624000.00	3712000.00
<u>Andre ytelser</u>	<u>Årets</u>	<u>Fjorårets</u>
	17242000.00	7364000.00
<u>Sum lønnskostnader</u>	<u>Årets</u>	<u>Fjorårets</u>
	95843000.00	116489000.00

The entity is required to have an occupational pension scheme in accordance with the Act on Mandatory Occupational Pensions. The entity's pension schemes satisfy the requirements of this Act.

Ytelser til daglig leder



Note

Ytelser til andre ledende personer

<u>Ledende person</u>	<u>Lønn</u>	<u>Pensj.forpl.</u>	<u>Andre godtgj.</u>
manager	1142000.00		33000.00
<u>Sum ytelse andre led.pers.</u>	<u>1142000.00</u>		<u>33000.00</u>

Total compensation of the general manager for the period was 1 175 TNOK. The entity did not pay any other remuneration to the board of directors during the period. There was no loans/securities issued to the board of directors. All eligible Kyndryl employees may participate in Kyndryl's profit sharing bonus pool. The shared success plan bonus pool is determined by two business performance metrics: 1. Relative adjusted Earnings Before Interest, Taxes, Depreciation, and Amortization ("EBITDA") over the prior performance periode and against financial expectations. 2. Relative Revenue Performance over the prior performance periode and against financial expectations. The bonus pool is designed to return a portion of profits back to eligible Kyndryl employees.

Note

Ytelser til revisjon

<u>Revisjon</u>	<u>Årets</u>	<u>Fjorårets</u>
	2027000.00	1360000.00
<u>Sum godtgjørelse til revisor</u>	<u>2027000.00</u>	<u>1360000.00</u>

The audit fee for 2023/2024 is split between PwC Norway and PwC Slovakia: PwC Norway: 560 PwC Slovakia: 1 467 Total: 2 027

Note

Antall årsverk i regnskapsåret

Virksomheten har hatt følgende antall årsverk:
0.00

Note

Lån og sikkerhetsstillelse til ledende personer og aksjeeiere

Er det gitt lån eller sikkerhetsstillelse til ledende personer: Nei

Note

9

Konsern, tilknyttet selskap og datterselskap

Tilknyttet selskap/datterselskap



<u>Navn og adresse</u>	<u>Eierandel</u>	<u>Stemmeandel</u>	<u>Egenkapital</u>	<u>Resultat</u>
Kyndryl Services AS	100.00%	100.00%	93187.00	27010.00

The entity has an investment in Kyndryl Services AS whose registered address is Øvre Vollgate, 0158 Oslo, acquiring 100% ownership of that entity. Kyndryl Norway AS applied for an consolidation exemption that has been approved on the basis that the companies are consolidated on a higher level. Copies of the consolidated financial statement may be obtained from Kyndryl Holdings Inc. 1 Vanderbilt Ave 15th Floor New York, NY 10017 United State
Virksomheten inngår i konsolideringen til morselskapets konsernregnsk.: Nei

Datterselskap er utelatt fra konsolideringen: Nei

<u>Omløpsmidler</u>	<u>Startdato</u>	<u>Sluttdato</u>	<u>Endring</u>
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<u>Skattemessig fremf.undersk.</u>	<u>Startdato</u>	<u>Sluttdato</u>	<u>Endring</u>
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<u>Kortsiktig gjeld</u>	<u>Startdato</u>	<u>Sluttdato</u>	<u>Endring</u>
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Kyndryl Norway AS

Annual report 2023/2024

Board of directors' report

Annual accounts

- Income statement**
- Balance sheet**
- Cash flow statement**
- Notes**

Auditor's report



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Board of Director`s report as of March 31 2024

The Nature and Location of the Operations

During the second half of 2020 IBM announced the intent to divest IBM Global Technology Services creating an independent company. This became a reality in 2021 and on November 4, 2021 Kyndryl was publicly traded on the New York Stock Exchange.

Kyndryl Norway AS is a wholly owned subsidiary of Kyndryl 1 BV in Netherlands and the headquarter is at Øvre Vollgate 13, Oslo municipality. The main operation of the company has been Strategic Outsourcing (SO) delivery and IT consulting in the Norwegian market.

The 2024 fiscal year for Kyndryl Norway is from April 1st to March 31st.

At the end of March 2024, Kyndryl Norway and it's fully owned subsidiary, Kyndryl Services, has 96 employees in total, down from 110 at December 31st 2022.

Working Environment

Maintaining a healthy and inspiring working environment is in focus at Kyndryl Norway AS. Two important indicators in this area are the level of sick leave and overtime work. The management in Kyndryl Norway AS is monitoring these two indicators to ensure that the status of Kyndryl Norway AS is both according to the Kyndryl Norway AS processes and in line with the national legislation. The sick leave in 2024 fiscal was 2,9% and the total hours of overtime work were within legal limits.

There were no occupational accidents during 2024 fiscal year.

Diversity and Equality

All employees in Kyndryl Norway AS shall have equal career opportunities regardless of gender, ethnicity or disabilities.

Women represented by the end of March 2024 28 % of the total work force. Salary analysis by gender show that women`s salary in average is 92% of total average salary. For men it`s 103%. The Salary span for women is from 56% to 143% of average salary. For men the span is from 45% to 166% of average salary.

External Environment

Kyndryl Norway AS do not cause any harm to the environment or health.

Reporting in accordance with the Transparency Act

Report for Kyndryl in Norway is available on this link: <https://www.kyndryl.com/us/en/regulatory-reporting/norway-transparency-act>

Future Prospects

Kyndryl Norway will, together with its customers, grow the SO business in the Nordic market.

Financial Risk

The company's financial risk is considered limited. The company does not have long-term debt in a foreign currency and operational liquidity requirements are covered through short-term loans in NOK provided by the Kyndryl Treasury Services Company in Dublin, Ireland (Kyndryl TC). Kyndryl TC will provide liquidity when needed, so the liquidity risk is very limited.



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Insurance

Kyndryl undertakes to indemnify and hold all board-members harmless from any liability, loss, damage and detrimental consequences related to the activities of the company.

Profit & Financial Positions

The company had a revenue of KNOK 860,094 in 2024 fiscal. This is KNOK 1,298 more than the prior period covering 15 months from 01.01.2022-31.03.2023. The net profit was KNOK (3,411).

Balance Sheet Positions.

Receivables of in total KNOK 421,563 are mainly related to Intercompany transactions with KNOK 392,991 of which KNOK 160,197 are related to the Cash Pool.

Cash Flow Analysis

The net cash flow of operational activities for the company is KNOK (52,303) for investing activities KNOK 56,456 and for financing activities KNOK (4,153). Major reason for this is that the company in 2024 has increased its net receivables, but at the same time the payable and cash-pool increased.

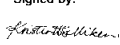
Equity

The Board proposes not to pay any dividend. Subsequent to the accounting year – end of 2024 the company paid out a dividend of KNOK 64,000 which was decided upon on September 9th 2024, and which is accounted for in 2025 financial statement.

Continued Operations and Going concern

The company has a net loss of KNOK 3,411 for 2024 fiscal. Kyndryl Norway AS has long term delivery contracts with customers in Norway and current operations are expected to continue in the years to come. In accordance with §3-3a of the Norwegian Accounting Act, the board of directors confirms that the going concern assumption on which the financial statements have been prepared, is appropriate.

Oslo, December 17 2024
Board of Directors of Kyndryl Norway AS

Signed by:

D0F29A2CD1FD4AC

Kristin Haugen Selliken
(Managing director)

Signed by:

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Emil Stampe
(Chairman of the board)



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Kyndryl Norway AS

Income statement 01.04.23-31.03.24

Amounts in NOK thousands	Note	2023/2024	2022/2023 (15 mth)
Revenue			
Sales revenue	2	701 971	745 255
Other operating income	3	158 123	113 541
Total revenue		<u>860 094</u>	<u>858 796</u>
Operating expenses			
Cost of providing services	3	637 123	584 533
Payroll expenses	4, 5	95 843	116 489
Depreciation and amortization	7	43 209	50 684
Depreciation leasing asset	8	3 712	14 166
Other operating expenses	3, 4	84 885	82 350
Total operating expenses		<u>864 772</u>	<u>848 222</u>
Operating result		<u>-4 678</u>	<u>10 574</u>
Financial income and expenses			
Interest income from group companies	3	4 670	943
Other financial income		11 075	0
Dividend income		3 723	0
Interest paid to group companies	3	62	0
Other financial expenses		19 079	30 954
Net financial items		<u>327</u>	<u>-30 011</u>
Result before tax		<u>-4 351</u>	<u>-19 437</u>
Tax expense	6	<u>-940</u>	<u>-4 141</u>
Net profit or loss for the year		<u>-3 411</u>	<u>-15 296</u>
Allocated as follows			
Transferred to other equity	10	-3 411	-15 296
Other comprehensive income		<u>0</u>	<u>0</u>
Total comprehensive income		<u>-3 411</u>	<u>-15 296</u>



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Kyndryl Norway AS

Balance sheet as of March 31 2024

Amounts in NOK thousands

	Note	2023/2024	2022/2023
Fixed assets			
<i>Intangible assets</i>			
Deferred tax asset	6	41 417	40 476
<i>Tangible assets</i>			
Property, plant & equipment	7	100 927	128 624
Right of use Assets	8	14 229	15 342
Total tangible assets		<u>115 156</u>	<u>143 966</u>
<i>Financial assets</i>			
Investments in subsidiaries	9	85 538	85 538
Other receivables		10 713	11 640
Total financial assets		<u>96 251</u>	<u>97 178</u>
Total fixed assets		<u>252 823</u>	<u>281 620</u>
Current assets			
<i>Receivables</i>			
Accounts receivables	3	255 174	130 187
Other receivables	3	166 388	234 039
Total receivables		<u>421 563</u>	<u>364 226</u>
Total current assets		<u>421 563</u>	<u>364 226</u>
Total assets		<u>674 386</u>	<u>645 846</u>



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Kyndryl Norway AS

Balance sheet as of March 31 2024

Amounts in NOK thousands

	Note	2023/2024	2022/2023
Equity			
<i>Paid-in capital</i>			
Share capital	10, 11	16 400	16 400
Share premium	10	190 241	190 241
Other paid-in capital	10	182 058	181 891
Total paid-in capital		<u>388 700</u>	<u>388 533</u>
<i>Retained earnings</i>			
Other equity	10	-29 630	-26 219
Total equity		<u>359 070</u>	<u>362 313</u>
Liabilities			
<i>Other long-term liabilities</i>			
Lease payables	12	11 002	13 225
Deferred income		410	1 323
Total other long term liabilities		<u>11 413</u>	<u>14 548</u>
<i>Current liabilities</i>			
Trade creditors	3	280 897	162 825
Public duties payable	13	1 997	70 779
Other short-term liabilities	3, 12	21 009	35 381
Total current liabilities		<u>303 903</u>	<u>268 985</u>
Total liabilities		<u>315 316</u>	<u>283 533</u>
Total equity and liabilities		<u>674 386</u>	<u>645 846</u>

Signed by:



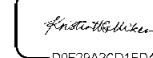
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Emil Stampe

Chairman of the Board

Oslo, 17 December 2024

Signed by:



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Kristin Haugen Selliken
Member of the Board/Managing
director



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Kyndryl Norway AS

Cash flow statement 01.04.23-31.03.24

Amounts in NOK thousands	Note	2023/2024	2022/2023 (15 mth)
Cash flow from operating activities			
Result before tax		-4 351	-19 437
Depreciation and amortization	7	43 209	50 684
Depreciation of right-of-use assets		3 712	14 166
Share based payment reserve created	5	167	487
Changes in inventories, accounts receivable and accounts payable		-6 916	235 665
Changes in other current balance sheet items		-88 125	76 025
Net cash flow from operating activities		<u>-52 303</u>	<u>357 590</u>
Cash flow from investing activities			
Proceeds from sale of fixed assets		834	2 826
Purchase of fixed assets	7	-17 579	-34 330
Cash pool arrangement	3	<u>73 201</u>	<u>-233 398</u>
Net cash flow from investing activities		<u>56 456</u>	<u>-264 901</u>
Cash flow from financing activities			
Proceeds from issuance of long-term debt		15	-6 490
Cash pool arrangement	3	0	-86 038
Repayment of principal in lease liabilities		-4 168	-16 087
Net cash flow from financing activities		<u>-4 153</u>	<u>-108 615</u>
Net change in cash and cash equivalents		0	-15 927
Cash and cash equivalents opening balance		<u>0</u>	<u>15 927</u>
Cash and cash equivalents closing balance		<u>0</u>	<u>0</u>



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Kyndryl Norway AS

Notes to the accounts for 2023/2024

Amounts in NOK thousands

Note 1 - Accounting Principles

Basis for preparation of the annual accounts

The company's financial statements have been prepared in accordance with the Norwegian Accounting Act § 3-9 and specific regulations, related to what is often referred to as "the simplified application of international financial reporting standards (IFRSs)", issued by the Ministry of Finance 7 February 2022. Under this regulation, recognition and measurement rules are based on international financial reporting standards (IFRSs) as adopted by the EU, while presentation and disclosures are in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway. The Financial Statement is based on simplifications as described in §3-1 3, except that the recognition of dividends is done according to IFRS.

The company's ultimate parent undertaking and controlling party is Kyndryl Holdings Inc. which is incorporated in the United States of the America and is the parent that consolidates the financial statements.

Copies of the consolidated financial statement may be obtained from Kyndryl Holdings Inc. 1 Vanderbilt Ave 15th Floor New York, NY 10017 United State

Frequency of reporting and period covered

Last year the entity changed their fiscal year from 1.1-31.12, to 1.4-31.3, the financial statement was prepared for a 15-month period. This year the financial statement is an 12-month periode, and the FY is 1.4-31.3. The reason the entity has changed their fiscal year is to be aligned with the rest of the group. Thus, the amounts presented in the financial statements are not entirely comparable.

In the income statement and in the cash flow statement, the figures in column 2022/2023 are for the period 1.1.2022 - 31.3.2023. In the balance sheet, the figures in column 2022/2023 are per 31.3.2023.

To align with industry norms and to provide better information to the reader, the entity are presenting its costs by nature in its financial statements.

Basis for consolidation

Kyndryl Norway AS applied for a consolidation exemption that has been approved on the basis that the companies are consolidated on a higher level.

Revenue recognition

Revenue from contracts with customers

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

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



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The Company only includes estimated amounts in the transaction price to the extent it is highly probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. The Company may not be able to reliably estimate contingent revenue in certain long-term arrangements due to uncertainties that are not expected to be resolved for a long period of time or when the Company's experience with similar types of contracts is limited. The Company's arrangements infrequently include contingent revenue. Estimates of variable consideration and the determination of whether to include estimated amounts in the transaction price are based on all information (historical, current and forecasted) that is reasonably available to the Company, taking into consideration the type of customer, the type of transaction and the specific facts and circumstances of each arrangement. Changes in estimates of variable consideration are included in the disclosure on note 4.

Services

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

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

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

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

In fixed-price design and build contracts, revenue is recognized based on progress towards completion of the performance obligation using a cost-to-cost measure of progress (i.e., percentage-of-completion (POC) method of accounting). Revenue is recognized based on the labour costs incurred to date as a percentage of the total estimated labour costs to fulfil the contract. Due to the nature of the work performed in these



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Kyndryl Norway AS

Notes to the accounts for 2023/2024

Amounts in NOK thousands

arrangements, the estimation of cost at completion is complex, subject to many variables and requires significant judgment. Key factors reviewed by the Company to estimate costs to complete each contract are future labour and product costs and expected productivity efficiencies. If circumstances arise that change the original estimates of revenues, costs, or extent of progress toward completion, revisions to the estimates are made. These revisions may result in increases or decreases in estimated revenues or costs, and such revisions are reflected in revenue on a cumulative catch-up basis in the period in which the circumstances that gave rise to the revision become known to the Company. The amount of revenue recognised in the reporting period on a cumulative catch-up basis (i.e., from performance obligations satisfied, or partially satisfied, in previous periods).

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

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

Financial instruments

Trade and other receivables

Trade and other receivables are recognized initially at fair value and are subsequently measured at amortised cost using the effective interest method.

Finance receivables

Finance receivables are recognized initially at fair value and are subsequently carried at amortised cost using the effective interest method. Finance receivables with remaining maturity longer than 12 months are classified as non-current and those receivables with remaining maturity shorter than 12 months are classified current.

Cash and cash equivalents

Cash and cash equivalents include deposits held at call with banks and short-term deposits with related parties that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. The Company does not classify any of its cash as bank deposits, as these are part of an intercompany cashpool agreement which is classified as a short-term receivable.

Financial liabilities at amortised cost

Trade and other payables, and loans and borrowings are initially measured at fair value, net of transaction costs and subsequently measured at amortised cost using the effective interest rate method. The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a



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shorter period, to the net carrying amount on initial recognition. Financial instruments held at amortised cost include 'trade and other payables' and 'payables to related parties'.

Trade and other payables

Trade and other payables are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods or services. Amounts are unsecured and usually settled on standard commercial trade terms. Trade and other payables are initially measured at fair value. Trade and other payables are subsequently measured at amortised cost using the effective interest method.

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Interest and dividends

Interest and dividends are classified as expenses or as distributions of profit consistent with the statement of financial position classification of the related debt or equity instruments or component parts of compound instrument.

Trade and other receivables and Contract Assets

Expected credit losses for trade receivables, amount due from related parties and contract assets are estimated using the simplified approach of lifetime ECL based on a combination of write-off history, aging analysis, known troubled accounts and macroeconomic factors affecting trade customers. These simplifications eliminate the need to calculate the 12-month ECL and to assess when a significant increase in credit risk has occurred, as required under a three-stage approach.

Leasing and lease agreements

The Company conducts business as a lessee and lessor. In its ordinary course of business, the Company enters into leases as a lessee for property, plant and equipment.

When procuring goods or services, or upon entering into a contract with its customers, the Company determines whether an arrangement contains a lease at its inception. As part of that evaluation, the Company considers whether there is an implicitly or explicitly identified asset in the arrangement and whether the Company, as the lessee, or the customer, if the Company is the lessor, has the right to control that asset.

The Company determines whether there is a right to control the use of the asset by assessing its rights, as the lessee, or the customer's rights, if the Company is the lessor, to obtain substantially all of the economic benefits from the use of the identified asset and the right to direct the use of the identified asset. If there is either an explicit or embedded lease within a contract and the Company is the lessor, the Company determines the classification of the lease (e.g., finance or operating lease) at the lease inception date.

The Company as lessee

When the Company is the lessee, all leases with a term of more than 12 months are recognised as ROU assets and associated lease liabilities in the Statement of Financial Position. The lease liabilities are measured at the lease inception date and determined using the present value of the lease payments not yet paid and the Company's incremental borrowing rate, which approximates the rate at which the Company would borrow, on a secured basis, in the country where the lease was executed. The interest rate implicit in the lease is generally not determinable in transactions where the Company is the lessee. The ROU asset equals the lease liability adjusted for any IDCs, prepaid and accrued rent and lease incentives. Fixed and



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in-substance fixed payments are included in the recognition of ROU assets and lease liabilities, however, variable lease payments, other than those based on a rate or index, are recognised in the Statement of Profit or Loss and Other Comprehensive Income in the period in which the obligation for those payments is incurred. The Company's variable lease payments generally relate to payments tied to various indexes and payments above a contractual minimum fixed payment. Real estate leases commonly require variable lease payments to reflect market changes, inflation and cost of property maintenance. In addition, vehicle leases may contain variable lease payments for excess mileage adjustments. The lease agreements do not impose any covenants on the Company.

ROU assets represent the Company's right to control the underlying assets under lease, and the lease liability is the obligation to make the lease payments related to the underlying assets under lease.

ROU assets are generally amortised on a straight-line basis over the lease term with the interest expense on the lease liability recorded using the effective interest method. The amortisation and interest expense are recorded separately in the Statement of Profit or Loss and Other Comprehensive Income. The Company has elected to not recognise leases with a lease term of less than 12 months in the Statement of Financial Position, including those acquired in a business combination, and lease costs for those short-term leases are recognised on a straight-line basis over the lease term in the Statement of Profit or Loss and Other Comprehensive Income. For all asset classes, the Company has elected the lessee practical expedient to combine lease and non-lease components (e.g. maintenance services) and account for the combined unit as a single lease component.

Property, plant and equipment

Property, plant and equipment held for use in the supply of goods or services, or for administrative purposes, are stated in the statement of financial position at cost less any accumulated depreciation and accumulated impairment losses.

The depreciable amount of an asset is determined after deducting its residual value. The residual value of an asset is the estimated amount that the Company would obtain from the disposal of the asset, after deducting the estimated cost of disposal. Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method. The estimated useful lives used in the calculation of depreciation and amortisation are as follows:

Leasehold improvements	-	Over the period of the lease
Furniture & Fixtures	-	5-15 years
Equipment	-	1.5-7.5 years

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss for the period.

Income tax

Tax expenses in the profit and loss account comprise both tax payable for the accounting period and changes in deferred tax. Deferred tax is calculated at 22 percent on the basis of existing temporary differences between accounting profit and taxable profit together with tax deductible deficits at the year end. Temporary differences both positive and negative, are balance out within the same period. Deferred tax assets are recorded in the balance sheet to the extent it is more likely than not that the tax assets will be utilized.



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Notes to the accounts for 2023/2024

Amounts in NOK thousands

Changes in accounting policies and disclosures

There are no changes in accounting standards that impacted these financial statements.

Foreign currency translation

The company's presentation currency is NOK. This is also the company's functional currency.

At the end of each reporting period foreign currency monetary items are translated using the closing rate. Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing at the dates of the transactions. Currency gains and losses arising on the payment of such transactions and on translation of monetary items in foreign currencies at the exchange rates prevailing the end of the reporting period, are recognized in profit or loss as financial items.

Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company carries out credit checks on potential customers before contracts are entered into. This information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate the major customers. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management team annually. Cash balances are held with the Kyndryl Treasury Centre, which the directors assess as having high credit ratings.

The Company has significant concentration of credit risk. The maximum exposure to credit risk for the top debtor represents 100% of the Company's trade and finance receivables.

The following types of financial assets are subject impairment criteria for expected credit losses:

(a) Trade and other receivables

The Company applies the simplified approach in measuring expected credit losses which uses lifetime expected credit loss allowance for trade receivables. To measure the expected credit losses they are grouped based on shared risk characteristics. Trade receivables expected loss rates are determined using internal rating of customer, country.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term, highly liquid investments with maturities of three months or less. Interest in the cash flow statement classified under operating activities. The cash pool arrangement is presented as a financing activity in the cash flow statement.

Amendments to standards and interpretations with a future effective date

At the date of authorization of the Company's financial statement there are no new standards with future effective date that are expected to have material impact on the Company's financial statement. The Company's intention is to adopt the relevant new and amended standards and interpretations when they become effective, subject to EU approval before the financial statements are issued.



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Financial Risk

The Company is exposed of financial risks as a result of its operations that include the effects of market prices and foreign exchange risk. The Company has a strong risk management programme in place aligned to the worldwide programme of the Company's ultimate parent Company, Kyndryl Holdings Inc..

Financial risk management objectives Kyndryl's corporate treasury function provides funding and risk management services to the Norway Company of companies. Risk management services are provided through the monitoring and management of financial risks relating to the operations of the Company through internal risk reports addressing market risk (including currency risk and interest rate risk), credit risk, liquidity risk, and cash flow interest rate risk. This includes performing sensitivity analysis on market risks to determine the effect of change in foreign exchange and currency rates on the Company's financial performance and position.

Interest rate risk management

The Company is funded by the Kyndryl Treasury Centre in Ireland. As the Company invests or borrows cash balances, it operates in either a receivable or payable position. Interest is paid or earned on the daily balance using the variable one-month interest rate as the base.

The Company performs sensitivity analysis to determine the effects from exposure to interest rate risk. For financial assets and liabilities exposed to interest rate risk, the analysis is prepared assuming the balances at the reporting date were outstanding for the whole year.

Liquidity risk management

The Company is funded internally by the Kyndryl Treasury Centre in Ireland. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities through its agreements with the Treasury Centre.



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Kyndryl Norway AS

Notes to the accounts for 2023/2024

Amounts in NOK thousands

Note 2 - Sales revenue

Amounts in NOK thousands

	2023/2024	2022/2023 (15 mth)
<i>By business area</i>		
Revenue from contracts with customers	701 971	745 255
<i>Geographical distribution</i>		
Austria	142	0
Belgium	881	752
Brazil	422	0
Costa Rica	14	0
Czech Republic	88	0
Denmark	7 880	8 463
Egypt	0	53
Finland	653	697
Great Britain	3 773	7 099
Hungary	85	0
India	1 620	0
Ireland	6	0
Lithuania	0	41
Luxembourg	156	0
Netherlands	6 862	12 818
Norway	675 174	711 107
Philippines	3	0
Poland	327	0
Sweden	3 316	4 208
Switzerland	237	17
USA	331	0
	<hr/>	<hr/>
	701 971	745 255



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Notes to the accounts for 2023/2024

Amounts in NOK thousands

Note 3 - Intercompany balance and transactions with group and associated companies

Amounts in NOK thousands

	2023/2024	2022/2023 (15 mth)
<i>Receivables</i>		
Accounts receivables	232 793	85 323
Cash pool arrangement	160 197	233 398
Total intercompany receivables	<u>392 991</u>	<u>318 722</u>
<i>Payables</i>		
Accounts payables	235 648	112 541
<i>Transactions with parent company</i>		
Rendering of service	-16 898	286
<i>Transactions with other group companies</i>		
Rendering of service	218 260	457 677
Cost of service	-537 649	-438 528
Business service fee	158 123	113 541
Cost of financing	0	-1 780
Interest received	4 670	943
Interest paid	62	0
Total transactions with other group companies	<u>-156 533</u>	<u>131 854</u>

The company has entered into a cash pool agreement with Nordea, where Kyndryl Treasury Services Designated Activity Company is the account holder and Kyndryl Norway AS is the sub-account holder together with the company's other affiliated companies. The terms of the cash pool scheme provides the right to settle withdrawals and deposits with each other, whereby it is exclusively the net balance of the total cash pool accounts that make up balance with Nordea. Kyndryl Norway AS' accounts in the cash pool scheme, which are recognised under receivables from intercompanies, amount to a deposit of 160,197 TNOK as of 31 March 2024. Interest on amounts owed by fellow subsidiary undertakings are charged at variable rates based on NIBOR

The amounts outstanding on these balances are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognized in the current or prior year for bad or doubtful debts in respect of the amounts owed by related parties.



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Kyndryl Norway AS

Notes to the accounts for 2023/2024

Amounts in NOK thousands

Note 4 - Payroll expenses, number of employees and loans to employees and auditor's fee

Amounts in NOK thousands

<i>Payroll expenses</i>	2023/2024	2022/2023 (15 mth)
Salaries	62 194	88 692
Social security costs	12 783	16 721
Pension costs	3 624	3 712
Other payments	17 242	7 364
Total payroll expenses	<u>95 843</u>	<u>116 489</u>
Average number of full-time equivalents	54	62

The entity is required to have an occupational pension scheme in accordance with the Act on Mandatory Occupational Pensions. The entity's pension schemes satisfy the requirements of this Act.

Management remuneration

	General manager
Salary	1 142
Bonuses	20
Other remuneration	13

Total compensation of the general manager for the period was 1 175 TNOK. The entity did not pay any other remuneration to the board of directors during the period. There was no loans/securities issued to the board of directors.

All eligible Kyndryl employees may participate in Kyndryl's profit sharing bonus pool. The shared success plan bonus pool is determined by two business performance metrics:

1. Relative adjusted Earnings Before Interest, Taxes, Depreciation, and Amortization ("EBITDA") over the prior performance periode and against financial expectations.
2. Relative Revenue Performance over the prior performance periode and against financial expectations.

The bonus pool is designed to return a portion of profits back to eligible Kyndryl employees.

<i>Auditor fee has been divided as follows</i>	2023/2024	2022/2023 (15 mth)
Statutory audit fee	2 027	1 360

VAT is not included in the auditor fees.

The audit fee for 2023/2024 is split between PwC Norway and PwC Slovakia:

PwC Norway:	560
PwC Slovakia:	1 467
Total:	2 027



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Notes to the accounts for 2023/2024

Amounts in NOK thousands

Note 5 - Stock-based compensation

Amounts in NOK thousands

Kyndryl issued 3,000 unvested equity-based awards to the Company's employees in connection with the modification at the time of the Spin-off. The stock based compensation cost which is included in the profit and loss for the year was TNOK 167 (TNOK 487 in 2022/2023).

	RSUs Number of units (in thousands)
Balance at April 1, 2023	2
Awards granted	2
Awards vested	-1
Balance at March 31, 2024	3

	2023/2024 Market Conditioned Performance Awards	2023/2024 Stock Options
Weighted average fair values at measurement date	\$ 10.89	\$ 6.54
Dividend yield (%)	0 %	0 %
Expected volatility (%)	39 %	34,50 %
Risk-free interest rate (%)	4.57% – 5.38%	1.41 %
Expected life of RSU/option	3 years	6.25 years
Weighted average share price	\$ 13.55	\$ 17.78
Model used	Monte Carlo	Black-Scholes



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Notes to the accounts for 2023/2024

Amounts in NOK thousands

Note 6 - Income taxes

Amounts in NOK thousands

	2023/2024	2022/2023 (15 mth)
<i>Income tax expenses</i>		
Change in deferred tax	-940	-4 141
Total income tax expense	-940	-4 141
<i>Tax base estimation</i>		
Result before tax	-4 351	-19 437
Permanent differences	77	615
General income	-4 274	-18 822
Change in temporary differences	-15 394	-30 820
Tax base	-19 668	-49 643
<i>Temporary differences outlined</i>		
Fixed asset	-108 391	-113 696
Lease asset	14 229	15 342
Lease liability	-14 530	-16 144
Accruals	3 652	-5 935
Total temporary differences	-105 039	-120 433
Accumulated loss carried forward	83 218	63 550
Total	-188 257	-183 983
Deferred income tax asset (22%)	-41 417	-40 476
<i>Effective tax rate</i>		
Expected income taxes, statutory tax rate 22%	-957	
Permanent differences (22%)	17	
Income tax expense	-940	
Effective tax rate *)	21,6 %	

*) Tax expense divided by pre-tax income



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Kyndryll Norway AS

Notes to the accounts for 2023/2024

Amounts in NOK thousands

Note 7 - Tangible assets

Amounts in NOK thousands

	Leasehold improvements	Land, buildings and other property	Leasehold improvements - Work in progress	Furniture & Fixtures	Equipment	Total
Acquisition cost 01.04.2023	8 809	598	1 429	28 960	230 282	270 078
Purchased tangibles	0	0	0	1 111	16 468	17 579
Disposals	-81	0	0	-2 039	-5 914	-8 034
Transfer	0	0	-471	471	0	0
Acquisition cost 31.03.2024	8 728	598	957	28 504	240 836	279 623
Acc.depreciation 31.03.2024	-4 839	-285	0	-11 292	-162 281	-178 696
Net carrying amount at 31.03.2024	3 889	313	957	17 212	78 555	100 927
Depreciation for the year	966	0	0	97	42 146	43 209
Useful economic life Depreciation	Lease period Linear	20-50 years Linear		5-15 years Linear	1,5-7 years Linear	

Note 8 - Leasing

Amounts in NOK thousands

	Office building	Total
Acquisition cost 01.04.2023	37 318	37 318
Purchased tangibles	2 569	2 569
Disposals	-10 320	-10 320
Acquisition cost 31.03.2024	29 567	29 567
Acc.depreciation 31.03.2024	-15 337	-15 337
Net carrying amount at 31.03.2024	14 229	14 229



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Kyndryl Norway AS

Notes to the accounts for 2023/2024

Amounts in NOK thousands

Note 9 - Investment in subsidiaries and associate

Amounts in NOK thousands

Company	Location	Share owners	Voting rights	Net profit 2023/2024	Equity 31.03	Book value 31.03
Kyndryl Services AS	Lakkegata 53, Oslo	100 %	100 %	27 010	93 187	85 538

The entity has an investment in Kyndryl Services AS whose registered address is Øvre Vollgate, 0158 Oslo, acquiring 100% ownership of that entity.

Kyndryl Norway AS applied for an consolidation exemption that has been approved on the basis that the companies are consolidated on a higher level.

Copies of the consolidated financial statement may be obtained from Kyndryl Holdings Inc. 1 Vanderbilt Ave 15th Floor New York, NY 10017 United State

Note 10 - Equity

Amounts in NOK thousands

	Share capital	Share premium	Other paid-in capital	Other equity	Total
Equity 01.04.2023	16 400	190 241	181 891	-26 219	362 313
Net profit/(loss) for the year	0	0	0	-3 411	-3 411
Share based payment	0	0	167	0	167
Equity 31.03.2024	16 400	190 241	182 058	-29 630	359 070

The general assembly of Kyndryl Services AS decided to distribute a dividend to Kyndryl Norway AS on August 14th 2024 of 64 000 TNOK. The general assembly of Kyndryl Norway AS decided on September 9th 2024 to distribute dividend of equal amount, 64 000 TNOK to its parent entity Kyndryl 1 BV.

Note 11 - Share capital and shareholder information

Amounts in NOK thousands

Share capital per 31.03.24:

	Number of shares	Face value	Book value
Ordinary shares	1 490 946	11	16 400

Shareholders per 31.03.24:

	Ordinary shares	Ownership share	Voting rights
Kyndryl 1 BV	1 490 946	100 %	100 %

The entity is part of the consolidated accounts for Kyndryl Holdings Inc., a Company registered in the United States of America. Kyndryl Norway AS is a 100% owned subsidiary of Kyndryl 1 BV, Netherlands. All shares have equal voting rights.



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Kyndryl Norway AS

Notes to the accounts for 2023/2024

Amounts in NOK thousands

Note 12 - Rent commitment

Amounts in NOK thousands

Rent of premises:

Rent for the fiscal year

Lakkegata 53

Øvre Vollgate 13

Rental period

17.02.2023

01.02.2028

	2023/2024	2022/2023 (15 mth)
<i>Undiscounted lease liabilities and maturity of cash outflows</i>		
Less than 1 year	4 531	4 328
1-2 years	4 531	4 328
2-3 years	4 531	4 328
3-4 years	3 399	4 328
4-5 years	0	3 246
More than 5 years	0	0
Total undiscounted lease liabilities at 31 March 2024	<u>16 993</u>	<u>20 558</u>

	2023/2024	2022/2023 (15 mth)
<i>Summary of the lease liabilities</i>		
Lease liabilities at 01.03.2023	16 144	14 712
New lease liabilities recognized in the year	1 806	15 888
Cash payments for the principal portion of the lease liability	-4 337	-14 853
Interest expense on lease liabilities	962	397
Total lease liabilities at 31 March 2024	<u>14 576</u>	<u>16 144</u>
Current lease liabilities	3 573	2 919
Non-current lease liabilities	11 002	13 225

Note 13 - Guarantees

Amounts in NOK thousands

The Company has a bank guarantee for the period ended 31.03.2024, in respect of Employee tax, for an amount of 16 000 TNOK, with no end date.



Skatteetaten

Vår dato
25.05.2022

Din/Deres dato
20.04.2022

Saksbehandler
Lars Waaltorp

800 80 000
Skatteetaten.no

Din/Deres referanse

Telefon
90833418

Org.nr
974761076

Vår referanse
2022/5425923

Postadresse
Postboks 9200 Grønland
0134 OSLO

ERNST & YOUNG AS
Postboks 1156 Sentrum
0107 OSLO

Att. Lars Helland

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk

Vi viser til deres brev av 20. april 2022 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for følgende selskaper:

Kyndryl Norway AS org.nr. 926 410 350
Kyndryl Services AS org.nr. 914 837 758

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskaper dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som danner grunnlaget for vedtaket ikke endres vesentlig.

Kopi av dette brevet må sendes til Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Den regnskapspliktige må selv dokumentere ved dette brev at tillatelse er gitt.

Bakgrunn

Kyndryl Services AS er eid av Kyndryl Norway AS som igjen er eid av et utenlandsk selskap og er en del av et internasjonalt konsern. Selskapene driver virksomhet knyttet til ytelse av informasjonsteknologi-tjenester, samt handel og virksomhet innenfor informasjonsteknologibransjen. Arbeidsspråket i selskapene er hovedsakelig engelsk.

Skattekontorets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen [...] være på norsk. Departementet kan ved [...] enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig



prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til “informative regnskaper for ulike grupper av regnskapsbrukere”. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter skattekontorets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har skattekontoret lagt særlig vekt på at selskapene direkte eller indirekte er eid av et utenlandsk selskap og er en del av et internasjonalt konsern. Videre er det vektlagt at selskapene driver virksomhet i en bransje der alle sentrale aktører behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Lars Waalorp
seniorrådgiver
Brukerdialog, brukerkontakt
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.



To the General Meeting of Kyndryl Norway AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Kyndryl Norway AS (the Company), which comprise the Balance sheet as of March 31 2024, the Income statement 01.04.23-31.03.24 and Cash flow statement 01.04.23-31.03.24 for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable statutory requirements, and the financial statements give a true and fair view of the financial position of the Company as at 31 March 2024, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

The Company's financial statements have been submitted after the expiry of the statutory time limit for preparation of financial statements.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with simplified application of International Accounting Standards according to the Norwegian Accounting Act section 3-9, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

PricewaterhouseCoopers AS, Dronning Eufemias gate 71, Postboks 748 Sentrum, NO-0106 Oslo
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: <https://revisorforeningen.no/revisjonsberetninger>

Oslo, 17 December 2024

PricewaterhouseCoopers AS

Jone Bauge

State Authorised Public Accountant

(This document is signed electronically)



 Securely signed with Brevio

Auditor's report

Signers:

Name	Method	Date
Bauge, Jone	BANKID	2024-12-17 11:50

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- The original document(s)
- The electronic signatures. These are not visible in the document, but are electronically integrated.



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The seal is a guarantee for the authenticity
of the document.



Skatteetaten

Vår dato
09.01.2023

Din/Deres dato
13.06.2022

Saksbehandler
Lars Waalorp

800 80 000
Skatteetaten.no

Din/Deres referanse

Telefon
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Org.nr
974761076

Vår referanse
2022/5555932

Postadresse
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0134 OSLO

ERNST & YOUNG AS
Postboks 1156 Sentrum
0107 OSLO

Att. Lise Moe Hinna

Fritak for konsernregnskapsplikt Kyndryl Norway AS, org.nr. 926 410 350

Vi viser til deres brev av 13. juni 2022 og telefonsamtale 22. desember 2022 hvor dere søker om fritak fra plikten til å utarbeide konsernregnskap for Kyndryl Norway AS.

Skattekontoret finner med hjemmel i regnskapsloven § 3-7 fjerde ledd å kunne gi tillatelse til at det gjøres unntak for konsernregnskapsplikten for Kyndryl Norway AS. Dispensasjonen gjelder så lenge opplysningene som danner grunnlaget for vedtaket ikke endres vesentlig.

Kopi av dette brev må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet mv. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Kyndryl Norway AS er morselskap i et underkonsern, hvor Kyndryl Holdings Inc. er det ultimate morselskapet og er hjemmehørende i USA. Konsernregnskap utarbeides av Kyndryl Holdings Inc. på engelsk språk etter US GAAP, hvor Kyndryl Norway AS med datterselskaper er omfattet.

Skattekontorets vurdering

Det forutsettes at Kyndryl Holdings Inc. utarbeider konsernregnskap som omfatter den regnskapspliktige og dennes datterselskaper. Det legges til grunn at dette konsernregnskapet er utarbeidet i samsvar med US GAAP og at kravene i regnskapsloven § 3-7 med forskrifter for øvrig følges. Bestemmelsene i regnskapsloven kapittel 8 gjelder tilsvarende for dette konsernregnskapet.

Når det gjelder hvilket språk morselskapet skal utarbeide konsernregnskapet på, vises det til forskrift av 7. september 2006 nr. 1062 til utfylling og gjennomføring mv. av regnskapsloven. Det følger av § 3-7-1 at konsernregnskapet foruten å være på norsk, kan være på svensk, dansk eller engelsk.

Skattekontoret gir etter en konkret helhetsvurdering tillatelse til at det gjøres unntak for konsernregnskapsplikten.



Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Lars Waalorp
seniorrådgiver
Brukerdialog, brukerkontakt
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.



Kyndryl Norway AS

Notes to the accounts for 2023/2024

Amounts in NOK thousands

Note 1 - Accounting Principles

Basis for preparation of the annual accounts

The company's financial statements have been prepared in accordance with the Norwegian Accounting Act § 3-9 and specific regulations, related to what is often referred to as "the simplified application of international financial reporting standards (IFRSs)", issued by the Ministry of Finance 7 February 2022. Under this regulation, recognition and measurement rules are based on international financial reporting standards (IFRSs) as adopted by the EU, while presentation and disclosures are in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway. The Financial Statement is based on simplifications as described in §3-1 3, except that the recognition of dividends is done according to IFRS.

The company's ultimate parent undertaking and controlling party is Kyndryl Holdings Inc. which is incorporated in the United States of the America and is the parent that consolidates the financial statements.

Copies of the consolidated financial statement may be obtained from Kyndryl Holdings Inc. 1 Vanderbilt Ave 15th Floor New York, NY 10017 United State

Frequency of reporting and period covered

Last year the entity changed their fiscal year from 1.1-31.12, to 1.4-31.3, the financial statement was prepared for a 15-month period. This year the financial statement is an 12-month periode, and the FY is 1.4-31.3. The reason the entity has changed their fiscal year is to be aligned with the rest of the group. Thus, the amounts presented in the financial statements are not entirely comparable.

In the income statement and in the cash flow statement, the figures in column 2022/2023 are for the period 1.1.2022 - 31.3.2023. In the balance sheet, the figures in column 2022/2023 are per 31.3.2023.

To align with industry norms and to provide better information to the reader, the entity are presenting its costs by nature in its financial statements.

Basis for consolidation

Kyndryl Norway AS applied for a consolidation exemption that has been approved on the basis that the companies are consolidated on a higher level.

Revenue recognition

Revenue from contracts with customers

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

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



Kyndryl Norway AS

Notes to the accounts for 2023/2024

Amounts in NOK thousands

The Company only includes estimated amounts in the transaction price to the extent it is highly probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. The Company may not be able to reliably estimate contingent revenue in certain long-term arrangements due to uncertainties that are not expected to be resolved for a long period of time or when the Company's experience with similar types of contracts is limited. The Company's arrangements infrequently include contingent revenue. Estimates of variable consideration and the determination of whether to include estimated amounts in the transaction price are based on all information (historical, current and forecasted) that is reasonably available to the Company, taking into consideration the type of customer, the type of transaction and the specific facts and circumstances of each arrangement. Changes in estimates of variable consideration are included in the disclosure on note 4.

Services

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

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

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

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

In fixed-price design and build contracts, revenue is recognized based on progress towards completion of the performance obligation using a cost-to-cost measure of progress (i.e., percentage-of-completion (POC) method of accounting). Revenue is recognized based on the labour costs incurred to date as a percentage of the total estimated labour costs to fulfil the contract. Due to the nature of the work performed in these



Kyndryl Norway AS

Notes to the accounts for 2023/2024

Amounts in NOK thousands

arrangements, the estimation of cost at completion is complex, subject to many variables and requires significant judgment. Key factors reviewed by the Company to estimate costs to complete each contract are future labour and product costs and expected productivity efficiencies. If circumstances arise that change the original estimates of revenues, costs, or extent of progress toward completion, revisions to the estimates are made. These revisions may result in increases or decreases in estimated revenues or costs, and such revisions are reflected in revenue on a cumulative catch-up basis in the period in which the circumstances that gave rise to the revision become known to the Company. The amount of revenue recognised in the reporting period on a cumulative catch-up basis (i.e., from performance obligations satisfied, or partially satisfied, in previous periods).

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

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

Financial instruments

Trade and other receivables

Trade and other receivables are recognized initially at fair value and are subsequently measured at amortised cost using the effective interest method.

Finance receivables

Finance receivables are recognized initially at fair value and are subsequently carried at amortised cost using the effective interest method. Finance receivables with remaining maturity longer than 12 months are classified as non-current and those receivables with remaining maturity shorter than 12 months are classified current.

Cash and cash equivalents

Cash and cash equivalents include deposits held at call with banks and short-term deposits with related parties that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. The Company does not classify any of its cash as bank deposits, as these are part of an intercompany cashpool agreement which is classified as a short-term receivable.

Financial liabilities at amortised cost

Trade and other payables, and loans and borrowings are initially measured at fair value, net of transaction costs and subsequently measured at amortised cost using the effective interest rate method. The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a



Kyndryl Norway AS

Notes to the accounts for 2023/2024

Amounts in NOK thousands

shorter period, to the net carrying amount on initial recognition. Financial instruments held at amortised cost include 'trade and other payables' and 'payables to related parties'.

Trade and other payables

Trade and other payables are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods or services. Amounts are unsecured and usually settled on standard commercial trade terms. Trade and other payables are initially measured at fair value. Trade and other payables are subsequently measured at amortised cost using the effective interest method.

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Interest and dividends

Interest and dividends are classified as expenses or as distributions of profit consistent with the statement of financial position classification of the related debt or equity instruments or component parts of compound instrument.

Trade and other receivables and Contract Assets

Expected credit losses for trade receivables, amount due from related parties and contract assets are estimated using the simplified approach of lifetime ECL based on a combination of write-off history, aging analysis, known troubled accounts and macroeconomic factors affecting trade customers. These simplifications eliminate the need to calculate the 12-month ECL and to assess when a significant increase in credit risk has occurred, as required under a three-stage approach.

Leasing and lease agreements

The Company conducts business as a lessee and lessor. In its ordinary course of business, the Company enters into leases as a lessee for property, plant and equipment.

When procuring goods or services, or upon entering into a contract with its customers, the Company determines whether an arrangement contains a lease at its inception. As part of that evaluation, the Company considers whether there is an implicitly or explicitly identified asset in the arrangement and whether the Company, as the lessee, or the customer, if the Company is the lessor, has the right to control that asset.

The Company determines whether there is a right to control the use of the asset by assessing its rights, as the lessee, or the customer's rights, if the Company is the lessor, to obtain substantially all of the economic benefits from the use of the identified asset and the right to direct the use of the identified asset. If there is either an explicit or embedded lease within a contract and the Company is the lessor, the Company determines the classification of the lease (e.g., finance or operating lease) at the lease inception date.

The Company as lessee

When the Company is the lessee, all leases with a term of more than 12 months are recognised as ROU assets and associated lease liabilities in the Statement of Financial Position. The lease liabilities are measured at the lease inception date and determined using the present value of the lease payments not yet paid and the Company's incremental borrowing rate, which approximates the rate at which the Company would borrow, on a secured basis, in the country where the lease was executed. The interest rate implicit in the lease is generally not determinable in transactions where the Company is the lessee. The ROU asset equals the lease liability adjusted for any IDCs, prepaid and accrued rent and lease incentives. Fixed and



Kyndryl Norway AS

Notes to the accounts for 2023/2024

Amounts in NOK thousands

in-substance fixed payments are included in the recognition of ROU assets and lease liabilities, however, variable lease payments, other than those based on a rate or index, are recognised in the Statement of Profit or Loss and Other Comprehensive Income in the period in which the obligation for those payments is incurred. The Company's variable lease payments generally relate to payments tied to various indexes and payments above a contractual minimum fixed payment. Real estate leases commonly require variable lease payments to reflect market changes, inflation and cost of property maintenance. In addition, vehicle leases may contain variable lease payments for excess mileage adjustments. The lease agreements do not impose any covenants on the Company.

ROU assets represent the Company's right to control the underlying assets under lease, and the lease liability is the obligation to make the lease payments related to the underlying assets under lease.

ROU assets are generally amortised on a straight-line basis over the lease term with the interest expense on the lease liability recorded using the effective interest method. The amortisation and interest expense are recorded separately in the Statement of Profit or Loss and Other Comprehensive Income. The Company has elected to not recognise leases with a lease term of less than 12 months in the Statement of Financial Position, including those acquired in a business combination, and lease costs for those short-term leases are recognised on a straight-line basis over the lease term in the Statement of Profit or Loss and Other Comprehensive Income. For all asset classes, the Company has elected the lessee practical expedient to combine lease and non-lease components (e.g. maintenance services) and account for the combined unit as a single lease component.

Property, plant and equipment

Property, plant and equipment held for use in the supply of goods or services, or for administrative purposes, are stated in the statement of financial position at cost less any accumulated depreciation and accumulated impairment losses.

The depreciable amount of an asset is determined after deducting its residual value. The residual value of an asset is the estimated amount that the Company would obtain from the disposal of the asset, after deducting the estimated cost of disposal. Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method. The estimated useful lives used in the calculation of depreciation and amortisation are as follows:

Leasehold improvements	-	Over the period of the lease
Furniture & Fixtures	-	5-15 years
Equipment	-	1.5-7.5 years

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss for the period.

Income tax

Tax expenses in the profit and loss account comprise both tax payable for the accounting period and changes in deferred tax. Deferred tax is calculated at 22 percent on the basis of existing temporary differences between accounting profit and taxable profit together with tax deductible deficits at the year end. Temporary differences both positive and negative, are balance out within the same period. Deferred tax assets are recorded in the balance sheet to the extent it is more likely than not that the tax assets will be utilized.



Kyndryl Norway AS

Notes to the accounts for 2023/2024

Amounts in NOK thousands

Changes in accounting policies and disclosures

There are no changes in accounting standards that impacted these financial statements.

Foreign currency translation

The company's presentation currency is NOK. This is also the company's functional currency.

At the end of each reporting period foreign currency monetary items are translated using the closing rate. Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing at the dates of the transactions. Currency gains and losses arising on the payment of such transactions and on translation of monetary items in foreign currencies at the exchange rates prevailing the end of the reporting period, are recognized in profit or loss as financial items.

Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company carries out credit checks on potential customers before contracts are entered into. This information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate the major customers. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management team annually. Cash balances are held with the Kyndryl Treasury Centre, which the directors assess as having high credit ratings.

The Company has significant concentration of credit risk. The maximum exposure to credit risk for the top debtor represents 100% of the Company's trade and finance receivables.

The following types of financial assets are subject impairment criteria for expected credit losses:

(a) Trade and other receivables

The Company applies the simplified approach in measuring expected credit losses which uses lifetime expected credit loss allowance for trade receivables. To measure the expected credit losses they are grouped based on shared risk characteristics. Trade receivables expected loss rates are determined using internal rating of customer, country.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term, highly liquid investments with maturities of three months or less. Interest in the cash flow statement classified under operating activities. The cash pool arrangement is presented as a financing activity in the cash flow statement.

Amendments to standards and interpretations with a future effective date

At the date of authorization of the Company's financial statement there are no new standards with future effective date that are expected to have material impact on the Company's financial statement. The Company's intention is to adopt the relevant new and amended standards and interpretations when they become effective, subject to EU approval before the financial statements are issued.



Kyndryl Norway AS

Notes to the accounts for 2023/2024

Amounts in NOK thousands

Financial Risk

The Company is exposed of financial risks as a result of its operations that include the effects of market prices and foreign exchange risk. The Company has a strong risk management programme in place aligned to the worldwide programme of the Company's ultimate parent Company, Kyndryl Holdings Inc..

Financial risk management objectives Kyndryl's corporate treasury function provides funding and risk management services to the Norway Company of companies. Risk management services are provided through the monitoring and management of financial risks relating to the operations of the Company through internal risk reports addressing market risk (including currency risk and interest rate risk), credit risk, liquidity risk, and cash flow interest rate risk. This includes performing sensitivity analysis on market risks to determine the effect of change in foreign exchange and currency rates on the Company's financial performance and position.

Interest rate risk management

The Company is funded by the Kyndryl Treasury Centre in Ireland. As the Company invests or borrows cash balances, it operates in either a receivable or payable position. Interest is paid or earned on the daily balance using the variable one-month interest rate as the base.

The Company performs sensitivity analysis to determine the effects from exposure to interest rate risk. For financial assets and liabilities exposed to interest rate risk, the analysis is prepared assuming the balances at the reporting date were outstanding for the whole year.

Liquidity risk management

The Company is funded internally by the Kyndryl Treasury Centre in Ireland. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities through its agreements with the Treasury Centre.



Kyndryl Norway AS

Notes to the accounts for 2023/2024

Amounts in NOK thousands

Note 2 - Sales revenue

Amounts in NOK thousands

	2023/2024	2022/2023 (15 mth)
<i>By business area</i>		
Revenue from contracts with customers	701 971	745 255
<i>Geographical distribution</i>		
Austria	142	0
Belgium	881	752
Brazil	422	0
Costa Rica	14	0
Czech Republic	88	0
Denmark	7 880	8 463
Egypt	0	53
Finland	653	697
Great Britain	3 773	7 099
Hungary	85	0
India	1 620	0
Ireland	6	0
Lithuania	0	41
Luxembourg	156	0
Netherlands	6 862	12 818
Norway	675 174	711 107
Philippines	3	0
Poland	327	0
Sweden	3 316	4 208
Switzerland	237	17
USA	331	0
	<hr/>	<hr/>
	701 971	745 255



Kyndryl Norway AS

Notes to the accounts for 2023/2024

Amounts in NOK thousands

Note 3 - Intercompany balance and transactions with group and associated companies

Amounts in NOK thousands

	2023/2024	2022/2023 (15 mth)
<i>Receivables</i>		
Accounts receivables	232 793	85 323
Cash pool arrangement	160 197	233 398
Total intercompany receivables	<u>392 991</u>	<u>318 722</u>
<i>Payables</i>		
Accounts payables	235 648	112 541
<i>Transactions with parent company</i>		
Rendering of service	-16 898	286
<i>Transactions with other group companies</i>		
Rendering of service	218 260	457 677
Cost of service	-537 649	-438 528
Business service fee	158 123	113 541
Cost of financing	0	-1 780
Interest received	4 670	943
Interest paid	62	0
Total transactions with other group companies	<u>-156 533</u>	<u>131 854</u>

The company has entered into a cash pool agreement with Nordea, where Kyndryl Treasury Services Designated Activity Company is the account holder and Kyndryl Norway AS is the sub-account holder together with the company's other affiliated companies. The terms of the cash pool scheme provides the right to settle withdrawals and deposits with each other, whereby it is exclusively the net balance of the total cash pool accounts that make up balance with Nordea. Kyndryl Norway AS' accounts in the cash pool scheme, which are recognised under receivables from intercompanies, amount to a deposit of 160,197 TNOK as of 31 March 2024. Interest on amounts owed by fellow subsidiary undertakings are charged at variable rates based on NIBOR

The amounts outstanding on these balances are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognized in the current or prior year for bad or doubtful debts in respect of the amounts owed by related parties.



Kyndryl Norway AS

Notes to the accounts for 2023/2024

Amounts in NOK thousands

Note 4 - Payroll expenses, number of employees and loans to employees and auditor's fee

Amounts in NOK thousands

<i>Payroll expenses</i>	2023/2024	2022/2023 (15 mth)
Salaries	62 194	88 692
Social security costs	12 783	16 721
Pension costs	3 624	3 712
Other payments	17 242	7 364
Total payroll expenses	<u>95 843</u>	<u>116 489</u>
Average number of full-time equivalents	54	62

The entity is required to have an occupational pension scheme in accordance with the Act on Mandatory Occupational Pensions. The entity's pension schemes satisfy the requirements of this Act.

Management remuneration

	General manager
Salary	1 142
Bonuses	20
Other remuneration	13

Total compensation of the general manager for the period was 1 175 TNOK. The entity did not pay any other remuneration to the board of directors during the period. There was no loans/securities issued to the board of directors.

All eligible Kyndryl employees may participate in Kyndryl's profit sharing bonus pool. The shared success plan bonus pool is determined by two business performance metrics:

1. Relative adjusted Earnings Before Interest, Taxes, Depreciation, and Amortization ("EBITDA") over the prior performance periode and against financial expectations.
2. Relative Revenue Performance over the prior performance periode and against financial expectations.

The bonus pool is designed to return a portion of profits back to eligible Kyndryl employees.

<i>Auditor fee has been divided as follows</i>	2023/2024	2022/2023 (15 mth)
Statutory audit fee	2 027	1 360

VAT is not included in the auditor fees.

The audit fee for 2023/2024 is split between PwC Norway and PwC Slovakia:

PwC Norway:	560
PwC Slovakia:	1 467
Total:	2 027



Kyndryl Norway AS

Notes to the accounts for 2023/2024

Amounts in NOK thousands

Note 5 - Stock-based compensation

Amounts in NOK thousands

Kyndryl issued 3,000 unvested equity-based awards to the Company's employees in connection with the modification at the time of the Spin-off. The stock based compensation cost which is included in the profit and loss for the year was TNOK 167 (TNOK 487 in 2022/2023).

	2023/2024	2022/2023 (15 mth)
RSU Balance at April 1	2	3
RSU Awards granted	2	2
RSU Awards vested	-1	-3
RSU Balance at March 31	3	2

	2023/2024 Market Conditioned Performance Awards	2023/2024 Stock Options
Weighted average fair values at measurement date	\$ 10.89	\$ 6.54
Dividend yield (%)	0 %	0 %
Expected volatility (%)	39 %	34,50 %
Risk-free interest rate (%)	4.57% – 5.38%	1.41 %
Expected life of RSU/option	3 years	6.25 years
Weighted average share price	\$ 13.55	\$ 17.78
Model used	Monte Carlo	Black-Scholes



Kyndryl Norway AS

Notes to the accounts for 2023/2024

Amounts in NOK thousands

Note 6 - Income taxes

Amounts in NOK thousands

	2023/2024	2022/2023 (15 mth)
<i>Income tax expenses</i>		
Change in deferred tax	-940	-4 141
Total income tax expense	<u>-940</u>	<u>-4 141</u>
<i>Tax base estimation</i>	2023/2024	2022/2023 (15 mth)
Result before tax	-4 351	-19 437
Permanent differences	<u>77</u>	<u>615</u>
General income	-4 274	-18 822
Change in temporary differences	<u>-15 394</u>	<u>-30 820</u>
Tax base	<u>-19 668</u>	<u>-49 643</u>
<i>Temporary differences outlined</i>	2023/2024	2022/2023 (15 mth)
Fixed asset	-108 391	-113 696
Lease asset	14 229	15 342
Lease liability	-14 530	-16 144
Accruals	<u>3 652</u>	<u>-5 935</u>
Total temporary differences	-105 039	-120 433
Accumulated loss carried forward	<u>83 218</u>	<u>63 550</u>
Total	<u>-188 257</u>	<u>-183 983</u>
Deferred income tax asset (22%)	-41 417	-40 476
<i>Effective tax rate</i>	2023/2024	
Expected income taxes, statutory tax rate 22%	-957	
Permanent differences (22%)	<u>17</u>	
Income tax expense	<u>-940</u>	
Effective tax rate *)	21,6 %	

*) Tax expense divided by pre-tax income



Kyndryl Norway AS

Notes to the accounts for 2023/2024

Amounts in NOK thousands

Note 7 - Tangible assets

Amounts in NOK thousands

	Leasehold improvements	Land, buildings and other property	Leasehold improvements - Work in progress	Furniture & Fixtures	Equipment	Total
Acquisition cost 01.04.2023	8 809	598	1 429	28 960	230 282	270 078
Purchased tangibles	0	0	0	1 111	16 468	17 579
Disposals	-81	0	0	-2 039	-5 914	-8 034
Transfer	0	0	-471	471	0	0
Acquisition cost 31.03.2024	8 728	598	957	28 504	240 836	279 623
Acc.depreciation 31.03.2024	-4 839	-285	0	-11 292	-162 281	-178 696
Net carrying amount at 31.03.2024	3 889	313	957	17 212	78 555	100 927
Depreciation for the year	966	0	0	97	42 146	43 209
Useful economic life Depreciation	Lease period Linear	20-50 years Linear		5-15 years Linear	1,5-7 years Linear	

Note 8 - Leasing

Amounts in NOK thousands

	Office building	Total
Acquisition cost 01.04.2023	37 318	37 318
Purchased tangibles	2 569	2 569
Disposals	-10 320	-10 320
Acquisition cost 31.03.2024	29 567	29 567
Acc.depreciation 31.03.2024	-15 337	-15 337
Net carrying amount at 31.03.2024	14 229	14 229



Kyndryl Norway AS

Notes to the accounts for 2023/2024

Amounts in NOK thousands

Note 9 - Investment in subsidiaries and associate

Amounts in NOK thousands

Company	Location	Share owners	Voting rights	Net profit 2023/2024	Equity 31.03	Book value 31.03
Kyndryl Services AS	Lakkegata 53, Oslo	100 %	100 %	27 010	93 187	85 538

The entity has an investment in Kyndryl Services AS whose registered address is Øvre Vollgate, 0158 Oslo, acquiring 100% ownership of that entity.

Kyndryl Norway AS applied for an consolidation exemption that has been approved on the basis that the companies are consolidated on a higher level.

Copies of the consolidated financial statement may be obtained from Kyndryl Holdings Inc. 1 Vanderbilt Ave 15th Floor New York, NY 10017 United State

Note 10 - Equity

Amounts in NOK thousands

	Share capital	Share premium	Other paid-in capital	Other equity	Total
Equity 01.04.2023	16 400	190 241	181 891	-26 219	362 313
Net profit/(loss) for the year	0	0	0	-3 411	-3 411
Share based payment	0	0	167	0	167
Equity 31.03.2024	16 400	190 241	182 058	-29 630	359 070

The general assembly of Kyndryl Services AS decided to distribute a dividend to Kyndryl Norway AS on August 14th 2024 of 64 000 TNOK. The general assembly of Kyndryl Norway AS decided on September 9th 2024 to distribute dividend of equal amount, 64 000 TNOK to its parent entity Kyndryl 1 BV.

Note 11 - Share capital and shareholder information

Amounts in NOK thousands

Share capital per 31.03.24:

	Number of shares	Face value	Book value
Ordinary shares	1 490 946	11	16 400

Shareholders per 31.03.24:

	Ordinary shares	Ownership share	Voting rights
Kyndryl 1 BV	1 490 946	100 %	100 %

The entity is part of the consolidated accounts for Kyndryl Holdings Inc., a Company registered in the United States of America. Kyndryl Norway AS is a 100% owned subsidiary of Kyndryl 1 BV, Netherlands. All shares have equal voting rights.



Kyndryl Norway AS

Notes to the accounts for 2023/2024

Amounts in NOK thousands

Note 12 - Rent commitment

Amounts in NOK thousands

Rent of premises:

Rent for the fiscal year

Lakkegata 53

Øvre Vollgate 13

Rental period

17.02.2023

01.02.2028

	2023/2024	2022/2023 (15 mth)
<i>Undiscounted lease liabilities and maturity of cash outflows</i>		
Less than 1 year	4 531	4 328
1-2 years	4 531	4 328
2-3 years	4 531	4 328
3-4 years	3 399	4 328
4-5 years	0	3 246
More than 5 years	0	0
Total undiscounted lease liabilities at 31 March 2024	<u>16 993</u>	<u>20 558</u>

	2023/2024	2022/2023 (15 mth)
<i>Summary of the lease liabilities</i>		
Lease liabilities at 01.03.2023	16 144	14 712
New lease liabilities recognized in the year	1 806	15 888
Cash payments for the principal portion of the lease liability	-4 337	-14 853
Interest expense on lease liabilities	962	397
Total lease liabilities at 31 March 2024	<u>14 576</u>	<u>16 144</u>
Current lease liabilities	3 573	2 919
Non-current lease liabilities	11 002	13 225

Note 13 - Guarantees

Amounts in NOK thousands

The Company has a bank guarantee for the period ended 31.03.2024, in respect of Employee tax, for an amount of 16 000 TNOK, with no end date.



Kyndryl Norway AS

Cash flow statement 01.04.23-31.03.24

Amounts in NOK thousands	Note	2023/2024	2022/2023 (15 mth)
Cash flow from operating activities			
Result before tax		-4 351	-19 437
Depreciation and amortization	7	43 209	50 684
Depreciation of right-of-use assets		3 712	14 166
Share based payment reserve created	5	167	487
Changes in inventories, accounts receivable and accounts payable		-6 916	235 665
Changes in other current balance sheet items		-88 125	76 025
Net cash flow from operating activities		<u>-52 303</u>	<u>357 590</u>
Cash flow from investing activities			
Proceeds from sale of fixed assets		834	2 826
Purchase of fixed assets	7	-17 579	-34 330
Cash pool arrangement	3	<u>73 201</u>	<u>-233 398</u>
Net cash flow from investing activities		<u>56 456</u>	<u>-264 901</u>
Cash flow from financing activities			
Proceeds from issuance of long-term debt		15	-6 490
Cash pool arrangement	3	0	-86 038
Repayment of principal in lease liabilities		-4 168	-16 087
Net cash flow from financing activities		<u>-4 153</u>	<u>-108 615</u>
Net change in cash and cash equivalents		0	-15 927
Cash and cash equivalents opening balance		<u>0</u>	<u>15 927</u>
Cash and cash equivalents closing balance		<u>0</u>	<u>0</u>