IBM Newsroom

IBM Completes the Separation of Kyndryl

ARMONK, N.Y., November 3, 2021 - IBM (NYSE:IBM) announced today that it has completed the separation of its managed infrastructure services business to Kyndryl. Starting on November 4, 2021, Kyndryl will begin “regular way” trading on the New York Stock Exchange under the symbol “KD.”

Each holder of IBM common stock will receive one share of Kyndryl common stock for every five shares of IBM common stock held on October 25, 2021, the record date for the distribution. For United States federal income tax purposes, the distribution has been conducted in a tax-efficient manner for IBM stockholders in the United States.

“The separation of Kyndryl is one of many actions we are taking to sharpen our focus on hybrid cloud and AI, leverage a portfolio clearly focused on technology and consulting, and achieve our growth objectives,” said Arvind Krishna, IBM chairman and chief executive officer. “We look forward to our partnership with Kyndryl as it moves forward as an independent company.”

As previously stated, IBM is retaining 19.9 percent of the shares of Kyndryl common stock, with the intention of exchanging those shares for IBM debt during the 12-month period following the distribution, subject to market considerations.

Forward-Looking and Cautionary Statements

Except for the historical information and discussions contained herein, statements contained in this release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on the company’s current assumptions regarding future business and financial performance. These statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially, including, but not limited to, the following: a downturn in economic environment and client spending budgets; a failure of the company’s innovation initiatives; damage to the company’s reputation; risks from investing in growth opportunities; failure of the company’s intellectual property portfolio to prevent competitive offerings and the failure of the company to obtain necessary licenses; the possibility that the proposed separation of the managed infrastructure services unit of the company’s Global Technology Services segment will not be completed within the anticipated time period or at all, the possibility of disruption or unanticipated costs in connection with the proposed separation or the possibility that the separation will not achieve its intended benefits; the company’s ability to successfully manage acquisitions, alliances and dispositions, including integration challenges, failure to achieve objectives, the assumption of liabilities, and higher debt levels; fluctuations in financial results; impact of local legal, economic, political, health and other conditions; the company’s failure to meet growth and productivity objectives; ineffective internal controls; the company’s use of accounting estimates; impairment of the company’s goodwill or amortizable intangible assets; the company’s ability to attract and retain key employees and its reliance on critical skills; impacts of

relationships with critical suppliers; product quality issues; impacts of business with government clients; reliance on third party distribution channels and ecosystems; cybersecurity and data privacy considerations; adverse effects from environmental matters, tax matters; legal proceedings and investigatory risks; the company's pension plans; currency fluctuations and customer financing risks; impact of changes in market liquidity conditions and customer credit risk on receivables; risk factors related to IBM securities; and other risks, uncertainties and factors discussed in the company's Form 10-Qs, Form 10-K and in the company's other filings with the United States Securities and Exchange Commission or in materials incorporated therein by reference. Any forward-looking statement in this release speaks only as of the date on which it is made. Except as required by law, the company assumes no obligation to update or revise any forward-looking statements.

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