

Interim Financial Statements



For the
six months
ended
30 June 2024

kpn. The network of the Netherlands

Unaudited Condensed Consolidated Interim Financial Statements*For the six months ended 30 June 2024*

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All related documents can be found on KPN's website (ir.kpn.com), including the KPN Management Report Q2 2024.

Unaudited Consolidated Statement of Profit or Loss

(in € m, unless indicated otherwise)	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2024	2023 (restated)	2024	2023 (restated)
Revenues		1,375	1,330	2,746	2,662
Other income	[5/10]	16	5	22	15
Total revenues and other income	[4/5/10]	1,391	1,334	2,768	2,678
Cost of goods & services		342	324	690	669
Personnel expenses		215	206	429	411
Information technology/Technical infrastructure (IT/TI)		75	77	153	147
Other operating expenses		96	94	195	190
Depreciation, amortization & impairments (DA&I)		307	296	608	606
Total operating expenses	[4/6]	1,035	997	2,074	2,024
Operating profit	[4/6]	357	337	694	653
Finance income		11	5	23	11
Finance costs		-71	-64	-142	-126
Other financial results		0	1	-57	-3
Finance income and expenses	[7/11]	-61	-58	-177	-118
Share of the profit/loss (-) of associates	[10]	-2	-	-3	-2
Profit/Loss (-) before income tax from continuing operations		294	280	515	533
Income taxes	[8]	-67	-64	-113	-121
Profit/Loss (-) for the period from continuing operations		227	216	401	412
Profit/Loss (-) for the period from discontinued operations		-	-	-	-
Profit/Loss (-) for the period		227	216	402	412
Profit/Loss (-) attributable to non-controlling interest		-	-	-	-
Profit/Loss (-) attributable to equity holders		227	216	401	411
Earnings per ordinary share after taxes attributable to equity holders for the period (in €)					
- Basic (continuing operations)		0.06	0.05	0.10	0.10
- Diluted (continuing operations)		0.06	0.05	0.10	0.10
- Basic (discontinued operations)		-	-	-	-
- Diluted (discontinued operations)		-	-	-	-
- Basic (total, including discontinued operations)		0.06	0.05	0.10	0.10
- Diluted (total, including discontinued operations)		0.06	0.05	0.10	0.10
Weighted average number of ordinary shares					
- Non-diluted				3,908,069,632	3,999,821,034
- Diluted				3,911,824,903	4,003,617,169

[..] Bracketed numbers refer to the related notes to these Condensed Consolidated Interim Financial Statements.

Unaudited Consolidated Statement of Other Comprehensive Income

(in € m)	For the three months ended 30 June 2024		For the six months ended 30 June 2024	
	2024	2023	2024	2023
Profit for the period	227	216	402	412
Other comprehensive income, net of tax				
Other comprehensive income to be reclassified subsequently to profit or loss when specific conditions are met:				
- Net gain/loss (-) on cashflow hedges	11	-48	44	-43
- Currency translation differences	-	-2	-1	-3
Net other comprehensive income/loss (-) to be reclassified to profit or loss in subsequent periods	11	-50	43	-46
Items of other comprehensive income not to be reclassified subsequently to profit or loss:				
- Retirement benefit remeasurements	6	9	4	9
- Net gain/loss (-) on equity instruments designated at fair value through other comprehensive income	-	-	-	-4
Net other comprehensive income/loss (-) not to be reclassified to profit or loss in subsequent periods	6	9	4	5
Other comprehensive income/loss (-) for the period, net of tax	17	-41	47	-41
Total comprehensive income/loss (-) for the period, net of tax	244	174	449	370
Total comprehensive income for the period, net of tax, attributable to:				
- Equity holders of the company	244	174	449	370
- Non-controlling interest	-	-	-	-
Total comprehensive income/loss (-) attributable to equity holders arises from:				
- Continuing operations	244	174	449	370
- Discontinued operations	-	-	-	-

Unaudited Consolidated Statement of Financial Position

Assets <i>(in € m)</i>	Notes	30 June 2024	31 December 2023
Non-current assets			
Land and buildings		367	361
Plant and equipment		5,406	5,312
Other tangible non-current assets		24	24
Assets under construction		315	247
Total property, plant and equipment		6,112	5,943
Goodwill	[3]	1,582	1,451
Licenses		782	832
Software		423	420
Other intangibles	[3]	194	107
Total intangible assets		2,980	2,809
Right-of-use assets		795	815
Equity investments accounted for using the equity method	[10]	570	554
Equity investments measured at fair value through other comprehensive income		98	90
Derivative financial instruments	[18]	87	65
Other financial asset at fair value through profit or loss	[10/11/18]	107	147
Deferred income tax assets	[8/10]	32	111
Trade and other receivables		69	111
Contract assets and contract costs	[10]	62	66
Total non-current assets		10,913	10,712
Current assets			
Inventories		42	43
Trade and other receivables		614	553
Contract assets and contract costs	[10]	85	74
Income tax receivables	[8]	-	31
Derivative financial instruments	[18]	5	12
Other financial asset at fair value through profit or loss	[10/11/18]	42	26
Other current financial assets	[12]	267	193
Cash and cash equivalents	[13]	840	609
Total current assets		1,895	1,541
Total assets		12,808	12,253

[..] Bracketed numbers refer to the related notes to these Condensed Consolidated Interim Financial Statements.

Group equity and liabilities
(in € m)

	Notes	30 June 2024	31 December 2023
Equity			
Share capital		158	158
Share premium		7,674	7,674
Other reserves		-260	-114
Retained earnings		-5,147	-5,150
Equity attributable to holders of perpetual capital securities		1,208	990
Equity attributable to equity holders of the company		3,632	3,558
Non-controlling interests		3	3
Total equity	[14]	3,635	3,561
Non-current liabilities			
Borrowings	[15]	5,310	5,397
Lease liabilities		703	733
Derivative financial instruments	[18]	186	256
Deferred income tax liabilities	[3]	-	-
Provisions for retirement benefit obligations	[16]	22	35
Provisions for other liabilities and charges	[17]	101	103
Contract liabilities	[10]	118	119
Other payables		23	9
Total non-current liabilities		6,464	6,651
Current liabilities			
Trade and other payables		1,247	1,177
Contract liabilities	[10]	168	169
Borrowings	[15]	1,099	497
Lease liabilities		138	162
Derivative financial instruments	[18]	16	5
Income tax payable		21	-
Provision for other liabilities and charges	[17]	20	32
Total current liabilities		2,709	2,042
Total equity and liabilities		12,808	12,253

[..] Bracketed numbers refer to the related notes to these Condensed Consolidated Interim Financial Statements.

Unaudited Consolidated Statement of Changes in Group Equity

Notes	Subscribed ordinary shares	Share capital	Share premium	Other reserves	Retained earnings	Equity attributable to holders of perpetual capital securities	Equity attributable to equity holders of the company	Non- controlling interests	Total equity
<i>(in € m, except number of shares)</i>									
Balance at 1 January 2023	4,037,319,593	161	7,960	-106	-5,356	990	3,650	2	3,652
Profit for the period	-	-	-	-	411	-	411	-	412
Other comprehensive income	-	-	-	-46	5	-	-41	-	-41
Total comprehensive income	-	-	-	-46	416	-	370	-	370
Share based compensation	-	-	-	-	-20	-	-20	-	-20
Sold treasury shares	-	-	-	22	-	-	22	-	22
Paid coupon perpetual hybrid bond	-	-	-	-	-10	-	-10	-	-10
Dividends paid	[14]	-	-	-	-382	-	-382	-	-382
Share repurchase	-	-	-	-300	-	-	-300	-	-300
Other	-	-	-	2	-	-	2	-	2
Total transactions with owners, recognized directly in equity	-	-	-	-276	-412	-	-688	-	-688
Balance at 30 June 2023	4,037,319,593	161	7,960	-428	-5,352	990	3,333	2	3,335
Balance at 1 January 2024	3,947,417,782	158	7,674	-114	-5,150	990	3,558	3	3,561
Profit for the period	-	-	-	-	402	-	402	-	402
Other comprehensive income	-	-	-	43	4	-	47	-	47
Total comprehensive income	-	-	-	43	406	-	449	-	449
Share based compensation	-	-	-	-	-9	-	-9	-	-9
Sold treasury shares	-	-	-	11	-	-	11	-	11
Paid coupon perpetual hybrid bond	-	-	-	-	-12	-	-12	-	-12
Dividends paid	[14]	-	-	-	-382	-	-382	-	-382
Issuance of perpetual hybrid bond	-	-	-	-	-	496	496	-	496
Repurchase of perpetual hybrid bond	-	-	-	-	-	-278	-278	-	-278
Share repurchase	-	-	-	-200	-	-	-200	-	-200
Total transactions with owners, recognized directly in equity	-	-	-	-189	-403	218	-374	-	-374
Balance at 30 June 2024	3,947,417,782	158	7,674	-260	-5,147	1,208	3,632	3	3,635

[..] Bracketed numbers refer to the related notes to these Condensed Consolidated Interim Financial Statements.

Unaudited Consolidated Statement of Cash Flows

(in € m)	Notes	30 June 2024	30 June 2023
Profit before income tax from continuing operations		515	533
Adjustments for:			
- Net financial expenses	[7]	177	118
- Share-based compensation		-2	-2
- Share of the profit/loss (-) of associates		3	2
- Depreciation, amortization and impairments	[4/6]	608	606
- Other non-cash income and expenses		-22	-15
- Changes in provisions (excl. deferred taxes)	[6/16/17]	-30	-14
Changes in working capital relating to:			
- Current assets		-56	5
- Current liabilities		-7	-91
Income taxes paid	[8]	-37	-42
Interest paid		-67	-61
Net cash flow from operating activities from continuing operations		1,082	1,040
Net cash flow from operating activities from discontinued operations		-	-
Net cash flow from operating activities		1,082	1,040
Acquisition of and investments in subsidiaries, associates and joint ventures (net of cash)	[3/10]	-186	-34
Acquisition of subsidiaries that do not constitute a business	[3]	-11	-40
Tax received / paid (-) on disposal of subsidiaries and associates	[8/10]	15	60
Investments in software		-119	-135
Investments in property, plant & equipment		-521	-467
Disposals of property, plant & equipment		30	51
Disposals of intangible assets		20	-
Changes in other financial assets	[12/13]	-82	-33
Net cash flow from investing activities from continuing operations		-852	-598
Net cash flow from investing activities from discontinued operations		-	-1
Net cash flow from investing activities		-852	-599
Dividends paid	[14]	-382	-382
Share repurchase	[14]	-200	-300
Paid coupon perpetual hybrid bonds		-12	-10
Proceeds from perpetual hybrid bonds	[13]	496	-
Proceeds from borrowings	[13]	996	295
Repayments of borrowings and settlement of derivatives	[15]	-792	-123
Repayment lease liabilities		-99	-86
Other		-6	2
Net cash flow from financing activities from continuing operations		1	-603
Net cash flow from financing activities from discontinued operations		-	-
Net cash flow from financing activities		1	-603

[..] Bracketed numbers refer to the related notes to these Condensed Consolidated Interim Financial Statements.

		For the six months ended	
(in € m)	Notes	30 June 2024	30 June 2023
Continued from previous page			
Total net cash flow from continuing operations		231	-160
Total net cash flow from discontinued operations		-	-1
Total net cash flow (changes in cash and cash equivalents)		231	-161
Net cash and cash equivalents at beginning of period		609	399
Exchange rate difference		-	-
Changes in cash and cash equivalents		231	-161
Net cash and cash equivalents at end of period		840	237
Bank overdrafts		-	-
Cash and cash equivalents at end of period	[13]	840	237

[..] Bracketed numbers refer to the related notes to these Condensed Consolidated Interim Financial Statements.

General notes to the Condensed Consolidated Interim Financial Statements

[1] Company profile

Koninklijke KPN N.V. (KPN or the company) was incorporated in 1989 and is domiciled in the Netherlands. Koninklijke KPN N.V. is registered at the Chamber of Commerce (file no. 02045200). The address of KPN's registered office is Wilhelminakade 123, 3072 AP, Rotterdam, the Netherlands. KPN's shares are listed on Euronext Amsterdam.

KPN is a leading telecommunications and IT provider in the Netherlands, offering fixed and mobile telephony, fixed and mobile broadband internet and TV to retail and business customers. KPN is market leader in the Netherlands in infrastructure and network-related IT solutions to business customers. KPN also provides wholesale network services to third parties.

[2] Accounting policies

Basis of preparation

The Condensed Consolidated Interim Financial Statements (hereafter: 'Interim Financial Statements') for the six months ended 30 June 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting and endorsed by the EU and should be read in conjunction with KPN's Integrated Annual Report 2023 as this document does not include all the information and disclosures required in the annual financial statements. The Interim Financial Statements have not been audited by KPN's external auditor.

All amounts are presented in millions unless stated otherwise. Certain figures may not tally exactly due to rounding. In addition, certain percentages may have been calculated using rounded figures.

In preparing the Interim Financial Statements, KPN has applied the concept of materiality to the presentation and level of disclosures. Only essential and mandatory information is disclosed which is relevant to a reader's understanding of these Interim Financial Statements.

Significant accounting estimates, judgments and assumptions

These are evaluated continuously and are based on historic experience and other factors, including expectations of future events thought to be reasonable under the circumstances. Actual results may deviate from the estimates applied. Estimates are revised when material changes to the underlying assumptions occur. For more information on KPN's significant accounting estimates, judgments and assumptions, refer to the Notes to the Consolidated Financial Statements of the Integrated Annual Report 2023.

The accounting estimates, judgments and assumptions deemed significant to KPN's Financial Statements relate to:

- determination of deferred tax assets for losses carry forward and provisions for tax contingencies;
- determination of value in use of cash-generating units for goodwill impairment testing;
- assessment of exposure to credit risk and financial market risks;
- the 'more likely than not' assessment required to determine whether or not to recognize a provision for idle cables, which are part of a public electronic communications network;
- the assessment of the lease terms deemed reasonably certain of KPN's lease contracts and the incremental borrowing rate used to measure the lease liabilities;

- the assessment whether revenue for variable considerations is probable or highly probable. This concerns revenue related to disputes and revenue related to VAT regarding unused multipurpose bundles;
- several assessments related to KPN's 50% interest in Glaspoort B.V. (classified as a joint venture);
 - o the assessment whether KPN has joint control over Glaspoort;
 - o the assessment whether operational contracts between Glaspoort and KPN are at arms' length;
 - o the valuation of KPN's interest in the joint venture (initially set at fair value, subsequently accounted for using the equity method and subject to periodic impairment testing); and
 - o the valuation of the contingent cash consideration (financial asset at fair value through profit or loss); and
- the provisional purchase price allocation related to the acquisition of the Dutch activities of Youfone.

Change in accounting policies

The accounting policies in preparing these Interim Financial Statements are consistent with those disclosed in KPN's Integrated Annual Report 2023, except for the adoption of new standards and amendments effective as of 1 January 2024. KPN applies new standards and amendments issued by the International Accounting Standards Board (IASB), when effective and endorsed by the European Union. KPN has not early adopted any new standard, interpretation or amendment.

The following endorsed amendments have become effective as of 1 January 2024:

- IAS 1 *Presentation of Financial Statements*: Classification of liabilities as current or non-current;
- IFRS 16 *Lease*: Measurement of lease liabilities in sale and leaseback transactions; and
- IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments*: Disclosure requirements regarding Supplier Finance Arrangements.

The new disclosures related to IAS 7 and IFRS 7 are not required to be provided in the 2024 interim financial statement. None of these amendments have had or are expected to have a significant impact.

Future implications of new and amended standards and interpretations

The IASB has issued several new standards and amendments to existing standards with an effective date 1 January 2025 or later.

KPN is reviewing the impact of the following standards and amendments which are effective as of 1 January 2025 or later but have not yet been endorsed:

- IFRS 19 *Subsidiaries without Public Accountability*: Disclosures;
- IFRS 18 *Presentation and Disclosure in Financial Statements*;
- Amendments to the Classification and Measurement of Financial Instruments; and
- Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates*: Lack of Exchangeability.

[3] Changes in consolidation

Acquisition fiber networks Coöperatie Glasvezel Noord U.A.

On 11 January 2024, KPN purchased the fiber networks of Coöperatie Glasvezel Noord U.A.. These networks, located in the northern part of the Netherlands added approximately 3,700 Homes Passed to KPN's fiber footprint. The net assets and activities were added to KPN's segment Networks, Operations & IT (NOI).

The transaction resulted in a net cash outflow of EUR 10m in H1 2024, classified as cash flow from investing activities in the Consolidated Statement of Cash Flows. The transaction costs amounted to EUR nil.

The transaction was classified as a business combination. The preliminary purchase price allocation resulted in the recognition of tangible fixed assets (fiber networks, EUR 8m), a customer base (EUR 1m), and goodwill (EUR 1m). The purchase price allocation remains provisional until January 2025.

The impact of the acquisition on KPN's Group revenues, EBITDA AL and net profit in H1 2024 is negligible.

Acquisition Youfone

On 4 April 2024, KPN acquired 100% of the shares in Youfone Nederland B.V. and Youfone Zakelijk B.V. (together referred to as 'Youfone').

Youfone is a fast-growing telecom operator, which is already active on KPN's network. With this acquisition, KPN materially strengthens its position in the mobile and broadband markets, especially in the faster-growing no-frills segments. Youfone Nederland is included in KPN's B2C segment and added approximately 499,000 postpaid and 56,000 broadband customers. Youfone Zakelijk B.V. is included in KPN's B2B segment and added approximately 42,000 customers to the SME customer base.

KPN and Youfone expect to achieve further growth in the coming years by continuing the efficient operating model that Youfone has been able to successfully implement. The Youfone organization will continue to operate independently within KPN to ensure that current and future Youfone customers continue to be served in the way they are used to.

The transaction resulted in a net cash outflow of EUR 190m in H1 2024, classified as cash flow from investing activities in the Consolidated Statement of Cash Flows. This amount consists of the cash consideration received for the shares (EUR 207m) less cash acquired (EUR 17m). The transaction costs amount to less than EUR 1m and were recognized through the P&L.

The preliminary purchase price allocation resulted in the recognition customer bases (EUR 97m), trade names (EUR 7m), a deferred tax liability (EUR 27m), an earn-out provision (EUR 9m) and goodwill (EUR 129m). The purchase price allocation remains provisional until April 2025.

<i>(in € m)</i>	4 April 2024
Recognized amounts of identifiable assets acquired and liabilities assumed:	
Intangible assets	105
Property, plant and equipment	1
Trade and other receivables, prepayments and accrued income	9
Net cash and cash equivalents	17
Non-current liabilities	-
Deferred tax liability	-27
Trade and other payables and accrued expenses	-19
Total net assets	87
Cash consideration upon closing	207
Contingent cash consideration (earn-out)	9
Total consideration	216
Goodwill	129

The acquisition had a net impact of EUR 8m on KPN's Group revenues (the increase of EUR 22m at B2C and EUR 2m at B2B was partly offset by the decrease of EUR 16m at WHS). The net impact on EBITDA

AL was EUR 5m. If the acquisition had taken place at the beginning of the year, the net impact on KPN's Group revenues would have been approximately EUR 17m and on EBITDA AL approximately EUR 10m.

Intended cooperation with ABP to create TowerCo

On 5 June 2024, KPN and Dutch pension fund ABP have signed an agreement to create a new tower company (TowerCo). TowerCo will hold the passive mobile infrastructure assets of KPN, as well as those of NOVEC and OTC (portfolio companies owned by TenneT and ABP respectively), leading to a portfolio of approximately 3,800 towers and rooftops in the Netherlands and also has received a built-to-suit commitment for the next 10 years from KPN.

Through the transaction KPN gains higher flexibility over a substantial part of its mobile sites, enabling strategic synergies regarding the deployment, maintenance, and optimization of the network infrastructure.

KPN will hold a 51% consolidating stake in TowerCo and ABP the remaining 49%, with TenneT selling its stake in NOVEC as part of this transaction. The transaction is subject to competition authority approval.

Notes to the Condensed Consolidated Statement of Profit or Loss

[4] Segment information Profit or Loss

KPN's segment information has changed compared to 31 December 2023. The restatements were mostly related to the termination of intercompany transactions for traffic between Wholesale, Business and Consumer. As a result, revenues and COGS at Wholesale increased against a corresponding decrease of both revenues and COGS at Business and Consumer.

For the six months ended 30 June 2024

in € m	Consumer	Business	Wholesale	NOI	Other	Total
Statement of Profit or Loss						
External revenues	1,487	918	327	13	2	2,746
Other income [5]	-	-	-	22	-	22
Inter-division revenues	-	1	-	-	-1	-
Total revenues and other income [5]	1,487	919	327	34	1	2,768
Operating expenses	-494	-466	-80	-304	-122	-1,466
EBITDA (contribution margin) [6]	993	452	248	-270	-121	1,302
DA&I	-79	-26	-5	-474	-24	-608
Operating profit [6]	915	425	243	-744	-146	694
Share of profit or loss of associates and joint ventures [10]	-	-	-	-	-3	-3
EBITDA	993	452	248	-270	-121	1,302
DA&I right-of-use asset	-8	-2	-1	-36	-18	-66
Interest lease liabilities	-1	-	-	-8	-2	-11
EBITDA after leases	984	450	247	-314	-142	1,225

For the six months ended 30 June 2023 (restated)

in € m	Consumer	Business	Wholesale	NOI	Other	Total
Statement of Profit or Loss						
External revenues	1,408	896	343	11	4	2,662
Other income [11]	-	1	-	14	1	15
Inter-division revenues	-	-	-	-	-	-
Total revenues and other income [5]	1,408	897	343	25	5	2,678
Operating expenses	-464	-467	-82	-292	-113	-1,418
EBITDA (contribution margin) [6]	944	430	261	-267	-108	1,260
DA&I	-72	-23	-5	-483	-24	-606
Operating profit [6]	872	407	256	-750	-132	653
Share of profit or loss of associates and joint ventures [10]	-	-	-	-	-2	-2
EBITDA	944	430	261	-267	-108	1,260
DA&I right-of-use asset	-7	-1	-1	-37	-19	-64
Interest lease liabilities	-1	-	-	-7	-2	-10
EBITDA after leases	936	429	260	-311	-129	1,186

[..] Bracketed numbers refer to the related notes to these Condensed Consolidated Interim Financial Statements.

[5] Revenues and other income

Total revenues and other income in H1 2024 were EUR 91m higher compared to H1 2023 mainly driven by continued growth in Consumer and Business.

External revenues increased with EUR 84m in H1 2024 compared to H1 2023 following growth in customers base and ARPU and the effect of acquisitions and divestments. External revenues were not impacted by incidentals in H1 2024 nor H1 2023.

Other income in H1 2024 (EUR 22m) includes the net result from the sale of (legacy) assets. Other income in H1 2023 includes the book gain realized on the transfer of additional scope projects to Glaspoort (EUR 13m).

For further information on disaggregation of revenues, refer to the factsheet accompanying the Q2 2024 quarterly press release (available on KPN's website: ir.kpn.com).

[6] Operating expenses, DA&I

Operating expenses (excluding DA&I) increased by EUR 48m. Cost of goods and services increased by EUR 21m mainly due to higher third-party access costs (mainly Glaspoort) and higher software licenses for cloud based workspace services.

Personnel expenses increased with EUR 17m as natural attrition and efficiencies from KPN's ongoing digital transformation were more than offset by wage increases following the collective labor agreement. IT/IT expenses increased by EUR 6m as the benefits from increased efficiency and network rationalization are partially offset by price indexation. Other operating expenses increased EUR 4m due to changes in provisions. Restructuring expenses in H1 2024 amounted to EUR 10m compared to EUR 11m in H1 2023. Impairments from contracts with customers amounted to EUR 9m (H1 2023: EUR 9m).

DA&I expenses increased by EUR 2m compared to H1 2023. During H1 2024, impairment expenses amounted to EUR 7m (H1 2023: EUR 9m).

[7] Finance income and expenses

Net finance costs amounted to EUR 177m in H1 2024, EUR 58m higher compared to H1 2023 (EUR 118m).

Finance income in H1 2024 increased by EUR 12m to EUR 23m compared to H1 2023 (EUR 11m) driven by higher cash balances and higher interest rates.

Finance costs in H1 2024 increased by EUR 16m to EUR 142m compared to H1 2023 (EUR 126m), mainly due to higher interest rates. Interest expenses on lease liabilities amounted to EUR 11m in H1 2024 (H1 2023: EUR 10m).

Other financial results amounted to a loss of EUR -57m in H1 2024 (H1 2023: EUR -3m). This is primarily related to bond tender and swap unwind charges of EUR -60m (H1 2023: nil), hedge ineffectiveness losses of EUR -2m (H1 2023: EUR 2m) and a EUR -2m fair value adjustment on the deferred purchase price for Glaspoot (H1 2023: EUR -3m), partly offset by a EUR 8m gain on currency fluctuations (H1 2023: EUR 1m).

[8] Income taxes

KPN calculates the income tax expense for the period using the tax rate applicable to the expected total annual earnings. The income tax charge for H1 2024 is EUR 113m compared to EUR 121m in H1 2023.

The income tax charge for H1 2024 is in line with the normal business operations of KPN. KPN benefits from Innovation Box tax facilities which are facilities under Dutch corporate income tax law, whereby profits attributable to innovation are taxed at an effective tax rate of 9%. KPN expects that the effective tax rate (excluding one-off effects) will be approximately 23% in 2024.

The non-current deferred tax asset decreased from EUR 111m at 31 December 2023 to EUR 32m at 30 June 2024 mostly due to the use of tax loss carry forwards. The current tax receivable decreased from EUR 31m at 31 December 2023 to a current tax payable of EUR 21m at 30 June 2024 which represents the remained of EUR 27m tax payable over 2024 offset by EUR 6m receivable relating to previous years.

The effective tax rate for H1 2024 is 21.9% against 22.6% in H1 2023. The effective tax rate was mainly influenced by the Innovation Box facility, one-off effects and the effect of perpetual hybrid bonds. Without one-off effects, the effective tax rate would have been approximately 23% in H1 2024 (approximately 23% in H1 2023).

(in € m)	For the six months ended	
	30 June 2024	30 June 2023
Current income tax expense	75	44
Deferred income tax expense	38	77
Income tax expense recognized in statement of profit or loss	113	121

Notes to the Condensed Statement of Financial Position

[9] Segment information Statement of Financial Position

Segment information as at 30 June 2024

<i>in € m</i>	Consumer	Business	Wholesale	NOI	Other	Total
Total assets	1,571	1,717	362	7,648	1,510	12,808
Total liabilities	512	681	103	6,510	1,367	9,173

Segment information as at 31 December 2023 (restated)

<i>in € m</i>	Consumer	Business	Wholesale	NOI	Other	Total
Total assets	2,289	1,651	627	7,577	110	12,253
Total liabilities	456	362	92	7,520	263	8,693

The total assets of the segment 'Other' includes the carrying value of KPN's interest in the joint venture Glaspoort for EUR 554m (31 December 2023: EUR 536m). Refer to note [10] for further information.

[10] Equity investments accounted for using the equity method

KPN holds several equity investments accounted for using the equity method of which Glaspoort is the most significant. Other equity investments are not material, individually nor in aggregate.

Joint Venture 'Glaspoort B.V.'

KPN holds a 50% interest in Glaspoort B.V., classified as a joint venture accounted for using the equity method. During H1 2024 there were no changes in the joint control status. Refer to Note 12 of the Integrated Annual Reporting 2023 for further information. For information on the remaining consideration to be received from KPN's joint venture partner, refer to note [11] of these interim financial statements.

In December 2021, KPN, Drepana and Glaspoort signed an agreement to extend the scope of the fiber roll-out of Glaspoort (total consideration of EUR 170m pre-tax). At 30 June 2024, EUR 28m has yet to be received in cash upon based on the roll-out progress. During H1 2023, KPN recognized EUR 13m in other income related to the sale of these additional scope projects. At 31 December 2023, all projects had started and so the full transaction value of EUR 170m has been recognized (50% through other income, 50% over time as part of the result from joint ventures). As at 30 June 2024, the accumulated deferred gain to be released over time amounts to EUR 75m (31 December 2023: EUR 78m). This amount is included in the net book value of the joint venture. During H1 2024, EUR 2m (gain) was recognized as part of the result from joint ventures (H1 2023: EUR 2m)

During H1 2024, additional share premium contributions were made of EUR 20m per shareholder (H1 2023: EUR 43m) based on the original agreements. In addition during H1 2023, the shareholders contributed EUR 52m jointly to fund Glaspoort's acquisition of a 49.99% interest in GlasDraad, a fiber network entity. KPN added the share premium payments to the carrying value of KPN's interest in the joint venture.

Summarized unaudited financial information of the joint venture, based on IFRS as applied by KPN, and reconciliation with the carrying amount of the investment in the consolidated financial statements, is set out below.

Summarized statement of financial position;

<i>(in € m)</i>	30 June 2024	31 December 2023
Tangible fixed assets	486	401
Intangible assets	975	990
Equity investments	93	86
Other non-current assets	28	28
Current assets	19	14
Net cash and cash equivalents	8	14
Non-current liabilities	-312	-268
Current liabilities	-61	-60
Equity	1,236	1,206
KPN's share in equity	618	603
Goodwill from initial valuation at fair value	15	15
Carrying amount of the investment Equity Method	633	618
Less: Deferred gain on downstream transactions	-79	-82
Carrying amount of the investment	554	536

Summarized statement of profit or loss;

<i>(in € m)</i>	H1 2024	H1 2023
Revenue	23	13
Operating expenses	-10	-8
Depreciation, amortization & impairment expenses	-23	-16
Net finance cost	-4	-4
Profit before tax	-14	-13
Income tax expense	4	3
Profit / loss (-) for the year	-10	-10
Total comprehensive income for the period	-10	-10
KPN's share of profit / loss (-) for the period	-5	-5
Release deferred gain on downstream transactions	2	2
KPN's share of profit / loss (-) for the year included in share of profit/loss (-) of associates and joint ventures	-3	-3

Both shareholders have committed to additional share premium contributions. On 30 June 2024, the remaining maximum commitment of each shareholder is EUR 241m (31 December 2023: EUR 202m), payable to Glaspoort based on funding requirements following its annual budget. Neither shareholder has additional funding obligations regarding Glaspoort. Glaspoort has entered into funding agreements with financial institutions to cover its financial commitments, which include its fiber roll-out activities. These funding agreements have been entered into on a non-recourse basis without any guarantees from the shareholders.

Impairment assessment Glaspoort

KPN performed an impairment test and concluded that the fair value less costs of disposal of KPN's investment in Glaspoort is higher than the carrying amount of EUR 554m at 30 June 2024, therefore no impairment was recognized. The impairment test was based on input obtained from management of Glaspoort, including the long-term business plan and management's estimate of roll-out scope and progress. The fair value also depends on assumptions of the WACC (6.5%) and the terminal growth rate (1.5%).

A reasonably possible change in these assumptions would cause Glaspoort's carrying amount to exceed its recoverable amount. For example, with all other assumptions unchanged, a 0.5% higher WACC

would lead to an estimated impairment of EUR 10m, a 0.5% higher WACC in combination with a 0.5% lower terminal growth rate would lead to an estimated impairment of EUR 30m. On the other hand, a 0.5% lower WACC would increase the headroom by approximately EUR 170m, with all other assumptions unchanged.

[11] Other financial asset at fair value through profit or loss

Part of the consideration received for the sale of the 50% interest in Glaspoort B.V. to Drepana Investments Holding B.V. in June 2021 (see note [10]) is a contingent cash receivable of EUR 234m. The contingent cash receivable, to be received in annual installments based on the roll-out progress of Glaspoort, is classified as a financial asset measured at fair value through profit or loss.

At 30 June 2024, the nominal amount outstanding is EUR 166m with a carrying amount of EUR 150m, of which EUR 42m current. As at 31 December 2023, the nominal amount outstanding was EUR 218m with a carrying value of EUR 173m, of which EUR 26m current.

In H1 2024, the book value increased by EUR 4m due to accrued interest (H1 2023: EUR 5m) and decreased with EUR -2m due to a fair value adjustment (H1 2023: EUR -3m). The latter was recognized as a loss in other financial results.

Based on Glaspoort's current roll-out plan, KPN expects the final payment in 2027. The fair value of this contingent receivable is deemed equal to the net present value of the full amount of the installments to be received using the expected roll-out schedule as included in Glaspoort's initial business plan. A weighted average discount rate of 5.24% (H1 2023: 6.56%) has been used based on the following elements:

- A base-rate using mid-swap rates to account for the time value of money, plus
- A credit spread mark-up to account for the risk of non-payment based on AA rated credit curves resulting in a spread of ~0.2% over a 5 year tenor, plus
- A mark-up to reflect the roll-out risk (mostly the risk of delay).

[12] Other current financial assets

To manage group liquidity, KPN invests in short-duration fixed income funds and unrated money market funds from time to time, which are measured at fair value through profit or loss. These funds have low volatility with an investment objective of preservation of principal and are classified as short-term investments in KPN's Net Debt definition. At 30 June 2024, KPN had funds classified as other current financial assets of EUR 267m (31 December 2023: EUR 193m).

[13] Cash and cash equivalents

At 30 June 2024, cash and cash equivalents amounted to EUR 840m, compared to EUR 609m at 31 December 2023. The increase in KPN's cash and cash equivalents was mainly caused by net funding proceeds of EUR 646m (incl. tender costs) partially offset by EUR 200m share buybacks, EUR 382m dividends paid, EUR 160m M&A related net payments and EUR 74m increase in short-term investments.

Cash and cash equivalents consist of highly liquid instruments, including deposits, interest-bearing bank accounts and prime money market funds. KPN's cash balances are outstanding at a range of strong counterparties.

At 30 June 2024, part of KPN's cash balances were invested in instruments that cannot be classified as cash and cash equivalents. These are classified as other current financial assets, refer to note [12] for further information. During H1 2024 KPN increased its investments in such instruments by EUR 74m to EUR 267m.

[14] Group equity

At 30 June 2024, a total of 3,947,417,782 ordinary shares were outstanding. On 19 April 2024, KPN paid a final dividend in respect of 2023 of EUR 9.8 cents per share, in total EUR 382m. The total regular dividend in respect of 2023 was EUR 15.0 cents per share, in total EUR 587m.

In Q2 2024, KPN completed a share buyback program of EUR 200m. In total, KPN repurchased 59,987,360 ordinary shares at an average price of EUR 3.33 per share.

[15] Borrowings, bond issues and redemptions

On 16 February 2024, KPN issued a EUR 1,000m 3.875% senior bond maturing on 16 February 2036.

On 19 February 2024, KPN tendered its outstanding GBP 400m 5% senior bond due in November 2026 and GBP 850m 5.75% senior bond due in September 2029. KPN repurchased GBP 150m notional amount of the November 2026 GBP bond, of which GBP 250m remains outstanding (swapped to EUR 305m), and GBP 300m notional amount of the September 2029 GBP bond, of which GBP 550m remains outstanding (swapped to EUR 636m).

On 18 June 2024, KPN issued a EUR 500m 4.875% perpetual green hybrid bond with first reset date on 18 September 2029. KPN simultaneously tendered the outstanding EUR 500m 2% perpetual hybrid bond and repurchased EUR 281m notional amount. The remaining EUR 219m notional amount can be called by KPN at par in the period from 8 November 2024 until 8 February 2025.

KPN has a Euro Commercial Paper Program under which KPN can issue short-term debt instruments for up to EUR 1bn. At 30 June 2024, the outstanding balance of commercial paper amounted to EUR 60m (31 December 2023: EUR 60m) issued at an average interest rate of 3.95% (31 December 2023: 4.03%).

At 30 June 2024, the average maturity of the senior bond portfolio was 6.3 years (31 December 2023: 5.6 years). The weighted average cost of senior debt was 3.92% at 30 June 2024 (31 December 2023: 4.11%). Including the outstanding hybrid bonds, the weighted average cost of debt was 4.06% at 30 June 2024 (31 December 2023: 4.09%).

[16] Provisions for retirement benefit obligations

The remaining net pension provision at 30 June 2024 of EUR 21m (31 December 2023: EUR 33m) includes the (closed) pension plans of Getronics UK, US and an early retirement plan implemented in 2022 for a limited group of employees, which are accounted for as defined benefit plans. An amount of EUR 1m is a net defined benefit asset and included in other non-current financial assets (31 December 2023: EUR 2m). The pension plans incurred a net actuarial gain of EUR 4m in the first six months of 2024. This is mainly due to higher discount rates which decreased the plans' defined benefit obligations by EUR 17m and a lower than expected return on the plans' assets of EUR 11m.

[17] Provisions for other liabilities and charges

The following table presents the movements in the provisions for other liabilities and charges:

<i>(in € m)</i>	Personnel	Contractual	Total restructuring	Asset retirement obligation	Other provisions	Total provisions
Balance at 1 January 2023	11	2	13	75	66	154
Of which: current portion	11	-	12	3	8	23
Additions / Releases (-)	12	-	12	-	-	12
Usage	-13	-	-13	-1	-12	-26
Balance at 30 June 2023	10	2	12	74	54	140
Of which: current portion	10	1	11	3	5	19
Balance at 1 January 2024	22	2	24	75	36	135
Of which: current portion	22	1	23	4	5	32
Additions/ Releases (-)	9	-	9	1	1	11
Usage	-21	-	-21	-1	-2	-24
Balance at 30 June 2024	10	2	12	74	35	121
Of which: current portion	10	1	11	4	5	20

Other provisions include provisions for claims and litigations, onerous contracts and warranties and provisions for long-term employee obligations related to jubilee or other long-service employee benefits, long-term disability benefits and, if they are not fully payable within 12 months after the end of the period, bonuses and deferred compensation.

[18] Fair value disclosures

The following table presents the Group's assets and liabilities that are measured at fair value at 30 June 2024 and 31 December 2023:

		30 June 2024		31 December 2023	
(in € m)		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets at FVPL					
Contingent cash receivable regarding sale Glaspoort	[11]	150	150	173	173
Derivatives		92	92	77	77
Other current financial asset	[12]	267	267	193	193
Cash and cash equivalents	[13]	840	840	609	609
Financial assets at amortized cost					
Trade and other receivables ¹		465	465	459	459
Financial assets at FVOCI					
Financial receivables handsets		97	97	106	106
Equity investments		98	98	90	90
Total financial assets		2,009	2,009	1,708	1,708
Financial liabilities FVPL					
Borrowings		1,729	1,727	1,750	1,740
Derivatives		202	202	261	261
Financial liabilities at amortized cost					
Borrowings ²		4,680	4,627	4,144	4,182
Trade and other payables ³		1,075	1,075	981	981
Total financial liabilities⁴		7,685	7,631	7,136	7,164

¹ Excluding prepayments and the financial receivables handsets measured at FVOCI.

² Borrowings are measured at amortized cost except when the borrowings are included in a fair value hedge. The fair value estimation of borrowings uses valuation techniques based on maximum use of observable market data for all significant inputs (level 2). The fair value of borrowings included in a fair value hedge is based on market prices (level 1).

³ Excluding social security and other taxes payable.

⁴ Excluding lease liabilities

The carrying amount is a reasonable approximation of the fair value.

Assets and liabilities measured at fair value (in € m)	30 June 2024				31 December 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets at FVPL								
Contingent cash receivable regarding sale Glaspoort	-	-	150	150	-	-	173	173
Other current financial assets	267	-	-	267	193	-	-	193
Derivatives (cross currency interest rate swap)	-	87	-	87	-	62	-	62
Derivatives (interest rate swap)	-	6	-	6	-	16	-	16
Cash and cash equivalents	840	-	-	840	609	-	-	609
Financial assets at FVOCI								
Financial receivables handsets	-	97	-	97	-	106	-	106
Equity investments:								
- Unlisted securities	-	-	98	98	-	-	90	90
Total assets	1,107	189	247	1,543	802	184	263	1,248
Financial liabilities at FVPL								
Borrowings	1,727	-	-	1,727	1,740	-	-	1,740
Derivatives (cross currency interest rate swap)	-	21	-	21	-	71	-	71
Derivatives (interest rate swap)	-	181	-	181	-	190	-	190
Total liabilities	1,727	202	-	1,929	1,740	261	-	2,001

Fair value estimation

- Level 1 Fair value of instruments traded in active markets and based on quoted market prices.
- Level 2 Instrument is not traded in an active market and fair value is determined by using valuation techniques based on maximum use of observable market data for all significant inputs.
- Level 3 One or more of the significant inputs is not based on observable market data, the fair value is estimated using models and other valuation methods.

KPN reports its derivative positions on the balance sheet on a gross basis. Part of the derivatives portfolio is subject to master netting agreements that allow netting under certain circumstances. If netting would be applied at 30 June 2024, the total derivatives asset position would be EUR 63m (31 December 2023: EUR 29m) and the total derivatives liability position would be EUR 173m (31 December 2023: EUR 212m).

[19] Commitments and contingencies

(in € m)	Amounts due by period end				
	Less than 1 year	1–5 years	More than 5 years	Total 30 June 2024	Total 31 December 2023
Capital and purchase commitments	1,143	446	69	1,658	1,686
Guarantees and other	-	-	137	137	129
Total commitments	1,143	446	206	1,795	1,816

The capital and purchase commitments mainly relate to minimum contractual obligations with regard to network operations, mobile handsets and telecommunication services, and lease contracts that have not yet commenced.

Guarantees consist of financial obligations of group companies under certain contracts guaranteed by KPN. A total amount of EUR 137m relates to parent guarantees and other (31 December 2023: EUR 129m). The table presented above does not include KPN's commitment on share premium contributions regarding Glaspoort of EUR 241m (31 December 2023: EUR 202m).

Contingent liabilities

No significant changes have occurred in KPN's contingent liabilities during H1 2024. Further information is available in Note 22 of the Integrated Annual Report 2023.

[20] Related-party transactions

For a description of the related parties of KPN and transactions with related parties, including major shareholders, refer to Note 23 of the Integrated Annual Report 2023.

In the first six months of 2024, there have been no changes in the type of other related party transactions as described in the Integrated Annual Report 2023, which could have a material effect on the financial position or performance of KPN.

KPN's 50% interest in Glaspoort is classified as a joint venture and accounted for as using the equity method. KPN is the anchor tenant on the network of Glaspoort and also supplies services to Glaspoort.

In the first six months of 2024, there have been no material transactions with Glaspoort, other than in the normal course of business.

Pursuant to the Dutch Financial Supervision Act ('Wet op het financieel toezicht' or 'Wft'), legal entities as well as natural persons must immediately notify the Dutch Authority of Financial Markets (AFM) when a shareholding equals or exceeds 3% of the issued capital.

Other shareholdings equaling or exceeding 3% of the issued capital:

- On 21 June 2024, Norges Bank notified the AFM that it held 3.08% of the shares and voting rights related to KPN's ordinary share capital.
- On 30 April 2024, Amundi Asset Management notified the AFM that it held 3.03% of the shares and voting rights related to KPN's ordinary share capital.
- On 9 February 2024, BlackRock, Inc. notified the AFM that it held 6.44% of the shares and 7.70% of the voting rights related to KPN's ordinary share capital.
- On 2 August 2022, Capital Research and Management Company notified the AFM that it held 9.70% of the voting rights related to KPN's ordinary share capital.
- On 2 June 2022, The Income Fund of America notified the AFM that it held 4.97% of the shares and voting rights to KPN's ordinary share capital.

On 12 February 2024, América Móvil ('AMX') notified the AFM that it held less than 3% of the shares and voting rights related to KPN's ordinary share capital.

Based on publicly available information, no other shareholder owned 3% or more of KPN's issued share capital as at 30 June 2024.

[21] Risk management

KPN's risk categories and risk factors that could have material impact on its financial position and results are described in KPN's Integrated Annual Report 2023 (pages 71-80, Note 13.4 and Appendix 8). Those risk categories and factors are deemed incorporated and repeated in this report by this reference and KPN believes that these risks similarly apply for H2 2024.

KPN will publish in its reporting over 2024 in February 2025 a detailed update of KPN's principal risks.

With respect to regulatory risk, refer to note [22], with respect to related parties, refer to note [20].

[22] Regulatory developments

KPN is subject to sector-specific regulation and enforcement thereof by regulatory authorities, such as the Netherlands Authority for Consumers and Markets (ACM) and the Dutch Authority for Digital Infrastructure of the Ministry of Economic Affairs (RDI). KPN's internal risk management and control systems are designed to minimize the risk of non-compliance with regulation.

European developments

Regulation of electronic communications markets is largely based on European legislation. The EU's regulations on roaming and open internet access are directly applicable in all member states.

The regulation of operators with significant market power is enforced nationally but coordinated by the European Commission. Licensing regimes for frequencies are based on national law. The national implementation of the 2018 European Electronic Communications Code came into effect in 2022.

EU institutions recently adopted various legislative instruments, such as the Gigabit Infrastructure Act. Moreover, the European Commission launched a broad consultation titled "How to Master Europe's Digital Infrastructure Needs?". Regulations related to broader digital markets, such as Digital Markets

Act and Digital Services Act, are already in effect. In addition to this sector-specific regulation, the importance of general regulations such as privacy law, content-related law, and consumer protection law keeps increasing for our business.

Security concerns based on geopolitical developments

Stakeholders at both a European and a national level are paying greater attention to security concerns in relation to control over telecom operators via investment and to potential security risks in networks. At a national level, the government has adopted a sector-specific act that creates new powers for the government to prevent undesirable control (in relation to security risks to public order or national security) of telecom operators that play a significant role in the market. Legislation may mandate operators not to use equipment from certain vendors in specifically designated critical parts of their networks. Additionally, specific security requirements for mobile networks have been published and are being implemented. Moreover, European security legislation, like NIS2 and CER, has come into force and has to be implemented in the Netherlands in October 2024. Other European security legislation, like the Cyber Resilience Act is not yet finalized. The Cyber Resilience Act is expected to be published in 2024 and has direct effect in all EU countries.

Spectrum licenses

The 700, 1400 (L-band) and 2100 megahertz (MHz) bands were auctioned in 2020. KPN has rolled out these frequencies in its national mobile network and complies with the coverage and minimum speed obligation. The auction of the 3.5 GHz band has started June 25th and has been completed on the first of July. KPN has obtained a spectrum package of 100 MHz of 3.5 GHz frequency licenses in the Dutch spectrum auction (refer to note [23]).

The timing of the 26 GHz band assignment is uncertain as of yet. The government intends to proceed with this policy after the 3.5 GHz band auction.

Market analysis decisions in the Netherlands

Ex-ante regulations have been lifted on almost all telecom markets. KPN's voluntary commitments regarding access to its fiber networks have been declared binding by ACM on and as of 26 August 2022. In its Market Decision regarding the market for fixed local access of 12 December 2023 ACM concluded that there are five distinct geographical markets. All these markets are competitive and ex ante access regulation is not necessary. ACM will monitor developments closely.

[23] Subsequent events

KPN has evaluated events up to publication date of these Interim Financial Statements and determined that no subsequent event activity required disclosure other than the events described below.

Spectrum licenses

On the first of July KPN has obtained an attractive spectrum package of 100 MHz of 3.5 GHz frequency licenses in the Dutch spectrum auction for a total consideration of EUR 58m. The licenses have a duration up to and including 2040 and enable KPN to take the next step in 5G and to cope with the growing demand of mobile data in the coming years.

Responsibility statement

The Board of Management of the company hereby declares that, to the best of its knowledge, the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2024, give a true and fair view of the assets, liabilities, financial position and income of KPN and the undertakings included in the consolidation taken as a whole, and the interim Management Report (Q2 2024 press release) gives a fair review of the information required pursuant to section 5:25d, subsection 8 and, as far as applicable, subsection 9 of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht).

Rotterdam, 24 July 2024

Joost Farwerck	Chairman of the Board of Management and Chief Executive Officer
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Chris Figuee	Member of the Board of Management and Chief Financial Officer
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Marieke Snoep	Member of the Board of Management and Chief Consumer Market
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Chantal Vergouw	Member of the Board of Management and Chief Business Market
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Wouter Stammeijer	Member of the Board of Management and Chief Operating Officer
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Hilde Garssen	Member of the Board of Management and Chief People Officer
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Safe harbor**Alternative performance measures and management estimates**

This financial report contains a number of alternative performance measures (non-GAAP figures) to provide readers with additional financial information that is regularly reviewed by management, such as EBITDA and Free Cash Flow ('FCF'). These non-GAAP figures should not be viewed as a substitute for KPN's GAAP figures and are not uniformly defined by all companies including KPN's peers. Numerical reconciliations are included in KPN's quarterly factsheets and in the Integrated Annual Report 2023. KPN's management considers these non-GAAP figures, combined with GAAP performance measures and in conjunction with each other, most appropriate to measure the performance of the Group and its segments. The non-GAAP figures are used by management for planning, reporting (internal and external) and incentive purposes. KPN's main alternative performance measures are listed below. The figures shown in this financial report are based on continuing operations and were rounded in accordance with standard business principles. As a result, totals indicated may not be equal to the precise sum of the individual figures.

Financial information is based on KPN's interpretation of IFRS as adopted by the European Union as disclosed in the Integrated Annual Report 2023 and do not take into account the impact of future IFRS standards or interpretations. Note that certain definitions used by KPN in this report deviate from the literal definition thereof and should not be considered in isolation or as a substitute for analyses of the results as reported under IFRS as adopted by the European Union. KPN defines revenues as the total of revenues and other income. Adjusted revenues are derived from revenues (including other income) and are adjusted for the impact of incidentals. KPN defines EBITDA as operating result before depreciation (including impairments) of PP&E and amortization (including impairments) of intangible assets. Adjusted EBITDA after leases ('adjusted EBITDA AL') are derived from EBITDA and are adjusted for the impact of restructuring costs and incidentals ('adjusted') and for lease costs, including depreciation of right-of-use assets and interest on lease liabilities ('after leases' or 'AL'). KPN defines Gross Debt as the nominal value of interest-bearing financial liabilities representing the net repayment obligations in Euro, excluding derivatives, related collateral, and leases, taking into account 50% of the nominal value of the hybrid capital instruments. In its Leverage Ratio, KPN defines Net Debt as Gross Debt less net cash and short-term investments, divided by 12 month rolling adjusted EBITDA AL excluding major changes in the composition of the Group (acquisitions and disposals). The Lease adjusted leverage ratio is calculated as Net Debt including lease liabilities divided by 12 month rolling adjusted EBITDA AL excluding major changes in the composition of the Group (acquisitions and disposals). Operational free cash flow is defined as adjusted EBITDA AL minus capital expenditures ('Capex') being expenditures on PP&E and software, excluding M&A. Free Cash Flow ('FCF') is defined as cash flow from continuing operating activities plus proceeds from real estate, minus Capex. Return on capital employed ('ROCE') is calculated by the net operating profit less adjustments for taxes ('NOPLAT') divided by capital employed, on a 4-quarter rolling basis. Net operating profit is the adjusted EBITA (excluding incidentals and amortization of other intangibles, and excluding restructuring costs). KPN defines capital employed as the carrying amount of operating assets and liabilities, which excludes goodwill and other intangibles.

All market share information in this financial report is based on management estimates based on externally available information, unless indicated otherwise. For a full overview on KPN's non-financial information, reference is made to KPN's quarterly factsheets available on ir.kpn.com.

Forward-looking statements

Certain statements contained in this financial report constitute forward-looking statements. These statements may include, without limitation, statements concerning future results of operations, the impact of regulatory initiatives on KPN's operations, KPN's and its joint ventures' share of new and existing markets, general industry and macro-economic trends and KPN's performance relative thereto and statements preceded by, followed by or including the words "believes", "expects", "anticipates", "will", "may", "could", "should", "intends", "estimate", "plan", "goal", "target", "aim" or similar expressions. These forward-looking statements rely on a number of assumptions concerning future events and are subject to uncertainties and other factors, many of which are outside KPN's control that could cause actual results to differ materially from such statements. A number of these factors are described (not exhaustively) in the Integrated Annual Report 2023. All forward-looking statements and ambitions stated in this financial report that refer to a growth or decline, refer to such growth or decline relative to the situation per 31 December 2023, unless stated otherwise.