KPN exchanges part of its Telefónica Deutschland shares for Telefónica shares

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Today, Royal KPN N.V. ("KPN") announces that it has entered into an agreement with Telefónica S.A. ("Telefónica") to exchange 178.5 million shares in Telefónica Deutschland Holding AG ("Telefónica Deutschland") for 72.0 million shares in Telefónica, representing approximately 1.4% of Telefónica's share capital.

The exchange ratio has been determined based on the average of the volume weighted average price (VWAP) of the respective shares during the last five trading days. This transaction reduces KPN's stake in Telefónica Deutschland's outstanding share capital from approximately 15.5% to approximately 9.5%.

KPN intends to reduce its stake in Telefónica over time with a value-driven focus, and subject to the orderly sale provisions agreed with Telefónica. KPN will use any proceeds received to create further value for shareholders and other stakeholders.

The remaining 9.5% stake in Telefónica Deutschland is treated as a financial investment. KPN intends to pass-through potential dividend received from Telefónica Deutschland to its shareholders.