Press release: KPN successfully issues a € 500m Green Hybrid Bond

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Today, Koninklijke KPN N.V. ("KPN") has successfully issued a Green € 500 million perpetual non-call 5.25 year subordinated bond to finance projects that support KPN's sustainability ambitions and have a positive environmental impact (the "Green Hybrid Bond"). Through this issuance, KPN further expands its sustainable financing sources following the sustainability linked credit facility and senior bond that KPN executed during 2021. KPN has also announced a tender offer for its USD 600 million hybrid bond with a first call date on 28 March 2023. With these transactions, KPN proactively manages its hybrid capital base ensuring a stable layer of equity credit.

The Green Hybrid Bond issuance has been well received by institutional investors with an order book of close to € 3 billion and a broad diversified investor base. The Green Hybrid Bond was priced with a coupon of 6.00% per annum until the first reset date on 21 December 2027 and is first callable in September 2027. The Green Hybrid Bond will be listed on Euronext Dublin's Global Exchange Market.

The Green Hybrid Bond is issued under KPN's Green Finance Framework and with the proceeds, KPN will finance or refinance projects with positive environmental impact in three areas: Energy Efficiency (network transformation including roll-out of fiber and modernization of KPN's mobile network), Circular Economy (investments that extend product life and reduce waste) and Clean Transportation (reducing emissions by shifting to electric vehicles). The Green Hybrid Bond reinforces KPN's environmental efforts and supports its ambition to become "Net Zero" by 2040.

Sustainalytics, a leading ESG research agency, has provided a second-party opinion on KPN's Green Finance Framework which it considers credible and impactful and in alignment with the core components of the Green Bond Principles. The documentation related to the Green Finance Framework and this bond issue is available on KPN's website.

The Green Hybrid Bond will be treated for 50% as equity and 50% as debt by the credit rating agencies and will be accounted for as equity under IFRS. The Green Hybrid Bond is expected to be rated BB+ by both S&P and Fitch.

Barclays, Credit Suisse, Rabobank, Santander and UniCredit acted as Joint Lead Managers for the issuance. Barclays acted as Hybrid Structuring Advisor and Rabobank as Green Structuring Advisor for this transaction.

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The Green Hybrid Bonds are not and will not be registered under the US Securities Act of 1933, as amended (the US Securities Act) and will also not be registered with any authority competent with respect to securities in any state or other jurisdiction of the United States of America. The Green Hybrid Bonds may not be offered or sold in the United States of America without either registration of the Green Hybrid Bonds or an exemption from registration under the US Securities Act being applicable. There will not be a public offering of the Green Hybrid Bonds in the United States of America.

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