

# Value of connection

Integrated annual report 2025



# Financial statements

**Consolidated financial statements**  
**Company financial statements**

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# Consolidated statement of profit or loss

**For the year ended 31 December**  
**€ million**

	Notes	2025	2024
Revenues	[4.1]	5,797	5,603
Other income	[4.2, 21]	32	31
<b>Total revenues and other income</b>		<b>5,829</b>	<b>5,634</b>
Cost of goods & services	[6]	1,506	1,428
Personnel expenses	[5]	876	849
Information technology / technical infrastructure		338	312
Other operating expenses	[6]	392	412
Depreciation, amortization and impairments	[10, 11, 19]	1,346	1,240
<b>Total operating expenses</b>		<b>4,459</b>	<b>4,242</b>
<b>Operating profit</b>		<b>1,370</b>	<b>1,392</b>
Finance income		14	41
Finance costs		-267	-279
Other financial results		-34	-55
<b>Financial income and expenses</b>	[7, 19]	<b>-287</b>	<b>-293</b>
Share of the profit/loss (-) of associates and joint ventures	[12, 21]	-11	-14
<b>Profit before income tax from continuing operations</b>		<b>1,071</b>	<b>1,085</b>
Income taxes	[8]	-217	-238
<b>Profit for the year from continuing operations</b>		<b>855</b>	<b>847</b>
Profit/loss (-) for the year from discontinued operations		-	-
<b>Profit for the year</b>		<b>855</b>	<b>848</b>
Profit attributable to non-controlling interests		-	-
Profit attributable to equity holders of the company		855	848
<b>Profit for the year</b>		<b>855</b>	<b>848</b>

**For the year ended 31 December**  
**€ million**

	Notes	2025	2024
<b>Earnings per ordinary share after taxes attributable to equity holders of the company for the year (€)</b>	[9]		
Basic (continuing operations)		0.21	0.20
Diluted (continuing operations)		0.21	0.20
Basic (discontinued operations)		-	-
Diluted (discontinued operations)		-	-
Basic (total, including discontinued operations)		0.21	0.20
Diluted (total, including discontinued operations)		0.21	0.20

# Consolidated statement of other comprehensive income

For the year ended 31 December  
€ million

	Notes	2025	2024
<b>Profit for the year</b>		<b>855</b>	<b>848</b>
<b>Other comprehensive income, net of tax</b>			
Other comprehensive income to be reclassified subsequently to profit or loss when specific conditions are met:			
Net gain/loss (-) on cash flow hedges	[16]	49	18
Currency translation differences	[16]	-	-
<b>Net other comprehensive income/loss (-) to be reclassified to profit or loss in subsequent periods</b>		<b>49</b>	<b>18</b>
Items of other comprehensive income not to be reclassified subsequently to profit or loss:			
Retirement benefits remeasurements		2	2
Net gain/loss (-) on equity instruments designated at fair value through other comprehensive income	[13.1]	-4	2
<b>Net other comprehensive income/loss (-) not to be reclassified to profit or loss in subsequent periods</b>		<b>-2</b>	<b>3</b>
<b>Other comprehensive income/loss (-) for the year, net of tax</b>		<b>47</b>	<b>21</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>902</b>	<b>869</b>
<b>Total comprehensive income for the year, net of tax, attributable to:</b>			
Equity holders of the company		902	869
Non-controlling interests		-	-
		<b>902</b>	<b>869</b>
<b>Total comprehensive income/loss (-) attributable to equity holders of the company arising from:</b>			
Continuing operations		902	869
Discontinued operations		-	-

# Consolidated statement of financial position

€ million	Notes	31 December 2025	31 December 2024
<b>Non-current assets</b>			
Property, plant and equipment	[10]	6,571	6,219
Intangible assets	[11]	3,075	2,974
Right-of-use assets	[19]	659	750
Equity investments accounted for using the equity method	[12]	612	561
Equity investments measured at fair value through other comprehensive income	[13.1]	123	119
Derivative financial instruments	[13.3]	40	100
Other financial asset at fair value through profit or loss	[13.1]	84	115
Deferred income tax assets	[8]	-	-
Trade and other receivables	[14.1]	76	97
Contract assets and contract costs	[14.2]	105	91
		<b>11,346</b>	<b>11,026</b>
<b>Current assets</b>			
Inventories		41	45
Trade and other receivables	[14.1]	575	546
Contract assets and contract costs	[14.2]	118	111
Income tax receivables	[8]	28	17
Derivative financial instruments	[13.3]	-	-
Other financial asset at fair value through profit or loss	[13.1]	34	40
Other current financial assets	[13.1]	148	100
Cash and cash equivalents	[15]	405	662
		<b>1,350</b>	<b>1,521</b>
<b>Total assets</b>		<b>12,696</b>	<b>12,547</b>

€ million	Notes	31 December 2025	31 December 2024
Share capital		153	156
Share premium		7,241	7,481
Other reserves		-45	-91
Retained earnings		-4,822	-5,005
Equity attributable to holders of perpetual capital securities		990	990
<b>Equity attributable to equity holders of the company</b>		<b>3,517</b>	<b>3,531</b>
Non-controlling interests		44	3
<b>Total equity</b>	<b>[16]</b>	<b>3,561</b>	<b>3,533</b>
<b>Non-current liabilities</b>			
Borrowings	[13.2]	5,881	5,379
Lease liabilities	[19]	575	656
Derivative financial instruments	[13.3]	116	156
Deferred income tax liabilities	[8]	134	10
Provisions for retirement benefit obligations	[17]	7	17
Provisions for other liabilities and charges	[18]	115	105
Contract liabilities	[20]	151	130
Other payables	[20]	36	23
		<b>7,015</b>	<b>6,476</b>
<b>Current liabilities</b>			
Trade and other payables	[20]	1,357	1,278
Contract liabilities	[20]	178	164
Borrowings	[13.2]	396	899
Lease liabilities	[19]	132	163
Derivative financial instruments	[13.3]	20	5
Income tax payables	[8]	9	-
Provisions for other liabilities and charges	[18]	30	29
		<b>2,121</b>	<b>2,538</b>
<b>Total equity and liabilities</b>		<b>12,696</b>	<b>12,547</b>

# Consolidated statement of changes in equity

€ million, except number of shares	Notes	Subscribed ordinary shares	Share capital	Share premium	Other reserves	Retained earnings	Equity attrib. to holders of perpetual capital securities	Equity attrib. to equity holders of the company	Non-controlling interests	Total equity
Balance at 1 January 2024		3,947,417,782	158	7,674	-114	-5,150	990	3,558	3	3,561
Profit for the year			-	-	-	848	-	848	-	848
Other comprehensive income for the period			-	-	18	3	-	21	-	21
<b>Total comprehensive income for the period</b>			-	-	<b>18</b>	<b>851</b>	-	<b>869</b>	-	<b>869</b>
Share-based compensation expense	[5]		-	-	-	4	-	4	-	4
Sold and transferred treasury shares in connection with vesting of equity-settled share plans			-	-	11	-11	-	-	-	-
Treasury shares withdrawn	[16]	-58,487,360	-2	-193	195	-	-	-	-	-
Issuance of perpetual hybrid bond	[13.2]		-	-	-	-	496	496	-	496
Repurchase of perpetual hybrid bond	[13.2]		-	-	-	-4	-496	-500	-	-500
Dividends paid			-	-	-	-646	-	-646	-	-646
Paid coupon perpetual hybrid bond	[13.2]		-	-	-	-48	-	-48	-	-48
Share repurchase	[16]		-	-	-200	-	-	-200	-	-200
Sale of a subsidiary without the loss of control			-	-	-	-	-	-	-	-
Acquisition of a subsidiary			-	-	-	-	-	-	-	-
Other			-	-	-	-1	-	-1	-	-1
<b>Total transactions with owners, recognized directly in equity</b>		<b>-58,487,360</b>	<b>-2</b>	<b>-193</b>	<b>6</b>	<b>-706</b>	<b>-</b>	<b>-896</b>	<b>-</b>	<b>-896</b>
Balance at 31 December 2024		3,888,930,422	156	7,481	-91	-5,005	990	3,531	3	3,533

€ million, except number of shares	Notes	Subscribed ordinary shares	Share capital	Share premium	Other reserves	Retained earnings	Equity attrib. to holders of perpetual capital securities	Equity attrib. to equity holders of the company	Non-controlling interests	Total equity
<b>Balance at 1 January 2025</b>		3,888,930,422	156	7,481	-91	-5,005	990	3,531	3	3,533
Profit for the year			-	-	-	855	-	855	-	855
Other comprehensive income for the period			-	-	49	-2	-	47	-	47
<b>Total comprehensive income for the period</b>			-	-	49	853	-	902	-	902
Share-based compensation expense	[5]		-	-	-	6	-	6	-	6
Sold and transferred treasury shares in connection with vesting of equity-settled share plans			-	-	5	-5	-	-	-	-
Treasury shares withdrawn	[16]	-61,465,117	-2	-240	242	-	-	-	-	-
Issuance of perpetual hybrid bond	[13.2]		-	-	-	-	-	-	-	-
Repurchase of perpetual hybrid bond	[13.2]		-	-	-	-	-	-	-	-
Dividends paid			-	-	-	-675	-	-675	-28	-703
Paid coupon perpetual hybrid bond	[13.2]		-	-	-	-54	-	-54	-	-54
Share repurchase	[16]		-	-	-250	-	-	-250	-	-250
Sale of a subsidiary without the loss of control			-	-	-	54	-	54	-	54
Acquisition of a subsidiary			-	-	-	-	-	-	70	70
Other			-	-	-	4	-	4	-	4
<b>Total transactions with owners, recognized directly in equity</b>		<b>-61,465,117</b>	<b>-2</b>	<b>-240</b>	<b>-3</b>	<b>-670</b>	<b>-</b>	<b>-915</b>	<b>42</b>	<b>-874</b>
<b>Balance at 31 December 2025</b>		<b>3,827,465,305</b>	<b>153</b>	<b>7,241</b>	<b>-45</b>	<b>-4,822</b>	<b>990</b>	<b>3,517</b>	<b>44</b>	<b>3,561</b>

The total distributable reserves, which include the perpetual hybrid bonds, amounted to €2,724m at 31 December 2025 (2024: €2,721m). See [Note C](#) to the "Company financial statements".

# Consolidated statement of cash flows

## For the year ended 31 December

€ million	Notes	2025	2024
Profit before income tax from continuing operations		1,071	1,085
Adjustments for:			
– Net financial expense	[7]	287	293
– Share-based compensation	[5]	6	2
– Share of the profit/loss (-) of associates and joint ventures		11	14
– Depreciation, amortization and impairments	[10, 11, 19]	1,346	1,240
– Other income and non-cash income and expense	[4.2, 21]	-17	-31
– Changes in provisions (excluding deferred taxes)		6	-38
Changes in working capital relating to:			
– Current assets		-83	-7
– Current liabilities		97	65
Income taxes paid/received		-179	-147
Interest paid		-247	-242
Interest received		8	28
<b>Net cash flow from operating activities from continuing operations</b>		<b>2,308</b>	<b>2,264</b>
<b>Net cash flow from operating activities from discontinued operations</b>		<b>-</b>	<b>-</b>
<b>Net cash flow from operating activities</b>		<b>2,308</b>	<b>2,264</b>
Acquisition of and investments in subsidiaries, associates and joint ventures (net of acquired cash)	[21]	-172	-213
Disposal of subsidiaries and associates (net of cash)	[21]	40	26
Tax on disposal of subsidiaries and associates	[21]	-	15
Investments in software		-247	-249
Investments in other intangible assets		-	-59
Investments in property, plant and equipment		-1,016	-1,006
Acquisitions of subsidiaries and assets that do not constitute a business		-	-22
Disposals of property, plant and equipment and intangible assets		59	65

## For the year ended 31 December

€ million	Notes	2025	2024
Acquisitions of other financial assets	[13.1]	-61	-33
Disposals of other financial assets	[13.1]	7	95
Loans to other parties		-	-62
<b>Net cash flow from investing activities from continuing operations</b>		<b>-1,390</b>	<b>-1,442</b>
<b>Net cash flow from investing activities from discontinued operations</b>		<b>-</b>	<b>-</b>
<b>Net cash flow from investing activities</b>		<b>-1,390</b>	<b>-1,442</b>
Dividends paid		-675	-646
Share repurchase	[16]	-250	-200
Paid coupon perpetual hybrid bonds		-59	-48
Issuance of perpetual hybrid bonds		-	496
Repurchase of perpetual hybrid bonds		-219	-277
Proceeds from borrowings	[13.2]	988	996
Repayments of borrowings and settlement of derivatives	[13.1, 13.2]	-807	-939
Repayments of lease liabilities	[19]	-127	-143
Dividend paid to non-controlling interests		-28	-
Other		3	-7
<b>Net cash flow from financing activities from continuing operations</b>		<b>-1,175</b>	<b>-769</b>
<b>Net cash flow from financing activities from discontinued operations</b>		<b>-</b>	<b>-</b>
<b>Net cash flow from financing activities</b>		<b>-1,175</b>	<b>-769</b>
<b>Total net cash flow from continuing operations</b>		<b>-257</b>	<b>53</b>
<b>Total net cash flow from discontinued operations</b>		<b>-</b>	<b>-</b>
<b>Changes in cash and cash equivalents</b>		<b>-257</b>	<b>53</b>
Net cash and cash equivalents at 1 January		662	608
<b>Net cash and cash equivalents at 31 December</b>		<b>405</b>	<b>662</b>
Bank overdrafts		-	-
<b>Cash and cash equivalents</b>	[15]	<b>405</b>	<b>662</b>

# General notes to the consolidated financial statements

## [1] General information

Koninklijke KPN N.V. was incorporated in 1989 and is domiciled in the Netherlands. Koninklijke KPN N.V. (hereafter: "KPN" or "the company") 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. Its 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 consumers. KPN is market leader in infrastructure and network-related IT solutions to business customers in the Netherlands. KPN also provides wholesale network services to third parties.

The consolidated financial statements were authorized for issue by both the Supervisory Board and the Board of Management on 20 February 2026 and are subject to adoption by the annual general meeting of shareholders (AGM) on 15 April 2026.

## [2] Summary of material accounting policies

### Basis of preparation

KPN's consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as adopted by the European Union (EU) and with the statutory provisions of Part 9, Book 2 of the Dutch Civil Code, under the historical cost convention, except for certain equity investments accounted for using the equity method, and certain equity investments and derivative financial instruments measured at fair value, and on a going-concern basis.

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

### Restatement of comparative financial information

The non-material restatements for 2024 relate only to segment reporting for comparability, see [Note 3](#).

### Summary of material accounting policies

The general accounting policies as applied are described below. Material accounting policies are described in the notes to the consolidated financial statements.

### Changes in accounting policies and disclosures

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 standards.

The endorsed amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability have become effective as of 1 January 2025. These amendments did not 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 of 1 January 2026 or later.

The following standards and amendments are effective as of 1 January 2026:

- Amendments to IFRS 7 and IFRS 9: Amendments to the Classification and Measurement of Financial Instruments;
- Amendments to IFRS 7 and IFRS 9: Contracts Referencing Nature-dependent Electricity;
- Annual improvements to IFRS Accounting Standards - Volume 11.

The following standards and amendments are effective as of 1 January 2026 (or later) but have not yet been endorsed:

- IFRS 18: Presentation and Disclosure in Financial Statements;
- IFRS 19: Subsidiaries without Public Accountability- Disclosures;
- Amendments to IFRS 19: Subsidiaries without Public Accountability- Disclosures;
- Amendments to IAS 21: The Effects of Changes in Foreign Exchange Rates- Translation to a Hyperinflationary Presentation Currency.

KPN does not expect that these standards and amendments will have a material impact but this assessment has not been finalized yet.

### Basis of consolidation

KPN's consolidated financial statements include the financial results of its subsidiaries and incorporate KPN's share of the results from associates and joint ventures.

Subsidiaries are all entities directly or indirectly controlled by KPN. "Control" is defined as the power over an entity, i.e. the ability to govern its financial and operating policies, resulting in obtaining the variable returns from the entity's activities and effect those returns through its power.

Subsidiaries are fully consolidated from the date on which control is obtained by KPN and are deconsolidated from the date on which KPN's control ceases. All intercompany transactions, balances and unrealized results on transactions with subsidiaries are eliminated.

Changes in ownership interests in subsidiaries without change of control that do not result in loss of control are accounted for as equity transactions. Gains or losses on disposals to non-controlling interests are also recorded in equity.

## Foreign currency translation

The consolidated financial statements are presented in euros (€), which is KPN's presentation currency as well as the functional currency of KPN's statutory entity.

Transactions in foreign currencies are translated into euros using the exchange rates applicable at transaction date. At reporting date, monetary assets and liabilities denominated in foreign currencies are translated to euros using the rates at reporting date. Exchange rate differences are recognized in profit or loss – except when these differences are related to qualifying cash flow hedges and qualifying net investment hedges, in which case the exchange rate differences are recorded in other comprehensive income (OCI).

Exchange rate differences on non-monetary assets and liabilities (which are carried at fair value) are reported as part of the fair value gain or loss from that asset or liability. Exchange rate differences arising from the translation of the net investment in foreign entities, of borrowings and of other currency instruments designated as hedges of such investments are recognized in OCI.

## Subsidiaries

For consolidation purposes, the results and financial position of subsidiaries are translated into euros at the closing rate on the date of the financial position (assets and liabilities) or at the average exchange rates applicable for the specific reporting period (income and expenses). All resulting exchange differences are recognized in OCI.

## Statement of cash flows

The statement of cash flows is prepared using the indirect method. Cash flows denominated in currencies other than euros are translated at average exchange rates. Cash flows relating to interest and taxes on profits and tax deductions relating to interest on perpetual hybrid bonds are included in the cash flow from operating activities. Tax payments directly related to the disposal of subsidiaries are presented as part of the cash flows from investing activities when separately identifiable. The consideration paid in cash for acquired subsidiaries is included in the cash flow from investing activities, net of cash acquired. Cash flows resulting from the disposal of subsidiaries are disclosed separately, net of cash sold.

## Significant accounting estimates, judgements and assumptions made by management

Significant accounting estimates, judgements and assumptions made by management are evaluated periodically 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 assumption occur.

The accounting estimates, judgements and assumptions deemed significant to KPN's consolidated financial statements relate to:

Subjects	Notes
Determination of deferred tax assets for limitations on depreciation for real estate and provisions for tax contingencies	Notes 8 and 22
Determination of value-in-use of cash-generating units for goodwill impairment testing	Note 11
Assessments of exposure to credit risk and financial markets risk	Note 13,4
Assessment required to determine whether or not to recognize a provision for idle cables, which are part of a public electronic communications network	Notes 18 and 22
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	Note 19
Assessments whether revenue for variable consideration is probable or highly probable. This concerns revenue related to disputes and revenue related to VAT regarding unused multipurpose bundles.	Note 4 and 20
Several assessments related to KPN's 50% interest in Glaspoort B.V. (classified as a joint venture): - The assessment whether KPN has joint control over Glaspoort; - The assessment whether operational contracts between Glaspoort and KPN are at arm's length; - The valuation of KPN's interest in the joint venture (initially set at fair value, subsequently accounted for using the equity method subject to periodic impairment testing); - The valuation of the contingent cash consideration (financial asset at fair value through profit or loss).	Notes 12 and 13,1
Several assessments related to KPN's 51% interest i.e. control in Althio B.V.: - The assessment whether KPN has control over Althio B.V.; - The assessment whether operational contracts between Althio B.V. and KPN are at arm's length; - The valuation of the termination of the old lease contracts; - The valuation of KPN 's passive mobile infrastructure demerged to Althio B.V. .	Note 21
- The purchase price allocation related to the acquisition of Althio B.V.	Note 21

In preparing its financial statements, KPN has applied the concept of materiality to the presentation and level of disclosures. Only essential and mandatory information is disclosed that is relevant to a reader's understanding of these financial statements.

## Sustainability, climate change and geopolitics

KPN has assessed whether climate-related events, risks or strategic sustainability initiatives have a material effect on the measurement of assets and liabilities or on its financial performance. KPN operates in a sector with relatively low direct greenhouse-gas emissions and has limited exposure to material climate-related transition risks. KPN has a sustainability strategy focused on reducing emissions throughout the value chain and improving energy and network efficiency. These developments did not have a material impact on the measurement or presentation of assets and liabilities in the financial statements during the reporting period.

KPN has assessed whether additional disclosures are necessary to provide users of the financial statements with insight into the effects of climate-related events and conditions. Although extensive sustainability information is included in the separate sustainability statement, the company has evaluated whether such information indicates required adjustments to the financial statements or additional disclosures. The effect of climate-related risks on the valuation of assets, liabilities and financial results during the reporting period is limited. No network or IT assets were subject to material impairment or changes in useful lives as a result of climate or transition risk considerations.

Based on the above assessment, climate-related developments and KPN's sustainability initiatives do not have a material impact on the financial statements for the reporting period. Sustainability-related objectives and performance metrics are primarily reported in the separate sustainability statement and do not result in further disclosures beyond those included in this note.

Geopolitical risk does not have an acute impact on the financial statements. However, the Financial Materiality Assessment (FMA) identifies a risk related to the scarcity of (critical) raw materials, which could affect the availability and cost of key products and services and may be amplified by geopolitical developments due to concentrated primary supply. Based on current assessments, this risk does not have a direct impact on the financial statements for the reporting period.

## [3] Segment reporting

Operating segments are reported in accordance with IFRS 8: Operating Segments in a manner consistent with the internal reporting to KPN's CEO, who is the chief operating decision-maker.

KPN's segment information for 2024 includes a non-material revenue restatement (from Wholesale to Business) and expense restatements between various segments (with a maximum of €5m) mainly relating to personnel expenses due to changes in the organizational structure.

Almost all of KPN's operating activities are in the Netherlands.

### Operating segments

KPN's operating segments comprise Consumer, Business, Wholesale and Network, Operations & IT (NOI). For general information on these segments, see "[Shareholder value](#)" and "[Customer value](#)" in this Integrated annual report.

### Other (reconciliation)

"Other" comprises KPN Holding, Corporate Center, group services and eliminations. KPN accounts for its interest in Glaspoort within this segment.

"Other" comprises activities that cannot be allocated directly to one of the operating segments. This includes departments such as group business services (including financial accounting), procurement, fiscal affairs and treasury which provides services to the consolidated KPN Group.

### Segment performance

As part of the simplification process, KPN has limited the intercompany charges to charges that are considered relevant for tax purposes.

The EBITDA after leases (EBITDA AL) of Consumer, Business and Wholesale represents the contribution margin of these segments while the EBITDA AL of NOI mostly consists of operating expenses. Due to the fact that KPN neither allocates interest expenses to segments nor accounts for taxes in the segments, the disclosure is limited to operating profit for the year.

Investments in property, plant and equipment, and intangible assets (capex) are centrally managed and reported to KPN's chief operating decision-maker at the consolidated KPN Group level, not at segment level.

For an explanation of EBITDA, EBITDA AL and incidental transactions included in revenues, other income and EBITDA AL, see [Appendix 2](#).

### Segmentation 2025

€ million	Notes	Consumer	Business	Wholesale	NOI	Total operating segments	Other <sup>1</sup>	Total KPN Group
Statement of profit or loss								
External revenues <sup>2</sup>		3,072	1,945	680	50	5,748	48	5,797
Other income	[4.2]	-	1	-	31	32	-	32
Inter-division revenues		-	2	-	-	2	-2	-
<b>Total</b>	[4]	<b>3,072</b>	<b>1,948</b>	<b>680</b>	<b>82</b>	<b>5,783</b>	<b>46</b>	<b>5,829</b>
Operating expenses		-981	-1,028	-195	-671	-2,876	-237	-3,113
<b>EBITDA</b>		<b>2,091</b>	<b>920</b>	<b>485</b>	<b>-589</b>	<b>2,907</b>	<b>-191</b>	<b>2,716</b>
Depreciation, amortization and impairments (DA&I)		-166	-58	-9	-1,066	-1,298	-48	-1,346
<b>Operating result</b>		<b>1,925</b>	<b>862</b>	<b>476</b>	<b>-1,655</b>	<b>1,608</b>	<b>-239</b>	<b>1,370</b>
Share of profit or loss of associates and joint ventures	[12]	-	2	-	-	2	-13	-11
EBITDA		2,091	920	485	-589	2,907	-191	2,716
DA&I right-of-use assets	[19]	-17	-6	-1	-96	-119	-36	-155
Interest lease liabilities	[19]	-2	-	-	-14	-16	-4	-20
<b>EBITDA after leases</b>		<b>2,072</b>	<b>914</b>	<b>484</b>	<b>-699</b>	<b>2,771</b>	<b>-231</b>	<b>2,540</b>
Total assets <sup>3</sup>		2,569	1,372	661	8,160	12,762	-66	12,696
Total liabilities		513	407	155	6,640	7,716	1,420	9,136

1 Including eliminations.

2 External revenues mainly concerns rendering of services, see Note 4.

3 Total assets in the segment Other includes the carrying value of Glaspoort (€587m, see Note 12) and the deferred consideration related to Glaspoort (€118m, see Note 13.1).

### Segmentation 2024 (restated)

€ million	Notes	Consumer	Business	Wholesale	NOI	Total operating segments	Other <sup>1</sup>	Total KPN Group
Statement of profit or loss								
External revenues <sup>2</sup>		3,035	1,878	656	30	5,599	4	5,603
Other income	[4.2]	-	-	-	29	29	1	31
Inter-division revenues		-	3	-	-	3	-3	-
<b>Total</b>	[4]	<b>3,035</b>	<b>1,881</b>	<b>656</b>	<b>60</b>	<b>5,631</b>	<b>2</b>	<b>5,634</b>
Operating expenses		-997	-974	-173	-622	-2,766	-235	-3,001
<b>EBITDA</b>		<b>2,037</b>	<b>907</b>	<b>483</b>	<b>-562</b>	<b>2,865</b>	<b>-233</b>	<b>2,632</b>
Depreciation, amortization and impairments (DA&I)		-163	-55	-9	-965	-1,192	-48	-1,240
<b>Operating result</b>		<b>1,874</b>	<b>852</b>	<b>474</b>	<b>-1,528</b>	<b>1,673</b>	<b>-281</b>	<b>1,392</b>
Share of profit or loss of associates and joint ventures	[12]	-	1	-	-	1	-15	-14
EBITDA		2,037	907	483	-562	2,865	-233	2,632
DA&I right-of-use assets	[19]	-16	-4	-1	-72	-94	-36	-130
Interest lease liabilities	[19]	-2	-	-	-16	-18	-4	-23
<b>EBITDA after leases</b>		<b>2,019</b>	<b>903</b>	<b>481</b>	<b>-650</b>	<b>2,753</b>	<b>-273</b>	<b>2,479</b>
Total assets <sup>3</sup>		2,445	1,187	602	7,773	12,007	540	12,547
Total liabilities		493	362	111	6,504	7,471	1,543	9,014

1 Including eliminations.

2 External revenues mainly concerns rendering of services, see Note 4.

3 Total assets in the segment Other includes the carrying value of Glaspoort (€544m, see Note 12) and the deferred consideration related to Glaspoort (€155m, see Note 13.1).

# Notes to the consolidated statement of profit or loss

## [4] Revenues and Other income

### [4.1] Revenues

€ million	2025	2024
Service revenues	5,357	5,215
Non-service revenues	339	356
<b>Revenues from contracts with customers</b>	<b>5,696</b>	<b>5,571</b>
Rentals and other revenues	101	32
<b>Revenues</b>	<b>5,797</b>	<b>5,603</b>

Service revenues are all revenues recognized over time and include fees for usage of KPN's network and facilities, e.g. monthly subscription fees and revenues from customer-specific IT solutions.

Non-service revenues are revenues recognized at a specific point in time and include, for example, sales of handsets and peripheral equipment as well as software licenses sold separately without significant installation or integration with other services.

Rentals and other revenues include royalties related to intellectual property rights (IPR) and site-sharing revenues. The revenue increase in 2025 mainly relates to the settlement of two IPR claims with telecoms vendors in 2025, and to the increase of site-sharing revenues due to the acquisition of Althio.

The application of KPN's accounting policies on revenue recognition, including relevant judgements, and information about KPN's performance obligations are summarized below:

#### Service revenues

- Network access is considered a separate performance obligation. Revenue is recognized over time during the subscription period. Content, e.g. TV channels and streaming services, is generally bundled with network access and revenue is recognized on a gross basis.
- Revenues for streaming services which are contracted with customers additionally are recognized on a net basis when KPN acts as an agent.

- One-off connection fees are not considerations for separate performance obligations as they are considered to be necessary to get network access. The fees charged to customers are recognized as a contract liability and bundled with the performance obligation for network access.
- Transaction-related dealer fees paid to acquire or retain subscribers are capitalized as contract costs and expensed on a straight-line basis over the contract term of the underlying customer contract.
- Installation services offered to consumers are generally considered a separate performance obligation, as these services have standalone value for the customers. Installation services that are treated as a separate performance obligation include installation of customer premises equipment (CPE), e.g. set-top boxes, setting up in-home WiFi, and installation of customers' own devices. Revenue from installation services is recognized as revenue at a point in time (at completion of the installation).
- A contract asset is recognized if the amount of revenue recognized is higher than the amount charged to the customer and the right to payment of the consideration by the customer is conditional. CPE that is considered part of KPN's network is capitalized as part of property, plant and equipment as KPN retains ownership and control over the economic benefits, and is not considered a separate performance obligation nor an identified asset in terms of IFRS 16: Leases.
- Transition and transformation projects for implementing new services to large business customers (for example workspace management services) are considered separate performance obligations if the customer can benefit from the project deliverables on their own and the project deliverables are separately identifiable from other goods or services promised in the contract. An example is the set-up of a new ICT environment with improved functionality for the customer that is separable from the recurring ICT services (no significant integration with KPN systems and transferable to another service provider). If the project deliverables are not sold standalone, the transaction price is allocated to both the project deliverables and the recurring services on the basis of costs plus the overall contract margin. This allocation method results in a contract asset (or liability) if the revenue allocated to the project is higher (or lower) than the one-off project fee invoiced to and paid by the customer. Project revenue is recognized over time during the project phase, using the percentage of completion method. After completion of the project, the contract asset or liability is amortized over the remaining minimum contract period of the recurring services, in principle on a linear basis. The project is not considered a separate performance obligation if it has no independent value for the customer and is not separable from the recurring services.
- Sale of peripheral equipment and/or software licenses with significant installation services or integration with other services delivered by KPN, is not considered a separate performance obligation and is recognized as service revenue in the project phase.
- Revenue for licenses combined with ongoing support and/or integrated with recurring workspace services is recognized over time.
- The Wholesale segment bills customers at (regulated) rates that may be disputed by other operators and regulators. KPN only recognizes revenue to the extent that it is highly probable that a subsequent significant reversal will not occur. A liability is recognized if the invoiced revenue is not considered highly probable.

## Non-service revenues

- New subscriptions for telecoms services may be bundled with the sale and delivery of peripheral equipment. The peripheral equipment is considered a separate performance obligation and is recognized as revenue at a point in time (upon delivery of the equipment). The total transaction price of the bundled contract is allocated to the peripheral equipment and the subscription, based on their relative standalone selling prices. A contract asset is recognized if the amount of revenue allocated to the peripheral equipment is higher than the amount charged to customers upfront if the payment to be received for the peripheral equipment is conditional on the delivery of telecoms services, whereas a financial receivable is recognized if the payment to be received is unconditional.
- The handsets sold and delivered by third parties, related to KPN subscription contracts, do not qualify as performance obligations for KPN. Handset-related dealer fees result in an unbilled receivable in the statement of financial position, which is decreased when handset installments are billed to end-customers.

## Time value and other information

In 2024 and 2025, the financing component was not significant and therefore not recorded.

Generally, the payment term is between 5 days and 30 days.

In 2025, no revenue was recognized from variable considerations related to performance obligations satisfied (or partially satisfied) in previous years (2024: €1m).

KPN applies the practical expedients provided in IFRS 15 under which disclosure of amounts of consideration allocated to the remaining performance obligations (unsatisfied or partially satisfied) do not need to be disclosed. This applies to contracts with an original expected duration of less than one year or when KPN bills a fixed amount for network services provided. KPN recognizes revenue from network services in the amount to which KPN has a right to invoice customers and this amount corresponds directly with the value of KPN's performance completed to date.

## Revenues, disaggregated per segment, including interdivision revenues

Some non-material restatements of the disaggregation of the revenues 2024 per segment have taken place for reasons of transparency and clarity. Within B2B, SME service revenues now include the mid-market segment consisting of companies with 150 to 650 FTEs, which was previously accounted for in divisions LCE and Tailored Solutions. €13m service revenues LCE and €7m service revenues Tailored Solutions have been restated to service revenues SME in 2024.

€ million	2025	2024 (restated)
Fixed-mobile service revenues	1,759	1,675
Fixed-only service revenues	700	731
Postpaid-only service revenues	305	293
Legacy/other service revenues	53	62
<b>Consumer service revenues</b>	<b>2,817</b>	<b>2,761</b>
Non-service revenues <sup>1</sup>	256	274
<b>Total Consumer revenues</b>	<b>3,072</b>	<b>3,035</b>
Access & connectivity <sup>2</sup>	657	636
IT services <sup>3</sup>	110	92
<b>SME service revenues</b>	<b>767</b>	<b>729</b>
Access & connectivity <sup>2</sup>	524	512
IT services & other <sup>3</sup>	237	243
<b>LCE service revenues</b>	<b>761</b>	<b>755</b>
<b>Tailored Solutions service revenues</b>	<b>327</b>	<b>306</b>
<b>Business service revenues</b>	<b>1,854</b>	<b>1,790</b>
Non-service & other revenues <sup>1</sup>	93	91
<b>Total Business revenues</b>	<b>1,947</b>	<b>1,880</b>
Mobile service revenues	173	156
Broadband service revenues	318	316
Other service revenues <sup>4</sup>	184	180
<b>Wholesale service revenues</b>	<b>676</b>	<b>653</b>
Non-service revenues	5	3
<b>Total Wholesale revenues</b>	<b>680</b>	<b>656</b>
<b>NOI</b>	<b>50</b>	<b>30</b>
<b>Other (incl. eliminations)<sup>5</sup></b>	<b>46</b>	<b>2</b>
<b>Total</b>	<b>5,797</b>	<b>5,603</b>

1 Non-service revenues include the sale of handsets and peripheral equipment and in the Business segment also the sale of software licenses.

2 Revenues from services include mobile, broadband & networking, fixed voice and internet of things.

3 IT services include cloud & workspace and cybersecurity.

4 Revenues from services include: interconnect traffic, visitor roaming, digital products (messaging, content delivery), NL-ix interconnect exchange.

5 Other includes €45m royalty revenues related to IPR settlements with two telecoms vendors in 2025.

### Accounting policy: revenues

The core principle is that revenue is recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which KPN expects to be entitled in exchange for those goods or services. Revenue is recognized when it is probable that the economic benefits associated with a transaction will flow to KPN and the amount of revenue and associated costs can be measured reliably.

KPN follows IFRS 15's five-step process to recognize revenue. After a contract with a customer has been entered into, the separate performance obligations are identified, which are the distinct goods and services promised to the customer (the customer can benefit from the goods or services either on their own or together with other resources that are readily available to the customer, and the transfer of goods or services to the customer is separately identifiable from other promises in the contract). Next, the transaction price is determined and allocated to the separate performance obligations, based on relative standalone selling prices (based on our price lists if the goods or services are sold separately). The final step is to recognize revenue when a performance obligation is satisfied. Revenue is recognized either at a point in time or over time. In general, telecoms and IT services are delivered over time, whereas handsets and peripheral and network equipment, if considered as separate performance obligations, are delivered at a point in time.

Revenue for variable considerations, including revenue under dispute, is recognized only when the revenue is considered highly probable, which in some cases requires significant judgment. An adjustment for the time value of money is made to a transaction price for the effects of financing if the time between recognition of revenue and cash receipt is expected to exceed 12 months and this provides the customer or KPN with a significant benefit.

For services or goods delivered by subcontractors, KPN determines whether its performance obligation is to provide the specified goods or services itself (KPN acts as a principal) or to arrange for another party to provide those goods or services (KPN acts as an agent), based on the agreed terms and conditions with the customer and the sub-contractor as well as the nature of the goods and services promised to the customer. When KPN acts as an agent, the revenue recognized is not the gross amount but the net amount that KPN is entitled to retain for its services as the agent.

### [4.2] Other income

€ million	2025	2024
Other income	32	31

Other income mainly relates to €31m book gains (2024: €30m) realized on the sale of various tangible and intangible (legacy) assets.

### Accounting policy: other income

Other income includes net gains on the sale of tangible or intangible assets, net gains on the sale of subsidiaries, and other gains not related to KPN's ordinary operating activities.

## [5] Personnel expenses

€ million	2025	2024
Salaries and wages	827	791
Retirement benefits	94	87
Social security contributions	112	109
Share-based payments <sup>1</sup>	13	11
Additional labor capacity	32	33
Own work capitalized	-242	-226
Other (including e.g. training, travel)	40	44
<b>Total personnel expenses</b>	<b>876</b>	<b>849</b>

<sup>1</sup> See the Share Plans paragraph below for details. Included in this amount are the expenses in 2025 related to equity-settled awards which amount to €6m (2024: €4m).

Employee termination benefits of €37m (2024: €28m) are not included in personnel expenses but in other operating expenses (see Note 6, as part of restructuring personnel).

Number of own personnel (FTEs) per segment <sup>1</sup>	31 December 2025	31 December 2024
Consumer	2,693	2,931
Business	2,740	2,811
Wholesale	202	210
NOI	2,628	2,772
Other	873	939
<b>Total FTEs</b>	<b>9,136<sup>2</sup></b>	<b>9,664<sup>3</sup></b>
> Of which discontinued operations	0	0

<sup>1</sup> All employees were employed in the Netherlands.

<sup>2</sup> In 2025, KPN's CLA increased the standard work week from 37 to 40 hours, resulting in a lower calculated number of FTEs.

<sup>3</sup> If recalculated against the work week of 40 hours, the number of FTEs would have been 9,367 in 2024.

## Share plans

KPN has granted conditional share awards (equity-settled) to the members of the Board of Management, and conditional share-based awards (cash-settled) based on KPN shares to members of senior management. Vesting of these shares and awards is subject to performance conditions over a three-year vesting period. Further information on the conditions of the conditional share awards for members of the Board of Management can be found under "Long-term incentives" in the "Remuneration report".

The targets for the LTI plan are set as follows:

- 70% financial targets, of which 45% (20% as of the 2024 plan) on cumulative free cash flow over the plan period, 25% (30% as of the 2024 plan) on relative total shareholder return (TSR) measured against the STOXX Europe 600 Telecommunications index, and 20% (as of the 2024 plan) on return on capital employed;
- 30% non-financial targets, determined at the start of a new plan from the following categories: (i) sustainability; (ii) reputation; (iii) social; (iv) key business projects; and (v) market share.

The main features of the awards granted to KPN management are summarized in the following table.

	Board of Management	Senior management	Settlement type <sup>1</sup>	Vesting period	Holding period after vesting of/ until	Maximum term
2021	X		Equity <sup>2</sup>	3 years	3 years	6 years
		X	Cash	3 years	-	3 years
2022	X		Equity <sup>2</sup>	3 years	3 years	6 years
		X	Cash	3 years	-	3 years
2023	X		Equity <sup>2</sup>	3 years	3 years	6 years
		X	Cash	3 years	-	3 years
2024	X		Equity <sup>2</sup>	3 years	3 years	6 years
		X	Cash	3 years	-	3 years
2025	X		Equity <sup>2</sup>	3 years	3 years	6 years
		X	Cash	3 years	-	3 years

<sup>1</sup> The cash-settled share awards will be settled in cash and no holding restrictions apply. An exception to the holding period for equity-settled plans is made with respect to shares that were sold upon vesting to cover the tax obligation on the vested shares. After vesting, the holder is able to sell a number of unconditional granted shares only up to the amount necessary to settle the wage tax liability relating to the profit made on the stock compensation plan. Wage tax in the Netherlands is generally around 50% of the total vested amount.

<sup>2</sup> Including deferred dividend.

The related liability (for cash-settled shares) on 31 December 2025 was €10m (31 December 2024: €9m). This liability is included in other payables. For the 2022 equity share plan and share-based awards, the service conditions were met in 2025. The total intrinsic value at vesting was €10m (2024: €15m).

The following table presents the number of shares and share-based awards in thousands under the share plans.

	Total 31 Dec 2023	Granted/ additional vesting <sup>1</sup>	Exercised/ vested	Forfeited	Total 31 Dec 2024	Granted/ additional vesting <sup>2</sup>	Exercised/ vested <sup>3</sup>	Forfeited	Total 31 Dec 2025 <sup>4</sup>	-of which: non-vested
2021 Share-based awards sr. man.	1,695	848	-2,543	-	-	-	-	-	-	-
2021 Shares BoM	1,357	679	-2,036	-	-	-	-	-	-	-
2022 Share-based awards sr. man.	1,633	-	-	-	1,633	91	-1,724	-	-	-
2022 Shares BoM	1,002	-	-	-	1,002	56	-1,058	-	-	-
2023 Share-based awards sr. man.	1,790	58	-	-	1,848	-	-	-	1,848	1,848
2023 Shares BoM	1,187	-	-	-	1,187	-	-	-	1,187	1,187
2024 Share-based awards sr. man.	-	1,892	-	-	1,892	22	-	-	1,914	1,914
2024 Shares BoM	-	1,243	-	-	1,243	-	-	-	1,243	1,243
2025 Share-based awards sr. man.	-	-	-	-	-	1,903	-	-	1,903	1,903
2025 Shares BoM	-	-	-	-	-	1,167	-	-	1,167	1,167

1 On the basis of a 100% grant. The equity-settled share numbers do not include any deferred dividend during the vesting period. The deferred dividend during the vesting period will be granted in additional shares.

2 At grant date, the fair value of awards subject to relative TSR is calculated using a Monte Carlo simulation model. The fair value of awards subject to other targets is determined based on the share price at the grant date adjusted for expected dividends (only cash-settled awards). In April 2025 the weighted average fair value was €3.52 (2024 grant: €2.90) for the 2025 share-based award (cash-settled) and €3.86 (2024 grant: €3.23) for the 2025 equity-settled share grant for the Board of Management. The share price is not adjusted for expected dividends when determining the fair value of the equity-settled awards since the Board of Management is entitled to deferred dividends during the vesting period.

3 At the end of 2025, KPN held the 13th position (TSR) with respect to the 2023 share grant and at the end of 2024, KPN held the 3rd position with respect to the 2022 share grant. This position and the outcomes of the other targets will lead to 90% vesting in April 2026 of the 2023 share grant. Final TSR measurement for the 2022 share grant was conducted in February 2025 and resulted in 106% vesting in April 2025.

4 The fair value of each cash-settled share-based award was measured on 31 December 2025 using recent strategic plans, forecasts and a Monte Carlo simulation model, based on the most recent available share price of KPN and its performance compared with peer companies at the moment of valuation (i.e. closing share prices as at 31 December 2025). The TSR-related fair value on 31 December 2025 was €3.35 (2024: €2.43) for the 2023 share-based award, €2.77 (2024: €2.40) for the 2024 share-based award and €2.95 for the 2025 share-based award.

The fair value of each award at the grant date is determined using the following assumptions:

Assumptions	2025 LTI	2024 LTI
Risk-free interest rate based on euro government bonds for remaining time to maturity of 2.7 years	1.8%	3.0%
Expected dividend for KPN (based on one year's historical daily data preceding the date of award)	4.7%	4.5%
Expected volatility (PSP grant based on 2.7 years' historical daily data) used for TSR	13.7%	14.5%
Share price at date of award (closing at grant date)	€4,05	€3,38

## Actual remuneration of the Board of Management

See the "Remuneration report" for the executive pay policy and for the number of shares under the share plans per individual board member. At KPN, key management consists of the members of the Board of Management and the Supervisory Board.

See the "Insider transactions" section for stock ownership of members of the Board of Management and Supervisory Board.

## Supervisory Board and key management totals

See the "Remuneration report" for the actual fees received by each member of the Supervisory Board. The following table presents key management remuneration in euros.

	2025	2024
Short-term employee benefits Board of Management (BoM)	7,134,601	6,407,346
Post-employment benefits BoM	836,060	820,182
Share-based payments BoM	3,902,263	3,442,539
Total remuneration BoM	11,872,924	10,670,066
Supervisory Board	743,847	725,347
Total remuneration key management	12,616,771	11,395,413

No loans, advance payments, or guarantees were provided to members of the Board of Management or the Supervisory Board.

### Accounting policy: share-based compensation

For equity-settled plans, the fair value of shares granted to employees is measured at grant date. For cash-settled plans, the fair value of the liability for the awards granted is remeasured at each reporting date and at settlement date. The fair value measured for the awards made under the plans includes the impact of market conditions.

The costs of share-based compensation plans are determined based on the fair value of the shares and the number of shares expected to vest. On each balance date, KPN determines whether it is necessary to revise the expectation of the number of shares that will vest. The fair value is recognized as personnel expense in profit or loss over the vesting period of the shares against an increase in equity in the case of equity-settled share-based compensation plans and against the recognition of a liability in the case of cash-settled share-based compensation plans.

## [6] Operating expenses

Operating expenses are divided into:

- Direct costs: costs of goods & services;
- Indirect costs: information technology / technical infrastructure (IT/TI), personnel expenses, other operating expenses and depreciation, amortization & impairments (DA&I).

See Note 5 for the disclosure of personnel expenses and Notes 10, 11 and 19 for DA&I.

### Cost of goods & services

€ million	2025	2024
Cost of goods sold	389	397
Cost of services	804	754
Subscriber acquisition & retention costs	158	146
Traffic expenses	155	131
<b>Cost of goods &amp; services</b>	<b>1,506</b>	<b>1,428</b>

Cost of services in 2025 includes costs related to the settlement of two IPR claims with telecom vendors (€19m).

### Other operating expenses

€ million	2025	2024
Marketing & communication	120	122
Billing & collection	5	25
Housing & facilities	143	155
Other fixed costs	88	82
Addition to restructuring provision	37	28
<b>Other operating expenses</b>	<b>392</b>	<b>412</b>

## Auditor's fees

The fees recognized as expenses in the 2025 financial year relate to the services provided to KPN and its consolidated group entities by PricewaterhouseCoopers Accountants N.V. and other members of the PwC network.

The fees recognized as expenses in the 2024 financial year relate to the services provided to KPN and its consolidated group entities by EY Accountants B.V., as well as by other Dutch and foreign-based EY individual partnerships and legal entities.

€ million	2025		2024	
	PwC Netherlands	Other PwC network	EY Netherlands	Other EY network
Financial statements audit fees	4.2	-	4.3	-
Audit of annual statutory financial statements of subsidiaries	0.3	0.1	-	0.1
Other assurance fees	1.2	-	1.6	-
Tax advisory services	-	-	-	-
Other non-audit services	-	-	-	-
<b>Total auditor's fees</b>	<b>5.7</b>	<b>0.2</b>	<b>5.9</b>	<b>0.1</b>

The auditor's fees include the fees for professional services rendered for the audit of KPN's annual financial statements and the fees for the audit of annual statutory financial statements of subsidiaries or for services that are normally provided by the auditor in connection with the audits. The audit fees are the total fees for the examination of the financial statements for the reporting period to which the financial statements relate, irrespective of whether the work of the auditor was performed during that reporting period.

Other assurance fees include the fees for the assurance on KPN's sustainability statement and the fees incurred for assurance and related services that are reasonably related to the performance of the audit or review of KPN's financial statements, such as revenue and IT-related assurance services and regulatory-related assurance services.

## Accounting policy: operating expenses

Costs of goods and services are costs incurred in the context of a sales transaction and include subscriber acquisition and retention costs and traffic expenses. These costs are expensed as incurred, except handset fees paid to dealers and transaction-related dealer commissions that are capitalized and amortized over the contract term. The cost of a handset is expensed when the handset is sold (as incurred), both as an individual sale or as a component of a transaction in combination with a subscription.

Information technology (IT) expenses relate to KPN's IT environment and include licenses and maintenance expenses for software and/or IT hardware when not directly related to a sales transaction. Technical infrastructure (TI) expenses are expenses related to KPN's fixed and mobile networks. Personnel expenses are all expenses related to KPN's workforce, both related to own employees and external personnel from employment agencies.

See [Notes 10, 11 and 19](#) for the accounting policy regarding depreciation, amortization and impairments.

## [7] Financial income and expenses

€ million	Notes	2025	2024
<b>Finance income</b>		<b>14</b>	<b>41</b>
Interest on borrowings		-230	-245
Interest expense lease liability	[19]	-20	-23
Interest on other provisions		-1	-1
Other interest expenses		-17	-9
<b>Finance costs</b>		<b>-267</b>	<b>-279</b>
Hedge ineffectiveness		-8	-7
Amortization of discontinued or restructured cash flow hedges		-13	-12
Amortization of discontinued fair value hedges		9	18
Derivative financial instruments not qualified for hedge accounting	[13.3]	-	-7
Exchange rate differences		-10	12
Fair value change on contingent cash receivable Glaspoort	[13.1]	-2	-
Bond tender premiums and swap unwind	[13.2]	-14	-60
Other		5	1
<b>Other financial results</b>		<b>-34</b>	<b>-55</b>
<b>Total</b>		<b>-287</b>	<b>-293</b>

Total net financial results improved by €5m to a net cost of €287m.

Finance income decreased by €27m to €14m compared with 2024, mainly due to lower average cash balances and lower yields on cash.

Finance costs decreased by €12m to €267m, which was mainly related to lower interest on borrowings of €230m (2024: €245m) including a non-cash amount of €6m (2024: €5m) relating to debt issuance costs including premiums and/or discounts, which are amortized over the life of the respective bonds using the effective interest rate method. Other interest expenses increased by € 8m mainly due to interest cost on Althio's term loan.

Other financial results improved by €21m to a net cost of €34m (2024: €55m net cost) which is mainly the result of €14m charges related to the termination of hedge accounting on unwound swaps compared to €60m charges in 2024 related to a bond tender and €10m loss due to exchange rate differences compared to a gain of €12m in 2024.

## [8] Taxation

### Netherlands

The book loss recognized as a result of the sale of E-Plus in 2014 was used to offset KPN's taxable income in the Netherlands in 2014 up to and including 2025, and will be used to offset a part of KPN's taxable income in the Netherlands in the year hereafter.

KPN applies a temporary mandatory relief from deferred tax accounting for the impacts of the new legislation to implement the global minimum tax rate (Pillar Two) and will account for it as a current tax (if any). Based on the transitional safe harbor rules, and the most recent information available regarding the financial performance of the entities in scope, KPN's effective tax rate is above 15% in the Netherlands and has limited substance in all other jurisdictions in which it operates (de minimis test or an immaterial exposure). KPN currently estimates that it is not subject to material Pillar Two "top-up" taxes in 2025. Management does not expect that this estimate might change significantly. See "Tax governance" section.

KPN has an agreement with the Dutch tax authorities with respect to the application of the Dutch innovation box tax regime. This is a facility under Dutch corporate income tax law whereby profits attributable to innovation are taxed at an effective rate of 9.0% (2024: 9.0%). The application of the innovation box resulted in a benefit of €32m in 2025 (2024: €31m).

See Note 21 for the impact of the acquisitions and disposals of subsidiaries and business units.

### Income tax expense

€ million	2025	2024
Current tax	-159	-149
Deferred taxes	-58	-89
<b>Income tax (charge)/benefit from continuing operations</b>	<b>-217</b>	<b>-238</b>

The reconciliation from the Dutch statutory tax rate of 25.8% (2024: 25.8%) to the effective tax rate (ETR) of 20.0% (2024: 21.7%) is explained in the following table:

	2025		2024	
	€ million	ETR	€ million	ETR
<b>Profit before income tax from continuing operations excluding associates and joint ventures</b>	<b>1,082</b>		<b>1,100</b>	
Taxes at Dutch statutory tax rates	-279	25.8%	-284	25.8%
Non-taxable income, non-deductible expenses	-4	0.4%	-4	0.4%
Participation exemption on the sale of subsidiaries	-3	0.3%	-	0.0%
Innovation tax facilities current year	32	-3.0%	31	-2.8%
Deferred tax related to current year	24 <sup>1</sup>	-2.2%	3	-0.3%
Tax benefit perpetual hybrid bonds	14	-1.3%	12	-1.1%
Other	-1	0.1%	3	-0.3%
<b>Income tax benefit/(charge) from continuing operations</b>	<b>-217</b>	<b>20.0%</b>	<b>-238</b>	<b>21.7%</b>

1 Includes the recognition of deferred taxes related to limitations on depreciation on real estate.

## Deferred tax positions

### Deferred tax assets

€ million	Tax loss & other carry-forwards <sup>1</sup>	Bonds & hedges <sup>2</sup>	Land, Buildings, Property, plant and equipment <sup>3</sup>	Lease liabilities <sup>4</sup>	Other	Offset against deferred tax liabilities	Total
<b>Balance at 31 December 2023</b>	<b>259</b>	<b>40</b>	<b>84</b>	<b>218</b>	<b>29</b>	<b>-520</b>	<b>111</b>
Income statement benefit/(charge)	-	-5	-26	-17	2	-	-47
Transfer to current tax	-74	-	-	-	-	-	-74
Tax charged to OCI	-	-6	-	-	-	-	-6
Other	-	-	-	-	-1	17	16
<b>Balance at 31 December 2024</b>	<b>185</b>	<b>30</b>	<b>58</b>	<b>201</b>	<b>29</b>	<b>-503</b>	<b>-</b>
Income statement benefit/(charge)	-	-	2	-28	1	-	-25
Transfer to current tax	-82	-	-	-	-	-	-82
Tax charged to OCI	-	-17	-	-	-	-	-17
New consolidations <sup>5</sup>	-	-	-10	1	5	-	-4
Other	-	-	-	-	-2	130	128
<b>Balance at 31 December 2025</b>	<b>103<sup>6</sup></b>	<b>13</b>	<b>51<sup>7</sup></b>	<b>174</b>	<b>33</b>	<b>-373</b>	<b>-</b>

1 Net offsettable losses expected to be recovered within the foreseeable future. KPN has a history of recent profits.

2 Amounts relate to capitalized costs for tax purposes, derivative positions adjusted for tax purposes and unrealized FX results included in the hedge reserve.

3 Amounts relate to assets depreciated over 5 years for tax purposes and less than 5 years for book purposes and arbitrary depreciation.

4 For leases, KPN separately recognizes both deferred tax assets and deferred tax liabilities, based on the underlying temporary difference.

5 Relates to the Althio transaction.

6 Of which €103m to be recovered within 12 months; recoverability depending on future taxable results. Based on current projections, KPN expects to fully utilize its losses within the foreseeable future.

7 In 2025 a deferred tax asset is recorded for an amount of €20m related to restricted depreciation on real estate.

**Deferred tax liabilities**

€ million	Software development <sup>1</sup>	Goodwill depreciation <sup>2</sup>	PPA <sup>3</sup>	PPE: arbitrary depreciation	Right of use assets <sup>4</sup>	Other <sup>5</sup>	Offset against deferred tax assets	Total
<b>Balance at 31 December 2023</b>	77	117	27	111	187	1	-520	-
Income statement charge/(benefit)	6	-	-9	-15	-15	-	-	-32
Other	-	-	25	-	-	-	17	42
<b>Balance at 31 December 2024</b>	83	117	43	96	172	1	-503	10
Income statement charge/(benefit)	-4	-	-11	-18	-18	1	-	-49
New consolidations <sup>6</sup>	-	-	41	-	2	-	-	43
Other	-	-	-	-	-	-	130	130
<b>Balance at 31 December 2025</b>	79	117	73	78	157	3	-373	134

- 1 Amounts relate to capitalized software costs which are taken as expenses for tax purposes.
- 2 Amounts relate to acquired goodwill depreciated for tax purposes (not for book purposes).
- 3 See Note 21 for the impact of the acquisitions.
- 4 For leases, KPN separately recognizes both deferred tax assets and deferred tax liabilities, based on the underlying temporary difference.
- 5 In 2025, €1m (2024: €0m) DTL is recognized for taxable outside base differences. No deferred tax liability on taxable outside bases has been recognized for an amount of €122m (2024: €123m) as the probability of a future taxable result is controlled by KPN and not expected to take place in the foreseeable future.
- 6 Relates to the Althio transaction.

**Tax loss carry-forward**

€ million	31 December 2025			31 December 2024		
	Tax loss carry-forward	Maximum deferred tax asset	Recognized deferred tax asset	Tax loss carry-forward	Maximum deferred tax asset	Recognized deferred tax asset
Koninklijke KPN – corporate tax <sup>1</sup>	400	103	103	719	185	185
Other	100 <sup>2</sup>	21	-	113 <sup>2</sup>	24	-
<b>Total KPN Group<sup>3</sup></b>	<b>499</b>	<b>124</b>	<b>103</b>	<b>832</b>	<b>209</b>	<b>185</b>

- 1 Available losses for the fiscal unity (including pre-acquisition losses). The offset of realized losses against future profits is unlimited.
- 2 Losses relating to foreign jurisdictions that are not expected to materialize in the foreseeable future.
- 3 No DTA is recognized for a tax amount of €3m in withholding tax credits as it is not probable that future tax payables will be available to use these credits based on current legislation and jurisprudence.

**Expiration of the available tax loss carry-forwards and recognized tax assets**

€ million	31 December 2025			31 December 2024		
	Tax loss carry-forward	Maximum deferred tax asset	Recognized deferred tax asset	Tax loss carry-forward	Maximum deferred tax asset	Recognized deferred tax asset
2026	2	-	-	4	1	-
2027	-	-	-	-	-	-
2028	7	1	-	8	2	-
2029	8	2	-	-	-	-
Later	37	8	-	51	11	-
Unlimited	445	113	103	769	196	185
<b>Total</b>	<b>499</b>	<b>124</b>	<b>103</b>	<b>832</b>	<b>209</b>	<b>185</b>

**Accounting policy: taxation**

**Current income tax**

The current income tax expense is calculated in accordance with the prevailing tax regulations and rates, taking into account non-taxable income and non-deductible expenses. The current income tax expense reflects the amount for the current reporting period that KPN expects to recover from or pay to the tax authorities. Income tax related to items

recognized directly in equity/OCI is recorded in equity/OCI and not in profit or loss, with the exception of perpetual hybrid bonds classified as equity.

### Deferred income tax

Deferred income tax positions are recognized for temporary differences between the tax basis of assets and liabilities and their carrying values. Deferred tax assets (DTAs) are recognized for deductible temporary differences, the carry-forward of unused tax credits, and any unused tax losses. DTAs are recognized only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be used. Both recognized and unrecognized DTAs are reassessed on each reporting date based on available projections. If future taxable profits are insufficiently available, derecognition may become inevitable, unless certain exceptions can be applied. DTAs are recorded for deductible temporary differences associated with investments in subsidiaries and associates. They are recorded only to the extent that it is probable that the temporary differences will reverse in the foreseeable future, and taxable profit will be available against which the temporary differences can be used.

Deferred tax liabilities (DTLs) are recognized for all taxable temporary differences except when they arise from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the profit or loss reported in the statement of profit or loss nor the taxable profit or loss. Also, no DTLs are recorded for taxable temporary differences associated with investments in subsidiaries and associates when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax positions are stated at nominal value and are measured at the corporate income tax rates KPN expects to be applicable in the year when the asset is realized or the liability is settled based on enacted or substantially enacted tax laws.

DTAs and DTLs are netted if there is a legally enforceable right to offset current tax assets against current tax liabilities and the DTAs/DTLs relate to income taxes levied by the same taxation authority on the same taxable entity or if, in the case of different taxable entities, there is an intention either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

### Uncertain tax positions

KPN's management periodically evaluates positions taken in the tax returns against situations in which uncertainty on a tax position exists over whether the relevant taxation authority will accept the tax treatment under law. In line with IFRIC 23, these uncertain tax positions (UTP) are recognized when it is concluded that it is not probable that the taxation authority will accept an uncertain tax treatment. When these criteria are not met, these positions are classified as contingent liabilities, unless the outflow of economic resources is considered remote.

## [9] Earnings per share

The following table shows the income and shares data used in the calculations of basic and diluted EPS.

€ million	2025	2024
Profit for the year from continuing operations	855	847
Profit for the year from discontinued operations	-	-
<b>Profit for the year</b>	<b>855</b>	<b>848</b>
Profit attributable to non-controlling interests	-	-
Deduction for perpetual capital securities <sup>1</sup>	-55	-50
<b>Adjusted profit (loss) attributable to ordinary shareholders of the company</b>	<b>800</b>	<b>798</b>
<b>Weighted average number of subscribed ordinary shares</b>	<b>3,847,674,749</b>	<b>3,897,111,038</b>
Dilution effects: non-vested shares	3,492,618	3,345,533
<b>Weighted average number of subscribed ordinary shares including dilution effects</b>	<b>3,851,167,366</b>	<b>3,900,456,571</b>

<sup>1</sup> Dividend on perpetual capital is deducted from the Group profit attributable to KPN shareholders because this capital is classified as equity. As a result, the related payments are treated as dividends and are not part of the profit attributable to KPN shareholders.

Earnings per ordinary share after taxes attributable to equity holders of the company for the year:

€	2025	2024
Basic (continuing operations)	0.21	0.20
Diluted (continuing operations)	0.21	0.20
Basic (discontinued operations)	-	-
Diluted (discontinued operations)	-	-
Basic (total, including discontinued operations)	0.21	0.20
Diluted (total, including discontinued operations)	0.21	0.20

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Non-vested shares are regarded to have potential dilutive effects on the ordinary shares.

The total basic earnings per share include €0.06 (2024: €0.06) in tax expenses.

# Notes to the consolidated statement of financial position

## [10] Property, plant and equipment

### Statement of changes in property, plant and equipment

€ million	Land and buildings	Plant and equipment	Other tangible non-current assets	Assets under construction	Total
<b>Balance at 1 January 2024</b>	<b>361</b>	<b>5,312</b>	<b>24</b>	<b>247</b>	<b>5,943</b>
Investments	5	4	1	996	1,007
Transfers from AuC to other PPE	46	1,044	8	-1,098	-
Depreciation	-40	-675	-10	-	-725
Impairments and retirements	-2	-6	-	-2	-10
Changes in consolidation <sup>1</sup>	3	20	-	-	23
Other	-2	-18	-	-	-20
<b>Closing net book value</b>	<b>371</b>	<b>5,681</b>	<b>23</b>	<b>144</b>	<b>6,219</b>
Cost	1,572	9,746	52	144	11,514
Accumulated depreciation/impairments	-1,202	-4,065	-29	-	-5,295
<b>Balance at 31 December 2024</b>	<b>371</b>	<b>5,681</b>	<b>23</b>	<b>144</b>	<b>6,219</b>
Investments	9	6	2	1,019	1,037
Transfers from AuC to other PPE	58	908	9	-974	-
Depreciation	-55	-711	-11	-	-777
Impairments and retirements	-3	-13	-	-1	-17
Changes in consolidation <sup>2</sup>	116	-	1	-2	114
Other	2	1	-	-6	-4
<b>Closing net book value</b>	<b>497</b>	<b>5,872</b>	<b>24</b>	<b>179</b>	<b>6,571</b>
Cost	1,710	10,283	56	179	12,228
Accumulated depreciation/impairments	-1,213	-4,411	-32	-	-5,656
<b>Balance at 31 December 2025</b>	<b>497</b>	<b>5,872</b>	<b>24</b>	<b>179</b>	<b>6,571</b>

1 Changes in consolidation in 2024 mainly relate to the acquisitions of subsidiaries and assets that do not constitute a business, such as the fiber networks of Coöperatie Glasvezel Noord (€ 8m) and Glasvezel Netwerkbedrijf Lochem (€ 8m); see also Note 21.

2 Changes in consolidation in 2025 mainly relate to the acquisition of Althio; see also Note 21.

### Estimated useful lives of the principal PPE categories

PPE category	Depreciation period
Land	No depreciation
Buildings	14-33 years
Network equipment	3-7 years
Fiber network infrastructure	30 years
Copper network infrastructure	5-10 years
Office equipment	4-10 years

The assets' residual values and useful lives are reviewed at least annually and adjusted if appropriate.

In early 2020, KPN announced its plans to phase out its copper network in early 2023. This applied to existing addresses where fiber service delivery has been available since early 2020, as well as to addresses included in fiber rollout projects that had already been announced and were under construction at that time. Together with the current fiber rollout, these overlay addresses receive an announcement that copper will be phased out after three years. The depreciation of this part of the copper network was accelerated for an additional amount of €2m in 2025 (2024: €2m).

## Accounting policy: PPE

PPE are valued at cost less depreciation and impairment. The cost includes direct costs (materials, direct labor and work contracted out) and directly attributable overhead costs.

Asset retirement obligations are capitalized as part of the cost of tangible fixed assets and expensed as either depreciation over the assets' estimated useful life or as impairment charges.

Impairments of PPE are reversed if and to the extent that the reasons for previously recognized impairment losses no longer exist. The recoverable amount is defined as the higher of an asset's fair value less costs of disposal and its value-in-use.

PPE are depreciated using the straight-line method, based on estimated useful life, taking into account residual value. Land is not depreciated. PPE are reviewed for impairment whenever events or changes in circumstances indicate that the book value of the assets concerned may not be recoverable. An impairment loss is recognized for the amount by which the assets' book value exceeds their recoverable amount.

Interest is capitalized as an increase in PPE if the construction of assets takes a substantial period of time and the amount is material.

## [11] Intangible assets

### Statement of changes in intangible assets with finite lives and goodwill

€ million	Goodwill	Customer relationships	Software acquired from third parties	Software internally generated	Software in development	Licenses	Other	Total
<b>Balance at 1 January 2024</b>	<b>1,451</b>	<b>103</b>	<b>61</b>	<b>300</b>	<b>59</b>	<b>832</b>	<b>4</b>	<b>2,809</b>
Investments	135	-	1	2	246	60	-	445
Transfers from SiD to Software in use	-	-	20	256	-276	-	-	-
Changes in consolidation <sup>1</sup>	-1	90	-	-	-	-	8	98
Amortization	-	-30	-23	-212	-	-102	-	-368
Impairments	-	-2	-	-5	-	-	-	-8
Reclassifications	-	-3	-19	21	-2	-	-	-2
<b>Closing net book value</b>	<b>1,585</b>	<b>158</b>	<b>39</b>	<b>361</b>	<b>28</b>	<b>791</b>	<b>11</b>	<b>2,974</b>
Cost	2,243	383	92	704	28	1,839	23	5,311
Accumulated amortization/impairments	-657	-225	-53	-343	-	-1,048	-11	-2,336
<b>Balance at 31 December 2024</b>	<b>1,585</b>	<b>158</b>	<b>39</b>	<b>361</b>	<b>28</b>	<b>791</b>	<b>11</b>	<b>2,974</b>
Investments	97 <sup>2</sup>	-	2	3	242	-	-	345
Transfers from SiD to Software in use	-	-	22	212	-234	-	-	-
Changes in consolidation <sup>3</sup>	-	153	-	-	-	-	-	153
Amortization	-	-36	-22	-230	-	-104	-1	-392
Impairments	-	-	-	-3	-1	-	-	-4
Reclassifications	-	5	-1	1	-1	-	-5	-
<b>Closing net book value</b>	<b>1,683</b>	<b>281</b>	<b>40</b>	<b>345</b>	<b>35</b>	<b>687</b>	<b>6</b>	<b>3,075</b>
Cost	2,340	506	103	737	35	1,839	7	5,566
Accumulated amortization/impairments	-657	-225	-63	-393	-	-1,152	-1	-2,491
<b>Balance at 31 December 2025</b>	<b>1,683</b>	<b>281</b>	<b>40</b>	<b>345</b>	<b>35</b>	<b>687</b>	<b>6</b>	<b>3,075</b>

1 Changes in consolidation in 2024 mainly relate to the acquisition of Youfone customer base (€90m) and trade name (€7m).

2 Goodwill increase mainly relates to the acquisition of Althio (€95m).

3 Changes in consolidation in 2025 relate to the acquisition of Althio.

**Goodwill per CGU**

€ million	31 December 2025	31 December 2024
Consumer	924	888
Business	677	662
Wholesale	49	35
Althio	32	-
<b>Total</b>	<b>1,683</b>	<b>1,585</b>

Althio is not a separate segment but is part of the operating segment Networks, Operations & IT (NOI).

NOI is treated as a cost center as its primary responsibility is the operation of KPN's mobile and fixed networks and to provide IT services. For goodwill impairment testing purposes, opex, capex and capital employed of NOI, as well as a small amount of external revenues, are allocated to KPN's customer-facing segments.

The purpose of the Althio acquisition was to obtain higher flexibility over a substantial part of KPN's mobile infrastructure. The majority of Althio's revenue is internal to KPN. Since Althio also independently generates external revenues, goodwill is allocated to this level and monitored for internal management purposes. KPN concluded that Althio must be treated as a separate CGU, as far as Althio's external revenues and external customer base are concerned. An amount of €32m of the total amount of goodwill of €95m arising in the Althio acquisition (see [Note 21](#)) has been allocated to the Althio CGU. The remainder of the goodwill is allocated to the other CGUs based on the extent to which the CGUs are expected to benefit from the acquisition of Althio.

**Goodwill impairment tests**

In accordance with IAS 36, KPN assesses goodwill for impairment at the end of each year and when a triggering event occurs. The annual impairment tests at 31 December 2025 did not indicate that the book value of KPN's goodwill is not recoverable. KPN's market capitalization on 31 December 2025 was higher than the book value of its equity. A test was performed of the recoverable amount of the book value of each cash-generating unit (CGU), based on its value-in-use, which was determined by using the discounted cash flow method.

The key assumptions used to determine the value-in-use for the significant CGUs are as follows:

CGU	EBITDA margin	Capex intensity	Discount rate	Terminal sales growth <sup>1</sup>
Consumer 2025	51% – 54%	18% – 25%	6% – 7%	2.0%
Consumer 2024	52% – 54%	18% – 27%	6% – 7%	1.5%
Business 2025	31% – 33%	12% – 18%	6% – 7%	2.0%
Business 2024	32% – 37%	10% – 15%	6% – 7%	1.5%

<sup>1</sup> Estimates after 10 years.

The EBITDA margins and capex intensity shown in the table above are the highest and lowest percentages used to determine the cash flows in the period up to 2035 and used to determine the terminal value. The wide variation in capex intensity is due to high levels of capex in the coming years related to the fiber rollout, which will be significantly lower after 2027. The discount rate shown in the table is the pre-tax weighted average cost of capital (WACC) used to determine the value-in-use.

The cash flow projections (including estimated EBITDA, capex, change in working capital) used to determine the value-in-use of each CGU are management's best estimate based on the updated strategic plan, which covers a five year period, followed by a five year extrapolation period and a terminal value for the years after 2035. During the extrapolation period, revenue growth is expected to develop linearly to the terminal growth rate used to calculate the terminal value and the EBITDA margin is kept stable. This forecast period is used because of the long investment cycles (in the telecommunications industry) and our investments planned. The focus is gradually shifting from laying the basic infrastructure, which will have a significantly smaller scale after 2027, to connecting and activating homes and offices, the effect of which will materialize after the five year planning period. Analyses of the forecasts and the actuals realized demonstrate that the forecasts were accurate in the past.

KPN has outlined a climate transition plan to address the impact of climate change and other sustainability topics on KPN's business model. For example, the demand for renewable energy exceeds supply, and energy storage technology is still developing. Limited power capacity and connections could lead to grid congestion, with the risk of disrupting KPN's networks and services through power outages. Climate change could lead to extreme weather events, such as flooding and heat stress, which could damage KPN's infrastructure and pose risks of temporary or long-term network disruptions. The climate transition plan is embedded in and aligned with KPN's overall business strategy. More specifically, it is linked to the financial and business planning of our Connect, Activate & Grow strategy and includes capex in the short and long term to, for example, mitigate the impact of climate change.

The WACC is calculated using a multi-factor pricing model. Long-term, backward looking data, provided by an independent valuation services provider, is used to determine the equity risk premium (ERP) as input for the WACC calculation. This is based on a regular review of fluctuations in the eurozone's economic and financial market conditions, followed by periodic reassessment of the ERP. A size premium is included in the calculation of the WACC which is supported by empirical studies showing that smaller companies tend to have higher average rates of return compared with larger companies.

The terminal growth rate for the period after 10 years is updated consistently in line with realized growth and inflation expected in the long term and was 2.0% in 2025 and 1.5% in 2024 for both significant CGUs. To achieve this growth, additional capex is taken into account.

The annual impairment tests resulted in a positive headroom at 31 December 2025 and 31 December 2024.

The sensitivity analyses for both significant CGUs showed that a possible reasonable change in key assumptions would not lead to an impairment. This analysis was performed for each key assumption separately such as a 1% higher discount rate, a 20% higher capex, a 1% lower terminal growth rate or a 20% lower EBITDA. Furthermore, if the cash flow projections would be limited to the five year planning period, this would also not lead to a goodwill impairment for both significant CGUs.

### **Accounting policy: goodwill and intangibles with finite lives**

The excess of the consideration transferred over the fair value of the identifiable net assets acquired in a business combination is recorded as goodwill. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is allocated to CGUs for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the synergies of the business combination. Goodwill is carried at cost less accumulated impairment losses and tested for impairment annually or whenever there is an indication that goodwill may be impaired. Goodwill is impaired if the recoverable amount is lower than the book value. The recoverable amount is defined as the higher of the fair value less costs of disposal and the value-in-use of the CGU concerned. Impairment losses on goodwill are not reversed if circumstances that triggered the impairment have changed.

Licenses and software are valued at cost less amortization and impairment. Amortization is calculated using the straight-line method over the economic useful life and commences at the date that services can be offered (available for use). Internally developed and acquired software which is not an integral part of PPE is capitalized on the basis of the costs incurred, which includes direct costs and directly attributable overhead costs incurred. Other intangible assets, such as customer relationships and trade names acquired in business combinations, are capitalized at their fair values at acquisition date and are amortized using the straight-line method over the economic useful life.

Intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the book value of the asset may not be recoverable. An impairment loss is recognized for the amount by which the book value of the intangible assets exceeds its recoverable amount. Impairments are reversed if and to the extent that the impairment no longer exists. Intangible assets not yet available for use are tested for impairment annually or whenever KPN has an indication that the intangible fixed assets may be impaired. For example, licenses are tested as part of a CGU as licenses do not generate independent cash flows.

The amortization periods of the intangible assets with finite lives are 5-20 years for licenses, 3-5 years for software and 4-20 years for other intangible assets, such as customer relationships.

## [12] Equity investments accounted for using the equity method

KPN holds several equity investments accounted for using the equity method of which Glaspoort (see below) is the most significant. Other equity investments, with a combined carrying value at 31 December 2025 of €25m (31 December 2024: €17m) and combined share in their net result of €3m in 2025 (2024: nil) are not material, either individually or in aggregate.

### Glaspoort joint venture

Glaspoort is a network company, pursuing an open-access wholesale strategy based on non-discriminatory terms, fostering competition and innovation in the Netherlands.

Glaspoort is classified as a joint venture based on the assessment of ownership and voting power (50/50) with the joint venture partner, Drepana Investment Holding B.V., and the joint control established through the joint venture agreement between the shareholders. The assessment includes the following:

- KPN's option to purchase one additional share in Glaspoort. This option is exercisable between the 5<sup>th</sup> and the 8<sup>th</sup> anniversary of the transaction (9 June 2021) provided certain criteria are met, and in any case after the 8<sup>th</sup> anniversary.
- KPN's influence on Glaspoort's relevant activities through KPN's presence in the governance structure. The annual budget and substantive reserved matters requires unanimous approval by KPN and Drepana.
- KPN is the anchor tenant on Glaspoort's network and will also be one of its suppliers through a number of operational contracts between KPN and Glaspoort.

The assessment as to whether joint control remains in place is reviewed when relevant facts or circumstances change.

KPN accounts for its interest in Glaspoort using the equity method in the consolidated financial statements with initial recognition at fair value. The initial fair value has been allocated to the equity of Glaspoort, determined under application of KPN's accounting policies, and goodwill. In determining equity, intangible assets of €878m have been recognized in the initial balance sheet of Glaspoort, which mostly relate to contractual relationships held by Glaspoort with, among other players, KPN. These intangible assets are amortized over a period of 15 years based on the progress of the rollout. At 31 December 2025 these intangibles had a carrying value of €782m (31 December 2024: €813m).

In December 2021, KPN, Drepana and Glaspoort signed an agreement on the sale of additional fiber rollout projects by KPN to Glaspoort for a total consideration of €170m (pre-tax). KPN received an upfront payment of €60m in 2021 and the remainder is being paid in annual installments based on the progress of the rollout. At the start of the related project, KPN recognized 50% of the gain on the sale (as other income) and 50% was deferred following the requirements of IAS 28 for downstream transactions. At 31 December 2023, all projects had started so no other income was recognized in 2024 and 2025. At 31 December 2025, the deferred consideration to be received by KPN was €5m, the entire amount is current (31 December 2024: €28m, of which €23m current). The payments received are included in the cash flow from disposals of property, plant and equipment and intangible assets in the consolidated statement of cash flows (2025: €23m, 2024: €31m).

The deferred gains are deducted from the carrying amount of KPN's investment in Glaspoort (€70m at 31 December 2025 and €76m in 2024) and are recognized over time as part of the result from KPN's investment in Glaspoort (€4m in 2025 and €4m in 2024).

During 2025, Glaspoort received additional share premium contributions of €56m per shareholder based on the original agreements. In 2024 KPN and Drepana contributed €20m. KPN added the share premium payments to the carrying value of KPN's interest in the joint venture. Glaspoort used part of these contributions to finance its fiber rollout activities.

Summarized financial information on the joint venture, based on IFRS Accounting Standards 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 Glaspoort's financial position

€ million	31 December 2025	31 December 2024
Tangible fixed assets	885	629
Intangible assets	915	958
Right-of-use assets	1	1
Equity investments	101	98
Other non-current assets	36	13
Current assets	26	31
Net cash and cash equivalents	10	5
Non-current liabilities	-631	-428
Current liabilities	-58	-97
<b>Equity</b>	<b>1,284</b>	<b>1,209</b>
KPN's share in equity	642	605
Goodwill from initial valuation at fair value	15	15
<b>Carrying amount of the investment (equity method)</b>	<b>657</b>	<b>620</b>
Less: Deferred gain on downstream transactions	-70	-76
<b>Carrying amount of the investment</b>	<b>587</b>	<b>544</b>

**Summarized statement of Glaspoort's profit or loss**

€ million	2025	2024
Revenue	78	53
Operating expenses	-33	-22
Depreciation, amortization & impairment expenses	-69	-50
Net finance result	-20	-27
Result from joint ventures	-1	-1
<b>Result before tax</b>	<b>-46</b>	<b>-47</b>
Income tax expense	8	10
<b>Result for the year</b>	<b>-37</b>	<b>-37</b>
<b>Total comprehensive income (loss) for the year</b>	<b>-37</b>	<b>-37</b>
<b>KPN's share of result for the year</b>	<b>-19</b>	<b>-19</b>
Release deferred gain on downstream transactions (net of tax)	4	4
<b>KPN's total reported result from JV Glaspoort</b>	<b>-14</b>	<b>-14</b>

Both shareholders have committed to additional share premium contributions. On 31 December 2025, the remaining maximum commitment of each shareholder was €220m, payable to Glaspoort based on funding requirements following its annual budget (31 December 2024: €255m). 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 rollout activities. These funding agreements have been entered into on a non-recourse basis without any guarantees from the shareholders.

For information on transactions between Glaspoort and KPN and unsettled positions between Glaspoort and KPN, see [Note 23](#). Glaspoort may not distribute its profits without the consent of the two joint venture partners and not before 2026. After 2026, Glaspoort may distribute dividends only if specific criteria are met.

**Accounting policy: equity investments accounted for using the equity method**

Equity investments accounted for using the equity method include associates and joint ventures.

Associates are entities over which KPN has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

Investments in associates and joint ventures are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in KPN's share in the net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects KPN's share in the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of KPN's OCI. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, KPN recognizes its share of any change, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between KPN and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture through KPN's share in the profit (or loss) of the associate or joint venture.

The aggregate of KPN's share of profit or loss of an associate and a joint venture is shown in the statement of profit or loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as KPN's. When necessary, adjustments are made to bring the accounting policies in line with those of KPN.

After application of the equity method, KPN determines whether it is necessary to recognize an impairment loss on its investment in its associate or joint venture. At each reporting date, KPN determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, KPN calculates the amount of

impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognizes the loss within "Share of profit/loss (-) of associates and joint ventures" in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, KPN measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control, and the fair value of the retained investment and proceeds from disposal, is recognized in profit or loss.

## [13] Financial assets and financial liabilities

### Summary of financial assets and liabilities at carrying amount and fair value, classified per category

€ million	Notes	31 December 2025		31 December 2024	
		Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets at FVPL</b>					
Contingent cash receivable regarding sale Glaspoort	[13.1]	118	118	155	155
Other current financial assets	[13.1]	147	147	100	100
Derivatives	[13.3]	40	40	101	101
Cash and cash equivalents	[15]	405	405	662	662
<b>Financial assets at amortized cost</b>					
Trade and other receivables <sup>1</sup>	[14.1]	440	440	464	464
<b>Financial assets at FVOCI</b>					
Financial receivables handsets	[14.1]	108	108	82	82
Equity investments	[13.1]	123	123	119	119
<b>Total financial assets</b>		<b>1,382</b>	<b>1,382</b>	<b>1,683</b>	<b>1,683</b>
<b>Financial liabilities FVPL</b>					
Borrowings <sup>2</sup>	[13.2]	1,177	1,170	1,796	1,779
Derivatives	[13.3]	136	136	161	161
<b>Financial liabilities at amortized cost</b>					
Borrowings <sup>2</sup>	[13.2]	5,100	5,126	4,483	4,523
Trade and other payables <sup>3</sup>	[20]	1,173	1,173	1,076	1,076
<b>Total financial liabilities<sup>4</sup></b>		<b>7,586</b>	<b>7,605</b>	<b>7,515</b>	<b>7,539</b>

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 (see Note 13.3). 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.

**Fair value measurement hierarchy at 31 December 2025**

€ million	Level 1	Level 2	Level 3	Total
<b>Financial assets at FVPL</b>				
Contingent cash receivable regarding sale Glaspoort	-	-	118	118
Other current financial assets	147	-	-	147
Derivatives (cross-currency interest rate swap)	-	40	-	40
Derivatives (interest rate swap) and other	-	-	-	-
Cash and cash equivalents	405	-	-	405
<b>Financial assets at FVOCI</b>				
Financial receivables handsets	-	108	-	108
Equity investments:				
Unlisted securities	-	-	123	123
<b>Total assets</b>	<b>552</b>	<b>148</b>	<b>242</b>	<b>941</b>
<b>Financial liabilities at FVPL</b>				
Borrowings	1,170	-	-	1,170
Derivatives (cross-currency interest rate swap)	-	42	-	42
Derivatives (interest rate swap)	-	93	-	93
<b>Total liabilities</b>	<b>1,170</b>	<b>136</b>	<b>-</b>	<b>1,306</b>

**Fair value measurement hierarchy at 31 December 2024**

€ million	Level 1	Level 2	Level 3	Total
<b>Financial assets at FVPL</b>				
Contingent cash receivable regarding sale Glaspoort	-	-	155	155
Other current financial assets	100	-	-	100
Derivatives (cross-currency interest rate swap)	-	96	-	96
Derivatives (interest rate swap) and other	-	5	-	5
Cash and cash equivalents	662	-	-	662
<b>Financial assets at FVOCI</b>				
Financial receivables handsets	-	82	-	82
Equity investments:				
Unlisted securities	-	-	119	119
<b>Total assets</b>	<b>762</b>	<b>183</b>	<b>274</b>	<b>1,219</b>
<b>Financial liabilities at FVPL</b>				
Borrowings	1,779	-	-	1,779
Derivatives (cross-currency interest rate swap)	-	20	-	20
Derivatives (interest rate swap)	-	142	-	142
<b>Total liabilities</b>	<b>1,779</b>	<b>161</b>	<b>-</b>	<b>1,941</b>

**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 are not based on observable market data; the fair value is estimated using models and other valuation methods.

## Accounting policy: financial assets

Financial assets are classified at initial recognition.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and KPN's business model for managing it.

KPN initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

For the purposes of subsequent measurement, financial assets are classified into four categories:

- Financial assets at amortized cost (debt instruments);
- Financial assets at fair value through other comprehensive income (OCI) with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments);
- Financial assets at fair value through profit or loss.

## [13.1] Financial assets

### Other financial asset at fair value through profit or loss

Upon the sale in 2021 of the 50% interest in Gaspoort to Drepana Investments Holding, KPN received a cash consideration upon deal close of €233m and a contingent cash receivable of €234m. The contingent cash receivable, to be received in annual installments based on Gaspoort's rollout progress, is classified as a financial asset measured at fair value through profit or loss. The contingent cash receivable was initially valued at €218m. At 31 December 2025, the carrying value was €118m (2024: €155m), of which €34m current (2024: €40m). In 2025, the book value was increased by €6m interest (2024: €8m) and decreased by €41m (2024: €26m) due to received payment. The fair value adjustment was €2m loss (2024: nil). Both interest and fair value adjustment were recognized in other financial results in 2025.

Based on Gaspoort's current rollout plan, KPN expects the final payment in 2029. 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 according to the expected rollout schedule as included in Gaspoort's most recent business plan. A weighted average discount rate of 4.9% 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 weighted average spread of ~0.2% over a 3-year tenor, plus;

- A mark-up to reflect the rollout risk (mostly the risk of delay).

A 50 basis points increase (decrease) in the discount rate would lead to a €0.6m decrease (increase) in the carrying value at 31 December 2025.

### Equity investments measured at fair value through OCI

This includes several minority stakes, mainly of KPN Ventures, of which the largest is Smart Photonics Holding B.V., a foundry offering production services for indium phosphide based photonic components with a carrying value of €14m (2024: €3m). In addition, this includes an investment in the Townsend Real Estate Fund acquired in 2024 from the Getronics US pension fund (see Note 17). KPN elected fair value through OCI for these equity instruments that are not held for trading.

The fair value of KPN Ventures' equity investments is based, where applicable, on the price of the last fundraising round of the equity investment, investment valuations or the bid made in mergers and acquisitions transactions. These equity investments are direct and indirect investments in innovative technology companies that are in the start-up or scale-up phase and whose fair value may have a dynamic nature. The investment valuations take into account forward-looking estimates and judgements about the underlying business, market conditions and other factors.

The fair value of the investment in the Townsend Real Estate Fund (TREF) is based on the most recent available net asset value as reported by TREF less a discount for lack of liquidity.

#### Movement schedule of the equity investments measured at fair value through OCI

€ million	Equity investments measured at FVOCI
<b>Balance at 1 January 2024</b>	<b>90</b>
Additions	28
Disposals	-1
Remeasurements recognized in OCI	2
<b>Balance at 31 December 2024</b>	<b>119</b>
Additions	15
Disposals	-2
Redemptions	-5
Remeasurements recognized in OCI	-3
Other changes	-1
<b>Balance at 31 December 2025</b>	<b>123</b>

## Other current financial assets

Other current financial assets include investments in short-term money market funds of €147m (2024: €100m), which are held at fair value through profit or loss (FVPL). These funds have a low volatility, with an investment objective of preservation of principal. Fair value is based on quoted market prices.

## [13.2] Financial liabilities

€ million	31 December 2025		31 December 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Senior bonds EUR denominated	4,154	4,076	3,976	3,932
Senior bonds GBP denominated	914	948	961	986
Senior bonds USD denominated	554	592	631	661
Subordinated hybrid bonds classified as liability	-	-	223	223
Other borrowings	656	681	487	500
<b>Total borrowings</b>	<b>6,277</b>	<b>6,296</b>	<b>6,279</b>	<b>6,303</b>
<b>&gt; of which: current</b>	<b>396</b>	<b>400</b>	<b>899</b>	<b>681</b>
<b>&gt; of which: non-current</b>	<b>5,881</b>	<b>5,896</b>	<b>5,379</b>	<b>5,622</b>

The fair value for senior bonds and hybrid bonds is based on the listed price of the bonds. Other borrowings include commercial paper, received collateral on derivatives, bank overdrafts and other loans.

On 8 February 2025, KPN redeemed the remaining outstanding principal amount of the perpetual hybrid bond (€223m) issued on 8 November 2019.

Following the transaction resulting in the creation of Althio B.V. on 13 February 2025, KPN consolidated Althio's outstanding €200m term loan as part of other borrowings, with a carrying value of €196m.

On 17 February 2025, KPN issued a €800m 3.375% senior bond maturing on 17 February 2035.

On 9 April 2025, KPN redeemed a €625m 0.625% senior bond at its scheduled maturity date. This bond had been swapped to a fixed interest of 3.524%.

KPN's weighted average interest rate on total outstanding borrowings including the perpetual hybrid bonds (classified as equity) on 31 December 2025 was 3.8% after swaps (2024: 4.0%). KPN's weighted average interest rate on senior debt on 31 December 2025 was 3.5% after swaps (2024: 3.8%).

## Senior bonds

million	Nominal	Carrying amount €	Nominal after swap €	Number of bonds
Senior bonds EUR denominated	4,325	4,154	4,325	6
Senior bonds GBP denominated	800	914	941	2
Senior bonds USD denominated	595	554	450	1

KPN has an unlimited Global Medium-Term Notes program which is used to meet medium- to long-term funding requirements. As at 31 December 2025, the total amounts outstanding under this program were €4,325m across six bonds (carrying value €4,154m) and £800m across two bonds (carrying value €914m, swapped to €941m nominal). In addition, KPN has a senior global bond with \$595m outstanding (carrying value €554m, swapped to €450m nominal) which was issued under standalone documentation.

## Perpetual hybrid bonds

€ million	Nominal	Coupon	Classification	Final maturity	First reset date	Credit rating <sup>1</sup>
EUR perpetual hybrid bond	500	6,000%	Equity	Perpetual	21 Dec 2027 <sup>2</sup>	BB+/BB+
EUR perpetual hybrid bond	500	4,875%	Equity	Perpetual	18 Sep 2029 <sup>3</sup>	BB+/BB+

1 Credit rating by Standard & Poor's / Fitch Ratings.

2 These hybrid bonds are first callable in the three-months period before their respective first reset dates.

3 These hybrid bonds are first callable in the three months period before their respective first reset dates.

At 31 December 2025, two hybrid bonds were outstanding with an aggregate nominal amount of €1,000m. These hybrid bonds are classified as equity under IFRS Accounting Standards and are assigned 50% equity content by credit rating agencies. These bonds are therefore treated 50% as equity and 50% as debt in KPN's gross and net debt definitions.

KPN may, at its discretion and subject to certain conditions, elect to defer payments of interest on the hybrid bonds. Arrears of interest must be paid if dividends are paid on ordinary shares, if payments are made on other hybrid bonds or in the event of early redemption. KPN does not recognize accruals for coupon payments on the perpetual hybrid bonds of €54m per annum. If an accrual had been recognized, the amount would have been €8m on 31 December 2025 (2024: €12m).

## Other borrowings

KPN has a euro-commercial paper program under which KPN can issue short-term debt instruments for up to €1,000m gross notional outstanding. At 31 December 2025, the outstanding balance of commercial paper amounted to €60m (2024: €60m), issued at an interest rate of 2.10% (2024: 3.06%).

### Changes in liabilities arising from financing activities

€ million	Borrowings	Derivative financial instruments	Net liability	Lease liabilities	Net liability, including lease liabilities
<b>Balance at 1 January 2024</b>	<b>5,894</b>	<b>184</b>	<b>6,078</b>	<b>894</b>	<b>6,972</b>
Exchange differences	87	-90	-4	-	-4
Fair value adjustments	26	-	26	-	26
Other changes <sup>1</sup>	504	-	504	67	571
<b>Movements recorded as net cash flows arising from/used in financing activities:</b>					
Repayments of borrowings and settlement of derivatives and repayments of lease liabilities <sup>2</sup>	-955	-33	-988	-143	-1,131
Repurchase of perpetual hybrid bonds	-277	-	-277	-	-277
Issued bonds & loans	996	-	996	-	996
Net receipts (payments) cash collateral	5	-	5	-	5
<b>Balance at 31 December 2024</b>	<b>6,279</b>	<b>60</b>	<b>6,339</b>	<b>818</b>	<b>7,157</b>
Exchange differences	-113	114	1	-	1
Fair value adjustments	-8	-27	-35	-	-35
Changes in consolidation <sup>3</sup>	113	-	113	54	167
Other changes <sup>1</sup>	7	-7	-	-38	-39
<b>Movements recorded as net cash flows arising from/used in financing activities:</b>					
Repayments of borrowings and settlement of derivatives and repayments of lease liabilities <sup>2</sup>	-960	-46	-1,006	-127	-1,133
Issued bonds & loans	793	-	793	-	793
Bank loan	196	-	196	-	196
Net receipts (payments) cash collateral	-28	-	-28	-	-28
<b>Balance at 31 December 2025</b>	<b>6,277</b>	<b>95</b>	<b>6,372</b>	<b>707</b>	<b>7,079</b>

1 Other changes in borrowings in 2024 include reclassifications from equity of €500m regarding the 2.00% perpetual hybrid bond of which €277m was repurchased and €223m was outstanding at 31 December 2024. Other movements in the lease liabilities include interest, additions of new contracts, remeasurements and modifications (see Note 19).

2 In the consolidated statement of cash flows, the repayments of borrowings and settlement of derivatives includes (1) a net payment of €23m in 2025 (2024: €60m net receipt) regarding cash collateral on derivatives (presented as non-current other receivables) and energy contracts, (2) tender premiums and fees of €18m in 2024 and (3) fair value adjustments of €6m in 2024. The interest component of the lease payments is presented within cash flow from operating activities.

3 Changes in consolidation in 2025 relates to the Althio transaction.

On 31 December 2025, KPN had €300m outstanding under a credit facility from the European Investment Bank. This loan has a floating interest rate referenced to 3-month Euribor and a single repayment on 2 August 2027. The interest for the current interest period was fixed at 2.49% per annum.

At 31 December 2025, other borrowings also included Althio's €196m term loan, €51m in collateral received as security under derivative financial instruments and €49m in borrowings under private placements.

### Accounting policy: hybrid bonds and borrowings

A critical feature in differentiating a financial liability from an equity instrument is the existence of a contractual obligation for KPN to either deliver cash or another financial asset to the holder or to exchange financial assets or financial liabilities with the holder under conditions that are potentially unfavourable.

Hybrid bonds are classified as equity if there is no fixed redemption date and coupon payments are discretionary, i.e. KPN has the option to defer interest payments. Measurement of hybrid bonds is based on the net proceeds obtained through the issuance of these instruments. Coupon payments are recognized directly in equity.

After initial recognition, loans and borrowings that are not part of a fair value hedge, are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the P&L over the period of the borrowings using the effective interest method. The amortized cost is calculated by taking into account any discounts or premiums on acquisition or issuance and transaction costs. The effective interest rate amortization is recognized in the P&L as finance costs.

### [13.3] Hedging activities and derivatives

KPN uses derivatives solely for the purpose of hedging underlying exposures. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk.

€ million	31 December 2025	31 December 2024
Assets (current and non-current)	40	101
Liabilities (current and non-current)	-136	-161
<b>Total derivatives</b>	<b>-95</b>	<b>-61</b>
<b>of which: designated in a hedge relationship</b>	<b>-96</b>	<b>-61</b>
<b>of which: other derivatives not designated in a hedge relationship</b>	<b>-</b>	<b>-</b>

A total loss of €8m due to hedge ineffectiveness was recognized in the P&L in 2025 (2024: €7m loss). This was mainly due to differences in the valuation of hedging instruments and hedged items due to credit risk and valuation curves in combination with the cumulative change in the fair value of the hedging instrument becoming greater than the change in the fair value of the hedged item. All hedges continue to be highly effective prospectively.

Derivatives positions are reported on a gross basis and include a credit value adjustment attributable to derivative counterparty default risk. At 31 December 2025, the cumulative credit value adjustment amounted to a €1m net asset (2024: €2m net asset). The change in the credit value adjustment was primarily driven by the change in the mark-to-market value of interest rate swaps and changes in the CDS curves of counterparties. Part of the derivatives portfolio is subject to master netting agreements that allow netting under certain circumstances.

If netting had been applied, the total derivatives asset position would have been €30m and the total derivatives liability position €125m at 31 December 2025 (2024: €81m asset and €142m liability).

## Derivatives designated in a hedge relationship

### Cash flow hedges

Bonds denominated in foreign currencies are hedged with cross-currency swaps. The currency exposure is hedged by effectively fixing the countervalue in the foreign currency to euros and by hedging the interest rate exposure by swapping the fixed interest rates in foreign currency to fixed interest rates in euros. There is an economic relationship between the hedged items and hedging instruments as the terms of the cross-currency swaps match the terms of the associated bonds. KPN has established a hedge ratio of 1:1 for its hedging relationships as the quantity of hedged items equals the notional amount of the cross-currency swaps. The hedges run until maturity of the underlying bonds.

KPN has also designated certain euro interest rate swaps (IRS) as cash flow hedges, used to re-fix the aggregate exposure of fixed rate bonds that had previously been swapped to floating interest using receiver interest rate swaps. This applies to the €625m bonds maturing in September 2028 that were re-fixed during 2023. Additionally, a €200m floating rate term loan has also been fixed through the use of a floating-to-fixed IRS.

For all of the above hedges, KPN meets the criteria of, and also applies, cash flow hedge accounting. The effectiveness of the hedges is determined at inception and on a quarterly basis. To test hedge effectiveness, KPN uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments with those in the fair value of the hedged items attributable to the hedged risks. If the cumulative change in fair value of the hedging instrument and hedged item are not equal in absolute terms, the difference will be reported in the P&L to the extent that, in absolute terms, the fair value change of the hedging instrument is greater than the fair value change of the hedged item. Hedge ineffectiveness can arise from:

- Different curves linked to hedged items and hedging instruments;
- The counterparties' credit risk differently impacting the fair value movement of the hedging instruments and hedged items;
- Changes in the terms of the hedged item or hedge instrument and/or novation of swaps to different counterparties.

### Derivatives designated in cash flow hedge relationships at 31 December 2025 and 31 December 2024

Nominal (receive)	Coupon (receive)	Nominal (pay) (€m)	Coupon (pay)	Maturity date	Fair value 2025 (€m)	Fair value 2024 (€m)
€625m	6-month Euribor (in arrear)	625	3.819% annual	9-4-2025	-	-3
£250m	5.000% annual	305	3.643% annual	18-11-2026	-20	-9
€425m <sup>1</sup>	6-month Euribor	425	3.135% annual	11-9-2028	-9	-20
£550m	5.750% annual	636	4.998% annual	17-9-2029	-22	-8
€200m	6-month Euribor	200	2.2785% semi-annual	5-3-2030	1	-
\$595m	8.375% semi-annual	450	8.517% semi-annual	1-10-2030	40	93
<b>Total</b>					<b>-9</b>	<b>54</b>

<sup>1</sup> 2024: €625m notional with 3.136% average coupon on the pay leg. This hedge was partially unwound in April 2025.

### Impact of the cash flow hedges on the statement of financial position

€ million	Notional amount	Carrying amount	Line item in Statement of Financial Position	Change in fair value used for measuring ineffectiveness for the period
<b>At 31 December 2025</b>				
Cross-currency swaps GBP	941	-42	Derivatives	-26
Cross-currency swaps USD	450	40	Derivatives	-53
Interest rate swaps EUR	625	-7	Derivatives	15
<b>Total</b>	<b>2,016</b>	<b>-9</b>		<b>-63</b>
<b>At 31 December 2024</b>				
Cross-currency swaps GBP	941	-16	Derivatives	54
Cross-currency swaps USD	450	93	Derivatives	31
Interest rate swaps EUR	1,250	-23	Derivatives	6
<b>Total</b>	<b>2,641</b>	<b>54</b>		<b>92</b>

The change in fair value of the associated hedged items attributable to the hedged risks resulted in an ineffectiveness loss in 2025 of €35m (2024: nil). In total, a €114m loss has been reclassified from OCI to profit and loss (2024: €90m gain), offsetting the forex translation effects on the hedged bonds.

**Effect of the cash flow hedge in the P&L and OCI**

€ million	Total hedging gain/(loss) recognized in OCI	Ineffectiveness recognized as a gain/(loss) in P&L	Line item in P&L	Amount reclassified from OCI as a gain/(loss) in P&L	Line item in P&L
<b>Year ended 31 December 2025</b>					
Cross-currency swaps GBP	24	-2	Other financial results	-48	Other financial results
Cross-currency swaps USD	53	-	Other financial results	-66	Other financial results
Interest rate swaps EUR	-15	-	Other financial results	-	Other financial results
<b>Total</b>	<b>61</b>	<b>-2</b>		<b>-114</b>	
<b>Year ended 31 December 2024</b>					
Cross-currency swaps GBP	-56	-	Other financial results	56	Other financial results
Cross-currency swaps USD	-31	-	Other financial results	34	Other financial results
Interest rate swaps EUR	-6	-	Other financial results	-	Other financial results
<b>Total</b>	<b>-93</b>	<b>-</b>		<b>90</b>	

**Fair value hedges**

KPN uses receiver interest rate swaps to swap certain fixed-rate bonds to floating interest rates. Under the receiver swaps, KPN receives fixed-rate interest and pays interest at a variable rate equal to 6-month Euribor. KPN applies fair value hedge accounting to hedge the exposure to changes in the fair value of these fixed-rate bonds against changes in the euro interest curve.

There is an economic relationship between the hedged item and the hedging instrument, as the terms of the interest rate swaps match the terms of the fixed-rate bonds (i.e. notional amount, maturity and payment dates). KPN has established a hedge ratio of 1:1 for the hedging relationships as the quantity of hedged item equals the notional amount of the hedging instrument. For these hedges, KPN meets the criteria of, and also applies, fair value hedge accounting. If the cumulative change in the fair value of the hedging instrument and hedged item are not equal in absolute terms, the difference will be recorded in the P&L. The hedge ineffectiveness can arise from:

- Different curves linked to the hedged items and hedging instruments;
- The counterparties' credit risk differently impacting the fair value movement of the hedging instruments and hedged items;
- Changes in the terms of the hedge item or hedge instrument and/or novation of swaps to different counterparties.

**Derivatives designated in fair value hedge relationships at 31 December 2025 and 31 December 2024**

Nominal (receive)	Coupon (receive)	Coupon (pay)	Maturity date	Fair value 2025 (€m)	Fair value 2024 (€m)
€625	0.920% annual	6-month Euribor (fixed in arrears)	9-4-2025	-	-2
€425 <sup>1</sup>	0.908% annual	6-month Euribor	11-9-2028	-16	-29
€700	0.1435% annual	6-month Euribor (fixed in arrears)	15-11-2033	-70	-84
<b>Total</b>				<b>-86</b>	<b>-115</b>

<sup>1</sup> 2024: €625m notional outstanding with average receive coupon of 0.907%. This hedge was partially unwound in April 2025.

**Impact of the fair value hedges on the statement of financial position**

€ million	Notional amount	Carrying amount	Line item in statement of financial position	Change in fair value used for measuring ineffectiveness for the period
<b>At 31 December 2025</b>				
Interest rate swaps	1,125	-86	Derivatives	29
<b>At 31 December 2024</b>				
Interest rate swaps	1,950	-115	Derivatives	38

**Impact of the hedged items on the statement of financial position**

€ million	Carrying amount	Change in fair value adjustments for the period	Line item in statement of financial position	Change in fair value used for measuring ineffectiveness for the period
<b>At 31 December 2025</b>				
Fixed-rate eurobonds 2025, 2028 & 2033	1,177	-29	Borrowings	-35
<b>At 31 December 2024</b>				
Fixed-rate eurobonds 2025, 2028 & 2033	1,796	-38	Borrowings	-45

The ineffectiveness recognized in the P&L for the year ended 31 December 2025 was a loss of €6m (2024: €7m loss).

## Derivatives not designated in a hedge relationship

At 31 December 2025, there were no derivatives outstanding that are not designated in a hedge relationship.

### Accounting policy: derivatives and hedging activities

Derivatives are recognized at fair value. Gains and losses arising from changes in fair value are recognized as other financial results during the period in which they arise to the extent that the derivatives have no hedging designation or they are ineffective.

KPN applies IFRS 9 Hedge accounting. Derivatives related to loans are designated as either cash flow or fair value hedges.

Offsetting effects are recognized in the P&L.

The hedge documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how KPN assesses whether the hedging relationship meets the hedge effectiveness requirements (including analysis of sources of hedge ineffectiveness and how the hedge ratio is determined).

A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is an "economic relationship" between the hedged item and the hedging instrument;
- The effect of credit risk does not "dominate the value changes" that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that KPN actually hedges and the quantity of the hedging instrument that KPN actually uses to hedge that quantity of hedged item.

Changes in the fair value of an effective derivative, which is designated as a fair value hedge, along with the gain or loss on the hedged item that is attributable to the hedged risk, are recorded in the P&L under the line item Other financial results. Changes in the fair value of an effective derivative, which is designated as a cash flow hedge, are recorded in OCI for the effective part, until the P&L is affected by the variability in cash flows of the designated hedged item. The ineffective part of the cash flow hedge is recognized under Other financial results. If a hedge relationship ceases to be an effective hedge or in the event of early redemption of the hedged item, hedge accounting is discontinued prospectively, meaning that subsequent changes in fair value are recognized in the P&L and the cumulative amount recorded in OCI is released in the P&L under Other financial results.

## [13.4] Financial risk management and policies

### Financing policy

KPN aims for the right balance between investments in the business, shareholder remuneration and a prudent financing policy. KPN aims to return its full free cash flow to shareholders through a combination of dividends and share buybacks. Excess cash is used for operational and/or financial flexibility.

The net debt / EBITDA ratio is one of the drivers for KPN's credit rating. KPN remains committed to an investment-grade credit profile and aims for a net debt / EBITDA ratio of below 2.5x in the medium term.

The difference between the carrying value and nominal value of borrowings amounted to €109m (2024: €-20m) and includes: (1) carrying value adjustments resulting from fair value hedges; (2) in the case of foreign currency bonds, the difference between the nominal amount at the prevailing spot rate and the swapped nominal amount in euros; and (3) amortized debt issuance costs, including premiums and/or discounts.

€ million	31 December 2025	31 December 2024
Borrowings	6,277	6,279
Perpetual hybrid bonds	990	990
50% equity content for hybrid bonds <sup>1</sup>	-500	-500
Less: Cash collateral paid on derivatives	-23	-27
Difference between carrying value and nominal value	109	-20
<b>Adjusted gross debt</b>	<b>6,854</b>	<b>6,722</b>
Net cash and cash equivalents	405	662
Short-term investments	147	100
Net debt <sup>2</sup>	6,302	5,960
Adjusted EBITDA AL <sup>3</sup>	2,636	2,508
<b>Net debt / EBITDA<sup>4</sup></b>	<b>2.4x</b>	<b>2.4x</b>

1 2024: the €219m hybrid bond that was called on its first reset date in February 2025 was included in Borrowings and no equity content was assigned to this bond.

2 Net debt is based on the nominal value of interest-bearing financial liabilities excluding collateral and lease liabilities and taking into account 50% of the nominal value of the hybrid capital instruments, less cash and short-term investments.

3 See Appendix 2 Alternative performance measures.

4 The Net debt / EBITDA ratio is Net debt divided by 12-month rolling adjusted EBITDA AL.

In 2025, KPN's adjusted gross debt increased to €6,854m mainly as a result of the €800m senior bond issuance in February and consolidation of Althio's €200m term loan, partly offset by €844m debt redemptions during the year. The total cash position including short-term investments decreased by €210m to €552m (2024: €762m). As a result, the net debt position increased by

€342m to €6,302m, mainly as a result of acquisitions and other investment activities. The impact of the higher net debt on KPN's Net debt / EBITDA ratio is partly offset by €129m higher adjusted EBITDA AL, resulting in a ratio of 2.4x (2024: 2.4x).

### Financial risk management

KPN is exposed to a variety of financial risks. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on KPN's financial position and performance.

Derivatives are used to hedge certain risk exposures (see [Note 13.3](#)).

KPN's key financial risks are:

- Credit and counterparty risk;
- Liquidity risk;
- Market risk.

KPN's Treasury department manages the financial risks according to policies approved by the Board of Management and Supervisory Board. These policies are established to identify and analyze financial risks, set appropriate risk limits and controls, and monitor adherence to those limits.

KPN's Treasury department continuously monitors conditions in relevant capital markets and the potential impact on KPN's liquidity position, sources of financing and financial counterparties, which all remained within acceptable risk limits. KPN did not suffer any material impact on its liquidity reserves and its ability to raise financing remained very strong.

### Credit and counterparty risk

Credit risk arises from the possibility of asset impairment occurring when counterparties are unable to meet their obligations in transactions involving financial instruments. KPN's counterparty policy sets limits for the maximum exposure per counterparty, which are primarily based on credit ratings, investment periods and concentration limits. The minimum counterparty credit rating is BBB- for cash balances and BBB+ for entering into new derivative transactions. Capital preservation is KPN's main priority when investing excess cash.

At 31 December 2025, KPN's cash balances and short-term investments were held in bank accounts, bank deposits with maturities of up to three months and money market funds. The majority of cash balances were invested with counterparties with a credit rating equivalent to A- or higher, and the counterparties of outstanding derivatives have a credit rating equivalent to A or higher.

KPN mitigates credit risk on counterparties arising from derivative financial instruments and energy futures through collateral support agreements, which results in cash being paid or received as security. This cash collateral is released when derivatives are settled and/or mature. In 2025, the net cash collateral movement was €23m paid (2024: €60m received). At 31 December 2025, KPN's net collateral position was €28m received/liability (2024: €51m received/liability), consisting of €34m net collateral received for derivatives (2024: €61m net received) and €6m net collateral posted for energy contracts (2024: €10m posted).

### Collateral position

€ million	31 December 2025	31 December 2024	Net movement (paid)/ received
Collateral received on derivatives (liability)	-51	-78	-28
Collateral posted on derivatives (asset)	16	17	1
Collateral posted on energy contracts (asset)	6	10	3
<b>Net collateral asset / (liability)</b>	<b>-28</b>	<b>-51</b>	<b>-23</b>

Credit risk on trade receivables is controlled using restrictive policies for customer acceptance. Credit management is focused on mobile services. Before accepting certain new customers in this segment, the creditworthiness of prospective clients is checked. In addition, KPN keeps track of the payment performance of customers. If customers fail to meet set criteria, payment issues must be resolved before a new transaction will be entered into.

KPN's policy is to provide financial guarantees only to wholly-owned subsidiaries. At 31 December 2025, KPN had parent guarantees and bank guarantees outstanding to third parties for various wholly-owned Dutch subsidiaries. The carrying amount of financial assets, including cash, and contract assets represents the maximum credit exposure, which amounted to €1,537m at 31 December 2025 (2024: €1,788m). On 31 December 2025, the total outstanding bank guarantees amounted to €10m (2024: €6m), which were issued in the ordinary course of business.

See the schedule of the allowances for expected losses in [Note 14](#) for information about credit losses on trade and other receivables. There were no other credit losses.

**Maturity analysis of financial liabilities based on the remaining contractual maturities at 31 December 2025**

€ million	Borrowings			Derivatives			Trade and other payables <sup>2</sup>	Total
	Bonds and loans	Interest on bonds and loans	Lease liabilities (undiscounted)	Other debt and cash collateral <sup>1</sup>	Derivatives inflow (including interest)	Derivatives outflow (including interest)		
2026	287	217	135	91	-407	431	1073	1,826
2027	300	202	111	-3	-107	115	-	618
2028	625	196	90	-	-108	115	-	918
2029	630	189	79	-	-724	730	-	905
2030	707	146	68	-	-560	510	-	871
2031 and beyond	4,750	424	361	-	-30	68	-	5,572
<b>Contractual cash flows</b>	<b>7,298</b>	<b>1,373</b>	<b>843</b>	<b>88</b>	<b>-1,935</b>	<b>1,969</b>	<b>1,073</b>	<b>10,710</b>

1 Includes commercial paper and assumes settlement of all collateral positions.

2 Excludes accrued interest and social security and other taxes payable.

**Liquidity risk**

Liquidity risk is the risk that KPN will not be able to meet its financial obligations associated with financial instruments as they become due. KPN's approach to managing liquidity is to ensure sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage. Some of the derivatives contain reset clauses or collateral postings at pre-agreed dates, to mitigate counterparty exposure during the life of the swap. These reset clauses will result in early euro settlement obligations in cash with the swap counterparty, which could lead to additional cash inflows or outflows before maturity. To reduce liquidity risks, the reset clauses or collateral postings are spread over different points in time.

During 2025, KPN paid a net amount of €23m in collateral (2024: €60m received) according to pre-agreed settlement schedules and as variation margin for energy futures.

**Available financing resources**

In addition to the available cash and cash equivalents, short-term investments and cash flows from operations, KPN has the following committed financing resources available:

**Revolving credit facility**

KPN has a sustainability-linked revolving credit facility for €1.0 billion provided by twelve relationship banks, originally signed in August 2021, with final maturity on 4 August 2028. The facility can be used for general corporate purposes and does not contain any financial covenants. The facility has a mechanism to adjust the margin based on KPN's performance on predefined sustainability targets for the rollout of fiber, reduction in KPN's energy consumption and reduction of carbon emissions in the

supply chain. In September 2024, a €75m bilateral revolving credit facility was signed with similar terms to the syndicated credit facility, bringing the total committed credit facilities to €1,075m. Neither facility was drawn on during 2024 or 2025.

**Capital resources covenants**

KPN's existing capital resources contained the following covenants at 31 December 2025, which could trigger additional financial obligations or early redemption of the outstanding debt. All senior bonds issued after 1 January 2006 (€5,266m nominal after swaps outstanding at 31 December 2025) contain a change of control clause. KPN may be required to early redeem if certain changes of control occur and within this change of control period (maximum of 90 days) a rating downgrade to sub-investment grade occurs. The perpetual hybrid bonds also contain a change of control clause whereby a 5% interest step-up is triggered if a rating downgrade occurs during the change of control period. In such an event, KPN has the possibility to repurchase the perpetual hybrid bonds at par. In addition, many of KPN's capital resources contain a covenant prohibiting KPN from entering into any amalgamation, demerger, merger, corporate restructuring or reorganization, unless prior written consent has been given by a majority of the lenders or bondholders or the resulting company assumes all of the rights and obligations with respect to the loans or bonds. Althio's term loan (€200m nominal) contains two financial covenants which are tested on a semi-annual basis: (i) net debt to EBITDA shall not exceed 6.75x; and (ii) EBITDA to net finance charges shall exceed 1.25x. Althio was in compliance with all its financial covenants as at 31 December 2025.

**Market risk**

KPN is exposed to various kinds of market risks in the ordinary course of business. These include foreign currency exchange rate risk and interest rate risk.

**Foreign currency exchange rate risk**

Foreign currency risks mainly result from settlement of international telecommunications traffic and purchase of assets, and primarily consist of Pound sterling and US dollar exposures. Foreign currency exchange rate risks related to bonds that are not denominated in euros are hedged to euros in line with KPN's hedging policies. Group companies and business operations are obliged to hedge their firm commitments and highly predictable anticipated transactions in non-functional currencies by forward exchange contracts.

Accordingly, KPN's Treasury department matches and manages the intercompany and external exposures using forward exchange contracts. No hedge accounting is applied for these hedge instruments.

At 31 December 2025, 96% (2024: >97%) of cash and cash equivalents were denominated in the functional currency of the related entities and 100% (2024: >99%) of the net amount of trade receivables and more than 95% (2024: >96%) of the amount of trade payables were outstanding in the functional currency of the related entities.

**Interest rate risk and interest rate profile**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. Borrowings, derivatives, cash and cash equivalents are subject to interest rate risk. With regard to interest

rate risk exposure, KPN periodically evaluates the desired mix of fixed and floating interest rate liabilities, balancing the benefit of lower interest costs against the variability of cash flows. Any interest rate risk exposure longer than one year is considered to be fixed. KPN may use derivative financial instruments to adjust the desired interest rate risk exposure.

At 31 December 2025, 86% of KPN's interest-bearing gross debt (after swaps, excluding bank overdrafts) was at fixed interest rates (2024: 85%).

With a view to the existing and forecasted debt structure, KPN could enter into additional future derivatives to further adjust the mix of fixed and floating interest rate liabilities.

A sensitivity analysis at 31 December 2025 with regard to interest rate risk on floating interest-bearing liabilities showed that, all else being equal, each adverse change of 100 bps in Euribor would hypothetically result in €10m higher interest costs per annum (2024: €10m).

### Sensitivity analysis derivatives

KPN has carried out a sensitivity analysis on the fair value changes of cross-currency and interest rate swaps resulting from changes in interest rates and currency exchange rates. With all other variables held constant, KPN calculated the hypothetical change in the fair value of derivatives based on a +/- 100 bps change in interest rates and a +/- 10% change in the €/€ and €/£ exchange rates. A change in the fair value of derivatives would hypothetically result in a higher or lower value of the hedge reserve (included in equity attributable to equity holders). The results of the analysis are shown in the table below, indicating the hypothetical impact on the fair value of the cross-currency swaps and euro interest rate swaps excluding the partially offsetting impact on the hedged items. Prospective effectiveness testing indicates that all hedges are expected to be highly effective. Consequently, the expected impact on the P&L is immaterial.

### Sensitivity analysis of the change in the fair value of derivatives to a change in interest and exchange rates

€ million (before tax)	Change	£ swaps		\$/ swaps		€ swaps		Total	
		2025	2024	2025	2024	2025	2024	2025	2024
Change in interest rate	+1%-point	2	2	-1	-3	-45	-49	-45	-51
	-1%-point	-2	-2	1	4	49	54	48	55
Change in forex rate	+10%-point	4	4	10	11	N.a.	N.a.	14	15
	-10%-point	-5	-4	-12	-14	N.a.	N.a.	-17	-18

For the sensitivity analysis on interest rate risk regarding pensions, see [Note 17](#).

## Offsetting financial assets and financial liabilities

### Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements

€ million	Gross amount	Financial liabilities offset	Net amount in balance sheet	Not offset: financial instruments/cash collateral	Net amount
<b>31 December 2025</b>					
Cash and cash equivalents	405	-	405	-	405
Collateral <sup>1</sup>	16	-	16	-16	-
Derivatives <sup>2</sup>	41	-	41	-41	-
<b>Total</b>	<b>463</b>	<b>-</b>	<b>463</b>	<b>-58</b>	<b>405</b>
<b>31 December 2024</b>					
Cash and cash equivalents	662	-	662	-	662
Collateral <sup>1</sup>	17	-	17	-17	-
Derivatives <sup>2</sup>	100	-	100	-93	7
<b>Total</b>	<b>779</b>	<b>-</b>	<b>779</b>	<b>-110</b>	<b>669</b>

1 Included in non-current Trade and other receivables.

2 Excluding forex contracts.

### Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements

€ million	Gross amount	Financial assets offset	Net amount in balance sheet	Not offset: financial instruments/cash collateral	Net amount
<b>31 December 2025</b>					
Collateral <sup>1</sup>	51	-	51	-30	21
Derivatives <sup>2</sup>	137	-	137	-28	109
<b>Total</b>	<b>187</b>	<b>-</b>	<b>187</b>	<b>-58</b>	<b>130</b>
<b>31 December 2024</b>					
Collateral <sup>1</sup>	78	-	78	-74	5
Derivatives <sup>2</sup>	161	-	161	-36	125
<b>Total</b>	<b>240</b>	<b>-</b>	<b>240</b>	<b>-110</b>	<b>130</b>

1 Included in non-current Borrowings.

2 Excluding forex contracts.

For the financial assets and liabilities summarized above, each agreement between KPN and the counterparty allows for net settlement of the relevant financial assets and liabilities when both parties elect to settle on a net basis.

### Accounting policy: offsetting financial assets and liabilities

Financial assets and liabilities are offset and reported on a net basis on the balance sheet only when there is a current legally enforceable right to offset the recognized amounts, and there is an intention either to settle on a net basis or to realize the asset and settle the liability simultaneously.

## [14] Trade and other receivables, contract assets and contract costs

### [14.1] Trade and other receivables

€ million	31 December 2025		31 December 2024	
	Current	Non-current	Current	Non-current
Trade receivables	225	-	247	-
Financial receivables handsets	125	-	103	-
Sales to be invoiced	114	-	106	-
Interest to be received	3	-	6	-
Prepayments	82	17	79	15
Accruals and other receivables	27	4	5	30
Loans granted to third parties	-	52	-	49
Loans to associates and joint ventures	-	3	-	3
<b>Total</b>	<b>575</b>	<b>76</b>	<b>546</b>	<b>97</b>

The financial receivables handsets consist of not yet invoiced installment payments on the handset loans, mainly issued by KPN Finance B.V. A handset sale combined with a postpaid subscription is treated as a consumer loan under the Dutch Financial Supervision Act (Wet op het financieel toezicht, Wft) if the consumer customer repays the handset in monthly installments and the credit amount is above €250. These handset installment payments are not conditional on the delivery of the telecoms firm's services. Therefore, a financial receivable is recognized for the installments to be received.

In 2025, KPN Finance assigned €85m in outstanding financial receivables handsets to a bank (2024: €129m) and removed these receivables from the balance sheet as the transfer of the receivables is characterized as a sale because the risks and rewards of ownership of the receivables have been substantially transferred. KPN has provided an indemnity to the bank for when the realized losses on the transferred receivables are exceptionally high. The financial receivables handsets issued by KPN Finance (€108m) are measured at FVOCI (2024: €82m). The fair value is the amount at which these receivables could be assigned to the bank (nominal value less deductions for interest and credit risk as agreed).

Of the other receivables, €23m relates to cash collateral received on derivatives and energy contracts (2024: €27m).

Sales to be invoiced include accrued income related to usage of KPN's network, which is invoiced monthly in arrears.

The fee for projects to be invoiced is accounted for as accrued income if the right to invoice is unconditional and not dependent on the provision of future recurring services.

The carrying amounts of trade and other receivables approximate their fair value. Trade and other receivables are non-interest-bearing. Trade receivables are generally on payment terms of 5-30 days.

The age profile of the gross trade receivables is as follows:

€ million	31 December 2025	31 December 2024
<b>Trade receivables gross</b>		
Amounts undue	183	207
Past due 0–90 days	34	48
Past due 91–360 days	17	13
More than one year	4	4
<b>Total trade receivables gross</b>	<b>239</b>	<b>271</b>
Provision for credit risk exposure	-14	-24
<b>Total trade receivables net</b>	<b>225</b>	<b>247</b>

## [14.2] Contract assets and contract costs

€ million	31 December 2025		31 December 2024	
	Current	Non-current	Current	Non-current
Contract assets	88	67	79	27
Costs to obtain a contract	28	38	31	65
Costs to fulfill a contract	1	-	1	-
<b>Total</b>	<b>118</b>	<b>105</b>	<b>111</b>	<b>91</b>

In 2025, discounts/fees paid in relation to wholesale contracts were reclassified from costs to obtain a contract to contract assets.

### Contract assets

A contract asset is recognized if the earned consideration is conditional. Upon invoicing of contract assets, the invoiced amounts are recognized as trade receivables.

Contract assets include:

- Installation services and hardware delivered at the start of the contract if the amount of revenue recognized is higher than the amounts charged upfront;
- Deferred discounts invoiced to customers if the discount is only granted in the first period of the service contract and the discount is recognized on a straight-line basis over the contract term;
- The consideration to be received regarding those additional scope projects sold to Glaspoort in December 2021 of which the rollout activities have started, at which point other income is recognized. KPN has received 35% of the total consideration in cash upon closing the transaction and the remaining amount is to be received based on rollout progress (see [Note 12](#) for the sale to Glaspoort of additional scope projects);
- Transition projects for business customers when the revenue recognized is higher than the amounts invoiced for the transition phase.

### Contract costs

The costs to be capitalized as costs to obtain or fulfill a contract are the costs that relate directly to a contract, provided it is probable that these costs will be recovered. Contract costs include:

- Transaction-related dealer fees paid to acquire or retain mobile subscribers.
- Transaction-related fees for door-to-door sales of subscriptions fixed network.
- Costs incurred during the transition phase of projects for business customers to be able to deliver recurring services that are not treated as a separate performance obligation. These costs are capitalized as costs to fulfill a contract and expensed, in principle, on a straight-line basis over the remaining contract term in which such recurring services are delivered.

In 2025, the amortization of the contract costs amounted to €64m (2024: €54m).

## [14.3] Allowances for expected credit losses

Movement schedule of the allowances for expected credit losses:

€ million	Trade receivables
<b>Balance at 1 January 2024</b>	<b>16</b>
Additions/releases P&L	17
Usage	-10
<b>Balance at 31 December 2024</b>	<b>24</b>
Additions/releases P&L	-2
Usage	-9
<b>Balance at 31 December 2025</b>	<b>14</b>

The allowance for expected credit losses for trade receivables is based on the aging of the gross amounts and historic losses and is adjusted, if applicable, for expected deterioration or improvement of credit losses based on forecasts of future economic conditions. For the largest customers, an assessment is done as to whether an additional allowance needs to be recognized.

## Accounting policy: trade and other receivables, contract assets and contract costs

Trade and other receivables and contract assets classify as financial assets and are measured at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest method less provisions for impairment. An allowance for expected credit losses is recorded for all financial assets and contract assets at initial recognition. The allowance (or day-one impairment) is based on historical credit loss experience. Expected deterioration or improvement of credit losses based on reasonable and supportable information including forecasts of future economic conditions is also taken into account. A matrix is used to determine the allowance for expected credit losses based on aging of the trade receivables. The matrix is determined for a group of trade receivables with the same payment pattern. For large (corporate) customers, the allowance is based on a matrix and completed by an (individual) assessment. The allowance rates are regularly updated.

A financial asset is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated, such as significant financial difficulty of the obligor or a breach of contract.

The amortized cost is calculated by taking into account any discounts or premiums on acquisition and transactions costs.

The effective interest rate amortization is recognized under finance income or finance costs.

If a financial asset is held within a business model with the objective of both collecting contractual cash flows and selling the financial asset, the financial asset is measured at fair value through other comprehensive income (FVOCI).

A financial asset is derecognized when the rights to receive cash flows from the asset have expired or KPN has transferred the rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and either (1) KPN has transferred substantially all the risk and rewards of the asset, or (2) KPN has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When KPN has transferred the rights to receive cash flows from an asset or has entered into a pass-through arrangement, KPN evaluates if, and to what extent, KPN has retained the risks and rewards of ownership. The risks and rewards are substantially transferred if more than 90% of the variability of the cash flows with respect to an asset is transferred.

### Contract assets

If KPN transfers goods or services to a customer before the customer pays a consideration or before payment is due, a contract asset is recognized if the earned consideration is conditional. A financial receivable is recognized if KPN's right to an amount of consideration is unconditional (only the passage of time is required before payment of the consideration is due).

### Contract costs

The incremental costs of obtaining a contract with a customer are recognized as an asset if KPN expects to recover those costs. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained are recognized as an expense when incurred, unless those costs are explicitly chargeable to customers, regardless of whether the contract is obtained or not.

Costs to fulfill a contract are recognized as an asset if:

- The costs relate directly to a contract; and
- The costs generate or enhance resources that will be used in satisfying performance obligations in the future; and
- The costs are expected to be recovered.

Capitalized contract costs are amortized on a linear basis over the period in which KPN transfers the related goods or services to the customer. KPN applies the practical expedient to immediately expense contract costs when the asset that would have resulted from capitalizing such costs would have been amortized within one year or less.

Assets recognized for costs to obtain a contract and costs to fulfill a contract are subject to impairment testing.

## [15] Cash and cash equivalents

Cash and cash equivalents consist of highly liquid instruments with initial maturities of three months or less, including balances on bank accounts, bank deposits and prime money market funds.

€ million	31 December 2025	31 December 2024
Cash	255	151
Short-term bank deposits and money market funds	150	511
<b>Total cash and cash equivalents</b>	<b>405</b>	<b>662</b>

The decrease in cash and cash equivalents was mainly the result of €675m in dividends paid, €250m in net share repurchases, €59m in M&A and Glaspoort-related payments, €59m in coupon payments on perpetual hybrid bonds, €47m increase in short-term investments, €46m of swap settlements, €44m in net debt redemptions and €23m in net outflow of cash collateral on derivatives, partly offset by €952m in free cash flow.

### Accounting policy: cash and cash equivalents

Cash and cash equivalents comprise cash in hand, deposits held at call with banks, AAA-rated prime money market funds, and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are included in borrowings in current liabilities.

## [16] Equity

### Limitations in distribution of shareholders' equity

Total distributable reserves at 31 December 2025 amounted to €2,724m, which includes the perpetual hybrid bonds (2024: €2,721m). For further details on non-distributable reserves, see [Note C](#) to the "Company financial statements".

### Share capital

Authorized capital totals €720m and is divided into nine billion ordinary shares of 4 eurocents each and nine billion preference shares B of 4 eurocents each. At 31 December 2025, a total of 3,827,465,305 ordinary shares were outstanding and fully paid-in. Dutch law prohibits KPN from casting a vote on shares KPN holds (treasury shares). The ordinary shares and preference shares B carry the right to cast one vote each. The ordinary shares are registered or payable to the bearer.

Shareholders may request the company to convert their registered shares to bearer shares, but not vice versa.

### Share buybacks

In 2025, KPN repurchased 62,465,117 ordinary shares at an average price of €4.00. Of these shares, 61,465,117 were canceled in 2025, reducing the number of outstanding shares to 3,827,465,305.

At the 16 April 2025 AGM, shareholders granted the Board of Management the authority to acquire the company's own ordinary shares for a period of 18 months, starting on 16 April 2025 and ending on 16 October 2026. The number of ordinary shares to be acquired is limited to a maximum of 10% of the issued capital as at 16 April 2025. The shares may be acquired, by or on behalf of the company, on the stock exchange or through other means at a price per share of at least the par value and at most the quoted share price plus 10%. The quoted share price is defined as the average of the closing prices of KPN shares as reported in the official price list of Euronext Amsterdam over the five trading days prior to the acquisition date. Resolutions by the Board of Management to acquire the company's own shares are subject to the approval of the Supervisory Board.

Ordinary shares purchased by the company will either be canceled or held in treasury. At the 16 April 2025 AGM, shareholders granted the Board of Management the authority to reduce the issued capital by canceling own shares with the approval of the Supervisory Board. The number of shares that may be canceled is restricted to a maximum of 10% of the issued capital as at 16 April 2025 and these may, if desired, be canceled in one or more phases.

## Other reserves

€ million, unless indicated otherwise	Number of treasury shares	Treasury shares reserve	Hedge reserve	Currency translation reserve	Total other reserves
<b>Balance at 1 January 2024</b>	<b>3,510,888</b>	<b>-17</b>	<b>-114</b>	<b>17</b>	<b>-114</b>
Movements recorded in OCI (net)	-	-	18	-	18
Share buyback	59,987,360	-200	-	-	-200
Shares canceled	-58,487,360	195	-	-	195
Treasury shares sold and transferred	-2,359,506	11	-	-	11
<b>Balance at 31 December 2024</b>	<b>2,651,382</b>	<b>-11</b>	<b>-96</b>	<b>17</b>	<b>-91</b>
Movements recorded in OCI (net)	-	-	49	-	49
Share buyback	62,465,117	-250	-	-	-250
Shares canceled	-61,465,117	242	-	-	242
Treasury shares sold and transferred	-1,247,964	5	-	-	5
<b>Balance at 31 December 2025</b>	<b>2,403,418</b>	<b>-14</b>	<b>-47</b>	<b>17</b>	<b>-45</b>

The additional paid-in capital is exempt from Dutch tax up to an amount of €8,067m at 31 December 2025 (2024: €8,311m).

Movements in the hedge reserve recorded in OCI are net of a tax loss of €17m in 2025 (2024: €6m loss) and a tax loss in the movement in the currency translation reserve of €1m (2024: nil).

### Hedge reserve

€ million	31 December 2025	31 December 2024
Effective portion cash flow hedges <sup>1</sup>	-23	-76
Amortizable part <sup>2</sup>	-40	-53
<b>Hedge reserve</b>	<b>-63</b>	<b>-129</b>
Tax effect	16	33
<b>Hedge reserve, net of tax</b>	<b>-47</b>	<b>-96</b>

1 The effective portion of cash flow hedges will be recognized in the P&L in line with the maturities of the related derivatives (see Note 13.3).

2 The amortizable part of the hedge reserve is amortized over the remaining life of the related bonds (between 2016 and 2030). The impact on the P&L will be € 12m in 2026.

## Treasury shares reserve

KPN has purchased shares in its own capital for delivery upon vesting of equity-settled share plans for management (see Note 5). Votes on purchased shares may not be cast and do not count in determining the number of votes required at a general meeting of shareholders. In 2025, 1.0 million shares were purchased for the equity-settled share plans (2024: 1.5 million). In 2025, 1.2 million shares were sold and transferred in connection with vesting of these plans (2024: 2.4 million).

Treasury shares are accounted for at cost, representing the market price on the acquisition date. The proceeds on delivery of the treasury shares are recognized directly in the other reserves.

## Equity attributable to holders of perpetual hybrid bonds

On 21 September 2022, KPN issued a €500m hybrid bond with a 6.00% coupon and on 18 June 2024 a €500m hybrid bond with a 4.875% coupon, both with a perpetual maturity. These bonds are classified as equity in the consolidated statement of financial position and valued at net proceeds (see Note 13.2). On 20 June 2024, the hybrid bond with a 2.00% coupon issued in 2019 was partially repurchased for a principal amount of €281m and on 20 December 2024 KPN announced that it would redeem the remaining outstanding principal amount (€219m) at its first reset date (8 February 2025). As a consequence, the remaining outstanding amount of this bond was reclassified from equity to borrowings as of the date of the announcement.

## Foundation Preference Shares B KPN

KPN has granted a call option, which is not limited in time, to the Foundation Preference Shares B KPN (the Foundation) to acquire preference shares B. For further information about the Foundation, see the "Corporate governance" section.

In KPN's opinion, the call option does not represent a significant fair value due to the fact that dividend paid on the preference shares B, issued after exercise of the call option, is linked to Euribor.

## Dividend per share

At the AGM on 15 April 2026, a final dividend of 10.9 eurocents per share will be proposed in respect of 2025. In August 2025, KPN paid an interim dividend in respect of 2025 of 7.3 eurocents per share, in total €279m, bringing the total regular dividend in respect of 2025 to 18.2 eurocents per share (in total €696m based on the number of outstanding shares at 31 December 2025 less Treasury shares held by KPN).

These financial statements do not reflect the proposal for the remaining dividend payable. In April 2025, KPN paid a final dividend of 10.2 eurocents per share in respect of 2024, in total €395m. The total dividend in respect of 2024 was 17.0 eurocents per ordinary share.

## [17] Retirement benefits

Retirement benefits are provided through a number of defined contribution plans and funded and unfunded defined benefit plans. The most significant plans are described below.

### KPN's main pension plan

KPN's main pension plan covers employees in the Netherlands who are subject to KPN's collective labor agreement and employees with an individual labor agreement, and is externally funded through Stichting Pensioenfonds KPN. This plan is a collective defined contribution pension plan. It is accounted for as a defined contribution plan because KPN has no other obligation than to pay the annual contribution. This is a fixed percentage of the pensionable base for a period of three years. After this three-year period the annual contribution is reassessed based on a fixed and agreed method in which no reflection of past service or the funded status of the fund is included.

On 30 May 2023, the Dutch Senate adopted the new Dutch Pension Act to reform the Dutch pension system. This will impact every employer with a pension scheme in place. In practice, all pension arrangements with employees and contracts with pension providers will need to be renewed. The deadline for transition is 1 January 2028. The new pension scheme that is expected to be implemented on 1 October 2026 will continue to be accounted for as a defined contribution plan. The fixed percentage of the pensionable base which KPN has paid as a contribution since 1 January 2023 is extended until the new pension scheme has been implemented, after which a new fixed percentage will be paid.

### Getronics UK

The Getronics UK operations were divested in 2012. The closed and frozen pension plan of the former UK operations remained with KPN. The plan consists of a defined benefit section and a smaller defined contribution section with a guaranteed minimum pension (GMP) underpin. The assets in the plan are held separately from KPN in an independently administered fund. The UK plan operates under the regulations of the The Pensions Regulator. The plan is managed by independent trustees who have a fiduciary duty to act in the best interests of the plan members. Responsibilities for plan governance include setting investment strategy, monitoring fund performance, and ensuring compliance with relevant legislation. A funding agreement applies whereby KPN provides contributions to the plan on the basis set out in the triennial statutory actuarial valuation, for Pension Protection Fund levies and certain other costs in relation to the plan.

The deficit in the plan's funding must be recovered by the investment returns of the plan assets and contributions by KPN. It has been agreed with the trustees that the contributions for 2026 amount to £4m and that from 1 January 2027 no contributions are payable other than the Pension Protection Fund levies.

The pension plan exposes KPN to a number of risks, which could have an impact on the future contributions by KPN and the liability recorded in its balance sheet. The most significant risks are summarized below:

- Asset volatility risk: The pension plan's assets are partially invested in equity securities and other return-seeking assets, so the plan's funding levels are exposed to equity market risks. For example, geographic conflicts and interest rate fluctuations could cause significant volatility;
- Interest rate risk: A fall in interest rates will increase the plan's liabilities, although this will be largely offset by an increase in the value of the plan's liability-driven investments;
- Inflation risk: The indexation of part of the plan's accrued benefits is based on a combination of consumer and retail price indices, so the plan is exposed to inflation risk, although the indexation is capped and this risk is largely hedged with inflation-linked bonds;
- Life expectancy risk: The plan provides benefits for the life of the participants, so increases in life expectancy will result in an increase in the plan's liabilities.

GMP is a portion of pension that was accrued by individuals who were contracted out of the additional state pension prior to 6 April 1997. At present there is an inequality of benefits between male and female members who have GMP. The UK High Court ruled in 2018 that equalization will be required for affected defined benefit pension schemes. In the course of 2025, the method for equalizing has been formally agreed with the trustees and this will be implemented in 2026. Since 2018, the benefit obligations have been increased by a fixed percentage to reflect the expected cost of GMP equalisation. The final cost to the UK plan for equalizing depends on a complex interaction between the benefit design and membership profile.

### Getronics US

The Getronics US operations were divested in 2008. The closed and frozen pension plan of the former US operations remained with KPN and was accounted for as a defined benefit plan. The assets of the plan were held separately from KPN in independently administered funds. The plan operated under the provisions of the Employee Retirement Income Security Act (ERISA). In 2023, KPN started the process to terminate the plan and settle all of the plan's liabilities. In 2024, KPN acquired from the plan its investment in the Townsend Real Estate Fund at fair market value (€10m, see [Note 13.1](#)) and made a final contribution to the plan of €2m to fully fund the plan. The plan was terminated in 2025 and excess assets of €1m were transferred to KPN.

### Other

KPN has a number of other funded (insured) plans in the Netherlands which are all closed to new entrants. KPN is not entitled to any excess profits. In 2025, these plans were classified as defined contribution going forward, after a risk reassessment. KPN is not entitled to any excess profits nor obliged to make additional contributions other than those related to value transfers. The risk therefore does not fall in substance on the employer. Under Dutch law, KPN could be required to make contributions if participants of these plans require a value transfer to another pension fund or insurer.

In 2022, a new early retirement plan was implemented for a limited group of employees, for which an expense of €1m was recorded in 2025 and in 2024. This plan has been treated as a defined benefit.

## Provisions for retirement benefit obligations

The provisions for retirement benefit obligations consist of the net defined benefit liability regarding pension plans and early retirement plans, which are accounted for as defined benefit plans as described above. See the table below for a specification of the balance sheet position.

€ million	Defined benefit obligation <sup>1</sup>		Fair value of assets		Net defined benefit liability (asset)	
	2025	2024	2025	2024	2025	2024
<b>Balance at 1 January</b>	<b>280</b>	<b>386</b>	<b>-263</b>	<b>-353</b>	<b>17</b>	<b>33</b>
<b>Included in profit or loss</b>						
Operating expense <sup>2</sup>	-27	-92	29	96	2	4
Interest expense (income)	14	16	-13	-14	-1	2
<b>Included in OCI</b>						
Remeasurements loss (gain):						
Actuarial loss (gain) <sup>3</sup>	-	-20	-	-	-	-20
Return on plan assets excluding interest income	-	-	-2	16	-2	16
Effect of movements in exchange rates	-12	14	12	-12	-	2
<b>Total</b>	<b>-12</b>	<b>-6</b>	<b>10</b>	<b>4</b>	<b>-2</b>	<b>-2</b>
<b>Other</b>						
Employer's contribution	-	-	-10	-20	-10	-20
Benefits paid	-17	-24	17	24	-	-
<b>Balance at 31 December</b>	<b>238</b>	<b>280</b>	<b>-230</b>	<b>-263</b>	<b>7</b>	<b>17</b>

1 The measurement date for all defined benefit plans is 31 December.

2 In 2025, a service cost of € 1m was recognized related to the early retirement plan (2024: €1m). Administrative costs were €2m in 2025 and €3m in 2024. Operating expense in 2025 includes the classification of the insured plans in the Netherlands as 'defined contribution' going forward. This reclassification has been recognized as a settlement with no net impact on income (as both DBO and plan assets decreased with €28m). Operating expense in 2024 includes the transfer of the pension liabilities of the US pension fund to an insurance company resulting in a past service gain of €1m (DBO decrease of €94m and plan asset decrease of €93m). In 2025, an additional €1m past service gain was recorded due to a refund from the insurance company.

3 The actuarial loss (gain) in 2025 and 2024 consists of demographic assumptions (€-3m and €5m), financial assumptions (€+2m and €-28m) and experience adjustments (€0m and €3m).

## Defined benefit obligations

### Actuarial assumptions

The key actuarial assumptions used in the calculation of the defined benefit obligations are as follows:

	31 December 2025		31 December 2024	
	Getronics UK	Getronics UK	Other	
Discount rate (%)	5.4	5.5	3.4	
Expected salary increases (%)	n/a	n/a	2.0	
Expected benefit increases/indexation (%)	2.2-2.6	2.4-2.9	0.0	
Life expectancy for pensioners at retirement age:				
Men	22.1	21.7	21.8	
Women	24.0	23.8	23.8	

The discount rate is based on the yield of AA corporate bonds with maturities equal to the duration of the benefit obligations and in the applicable currency. At 31 December 2025, the duration of the defined benefit obligation was 10 years.

Assumptions regarding life expectancy are based on published statistics and mortality tables that include allowances for future improvement in mortality. The mortality tables used in the UK are the scaling factors of 97% for men and 102% for women of the SAPS S3PXA tables, which include the Continuous Mortality Investigation 2024 projection of a 1.0% long-term improvement. Life expectancy in the UK at the age of 65 is expected to increase in the next 20 years by between 1 and 2 years.

### Sensitivity analysis

The following table shows the approximate impact on the defined benefit obligation of a change in the key actuarial assumptions of 0.5% and of a change in life expectancy of one year.

€ million	31 December 2025		31 December 2024	
	Increase	Decrease	Increase	Decrease
Discount rate	-11	12	-14	15
Expected salary increases	-	-	-	-
Expected benefit increases	7	-7	7	-7
Life expectancy	8	-8	11	-11

This sensitivity analysis assumes changes in one variable while holding others constant, which may not reflect real-world interdependencies.

## Plan assets

The assets of all defined benefit pension plans at 31 December 2025 and 2024 comprise:

	31 December 2025	31 December 2024
<b>Quoted in active markets:</b>		
Equity securities	22%	17%
Fixed-income securities	53%	50%
Real estate	1%	2%
Other	2%	0%
<b>Not quoted in active markets:</b>		
Fixed-income securities	14%	13%
Other	8%	18%

## Strategic investment policies

The strategic asset allocations of the defined benefit plans at year-end 2025 were as follows:

€ million	Getronics UK
Equity securities	20%
Fixed-income securities (including inflation-linked bonds)	60%
Other	20%
<b>Total</b>	<b>100%</b>

The Getronics UK pension fund maintains liability hedge ratios on a technical provision basis of 100% of assets for both interest rate and inflation exposure, resulting in higher hedge ratios as its funded status improves. As the UK pension fund invests in global investment funds, a minimal part of these investments could be related to KPN equities. The pension funds do not have direct investments in KPN equities.

## Expected contributions and benefits

In 2025, the total employer's contributions and benefit payments for all defined benefit and defined contribution plans amounted to €102m, consisting of €92m in employer's premiums for defined contribution plans, €9m in contributions for funded defined benefit plans and €1m in payments for unfunded plans.

The amount of employer's contributions in 2026 for remaining defined benefit pension plans is estimated to be €5m for the funded plan (UK pension plan) and €1m for the unfunded plan (early retirement plan). The total amount of employer's premiums to be paid in 2026 for the defined contribution plans is estimated to be €96m.

## Accounting policy: provisions for retirement benefit obligations (pension obligations)

The liability recognized in respect of all pension and early retirement plans that qualify as a defined benefit obligation is the present value of the defined benefit obligation less the fair value of plan assets. KPN uses actuarial calculations (projected unit credit method) to measure the obligations and the costs. For the calculation, actuarial assumptions are made about demographic variables (such as employee turnover and mortality) and financial variables (such as future indexation and the discount rate). The discount rate is determined by reference to market rates. These are interest rates of high-quality corporate bonds that are denominated in the currency in which the benefit will be paid and that have terms to maturity approximating the terms of the related liability. A net defined benefit asset may arise where a defined benefit plan has been overfunded. KPN recognizes a net defined benefit asset in such a case only when future economic benefits are available to KPN in the form of a reduction in future contributions or a cash refund. Actuarial gains and losses are recognized immediately in OCI.

Past service costs, curtailments and settlements are recognized immediately in the P&L.

The amount of pension costs included in operating expenses with respect to defined benefit plans consists of service cost, past service costs, curtailments and settlements, and administration costs. Net interest on the net defined benefit liability is presented as part of finance costs.

For pension plans that qualify as a defined contribution plan, KPN recognizes contributions as an expense when an employee has rendered service in exchange for those contributions.

## [18] Provisions for other liabilities and charges

€ million	31 December 2025	31 December 2024
Restructuring provision	20	19
Asset retirement obligations	92	77
Other provisions	33	38
<b>Total provisions for other liabilities and charges</b>	<b>145</b>	<b>134</b>
> of which: current	30	29
> of which: non-current	115	105

### Statement of changes in provisions

€ million	Personnel	Contractual	Total restructuring	Asset retirement obligation	Other provisions	Total provisions
<b>Balance at 1 January 2024</b>	<b>22</b>	<b>2</b>	<b>24</b>	<b>75</b>	<b>36</b>	<b>135</b>
<b>of which: current portion</b>	<b>22</b>	<b>1</b>	<b>23</b>	<b>4</b>	<b>5</b>	<b>32</b>
Additions	28	-	28	6	9	43
Releases	-	-	-	-1	-1	-2
Usage	-33	-1	-34	-3	-6	-42
<b>Balance at 31 December 2024</b>	<b>17</b>	<b>1</b>	<b>19</b>	<b>77</b>	<b>38</b>	<b>134</b>
<b>of which: current portion</b>	<b>17</b>	<b>1</b>	<b>18</b>	<b>4</b>	<b>7</b>	<b>29</b>
Additions	37	-	37	13	5	55
Releases	-	-	-	-9	-2	-12
Usage	-35	-1	-35	-2	-8	-46
Changes in consolidation <sup>1</sup>	-	-	-	13	-	13
<b>Balance at 31 December 2025</b>	<b>19</b>	<b>1</b>	<b>20</b>	<b>92</b>	<b>33</b>	<b>145</b>
<b>&lt; 1 year</b>	<b>18</b>	<b>1</b>	<b>19</b>	<b>5</b>	<b>6</b>	<b>30</b>
<b>1-5 years</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>13</b>	<b>7</b>	<b>20</b>
<b>&gt; 5 years</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>74</b>	<b>20</b>	<b>94</b>

1 Changes in consolidation relates to Althio.

### Restructuring provisions

Employee redundancy costs are payable when employment is terminated before the normal retirement date, or whenever an employee accepts redundancy in exchange for these benefits.

Termination benefits are recognized when KPN is demonstrably committed either to terminating employment according to a detailed formal plan without the possibility of withdrawal or to providing termination benefits as a result of an individual and accepted offer. Benefits falling due more than 12 months after 31 December are discounted to present value.

### Asset retirement obligations

The provision for asset retirement obligations (ARO) relates to radio sites and leased buildings and is based on assumptions of the estimated costs of removal, discount rate and estimated period of removal, which vary per type of asset. In 2025, €13m was added to the ARO provision (2024: €6m) and €9m was released (2024: €1m). Of the addition to the ARO provision in 2025, €12m was recognized as an increase in the carrying value of the capitalized asset retirement costs (ARC), which is included in Property, plant and equipment (2024: €5m). Of the release of the ARO provision in 2025, €9m was recognized as a decrease in the carrying value of the ARC (2024: €0).

As defined in the Telecommunications Act, the obligation for landlords to tolerate cables terminates as soon as those cables have been idle for a continuous period of 10 years. The covenant the telecoms sector concluded with a representation of landlords ("Uitvoeringsafspraken Verwijderen Ongebruikte Telecomkabels") states there must be a clear usefulness and necessity to remove the copper cables, also taking into account the expected costs of the removal operation. There are major uncertainties as to (1) whether and when landlords will place a reasonable request for removal of idle cables that meet the conditions of the covenant and (2) the amount and timing of any outflow. In our opinion, it is therefore not possible to make a reliable estimate of the amount that is required to meet the obligation and hence no provision for future claims was recognized at 31 December 2025 nor at 31 December 2024. There were also no material actual claims that need provisioning.

### Other provisions

This includes provisions for claims and litigations, onerous contracts and warranties, and provisions for long-term obligations to employees 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. The expected costs of these benefits are accrued over the period of employment using an accounting method similar to that for defined benefit pension plans, except that actuarial gains and losses and past-service costs are recognized immediately in the P&L.

### **Accounting policy: provisions for other liabilities and charges**

Provisions for asset retirement obligations, restructuring costs and legal claims are recognized when KPN has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. When these criteria are not met, these positions are classified as contingent liabilities, unless the cash outflow is considered remote.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

## [19] Leasing

### Right-of-use assets

€ million	Mobile network	Fixed network & data centers	Real estate	Vehicles	Other	Total
Accumulated cost	1,065	77	484	104	30	1,760
Accumulated depreciation & impairment	-485	-64	-332	-53	-11	-945
<b>Balance at 1 January 2024</b>	<b>580</b>	<b>13</b>	<b>152</b>	<b>51</b>	<b>19</b>	<b>815</b>
Additions	19	-	1	47	3	71
Remeasurement & lease modifications	-5	-	3	-3	2	-3
Change in consolidation	-	-	-	-	-	-
Depreciation	-65	-6	-31	-24	-7	-132
Impairments	-	-	-	-	-	-
<b>Closing net book value</b>	<b>529</b>	<b>7</b>	<b>125</b>	<b>72</b>	<b>17</b>	<b>750</b>
Accumulated cost	1,051	37	484	121	34	1,727
Accumulated depreciation & impairment	-522	-30	-359	-50	-17	-977
<b>Balance at 31 December 2024</b>	<b>529</b>	<b>7</b>	<b>125</b>	<b>72</b>	<b>17</b>	<b>750</b>
Additions	10	0	4	15	14	43
Remeasurement & lease modifications	-63 <sup>1</sup>	1	-11	1	1	-71
Change in consolidation <sup>2</sup>	54	-	-	-	-	54
Depreciation	-53	-3	-30	-23	-8	-117
Impairments	-	-	-	-	-	-
<b>Closing net book value</b>	<b>476</b>	<b>6</b>	<b>89</b>	<b>64</b>	<b>24</b>	<b>659</b>
Accumulated cost	751	31	439	121	48	1,390
Accumulated depreciation & impairment	-276	-25	-349	-57	-24	-731
<b>Balance at 31 December 2025</b>	<b>476</b>	<b>6</b>	<b>89</b>	<b>64</b>	<b>24</b>	<b>659</b>
Total estimated lease term at commencement of a lease (in years)	5-15	5-20	5-20	5-7	<5	

1 This mainly relates to the termination of the former lease contracts between KPN and OTC/NOVEC legal entities.

2 Relates to the Althio transaction

### Lease liabilities

€ million	Mobile network	Fixed network & data centers	Real estate	Vehicles	Other	Total
Non-current lease liability	522	11	151	34	14	733
Current lease liability	101	7	33	15	5	162
<b>Balance at 1 January 2024</b>	<b>624</b>	<b>19</b>	<b>184</b>	<b>49</b>	<b>19</b>	<b>894</b>
Additions	19	2	1	47	3	73
Remeasurement & lease modifications	-7	-	3	-3	2	-4
Change in consolidation	-	-	-	-	-	-
Interest	15	-	4	3	-	23
Redemptions	-83	-8	-39	-25	-12	-166
<b>Closing net book value</b>	<b>569</b>	<b>14</b>	<b>153</b>	<b>71</b>	<b>11</b>	<b>818</b>
Non-current lease liability	467	10	117	52	10	656
Current lease liability	102	4	36	19	1	163
<b>Balance at 31 December 2024</b>	<b>569</b>	<b>14</b>	<b>153</b>	<b>71</b>	<b>11</b>	<b>818</b>
Additions	10	3	4	14	14	45
Remeasurement & lease modifications	-71 <sup>1</sup>	-1	-11	1	1	-81
Change in consolidation <sup>2</sup>	54	-	-	-	-	54
Interest	14	-	4	3	-	20
Redemptions	-67	-5	-41	-25	-11	-148
<b>Closing net book value</b>	<b>508</b>	<b>11</b>	<b>109</b>	<b>64</b>	<b>15</b>	<b>707</b>
Non-current lease liability	433	8	75	44	15	575
Current lease liability	75	4	34	20	-	132
<b>Balance at 31 December 2025</b>	<b>508</b>	<b>11</b>	<b>109</b>	<b>64</b>	<b>15</b>	<b>707</b>

1 This mainly relates to the termination of the former lease contracts between KPN and OTC/NOVEC legal entities.

2 Relates to the Althio transaction

The redemptions reflect the total payments made during the year for the lease fees included in the lease liability. The redemption consists of the repayments of the lease liabilities which are presented in the cash flow from financing activities (2025: €127m, 2024: €143m) and the interest paid during the year (2025: €20m, 2024: €23m), which is part of the cash flow from operating activities.

For the maturity analysis of the lease liabilities, see [Note 13.4](#).

KPN's lease portfolio consists of mobile network (mostly site rentals and mobile towers), fixed network and data centers (technical buildings), real estate (offices and shops), vehicles and other leased assets.

The following amounts are recognized in the profit or loss:

€ million	2025	2024
Depreciation of right-of-use assets	-117	-132
Impairment (-) or impairment reversal right-of-use assets	-	-
Gain or loss (-) on early terminations	-38 <sup>1</sup>	2
<b>Total depreciation &amp; impairments presented in the P&amp;L</b>	<b>-155</b>	<b>-130</b>
Interest on lease liabilities	-20	-23
<b>Total amount recognized in profit or loss</b>	<b>-175</b>	<b>-153</b>

1 Includes the cost for terminating existing Althio lease contracts (see Note 21)

In 2025, KPN entered into sale and leaseback transactions for some of its technical buildings. The transactions resulted in a gain of €15m, included in Other income (2024: €8m). The leaseback periods are limited to a period of five years. The impact on the lease liability and right-of-use asset (fixed network) was limited in both years.

The expenses related to short-term vehicle leases (included in Personnel expenses) are not material. KPN does not apply the low-value exemption and does not have contracts with variable lease payments other than variable lease payments dependent on an index or a rate.

Most of KPN's lease contracts include extension (renewal) or termination options in line with industry practice. In general these options do not contain rights for exercising termination options or renewing leases with favourable terms and conditions. KPN exercises significant judgment in determining whether these options are reasonably certain to be exercised (see Note 2). The assessments are updated annually or when a significant change in economic circumstances occurs. Periods covered by renewal options deemed reasonably certain or early termination options that are reasonably certain not to be exercised are included in the total lease liability.

A significant number of KPN's contracts have an unlimited number of extension options. Only those deemed reasonably certain are included in the lease term and therefore the lease liability. A reliable estimate of the potential future lease payments related to periods beyond the lease terms reflected on the balance sheet cannot be provided. This affects mostly the mobile network as well as real estate. Vehicles are generally returned by the end of their term.

## KPN as lessor

KPN acts as a lessor in a limited number of real estate locations, mobile sites (Althio) and some specific types of customer premises equipment, all classified as operating leases. The mobile sites are in general owned assets classified as land and buildings. The terms are 1-15 years. Leases generally include a clause to enable upward revision of the lease fees (annual indexation) and do not contain buy-back agreements, residual value guarantees or variable lease payments. Rental income recognized in 2025 amounted to €36m (2024: €2m). The undiscounted amount of future minimum lease receivables under the non-cancelable operating leases at 31 December 2025 was €325m (31 December 2024: €9m). The undiscounted lease payments to be received on an annual basis are €43m for 2026, €44m for 2027, €140m for 2028-2030 and €98m for the remaining years. The carrying amount of assets leased to third parties under operating leases is €143m (2024: nil).

### Accounting policy: leases

#### KPN as lessee

##### Lease liabilities

At the commencement date of a lease (i.e. the date on which the underlying asset of the lease is available for use by KPN), KPN recognizes a lease liability measured at the present value of future lease payments to be made over the term of the lease. This includes fixed fees (including in-substance fixed payments), lease incentives (such as rent-free periods or fee discounts), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. KPN does not have purchase options to be taken into account. Penalties for early termination of a lease are not included when KPN is reasonably certain that the related early termination will not take place.

All KPN contracts that contain variable lease payments depend on a consumer price index or a rate. However, should other types of fees occur, these variable fees will be accounted for in the operating expenses.

After the commencement date, the lease liabilities increase due to the accrual of interest and decrease due to the payments of fees due. The lease liabilities are remeasured when a change occurs in fees due, the lease term is deemed reasonably certain and/or there are changes to the scope of a lease. Upon remeasurement of the lease liability of a contract, the applied discount rate (incremental borrowing rate) is revised unless the remeasurement relates to a fee change following a change in the consumer price index or rate.

The total lease liability recognized is split into a non-current and a current portion. The current lease liabilities reflect only the part of the payments due within one year related to the repayment of the total lease liabilities.

**Lease term**

KPN determines the lease term as the non-cancelable term of a contract together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised.

KPN applies judgment when assessing if the use of an option is reasonably certain. Factors included are KPN's asset and network strategy, technological developments, and other circumstances that may impose an economic incentive affecting the expected use of an underlying asset. For vehicles, renewal options are not included in the initial assessment of the lease term as KPN's policy prescribes the return of vehicles to the lessor at the end of the lease term.

After the commencement of a lease, KPN reassesses the lease term if there is a significant event or change in circumstances that is within KPN's control and affects KPN's ability to exercise or not to exercise the option to renew or to terminate a lease.

**Incremental borrowing rate**

The implicit discount rates of KPN's leases are not readily available, with the exception of vehicles. KPN applies its applicable incremental borrowing rate to determine the discounted value of the lease liabilities. Upon modification of a lease, the lease liability is remeasured using the applicable discount rate at the date of the remeasurement. KPN's incremental borrowing rates are mainly determined using a risk-free rate combined with a spread reflecting KPN's credit risk. The applicable rate per contract is primarily dependent on the total expected term of a lease at its commencement date (new leases) or the total expected remaining lease term in the event of a remeasurement of a lease.

**Right-of-use assets**

Right-of-use assets are recognized at the commencement date of a lease as counterpart to the lease liabilities. The right-of-use assets are measured at cost, less accumulated depreciation and impairment losses, and adjusted for any remeasurement in the corresponding lease liabilities. The cost of the right-of-use assets includes the initially recognized amount of the corresponding lease liabilities, initial direct costs incurred in obtaining the lease (if any) and lease payments made at or before commencement of the lease. Lease incentives received are deducted from the carrying value of the right-of-use assets.

The right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life of the underlying asset and the lease term. Right-of-use assets are subject to impairment.

**Short-term leases and leases of low-value assets**

KPN does not apply the practical expedients for low-value leases (leases of an underlying asset with a value of less than €5,000) and short-term leases (leases with a total expected term of less than 12 months) except for short-term rental vehicles.

For vehicle leases, KPN applies the practical expedient not to separate non-lease components from lease components. Therefore, the full monthly lease fees are reflected in KPN's statement of financial position. For all types of leased assets, electricity and fuel-related expenses remain part of operating expenses.

**KPN as lessor**

Leases where KPN as lessor retains a significant portion of the risk and rewards of ownership of the lease asset are classified as operating leases. The assets remain on the balance sheet and are depreciated over the assets' useful life.

Lease payments received from lessees are recognized as revenue on a straight-line basis over the lease period.

If KPN acts as a lessor in a finance lease, the transaction is accounted for as a normal sale and the present value of the lease payments to be received is recognized as a receivable. The difference between the gross receivable and the present value of the receivable is deferred and recognized as interest over the lease term.

## [20] Contract liabilities, trade and other payables

### Trade and other payables

€ million	31 December 2025		31 December 2024	
	Current	Non-current	Current	Non-current
Trade payables	696	-	600	-
Accrued interest	100	-	99	-
Accrued expenses	312	-	341	-
Social security and other taxes payable	210	-	217	-
Other payables	38	36	22	23
<b>Total</b>	<b>1,357</b>	<b>36</b>	<b>1,278</b>	<b>23</b>

Some of KPN's suppliers participate in supplier finance arrangements giving suppliers the opportunity to receive earlier payment (from a financial institution), without modifying KPN's payment terms, or providing KPN with an extended payment period. As the payment terms under these arrangements do not materially deviate from customary payment terms in the industry or from the terms agreed with suppliers who do not participate in these arrangements, the related liabilities are classified as trade and other payables, and payments are classified as operating cash flow. The supplier finance arrangements do not impact covenants or KPN's access to (future) borrowings from financial institutions.

€ million	31 December 2025	31 December 2024
<b>Carrying amount of liabilities that are part of supplier finance arrangements</b>		
Presented within trade payables	260	264
Of which suppliers have been paid by finance providers	196	215
<b>Range of payment due dates (days after the invoice date)</b>		
Liabilities that are part of the arrangements	30-90 days	30-90 days
Comparable trade payables that are not part of the arrangements	30-90 days	30-90 days

### Contract liabilities

€ million	31 December 2025		31 December 2024	
	Current	Non-current	Current	Non-current
Contract liabilities	178	151	164	130
Of which variable considerations	-	103	-	100

The contract liabilities primarily relate to the consideration received from customers before satisfying performance obligations, such as advances for subscriptions and airtime. KPN recognizes a contract liability for postpaid and prepaid bundled minutes and data increasingly based on the passage of time of these bundles per proposition. The utilization percentage is the actual pro-rata period as a percentage of total credits granted for that period.

A contract liability is also recognized for:

- Mobile connection fees charged to the customer if the connection is not treated as a separate performance obligation;
- Fees invoiced for transition projects for business customers if the project is not treated as a separate performance obligation. If the transition project is treated as a separate performance obligation, a contract liability is recognized if the amount invoiced is higher than the amount of revenue allocated to the project.

Contract liabilities are recognized for variable considerations which are not deemed highly probable. The introduction of new mobile consumer propositions in August 2016 caused a change in the VAT calculation methodology, which resulted in a lower remittance of VAT from August 2016 until December 2018. KPN's view is not shared by the Dutch tax authorities. KPN has concluded, based on the applicable regulations, that a positive outcome of this dispute is not highly probable and has therefore recorded a contract liability for the VAT amount. Additionally, an amount for the corresponding interest amount has been accounted for. A potential final negative outcome of the current court proceedings will lead to cash outflow for an amount up to the non-current variable considerations (€103m), which includes accrued interest.

The year's revenues include the current portion of the contract liability balance at the beginning of the year.

### Accounting policy: contract liabilities, trade and other payables

Trade and other payables are classified as "borrowings" within KPN's financial liabilities. For the accounting policy, see [Note 13](#).

Contract liabilities are recognized in the statement of financial position for considerations received in respect of unsatisfied performance obligations. Contract liabilities are recognized as revenue when KPN performs under the contract.

# Other notes to the consolidated financial statements

## [21] Business combinations

### Changes in consolidation: Acquisitions classified as business combinations

€ million	2025	2024
<b>Recognized amounts of identifiable assets acquired and liabilities assumed:</b>		
Intangible assets	153	99
Property, plant and equipment	116	9
RoU assets	54	-
Trade and other receivables, prepayments and accrued income	46	9
Net cash and cash equivalents	15	17
Non-current liabilities	-162	-
Deferred income tax liability	-46	-25
Trade and other payables and accrued expenses	-74	-19
<b>Total net assets</b>	<b>102</b>	<b>91</b>
<b>Non-controlling interest at fair value</b>	<b>-50</b>	<b>-</b>
<b>Total net assets at fair value acquired</b>	<b>52</b>	<b>91</b>
Total consideration	148	217
Contingent cash consideration	-	9
<b>Total consideration</b>	<b>148</b>	<b>226</b>
<b>Goodwill</b>	<b>95</b>	<b>135</b>

### Althio

On 13 February 2025, KPN and ABP completed the transaction resulting in the creation of a new open tower company, named Althio B.V. ("Althio"). The transaction was approved by the ACM on 6 February 2025. KPN holds 51% of the shares in Althio, while the remaining 49% shares are owned by Stichting Depository APG Infrastructure Pool 2016, an investment entity managed by ABP.

Following the transaction, Althio holds the combined passive mobile infrastructure of KPN as well as those of NOVEC and OTC (portfolio companies previously owned by TenneT and ABP respectively). This combined portfolio comprises of approximately 3,800 towers and rooftops throughout the Netherlands. This strategic partnership is in line with KPN's Connect, Activate & Grow strategy to optimize the value of its passive infrastructure assets and retain strategic flexibility. Through the creation of Althio, 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. As part of the transaction some existing lease conditions were reset. Althio and KPN entered into a long-term master service agreement (MSA), stipulating the terms under which KPN will continue to be a tenant of Althio for an initial period of 20 years. Althio also holds a build-to-suit commitment for the next 10 years from KPN to provide (additional) coverage from its existing sites or to acquire or build new sites.

KPN has assessed that it has control over Althio. The assessment includes, among other factors, the following:

- KPN's influence on Althio's relevant activities through KPN's presence in the governance structure;
- KPN has a majority of the voting rights and has the right to direct key operational and financial decisions.

The transaction resulted in a cash payment of €113m and a non cash-payment in the form of a demerger of KPN's passive mobile infrastructure to Althio in exchange for a controlling 51% interest in Althio. This demerger has been treated as the sale of a subsidiary without the loss of control. KPN recognized a book gain of €54m directly in equity for the disposal of 49% of its passive mobile infrastructure, effectively, of which the fair value is €72m.

KPN was lessee to a substantial number of sites owned and operated by OTC, NOVEC and their subsidiaries (all acting as lessors). These leases were subject to various framework agreements between KPN and the OTC/NOVEC legal entities. One of the elements of the transaction was a full reset and harmonization of these contracts (as well as a reset of the lease fees). The parties agreed to terminate the existing lease contracts and enter into a new master service agreement (MSA). This part of the transaction was subject to the requirements of IFRS 3.51 & 52 (settlement of pre-existing relationships). The fair value of the termination of the old lease contracts is €52m which was validated by an external valuator based on the present value of the difference in estimated future cash flows calculated over the portfolio. This amount was recognized as an operating expense and included in "depreciation, amortization and impairments" in the consolidated statement of profit or loss, together with a gain of €8m due to the settlement of the liabilities and impairment of the right-of-use asset related to the existing lease contracts.

KPN performed a purchase price allocation of the acquired passive mobile infrastructure of NOVEC and OTC amounting to €148m. The total consideration in the purchase price allocation consists of the cash payment of €113m, the fair value of €72m of KPN's passive mobile infrastructure effectively disposed less the amount of €52m allocated to the termination of the existing lease contracts. In addition, KPN will make a capital contribution of €14m. The purchase price allocation of the acquired passive mobile infrastructure of NOVEC and OTC is as stated in the table.

The goodwill of €115m reported as at 30 June 2025 was provisional, as the Purchase Price Allocation (PPA) had not yet been finalized. Goodwill is reduced with €20m for a capital contribution KPN is obliged to make and due to a reduction of the non-cash payment in the form of the demerger of KPN's passive mobile infrastructure to Althio with €28m. The latter is due to adverse changes in the (projected) performance of that business which had not yet been taken into account in determining the fair value of KPN's passive mobile infrastructure demerged to Althio.

The fair values of the identifiable assets acquired and liabilities assumed were determined using valuation techniques that require significant judgment. External valuation specialists assisted management in applying discounted cash flow models and market-based approaches. Key assumptions included expected future cash flows and discount rates. The intangible assets consist of the recognition of the external customer base of OTC and NOVEC (€153m), so excluding KPN. The goodwill recognized is based on the partial goodwill method and relates to future cash flows to be realized from transactions with KPN and additional external customers and from cost savings. This goodwill is not tax deductible.

The transaction costs amount to €12m and were recognized as operating expenses.

Considering the fact that the transaction was negotiated as a single package and that the total consideration consists of a non-cash and a cash part, it is not practically possible to allocate the latter to the separate elements of the transaction. Therefore, the full amount of the cash payment, net of cash acquired, is classified in the consolidated statement of cash flows as "acquisition of and investments in subsidiaries, associates and joint ventures", as part of cash flows from investing activities.

The acquisition had a net impact of €24m on KPN's Group revenues. The net impact on EBITDA AL was €24m, excluding the aforementioned lease settlement expense and transaction and implementation costs. If the acquisition had taken place at the beginning of the year, the net impact on KPN's Group revenues would have been approximately €26m and on EBITDA AL approximately €27m. The lower external lease expenses (with the former OTC and NOVEC entities) are partly offset by the external costs of the former OTC and NOVEC entities.

## Youfone (2024)

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 telecoms operator, that was already active on KPN's network. With this acquisition, KPN strengthens its position in the mobile and broadband markets, especially in the faster-growing no-frills segments. Youfone Nederland is included in KPN's Consumer segment and has added approximately 499,000 postpaid and 56,000 broadband customers to the segment's customer base. Youfone Zakelijk is included in KPN's Business segment and has 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 goodwill relates to these expected future benefits.

The transaction resulted in a net cash outflow of €190m in 2024, classified as cash flow from investing activities in the consolidated statement of cash flows. This amount consists of the cash consideration paid for the shares (€207m) less cash acquired (€17m). The transaction costs amounted to less than €1m and were recognized in the P&L.

The purchase price allocation resulted in the recognition of customer bases (€90m), trade names (€7m), a deferred tax liability (€25m), an earn-out provision (€9m) and goodwill (€134m). The amount of goodwill deductible for tax purposes is €0.2m. The earn-out paid in 2025 amounts to €7m.

## Fiber networks of Coöperatie Glasvezel Noord (2024)

On 11 January 2024, KPN purchased the fiber networks of Coöperatie Glasvezel Noord U.A., located in the northern part of the Netherlands, adding 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 €10m in 2024, classified as cash flow from investing activities in the consolidated statement of cash flows. The transaction costs amounted to nil. The transaction was classified as a business combination. The purchase price allocation resulted in the recognition of tangible fixed assets (fiber networks, €8m), a customer base (€1m), and goodwill (€1m). The impact of the acquisition on KPN's Group revenues and EBITDA AL is negligible.

## Changes in consolidation: Disposals

During 2025 and 2024, no subsidiaries were sold.

## Other changes in consolidation

### Acquisitions not classifying as business combinations

€ million	2025	2024
<b>Recognized amounts of identifiable assets acquired and liabilities assumed:</b>		
Intangible assets	-	-
Property, plant and equipment	-	8
Deferred income tax asset	-	-
Trade and other receivables, prepayments and accrued income	-	-
Net cash and cash equivalents	-	-
Trade and other payables and accrued expenses	-	-
<b>Total net assets</b>	<b>-</b>	<b>8</b>
<b>Total transaction costs</b>	<b>-</b>	<b>-</b>
Cash consideration	-	8
Contingent cash consideration	-	-
<b>Total consideration</b>	<b>-</b>	<b>8</b>

### Fiber networks of GNB Lochem (2024)

On 3 July 2024, KPN purchased the fiber networks of GNB Lochem B.V. and added approximately 4,071 homes passed to KPN's own fiber footprint. As the assets acquired and liabilities assumed do not constitute a business, the transaction has been accounted for as an asset acquisition and no goodwill has been recognized. The total consideration paid (€8m) has been allocated to the assets acquired and liabilities assumed on a relative fair value basis.

## Impact on cash flow from investing activities

The net cash outflow related to acquisition of and investments in subsidiaries, associates and joint ventures (net of acquired cash) was €172m in 2025 (2024: €213m). This amount includes the net cash consideration related to the acquisition of Althio (€98m), the earn-out of Youfone (€7m), additional share premium contributions to Glaspoort (€56m, see [Note 12](#)), transaction costs and payments related to acquisitions of smaller investments in associates. The net cash outflow of 2024 (€213m) included

the net cash consideration related to the acquisition of Youfone (€190m), additional share premium contributions to Glaspoort (€20m, see [Note 12](#)) and payments related to acquisitions of smaller investments in associates.

The net cash inflow from disposal of subsidiaries and associates was €40m in 2025 (2024: €26m). This consists of the received deferred payment of €41m related to Glaspoort (2024: €26m, see [Note 13.1](#)).

### Accounting policy: business combinations

KPN uses the acquisition method to account for business combinations. The consideration paid is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of exchange.

Identifiable assets acquired and liabilities and contingent liabilities assumed are measured at their fair values at the acquisition date. When a business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in the P&L.

Contingent considerations are recognized at fair value at acquisition date and subsequent changes to the fair value are recognized in the P&L. Contingent considerations classified as equity are not remeasured and subsequent settlement is counted for within equity.

For each business combination, KPN elects to recognize any non-controlling interest in the acquiree either at fair value or at the proportionate share in the acquiree's net assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration paid, non-controlling interests recognized and the acquisition date fair value of any previous equity interests in the acquiree over the fair value of KPN's share of the net assets acquired is recorded as goodwill. If negative goodwill occurs (bargain purchase), the difference is recognized directly in the P&L.

## [22] Commitments, contingencies and legal proceedings

### Commitments

€ million	Less than 1 year	1-5 years	More than 5 years	Total 31 December 2025	Total 31 December 2024
Capital and purchase commitments	878	538	40	1,456	1,672
Guarantees and other	-	10	124	134	139
<b>Total commitments</b>	<b>878</b>	<b>548</b>	<b>164</b>	<b>1,590</b>	<b>1,811</b>

The capital and purchase commitments mainly relate to minimum contractual obligations with regard to network operations, mobile handsets, telco 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 €124m relates to parent guarantees (2024: €134m). The table presented above does not include KPN's commitment on share premium contributions regarding Glaspoort of €220m (31 December 2024: €255m). See [Note 12](#).

### Contingent assets and liabilities

KPN is involved in a number of legal and tax proceedings that have arisen in the ordinary course of its business and in discontinued operations, including commercial, regulatory and other proceedings. Periodically, KPN carefully assesses the likelihood that legal and tax proceedings may lead to a cash in- or outflow. KPN recognizes provisions in case of a cash outflow if and when the chance is estimated as probable and a reliable estimate of the cash outflow can be made. KPN recognizes the assets in case of a cash inflow if and when the chance is estimated as virtually certain. When these criteria are not met, such matters are classified as contingent assets or liabilities, unless the cash inflow is considered possible or the cash outflow is considered remote.

However, the outcome of such proceedings can be difficult to predict with certainty and KPN can offer no assurances. In some cases, the impact of a legal proceeding may be more strategic than financial or such impact cannot properly be quantified. A description is given below of legal-related contingent assets and liabilities that could have a material impact for KPN.

- See [Note 18](#) for a contingent liability related to idle cables and the accounting policy for provisions.
- A pending claim by a customer regarding the validity of certain clauses in our general terms & conditions for consumers could impact our ability to amend our tariffs for consumers, potentially also with retroactive effect.
- In KPN's Articles of Association and in a further decision by the Board of Management, which was approved by the Supervisory Board, KPN has indemnified the members and former members of KPN's Board of Management and Supervisory Board, as well as a number of KPN's officers and directors and former officers and directors, against liabilities, claims, judgements, fines and penalties incurred by such officers or directors as a result of any threatened, pending or completed action, investigation or proceeding (whether civil, criminal or administrative) brought by a third party in relation to acts or omissions in or related to their capacity as officer or director. The indemnification does not apply to claims and expenses reimbursed by insurers nor to an officer or a director adjudged to be liable for willful misconduct ("*opzet*") or intentional recklessness ("*bewuste roekeloosheid*").

## [23] Related-party transactions

KPN considers none of its related-party transactions to be material on an individual basis. Transactions between group companies are not included in the description below as these are eliminated in the "[Consolidated financial statements](#)".

### Transactions with shareholders

Pursuant to the Dutch Financial Supervisory Act ('*Wet op het financieel toezicht*' or '*Wft*'), any persons must immediately notify the Dutch Authority for the Financial Markets ('*AFM*') when its shareholding or voting right equals, exceeds or falls below certain thresholds of a company's issued capital, starting at a 3% threshold. The AFM discloses such reports in its [public register](#). Below is an overview, based on this register, of shareholdings or voting rights of 3% or more in KPN's issued capital per 31 December 2025.

Date of notification to the AFM	Notification by	% of shares	% of voting rights
2 August 2022	Capital Research and Management Company	-	9.70
9 February 2024	BlackRock, Inc.	6.44	7.70
24 April 2025	The Income Fund of America	3.66	3.66
20 June 2025	State Street Corporation	3.16	2.25
27 August 2025	Amundi Asset Management	3.12	3.12
11 September 2025	Canada Pension Plan Investment Board	3.00	3.00
13 November 2025	JP Morgan Asset Management Holdings, Inc.	3.02	2.58

KPN did not enter into agreements with shareholders that could have a material impact on KPN's financial statements.

### Transactions with associated companies and joint ventures

On 9 June 2021, KPN sold 50% of the shares of its subsidiary Glaspoort and entered into a joint venture agreement with ABP (see [Note 12](#)). As of 9 June 2021, KPN's remaining 50% interest in Glaspoort is classified as a joint venture and accounted for using the

equity method. KPN is the anchor tenant on Glaspoort's network and also supplies services to Glaspoort. In 2024, KPN and ABP agreed on an adjustment to the Glaspoort demarcation which was part of the joint venture agreement in 2021. The transaction is an exchange of geographical areas between KPN and Glaspoort, which will be used by KPN and Glaspoort for similar purposes and have comparable risk profiles and fair values. Other than the settlement of costs already incurred by KPN (€19m), there is no other financial compensation.

The value of the services delivered to and acquired from Glaspoort, and its joint venture GlasDraad, amounted to €23m and €71m respectively in 2025 (2024: €17m and €49m respectively). Moreover, in December 2021, KPN, ABP and Glaspoort signed an agreement to extend the scope of Glaspoort's fiber rollout. It was agreed that KPN will receive €170m (pre-tax) from Glaspoort for the sale of the additional scope projects in annual installments based on the fiber rollout starting in 2023. At 31 December 2025, KPN had received €165m of the total consideration agreed upon (€60m in cash upon closing of the transaction in 2021, €51m during 2023, €31m during 2024 and €23m during 2025). During 2025, Glaspoort received additional share premium contributions from its shareholders. KPN contributed €56m (2024: €20m). Trade and other receivables with respect to Glaspoort at 31 December 2025 amounted to €5m (2024: €18m), trade and other payables to €9m (2024: €13m), non-current contract assets to nil (2024: €5m), and current contract assets to €5m (2024: €23m); there were no current contract liabilities.

The following table shows the total value of the transactions by KPN with other associated and non-consolidated companies for the relevant year:

€ million	2025	2024
Sales in the year	3	14
Purchases in the year	16	17
Trade receivables at 31 December	<1	<1
Trade payables at 31 December	<1	<1

## Transactions with directors and related parties

For details of the relationship between directors and the company, see the remuneration report section of this integrated annual report. Directors in this respect are defined as key management and relate to those having authority and responsibility for planning, directing and controlling the activities of an entity, either directly or indirectly. At KPN, key management consists of the members of the Board of Management and the Supervisory Board.

The members of KPN's Board of Management and Supervisory Board or close members of their families are also members of supervisory boards or management boards of other companies or are shareholders of other companies, without having (joint) control, with which KPN maintains relations in the ordinary course of business. All transactions with these companies are carried out on an arm's length basis.

## [24] Legal structure

Name of significant subsidiaries and other principal interests	Country of incorporation
<b>KPN B.V.</b>	Netherlands
- Althio B.V.	Netherlands
- Broadband Hosting B.V.	Netherlands
- E-Zorg B.V.	Netherlands
- Glaspoort B.V.	Netherlands
- GroupIT B.V.	Netherlands
- RoutIT B.V.	Netherlands
- Inspark Holding B.V.	Netherlands
- InSpark B.V.	Netherlands
- KPN Finance B.V.	Netherlands
- Reggefiber Group B.V.	Netherlands
- Reggefiber Operator B.V.	Netherlands
- Reggefiber ttH B.V.	Netherlands
- Netwerk Exploitiemaatschappij B.V.	Netherlands
- Solcon Internetdiensten B.V.	Netherlands
- Youfone Nederland B.V.	Netherlands
- Youfone Zakelijk B.V.	Netherlands
<b>KPN Mobile Holding B.V.</b>	Netherlands
- KPN Mobile N.V.	Netherlands
<b>KPN Ventures B.V.</b>	Netherlands
<b>Getronics B.V.</b>	Netherlands
- Getronics Finance Holdings B.V.	Netherlands
- Getronics Pensions UK Ltd.	UK
- Getronics US Operations, Inc.	US
<b>KPN Insurance Company DAC</b>	Ireland

The percentage ownership/voting interest of these entities is 100%, except for:

- Althio B.V. (51% interest)
- Joint venture Glaspoort B.V. (50% interest)

## [25] Proposed appropriation of result

On outstanding Class B preference shares, a dividend is paid out equal to the average of 12-month Euribor plus 1%. If 12-month Euribor is no longer determined, the dividend on preference shares will be calculated based on the yield on state loans. Subsequently, subject to the approval of the Supervisory Board, the Board of Management will determine what proportion of net income remaining after payment of the dividend on any Class B preference shares will be appropriated to the reserves. The part of the profit remaining after the appropriation to the reserves shall be at the disposal of the AGM. No Class B preference shares were outstanding on 31 December 2025.

The profit of the 2025 financial year attributable to equity holders of the company amounted to €855m. On 1 August 2025, a regular interim dividend of 7.3 eurocents per ordinary share was paid (total amount of €279m). On 20 February 2026, the Board of Management, with the approval of the Supervisory Board, appropriated €158m of the profit 2025 to the other reserves. Taking into account the interim dividend that was paid in August 2025, the remaining part of the profit is available for payment of a final dividend in respect of 2025. The Board of Management, with the approval of the Supervisory Board, will propose to the AGM to pay a final regular dividend of 10.9 eurocents per ordinary share in respect of 2025 (in total €417m based on the number of outstanding shares at 31 December 2025 less Treasury shares held by KPN).

## [26] Subsequent events

On 3 February 2026, KPN successfully issued a 3.500% €500m senior unsecured bond maturing on 12 May 2034. Part of the proceeds of the new bond have been used to finance a tender offer to repurchase and cancel part of KPN's two outstanding GBP denominated senior unsecured bonds due in November 2026 and September 2029. KPN repurchased £96m notional amount of the bonds due November 2026 and £182m notional amount of the bonds due September 2029. The total tender consideration was approximately £295m and settlement took place on 13 February 2026.

# Company statement of profit or loss

For the year ended 31 December  
€ million

	Notes	2025	2024
<b>Total revenues and other income</b>		-	-
Other operating expenses		-5	-5
<b>Total operating expenses</b>		-5	-5
<b>Operating loss</b>		-5	-5
Finance income		13	31
Finance costs		-234	-251
Other financial results		-38	-54
Intercompany interest (net)		8	10
<b>Financial income and expenses</b>	[A]	-251	-264
Income from subsidiaries		1,029	1,033
<b>Profit before income tax</b>		773	764
Income taxes	[B]	82	84
<b>Profit for the year</b>		855	848

# Company statement of financial position

## Before appropriation of current year result

€ million	Notes	31 December 2025	31 December 2024
<b>Non-current assets</b>			
<b>Financial fixed assets</b>			
Investments in subsidiaries		9,937	8,801
Derivatives		40	100
Deferred taxes		117	215
Other fixed financial assets		52	72
<b>Total non-current assets</b>	[B]	<b>10,146</b>	<b>9,188</b>
<b>Current assets</b>			
Accounts receivable from subsidiaries	[F]	427	1,364
Income tax receivable		28	17
Other receivables and accrued income		4	6
Other current financial assets		167	101
Cash and cash equivalents		279	587
<b>Total current assets</b>		<b>905</b>	<b>2,075</b>
<b>Total assets</b>		<b>11,051</b>	<b>11,263</b>

€ million	Notes	31 December 2025	31 December 2024
<b>Equity</b>			
Subscribed capital stock		153	156
Additional paid-in capital		7,241	7,481
Treasury shares reserve		-14	-11
Hedge reserve		-47	-96
Legal reserves	[C]	639	654
Retained earnings	[C]	-6,300	-6,490
Equity attributable to holders of perpetual hybrid bonds		990	990
Profit for the year		855	848
<b>Total equity attributable to equity holders</b>		<b>3,517</b>	<b>3,531</b>
<b>Provisions</b>			
Provisions for retirement benefit obligations		2	1
Other provisions		18	20
<b>Total provisions</b>	[D]	<b>20</b>	<b>21</b>
<b>Non-current liabilities</b>			
Borrowings		5,636	5,252
Loans from subsidiaries		25	25
Derivative financial instruments		117	156
Other non-current liabilities		53	131
<b>Total non-current liabilities</b>	[E]	<b>5,831</b>	<b>5,564</b>
<b>Current liabilities</b>			
Borrowings	[G]	345	899
Accounts payable to subsidiaries	[F]	1,032	1,026
Derivative financial instruments		20	5
Other current liabilities	[G]	172	119
Accruals and deferred income		113	99
<b>Total current liabilities</b>		<b>1,682</b>	<b>2,148</b>
<b>Total equity and liabilities</b>		<b>11,051</b>	<b>11,263</b>

# Company statement of changes in equity

€ million	Subscribed capital stock	Additional paid-in capital	Treasury shares reserve	Hedge reserve	Legal reserves	Retained earnings	Equity attrib. to holders of perpetual capital securities	Profit for the year	Equity attrib. to equity holders of the company
<b>Balance at 1 January 2024</b>	158	7,674	-17	-114	661	-6,637	990	844	3,558
Profit for the year	-	-	-	-	-	-	-	848	848
Movements hedge reserve	-	-	-	18	-	-	-	-	18
Actuarial gain/loss pensions and other post-employment plans (net of tax)	-	-	-	-	-	2	-	-	2
Fair value adjustment equity investments	-	-	-	-	-	2	-	-	2
<b>Total comprehensive income for the period</b>	-	-	-	18	-	4	-	848	869
Profit for the prior year	-	-	-	-	-	844	-	-844	-
Share based compensation expense	-	-	-	-	-	4	-	-	4
Sold and transferred treasury shares in connection with vesting of equity-settled share plans	-	-	11	-	-	-11	-	-	-
Treasury shares withdrawn	-2	-193	195	-	-	-	-	-	-
Issuance of perpetual hybrid bond	-	-	-	-	-	-	496	-	496
Repurchase of perpetual hybrid bond	-	-	-	-	-	-4	-496	-	-500
Dividends paid	-	-	-	-	-	-646	-	-	-646
Paid coupon perpetual hybrid bond	-	-	-	-	-	-48	-	-	-48
Addition/release (-) retained earnings	-	-	-	-	-6	6	-	-	-
Share repurchase	-	-	-200	-	-	-	-	-	-200
<b>Total transactions with owners, recognized directly in equity</b>	-2	-193	6	-	-7	144	-	-844	-896
<b>Balance at 31 December 2024</b>	156	7,481	-11	-96	654	-6,490	990	848	3,531

€ million	Subscribed capital stock	Additional paid-in capital	Treasury shares reserve	Hedge reserve	Legal reserves	Retained earnings	Equity attrib. to holders of perpetual capital securities	Profit for the year	Equity attrib. to equity holders of the company
Balance at 1 January 2025	156	7,481	-11	-96	654	-6,490	990	848	3,531
Profit for the year	-	-	-	-	-	-	-	855	855
Movements hedge reserve	-	-	-	49	-	-	-	-	49
Actuarial gain/loss pensions and other post-employment plans (net of tax)	-	-	-	-	-	2	-	-	2
Fair value adjustment equity investments	-	-	-	-	-	-4	-	-	-4
<b>Total comprehensive income for the period</b>	-	-	-	<b>49</b>	-	<b>-2</b>	-	<b>855</b>	<b>902</b>
Profit for the prior year	-	-	-	-	-	848	-	-848	-
Share based compensation expense	-	-	-	-	-	6	-	-	6
Sold and transferred treasury shares in connection with vesting of equity-settled share plans	-	-	5	-	-	-5	-	-	-
Treasury shares withdrawn	-2	-240	242	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-675	-	-	-675
Paid coupon perpetual hybrid bond	-	-	-	-	-	-54	-	-	-54
Addition/release (-) retained earnings	-	-	-	-	-15	15	-	-	-
Share repurchase	-	-	-250	-	-	-	-	-	-250
Gain on the sale of a subsidiary without the loss of control (see Note 21)	-	-	-	-	-	54	-	-	54
Other	-	-	-	-	-	4	-	-	4
<b>Total transactions with owners, recognized directly in equity</b>	<b>-2</b>	<b>-240</b>	<b>-3</b>	<b>-</b>	<b>-15</b>	<b>190</b>	<b>-</b>	<b>-848</b>	<b>-915</b>
Balance at 31 December 2025	153	7,241	-14	-47	639	-6,300	990	855	3,517

# Notes to the company financial statements

Koninklijke KPN N.V. is a public limited liability company organized under Dutch law. The statutory seat is Rotterdam and the company is registered at the Chamber of Commerce (file no. 02045200).

The principles for the recognition and measurement of assets and liabilities and determination of the result (hereafter referred to as "accounting policies") of the company financial statements are the same as those applied to the consolidated financial statements under IFRS Accounting Standards (applying the option provided in Article 362 sub 8, Part 9, Book 2 of the Dutch Civil Code). These principles also include the classification and presentation of financial instruments, being equity instruments or financial liabilities. The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (see notes to the consolidated financial statements).

Investments in consolidated subsidiaries are measured at net equity value (equity of the subsidiaries based on the equity method and goodwill). The equity method measures assets, provisions and liabilities, and determines profit of the subsidiaries based on the principles applied in the consolidated financial statements.

Expected credit losses, if any, with respect to loans granted to and receivables from consolidated subsidiaries are not recognized in these company financial statements.

## [A] Financial income and expenses

€ million	2025	2024
<b>Finance income</b>	<b>13</b>	<b>31</b>
Interest on borrowings	-230	-245
Other	-4	-6
<b>Finance costs</b>	<b>-234</b>	<b>-251</b>
Amortizable part of hedge reserve	-13	-12
Amortization discontinued fair value hedges	9	18
Derivative financial instruments not qualified for hedge accounting	-	-7
Hedge ineffectiveness	-8	-7
Exchange rate differences	-14	13
Bond tender premiums and swap unwind (see Note 7)	-14	-60
Other	2	1
<b>Other financial results</b>	<b>-38</b>	<b>-54</b>
<b>Intercompany interest (net)</b>	<b>8</b>	<b>10</b>
<b>Total</b>	<b>-251</b>	<b>-264</b>

Finance income decreased mainly due to lower average cash balances and lower yields on cash.

The decrease in finance costs is mainly related to lower interest rates. Interest on borrowings included a non-cash amount of €6m (2024: €4m) relating to debt issuance costs including premiums and/or discounts, which are amortized over the remaining life of the respective bonds using the effective interest rate method.

Other financial results improved by €16m to a net cost of €38m (2024: €54m net cost) which is mainly the result of €14m charges related to the termination of hedge accounting on unwound swaps compared to €60m charges in 2024 related to a bond tender and €10m loss due to exchange rate differences compared to a gain of €12m in 2024.

## [B] Non-current assets

€ million	Investments in subsidiaries	Derivatives <sup>1</sup>	Deferred taxes	Other financial fixed assets <sup>2</sup>	Total
<b>Balance at 1 January 2024</b>	<b>12,647</b>	<b>65</b>	<b>299</b>	<b>84</b>	<b>13,095</b>
Exchange rate differences	-7	-	-	-	-7
Income from group companies after taxes	1,033	-	-	-	1,033
Decrease due to waivers <sup>3</sup>	-4,849	-	-	-	-4,849
Movements paid collateral	-	-	-	-56	-56
Loan granted to a third party	-	-	-	44	44
Capital contributions	1	-	-	-	1
Received dividends	-25	-	-	-	-25
Fair value adjustments	-	35	-	-	35
Use of tax loss carry-forward	-	-	-73	-	-73
Other	1	-	-11	-	-10
<b>Total changes</b>	<b>-3,846</b>	<b>35</b>	<b>-84</b>	<b>-12</b>	<b>-3,907</b>
<b>Balance at 31 December 2024</b>	<b>8,801</b>	<b>100</b>	<b>215</b>	<b>72</b>	<b>9,188</b>
Exchange rate differences	7	-	-	-	7
Income from group companies after taxes	1,029	-	-	-	1,029
Movements paid collateral	-	-	-	-4	-4
Capital contributions	1	-	-	-	1
Received dividends	-1	-	-	-	-1
Fair value adjustments	-	-60	-	-	-60
Use of tax loss carry-forward	-	-	-82	-	-82
Other <sup>4</sup>	100	-	-17	-15	68
<b>Total changes</b>	<b>1,136</b>	<b>-60</b>	<b>-98</b>	<b>-20</b>	<b>958</b>
<b>Balance at 31 December 2025</b>	<b>9,937</b>	<b>40</b>	<b>117</b>	<b>52</b>	<b>10,146</b>

1 The amount at 31 December 2025 matures in 2030.

2 Other financial fixed assets mainly includes paid collaterals regarding derivative financial instruments of €3m (maturity in 2027) at 31 December 2025 and also a loan granted to a third party (unsecured) with a carrying amount of €49m at 31 December 2025 and a nominal amount of €60m. The loan bears interest of Euribor +0.25% and must be repaid, including accrued interest, no later than in November 2032.

3 The decrease mainly relates to the waiver of the loan payable to KPN B.V. (see Note F).

4 Other in investments in subsidiaries includes the gain on the sale of a subsidiary without the loss of control of €54m (see Note 21 and the company statement of changes in equity)

## Taxation

The company forms a fiscal unit for corporate income tax purposes and VAT purposes with most of its Dutch subsidiaries. Under the Tax Collection Act, the company and its subsidiaries are each jointly and severally liable for the tax owed by the combination.

The company financial statements of Koninklijke KPN N.V. are prepared as if the company is independently subject to corporate income tax, so excluding the offset of profits within the tax group, of which the entity is the parent. As a result, the company reports a tax benefit for the tax-deductible interest and no tax on the result of consolidated entities as the tax of these entities is recorded at the level of the entity itself.

The company's deferred tax asset represents the future tax relief on taxable profits (within the tax unity) due to available losses and is higher than reported at the consolidated level, since the asset can be offset against deferred tax liabilities reported in other entities that are part of the same tax unity. For further disclosures, see Note 8 of the consolidated financial statements.

## [C] Equity attributable to equity holders

For a breakdown of equity attributable to equity holders, see the consolidated statement of changes in equity and related notes. For the (proposed) profit appropriation, see Note 25 of the consolidated financial statements. On 21 September 2022, KPN issued a €500m hybrid bond with a 6.00% coupon and on 18 June 2024 it issued a €500m hybrid bond with a 4.875% coupon, all with perpetual maturities. These bonds are classified as equity and valued at net proceeds (see Note 13.2). On 20 June 2024, the €500m hybrid bond with a 2.00% coupon issued on 8 November 2019 was partially repurchased for a principal amount of €281m and on 20 December 2024 KPN announced it would redeem the remaining outstanding principal amount (€219m) at its first reset date (8 February 2025). As a consequence, the remaining outstanding amount of this bond has been reclassified from equity to borrowings as of the date of the announcement.

The additional paid-in capital is exempt from Dutch tax up to an amount of €8,067m at 31 December 2025 (2024: €8,311m).

At 31 December 2025 and 2024 only ordinary shares were outstanding. Due to cancellation of treasury shares, the number of subscribed ordinary shares decreased in 2024 by 58,487,360 and in 2025 by 61,465,117 to 3,827,465,305 as at 31 December 2025. The number of treasury shares increased in 2024 by 59,987,360 and in 2025 by 62,465,117 due to share buybacks. The number of treasury shares decreased by 58,487,360 in 2024 and by 61,465,117 in 2025 due to cancellation of treasury shares and by 2,359,506 in 2024 and by 1,247,964 in 2025 due to sale and transfer of treasury shares in connection with vesting of equity-settled share plans for management. The number of treasury shares held by the company at 31 December 2025 was 2,403,418.

**Legal reserves (net of tax)**

€ million	Revaluation reserve equity investment in Glaspoort (see Note 12)	Capitalized software development costs	Revaluation reserve property, plant and equipment	Cumulative translation adjustments	Fair value reserve equity investments	Solvency capital requirement <sup>1</sup>	Total
<b>Balance at 1 January 2024</b>	336	266	9	17	13	20	661
Addition/release (-) retained earnings	-15	14	-3	-	2	-5	-6
<b>Balance at 31 December 2024</b>	321	280	7	17	15	15	654
Addition/release (-) retained earnings	-23	1	-2	-	9	-	-15
<b>Balance at 31 December 2025</b>	298	281	5	17	24	14	639

1 This is the amount of funds that KPN Insurance Company DAC is required to hold under the European Union's Solvency II directive.

Pursuant to Dutch law, there are limitations on the distribution of equity attributable to equity holders. Such limitations relate to the subscribed capital stock as well as to legal reserves required by Dutch law as presented above. Negative legal reserves are also deducted to determine the amount for distribution. Dutch law also requires that in determining the amount for distribution, the company's ability to continue to pay its debt must be taken into account. The total distributable reserves, which include the perpetual hybrid bonds, amounted to €2,724m at 31 December 2025 (2024: €2,721m).

**Retained earnings reconciled with the consolidated statement of financial position**

€ million	2025	2024
<b>Retained earnings as per consolidated statement of financial position</b>	<b>-4,822</b>	<b>-5,005</b>
Revaluation reserve equity investment in Glaspoort	-298	-321
Revaluation reserve property, plant and equipment	-5	-7
Capitalized software development costs	-281	-280
Fair value reserve equity investments	-24	-15
Other non-distributable reserves	-14	-14
Profit for the year	-855	-848
<b>Retained earnings as per company statement of financial position</b>	<b>-6,300</b>	<b>-6,490</b>

**[D] Provisions**

**Movements in provisions**

€ million	Retirement benefit obligations	Other provisions	Total
<b>Balance at 1 January 2024</b>	2	18	20
Additions/releases to income	1	4	5
Usage	-2	-3	-5
<b>Balance at 31 December 2024</b>	1	20	21
Additions/releases to income	1	-	1
Usage	-1	-1	-2
<b>Balance at 31 December 2025</b>	2	18	20

The provisions for retirement benefit obligations relate to an early retirement plan (see Note 17 to the consolidated financial statements) for employees of subsidiaries of the Company and is expected to fall due within one year. Other provisions include provisions for long-term employee obligations related to jubilee or other long-service employee benefits and long-term disability benefits for employees of subsidiaries of the Company. An amount of €3m is expected to fall due after one year.

## [E] Non-current liabilities

€ million	Borrowings	Loans from subsidiaries	Derivative financial instruments	Other non-current liabilities	Total
<b>Balance at 1 January 2024</b>	<b>4,974</b>	<b>50</b>	<b>256</b>	<b>426</b>	<b>5,706</b>
Exchange differences	87	-	-90	-	-3
Fair value adjustments	40	-	-	-	40
Reclassification from equity <sup>1</sup>	500	-	-	-	500
Repayments of borrowings and settlement of derivatives	-524	-25	-33	-	-582
Repurchase of perpetual hybrid bonds	-277	-	-	-	-277
Issued bonds & loans	996	-	-	-	996
Net receipts (payments) cash collateral	-	-	-	4	4
Reclassification to current	-842	-	-	-	-842
Reclassification to derivative financial assets	-	-	23	-	23
Other reclassifications	300	-	-	-300	-
Other changes	-2	-	-	1	-1
<b>Total changes</b>	<b>278</b>	<b>-25</b>	<b>-100</b>	<b>-295</b>	<b>-142</b>
<b>Balance at 31 December 2024</b>	<b>5,252</b>	<b>25</b>	<b>156</b>	<b>131</b>	<b>5,564</b>
Exchange differences	-108	-	114	-	6
Fair value adjustments	-16	-	-27	-	-43
Repayments of borrowings and settlement of derivatives	-	-	-46	-	-46
Issued bonds & loans	793	-	-	-	793
Net receipts (payments) cash collateral	-	-	-	-27	-27
Reclassification to current	-288	-	-15	-51	-354
Reclassification to derivative financial assets	-	-	-60	-	-60
Other changes	4	-	-7	-	-3
<b>Total changes</b>	<b>384</b>	<b>-</b>	<b>-39</b>	<b>-78</b>	<b>267</b>
<b>Balance at 31 December 2025</b>	<b>5,636</b>	<b>25</b>	<b>117</b>	<b>53</b>	<b>5,831</b>

<sup>1</sup> Reclassifications of the €500m 2.00% perpetual hybrid bond of which €277m was repurchased and €223m was outstanding at 31 December 2024.

Non-current borrowings as at 31 December 2025 include senior bonds outstanding for €5,336m (2024: €4,952m). On 20 December 2024, KPN announced that it would redeem the remaining outstanding principal amount of the perpetual hybrid bond (€219m) issued on 8 November 2019 at its first reset date on 8 February 2025. As a consequence, the perpetual hybrid bond had been reclassified from equity to (short-term) borrowings as at 31 December 2024. This bond had been refinanced and partially repurchased in June 2024. On 17 February 2025, KPN issued an €800m 3.375% senior bond maturing on 17 February 2035. On 9 April 2025, KPN redeemed the €625m 0.625% senior bond at its scheduled maturity date. This bond had been swapped to a fixed interest of 3.524%. Borrowings increased by €113m due to exchange differences and by €8m due to fair value adjustments. The weighted average interest rate on senior debt on 31 December 2025 was 3.5% after swaps (2024: 3.8%).

Non-current borrowings also include a € 300m credit facility from the European Investment Bank, which KPN had fully drawn at year-end 2025 and 2024. This loan has a floating interest rate referenced to 3-month Euribor and a single repayment on 2 August 2027. The interest for the current interest period was fixed at 2.49% per annum. Maturity at nominal values (based on spot FX rates) is €300m in 2027, €625m in 2028, €630m in 2029, €507m in 2030 and €3,750m in 2031 and later.

Loans from subsidiaries at 31 December 2025 and 31 December 2024 of €25m consists of a short-term roll-over loan from KPN Insurance Company DAC, which bears an interest of 6-month Euribor plus 0.3% (no maturity, automatic roll-over every 6 months).

The carrying value at 31 December 2025 of derivatives financial instruments with maturities in 2028, 2029 and 2033 is €25m, €22m and €70m respectively.

Other non-current liabilities at 31 December 2025 include €49m of borrowings under private placements (unsecured, interest of 3.875%, maturity in 2032, 2024: €49m) and in 2024 collateral received of €78m as security under derivative financial instruments.

KPN's existing capital resources contained the following covenants at 31 December 2025, which could trigger additional financial obligations or early redemption of the outstanding debt. All senior bonds issued after 1 January 2006 (€5,266m nominal after swaps outstanding at 31 December 2025) contain a change of control clause. KPN may be required to early redeem if certain changes of control occur and within this change of control period (maximum of 90 days) a rating downgrade to sub-investment grade occurs. The perpetual hybrid bonds also contain a change of control clause whereby a 5% interest step-up is triggered if a rating downgrade occurs during the change of control period. In such an event, KPN has the possibility to repurchase the perpetual hybrid bonds at par. In addition, many of KPN's capital resources contain a covenant prohibiting KPN from entering into any amalgamation, demerger, merger, corporate restructuring or reorganization, unless prior written consent has been given by a majority of the lenders or bondholders or the resulting company assumes all of the rights and obligations with respect to the loans or bonds.

## [F] Accounts receivable from and accounts payable to subsidiaries

Koninklijke KPN N.V. operates a cash pool for the consolidated KPN Group, which leads to accounts receivable from and accounts payable to subsidiaries. Accounts payable to subsidiaries decreased in 2024 due to waivers for an amount of €5,965m. These waivers are accounted for as informal capital contributions or informal dividend distributions, respectively. Accounts receivable from subsidiaries (net) at 31 December 2025 includes current income tax positions of the subsidiaries which are included in the fiscal unity of Koninklijke KPN N.V. of €21m. Subsidiaries which are part of the fiscal unity are jointly and severally liable for the corporate income tax debts of the fiscal unity as a whole.

Accounts payable to subsidiaries (net) at 31 December 2025 are offset by a current income tax position of the subsidiaries which are included in the fiscal unity of Koninklijke KPN N.V. of €342m.

As of 1 January 2024, interest is no longer charged on current accounts between group companies which are part of the tax group. The interest on current account receivables of €193m as at 31 December 2025 carry interest of 12-month GBP ICE Term Sonia Reference rate plus 0.25% and accounts payable of €19m carry interest of 12-month Libor plus 0.25%. As the current accounts are repayable on demand, the fair value approximates the nominal value.

## [G] Current liabilities

Current borrowings as at 31 December 2025 include senior bonds outstanding for €286m (2024: €839m). KPN has set up a euro commercial paper program under which KPN can issue short-term debt instruments for up to €1 billion gross notional outstanding. At 31 December 2025, current borrowings included the outstanding balance of commercial paper of €60m (2024: €60m). In addition, total committed credit facilities of €1,075m were available at 31 December 2025 which were not drawn during 2025 and 2024.

Other current liabilities at 31 December 2025 consist of VAT payable by the tax group (€116m) and received collateral regarding derivative financial instruments (€51m).

## [H] Financial assets and liabilities

### Summary of financial assets and liabilities at carrying amount and fair value, classified per category

€ million	31 December 2025		31 December 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets at FVPL</b>				
Other current financial assets	147	147	100	100
Derivatives	40	40	101	101
Cash and cash equivalents	279	279	587	587
<b>Financial assets at amortized cost</b>				
Other receivables	75	75	77	77
<b>Total financial assets</b>	<b>542</b>	<b>542</b>	<b>865</b>	<b>865</b>
<b>Financial liabilities FVPL</b>				
Borrowings <sup>1</sup>	1,177	1,170	1,796	1,779
Derivatives	136	136	161	161
<b>Financial liabilities at amortized cost</b>				
Borrowings <sup>1</sup>	4,805	4,809	4,483	4,523
Other liabilities <sup>2</sup>	208	213	235	242
<b>Total financial liabilities</b>	<b>6,326</b>	<b>6,328</b>	<b>6,675</b>	<b>6,706</b>

1 Borrowings are measured at amortized cost except when the borrowings are included in a fair value hedge (see Note 13.3). 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).

2 Excluding social security and other taxes payable.

Cash at bank and in hand at the Company and its subsidiaries are freely disposable.

**Fair value measurement hierarchy at 31 December 2025**

€ million	Level 1	Level 2	Level 3	Total
<b>Financial assets at FVPL</b>				
Other current financial assets	147	-	-	147
Derivatives (cross-currency interest rate swap)	-	40	-	40
Cash and cash equivalents	279	-	-	279
<b>Total assets</b>	<b>426</b>	<b>40</b>	<b>-</b>	<b>466</b>
<b>Financial liabilities at FVPL</b>				
Borrowings	1,170	-	-	1,170
Derivatives (cross-currency interest rate swap)	-	42	-	42
Derivatives (interest rate swap)	-	93	-	93
<b>Total liabilities</b>	<b>1,170</b>	<b>136</b>	<b>-</b>	<b>1,306</b>

**Fair value measurement hierarchy at 31 December 2024**

€ million	Level 1	Level 2	Level 3	Total
<b>Financial assets at FVPL</b>				
Other current financial assets	100	-	-	100
Derivatives (cross-currency interest rate swap)	-	96	-	96
Derivatives (interest rate swap) and other	-	5	-	5
Cash and cash equivalents	587	-	-	587
<b>Total assets</b>	<b>687</b>	<b>101</b>	<b>-</b>	<b>788</b>
<b>Financial liabilities at FVPL</b>				
Borrowings	1,779	-	-	1,779
Derivatives (cross-currency interest rate swap)	-	20	-	20
Derivatives (interest rate swap)	-	142	-	142
<b>Total liabilities</b>	<b>1,779</b>	<b>161</b>	<b>-</b>	<b>1,941</b>

**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 are not based on observable market data; the fair value is estimated using models and other valuation methods.

**[1] Personnel**

Other than the members of the Board of Management, Koninklijke KPN N.V. has no employees.

The following table presents key management remuneration (members of the Board of Management and the Supervisory Board) in euros.

	2025	2024
Short-term employee benefits Board of Management (BoM)	7,134,601	6,407,346
Post-employment benefits BoM	836,060	820,182
Share-based payments BoM	3,902,263	3,442,539
<b>Total remuneration BoM</b>	<b>11,872,924</b>	<b>10,670,066</b>
Supervisory Board	743,847	725,347
<b>Total remuneration key management</b>	<b>12,616,771</b>	<b>11,395,413</b>

See Note 5 to the "Consolidated financial statements" for details of the remuneration of key management.

The remuneration of the members of the Board of Management and the Supervisory Board is paid by KPN B.V. and not charged to Koninklijke KPN N.V.

The average number of FTEs of the Company and its subsidiaries in 2025 was 9,252 (2024: 9,396). All FTEs were employed in the Netherlands.

## [J] Commitments and contingencies

Commitments by virtue of guarantees amounted to €134m (2024: €139m).

KPN has issued several declarations of joint and several liabilities for various group companies in compliance with Article 403, Book 2 of the Dutch Civil Code. These declarations of joint and several liabilities for group companies are included in a complete list of subsidiaries and participating interests, which is available at the offices of the Chamber of Commerce in Rotterdam.

Rotterdam, 20 February 2026

### Board of Management

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Joost Farwerck

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Chris Figee

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Hilde Garssen

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Marieke Snoep

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Wouter Stammeijer

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Chantal Vergouw

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### Supervisory Board

---

Gerard van de Aast

---

Ben Noteboom

---

Herman Dijkhuizen

---

Frank Heemskerk

---

Marga de Jager

---

Kitty Koelemeijer

---

Jolande Sap

---

Rob Shuter

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