Financial statements

Consolidated financial statements

Corporate financial statements

Consolidated financial statements

Consolidated statement of profit or loss

For the year ended 31 December

€ million	Notes	2024	2023
Revenues	[4.1]	5,603	5,439
Other income	[4.2, 21]	31	41
Total revenues and other income		**5,634**	**5,480**
Cost of goods & services		1,428	1,383
Personnel expenses	[5]	849	822
Information technology/Technical infrastructure		312	310
Other operating expenses	[6]	412	416
Depreciation, amortization and impairments	[10, 11, 19]	1,240	1,206
Total operating expenses		**4,242**	**4,137**
Operating profit		**1,392**	**1,342**
Finance income		41	28
Finance costs		-279	-266
Other financial results		-55	-7
Financial income and expenses	**[7, 19]**	**-293**	**-246**
Share of the profit/loss (-) of associates and joint ventures	[12, 21]	-14	-9
Profit before income tax from continuing operations		**1,085**	**1,088**
Income taxes	[8]	-238	-245
Profit for the year from continuing operations		**847**	**843**
Profit/loss (-) for the year from discontinued operations		-	2
Profit for the year		**848**	**844**
Profit attributable to non-controlling interests		-	-
Profit attributable to equity holders of the company		848	844
Earnings per ordinary share after taxes attributable to equity holders of the company for the year in EUR	[9]		
Basic (continuing operations)		0.20	0.20
Diluted (continuing operations)		0.20	0.20
Basic (discontinued operations)		-	-
Diluted (discontinued operations)		-	-
Basic (total, including discontinued operations)		0.20	0.20
Diluted (total, including discontinued operations)		0.20	0.20

Consolidated financial statements

Consolidated statement of other comprehensive income

For the year ended 31 December

€ million	Notes	2024	2023
Profit for the year		**848**	**844**
Other comprehensive income, net of tax			
Other comprehensive income to be reclassified subsequently to profit or loss when specific conditions are met:			
Net gain/loss (-) on cash flow hedges	[16]	18	-26
Currency translation differences	[16]	-	-
Net other comprehensive income/loss (-) to be reclassified to profit or loss in subsequent periods		**18**	**-26**
Items of other comprehensive income not to be reclassified subsequently to profit or loss:			
Retirement benefits remeasurements		2	-
Net gain/loss (-) on equity instruments designated at fair value through other comprehensive income	[13.1]	2	11
Net other comprehensive income/loss (-) not to be reclassified to profit or loss in subsequent periods		**3**	**11**
Other comprehensive income/loss (-) for the year, net of tax		**21**	**-15**
Total comprehensive income for the year, net of tax		**869**	**829**
Total comprehensive income for the year, net of tax, attributable to:			
Equity holders of the company		869	828
Non-controlling interests		-	-
		869	**829**
Total comprehensive income/loss (-) attributable to equity holders of the company arises from:			
Continuing operations		869	826
Discontinued operations		-	2

Consolidated financial statements

Consolidated statement of financial position

Assets

€ million	Notes	31 December 2024	31 December 2023
Non-current assets			
Property, plant and equipment	[10]	6,219	5,943
Intangible assets	[11]	2,974	2,809
Right-of-use assets	[19]	750	815
Equity investments accounted for using the equity method	[12]	561	554
Equity investments measured at fair value through other comprehensive income	[13.1]	119	90
Derivative financial instruments	[13.3]	100	65
Other financial asset at fair value through profit or loss	[13.1]	115	147
Deferred income tax assets	[8]	-	111
Trade and other receivables	[14.1]	97	111
Contract assets and contract costs	[14.2]	91	66
		11,026	**10,712**
Current assets			
Inventories		45	43
Trade and other receivables	[14.1]	546	553
Contract assets and contract costs	[14.2]	111	74
Income tax receivables	[8]	17	31
Derivative financial instruments	[13.3]	-	12
Other financial asset at fair value through profit or loss	[13.1]	40	26
Other current financial assets	[13.1]	100	193
Cash and cash equivalents	[15]	662	609
		1,521	**1,541**
Total assets		**12,547**	**12,253**

Consolidated financial statements

Equity and liabilities

€ million	Notes	31 December 2024	31 December 2023
Equity			
Share capital		156	158
Share premium		7,481	7,674
Other reserves		-91	-114
Retained earnings		-5,005	-5,150
Equity attributable to holders of perpetual capital securities		990	990
Equity attributable to equity holders of the company		**3,531**	**3,558**
Non-controlling interests		3	3
Total equity	**[16]**	**3,533**	**3,561**
Non-current liabilities			
Borrowings	[13.2]	5,379	5,397
Lease liabilities	[19]	656	733
Derivative financial instruments	[13.3]	156	256
Deferred income tax liabilities	[8]	10	-
Provisions for retirement benefit obligations	[17]	17	35
Provisions for other liabilities and charges	[18]	105	103
Contract liabilities	[20]	130	119
Other payables	[20]	23	9
		6,476	**6,651**
Current liabilities			
Trade and other payables	[20]	1,278	1,177
Contract liabilities	[20]	164	169
Borrowings	[13.2]	899	497
Lease liabilities	[19]	163	162
Derivative financial instruments	[13.3]	5	5
Provisions for other liabilities and charges	[18]	29	32
		2,538	**2,042**
Total equity and liabilities		**12,547**	**12,253**

Consolidated financial statements

Consolidated statement of changes in equity

€ million, except number of shares	Notes	Subscribed ordinary shares	Share capital	Share premium	Other reserves	Retained earnings	Equity attributable to holders of perpetual capital securities	Equity attributable to equity holders of the company	Non-controlling interests	Total equity
Balance at 1 January 2023		**4,037,319,593**	**161**	**7,960**	**-106**	**-5,356**	**990**	**3,650**	**2**	**3,652**
Profit for the year			-	-	-	844	-	844	-	844
Other comprehensive income for the period			-	-	-26	11	-	-15	-	-15
Total comprehensive income for the period			**-**	**-**	**-26**	**854**	**-**	**828**	**-**	**829**
Share based compensation expense	[5]		-	-	-	5	-	5	-	5
Sold and transferred treasury shares in connection with vesting of equity-settled share plans			-	-	22	-22	-	-	-	-
Treasury shares withdrawn	[16]	-89,901,811	-4	-286	290	-	-	-	-	-
Dividends paid			-	-	-	-587	-	-587	-	-587
Paid coupon perpetual hybrid bond	[13.2]		-	-	-	-40	-	-40	-	-40
Share repurchase	[16]		-	-	-300	-	-	-300	-	-300
Other			-	-	6	-4	-	2	-	2
Total transactions with owners, recognized directly in equity		**-89,901,811**	**-4**	**-286**	**18**	**-647**	**-**	**-919**	**-**	**-919**
Balance at 31 December 2023		**3,947,417,782**	**158**	**7,674**	**-114**	**-5,150**	**990**	**3,558**	**3**	**3,561**
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
Total comprehensive income for the period			**-**	**-**	**18**	**851**	**-**	**869**	**-**	**869**
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
Other			-	-	-	-1	-	-1	-	-1
Total transactions with owners, recognized directly in equity		**-58,487,360**	**-2**	**-193**	**6**	**-706**	**-**	**-896**	**-**	**-896**
Balance at 31 December 2024		**3,888,930,422**	**156**	**7,481**	**-91**	**-5,005**	**990**	**3,531**	**3**	**3,533**

Consolidated financial statements

Consolidated statement of cash flows

For the year ended 31 December

€ million	Notes	2024	2023
Profit before income tax from continuing operations		1,085	1,088
Adjustments for:			
– Net financial expense	[7]	293	246
– Share-based compensation	[5]	2	5
– Share of the profit/loss (-) of associates and joint ventures		14	9
– Depreciation, amortization and impairments	[10, 11, 19]	1,240	1,206
– Other income and non-cash income and expense	[4.2, 21]	-31	-28
– Changes in provisions (excluding deferred taxes)		-38	-36
Changes in working capital relating to:			
– Current assets		-7	75
– Current liabilities		65	-1
Income taxes paid/received		-147	-110
Interest paid		-242	-224
Interest received		28	12
Net cash flow from operating activities from continuing operations		**2,264**	**2,242**
Net cash flow from operating activities from discontinued operations		**-**	**-**
Net cash flow from operating activities		**2,264**	**2,242**
Acquisition of and investments in subsidiaries, associates and joint ventures (net of acquired cash)	[21]	-213	-118
Disposal of subsidiaries and associates (net of cash)	[21]	26	23
Tax on disposal of subsidiaries and associates	[21]	15	60
Investments in software	[11]	-249	-257
Investments in other intangible assets	[11]	-59	-1
Investments in property, plant and equipment	[10]	-1,006	-991
Acquisitions of subsidiaries and assets that do not constitute a business		-22	-96
Disposals of property, plant and equipment and intangible assets		65	68
Acquisitions of other financial assets	[13.1]	-33	-108
Disposals of other financial assets	[13.1]	95	12
Loans to other parties	[14.1]	-62	-2
Net cash flow from investing activities from continuing operations		**-1,442**	**-1,410**
Net cash flow from investing activities from discontinued operations		**-**	**-16**
Net cash flow from investing activities		**-1,442**	**-1,427**
Dividends paid		-646	-587
Share repurchase	[16]	-200	-300
Paid coupon perpetual hybrid bonds		-48	-40
Issuance of perpetual hybrid bonds		496	-
Repurchase of perpetual hybrid bonds	[13.2]	-277	-
Proceeds from borrowings	[13.2]	996	593
Repayments of borrowings and settlement of derivatives	[13.1, 13.2]	-939	-150
Repayments of lease liabilities	[19]	-143	-124
Other		-7	2
Net cash flow from financing activities from continuing operations		**-769**	**-606**
Net cash flow from financing activities from discontinued operations		**-**	**-**
Net cash flow from financing activities		**-769**	**-606**
Total net cash flow from continuing operations		**53**	**226**
Total net cash flow from discontinued operations		**-**	**-16**
Changes in cash and cash equivalents		**53**	**209**
Net cash and cash equivalents at 1 January		608	399
Net cash and cash equivalents at 31 December		**662**	**608**
Bank overdrafts		-	-
Cash and cash equivalents	**[15]**	**662**	**609**

Consolidated financial statements

General notes to the consolidated financial statements

[1] General information

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

KPN is a leading telecommunications and IT provider in the Netherlands, offering fixed and mobile telephony, fixed and mobile broadband internet and TV to retail and business 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 21 February 2025 and are subject to adoption by the annual general meeting of shareholders (AGM) on 16 April 2025.

[2] Summary of material accounting policies

Basis of preparation

The consolidated financial statements of KPN have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS) 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 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 restatements for 2023 relate only to segment reporting, see Note 3.

Summary of material accounting policies

The general accounting policies as applied are described hereafter. 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.

KPN has concluded that the following, endorsed, amendments effective 1 January 2024 did not have a significant impact:

- IAS 1 *Presentation of financial statements*: Classification of liabilities as current or non-current and non-current liabilities with covenants;
- IFRS 16 *Leases*: Measurement of lease liabilities in sale and leaseback transactions; and
- IAS 7 *Statement of cash flows and IFRS 7 Financial instruments*: Disclosure requirements regarding supplier finance arrangements. KPN has added additional disclosures, see Note 20.

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 2025 or later.

KPN is reviewing the impact of the following endorsed amendment which is effective as of 1 January 2025 (or later):

- Amendments to IAS 21 *The effects of changes in foreign exchange rates*: Lack of Exchangeability.

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

- IFRS 19 *Subsidiaries without Public Accountability: Disclosures*;
- IFRS 18 *Presentation and Disclosure in Financial Statements*;
- Amendments to IFRS 7 and IFRS 9: the Classification and Measurement of Financial Instruments;
- Annual improvements to IFRS Accounting Standards- Volume 11; and
- Amendments to IFRS 7 and IFRS 9: Contracts Referencing Nature-dependent Electricity.

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

Consolidated financial statements

govern the financial and operating policies, resulting in obtaining the variable returns from the entity's activities.

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 euro (EUR), which is KPN's presentation currency as well as functional currency.

Transactions in foreign currencies are translated into euro using the exchange rates applicable at transaction date. At reporting date, monetary assets and liabilities denominated in foreign currencies are translated to euro 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 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.

Goodwill and fair value adjustments arising from the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate at the reporting date.

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 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.

Consolidated financial statements

Significant accounting estimates, judgments and assumptions made by management

Significant accounting estimates, judgments and assumptions made by management are evaluated continuously and are based on historic experience and other factors, including expectations of future events thought to be reasonable under the circumstances. Actual results may deviate from the estimates applied. Estimates are revised when material changes to the underlying assumption occur.

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

Subjects	Notes
Determination of deferred tax assets for losses carry forward 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); and - The valuation of the contingent cash consideration (financial asset at fair value through profit or loss).	Notes 12 and 13.1
The purchase price allocation related to the acquisition of the Dutch activities of Youfone	Note 21

In preparing the 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 and climate change

KPN is continuously enhancing, improving and modernizing its network to realize its sustainability goals, which include: providing secure internet access for everyone and stimulate digital inclusion, while building the most efficient network using technology to reduce energy consumption despite higher data usage. Through its sustainability efforts, KPN not only reduces its own energy consumption but also enables its customers to do the same. KPN's increasing fiber footprint and the migration from copper to fiber network contributes to the realization of KPN's sustainability goals. Through participation in its joint venture Glaspoort B.V., KPN is accelerating its nationwide ambitions. In mobile, initiatives include the modernization of broadcasting and customer premises equipment. Other initiatives include the reduction of KPN's leased fleet and replacement of expired vehicle leases with electric vehicles only. The Board of Management has committed to the sustainability goals by adding non-financial sustainability linked targets to the LTI plans, such as the reduction of supply chain emissions (Scope 3) and gender ratio targets.

KPN has analyzed whether the above has had any impact on the valuation of KPN's assets, liabilities and financial results and concluded the impact is limited. The migration to new generation network equipment has resulted in an acceleration of depreciation charges for the assets to be replaced. KPN is also investing in its employees by facilitating suitable solutions to continue working from home.

Consolidated financial statements

[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.

Comparative financial information for 2023 has been restated due to adjustment of smaller expense allocations between various segments and the termination of (intercompany) transactions for traffic between Wholesale, Business and Consumer. As a result, external revenues at Wholesale increased (by EUR 24m) against a corresponding decrease of external revenues at Business and Consumer.

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, read more in sections Shareholder value and Customer value.

Other

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

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 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 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.

Consolidated financial statements

Segmentation 2024

€ million	Notes	Consumer	Business	Wholesale	NOI	Other[1]	Total KPN Group
Statement of Profit or Loss							
External revenues[2]		3,035	1,877	657	30	4	5,603
Other income	[4.2]	-	-	-	29	1	31
Inter-division revenues		-	2	-	-	-2	-
Total	**[4]**	**3,035**	**1,880**	**657**	**60**	**2**	**5,634**
Operating expenses		-993	-973	-174	-626	-235	-3,001
EBITDA		**2,042**	**907**	**483**	**-567**	**-233**	**2,632**
DA&I		-163	-55	-9	-965	-48	-1,240
Operating result		**1,879**	**852**	**474**	**-1,532**	**-281**	**1,392**
Share of profit or loss of associates and joint ventures	[12]	-	1	-	-	-15	-14
EBITDA		2,042	907	483	-567	-233	2,632
DA&I right-of-use assets	[19]	-16	-4	-1	-72	-36	-130
Interest lease liabilities	[19]	-2	-	-	-16	-4	-23
EBITDA after lease		**2,023**	**903**	**482**	**-655**	**-273**	**2,479**
Total assets[3]		2,431	1,179	602	7,756	580	12,547
Total liabilities		498	370	111	6,513	1,522	9,014

1 Including eliminations

2 External revenues mainly consist of rendering of services

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

Consolidated financial statements

Segmentation 2023 (restated)

€ million	Notes	Consumer	Business	Wholesale	NOI	Other[1]	Total KPN Group
Statement of Profit or Loss							
External revenues[2]		2,882	1,822	695	25	15	5,439
Other income	[4.2]	-	1	-	39	1	41
Inter-division revenues		-	1	-	1	-1	-
Total	**[4]**	**2,882**	**1,824**	**695**	**64**	**15**	**5,480**
Operating expenses		-946	-972	-178	-597	-237	-2,931
EBITDA		**1,936**	**852**	**517**	**-533**	**-222**	**2,548**
DA&I		-145	-47	-9	-954	-51	-1,206
Operating result		**1,790**	**804**	**508**	**-1,487**	**-273**	**1,342**
Share of profit or loss of associates and joint ventures	[12]	-	-	-	-	-9	-9
EBITDA		1,936	852	517	-533	-222	2,548
DA&I right-of-use assets	[19]	-14	-2	-1	-68	-39	-124
Interest lease liabilities	[19]	-2	-	-	-14	-5	-21
EBITDA after lease		**1,920**	**849**	**515**	**-615**	**-266**	**2,403**
Total assets[3]		2,289	1,644	627	7,589	104	12,253
Total liabilities		456	362	92	7,526	257	8,693

1 Including eliminations

2 External revenues mainly consist of rendering of services

3 Total assets of Segment Other includes the carrying value of Glaspoort (EUR 536m, see Note 12) and the deferred consideration related to Glaspoort (EUR 173m, see Note 13.1)

Consolidated financial statements

Notes to the consolidated statement of profit or loss

[4] Revenues and Other income

[4.1] Revenues

€ million	2024	2023
Service revenues	5,215	5,045
Non-service revenues	356	351
Revenues from contracts with customers	**5,571**	**5,396**
Rentals and other revenues	32	43
Revenues	**5,603**	**5,439**

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.

The application of KPN's accounting policies on revenue recognition, including relevant judgments, and information about KPN's performance obligations is 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 content, is generally bundled with network access and revenue is recognized on a gross basis.
- Revenues for streaming services which are contracted with customers separately, are recognized on a net basis if 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 customers can choose to call in an engineer for installation or to install the equipment themselves. 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 therefore not considered a separate performance obligation nor an identified asset in terms of IFRS 16 (leases).
- Transition and transformation projects for establishing 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 stand-alone, 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.

Consolidated financial statements

- The Wholesale segment bills customers at (regulated) tariffs 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 telco 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 on the statement of financial position, which is decreased when handset instalments are billed to the end-customer.

Time value and other information

In 2023 and 2024, the financing component was not significant and therefore not recorded.

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

In 2024, EUR 1m revenue was recognized from variable considerations related to performance obligations satisfied (or partially satisfied) in previous years (2023: EUR 2m).

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 the customer and this amount corresponds directly with the value of KPN's performance completed to date.

Revenues, disaggregated per segment, including interdivision revenues

The disaggregation of the revenues per segment has been restated. The restatement relates mostly to the termination of the intercompany transactions for traffic between the segments (see Note 3).

€ million	2024	2023 (Restated)
Fixed-Mobile service revenues	1,675	1,543
Fixed-only service revenues	731	750
Postpaid-only service revenues	293	249
Legacy/other service revenues	62	72
Consumer service revenues	**2,761**	**2,614**
Non-service revenues[1]	274	268
Total Consumer revenues	**3,035**	**2,882**
Access & connectivity[2]	617	588
IT services[3]	90	62
SME service revenues	**707**	**650**
Access & connectivity[2]	520	521
IT services & Other[3]	248	255
LCE service revenues	**768**	**776**
Access & connectivity[2]	41	57
IT services[3]	46	47
Service management	225	196
Tailored Solutions service revenues	**313**	**300**
Business service revenues	**1,788**	**1,726**
Non-service & other revenues[1]	92	97
Total Business revenues	**1,879**	**1,823**
Mobile service revenues	156	177
Broadband service revenues	316	319
Other service revenues[4]	182	197
Wholesale service revenues	**654**	**693**
Non-service revenues	3	2
Total Wholesale revenues	**657**	**695**
NOI and Other (incl. eliminations)	**32**	**39**
Total	**5,603**	**5,439**

1 Non-service revenues includes the sale of handsets and peripheral equipment and in the business segment also the sale of software licenses
2 Service revenues for among others mobile, broadband & networking, fixed voice and internet of things
3 IT services includes cloud & workspace and cybersecurity
4 Service revenues for among others interconnect traffic, visitor roaming, digital products (messaging, content delivery) and NL-ix (interconnect exchange)

Consolidated financial statements

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 the five-step process of IFRS 15 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 are 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.

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 in case 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).

KPN recognizes contract liabilities 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.

In case services or goods are delivered by sub-contractors, 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.

Accounting policy: Costs to obtain and/or fulfill a contract
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 the customer, 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.

Consolidated financial statements

[4.2] Other income

€ million	2024	2023
Other income	31	41

Other income in 2024 relates to the book gains realized on the sale of various tangible and intangible (legacy) assets (EUR 30m) and the sale of an associated company (EUR 1m).

Other income in 2023 relates to the book gains realized on the sale of assets to Glaspoort B.V. (EUR 31m), the sale of various tangible and intangible assets (EUR 8m) and the sale of an associated company (EUR 1m).

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	2024	2023
Salaries and wages	791	752
Retirement benefits	87	83
Social security contributions	109	96
Share-based payments[1]	11	14
Additional labor capacity	33	46
Own work capitalized	-226	-211
Other (including e.g. training, travel)	44	42
Total personnel expenses	**849**	**822**

1 Refer to the Share Plans paragraph below for details.

Employee redundancy costs of EUR 28m (2023: EUR 38m) are not included in personnel expenses but in other operating expenses (see Note 18).

Number of own personnel (FTE) per segment[1]	31 December 2024	31 December 2023
Consumer	2,931	2,909
Business	2,811	2,777
Wholesale	210	218
NOI	2,772	2,871
Other	939	949
Total FTE	**9,664**	**9,724**
> Of which discontinued operations	0	0

1 All employees were employed in the Netherlands.

Consolidated financial statements

Share plans

KPN has granted shares (equity-settled) and share-based awards (cash-settled) on its shares to members of the Board of Management and senior management. The conditionally granted awards will vest after three years if they are still employed by KPN. Vesting of non-financial targets is subject to achieving a cumulative net profit during the vesting period of three years (a qualifier for vesting). The peer group and the vesting schedule 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	Maximum term	Settlement type[1]	Vesting period	Holding period after vesting of/until
2020	X		6 years	Equity[2]	3 years	3 years
		X	3 years	Cash	3 years	–
2021	X		6 years	Equity[2]	3 years	3 years
		X	3 years	Cash	3 years	–
2022	X		6 years	Equity[2]	3 years	3 years
		X	3 years	Cash	3 years	–
2023	X		6 years	Equity[2]	3 years	3 years
		X	3 years	Cash	3 years	–
2024	X		6 years	Equity[2]	3 years	3 years
		X	3 years	Cash	3 years	–

1 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 taxes 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.

2 Including deferred dividend.

The related liability (for cash-settled shares) on 31 December 2024 was EUR 9m (31 December 2023: EUR 10m). This liability is included under other payables. For the 2021 share plan and share-based awards, the service conditions were met in 2024. The intrinsic value at vesting was EUR 15m (2023: EUR 13m).

Consolidated financial statements

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

	Total 31 Dec 2022	Granted/ additional vesting[1]	Exercised/ Vested	Forfeited	Total 31 Dec 2023	Granted/ additional vesting[2]	Exercised/ Vested[3]	Forfeited	Total 31 Dec 2024[4]	-of which: Non-vested
2020 Share-based awards Sr. man.	2,101	441	-2,542	-	-	-	-	-	-	-
2020 Shares BoM	1,809	380	-2,189	-	-	-	-	-	-	-
2021 Share-based awards Sr. man.	1,679	16	-	-	1,695	848	-2,543	-	-	-
2021 Shares BoM	1,409	-	-	-52	1,357	679	-2,036	-	-	-
2022 Share-based awards Sr. man.	1,652	-	-	-19	1,633	-	-	-	1,633	1,633
2022 Shares BoM	1,157	-	-	-155	1,002	-	-	-	1,002	1,002
2023 Share-based awards Sr. man.	-	1,790	-	-	1,790	58	-	-	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	1,892
2024 Shares BoM	-	-	-	-	-	1,243	-	-	1,243	1,243

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 is calculated using a Monte Carlo Simulation model. In April 2024 the fair value was EUR 2.90 (2023 grant: EUR 2.79) for the 2024 share-based award (cash-settled) and EUR 3.23 (2023 grant: EUR 3.07) for the 2024 equity-settled share grant for the Board of Management (excluding deferred dividend).

3 At the end of 2024, KPN held the 3rd position (TSR) with respect to the 2022 share grant and at the end of 2023, KPN held the 3rd position with respect to the 2021 share grant. This position and the outcomes of the other targets will lead to 106% vesting in April 2025 of the 2022 share grant. Final TSR measurement for the 2021 share grant was conducted in February 2024 which resulted in 150% vesting in April 2024.

4 The fair value of each cash-settled share-based award was measured on 31 December 2024 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 2024). The TSR related fair value on 31 December 2024 was EUR 3.64 (2023: EUR 4.77) for the 2022 share-based award, EUR 2.43 (2022: EUR 2.45) for the 2023 share-based award and EUR 2.40 for the 2024 share-based award.

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

Assumptions	2024 LTI	2023 LTI
Risk-free interest rate based on euro government bonds for remaining time to maturity of 2.7 years	3.0%	3.3%
Expected dividend for KPN (based on one year's historical daily data preceding the date of award)	4.5%	4.1%
Expected volatility (PSP grant based on 2.7 years' historical daily data) used for TSR	14.5%	20.2%
Share price at date of award (closing at grant date)	€ 3.38	€ 3.31

Consolidated financial statements

The following sections detail the actual remuneration of the Board of Management. See the remuneration report for the executive pay policy. At KPN, key management consists of the members of the Board of Management and the Supervisory Board.

Details of actual remuneration Board of Management

The remuneration of the Board of Management, representing the costs incurred by the company measured under IFRS principles, in EUR, is as follows:

Name current member	Year	Short-term benefits: Salary	Short-term benefits: STI[1]	Share-based: LTI[2]	Post-employment: Pension Cost[3]	Social security and other compensation[4]	Total in EUR
J.F.E. Farwerck	2024	908,119	596,879	1,166,490	253,368	33,124	2,957,980
	2023	892,500	740,597	1,153,237	218,211	32,140	3,036,684
H.C. Figee	2024	717,667	314,467	599,910	138,261	40,359	1,810,665
	2023	688,500	380,878	593,095	131,996	39,278	1,833,747
M.W.M. Snoep	2024	674,603	295,597	577,690	131,000	32,916	1,711,806
	2023	663,000	366,772	571,127	128,979	31,932	1,761,810
C. Vergouw	2024	674,603	295,597	299,782	107,479	32,830	1,410,291
	2023[5]	386,750	213,950	94,203	61,447	16,957	773,307
W. Stammeijer	2024	674,603	295,597	354,288	90,104	35,683	1,450,275
	2023[5]	386,750	213,950	140,466	51,420	9,264	801,851
H. Garssen	2024	518,925	227,383	444,378	99,971	38,394	1,329,050
	2023	510,000	282,132	439,329	91,329	16,690	1,339,480
Total current members	**2024**	**4,168,518**	**2,025,521**	**3,442,539**	**820,182**	**213,307**	**10,670,066**
	2023	**3,527,500**	**2,198,279**	**2,991,457**	**683,382**	**146,261**	**9,546,878**

1 Actual STI relates to performance in the current year but paid out in the following financial year. See the 'Short-term incentives' section in the Remuneration Report for the actual pay-out levels per target.

2 The amounts in the table represent the cost recognized for shares in 2024 and 2023 based on their fair values at grant date. The fair value of the share-based award is recorded as cost over the vesting period. See the 'Long-term incentives' section in the Remuneration Report for a further explanation.

3 The pension costs include the costs for survivor's pension, disability coverage, administration as well as the gross allowances. The fixed gross allowance (for the base pay part above EUR 137,800) in 2024 was, EUR 186,208 for Mr. Farwerck (2023: EUR 162,240), EUR 95,314 for Mr. Figee (2023: EUR 92,258), EUR 90,585 for Ms. Snoep (2023: EUR 90,094), EUR 70,785 for Ms. Vergouw (2023: EUR 41,058), EUR 56,421 for Mr. Stammeijer (2023: EUR 32,719) and EUR 64,999 for Ms. Garssen (2023: EUR 60,611).

4 In addition to social security, the stated amounts include allowances that can be considered as indirect remuneration and relates to the value for the private use of the company car.

5 Since appointment to the Board of Management in 2023

Name former member	Year	Short-term benefits: Salary	Short-term benefits: STI[1]	Share-based: LTI[2]	Post-employment: Pension Cost[3]	Social security and other compensation[4]	Total in EUR
J.P.E. Van Overbeke[5]	2023	221,000	122,257	181,421	54,903	8,979	588,559
B. Fouladi[5]	2023	221,000	122,257	181,421	42,320	4,921	571,919
Total former members	**2023**	**442,000**	**244,514**	**362,842**	**97,223**	**13,899**	**1,160,478**

1 Actual STI relates to performance in 2023 but paid out in the following financial year. See the 'Short-term incentives' section in the Remuneration Report for the actual pay-out levels per target.

2 The amounts in the table represent the cost recognized for shares in 2023 based on their fair values at grant date. The fair value of the share-based award is recorded as cost over the vesting period. See the 'Long-term incentives' section in the Remuneration Report for a further explanation.

3 The pension costs include the costs for survivor's pension, disability coverage, administration as well as the gross allowances. The fixed gross allowance (for the base pay part above EUR 128,810) in 2023 was, EUR 40,310 for Mr. Van Overbeke and EUR 29,338 for Mr. Fouladi.

4 In addition to social security, the stated amounts include allowances that can be considered as indirect remuneration and relates to the value for the private use of the company car.

5 Board of Management member until May 2023. No severance was paid out. An amount of EUR 2m was recorded for so called pseudo final levy (payable by KPN) relating to former board members.

See the remuneration report for the number of shares under the share plans per individual board member.

See the Insider Transactions section (p. #) for stock ownership of members of the Board of Management and Supervisory Board.

Consolidated financial statements

Supervisory Board and key management totals
See the remuneration report for the actual fees received by each member of the Supervisory Board. The total fees for 2024 amounted to EUR 725,347 (2023: EUR 679,792).

Total key management remuneration amounted to EUR 11m (2023: EUR 11m), of which EUR 7m (2023: EUR 7m) for short-term employee benefits, EUR 1m (2023: EUR 1m) for post-employment benefits and EUR 3m (2023: EUR 3m) for share-based payments.

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 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] Other operating expenses

Other operating expenses decreased with EUR 4m to EUR 412m. Other operating expenses include a net addition to the restructuring provision (see Note 18).

Auditor's fees
The fees listed below 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, recognized as expenses in the financial year:

€ million	2024	2023
Financial statements audit fees	4.4	4.2
Other assurance fees	1.6	1.3
Total audit fees	**6.0**	**5.5**

The financial statements audit fees include the fees for professional services rendered for the audit of KPN's annual financial statements, and the audit of annual statutory financial statements of subsidiaries or services that are normally provided by the auditor in connection with the audits.

The 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
Operating expenses are divided into direct costs (cost of goods and services) and indirect costs (IT/TI, personnel expenses, other operating expenses and depreciation, amortization and impairments).

Cost 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.

Other operating expenses mainly include expenses related to marketing and communication, billing and collection, housing and facilities.

See Note 10, 11 and 19 for the accounting policy regarding depreciation, amortization and impairments.

Consolidated financial statements

[7] Financial income and expenses

€ million	Notes	2024	2023
Finance income		**41**	**28**
Interest on borrowings		-245	-236
Interest expense lease liability	[19]	-23	-21
Interest on other provisions		-1	-2
Other interest expenses		-9	-7
Finance costs		**-279**	**-266**
Hedge ineffectiveness		-7	4
Amortizable part of hedge reserve		-12	-15
Amortization discontinued fair value hedges		18	16
Derivative financial instruments not qualified for hedge accounting	[13.3]	-7	-9
Exchange rate differences		12	1
Fair value loss on contingent cash receivable Glaspoort	[13.1]	-	-6
Bond tender premiums and charges	[13.2]	-60	-
Other		1	1
Other financial results		**-55**	**-7**
Total		**-293**	**-246**

Net financial income and expenses amounted to EUR -293m (2023: EUR -246m), reflecting an increase in net costs of EUR 47m.

Finance income increased by EUR 13m to EUR 41m, mainly due to higher interest income on excess cash.

Finance costs increased by EUR 13m to EUR 279m, which was mainly related to the interest accrued on the EUR 1bn senior bond issued in February 2024, partly offset by the lower interest expense on tendered bonds and the bond redemption in September. Interest on borrowings included a non-cash amount of EUR 5m (2023: EUR 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 (costs) increased by EUR 48m to a net cost of EUR 55m (2023: EUR 7m net cost) which is mainly the result of EUR 60m charges related to the bond tender in February 2024, partly offset by EUR 11m higher positive result on exchange rate differences (USD, GBP) and EUR 6m lower fair value loss on the contingent cash receivable related to Glaspoort. In February 2024, KPN repurchased GBP 150m notional of the GBP 400m 5.00% bonds due in November 2026 and GBP 300m notional of the GBP 850m 5.75% bonds due in September 2029 and partially unwound the associated cross-currency swaps to maintain a fully hedged position on the remaining GBP bonds outstanding. In total these transactions resulted in P&L charges of EUR 60m consisting of a EUR 14m release of hedge reserves on the terminated hedges, EUR 23m accelerated amortization of discontinued hedge reserves, EUR 20m bond premiums as the bonds were repurchased above par at 100.745% and 104.534% respectively, and EUR 3m swap close-out charges and transaction costs.

Consolidated financial statements

[8] Taxation

The 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 2024, and will be used to offset a part of KPN's taxable income in the Netherlands in the years thereafter.

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 2024. Management does not expect that this estimate might change significantly. See the Appendix 4: GRI index for tax and geographic tax overview.

KPN has a renewed 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% (2023: 9.0%). The application of the innovation box resulted in a benefit of EUR 31m in 2024 (2023: EUR 32m).

See Note 21 for the impact of the acquisitions, which are separately liable for income taxes, and disposals of subsidiaries and business units.

Germany

As all relevant tax years have been audited, KPN has dissolved and liquidated the remaining legal entity in Germany.

Income tax expense

€ million	2024	2023
Current tax	-149	-93
Deferred taxes	-89	-152
Income tax (charge)/benefit from continuing operations	**-238**	**-245**

The reconciliation from the Dutch statutory tax of 25.8% (2023: 25.8%) to the effective tax rate (ETR) of 21.7% (2023: 22.3%) is explained in the following table:

	2024		2023	
	€ million	ETR	€ million	ETR
Profit before income tax from continuing operations excluding associates and joint ventures	**1,100**		**1,097**	
Taxes at Dutch statutory tax rates	-284	25.8%	-283	25.8%
Non taxable income, non deductible expenses	-4	0.4%	-6	0.5%
Participation exemption on the sale of subsidiaries	0	0.0%	-2	0.2%
Innovation tax facilities current year	31	-2.8%	32	-2.9%
Deferred tax related to current year	3	-0.3%	2	-0.2%
Tax benefit perpetual hybrid bonds	12	-1.1%	10	-0.9%
Other	3	-0.3%	1	-0.1%
Income tax benefit/(charge) from continuing operations	**-238**	**21.6%**	**-245**	**22.3%**

Consolidated financial statements

Deferred tax positions

Deferred tax assets

€ million	Tax loss & other carry forwards[1]	Bonds & hedges[2]	Property, plant and equipment (PP&E)[3]	Lease Liabilities[4]	Other	Offset against deferred tax liabilities	Total
Balance at 31 December 2022	**293**	**31**	**101**	**219**	**35**	**-417**	**261**
Income statement benefit/(charge)	-	-	-13	-5	-2	-101	-122
Transfer to current tax	-36	-	-	5	-1	-	-32
Tax charged to OCI	-	9	-	-	-	-	9
Other and restate	2	-	-3	-	-2	-2	-5
Balance at 31 December 2023	**259**	**40**	**84**	**218**	**29**	**-520**	**111**
Income statement benefit/(charge)	-	-5	-26	-17	2	-	-47
Transfer to current tax	-73	-	-	-	0	-	-74
Tax charged to OCI	-	-6	-	-	-	-	-6
Other	-	-	-	-	-1	17	16
Balance at 31 December 2024	**185**[5]	**30**	**58**	**201**	**29**[6]	**-503**	**0**

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 in 5 years for tax purposes and less than 5 years for book purposes and arbitrary depreciation. No DTA is recorded for a taxable amount of EUR 84m (deferred EUR 22m) related to restricted deprecation on real estate

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

5 Of which EUR 102m 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

6 No DTA is recorded for a taxable amount of EUR 15m (deferred EUR 3m) related to the UK pension provision

Deferred tax liabilities

€ million	Software development[1]	Goodwill depreciation[2]	PPA[3]	PP&E: Arbitrary depreciation	Right of use assets[4]	Other	Offset against deferred tax assets	Total
Balance at 31 December 2022	**73**	**117**	**33**	**-**	**195**	**1**	**-417**	**2**
Income statement benefit/(charge)	4	-	-7	111	-7	1	-101	-1
Other	-	-	1	-	-	-	-2	-1
Balance at 31 December 2023	**77**	**117**	**27**	**111**	**187**	**1**	**-520**	**-**
Income statement benefit/(charge)	6	-	-9	-15	-15	-	-	-32
Other	-	-	25	-	-	-	17	42
Balance at 31 December 2024	**83**	**117**	**43**	**96**	**172**	**1**	**-503**	**10**

1 Amounts relate to capitalized software costs which are taken as expenses for tax books

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

Consolidated financial statements

Tax loss carry forward

€ million	31 December 2024 Tax loss carry forward	Maximum deferred tax asset	Recognized deferred tax asset	31 December 2023 Tax loss carry forward	Maximum deferred tax asset	Recognized deferred tax asset
Koninklijke KPN – corporate tax[1]	719	185	185	1,003	259	259
Other	113[2]	24	-	104[2]	22	-
Total KPN Group[3]	**832**	**209**	**185**	**1,107**	**281**	**259**

1 Available losses for the fiscal unity (including pre-acquisition losses). The offset of realized losses with future profits is unlimited

2 Losses relating to foreign jurisdictions that are not expected to materialize in foreseeable future

3 No DTA is recognized to a tax amount of EUR 3m of withholding tax credits as it is not probable that future tax payables will be available to utilize these credits based on current legislation and jurisprudence

Expiration of the available tax loss carry forward and recognized tax assets

€ million	31 December 2024 Tax loss carry forward	Maximum deferred tax asset	Recognized deferred tax asset	31 December 2023 Tax loss carry forward	Maximum deferred tax asset	Recognized deferred tax asset
2025	-	-	-	-	-	-
2026	4	1	-	4	1	-
2027	-	-	-	-	-	-
2028	8	2	-	7	2	-
Later	51	11	-	48	10	-
Unlimited	769	196	185	1,048	268	259
Total	**832**	**209**	**185**	**1,107**	**281**	**259**

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 an exception for perpetual hybrid bonds classified as equity.

KPN's management periodically evaluates positions taken in the tax returns on situations in which uncertainty on a tax position exists over whether the relevant taxation authority will accept the tax treatment under law. These uncertain tax positions ('UTP') will be recognized if the amount can be reliably estimated and when the chance of a cash outflow is estimated as probable. When these criteria are not met, these positions are classified as contingent liabilities, unless the cash outflow is considered remote.

Consolidated financial statements

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 utilized. Both the 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 utilized.

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 liability is settled based on enacted or substantially enacted tax laws.

If a tax provision is recognized for an uncertain tax position (UTP) that relates to deferred taxes, the UTP will be netted against these deferred taxes. 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.

Consolidated financial statements

[9] Earnings per share

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

€ million	2024	2023
Profit for the year from continuing operations	847	843
Profit for the year from discontinued operations	0	2
Profit for the year	**848**	**844**
Profit attributable to non-controlling interests	-	-
Deduction for perpetual capital securities	-50	-40
Adjusted profit (loss) attributable to ordinary shareholders of the company	**798**	**804**
Weighted average number of subscribed ordinary shares	**3,897,111,038**	**3,971,627,920**
Dilution effects: non-vested shares	3,345,533	4,454,676
Weighted average number of subscribed ordinary shares including dilution effects	**3,900,456,571**	**3,976,082,596**

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

€	2024	2023
Basic (continuing operations)	0.20	0.20
Diluted (continuing operations)	0.20	0.20
Basic (discontinued operations)	-	-
Diluted (discontinued operations)	-	-
Basic (total, including discontinued operations)	0.20	0.20
Diluted (total, including discontinued operations)	0.20	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.

Coupons and carrying amount adjustments on the perpetual hybrid bonds were deducted from the profit attributable to equity holders, since the perpetual hybrid bonds represent equity but do not constitute profit attributable to ordinary shareholders.

The total basic earnings per share include EUR 0.06 (2023: EUR 0.06) in tax expenses.

Consolidated financial statements

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
Balance at 1 January 2023	**377**	**5,018**	**24**	**148**	**5,568**
Investments	7	4	3	984	998
Transfers from AuC to other PPE	23	855	7	-885	-
Depreciation	-41	-672	-10	-	-723
Impairments and retirements	-2	-9	-	-	-11
Changes in consolidation[1]	-	117	-	-	116
Disposals	-4	-	-	-	-4
Closing net book value	**361**	**5,312**	**24**	**247**	**5,943**
Cost	1,570	9,075	51	247	10,943
Accumulated depreciation/impairments	-1,210	-3,763	-27	-	-5,000
Balance at 31 December 2023	**361**	**5,312**	**24**	**247**	**5,943**
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[2]	3	20	-	-	23
Disposals	-2	-18	-	-	-20
Closing net book value	**371**	**5,681**	**23**	**144**	**6,219**
Cost	1,572	9,746	52	144	11,514
Accumulated depreciation/impairments	-1,202	-4,065	-29	-	-5,295
Balance at 31 December 2024	**371**	**5,681**	**23**	**144**	**6,219**

1 Changes in consolidation in 2023 mainly relate to the acquisitions of Primevest (EUR 91m) and Kabeltex (EUR 26m), see also Note 21

2 Changes in consolidation in 2024 mainly relate to the acquisitions of subsidiaries and assets that do not constitute a business, such as fiber networks of Coöperatie Glasvezel Noord (EUR 8m) and Glasvezel Netwerkbedrijf Lochem (EUR 8m), 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 after three years starting in early 2023 for existing addresses where fiber service delivery has been available from early 2020, and for the addresses in every then already announced fiber rollout project under construction. 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 EUR 2m in 2024 (2023: EUR 6m).

Consolidated financial statements

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.

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.

Impairments are reversed if and to the extent that the impairment no longer exists. The recoverable amount is defined as the higher of an assets' fair value less costs of disposal and its value in use.

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

Consolidated financial statements

[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
Balance at 1 January 2023	**1,439**	**127**	**45**	**278**	**57**	**932**	**5**	**2,884**
Investments	11	-	5	35	218	-	-	269
Transfers from SiD to Software in use	-	-	22	194	-216	-	-	-
Changes in consolidation	-	3	-5	5	-1	-	-	2
Amortization	-	-26	-21	-193	-	-100	-1	-341
Impairments	-	-2	-1	-3	-	-	-	-6
Reclassifications	-	-	16	-16	1	-	-	2
Closing net book value	**1,451**	**103**	**61**	**300**	**59**	**832**	**4**	**2,809**
Cost	2,108	326	104	601	59	1,779	11	4,989
Accumulated amortization/impairments	-657	-223	-44	-301	-	-947	-7	-2,179
Balance at 31 December 2023	**1,451**	**103**	**61**	**300**	**59**	**832**	**4**	**2,809**
Investments	135[1]	-	1	2	246	60[2]	-	445
Transfers from SiD to Software in use	-	-	20	256	-276	-	-	-
Changes in consolidation[3]	-1	90	-	-	-	-	8	98
Amortization	-	-30	-23	-212	-	-102	-	-368
Impairments	-	-2	-	-5	-	-	-	-8
Reclassifications	-	-3	-19	21	-2	-	-	-2
Closing net book value	**1,585**	**158**	**39**	**361**	**28**	**791**	**11**	**2,974**
Cost	2,243	383	92	704	28	1,839	23	5,311
Accumulated amortization/impairments	-657	-225	-53	-343	-	-1,048	-11	-2,336
Balance at 31 December 2024	**1,585**	**158**	**39**	**361**	**28**	**791**	**11**	**2,974**

1 Goodwill increase relates to the acquisition of Youfone (EUR 135m), Coöperatie Glasvezel Noord (EUR 1m) and the disposal of KPN Internedservices (EUR -1m)

2 Investment in Licenses relates to the new 3.5Ghz 5G frequency

3 Changes in consolidation mainly relate to the acquisition of Youfone customer base (EUR 90m) and trade name (EUR 7m)

Goodwill per CGU

€ million	31 December 2024	31 December 2023
Consumer	888[1]	753
Business	662	663
Wholesale	35	35
Total	**1,585**	**1,451**

1 Increase of EUR 135m mainly due to the acquisition of Youfone

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 2024 did not indicate that the book value of KPN's goodwill is not recoverable. KPN's market capitalization on 31 December 2024 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 their value-in-use, which was determined by using the discounted cash flow method.

Key assumptions used in the cash flow projections are estimated EBITDA, capex, change in working capital and pre-tax weighted average cost of capital (WACC). The cash flow projections are management's best estimate based on the updated strategic plan and extrapolation to terminal values for the years after 2034. Personnel expenses are expected to increase (net, after reduction of FTE's) between 1% and 3% in 2025 to 2029. Energy costs are expected to be approximately 15% lower in 2025 compared with 2024 as energy prices have decreased over time and we expect

Consolidated financial statements

that energy costs will decline further with approximately 8% by 2028 due to reduced energy consumption. KPN has outlined a 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 can lead to grid congestion, with the risk of disrupting KPN's networks and services through power outages. Climate change can 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 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 capital asset pricing model (CAPM). In 2024, KPN revised the calculation methodology on certain parameters, i.e. de inputs for Equity Risk Premium (ERP) and the introduction of a size premium. This caused a decrease in the WACC. Since 2016, KPN has calculated an implied forward-looking ERP based on Bloomberg German Market Returns and corresponding German Bund yields. This implied ERP is generally higher than the traditional CAPM methodology-based fixed ERP which uses a long-term backward-looking approach. In the past years with lower or even negative interest rates, the implied ERP resulted in more sensible WACC rates. As interest rates have normalized recently, KPN now returns to the “traditional” CAPM methodology using long-term, backward looking ERP data provided by an independent valuation services provider. This long-term, backward looking ERP is based on a regular review of fluctuations in the Eurozone's economic and financial market conditions, followed by periodic reassessment of the ERP. When applying the “traditional” CAPM, it is standard practice to include a size premium which is supported by empirical studies showing that smaller companies tend to have higher average rates of return compared to larger companies. A size premium for KPN and separately for Glaspoort has been applied.

The average terminal growth rate for all three CGU's for the period after 10 years is updated consistently in line with the changes in the risk-free rate used to determine the WACC, and was 1.5% in both 2024 and 2023.

For all three CGUs, the annual impairment tests in 2024 and 2023 resulted in significant positive headroom at 31 December 2024 and 31 December 2023.

Key assumptions in goodwill impairment tests

CGU	EBITDA margin	Capex intensity	Discount rate	Terminal sales growth[1]
Consumer 2024	52% – 54%	18% – 27%	6% – 7%	1.5%
Consumer 2023	51% – 54%	18% – 26%	8% – 9%	1.5%
Business 2024	32% – 37%	10% – 15%	6% – 7%	1.5%
Business 2023	31% – 37%	13% – 18%	8% – 9%	1.5%
Wholesale 2024	67% – 72%	30% – 43%	6% – 7%	1.5%
Wholesale 2023	69% – 74%	27% – 43%	8% – 9%	1.5%

1 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 2034 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 as of 2027. The discount rate shown in the table above is the WACC used to determine the value-in-use at 31 December 2024. The sensitivity analyses on the impairment test, resulting from a change in the key assumptions, showed that the headroom of the CGUs is more than sufficient. The analyses were performed for each key assumption separately. For example, a 1% higher discount rate, a 20% higher capex, a 1% lower terminal growth rate or a 20% lower EBITDA in each of the CGUs would not lead to a goodwill impairment.

Consolidated financial statements

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 2024 of EUR 17m (31 December 2023: EUR 17m) and combined share in their net result of nil in 2024 (2023: nil) are not material, either individually or in aggregate.

Joint venture Glaspoort

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, among others, the following:

- KPN's option to purchase one additional share in Glaspoort. This option is exercisable between the 5th and the 8th anniversary of the transaction (9 June 2021) provided certain criteria are met, and in any case after the 8th anniversary.
- KPN's influence on Glaspoort's relevant activities through KPN's presence in the governance structure.
- KPN is 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 annually.

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 EUR 878m have been recognized in the initial balance sheet of Glaspoort, which mostly relate to contractual relationships held by Glaspoort, with - among others - KPN. These intangible assets are amortized over a period of 30 years. At 31 December 2024 these intangibles had a carrying value of EUR 813m (31 December 2023: EUR 833m).

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 EUR 170m (pre-tax). KPN received an upfront payment of EUR 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%

Consolidated financial statements

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 (2023: EUR 23m). At 31 December 2024, the deferred consideration to be received by KPN is EUR 28m, of which EUR 23m current (31 December 2023: EUR 59m, of which EUR 31m current). The payments received are included in the net cash flow from disposals of property, plant and equipment and intangible assets in the consolidated statement of cash flows (2024: EUR 31m, 2023: EUR 51m).

In 2023 KPN contributed in kind an additional share premium of EUR 16m which was passed through to Glasdraad in which Glaspoort has a 50% share. For this transaction KPN recognized in 2023 a gain of EUR 8m as other income, a gain of EUR 4m (pre-tax) as result from joint ventures and a deferred gain of EUR 4m following the requirements of IAS 28 for downstream transactions.

The deferred gains are deducted from the carrying amount of KPN's investment in Glaspoort (EUR 76m at 31 December 2024 and EUR 82m in 2023) and are recognized over time as part of the result from KPN's investment in Glaspoort (EUR 4m in 2024 and EUR 7m in 2023).

During 2024, Glaspoort received additional share premium contributions of EUR 20m per shareholder based on the original agreements. In 2023 KPN contributed EUR 85m (including the contribution in kind). Drepana also contributed EUR 85m in additional share premiums, of which EUR 4m was to be received by Glaspoort at 31 December 2024. 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 and the acquisition of its 50% share in Glasdraad.

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

Summarized statement of financial position of Glaspoort B.V.

€ million	31 December 2024	31 December 2023
Tangible fixed assets	629	401
Intangible assets	958	990
Right-of-use assets	1	0
Equity investments	98	86
Other non-current assets	29	28
Current assets	31	14
Net cash and cash equivalents	5	14
Non-current liabilities	-445	-268
Current liabilities	-97	-60
Equity	**1,209**	**1,206**
KPN's share in equity	605	603
Goodwill from initial valuation at fair value	15	15
Carrying amount of the investment Equity Method	**620**	**618**
Less: Deferred gain on downstream transactions	-76	-82
Carrying amount of the investment	**544**	**536**

Summarized statement of profit or loss of Glaspoort B.V.

€ million	2024	2023
Revenue	53	30
Operating expenses	-22	-17
Depreciation, amortization & impairment expenses	-50	-34
Net finance result	-27	-20
Result from joint ventures	-1	-1
Profit before tax	**-47**	**-40**
Income tax expense	10	9
Profit for the year	**-37**	**-31**
Total comprehensive income for the year	**-37**	**-31**
KPN's share of profit for the year	**-19**	**-16**
Release deferred gain on downstream transactions (net of tax)	4	7
KPN's total reported result from JV GP	**-14**	**-9**

Both shareholders have committed to additional share premium contributions. On 31 December 2024, the remaining maximum commitment of each shareholder was EUR 255m, payable to Glaspoort based on funding requirements following its annual budget (31 December 2023: EUR 202m). Neither shareholder has additional funding obligations regarding Glaspoort. Glaspoort has entered into funding agreements with financial institutions to cover its financial commitments, which include its fiber roll-out activities. These funding agreements have been entered into on a non-recourse basis without any guarantees from the shareholders.

Consolidated financial statements

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.

Impairment assessment Glaspoort

KPN performed an impairment test and concluded that the fair value less costs of disposal of KPN's investment in Glaspoort is higher than its carrying amount of EUR 544m at 31 December 2024, so no impairment was recognized. The impairment test was based on input obtained from management of Glaspoort, including the long-term business plan and management's estimate of rollout scope and progress. The fair value also depends on assumptions on the WACC (6.0%) and the terminal growth rate (1.5%). In 2024, the methodology to determine the WACC was amended, which led to a WACC decrease (see Note 11).

With all other assumptions unchanged, a 1.0% higher WACC would not lead to an impairment and a 1.25% higher WACC would lead to an estimated impairment of EUR 25m. A 0.0% terminal growth rate would not lead to an impairment, with all other assumptions unchanged.

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 of 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, the Group 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.

Consolidated financial statements

[13] Financial assets and financial liabilities

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

		31 December 2024		31 December 2023	
€ million	**Notes**	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Financial assets at FVPL					
Other financial asset at fair value through profit or loss	[13.1]	155	155	173	173
Other current financial assets	[13.1]	100	100	193	193
Derivatives	[13.3]	101	101	77	77
Cash and cash equivalents	[15]	662	662	609	609
Financial assets at amortized cost					
Trade and other receivables[1]	[14.1]	464	464	459	459
Financial assets at FVOCI					
Financial receivables handsets	[14.1]	82	82	106	106
Equity investments	[13.1]	119	119	90	90
Total financial assets		**1,683**	**1,683**	**1,708**	**1,708**
Financial liabilities FVPL					
Borrowings[2]	[13.2]	1,796	1,779	1,750	1,740
Derivatives	[13.3]	161	161	261	261
Financial liabilities at amortized cost					
Borrowings[2]	[13.2]	4,483	4,523	4,144	4,182
Trade and other payables[3]	[20]	1,076	1,076	981	981
Total financial liabilities[4]		**7,515**	**7,539**	**7,136**	**7,164**

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

2 Borrowings are measured at amortized cost except when the borrowings are included in a fair value hedge (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.

Consolidated financial statements

Fair value measurement hierarchy at 31 December 2024

€ million	Level 1	Level 2	Level 3	Total
Financial assets at FVPL				
Other financial asset at fair value through profit or loss	-	-	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
Financial assets at FVOCI				
Financial receivables handsets	-	82	-	82
Equity investments:				
Unlisted securities	-	-	119	119
Total assets	**762**	**183**	**274**	**1,219**
Financial liabilities at FVPL				
Borrowings	1,779	-	-	1,779
Derivatives (cross-currency interest rate swap)	-	20	-	20
Derivatives (interest rate swap)	-	142	-	142
Total liabilities	**1,779**	**161**	**-**	**1,941**

Fair value measurement hierarchy at 31 December 2023

€ million	Level 1	Level 2	Level 3	Total
Financial assets at FVPL				
Other financial asset at fair value through profit or loss	-	-	173	173
Other current financial assets	193	-	-	193
Derivatives (cross-currency interest rate swap)	-	62	-	62
Derivatives (interest rate swap) and other	-	16	-	16
Cash and cash equivalents	609	-	-	609
Financial assets at FVOCI				
Financial receivables handsets	-	106	-	106
Equity investments:				
Unlisted securities	-	-	90	90
Total assets	**802**	**184**	**263**	**1,248**
Financial liabilities at FVPL				
Borrowings	1,740	-	-	1,740
Derivatives (cross-currency interest rate swap)	-	71	-	71
Derivatives (interest rate swap)	-	190	-	190
Total liabilities	**1,740**	**261**	**-**	**2,001**

Fair value estimation

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

Consolidated financial statements

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 them.

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 Glaspoort B.V. to Drepana Investments Holding B.V., KPN received a cash consideration upon deal close of EUR 233m and a contingent cash receivable of EUR 234m. The contingent cash receivable, to be received in annual installments based on Glaspoort'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 EUR 218m. At 31 December 2024, the carrying value was EUR 155m (2023: EUR 173m), of which EUR 40m current (2023: EUR 26m). In 2024, the book value was increased by interest income of EUR 8m (2023: EUR 10m) and decreased by EUR 26m (2023: EUR 29m) due to received payment. The fair value adjustment was nil (2023: EUR 6m loss, recognized in other financial results).

Based on Glaspoort's current rollout plan, KPN expects the final payment in 2027. The fair value of this contingent receivable is deemed equal to the net present value of the full amount of the installments to be received according to the expected rollout schedule as included in Glaspoort's initial business plan. A weighted average discount rate of 5.2% 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 ~0.3% over a 5-year tenor, plus
- A mark-up to reflect the rollout risk (mostly the risk of delay).

Equity investments measured at fair value through OCI

This includes several minority stakes, mainly of KPN Ventures. Additional investments for an amount of EUR 28m were acquired (2023: EUR 28m) and included an investment of EUR 10m in the Townsend Real Estate Fund acquired from the Getronics US pension fund (see Note 17) and EUR 1m in investments were sold (2023: EUR 24m). Additional investments in 2023 and investments sold in 2023 both include a non-cash amount of EUR 11m in shares received which was part of the consideration for one of the sales transactions.

These investments were irrevocably designated at fair value through OCI because KPN believes that the fluctuations in the fair value of these investments do not give a fair view of KPN's performance. In 2024, a fair value net gain of EUR 2m was recognized (2023: EUR 11m net gain).

The fair value of the equity investments of KPN Ventures 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. The investment valuations take into account forward-looking estimates and judgments 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.

Other current financial assets

Other current financial assets include investments in short-term money market funds of EUR 100m (2023: EUR 193m), 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.

Consolidated financial statements

[13.2] Financial liabilities

	31 December 2024		31 December 2023	
€ million	Carrying amount	Fair value	Carrying amount	Fair value
Senior eurobonds EUR	3,976	3,932	3,371	3,290
Senior eurobonds GBP	961	986	1,431	1,497
Senior global bonds USD	631	661	610	638
Subordinated hybrid bonds classified as liability	223	223	-	-
Other borrowings	487	500	483	497
Total borrowings	**6,279**	**6,303**	**5,894**	**5,922**
> of which: current	**899**	**681**	**497**	**497**
> of which: non-current	**5,379**	**5,622**	**5,397**	**5,426**

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

On 20 December 2024, KPN announced to redeem the remaining outstanding principal amount of the perpetual hybrid bond (EUR 219m) issued on 8 November 2019 at its first reset date on 8 February 2025. As a consequence, the perpetual hybrid bond has been reclassified from equity to (short-term) borrowings. This instrument had already been replaced by the issuance of a new EUR 500m perpetual hybrid bond in June 2024.

KPN's weighted average interest rate on senior borrowings on 31 December 2024 was 3.8% after swaps (2023: 4.1%). Including the perpetual hybrid bonds (classified as equity), the weighted average interest rate was 4.0% after swaps (2023: 4.1%).

Senior bonds

million	Nominal	Carrying amount €	Nominal after swap €	Number of bonds
Senior eurobonds EUR	4,150	3,976	4,150	6
Senior eurobonds GBP	800	961	941	2
Senior global bonds USD	595	631	450	1

KPN has a global medium-term notes program that is unlimited in size and is used to meet medium- to long-term funding requirements. As at 31 December 2024, the total amounts outstanding under this program were EUR 4,150m across six bonds (carrying value EUR 3,976m) and GBP 800m across two bonds (carrying value EUR 961m, swapped to EUR 941m nominal). In addition, KPN has a senior global bond with USD 595m outstanding (carrying value EUR 631m, swapped to EUR 450m nominal) which was issued under standalone documentation.

On 16 February 2024, KPN issued a EUR 1,000m 3.875% senior bond maturing on 16 February 2036. Concurrently with this issuance, KPN made a tender offer for its outstanding GBP-denominated bonds. On 19 February 2024, KPN repurchased a notional amount of GBP 150m of its outstanding GBP 400m 5.00% senior bond due in November 2026 and notional amount of GBP 300m of its outstanding GBP 850m 5.75% senior bond due in September 2029. Following this tender offer the remaining principal amounts outstanding on these bonds are GBP 250m (swapped to EUR 305m) and GBP 550m (swapped to EUR 636m) respectively. This tender offer and associated rebalancing of cross-currency hedges resulted in total P&L charges of EUR 60m included in other financial results (see Note 7).

On 30 September 2024, KPN redeemed the remaining outstanding principal amount (EUR 431m) of the EUR 700m 5.625% senior bond at its scheduled maturity date. This bond had been swapped to a fixed interest of 3.427%.

Consolidated financial statements

Perpetual hybrid bonds

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

1 Credit rating by S&P/Fitch/Moody's.

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

On 20 December 2024, KPN announced to redeem the remaining outstanding principal amount (EUR 219m) of the 2.00% EUR perpetual hybrid bond at its first reset date (8 February 2025). As a consequence, this bond has been reclassified from equity to borrowings.

At 31 December 2024, two hybrid bonds were outstanding with an aggregate nominal amount of EUR 1,000m. These hybrid bonds are classified as equity under IFRS 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.

On 18 June 2024, KPN issued a EUR 500m 4.875% perpetual green hybrid bond with first reset date on 18 September 2029. KPN simultaneously tendered the outstanding EUR 500m 2.00% perpetual hybrid bond and accepted a EUR 281m notional amount for repurchase (book value EUR 278m) . The remaining EUR 219m notional amount (book value EUR 218m) has been called and will be redeemed at par by KPN on 8 February 2025. The remaining notional amount of this perpetual hybrid bond no longer qualifies for 50% equity content at credit rating agencies and is treated 100% as debt in KPN's gross and net debt definitions. This bond has been reclassified to borrowings.

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 EUR 59m per annum. If an accrual had been recognized, the amount would have been EUR 12m on 31 December 2024 (2023: EUR 10m).

Other borrowings

KPN has a euro-commercial paper program under which KPN can issue short-term debt instruments for up to EUR 1 billion gross notional outstanding. At 31 December 2024, the outstanding balance of commercial paper amounted to EUR 60m (2023: EUR 60m), issued at an interest rate of 3.06% (2023: 4.03%).

On 31 December 2024, KPN had EUR 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 3.74% per annum.

At 31 December 2024, other borrowings furthermore included EUR 78m of collateral received as security under derivative financial instruments and EUR 50m 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.

Consolidated financial statements

Changes in liabilities arising from financing activities

€ million	Borrowings	Derivative financial instruments	Net liability	Lease liabilities	Net liability, including lease liabilities
Balance at 1 January 2023	**5,368**	**218**	**5,586**	**923**	**6,509**
Exchange differences	-9	9	-	-	-
Fair value adjustments	103	-66	37	-	37
Other movements[1]	4	-	4	96	100
Movements recorded as net cash flows arising from/used in financing activities:					
Repayments of borrowings and settlement of derivatives and repayments of lease liabilities[2]	-136	23	-113	-124	-238
Issued bonds & loans	593	-	593	-	593
Net receipts (payments) cash collateral	-29	-	-29	-	-29
Balance at 31 December 2023	**5,894**	**184**	**6,078**	**894**	**6,972**
Exchange differences	87	-90	-4	-	-4
Fair value adjustments	26	-	26	-	26
Other movements[1]	504	-	504	67	571
Movements recorded as net cash flows arising from/used in financing activities:					
Repayments of borrowings and settlement of derivatives and repayments of lease liabilities[2]	-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
Balance at 31 December 2024	**6,279**	**61**	**6,339**	**818**	**7,157**

1 Other movements in borrowings in 2024 include reclassifications from equity of EUR 500m regarding the 2.00% EUR perpetual hybrid bond of which EUR 277m was repurchased and EUR 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 receipt of EUR 60m in 2024 (2023: EUR 37m net payment) regarding cash collateral on derivatives (presented as non-current other receivables) and energy contracts, (2) tender premiums and fees of EUR 18m and (3) fair value adjustments of EUR 6m. The interest component of the lease payments is presented within cash flow from operating activities.

[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 2024	31 December 2023
Assets (current and non-current)	101	77
Liabilities (current and non-current)	-161	-261
Total derivatives	**-61**	**-184**
of which: designated in a hedge relationship	**-61**	**-191**
of which: other derivatives not designated in a hedge relationship	**-**	**7**

A total loss of EUR 7m due to hedge ineffectiveness was recognized in the P&L in 2024 (2023: EUR 4m gain). 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 2024, the cumulative credit value adjustment amounted to a EUR 2m net asset (2023: EUR 0m). The change in the credit value adjustment was primarily driven by the change in 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.

Consolidated financial statements

If netting had been applied, the total derivatives asset position would be EUR 81m and the total derivatives liability position would be EUR 142m at 31 December 2024 (2023: EUR 29m asset and EUR 212m 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 EUR and by hedging the interest rate exposure by swapping the fixed interest rates in foreign currency to fixed interest rates in EUR. 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 the 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 EUR interest rate swaps (IRS) as cash flow hedges, used to re-fix the interest on bonds that had previously been swapped to a floating interest rate using fixed-to-floating IRS. This applies to the EUR 625m bonds maturing in April 2025 and the EUR 625m bonds maturing in September 2028 that were both re-fixed during 2023.

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 2024 and 31 December 2023

Nominal (receive)	Coupon (receive)	Nominal (pay) (EUR m)	Coupon (pay)	Maturity date	Fair value 2024 (EUR m)	Fair value 2023 (EUR m)
EUR 625m	6-month Euribor (in arrears)	625	3.819% annual	9-4-2025	-3	-10
GBP 250m[1]	5.000% annual	305	3.643% annual	18-11-2026	-9	-29
EUR 625m	6-month Euribor	625	3.136% annual	11-9-2028	-20	-19
GBP 550m[2]	5.750% annual	636	4,998% annual	17-9-2029	-8	-42
USD 595m	8.375% semi-annual	450	8.517% semi-annual	1-10-2030	93	62
Total					**54**	**-38**

1 This cross-currency swap was partially unwound during 2024. At 31 December 2023, the terms were: receive GBP 400m coupon 5.000% annual and pay EUR 480m coupon 4.138% annual.

2 This cross-currency swap was partially unwound during 2024. At 31 December 2023, the terms were: receive GBP 850m coupon 5.750% annual and pay EUR 971m coupon 5.432% annual.

Consolidated financial statements

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
At 31 December 2024				
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
Total	**2,641**	**54**		**92**
At 31 December 2023				
Cross-currency swaps GBP	1,452	-71	Derivatives	30
Cross-currency swaps USD	450	62	Derivatives	-62
Interest rate swaps EUR	1,250	-29	Derivatives	-29
Total	**3,152**	**-38**		**-61**

During the year the notional amount of the GBP cross-currency swaps has been reduced in relation to the partial repurchase of the hedged GBP bonds through a tender offer. Some of the swaps have been partially or fully unwound to maintain a fully hedged position on the remaining GBP bonds outstanding.

The change in fair value of the associated hedged items attributable to the hedged risks resulted in an ineffectiveness in 2024 of EUR 0m (2023: EUR 3m gain). In total a EUR 90m gain has been reclassified from OCI to profit and loss (2023: EUR 17m loss), offsetting the FX 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
Year ended 31 December 2024					
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
Total	**-93**	**-**		**90**	
Year ended 31 December 2023					
Cross-currency swaps GBP	-28	1	Other financial results	27	Other financial results
Cross-currency swaps USD	63	2	Other financial results	-43	Other financial results
Interest rate swaps EUR	29	-	Other financial results	-	Other financial results
Total	**64**	**3**		**-17**	

Fair value hedges

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

Consolidated financial statements

- 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 2024 and 31 December 2023

Nominal (receive)	Coupon (receive)	Coupon (pay)	Maturity date	Fair value 2024 (EUR m)	Fair value 2023 (EUR m)
EUR 625	0.920% annual	6-month Euribor (fixed in arrears)	9-4-2025	-2	-12
EUR 625	0.907% annual	6-month Euribor	11-9-2028	-29	-42
EUR 700	0.799% annual	6-month Euribor (fixed in arrears)	15-11-2033	-84	-99
Total				**-115**	**-153**

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
At 31 December 2024				
Interest rate swaps	1,950	-115	Derivatives	38
At 31 December 2023				
Interest rate swaps	1,950	-153	Derivatives	103

Impact of the hedged items on the statement of financial position

€ million	Carrying amount	Change in fair value adjustments	Line item in statement of financial position	Change in fair value used for measuring ineffectiveness for the period
At 31 December 2024				
Fixed-rate eurobonds 2025, 2028 & 2033	1,796	-38	Borrowings	-45
At 31 December 2023				
Fixed-rate eurobonds 2025, 2028 & 2033	1,745	-103	Borrowings	-101

The ineffectiveness recognized in the P&L for the year ended 31 December 2024 was a loss of EUR 7m (2023: EUR 1m gain).

Derivatives not designated in a hedge relationship

The fixed-rate eurobonds which matured on 30 September 2024 were swapped to a floating interest rate in 2011 using fixed-to-floating interest rate swaps. Subsequently, in May 2015, KPN swapped the floating rate exposure on these bonds to a fixed rate for the remaining maturity of these bonds and discontinued fair value hedge accounting for the fixed-to-floating interest rate swaps. As a result, the cumulative gain until de-designation is amortized to earnings over the remaining maturity of the bond. This is offset by the change in fair value of the outstanding interest rate swaps. The amortization recognized in earnings for 2024 was a gain of EUR 6m (2023: EUR 7m gain) and the change in fair value of the interest rate swaps resulted in a P&L loss of EUR 7m in 2024 (2023: EUR 9m loss). Finally, the net interest income recognized in the P&L on these swaps was a gain of EUR 7m in 2024 (2023: EUR 8m gain). Consequently, the combined result recognized in the P&L from these derivatives amounted to a gain of EUR 6m in 2024 (2023: EUR 6m gain).

At 31 December 2024, there were no derivatives outstanding that are not designated in a hedge relationship.

Consolidated financial statements

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 the 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 as 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 as 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. It is KPN's policy to utilize excess cash for operational and financial flexibility and/or shareholder remuneration.

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 amounts to EUR -30m (2023: EUR 73m) 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 EUR; and (3) amortized debt issuance costs, including premiums and/or discounts.

€ million	31 December 2024	31 December 2023
Borrowings	6,279	5,894
Perpetual hybrid bonds	1,000	1,000
50% equity content for hybrid bonds[1]	-500	-500
Less: Cash collateral paid on derivatives	-27	-83
Difference between carrying value and nominal value	-30	73
Adjusted gross debt	**6,722**	**6,384**
Net cash and cash equivalents	662	609
Short-term investments	100	193
Net debt[2]	5,960	5,582
Adjusted EBITDA AL[3]	2,508	2,420
Net debt / EBITDA[4]	**2.4x**	**2.3x**

1 The EUR 219m perpetual hybrid bond which will be called on its first reset date in February 2025 is not assigned 50% equity content as it has been replaced with a new perpetual hybrid issued in June 2024.

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.

Consolidated financial statements

In 2024, KPN's adjusted gross debt increased to EUR 6.7bn mainly as a result of the EUR 1.5bn bond issuance (EUR 1.0bn senior bond in February and EUR 0.5bn perpetual green hybrid bond in June), partly offset by EUR 1.2bn in debt redemptions (EUR 518m repurchased GBP senior bonds, EUR 281m repurchased perpetual hybrid bonds and EUR 431m senior bond maturities). The total cash position including short-term investments decreased by EUR 40m to EUR 762m (2023: EUR 802m). As a result, the net debt position increased by EUR 377m to EUR 5.96bn, mainly as a result of acquisitions and other investment activities. Part of the increase in net debt is offset by EUR 88m higher adjusted EBITDA AL, resulting in a net debt / EBITDA ratio of 2.4x (2023: 2.3x).

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.

Geopolitical tensions and the impact of inflation, rising energy and raw material prices, have led to increased volatility in capital markets and periods of deteriorated market liquidity. In addition, central banks' monetary policies led to a significant volatility in (expected) interest rates. 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 2024, KPN's cash balances and short-term investments were held in bank accounts, bank deposits and money market funds with maturities of up to three months. 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 BBB+ 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 2024, the net cash collateral movement was EUR 60m received (2023: EUR 37m payment). At 31 December 2024, KPN's net collateral position was EUR 51m received/liability (2023: EUR 9m paid/asset), consisting of EUR 61m net collateral received for derivatives (2023: EUR 26m net received) and EUR 10m net collateral posted for energy contracts (2023: EUR 34m posted).

Collateral position

€ million	31 December 2024	31 December 2023	Net movement (paid)/ received
Collateral received on derivatives (liability)	-78	-74	5
Collateral posted on derivatives (asset)	17	48	31
Collateral posted on energy contracts (asset)	10	34	25
Net collateral asset / (liability)	**-51**	**9**	**60**

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 2024, 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 amounts to EUR 1,788m at 31 December 2024 (2023: EUR 1,807m). On 31 December 2024, the

Consolidated financial statements

total outstanding bank guarantees amounted to EUR 6m (2023: EUR 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 2024

	Borrowings				Derivatives			
€ million	Bonds and loans[1]	Interest on bonds and loans[2]	Lease liabilities (undiscounted)	Other debt and cash collateral[3]	Derivatives inflow (including interest)	Derivatives outflow (including interest)	Trade and other payables[4]	Total
2025	844	188	158	109	-129	153	977	2,300
2026	302	174	146	6	-414	424	-	638
2027	300	162	124	-3	-97	108	-	593
2028	625	168	103	-	-97	108	-	906
2029	663	161	92	-	-755	724	-	885
2030 and beyond	4,523	412	326	-	-643	560	-	5,178
Contractual cash flows	**7,257**	**1,266**	**949**	**111**	**-2,136**	**2,077**	**977**	**10,501**

1 2025 includes the EUR 219 remaining notional on the 2.00% EUR hybrid bond that KPN announced will be called on its first reset date.

2 2025 includes EUR 4m of accrued interest on the 2.00% EUR hybrid bond that KPN announced will be called on its first reset date. No other interest payments on the outstanding perpetual hybrid bonds have been included as KPN may, subject to certain conditions, elect to defer payment of interest on the perpetual hybrid bonds. Any arrears of interest must be paid at the redemption of such instruments, the amount of which cannot be reliably measured because of the duration of the hybrid bonds.

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

4 Excluding 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 2024, KPN received a net amount of EUR 60m in collateral (2023: EUR 37m paid and/or returned) 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 EUR 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 EUR 75m bilateral revolving credit facility was signed with similar terms to the syndicated credit facility, bringing the total committed credit facilities to EUR 1,075m at 31 December 2024. Neither facility was drawn on during 2023 or 2024.

Capital resources covenants

KPN's existing capital resources contain the following covenants at 31 December 2024, which could trigger additional financial obligations or early redemption of the outstanding debt. All senior bonds issued after 1 January 2006 (EUR 5.1bn outstanding at 31 December 2024) 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,

Consolidated financial statements

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.

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 GBP and USD exposure. Foreign currency exchange rate risks related to bonds that are not denominated in EUR are hedged to EUR 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 2024, more than 97% (2023: more than 97%) of cash and cash equivalents was denominated in the functional currency of the related entities. More than 99% of the net amount of trade receivables and more than 96% of the amount of trade payables was outstanding in the functional currency of the related entities at 31 December 2024 (2023: more than 99% and 96% respectively).

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 vs. 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 2024, 85% of KPN's interest-bearing gross debt (after swaps, excluding bank overdrafts) was at fixed interest rates (2023: 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 2024 with regard to interest rate risk on floating interest-bearing liabilities showed that, all else equal, each adverse change of 100 bps in Euribor would hypothetically result in EUR 10m higher interest costs per annum (2023: EUR 10m).

Sensitivity analysis derivatives

KPN 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 EUR/USD and EUR/GBP 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 EUR 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

		GBP-swaps		USD-swaps		EUR-swaps		Total	
€ million (before tax)	**Change**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Change in interest rate	+1%-point	2	3	-3	-2	-49	-52	-51	-51
	-1%-point	-2	-3	4	2	54	57	55	56
Change in FX rate	+10%-points	4	11	11	14	n/a	n/a	15	24
	-10%-points	-4	-13	-14	-17	n/a	n/a	-18	-29

For the sensitivity analysis on interest rate risk regarding pensions, see Note 17.

Consolidated financial statements

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
31 December 2024					
Cash and cash equivalents	662	-	662	-	662
Collateral[1]	17	-	17	-17	-
Derivatives[2]	100	-	100	-93	7
Total	**779**	**-**	**779**	**-110**	**669**
31 December 2023					
Cash and cash equivalents	609	-	609	-	609
Collateral[1]	48	-	48	-48	-
Derivatives	77	-	77	-77	-
Total	**734**	**-**	**734**	**-125**	**609**

1 Included in non-current Trade and other receivables. Cash collateral on energy futures is excluded.

2 Excluding FX 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
31 December 2024					
Collateral[1]	78	-	78	-74	5
Derivatives[2]	161	-	161	-36	125
Total	**240**	**-**	**240**	**-110**	**130**
31 December 2023					
Collateral[1]	74	-	74	-52	22
Derivatives	261	-	261	-74	187
Total	**335**	**-**	**335**	**-125**	**209**

1 Included in non-current Borrowings.

2 Excluding FX 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.

Consolidated financial statements

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

[14.1] Trade and other receivables

€ million	31 December 2024 Current	Non-current	31 December 2023 Current	Non-current
Trade receivables	247	-	241	-
Financial receivables handsets	103	-	123	-
Sales to be invoiced	106	-	103	-
Interest to be received	6	-	8	-
Prepayments	79	15	66	21
Accruals and other receivables	5	30	10	88
Loans granted to third parties	-	49	-	2
Loans to associates and joint ventures	-	3	-	-
Total	**546**	**97**	**553**	**111**

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 EUR 250. These handset installment payments are not conditional on the delivery of the telco's services. Therefore, a financial receivable is recognized for the installments to be received.

In 2024, KPN Finance assigned EUR 129m in outstanding financial receivables handsets to a bank (2023: EUR 85m) 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 in case the realized losses on the transferred receivables are exceptionally high. At 31 December 2024, the financial receivables handsets of KPN Finance (EUR 82m) are measured at FVOCI (2023: EUR 106m). 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 non-current other receivables, EUR 27m relates to cash collateral received on derivatives and energy contracts (2023: EUR 83m).

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.

Loans granted to third parties includes a loan granted in 2024 for a nominal amount of EUR 60m. The loan is provided to extend a contract with a customer. The loan bears interest of Euribor + 0.25% and must be repaid, including accrued interest, no later than in November 2032. The carrying amount at 31 December 2024 was EUR 44m (amortized cost) and the interest income in 2024 was less than EUR 1m. The difference of EUR 16m between the nominal amount and the carrying amount at inception has been recognized as cost to obtain a contract.

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 aging profile of the gross trade receivables is as follows:

€ million	31 December 2024	31 December 2023
Trade receivables gross		
Amounts undue	207	183
Past due 0–90 days	48	45
Past due 91–360 days	13	19
More than one year	4	10
Total trade receivables gross	**271**	**258**
Provision for credit risk exposure	-24	-16
Total trade receivables net	**247**	**241**

Consolidated financial statements

[14.2] Contract assets and contract costs

	31 December 2024		31 December 2023	
€ million	Current	Non-current	Current	Non-current
Contract assets	79	27	68	32
Costs to obtain a contract	31	65	6	35
Costs to fulfill a contract	1	-	1	-
Total	**111**	**91**	**74**	**66**

Contract assets

A contract asset is recognized if the earned consideration is conditional. This includes:

- 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 B.V. 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 of the transaction and the remaining amount is to be received based on the rollout progress (see Note 12 for the sale to Glaspoort of additional scope projects).
- Installation services and hardware delivered at the start of the contract if the amount of revenue recognized is higher than the amounts charged upfront.
- Transition projects for business customers when the revenue recognized is higher than the amounts invoiced for the transition phase.

Upon invoicing of contract assets, the invoiced amounts are reclassified to trade receivables.

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.
- 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 the recurring services are delivered.

[14.3] Allowances for expected credit losses

Movement schedule of the allowances for expected credit losses:

€ million	Trade receivables
Balance at 1 January 2023	**17**
Additions/releases P&L	10
Usage	-11
Balance at 31 December 2023	**16**
Additions/releases P&L	17
Usage	-10
Balance at 31 December 2024	**24**

The allowance for expected credit losses for trade receivables is based on the aging of the gross amounts and historic losses. For the largest customers, an assessment is done as to whether an additional allowance needs to be recognized.

Consolidated financial statements

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 taken into account as well. 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, like 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.

See Note 4 for the accounting policy regarding contract costs.

[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 2024	31 December 2023
Cash	151	96
Short-term bank deposits and money market funds	511	512
Total cash and cash equivalents	**662**	**609**

The increase in cash and cash equivalents was mainly the result of EUR 900m free cash flow, EUR 277m net funding, EUR 93m proceeds from sale of short-term investments and EUR 60m net inflow of cash collateral on derivatives. This was partly offset by EUR 646m in dividends paid, EUR 200m in net share repurchases, EUR 257m in M&A and Glaspoort-related payments, EUR 58m in spectrum payments, EUR 48m in coupon payments on perpetual hybrid bonds and EUR 67m on other cash outflows.

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.

Consolidated financial statements

[16] Equity

Limitations in distribution of shareholders' equity
Total distributable reserves at 31 December 2024 amounted to EUR 2,721m, which includes the perpetual hybrid bonds (2023: EUR 2,739m). For further details on non-distributable reserves, see Note C to the corporate financial statements.

Share capital
Authorized capital stock totals EUR 720m divided into nine billion ordinary shares of EUR 4ct each and nine billion preference shares B of EUR 4ct each. At 31 December 2024, a total of 3,888,930,422 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 buyback
In 2024, KPN repurchased 59,987,360 ordinary shares at an average price of EUR 3.33. Of these shares, 58,487,360 were canceled in 2024, reducing the number of outstanding shares to 3,888,930,422.

At the 17 April 2024 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 17 April 2024 and ending on 17 October 2025. The number of ordinary shares to be acquired is limited to a maximum of 10% of the issued capital as at 17 April 2024. 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 17 April 2024 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 17 April 2024 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
Balance at 1 January 2023	**3,622,014**	**-37**	**-86**	**17**	**-106**
Movements recorded in OCI (net)	-	-	-26	-	-26
Share buyback	92,401,811	-300	-	-	-300
Shares canceled	-89,901,811	290	-	-	290
Treasury shares sold and transferred	-2,611,126	22	-	-	22
Other	-	8	-2	-	6
Balance at 31 December 2023	**3,510,888**	**-17**	**-114**	**17**	**-114**
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
Other	-	-		-	-
Balance at 31 December 2024	**2,651,382**	**-11**	**-96**	**17**	**-90**

The additional paid-in capital is exempt from Dutch tax up to an amount of EUR 8,311m at 31 December 2024 (2023: EUR 8,518m).

Movements in the hedge reserve recorded in OCI are net of a tax loss of EUR 6m in 2024 (2023: EUR 9m gain) and no tax on the movement in the currency translation reserve (2023: nil).

Consolidated financial statements

Hedge reserve

€ million	31 December 2024	31 December 2023
Effective portion cash flow hedges[1]	-76	-73
Amortizable part[2]	-53	-81
Hedge reserve	**-129**	**-154**
Tax effect	33	40
Hedge reserve, net of tax	**-96**	**-114**

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 EUR 13m in 2025

Treasury shares reserve

KPN 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 2024, 1.5 million shares were purchased for the equity-settled share plans (2023: 2.5 million). In 2024, 2.4 million shares were sold and transferred in connection with vesting of these plans (2023: 2.6 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 EUR 500m hybrid bond with a 6.00% coupon and on 18 June 2024 a EUR 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 EUR 281m and on 20 December 2024 KPN announced to redeem the remaining outstanding principal amount (EUR 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.

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 section 'Corporate governance'.

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

Dividend per share

At the AGM of shareholders on 28 April 2025, a final dividend of EUR 10.2ct per share will be proposed in respect of 2024. In August 2024, KPN paid an interim dividend in respect of 2024 of EUR 6.8ct per share, in total EUR 264m, bringing the total regular dividend in respect of 2024 to EUR 17.0ct per share (in total EUR 661m based on the number of outstanding shares at 31 December 2024 less Treasury shares held by KPN).

These financial statements do not reflect the proposal for the remaining dividend payable. In April 2024, KPN paid a final dividend of EUR 9.8ct per share in respect of 2023, in total EUR 382m. The total dividend in respect of 2023 was EUR 15.0ct 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 hereafter.

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. As of 1 January 2023, a new three-year period has become effective.

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. It is expected that the new pension plan will continue to be accounted for as a defined contribution plan. The deadline for transition is 1 January 2028.

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 UK Pensions Regulator. The deficit in the plan's funding must be recovered by

Consolidated financial statements

the investment returns of the plan assets and contributions by KPN. 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 decrease 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. A number of options can be used to equalize, which had not been finalized at 31 December 2024. In 2018, an amount of EUR 6m was recognized as past service cost for the estimated cost of equalization. The final cost to the UK plan for equalizing heavily depends on a complex interaction between the benefit design and membership profile as well as on the method used to equalize, which must be determined by the trustees.

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 plans were held separately from KPN in independently administered funds. The plan operates under the provisions of the Employee Retirement Income Security Act (ERISA). In 2022, a voluntary contribution of EUR 23m into the US plan was made. At the end of 2023, KPN started the process to terminate the plan and settle all of the plan's liabilities. In the course of 2024, participants were offered a lumpsum payment and subsequently annuities were purchased from an insurance company for the remaining participants. KPN acquired from the plan it's investment in the Townsend Real Estate Fund at fair market value (EUR 10m, see Note 13.1) and made a final contribution to the plan of EUR 2m to fully fund the plan. The plan termination process is expected to be completed in the course of 2025, subject to, among other factors, IRS review and Pension Benefit Guarantee Corporation audit.

Other

KPN has a number of other funded (insured) plans in the Netherlands which are all closed to new entrants. 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. However, the risk related to these value transfers is limited and therefore no provision has been recognized for these plans. KPN is not entitled to any excess profits.

In 2022, a new early retirement plan was implemented for a limited group of employees for which an expense of EUR 1m was recorded in 2024 and in 2023.

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.

Consolidated financial statements

€ million	Defined benefit obligation[1] 2024	2023	Fair value of assets 2024	2023	Net defined benefit liability (asset) 2024	2023
Balance at 1 January	**386**	**380**	**-353**	**-330**	**33**	**49**
Included in profit or loss						
Operating expense[2]	-92	1	96	2	4	3
Interest expense (income)	16	18	-14	-16	2	2
Included in OCI						
Remeasurements loss (gain):						
Actuarial loss (gain)[3]	-20	12	-	-	-20	12
Return on plan assets excluding interest income	-	-	16	-12	16	-12
Effect of movements in exchange rates	14	1	-12	-1	2	-
Total	**-6**	**13**	**4**	**-13**	**-2**	**-**
Other						
Employer's contribution	-	-	-20	-22	-20	-22
Benefits paid	-24	-26	24	26	-	-
Balance at 31 December	**280**	**386**	**-263**	**-353**	**17**	**33**[4]

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

2 Service costs were EUR 2m (including EUR 1m past service costs) in 2024 and EUR 1m in 2023 and administrative costs were EUR 3m in in 2024 and EUR 2m in 2023. Operating expense in 2024 includes a settlement gain of EUR 1m which is the transfer of retiree pension liabilities of the US pension fund to an insurance company

3 The actuarial loss (gain) in 2024 and 2023 consists of demographic assumptions (EUR 5m and EUR -1m), financial assumptions (EUR -28m and EUR 10m) and experience adjustments (EUR 3m and EUR 3m)

4 Of which EUR 2m is a net defined benefit asset included in other financial assets (non-current)

Defined benefit obligations

Actuarial assumptions

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

	31 December 2024			31 December 2023		
	Getronics UK	Getronics US	Other	Getronics UK	Getronics US	Other
Discount rate (%)	5.5	N/a	3.4	4.5	4.7	3.3
Expected salary increases (%)	N/a	N/a	2.0	N/a	N/a	2.1
Expected benefit increases/indexation (%)	2.4-2.9	N/a	0.0	2.4-2.9	N/a	0.0
Life expectancy for pensioners at retirement age:						
Male	21.7	N/a	21.8	21.9	20.7	21.7
Female	23.8	N/a	23.8	24.0	22.7	23.8

The discount rate is based on yield curves of AA corporate bonds with maturities equal to the duration of the benefit obligations and in the applicable currency. At 31 December 2024, the (weighted) average 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 table used in the Netherlands is the projected table AG 2024, which includes projected improvement rates varying by year of birth, adjusted for fund-specific circumstances. The mortality tables used in the UK are the 97% for males and 102% for females of the SAPS S3PXA tables with CMI 2023 projection with a 1.0% long-term improvement. The 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.

Consolidated financial statements

€ million	31 December 2024 Increase	Decrease	31 December 2023 Increase	Decrease
Discount rate	-14	15	-18	19
Expected salary increases	-	-	-	-
Expected benefit increases	7	-7	8	-8
Life expectancy	11	-11	13	-13

Plan assets

The assets of all defined benefit pension plans at 31 December 2024 and 2023 comprise:

	31 December 2024	31 December 2023
Quoted in active markets:		
Equity securities	17%	18%
Fixed-income securities	50%	49%
Real estate[1]	2%	2%
Other	0%	3%
Other:		
Fixed-income securities	13%	8%
Real estate[1]	0%	4%
Other[2]	18%	16%

1 As at 31 December 2024, none of the investments in real estate were located in Europe

2 Mainly hedge funds, insurance contracts and cash and in 2023 also sub-investment grade corporate credit funds

Strategic investment policies

The strategic asset allocations of the defined benefit plans at year-end 2024 were as follows:

€ million	Getronics UK	Other plans
Equity securities	20%	0%
Fixed-income securities (including inflation-linked bonds)	60%	0%
Other	20%	100%
Total	**100%**	**100%**

In 2023, the trustee of the Getronics UK pension fund decided to change the asset allocation to a traditional strategic asset allocation replacing the former allocation based on a return seeking portfolio. 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 the funded status improves. The Getronics US pension fund used its funds in 2024 to purchase annuities in connection with the termination of the plan. 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 2024, the total employer's contributions and benefit payments for all defined benefit and defined contribution plans amounted to EUR 106m, consisting of EUR 86m in employer's premiums for defined contribution plans, EUR 19m in contributions for funded defined benefit plans and EUR 1m in payments for unfunded plans.

The amount of employer's contributions in 2025 for remaining defined benefit pension plans is estimated to be EUR 10m for the funded plan (UK pension plan) and EUR 1m for the unfunded plan (early retirement plan). The total amount of employer's premiums to be paid in 2025 for the defined contribution plans is estimated to be EUR 89m.

Consolidated financial statements

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 2024	31 December 2023
Restructuring provision	19	24
Asset retirement obligations	77	75
Other provisions	38	36
Total provisions for other liabilities and charges	**134**	**135**
of which: non-current	105	103
of which: current	**29**	**32**

Consolidated financial statements

Statement of changes in provisions

€ million	Personnel	Contractual	Total restructuring	Asset retirement obligation	Other provisions	Total provisions
Balance at 1 January 2023	**11**	**2**	**13**	**75**	**66**	**154**
of which: current portion	**11**	**-**	**12**	**3**	**8**	**23**
Additions	38	-	39	5	4	47
Releases	-	-	-	-2	-8	-10
Usage	-27	-	-28	-2	-8	-37
Other movements, incl. discontinued operations	-	-	-	-	-18	-18
Balance at 31 December 2023	**22**	**2**	**24**	**75**	**36**	**135**
of which: current portion	**22**	**1**	**23**	**4**	**5**	**32**
Additions	28	-	28	6	9	43
Releases	-	-	-	-1	-1	-2
Usage	-33	-1	-34	-3	-6	-42
Balance at 31 December 2024	**17**	**1**	**19**	**77**	**38**	**134**
< 1 year	**17**	**1**	**18**	**4**	**7**	**29**
1-5 years	**-**	**1**	**1**	**-**	**9**	**10**
> 5 years	**-**	**-**	**-**	**73**	**22**	**95**

Restructuring provisions
Termination benefits 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 the 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 2024, EUR 6m was added to the ARO provision (2023: EUR 5m) and EUR 1m was released (2023: EUR 2m). Of the addition to the ARO provision in 2024, EUR 5m was recognized as an increase in the carrying value of the activated asset retirement costs (ARC), which is included in plant and equipment (2023: EUR 4m).

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 telco 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 therefore no provision was recognized at 31 December 2024 nor at 31 December 2023.

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.

In 2023, EUR 18m was released from the other provisions for "pilon" taxes in Belgium. This relates to discontinued operations and is included in other movements.

Consolidated financial statements

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	1,060	76	472	111	19	1,737
Accumulated depreciation & impairment	-451	-61	-303	-66	-7	-889
Balance as at 1 January 2023	**608**	**14**	**169**	**45**	**11**	**848**
Additions	14	1	3	26	9	53
Remeasurement & lease modifications	23	4	12	1	2	43
Change in consolidation	-	-	-	-	-	-
Depreciation	-65	-7	-30	-21	-3	-126
Impairments	-	-	-2	-	-	-2
Closing net book value	**580**	**13**	**152**	**51**	**19**	**815**
Accumulated cost	1,065	77	484	104	30	1,760
Accumulated depreciation & impairment	-485	-64	-332	-53	-11	-945
Balance as at 31 December 2023	**580**	**13**	**152**	**51**	**19**	**815**
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	-	-	-	-	-	-
Closing net book value	**529**	**7**	**125**	**71**	**17**	**750**
Accumulated cost	1,051	37	484	121	34	1,727
Accumulated depreciation & impairment	-522	-30	-359	-50	-17	-977
Balance as at 31 December 2024	**529**	**7**	**125**	**72**	**17**	**750**
Total estimated lease term at commencement of a lease (in years)	5-15	5-20	5-20	5-7	<5	

Consolidated financial statements

Lease liabilities

€ million	Mobile network	Fixed network & data centers	Real estate	Vehicles	Other	Total
Non-current lease liability	551	10	174	27	8	770
Current lease liability	97	6	31	16	3	153
Balance as at 1 January 2023	**649**	**16**	**205**	**43**	**11**	**923**
Additions	14	5	3	26	9	57
Remeasurement & lease modifications	19	4	12	2	3	40
Change in consolidation	-	-	-	-	-	-
Interest	14	-	5	1	-	21
Redemptions	-72	-7	-41	-22	-5	-147
Closing net book value	**624**	**19**	**184**	**49**	**19**	**894**
Non-current lease liability	522	11	151	34	14	733
Current lease liability	101	7	33	15	5	162
Balance as at 31 December 2023	**624**	**19**	**184**	**49**	**19**	**894**
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
Closing net book value	**569**	**14**	**153**	**71**	**11**	**818**
Non-current lease liability	467	10	117	52	10	656
Current lease liability	102	4	36	19	1	163
Balance as at 31 December 2024	**569**	**14**	**153**	**71**	**11**	**818**

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 (2024: EUR 143m, 2023: EUR 124m) and the interest paid during the year (2024: EUR 23m, 2023: EUR 21m), 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	2024	2023
Depreciation right-of-use assets	-132	-126
Impairment (-) or impairment reversal right-of-use assets	-	-2
Gain or loss (-) on early terminations	2	4
Total depreciation & impairments presented in the P&L	**-130**	**-124**
Interest on lease liabilities	-23	-21
Total amount recognized in profit or loss	**-153**	**-145**

In 2024, KPN entered into sale and leaseback transactions for some of its technical buildings. The transactions resulted in a gain of EUR 8m, included in Other income (2023: EUR 5m). 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.

Consolidated financial statements

Most of KPN's lease contracts include extension (renewal) or termination options. 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 and fixed 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 and some specific types of customer premises equipment, all classified as operating leases. These lessor contracts are not material to KPN Group, either individually or in aggregate. The terms are 1-10 years. Leases generally include a clause to enable upward revision of the lease fees (annual indexation). Rental income recognized in 2024 amounted to EUR 2m (2023: EUR 2m). The amount of future minimum lease receivable under the non-cancelable operating leases at 31 December 2024 is EUR 9m (31 December 2023: EUR 4m).

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 determined the lease term as the non-cancellable 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 effects KPN's ability to exercise or not to exercise the option to renew or to terminate a lease.

Consolidated financial statements

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 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 EUR 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

	31 December 2024		31 December 2023	
€ million	Current	Non-current	Current	Non-current
Trade payables	600	-	537	-
Accrued interest	99	-	79	-
Accrued expenses	341	-	345	-
Social security and other taxes payable	217	-	195	-
Other payables	22	23	20	9
Total	**1,278**	**23**	**1,177**	**9**

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

Consolidated financial statements

€ million	31 December 2024	31 December 2023
Carrying amount of liabilities that are part of supplier finance arrangements		
Presented within trade payables	264	242
Of which suppliers have been paid by finance providers	215	223
Range of payment due dates (days after the invoice date)		
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

	31 December 2024		31 December 2023	
€ million	Current	Non-current	Current	Non-current
Contract liabilities	164	130	169	119
Of which variable considerations	-	100	-	96

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 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.

For the accounting policy regarding contract liabilities, see Note 4.

Consolidated financial statements

Other notes to the consolidated financial statements

[21] Business combinations

Changes in consolidation: Acquisitions classified as business combinations

€ million	2024	2023
Recognized amounts of identifiable assets acquired and liabilities assumed:		
Intangible assets	99	4
Property, plant and equipment	9	26
Trade and other receivables, prepayments and accrued income	9	3
Net cash and cash equivalents	17	-
Non-current liabilities	-	-
Deferred tax liability	-25	-4
Trade and other payables and accrued expenses	-19	-1
Total net assets	**91**	**28**
Total transaction costs	**1**	**-**
Cash consideration	217	37
Contingent cash consideration	9	-
Total consideration	**226**	**37**
Goodwill	**135**	**10**

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 telecom operator, which is 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 B2C segment and added approximately 499,000 postpaid and 56,000 broadband customers. Youfone Zakelijk B.V. is included in KPN's B2B segment and added approximately 42,000 customers to the SME customer base.

KPN and Youfone expect to achieve further growth in the coming years by continuing the efficient operating model that Youfone has been able to successfully implement. The goodwill relates to these expected future benefits.

The transaction resulted in a net cash outflow of EUR 190m in Q2 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 (EUR 207m) less cash acquired (EUR 17m). The transaction costs amount to less than EUR 1m and were recognized in the P&L.

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

The acquisition had a net impact of EUR 24m on KPN's Group revenues (the increase of EUR 67m at B2C and EUR 6m at B2B was partly offset by the decrease of approximately EUR 49m at WHS). The net impact on EBITDA AL was EUR 13m. If the acquisition had taken place at the beginning of the year, the net impact on KPN's Group revenues would have been approximately EUR 33m and on EBITDA AL approximately EUR 17m.

Fiber networks of Coöperatie Glasvezel Noord U.A. (2024)

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

The transaction resulted in a net cash outflow of EUR 10m in Q1 2024, classified as cash flow from investing activities in the consolidated statement of cash flows. The transaction costs amounted to EUR nil.

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

The impact of the acquisition on KPN's Group revenues and EBITDA AL is negligible.

Kabeltex (2023)

On 30 November 2023, KPN purchased 100% of the shares in Kabeltex. Kabeltex owns fiber networks and an internet service provider on Texel and in the north of North Holland. Kabeltex' fiber networks include approximately 18,000 Homes Passed. KPN will add Kabeltex' fiber networks to its existing offering of wholesale fiberservices. The transaction is accounted for as a business combination because the assets acquired and liabilities assumed

Consolidated financial statements

constitute a business. The purchase price allocation resulted in a goodwill of EUR 10m.

The impact of the acquisition on KPN's Group revenues and EBITDA AL in 2023 is negligible. If the acquisition had taken place at the beginning of the year 2023, Kabeltex would have contributed approximately EUR 5m in revenues and EUR 1m in EBITDA AL.

Changes in consolidation: Disposals

€ million	2024	2023
Amount of assets and liabilities in the subsidiaries or businesses over which control is lost:		
Intangible assets	-	2
Other non-current assets	-	3
Trade and other receivables, prepayments and accrued income	-	7
Other non-current liabilities	-	-2
Trade and other payables and accrued expenses	-	-6
Total net assets	**-**	**5**
Transaction costs	-	-
Allocation of goodwill upon loss of control over a business	-	-
Total costs	-	-
Payment to buyer	-	-8
Total consideration	**-**	**-8**
Book loss before income tax	**-**	**-13**
Income taxes	-	-
Book loss after income tax	**-**	**-13**

During 2024, no subsidiaries were sold. On 29 December 2023, KPN sold 100% of the shares of its subsidiary CAM IT to ITQ. The transaction resulted in a net loss of EUR 13m recognized in other operating expenses.

Other changes in consolidation
Acquisitions not classifying as Business Combinations

€ million	2024	2023
Recognized amounts of identifiable assets acquired and liabilities assumed:		
Intangible assets	-	2
Property, plant and equipment	8	91
Deferred tax asset	-	1
Trade and other receivables, prepayments and accrued income	-	3
Net cash and cash equivalents	-	2
Trade and other payables and accrued expenses	-	-2
Total net assets	**8**	**97**
Total transaction costs	**-**	**-**
Cash consideration	8	97
Contingent cash consideration	-	-
Total consideration	**8**	**97**

Fiber networks of GNB Lochem B.V. (2024)

On 3 July 2024, KPN purchased the fiber networks of GNB Lochem B.V.. These networks 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 (EUR 8m) has been allocated to the assets acquired and liabilities assumed on a relative fair value basis.

Primevest Capital Partners (2023)

On 3 July 2023, KPN purchased the fiber networks of Primevest Capital Partners. These networks, located in The Hague, Rotterdam and Eindhoven added approximately 127,000 Homes Passed to KPN's fiber footprint. The transaction resulted in consolidation of the three legal entities involved. 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 (EUR 97m) has been allocated to the assets acquired and liabilities assumed on a relative fair value basis. The table above indicates the impact of this asset acquisition on KPN's statement of financial position.

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 EUR 213m in 2024 (2023: EUR 118m). This amount includes the net cash consideration related to the acquisition of Youfone (EUR 190m), additional share premium contributions to Glaspoort (EUR 20m, see Note 12) and payments related to acquisitions of smaller investments in associates. The net cash outflow of 2023 (EUR 118m) included among others the net cash consideration

Consolidated financial statements

related to the acquisition of Kabeltex (EUR 36m) and additional share premium contributions to Glaspoort (EUR 70m).

The net cash inflow from disposal of subsidiaries and associates was EUR 26m in 2024 (2023: EUR 23m). This mainly consists of the received deferred payment of EUR 26m related to Glaspoort (2023: EUR 29m, see Note 13.1). In 2023 the received deferred payment of EUR 29m was partly offset by the EUR 8m payment made to the buyer of CAM IT.

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 2024	Total 31 December 2023
Capital and purchase commitments	1,094	519	59	1,672	1,686
Guarantees and other	-	-	139	139	129
Total commitments	**1,094**	**519**	**198**	**1,811**	**1,816**

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 EUR 134m relates to parent guarantees (2023: EUR 129m). The table presented above does not include KPN's commitment on share premium contributions regarding Glaspoort of EUR 255m (31 December 2023: EUR 202m). See Note 12.

Consolidated financial statements

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 or other proceedings. KPN periodically 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 this regard. In some cases, the impact of a legal proceeding may be more strategic than financial and 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.

Samsung
In May 2024, the 71st District Court of Texas, awarded KPN a material amount in damages for a breach by Samsung of a prior agreement between the parties. Samsung has appealed and the final outcome is still uncertain. Since it is not deemed virtually certain that this amount will be received, no amounts have been recorded.

Idle cables
See Note 18 for a contingent liability related to idle cables and the accounting policy for provisions.

Indemnification
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, judgments, 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 the 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
On 12 February 2024, América Móvil, S.A.B. de C.V. (AMX) notified the AFM that it held less than 3% of the shares and voting rights related to KPN's ordinary share capital. All transactions in 2024 and 2023 with AMX and its subsidiaries and associated companies were in the ordinary course of business and not significant.

Shareholdings equaling or exceeding 3% of the issued capital:
- On 24 September 2024, Canada Pension Plan Investment Board notified the AFM that it held 3.00% of the shares and voting rights related to KPN's ordinary share capital.
- On 6 September 2024, JP Morgan Asset Management Holdings, Inc. notified the AFM that it held 3.59% of the shares and 3.08% of the voting rights related to KPN's ordinary share capital.
- On 7 August 2024, Amundi Asset Management notified the AFM that it held 3.15% of the shares and voting rights related to KPN's ordinary share capital.
- On 9 February 2024, BlackRock, Inc. notified the AFM that it held 6.44% of the shares and 7.70% of the voting rights related to KPN's ordinary share capital.
- On 2 August 2022, Capital Research and Management Company notified the AFM that it held 9.70% of the voting rights related to KPN's ordinary share capital.
- On 2 June 2022, The Income Fund of America notified the AFM that it held 4.97% of the shares and voting rights to KPN's ordinary share capital.

To KPN's knowledge, no other shareholder owned 3% or more of KPN's issued share capital at 31 December 2024. KPN did not enter into agreements with AMX or other 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 B.V. 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 the network of Glaspoort 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 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 (EUR 19m), there is no other financial compensation.

Consolidated financial statements

The value of the services delivered to and acquired from Glaspoort, and its joint venture Glasdraad, amounted to EUR 17m and EUR 49m respectively in 2024 (2023: EUR 16m and EUR 23m respectively). Furthermore, in December 2021, KPN, ABP and Glaspoort signed an agreement to extend the scope of the fiber rollout of Glaspoort. It was agreed that KPN will receive EUR 170m (pre-tax) from Glaspoort for the sale of the additional scope projects in annual installments based on the fiber rollout starting in 2023. As at 31 December 2024, KPN has received EUR 142m of the total consideration agreed upon (EUR 60m in cash upon closing of the transaction in 2021, EUR 51m during 2023 and EUR 31m during 2024). During 2024, Glaspoort received additional share premium contributions from its shareholders. KPN contributed EUR 20m. Trade and other receivables with respect to Glaspoort at 31 December 2024 amounted to EUR 18m (2023: EUR 2m), trade and other payables to EUR 13m (2023: EUR 5m), non-current contract assets to EUR 5m (2023: EUR 28m), and current contract assets to EUR 23m (2023: EUR 31m); 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	2024	2023
Sales in the year	14	16
Purchases in the year	17	8
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
KPN B.V.	
- 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 Exploitatiemaatschappij B.V.	Netherlands
- Solcon Internetdiensten B.V.	Netherlands
- Youfone Nederland B.V.	Netherlands
- Youfone Zakelijk B.V.	Netherlands
KPN Mobile N.V.	Netherlands
KPN Ventures B.V.	Netherlands
Getronics B.V.	Netherlands
- Getronics Finance Holdings B.V.	Netherlands
- Getronics Pensions UK Ltd.	UK
- Getronics US Operations, Inc.	US
KPN Insurance Company DAC	Ireland

The percentage ownership/voting interest of these entities is 100%, except for the joint venture Glaspoort B.V. in which KPN has an interest of 50%.

[25] Proposed appropriation of result

On outstanding Class B preferred shares, a dividend is paid out equal to the average of the 12-month Euribor plus 1%. If the 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 preferred 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 preferred shares were outstanding on 31 December 2024.

The profit of the financial year 2024 attributable to equity holders of the company amounted to EUR 848m. On 1 August 2024, a regular interim dividend of EUR 6.8ct per ordinary share was paid

Consolidated financial statements

(total amount of EUR 264m). On 21 February 2025, the Board of Management, with the approval of the Supervisory Board, appropriated EUR 187m of the profit 2024 to the other reserves. Taking into account the interim dividend that was paid in August 2024, the remaining part of the profit is available for payment of a final dividend in respect of 2024. The Board of Management, with the approval of the Supervisory Board, will propose to the AGM to pay a final regular dividend of EUR 10.2ct per ordinary share in respect of 2024 (in total EUR 396m based on the number of outstanding shares at 31 December 2024 less Treasury shares held by KPN).

[26] Subsequent events

Bonds

The remaining outstanding principal amount (EUR 219m) of the 2.00% EUR perpetual hybrid bond has been redeemed on 10 February 2025.

On 17 February 2025, KPN successfully issued a 3.375% EUR 800m senior unsecured bond maturing on 17 February 2035. The proceeds will be used for general corporate purposes, including refinancing of existing debt.

KPN and ABP start new tower company 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 of Althio, the remaining 49% shares are owned by Stichting Depositary 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 have been reset. Althio and KPN have entered into a long-term master service agreement, 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 built-to-suit commitment for the next 10 years from KPN.

The total consideration comprises the transfer of KPN's passive mobile infrastructure activities and a cash consideration of EUR 113m. Part of the cash consideration paid will be allocated to the settlement of pre-existing relations between KPN Group and Althio. Due to the timing of the transaction and applicable regulatory restrictions on the exchange of information prior to the transaction, KPN has not been able to prepare the purchase price allocations and related disclosures as prescribed by IFRS 3 per the date of approval of these financial statements. KPN is currently in the process of preparing the purchase price allocations which will be included in the 30 June 2025 interim financial statements.

After assessing the relevant agreements, including the rights both shareholders have in the situations described therein, KPN concluded it has control over Althio after the transaction. Therefore, KPN will consolidate Althio in full as of 13 February 2025.

On a pro forma full year basis, the consolidated impact of the transaction on KPN's 2025 adjusted EBITDA AL is estimated at EUR ~30m; on a similar basis, the impact on KPN's operating free cash flow would be EUR ~20m.

Corporate financial statements

Corporate statement of profit or loss

For the year ended 31 December

€ million	Notes	2024	2023
Total revenues and other income		**-**	**-**
Other operating expenses		-5	-5
Total operating expenses		**-5**	**-5**
Operating profit		**-5**	**-5**
Finance income		31	16
Finance costs		-251	-240
Other financial results		-54	-4
Intercompany interest (net)		10	-95
Financial income and expenses	**[A]**	**-264**	**-323**
Income from subsidiaries		1,033	1,075
Profit before income tax		**764**	**747**
Income taxes	[B]	84	97
Profit for the year		**848**	**844**

Corporate financial statements

Corporate statement of financial position

Before appropriation of current year result

Assets

€ million	Notes	31 December 2024	31 December 2023
Non-current assets			
Financial fixed assets			
Investments in subsidiaries		8,801	12,647
Derivatives		100	65
Deferred taxes		215	299
Other fixed financial assets		72	84
Total non-current assets	**[B]**	**9,188**	**13,095**
Current assets			
Accounts receivable from subsidiaries	[F]	1,364	1,425
Other receivables and accrued income		6	9
Derivatives		-	12
Income tax receivable		17	30
Other current financial assets		101	194
Cash and cash equivalents		587	525
Total current assets		**2,075**	**2,195**
Total assets		**11,263**	**15,290**

Corporate financial statements

Equity and liabilities

€ million	Notes	31 December 2024	31 December 2023
Equity			
Subscribed capital stock		156	158
Additional paid-in capital		7,481	7,674
Treasury shares reserve		-11	-17
Legal reserves	[C]	558	547
Retained earnings	[C]	-6,490	-6,637
Equity attributable to holders of perpetual hybrid bonds		990	990
Profit (loss) current year		848	844
Total equity attributable to equity holders		**3,531**	**3,558**
Provisions			
Provisions for retirement benefit obligations		1	2
Other provisions		20	18
Total provisions	**[D]**	**21**	**20**
Non-current liabilities			
Loans from subsidiaries	[E]	25	50
Borrowings	[E]	4,952	4,974
Derivative financial instruments		156	256
Other non-current liabilities	[G]	431	426
Total non-current liabilities		**5,564**	**5,706**
Current liabilities			
Accounts payable to subsidiaries	[F]	1,026	5,308
Borrowings	[E]	899	497
Derivative financial instruments		5	5
Income tax payable		-	-
Other current liabilities	[G]	119	117
Accruals and deferred income		99	79
Total current liabilities		**2,148**	**6,006**
Total equity and liabilities		**11,263**	**15,290**

Corporate financial statements

Notes to the corporate financial statements

The principles for the recognition and measurement of assets and liabilities and determination of the result (hereafter referred to as 'accounting policies') of the corporate financial statements of Koninklijke KPN N.V. are the same as those applied to the consolidated financial statements under IFRS (applying the option provided in Article 362 sub 8, Part 9, Book 2 of the Dutch Civil Code). The consolidated financial statements have been prepared in accordance with the IFRS (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 corporate financial statements.

Directors' remuneration

See Note 5 Personnel expenses to the consolidated financial statements.

[A] Financial income and expenses

€ million	2024	2023
Finance income	**31**	**16**
Interest on borrowings	-245	-236
Other	-6	-4
Finance costs	**-251**	**-240**
Amortizable part of hedge reserve	-12	-15
Amortization discontinued fair value hedges	18	16
Derivative financial instruments not qualified for hedge accounting	-7	-9
Hedge ineffectiveness	-7	4
Exchange rate differences	13	1
Bond tender premiums and charges (see Note 7)	-60	-
Other	1	-1
Other financial results	**-54**	**-4**
Intercompany interest (net)	**10**	**-95**
Total	**-264**	**-323**

The increase in finance costs is mainly related to the interest accrued on the EUR 1 billion senior bond issued in February 2024, partly offset by the lower interest expense on tendered bonds and the bond redemption in September. Intercompany interest amounted to a net income of EUR 10m in 2024 and a net cost of EUR 95m in 2023. As of 1 January 2024, interest is no longer charged on most current accounts between group companies.

Corporate financial statements

[B] Non-current assets

€ million	Investments in subsidiaries companies	Derivatives	Deferred taxes	Other financial fixed assets[1]	Total
Balance at 1 January 2023	**10,785**	**125**	**326**	**76**	**11,313**
Exchange rate differences	-2	-	-	-	-2
Income from group companies after taxes	1,075	-	-	-	1,075
Increase due to waivers[2]	778	-	-	-	778
Movements paid collaterals	-	-	-	8	8
Capital contributions	1	-	-	-	1
Fair value adjustments	-	-60	-	-	-60
Use of tax loss carry forward	-	-	-34	-	-34
Other	10	-	7	-	17
Total changes	**1,862**	**-60**	**-27**	**8**	**1,782**
Balance at 31 December 2023	**12,647**	**65**	**299**	**84**	**13,095**
Exchange rate differences	-7	-	-	-	-7
Income from group companies after taxes	1,033	-	-	-	1,033
Decrease due to waivers[3]	-4,849	-	-	-	-4,849
Movements paid collaterals	-	-	-	-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
Total changes	**-3,846**	**35**	**-84**	**-12**	**-3,907**
Balance at 31 December 2024	**8,801**	**100**	**215**	**72**	**9,188**

1 Other financial fixed assets mainly includes paid collaterals regarding derivative financial instruments and energy contracts and in 2024 also a loan granted to a third party with a carrying amount of EUR 44m (see Note 14.1 for more details)

2 Increase mainly relates to the waiver of the loan payable by KPN Mobile N.V. (see Note F)

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

Taxation

The corporate financial statements on behalf 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 booked at the level of the entity itself.

The company's deferred tax asset represents the future tax relief on taxable profits (within the tax group) 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 group.

[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. On 21 September 2022, KPN issued a EUR 500m hybrid bond with a 6.00% coupon and on 18 June 2024 a EUR 500m hybrid bond with a 4.875% coupon, all with a perpetual maturity. These bonds are classified as equity and valued at net proceeds (see Note 13.2). On 20 June 2024, the EUR 500m hybrid bond with a 2.00% coupon issued on 8 November 2019 was partially repurchased for a principal amount of EUR 281m and on 20 December 2024 KPN announced to redeem the remaining outstanding principal amount (EUR 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.

Corporate financial statements

Legal reserves (net of tax)

€ million	Revaluation reserve equity investment in Glaspoort (see Note 21)	Hedge reserve (net of tax)	Capitalized software development costs	Revaluation reserve property, plant and equipment	Cumulative translation adjustments	Fair value reserve equity investments	Solvency capital requirement[1]	Total
Balance at 1 January 2023	**347**	**-86**	**248**	**11**	**17**	**27**	**20**	**584**
Addition/release (-) retained earnings	-11	-26	18	-2	-	-14	-	-35
Other	-	-2	-	-	-	-	-	-2
Balance at 31 December 2023	**336**	**-114**	**266**	**9**	**17**	**13**	**20**	**547**
Addition/release (-) retained earnings	-15	18	14	-3	-	2	-5	12
Balance at 31 December 2024	**321**	**-96**	**280**	**7**	**17**	**15**	**15**	**558**

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 EUR 2,721m at 31 December 2024 (2023: EUR 2,739m).

Retained earnings

Movements in retained earnings

€ million	2024	2023
Balance at 1 January	**-6,637**	**-6,769**
Profit of previous year	844	760
Coupon perpetual hybrid bonds	-48	-40
Dividend ordinary shares	-646	-587
Actuarial gain/loss pensions and other post-employment plans (net of tax)	2	-
Fair value adjustment equity investments	2	11
Release/addition legal reserves (except cumulative translation adjustments)	6	9
Share-based compensation	-8	-17
Reclassifications	-4	-4
Balance at 31 December	**-6,490**	**-6,637**

Retained earnings reconciled with the consolidated statement of financial position

€ million	2024	2023
Retained earnings as per Consolidated Statement of Financial Position	**-5,005**	**-5,150**
Revaluation reserve equity investement in Glaspoort	-321	-336
Revaluation reserve property, plant and equipment	-7	-9
Capitalized software development costs	-280	-266
Fair value reserve equity investments	-15	-13
Other non-distributable reserves	-14	-20
Profit for the year	-848	-844
Retained earnings as per Corporate Statement of Financial Position	**-6,490**	**-6,637**

[D] Provisions

Movements in provisions

€ million	Retirement benefit obligations	Other provisions	Total
Balance at 1 January 2023	**1**	**20**	**21**
Additions/releases to income	1	3	4
Usage	-1	-4	-5
Balance at 31 December 2023	**2**	**18**	**20**
Additions/releases to income	1	4	5
Usage	-2	-3	-5
Balance at 31 December 2024	**1**	**20**	**21**

Corporate financial statements

The provisions for retirement benefit obligations relate to an early retirement plan (see Note 17 to the consolidated financial statements). Other includes provisions for long-term employee obligations related to jubilee or other long-service employee benefits and long-term disability benefits.

[E] Loans from subsidiaries and borrowings

The balance of Loans from subsidiaries as at 31 December 2024 (EUR 25m) and 2023 (EUR 50m) consists of a short-term roll-over loan from KPN Insurance Company DAC, which bears an interest of 6-month Euribor plus 0.3%.

Non-current borrowings as at 31 December 2024 include senior bonds outstanding for EUR 4,952m (2023: EUR 4,975m). Current borrowings as at 31 December 2024 include senior bonds outstanding for EUR 839m (2023: 437). On 16 February 2024, KPN issued a EUR 1,000m 3.875% senior bond maturing on 16 February 2036. Concurrently to this issuance, KPN made a tender offer for its outstanding GBP denominated bonds. On 19 February 2024, KPN repurchased a GBP 150m notional amount of its outstanding GBP 400m 5.00% senior bond due in November 2026 and a GBP 300m notional amount of its outstanding GBP 850m 5.75% senior bond due in September 2029. On 30 September 2024, KPN redeemed the remaining outstanding principal amount (EUR 431m) of the EUR 700m 5.625% senior bond at its scheduled maturity date. Borrowings increased by EUR 86m due to exchange differences and by EUR 26m due to fair value adjustments. See Note 13.2 to the consolidated financial statements for further information about KPN's senior and hybrid bonds outstanding.

KPN has set up a Euro-Commercial Paper Program under which KPN can issue short-term debt instruments for up to EUR 1 billion gross notional outstanding. At 31 December 2024, current borrowings included the outstanding balance of commercial paper of EUR 60m (2023: EUR 60m). In addition, total committed credit facilities of EUR 1,075m were available at 31 December 2024 which were not drawn during 2023 and 2024.

[F] Accounts receivable from and accounts payable to subsidiaries

Koninklijke KPN N.V. operates a cash pool for the KPN Group, which leads to accounts receivable from and accounts payable to subsidiaries. In 2024, accounts receivable from subsidiaries increased due to capex and other investments made by subsidiaries and decreased due to waivers for an amount of EUR 1,116m. Accounts payable to subsidiaries increased, mainly due to cash flows from operating activities generated by subsidiaries and decreased in 2024 due to waivers for an amount of EUR 5,965m of which EUR 5,197m is the current account payable to KPN B.V. These waivers are accounted for as informal capital contributions or informal dividend distributions, respectively. Accounts receivable from subsidiaries (net) at 31 December 2024 includes a current income tax position of the subsidiaries which are included in the fiscal unity of Koninklijke KPN N.V. of EUR 205m. Accounts payable to subsidiaries (net) at 31 December 2024 is offset by a current income tax position of the subsidiaries, which are included in the fiscal unity of Koninklijke KPN N.V. of EUR 101m.

Most of these current accounts have an indefinite duration. As of 1 January 2024, interest is no longer charged on most current accounts between group companies. In sofar as applicable, interest is determined annually and based on the 12-month Euribor plus 0.15% and a risk premium attached by the market to the specific KPN credit risk.

[G] Other non-current and current liabilities

Other non-current liabilities includes a EUR 300m credit facility from the European Investment Bank, which KPN had fully drawn at year-end 2024 and 2023. 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 3.74% per annum. Also included at 31 December 2024 is EUR 78m of collateral received (2023: EUR 74m) as security under derivative financial instruments and EUR 49m of borrowings under private placements (2023: EUR 49m).

Other current liabilities consists of VAT payable of the KPN fiscal unity.

Corporate financial statements

[H] Commitments and contingencies

Commitments by virtue of guarantees amounted to EUR 139m (2023: EUR 129m).

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, 21 February 2025

Board of Management	Supervisory Board
Joost Farwerck	Gerard van de Aast
Chris Figee	Herman Dijkhuizen
Marieke Snoep	Frank Heemskerk
Chantal Vergouw	Marga de Jager
Wouter Stammeijer	Kitty Koelemeijer
Hilde Garssen	Ben Noteboom
	Edzard Overbeek
	Jolande Sap
	Rob Shuter