



BUITENGEWONE ALGEMENE VERGADERING VAN AANDEELHOUDERS

10 September 2020

Safe harbor

Alternative performance measures and management estimates

This financial report contains a number of alternative performance measures (non-GAAP figures) to provide readers with additional financial information that is regularly reviewed by management, such as EBITDA and Free Cash Flow (FCF). These non-GAAP figures should not be viewed as a substitute for KPN's GAAP figures and are not uniformly defined by all companies including KPN's peers. Numerical reconciliations are included in KPN's quarterly factsheets and in the Integrated Annual Report 2019. KPN's management considers these non-GAAP figures, combined with GAAP performance measures and in conjunction with each other, most appropriate to measure the performance of the Group and its segments. The non-GAAP figures are used by management for planning, reporting (internal and external) and incentive purposes. KPN's main alternative performance measures are listed below. The figures shown in this financial report are based on continuing operations and were rounded in accordance with standard business principles. As a result, totals indicated may not be equal to the precise sum of the individual figures.

Financial information is based on KPN's interpretation of IFRS as adopted by the European Union as disclosed in the Integrated Annual Report 2019 and do not take into account the impact of future IFRS standards or interpretations. Note that certain definitions used by KPN in this report deviate from the literal definition thereof and should not be considered in isolation or as a substitute for analyses of the results as reported under IFRS as adopted by the European Union. KPN defines revenues as the total of revenues and other income. Adjusted revenues are derived from revenues (including other income) and are adjusted for the impact of incidentals. KPN defines EBITDA as operating result before depreciation (including impairments) of PP&E and amortization (including impairments) of intangible assets. Adjusted EBITDA after leases ('adjusted EBITDA AL') is derived from EBITDA and is adjusted for the impact of restructuring costs and incidentals ('adjusted') and for lease costs, including depreciation of right-of-use assets and interest on lease liabilities ('after leases' or 'AL'). KPN defines Gross Debt as the nominal value of interest-bearing financial liabilities representing the net repayment obligations in Euro, excluding derivatives, related collateral, and leases, taking into account 50% of the nominal value of the hybrid capital instruments. In its Leverage Ratio, KPN defines Net Debt as Gross Debt less net cash and short-term investments, divided by 12 month rolling adjusted EBITDA AL excluding major changes in the composition of the Group (acquisitions and disposals). The Lease adjusted leverage ratio is calculated as Net Debt including lease liabilities divided by 12 month rolling adjusted EBITDA AL excluding major changes in the composition of the Group (acquisitions and disposals). Operational free cash flow is defined as adjusted EBITDA AL minus capital expenditures (Capex) being expenditures on PP&E and software. Free Cash Flow (FCF) is defined as cash flow from continuing operating activities plus proceeds from real estate, minus Capex. Return on capital employed (ROCE) is calculated by the net operating profit less adjustments for taxes divided by capital employed, on a 4 quarter rolling basis. Net operating profit is the adjusted EBITA (excluding incidentals and amortization of other intangibles, and excluding restructuring costs). KPN defines capital employed as the carrying amount of operating assets and liabilities, which excludes goodwill and other intangibles.

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

Forward-looking statements

Certain statements contained in this financial report constitute forward-looking statements. These statements may include, without limitation, statements concerning future results of operations, the impact of regulatory initiatives on KPN's operations, KPN's and its joint ventures' share of new and existing markets, general industry and macro-economic trends and KPN's performance relative thereto and statements preceded by, followed by or including the words "believes", "expects", "anticipates", "will", "may", "could", "should", "intends", "estimate", "plan", "goal", "target", "aim" or similar expressions. These forward-looking statements rely on a number of assumptions concerning future events and are subject to uncertainties and other factors, many of which are outside KPN's control that could cause actual results to differ materially from such statements. A number of these factors are described (not exhaustively) in the Integrated Annual Report 2019. All forward-looking statements and ambitions stated in this financial report that refer to a growth or decline, refer to such growth or decline relative to the situation per 31 December 2019, unless stated otherwise.

Additional information regarding estimated impact of divestments on Q2 and H1 2019 financial figures

KPN's Q2 2020 Press Release and Q2 2020 Analyst Presentation include additional information regarding the estimated impact of divestments on the Q2 and H1 2019 comparative financial figures, as KPN's Board of Management deems it important to provide readers with additional information on the financial impact of the following divestments: NLDC, International Network Services, Argweb, and KPN Consulting. The impact of divestments as mentioned represents the estimated financial impact (transfer of revenues, addition of COGS and transfer of indirect costs) of the combined completed divestments as if the actual transfer of shares (closing) had taken place 12 months earlier. This information has been included for comparison reasons only and is not considered to be an alternative performance measure. Please note that the financial impact of divestments is based on management estimates, which have not and will not be audited.

AGENDAPUNT 1.

OPENING EN MEDEDELINGEN

Duco Sickinghe
Voorzitter RvC

AGENDAPUNT 2.

GELEGENHEID TOT HET DOEN VAN AANBEVELINGEN VOOR DE BENOEMING VAN EEN LID VAN DE RAAD VAN COMMISSARISSEN VAN KPN

Duco Sickinghe
Voorzitter RvC

AGENDAPUNT 3.

VOORSTEL TOT BENOEMING VAN DE HEER ALEJANDRO DOUGLASS PLATER TOT LID VAN DE RAAD VAN COMMISSARISSEN VAN KPN (BESLUIT)

Duco Sickinghe
Voorzitter RvC

Profiel Alejandro Douglass Plater

- **Geboortjaar:** 1967
- **Nationaliteit:** Argentijnse en Zweedse
- **Huidige functie:**
Group Chief Operating Officer en lid van de Raad van Bestuur van A1 Telekom Austria Group (2015 – heden)
- **Werkervaring:**
 - A1 Telekom Austria Group, Chief Executive Officer (2015 – 2018)
 - Ericsson, diverse posities waaronder die van directeur en vice president (1997 – 2015)
- **Opleiding:**
 - Economie in Buenos Aires
 - Verschillende postdoctorale bedrijfsstudies in verkoop en management ontwikkeling (Columbia University, Wharton School U.S., London Business School U.K.)



STEMMING AGENDAPUNT 3.

VOORSTEL TOT BENOEMING VAN DE HEER ALEJANDRO DOUGLASS PLATER TOT LID VAN DE RAAD VAN COMMISSARISSEN VAN KPN (BESLUIT)

Duco Sickinghe
Voorzitter RvC

AGENDAPUNT 4.

RONDVRAAG EN SLUITING

Duco Sickinghe
Voorzitter RvC



KPN Investor Relations

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