Key Information Document

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Product

KBC Hedging Options for BestOf Stock Options
Manufacturer: KBC Bank NV (part of KBC Group NV)
ISIN: BE6370716472
Contact: www.kbc.be, call +32 (0)78 353 137 for more information
Competent Authority: Financial Services and Markets Authority (FSMA) is responsible for the supervision of KBC Bank NV in relation to this Key Information Document
KID Production Date: 05/01/2026

Alert: You are about to purchase a product that is not simple and may be difficult to understand.

What is this product?

Type

Hedging options for BestOf Stock options are call options of the European Type under Belgian law. This product gives you the right to receive the market value of the Hedging options if the options are terminated during the exercise period. The Hedging options are not exercisable except on the last day of the exercise period: then the Hedging options are automatically exercised and settled in cash to the extent that they have an intrinsic value. A conditionally certain benefit is guaranteed at that time. The Hedging options cover the risk for the company writing the BestOf call options.

Term

The hedging options are issued on 26/02/2026 and have a term of ten years ending on 25/02/2036.
The hedging options cover the BestOf Stock options written by the employer as an alternative form of compensation. Each time an employee terminates his BestOf Stock options during the exercise period, the same number of hedging options is terminated and paid out to the employer. The foregoing is based on contractual arrangements. On the last day of the term, the hedging options are automatically exercised and settled in cash. In case of exceptional circumstances explained in the prospectus, the product can be modified or terminated early by the bank.

Objectives

- **Purpose:** Hedging options are purchased by the employer to hedge its obligations under the BestOf Stock Option Plan. The hedging options and the BestOf Stock Options have similar but not identical underlying assets. Thus, the respective termination fees may differ from each other. Since the hedging options are of the European type, they can only be exercised automatically on the last day of the exercise period. However, they can be terminated daily during the exercise period. The hedging options contain a conditional "certain benefit" that is guaranteed only upon automatic exercise on the last day of the exercise period. This certain benefit is equal to the difference between the fraction of the exercise price x 23% x 53.5% and the intrinsic value of the hedging option. The condition for payment of this benefit is that the intrinsic value of the hedging option is less than the amount equal to the fraction of the exercise price x 23% x 53.5% per hedging option.
- **Underlying Asset**: Solactive Developed World ETF Select Index ISIN DE000SL0BT26. The underlying asset consists of ETFs that all track the same world index. This world index consists of shares worldwide from developed countries. All information about the index can be found at https://www.solactive.com/indices/?se=1&index=DE000SL0BT26.
- **Exercise Price**: The exercise price is calculated on the issue date based on value of the underlying asset. The exercise price is made available on the KBC Esop Online Platform on the issue date.
- **Share fraction**: The fraction will be calculated on the issue date based on value of the underlying asset. The fraction will be made available on the KBC Esop Online Platform on the issue date.
- **Price hedging option on Issue Date**: 10,00 EUR
- **Issue date**: 26/02/2026
- **Subscription period**: from 12/01/2026 to 19/02/2026
- **Maturity date:** 25/02/2036
- **Termination and exercise**: The termination of the hedging options occurs according to contractual agreements, simultaneously at the time the employee terminate his BestOf Stock options. These terminations can take place at the earliest from one year after the issue date and daily thereafter until expiration. The hedging options are not exercisable except on the last day of their term.

Intended retail investor

The product is aimed at employers who have sufficient knowledge and experience regarding the hedging options. They should have a good understanding of the risk associated with the hedging options. The hedging options hedge the risk associated with writing the BestOf Stock options. The hedging options do not provide a 100% hedge for the BestOf Stock options because the underlying assets of the two options are different. The product has an investment horizon of up to ten years (recommended holding period). Employers should be aware that hedging options may lose some or all of their value. Because they are call options, the loss is limited at most to the option value.

What are the risks and what can I get in return?

Risk indicator

1	2	3	4	5	**6**	7

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Lower risk Higher risk

The risk indicator assumes you keep the product until 25/02/2036.
The actual risk can vary significantly if you cash in at an early stage and you may get back less.
You may not be able to sell your product easily or you may have to sell at a price that significantly impacts on how much you get back.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this product in class 6 out of 7, which is the second-highest risk class. This rates the potential losses from future performance at a high level and poor market conditions are very likely to impact our capacity to pay you. This product does not include any protection from future market performance so you could lose some or all of your investment.

If we are not able to pay you what is owed, you could lose your entire investment.
You can find all information regarding the risk factors that may affect the value of the warrants in the prospectus. This prospectus can be consulted on the website: [KBC Bank and CBC Banque Warrants and Hedging Options Programme]

Performance Scenarios

The figures shown include all costs of the product itself and includes the costs of your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted.
The scenarios shown are illustrations based on results from the past and on certain assumptions. Markets could develop very differently in the future.

Recommended holding period: ten years **Example investment: 10 000 EUR**				
Scenarios		**If you exit after one year**	**If you exit after five years**	**If you exit after ten years**
Minimum	**There is a contingent guaranteed return upon exercise at maturity of up to exercise price X fraction X 23% X 53.5%**			
Stress	***What you might get back after costs***	2.201,63 EUR	2.271,87 EUR	2.604,63 EUR
	Average return each year	-77,98 %	-25,65 %	-12,59 %
Unfavourable	***What you might get back after costs***	5.709,73 EUR	5.971,43 EUR	7.387,02 EUR
	Average return each year	-42,90 %	-9,80 %	-2,98 %
Moderate	***What you might get back after costs***	8.787,60 EUR	16.661,40 EUR	32.752,92 EUR
	Average return each year	-12,12 %	10,75 %	12,60 %
Favourable	***What you might get back after costs***	14.166,29 EUR	35.320,16 EUR	80.591,38 EUR
	Average return each year	41,66 %	28,71 %	23,21 %

The stress scenario shows what you might get back in extreme market circumstances.

What happens if KBC Bank NV is unable to pay out?

The repayment depends on the solvency of KBC Bank NV. If KBC Bank NV does not have sufficient funds to meet its payment obligation under this product, such as in the event of bankruptcy, you may lose your entire deposit. The product is not covered by any deposit guarantee scheme or by any other form of guarantee.

What are the costs?

Costs over time

The tables show the amounts that are taken out of your investment to cover different types of costs. These amounts depend on how much you invest, how long you hold the product and how well the product does. The amounts shown here are illustrations based on an example investment amount and different possible investment periods.

We have assumed:

- in the first year you would get back the amount that you invested (0% annual return). For the other holding periods, we have assumed the product performs as shown in the moderate scenario
- 10 000 EUR is invested.

	If you exit after one year	If you exit after five years	If you exit after ten years
Total costs	500,00 EUR	500,00 EUR	500,00 EUR
Annual cost impact (*)	5,00 %	1,00 % each year	0,50 % each year

(*) This illustrates how costs reduce your return each year over the holding period. For example it shows, that if you exit at the recommended holding period, your average return per year is projected to be 13,10 % before costs and 12,60 % after costs. We may share part of the costs with the person selling you the product to cover the services they provide to you. They will inform you of the amount.
These figures include the maximum distribution fee that the person selling you the product may charge (5 % of the invested amount). This person will inform you of the actual distribution fee.

Composition of Costs

One-off costs upon entry or exit		If you exit after one year
Entry costs°	5% of the amount you pay when entering this investment.	500 EUR
Exit costs	We do not charge an exit fee for this product.	0 EUR
Ongoing costs (taken each year)		
Management fees and other administrative or operating costs	We do not charge any management costs or other administrative or operating costs for this product.	0 EUR
Transaction costs	We do not charge a transaction cost for this product.	0 EUR
Incidental costs taken under specific conditions		
Performance fees (and carried interest)	There is no performance fee for this product.	0 EUR

°This is the hedging fee as defined in the Prospectus KBC Bank and CBC Banque Warrants and Hedging Options Programme.

How long should I hold it and can I take my money out early?

Recommended holding period: ten years

As soon as an employee terminates his BestOf Stock options during the exercise period with respect to the employer, the same number of hedging options is terminated and paid to the employer. The bank calculates the termination price of the hedging options and it may differ from the termination price of the BestOf Stock Options. The bank undertakes to systematically accept the terminations of the hedging options and pay out the termination fee in parallel with the termination of the BestOf Stock Options. Employees may terminate their BestOf Stock Options prior to the recommended holding period. Because the hedging options have a similar course to the BestOf Stock options, this early termination has no adverse effect on the employer. Termination prior to final maturity generates no additional cost.

How can I complain?

Your intermediary is the first point of contact for your complaints. If no agreement can be reached, please contact KBC Complaints Management, Brusselsesteenweg 100 - 3000 Leuven, Tel.+32 (0)16 43 25 94, complaints@kbc.be or Gestion des plaintes CBC, Avenue Albert 1er 60 - 5000 Namur, Tel. +32 (0)81 80 31 63, gestiondesplaintes@cbc.be or Financial Ombudsman Service, Ombudsfin vzw, North Gate II King Albert II Avenue 8 bus 2 -1000 Brussels, Tel. +32 (0)2 545 77 70, ombudsman@ombudsfin.be. The full complaints procedure can be found at www.kbc.be, www.cbc.be or www.ombfin.be. However, you always retain the right to initiate legal proceedings.

Other relevant information

Investors who wish detailed information on the risk factors and on the selling restrictions should carefully read the following documents: the current Base Prospectus and the Final Terms. These documents are available at your bank branch and via the link KBC Bank and CBC Banque Warrants and Hedging Options Programme.