

Consolidated financial statements

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Consolidated statement of financial position

millions of €

	Note	Dec. 31, 2025	Dec. 31, 2024
Assets			
Current assets		41,177	37,161
Cash and cash equivalents	1	7,818	8,472
Trade receivables	2	16,842	16,411
Contract assets	3	3,138	2,711
Current recoverable income taxes	32	495	445
Other financial assets	11	4,584	4,418
Inventories	4	2,866	2,451
Other assets	12	2,284	1,996
Non-current assets and disposal groups held for sale	5	3,150	256
Non-current assets		248,592	267,773
Intangible assets	6	133,650	149,115
Property, plant and equipment	7	64,791	66,612
Right-of-use assets	8	28,579	32,214
Capitalized contract costs	9	3,936	3,682
Investments accounted for using the equity method	10	11,087	7,343
Other financial assets	11	3,973	3,326
Deferred tax assets	32	660	3,682
Other assets	12	1,916	1,800
Total assets		289,769	304,934

millions of €

	Note	Dec. 31, 2025	Dec. 31, 2024
Liabilities and shareholders' equity			
Current liabilities		36,848	35,182
Financial liabilities	13	11,328	9,852
Lease liabilities	13	5,744	5,674
Trade and other payables	14	9,581	9,489
Income tax liabilities	32	563	736
Other provisions	16	3,762	3,537
Other liabilities	17	3,298	3,516
Contract liabilities	18	2,572	2,378
Liabilities directly associated with non-current assets and disposal groups held for sale	5	0	0
Non-current liabilities		160,689	171,111
Financial liabilities	13	99,011	102,339
Lease liabilities	13	30,640	34,574
Provisions for pensions and other employee benefits	15	1,883	3,209
Other provisions	16	4,157	4,332
Deferred tax liabilities	32	22,291	24,260
Other liabilities	17	1,633	1,366
Contract liabilities	18	1,076	1,032
Liabilities		197,538	206,294
Shareholders' equity	19	92,231	98,640
Issued capital		12,557	12,765
Treasury shares		(172)	(220)
		12,385	12,545
Capital reserves		53,166	55,102
Retained earnings including carryforwards		(11,246)	(16,959)
Total other comprehensive income		(1,744)	1,399
Net profit (loss)		9,609	11,209
Issued capital and reserves attributable to owners of the parent		62,171	63,296
Non-controlling interests		30,061	35,344
Total liabilities and shareholders' equity		289,769	304,934

Consolidated income statement

millions of €

	Note	2025	2024	2023
Net revenue	20	119,081	115,769	111,970
Of which: interest income calculated using the effective interest method		738	658	662
Of which: revenue from insurance contracts	41	4,327	4,554	4,533
Other operating income	21	1,358	3,913	1,384
Changes in inventories	22	(23)	4	(6)
Own capitalized costs	23	2,706	2,628	2,721
Goods and services purchased	24	(48,747)	(47,374)	(47,201)
Personnel costs	25	(19,781)	(19,004)	(19,077)
Other operating expenses	26	(5,764)	(5,632)	(5,019)
Impairment losses on financial assets, contract assets, and lease assets		(1,559)	(1,357)	(1,149)
Gains (losses) from the write-off of financial assets measured at amortized cost		(21)	(19)	(14)
Other		(4,183)	(4,256)	(3,856)
EBITDA		48,831	50,304	44,772
Depreciation, amortization and impairment losses	27	(24,009)	(24,027)	(23,975)
Profit (loss) from operations (EBIT)	28	24,822	26,277	20,798
Finance costs	29	(5,909)	(5,686)	(5,719)
Interest income		613	927	870
Interest expense		(6,522)	(6,613)	(6,588)
Share of profit (loss) of associates and joint ventures accounted for using the equity method	30	765	2,534	(2,766)
Other financial income (expense)	31	(179)	(168)	(345)
Profit (loss) from financial activities		(5,323)	(3,319)	(8,829)
Profit (loss) before income taxes		19,499	22,958	11,968
Income taxes	32	(4,573)	(5,301)	(3,672)
Profit (loss) after taxes from continuing operations		14,926	17,657	8,296
Profit (loss) after taxes from discontinued operation	33	0	0	13,696
Profit (loss)		14,926	17,657	21,992
Profit (loss) attributable to				
Owners of the parent (net profit (loss))		9,609	11,209	17,788
Non-controlling interests	34	5,317	6,448	4,204
Earnings per share	36			
Profit (loss) from continuing operations attributable to the owners of the parent (net profit (loss))	millions of €	9,609	11,209	4,092
Profit (loss) from discontinued operation attributable to the owners of the parent (net profit (loss))	millions of €	0	0	13,696
Profit (loss) attributable to the owners of the parent (net profit (loss))	millions of €	9,609	11,209	17,788
Adjusted weighted average number of ordinary shares outstanding (basic and diluted)	millions	4,871	4,938	4,976
Earnings per share from continuing operations (basic and diluted)	€	1.97	2.27	0.82
Earnings per share from discontinued operation (basic and diluted)	€	0.00	0.00	2.75
Earnings per share (basic and diluted)	€	1.97	2.27	3.57

The GD tower companies had been recognized in the interim consolidated financial statements as a discontinued operation from the third quarter of 2022 until their sale on February 1, 2023.

Consolidated statement of comprehensive income

millions of €

	2025	2024	2023
Profit (loss)	14,926	17,657	21,992
Items not subsequently reclassified to profit or loss (not recycled)			
Gains (losses) from the remeasurement of equity instruments	271	54	(70)
Gains (losses) from the remeasurement of defined benefit plans	1,118	834	18
Share of profit (loss) of investments accounted for using the equity method	1	0	0
Income taxes relating to components of other comprehensive income	(228)	(117)	63
	1,162	772	12
Items subsequently reclassified to profit or loss (recycled), if certain reasons are given			
Exchange differences on translating foreign operations			
Recognition of other comprehensive income in income statement	31	2	4
Change in other comprehensive income (not recognized in income statement)	(7,638)	3,901	(2,094)
Gains (losses) from the remeasurement of debt instruments			
Recognition of other comprehensive income in income statement	1,319	1,163	921
Change in other comprehensive income (not recognized in income statement)	(1,223)	(1,116)	(838)
Gains (losses) from hedging instruments (designated risk components)			
Recognition of other comprehensive income in income statement	(132)	(44)	(33)
Change in other comprehensive income (not recognized in income statement)	787	(13)	(251)
Gains (losses) from hedging instruments (hedging costs) ^a			
Recognition of other comprehensive income in income statement	1	1	1
Change in other comprehensive income (not recognized in income statement)	11	(4)	(25)
Share of profit (loss) of investments accounted for using the equity method			
Recognition of other comprehensive income in income statement	(2)	0	(4)
Change in other comprehensive income (not recognized in income statement)	28	(9)	(22)
Income taxes relating to components of other comprehensive income	(218)	21	69
	(7,036)	3,902	(2,273)
Other comprehensive income	(5,874)	4,674	(2,262)
Total comprehensive income	9,052	22,331	19,730
Total comprehensive income attributable to			
Owners of the parent	7,416	13,816	16,531
Non-controlling interests	1,636	8,515	3,199

^a The hedging costs relate entirely to cross-currency basis spreads. For further information, please refer to Note 43 "Financial instruments and risk management."

Consolidated statement of changes in equity

millions of €

	Issued capital and reserves attributable to owners of the parent														Total	Non-controlling interests	Total share-holders' equity
	Consolidated shareholders' equity generated																
	Equity contributed				Total other comprehensive income												
	Number of shares thousands	Issued capital	Treasury shares	Capital reserves	Retained earnings including carry-forwards	Net profit (loss)	Translation of foreign operations	Revaluation surplus	Equity instruments measured at fair value through other comprehensive income (IFRS 9)	Debt instruments measured at fair value through other comprehensive income (IFRS 9)	Hedging instruments: designated risk components (IFRS 9)	Hedging instruments: hedging costs (IFRS 9)	Investments accounted for using the equity method	Taxes			
Balance at January 1, 2023	4,986,459	12,765	(35)	61,532	(34,489)	8,001	221		109	(50)	695	35	0	(227)	48,558	38,762	87,320
Changes in the composition of the Group															0	(4)	(4)
Transactions with owners				(5,128)			68			(2)	(24)			8	(5,078)	(7,378)	(12,456)
Unappropriated profit (loss) carried forward					8,001	(8,001)									0	0	0
Dividends					(3,483)										(3,483)	(547)	(4,030)
Capital increase at Deutsche Telekom AG															0	0	0
Capital increase from share-based payment				382											382	280	662
Share buy-back/shares held in a trust deposit			15												15	0	15
Profit (loss)						17,788									17,788	4,204	21,992
Other comprehensive income					95		(1,009)		(66)	42	(380)	(24)	(26)	112	(1,257)	(1,005)	(2,262)
Total comprehensive income															16,531	3,199	19,730
Transfer to retained earnings					7				(7)					(1)	0	0	0
Balance at December 31, 2023	4,986,459	12,765	(20)	56,786	(29,869)	17,788	(720)	0	36	(10)	291	12	(26)	(108)	56,925	34,312	91,237
Balance at January 1, 2024	4,986,459	12,765	(20)	56,786	(29,869)	17,788	(720)	0	36	(10)	291	12	(26)	(108)	56,925	34,312	91,237
Changes in the composition of the Group															0	(1)	(1)
Transactions with owners				(2,093)			27			1	(9)			3	(2,071)	(5,613)	(7,685)
Unappropriated profit (loss) carried forward					17,788	(17,788)									0	0	0
Dividends					(3,817)										(3,817)	(2,204)	(6,020)
Capital increase at Deutsche Telekom AG															0	0	0
Capital increase from share-based payment			8	409											417	335	751
Share buy-back/shares held in a trust deposit			(208)		(1,766)										(1,974)	0	(1,974)
Profit (loss)						11,209									11,209	6,448	17,657
Other comprehensive income					705		1,950		53	23	(179)	9	(9)	54	2,607	2,067	4,674
Total comprehensive income															13,816	8,515	22,331
Transfer to retained earnings									1						0	0	0
Balance at December 31, 2024	4,986,459	12,765	(220)	55,102	(16,959)	11,209	1,258	0	90	14	102	21	(35)	(51)	63,296	35,344	98,640

millions of €

	Issued capital and reserves attributable to owners of the parent														Total	Non-controlling interests	Total share-holders' equity
	Equity contributed				Consolidated shareholders' equity generated		Total other comprehensive income										
							Equity instruments measured at fair value through other comprehensive income (IFRS 9)	Debt instruments measured at fair value through other comprehensive income (IFRS 9)	Hedging instruments: designated risk components (IFRS 9)	Hedging instruments: hedging costs (IFRS 9)	Investments accounted for using the equity method	Taxes					
	Number of shares thousands	Issued capital	Treasury shares	Capital reserves	Retained earnings including carry-forwards	Net profit (loss)	Translation of foreign operations	Revaluation surplus									
Balance at January 1, 2025	4,986,459	12,765	(220)	55,102	(16,959)	11,209	1,258	0	90	14	102	21	(35)	(51)	63,296	35,344	98,640
Changes in the composition of the Group															0	0	0
Transactions with owners				(2,610)			1			1	(13)			4	(2,617)	(5,193)	(7,810)
Unappropriated profit (loss) carried forward					11,209	(11,209)									0	0	0
Dividends					(4,398)										(4,398)	(2,092)	(6,489)
Capital increase at Deutsche Telekom AG															0	0	0
Capital decrease at Deutsche Telekom AG	(81,269)	(208)	208	208	(208)										0	0	0
Capital increase from share-based payment			8	466											474	365	839
Share buy-back/shares held in a trust deposit			(167)		(1,833)										(2,000)	0	(2,000)
Profit (loss)						9,609									9,609	5,317	14,926
Other comprehensive income					880		(3,879)		274	50	672	1	26	(216)	(2,193)	(3,681)	(5,874)
Total comprehensive income															7,416	1,636	9,052
Transfer to retained earnings					63				(63)						0	0	0
Balance at December 31, 2025	4,905,190	12,557	(172)	53,166	(11,246)	9,609	(2,620)	0	300	65	761	22	(9)	(263)	62,171	30,061	92,231

Consolidated statement of cash flows

millions of €

	Note	2025	2024	2023
Profit (loss) before income taxes	37	19,499	22,958	24,957
Depreciation, amortization and impairment losses		24,009	24,027	23,975
(Profit) loss from financial activities		5,323	3,319	8,845
(Profit) loss on the disposal of fully consolidated subsidiaries		20	2	(12,927)
(Income) loss from the sale of stakes accounted for using the equity method		0	0	(235)
Other non-cash transactions		1,125	(1,457)	543
(Gains) losses from the disposal of intangible assets and property, plant and equipment		65	(189)	43
Change in assets carried as operating working capital		(1,245)	941	720
Change in other operating assets		(1,540)	(259)	(611)
Change in provisions		(306)	(760)	(821)
Change in liabilities carried as operating working capital		985	(1,612)	(500)
Change in other operating liabilities		(157)	(24)	212
Income taxes received (paid)		(1,652)	(1,504)	(1,312)
Dividends received		237	9	31
Net payments from entering into, canceling or changing the terms and conditions of interest rate derivatives		0	7	(94)
Cash generated from operations		46,363	45,460	42,826
Interest paid		(7,618)	(8,013)	(7,729)
Interest received		1,882	2,427	2,201
Net cash from operating activities		40,627	39,874	37,298
Of which: from discontinued operation		0	0	80
Cash outflows for investments in				
Intangible assets		(6,942)	(7,973)	(5,560)
Property, plant and equipment		(12,314)	(11,198)	(12,306)
Non-current financial assets		(3,911)	(485)	(326)
Payments for publicly funded investments in the broadband build-out		(454)	(402)	(338)
Proceeds from public funds for investments in the broadband build-out		428	469	444
Changes in cash and cash equivalents in connection with the acquisition of control of subsidiaries		(3,186)	(357)	(4)
Proceeds from disposal of				
Intangible assets		1,891	46	95
Property, plant and equipment		184	143	110
Non-current financial assets		342	589	473
Changes in cash and cash equivalents in connection with the loss of control of subsidiaries		109	1	7,629
Net change in short-term investments and marketable securities and receivables		57	273	(430)
Other		4	(7)	(1)
Net cash (used in) from investing activities		(23,793)	(18,900)	(10,213)
Of which: from discontinued operation		0	0	(17)
Proceeds from issue of current financial liabilities		3,939	1,407	816
Repayment of current financial liabilities		(11,973)	(9,622)	(12,700)
Proceeds from issue of non-current financial liabilities		14,034	9,638	10,973
Repayment of non-current financial liabilities		0	0	(1,992)
Dividend payments (including to other shareholders of subsidiaries)		(6,438)	(5,592)	(4,027)
Principal portion of repayment of lease liabilities		(5,633)	(6,209)	(5,904)
Deutsche Telekom AG share buy-back		(2,000)	(1,974)	0
Cash inflows from transactions with non-controlling entities		1,327	3,600	30
Cash outflows from transactions with non-controlling entities		(9,548)	(11,530)	(12,730)
Net cash (used in) from financing activities		(16,293)	(20,282)	(25,534)
Of which: from discontinued operation		0	0	(74)
Effect of exchange rate changes on cash and cash equivalents		(1,196)	506	(68)
Changes in cash and cash equivalents associated with non-current assets and disposal groups held for sale		0	0	25
Net increase (decrease) in cash and cash equivalents		(654)	1,198	1,507
Cash and cash equivalents, at the beginning of the year		8,472	7,274	5,767
Cash and cash equivalents, at the end of the year		7,818	8,472	7,274

The GD tower companies had been recognized in the interim consolidated financial statements as a discontinued operation from the third quarter of 2022 until their sale on February 1, 2023. In the 2023 comparative period, the consolidated statement of cash flows included the discontinued operation in the Group Development operating segment. The top line of the consolidated statement of cash flows is profit before income taxes, which in the 2023 comparative period included the profit of both the continuing operations and the discontinued operation. In the consolidated statement of cash flows, the contributions by the GD tower companies are each stated in a separate "of which" line item.

Notes to the consolidated financial statements

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Summary of accounting policies

General information

Deutsche Telekom AG (hereinafter referred to as “Deutsche Telekom” or the “Group”) is one of the world’s leading service providers in the telecommunications and information technology sector. Deutsche Telekom offers its customers all kinds of products and services for connected life and work. The Group reports on the operating segments Germany, United States, Europe, Systems Solutions, and Group Development, as well as on the Group Headquarters & Group Services segment.

The Company was entered into the commercial register of the Bonn District Court (Amtsgericht – HRB 6794) as a stock corporation under the name Deutsche Telekom AG on January 2, 1995.

The Company has its registered office in Bonn, Germany. Its address is Deutsche Telekom AG, Friedrich-Ebert-Allee 140, 53113 Bonn.

The Declaration of Conformity with the German Corporate Governance Code required pursuant to § 161 of the German Stock Corporation Act (Aktiengesetz – AktG) has been released and made available to shareholders. The Declaration of Conformity can also be found on the website of Deutsche Telekom in accordance with § 161 AktG.

<https://www.telekom.com/en/investor-relations/management-and-corporate-governance/reports-and-declarations>

The shares of Deutsche Telekom AG are traded on the Frankfurt/Main Stock Exchange as well as on other stock exchanges.

The annual financial statements as well as the consolidated financial statements of Deutsche Telekom AG, which have an unqualified audit opinion from Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich, are published in the Company Register. The Annual Report is available on Deutsche Telekom’s website.

<https://www.telekom.com/en/investor-relations/publications>

The consolidated financial statements of Deutsche Telekom for the 2025 financial year were released for publication by the Board of Management on February 17, 2026.

Basis of preparation

The consolidated financial statements of Deutsche Telekom are prepared in accordance with the IFRS® Accounting Standards (hereinafter referred to as “IFRS Accounting Standards”) issued by the International Accounting Standards Board (IASB) and the IFRIC® Interpretations of the IFRS Interpretations Committee (Committee) as adopted by the European Union (EU), as well as with the regulations under commercial law as set forth in § 315e (1) of the German Commercial Code (Handelsgesetzbuch – HGB).

The financial year corresponds to the calendar year. The consolidated statement of financial position includes comparative amounts for one reporting date. The consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows include two comparative years.

Presentation in the statement of financial position differentiates between current and non-current assets and liabilities, which – where required – are broken down further by their respective maturities in the notes to the consolidated financial statements. The consolidated income statement is presented by nature of expenses. Here, the costs incurred in the financial year are broken down by cost type and the costs capitalized under inventories as well as under intangible assets and property, plant and equipment are presented separately as changes in inventories or own capitalized costs. The consolidated financial statements are prepared in euros. The figures shown in this report were rounded in accordance with standard business rounding principles.

The financial statements of Deutsche Telekom AG and its subsidiaries included in the consolidated financial statements were prepared using uniform group accounting policies.

The consolidated financial statements have been prepared on a going concern basis.

Initial application of IFRS Accounting Standards, interpretations, and amendments in the financial year

Pronouncement	Title	To be applied by Deutsche Telekom from	Changes	Impact on the presentation of Deutsche Telekom's results of operations and financial position
IFRS Accounting Standards endorsed by the EU				
Amendments to IAS 21	Lack of Exchangeability	Jan. 1, 2025	The amendments amend IAS 21 to ■ specify when a currency is exchangeable into another currency and when it is not; ■ specify how an entity determines the exchange rate to apply when a currency is not exchangeable; and ■ require the disclosure of additional information when a currency is not exchangeable.	No impact.

IFRS Accounting Standards, interpretations, and amendments issued, but not yet to be applied

Pronouncement	Title	To be applied by Deutsche Telekom from	Changes	Expected impact on the presentation of Deutsche Telekom's results of operations and financial position
IFRS Accounting Standards endorsed by the EU				
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	Jan. 1, 2026	The amendments ■ clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; ■ clarify the date of recognition and derecognition of certain financial assets and liabilities, with a new option for the date of derecognition of financial liabilities settled using an electronic payment system; and ■ add disclosure requirements for investments in equity instruments designated at fair value through other comprehensive income, and for financial instruments with contingent cash flows (including those with environmental, social, and governance (ESG)-linked features).	No material impact.
Amendments to IFRS 9 and IFRS 7	Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity	Jan. 1, 2026	The amendments and clarifications relate to the accounting of nature-dependent electricity contracts, structured as power purchase agreements, and include: ■ clarifying the application of the 'own-use' requirements (own-use exemption); ■ applying hedge accounting if these contracts are used as hedging instruments; and ■ adding new disclosure requirements to disclose the effects of these contracts on the Company's financial performance and future cash flows.	The amendments enable Deutsche Telekom, in the event of an increase in its share of long-term power purchase agreements from renewable energy sources in line with the Group's sustainability-related goals, to substantially reduce potential volatility in the income statement in the future.
Annual Improvements to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11	Jan. 1, 2026	These amendments entail minimal adjustments to and clarifications of the wording of the following standards: IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7.	No material impact.

Pronouncement	Title	To be applied by Deutsche Telekom from	Changes	Expected impact on the presentation of Deutsche Telekom's results of operations and financial position
IFRS Accounting Standards not yet endorsed by the EU ^a				
IFRS 18	Presentation and Disclosure in Financial Statements	Jan. 1, 2027	IFRS 18 replaces IAS 1 Presentation of Financial Statements. The main changes arising from IFRS 18 are as follows: ■ Improvement in the structure and comparability of the statement of profit or loss (income statement) by introducing mandatory subtotals (such as "operating profit/loss before financing and income taxes") and categories (including "operating," "investing," and "financing"); ■ Disclosures on entity-specific performance indicators that an entity uses in public communications to communicate management's view of an aspect of the financial performance of the entity as a whole ("management-defined performance measures"); ■ Introduction of additional principles for the aggregation and disaggregation of line items; ■ Narrow-scope amendments to the statement of cash flows aimed at standardizing the presentation in the statement of cash flows, particularly by eliminating certain presentation options.	Deutsche Telekom expects that the application of IFRS 18 will have a material impact on the consolidated financial statements, particularly on the presentation in the income statement. The effects are being analyzed in detail as part of a Group-wide project for implementing the new standard.
IFRS 19	Subsidiaries without Public Accountability: Disclosures	Jan. 1, 2027	IFRS 19 permits certain subsidiaries to use IFRS Accounting Standards with reduced disclosures in their separate IFRS financial statements or subgroup financial statements.	No impact.
Amendments to IFRS 19	Amendments to IFRS 19: Subsidiaries without Public Accountability: Disclosures	Jan. 1, 2027	In developing the reduced disclosure requirements in IFRS 19, the IASB considered the disclosure requirements in the IFRS Accounting Standards issued up to February 2021. The newly issued Amendments to IFRS 19 help subsidiaries by reducing disclosure requirements for new and amended IFRS Accounting Standards.	No impact.
Amendments to IAS 21	Amendments to IAS 21 Translation to a Hyperinflationary Presentation Currency	Jan. 1, 2027	The amendments clarify how companies should translate financial statements from a non-hyperinflationary functional currency into a hyperinflationary presentation currency.	No impact.

^a For standards not yet endorsed by the EU, the date of first-time adoption scheduled by the IASB is assumed for the time being as the likely date of first-time adoption.

Changes in accounting policies and changes in the reporting structure

Deutsche Telekom did not make any major changes to its accounting policies or reporting structure in the reporting period.

Accounting policies

Key assets and liabilities shown in the consolidated statement of financial position are measured as follows:

Items in the statement of financial position	Measurement principle
Assets	
Current assets	
Cash and cash equivalents	Amortized cost
Trade receivables	Depending on the underlying business model in each case: at amortized cost, at fair value through other comprehensive income with recycling to profit or loss, or at fair value through profit or loss
Contract assets	Amortized cost
Current recoverable income taxes	Amount expected to be recovered from the taxation authorities, using the tax rates that have been enacted or substantively enacted by the end of the reporting period
Other financial assets	
Originated loans and other receivables	Depending on the underlying business model in each case: at amortized cost, at fair value through other comprehensive income with recycling to profit or loss, or at fair value through profit or loss
Derivative financial assets	At fair value through profit or loss or, in the case of certain hedging relationships, at fair value through other comprehensive income with recycling to profit or loss
Inventories	Lower of net realizable value and cost
Non-current assets and disposal groups held for sale	Lower of carrying amount or fair value less costs of disposal (including allocable liabilities)

Items in the statement of financial position	Measurement principle
Non-current assets	
Intangible assets	
Of which: with finite useful lives	Amortized cost or lower recoverable amount
Of which: with indefinite useful lives (including goodwill)	Cost or lower recoverable amount (impairment-only approach)
Property, plant and equipment	Amortized cost or lower recoverable amount
Right-of-use assets	Amortized cost or lower recoverable amount
Capitalized contract costs	Amortized cost or lower recoverable amount
Investments accounted for using the equity method	Pro rata value of the investment's equity carried forward or lower recoverable amount
Other financial assets	
Originated loans and other receivables	Depending on the underlying business model in each case: at amortized cost, at fair value through other comprehensive income with recycling to profit or loss, or at fair value through profit or loss
Equity instruments	Fair value through other comprehensive income without recycling to profit or loss
Derivative financial assets	At fair value through profit or loss or, in the case of specific hedge accounting, at fair value through other comprehensive income with recycling to profit or loss
Deferred tax assets	Non-discounted amount measured at the tax rates that are expected to apply to the period when the asset is realized or the liability settled
Liabilities	
Current liabilities	
Financial liabilities	
Non-derivative interest-bearing and non-interest-bearing liabilities	Amortized cost
Derivative financial liabilities	At fair value through profit or loss or, in the case of certain hedging relationships, at fair value through other comprehensive income with recycling to profit or loss
Lease liabilities	Amortized cost
Trade payables	Amortized cost
Income tax liabilities	Amount expected to be paid to the taxation authorities, using the tax rates that have been enacted or substantively enacted by the end of the reporting period
Other provisions	Present value of the settlement amount
Contract liabilities	Amortized cost
Non-current liabilities	
Financial liabilities	
Non-derivative interest-bearing and non-interest-bearing liabilities	Amortized cost
Derivative financial liabilities	At fair value through profit or loss or, in the case of certain hedging relationships, at fair value through other comprehensive income with recycling to profit or loss
Lease liabilities	Amortized cost
Provisions for pensions and other employee benefits	Actuarial projected unit credit method
Other provisions	Present value of the settlement amount
Contract liabilities	Amortized cost
Deferred tax liabilities	Non-discounted amount measured at the tax rates that are expected to apply to the period when the asset is realized or the liability settled

The material principles on recognition and measurement set out below were applied uniformly to all accounting periods presented in these consolidated financial statements.

Intangible assets

Intangible assets with finite useful lives, including 5G, LTE, UMTS, and GSM licenses, are measured at cost and generally amortized on a straight-line basis over their useful lives. Such assets are impaired if their recoverable amount, which is measured at the higher of fair value less costs of disposal and value in use, is lower than the carrying amount. Indefinite-lived intangible assets are carried at cost. This relates to the mobile communications licenses granted by the Federal Communications Commission in the United States (FCC licenses). While FCC licenses are issued for a fixed time, renewals of FCC licenses have occurred routinely and at negligible costs. Moreover, Deutsche Telekom has determined that there are currently no legal, regulatory, contractual, competitive, economic, or other factors that limit the useful lives of the FCC licenses, and therefore treats the FCC licenses as an indefinite-lived intangible asset. They are therefore not amortized, but tested for impairment annually or whenever there are indications of impairment and, if necessary, written down to the recoverable amount.

Intangible assets may also be acquired in connection with a frequency or spectrum exchange. The costs of intangible assets acquired in such a barter transaction are measured at fair value if the swap has commercial substance and the fair value of the asset received and the asset given up is reliably measurable. If the exchange transaction lacks commercial substance or the fair value of neither the asset received nor the asset given up is reliably measurable, the carrying amount of the asset given up is used as the acquisition costs of the asset received.

Limited-term spectrum leases generally satisfy the recognition criteria because the lessors fulfill their performance obligations on entering into the contract, which means there are no more executory contracts. Acquired television, film, and sports rights (media broadcasting rights) are generally recognized. On initial recognition, the intangible asset and the corresponding financial liability are measured only on the basis of the minimum contract term. Where a substantive right of termination exists, only the period up to the earliest possible termination is considered on initial recognition. Where a right of renewal exists, the renewal period is not considered on initial recognition.

The useful lives and the amortization methods of the intangible assets are reviewed at least at each financial year-end. In accordance with IAS 8, any changes are recognized prospectively as changes in accounting estimates.

Amortization of mobile communications licenses begins as soon as the related network is ready for use. The useful lives of mobile communications licenses are determined based on several factors, including the term of the licenses granted by the respective regulatory body in each country, the availability and expected cost of renewing the licenses, as well as the development of future technologies.

The useful lives of Deutsche Telekom's most important mobile communications licenses are as follows:

Mobile communications licenses	Years
FCC licenses	Indefinite
5G licenses	19 to 23
LTE licenses	6 to 25
UMTS licenses	17 to 19
GSM licenses	7 to 27

Expenditures for internally generated intangible assets incurred during the development phase are capitalized if they meet the criteria for recognition as assets, and are amortized over their expected useful lives. Research expenditures are expensed as incurred. Development is the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems, or services prior to the commencement of commercial production or use. Examples of activities typically included in development are the design, construction, and testing of pre-production or pre-use prototypes and models involving new technology. The development phase is deemed complete when the responsible functional unit has formally documented that the capitalized asset is ready for its intended use.

Goodwill is not amortized, but is tested for impairment based on the recoverable amount of the cash-generating unit to which the goodwill is allocated (impairment-only approach). The impairment test is carried out on a regular basis at the end of each financial year, as well as whenever there are indications that a carrying amount of the cash-generating unit is impaired. An impairment loss recognized for goodwill may not be reversed or reduced in subsequent reporting periods.

Property, plant and equipment

Property, plant and equipment is carried at cost less straight-line depreciation, and impairment losses, if applicable. The depreciation period is based on the expected useful life of the assets. Items of property, plant and equipment are depreciated pro rata temporis in the year of acquisition. The residual values, useful lives, and the depreciation methods of the assets are reviewed at least at each financial year-end. In accordance with IAS 8, any changes are recognized prospectively as changes in accounting estimates. In addition to directly attributable material and labor costs, the costs of internally developed assets also include overhead costs relating to production or the provision of services. In addition to the purchase price and costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, costs also include the estimated costs for dismantling and removing the asset, and restoring the site on which it is located. If an item of property, plant and equipment consists of several components with different estimated useful lives, those components that are significant are depreciated over their individual useful lives. Maintenance and repair costs are expensed as incurred. If an asset is owned and a portion is used as an item of property, plant and equipment while another physically distinct portion of the owned asset is leased under an operating lease (e.g., office floors of a building or individual optical fibers of a cable), the portion of the asset that is leased is not presented separately.

Public investment grants reduce the cost of the property, plant and equipment for which the grants were made. Investment grants are recognized when there is reasonable assurance that the entity will comply with the conditions attached to them, and the grants will be received in the full amount. If this reasonable assurance already exists when the contract is being concluded, the grant is recognized in full under other financial assets upon conclusion of the agreement, with a matching non-financial other liability for the build-out obligation. In subsequent periods, the financial asset measured at amortized cost is reduced upon receipt of the payments. The other liability is derecognized on a pro rata basis as the build-out progresses, reducing the carrying amount of the publicly funded property, plant and equipment. If there is not yet reasonable assurance, only the installment payments received are recognized, with a matching non-financial other liability. As soon as there is reasonable assurance, outstanding grants are recognized under other financial assets, and the carrying amounts of the other liability and the publicly funded property, plant and equipment are adjusted in accordance with the actual build-out progress. All grants received are recognized in net cash used in/from investing activities.

On disposal of an item of property, plant and equipment or when no future economic benefits are expected from its use or disposal, the carrying amount of the item is derecognized. The gain or loss arising from the disposal of an item of property, plant and equipment is the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognized as other operating income or other operating expenses when the item is derecognized. The useful lives of the main asset classes are shown in the table below:

Asset classes	Years ^a
Buildings	25 to 50
Technical equipment and machinery	2 to 35
Other equipment, operating and office equipment	2 to 23

^a The useful lives indicated represent the maximum number of years as specified by the Group. The actual useful lives may lie within these ranges due to contractual arrangements or other specific factors such as time and location.

Leasehold improvements are depreciated over the shorter of their useful lives or terms of the lease.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as part of the cost of that asset. Deutsche Telekom defines qualifying assets as construction projects or other assets for which a period of at least twelve months is necessary in order to get them ready for their intended use or sale.

Impairments of intangible assets, items of property, plant and equipment, and right-of-use assets

Impairments are identified by comparing the carrying amount with the recoverable amount. If individual assets do not generate future cash flows independently of other assets, recoverability is assessed on the basis of the larger cash-generating unit to which the assets belong. At each reporting date, Deutsche Telekom assesses whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset or cash-generating unit must be determined. In addition, annual impairment tests are carried out for intangible assets with indefinite useful lives (goodwill and FCC licenses) at regular intervals. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination. If the carrying amount of the cash-generating unit to which goodwill is allocated exceeds its recoverable amount, goodwill allocated to this cash-generating unit must be reduced in the amount of the difference. Impairment losses for goodwill must not be reversed. If the impairment loss recognized for the cash-generating unit exceeds the carrying amount of the allocated goodwill, the additional amount of the impairment loss is to be distributed on a pro rata basis to the assets allocated to the cash-generating unit. The fair values or values in use (if measurable) of the individual assets are to be considered to be the minimum values. If the reasons for previously recognized impairment losses no longer exist, the impairment losses on the assets concerned (with the exception of goodwill) must be reversed, however not exceeding the value that would have been applied if no impairment losses had been recognized in prior periods.

The recoverable amount of a cash-generating unit is measured at the higher of fair value less costs of disposal and the value in use. The recoverable amount is generally determined by means of a discounted cash flow (DCF) calculation, unless it can be determined on the basis of a market price. These DCF calculations use projections that are based on financial budgets approved by management covering a ten-year period and are also used for internal purposes. The planning horizon reflects the assumptions for short- to mid-term market developments. Cash flows beyond the ten-year period are extrapolated using appropriate growth rates. For the key assumptions on which management has based its calculation of the recoverable amount, please refer to the explanations provided under "Judgments and estimates," further on in this section.

Inventories

Inventories are carried at cost at initial recognition and are subsequently measured at the lower of cost and net realizable value. Cost comprises all costs of purchase, costs of conversion, and other costs incurred in bringing the inventories to their present location and condition. Cost is measured using the weighted average cost method. Net realizable value is the estimated standalone selling price in the ordinary course of business less the estimated costs of completion and the necessary estimated selling expenses.

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups held for sale are classified as such if it is highly probable that their carrying amount will be recovered principally through a sale transaction rather than through continuing use. These assets are measured at the lower of the carrying amount and fair value less costs of disposal and recognized as non-current assets and disposal groups held for sale. Such assets are no longer depreciated. Impairment of such assets is recognized if fair value less costs of disposal is lower than the carrying amount. If fair value less costs of disposal subsequently increases, the impairment loss previously recognized must be reversed. The reversal of impairment losses is limited to the impairment losses previously recognized for the assets concerned. If the requirements for the classification of assets as held for sale are no longer met, the assets may no longer be shown as held for sale. The assets are to be measured at the lower of the carrying amount that would have applied if the asset had not been classified as held for sale, and the recoverable amount at the date at which the requirements for the classification as held for sale are no longer met.

Employee benefits

Deutsche Telekom maintains **defined benefit pension plans** in various countries on the basis of the pensionable compensation of its employees and their length of service. Some of these pension plans are financed through external pension funds and some through incorporation in a contractual trust agreement (CTA). Provisions for pensions are actuarially measured using the projected unit credit method for defined benefit pension plans, taking into account not only the pension obligations and vested pension rights known at the reporting date, but also expected future salary and benefit increases. The interest rate used to determine the present value of the obligations is generally set on the basis of the yields on high-quality corporate bonds in the respective currency area. The return on plan assets and interest expenses resulting from the unwinding of the discount are reported in profit/loss from financial activities. Service cost is classified as operating expenses. Past service cost resulting from a change in the pension plan is immediately recognized in the income statement in the period in which the change took effect. Gains and losses arising from adjustments and changes in actuarial assumptions are recognized immediately and in full in the period in which they occur outside profit or loss within equity. Some Group entities grant defined contribution plans to their employees in accordance with statutory or contractual requirements, with the payments being made to state or private pension insurance funds. Under defined contribution plans, the employer does not assume any other obligations above and beyond the payment of contributions to an external fund. The amount of the future pension payments will exclusively depend on the contribution made by the employer (and their employees, if applicable) to the external fund, including income from the investment of such contributions. The amounts payable are expensed when the obligation to pay the amounts is established, and classified as expenses.

Up until December 31, 2012, Deutsche Telekom maintained a joint pension fund, **Bundes-Pensions-Service für Post und Telekommunikation e.V.** (Federal Pension Service for Post and Telecommunications – BPS-PT), Bonn, together with Deutsche Post AG and Deutsche Postbank AG for civil-servant pension plans. BPS-PT made pension and allowance payments to retired employees and their surviving dependents who are entitled to pension payments as a result of civil-servant status. The German Act on the Reorganization of the Civil Service Pension Fund (Gesetz zur Neuordnung der Postbeamtenversorgungskasse – PVKNeuG) transferred the functions of BPS-PT relating to civil-servant pensions (organized within the Civil Service Pension Fund) to the **Federal Posts and Telecommunications Agency** (Federal Agency) (Bundesanstalt für Post und Telekommunikation, BAnst PT), Bonn, effective January 1, 2013. The level of Deutsche Telekom AG's payment obligations to the Civil Service Pension Fund is defined under § 16 of the German Act on the Legal Provisions for the Former Deutsche Bundespost Staff (Postpersonalrechtsgesetz). Deutsche Telekom AG has been legally obligated since 2000 to make an annual contribution to the special pension fund amounting to 33 % of the pensionable gross emoluments of active civil servants and the notional pensionable gross emoluments of civil servants on temporary leave from civil-servant status. Deutsche Telekom is not required to fulfill any other obligations in respect of pensions for civil servants. The payment obligations are therefore defined contribution plans.

In the past, Deutsche Telekom AG and its domestic subsidiaries agreed on **phased retirement arrangements** with varying terms and conditions, predominantly based on what is known as the block model. Two types of obligations, both measured at their present value in accordance with actuarial principles, arise and are accounted for separately. The first type of obligation relates to the cumulative outstanding settlement amount, which is recorded on a pro rata basis during the active or working phase. The cumulative outstanding settlement amount is based on the difference between the employee's remuneration before entering phased retirement (including the employer's social security contributions) and the remuneration for the part-time service (including the employer's social security contributions, but excluding top-up payments). The second type of obligation relates to the employer's obligation to make top-up payments plus an additional contribution to the statutory pension scheme. Top-up payments are often hybrid in nature, i.e., although the agreement is often considered a form of compensation for terminating the employment relationship at an earlier date, payments to be made at a later date are subject to the performance of work in the future. Despite having the characteristics of severance payments, the top-up payments must be recognized ratably over the vesting period due to their dependency on the performance of work in the future. If the block model is used, the vesting period for top-up payments starts when the employee is granted the entitlement to participate in the phased retirement program and ends upon entry into the passive phase (leave from work).

Obligations arising from the granting of termination benefits are recognized when Deutsche Telekom does not have a realistic possibility of withdrawal from the granting of the corresponding benefits. **Severance payments for employees and obligations arising in connection with early retirement arrangements** in Germany are mainly granted in the form of offers to the employees to leave the Company voluntarily. As a rule, such obligations are not recognized before the employees have accepted an offer from the Company, unless the Company is prevented by legal or other restrictions from withdrawing its offer at an earlier date. Obligations arising from the sole decision by the Company to shed jobs are recognized when the Company has announced a detailed formal plan to terminate employment relationships. If termination benefits are granted in connection with restructuring measures within the meaning of IAS 37, a liability under IAS 19 is recognized at the same time as a restructuring provision. Where termination benefits fall due more than twelve months after the reporting date, the expected amount to be paid is discounted to the reporting date. If the timing or the amount of the payment is still uncertain at the reporting date, the obligations are reported under other provisions.

Other provisions

Other provisions are recognized for current legal or constructive obligations to third parties that are uncertain with regard to their timing or their amount. Provisions are recognized for these obligations provided they relate to past transactions or events, will more likely than not require an outflow of resources to settle, and this outflow can be reliably measured. Provisions are carried at their expected settlement amount, taking into account all identifiable risks and uncertainties. The settlement amount is calculated on the basis of a best estimate; suitable estimation methods and sources of information are used depending on the characteristics of the obligation. In the case of a number of similar obligations, the group of obligations is treated as one single obligation. The expected value method is used as the estimation method. If there is a range of potential events with the same probability of occurrence, the average value is taken. Individual obligations (e.g., legal and litigation risks) are regularly evaluated based on the most probable outcome, provided an exceptional probability distribution does not mean that other estimates would lead to a more appropriate evaluation. The measurement of provisions is based on past experience, relevant costing, and price information, as well as estimates and reports from experts. If experience or relevant costing or price information is used to determine the settlement amount, these values are extrapolated to the expected settlement date. Suitable price trend indicators (e.g., construction price indexes or inflation rates) are used for this purpose. Provisions are discounted when the effect of the time value of money is material. Provisions are discounted using pre-tax market interest rates that reflect the term of the obligation and the risk associated with it (insofar as not already taken into consideration in the calculation of the settlement amount). Reimbursement claims are not netted against provisions; they are recognized separately as soon as their realization is virtually certain.

Provisions for decommissioning, restoration, and similar obligations arising from the acquisition of property, plant and equipment are offset by a corresponding increase in the capitalized cost of the relevant asset. Changes at a later date in estimates of the amount or timing of payments or changes to the interest rate applied in measuring such obligations also result in retrospective increases or decreases in the carrying amount of the relevant item of property, plant and equipment. These in turn change the depreciation of the asset to be recognized in the future, which leads to the changes in estimates being recognized in profit or loss over the remaining useful life. Where the decrease in the amount of a provision exceeds the carrying amount of the related asset, the excess is recognized immediately in profit or loss.

Financial instruments

Financial instruments are recognized as soon as Deutsche Telekom becomes a party to the contractual regulations of the financial instrument. However, in the case of regular way purchase or sale, the settlement date is relevant for the initial recognition and derecognition. This is the day on which the asset is delivered to or by Deutsche Telekom. In general, financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the entity currently has a right to offset the recognized amounts and intends to settle on a net basis. Transferred financial assets are derecognized in full if substantially all the risks and rewards of ownership are transferred or if some of the risks and rewards of ownership are transferred (risk sharing) and the acquirer has both the legal and the practical ability to sell the assets to a third party. If, in cases where risk is shared, the acquirer is unable to sell the assets to a third party, the assets will continue to be recognized to the extent of the maximum risk retained. Financial liabilities are derecognized when the obligation specified in the contract expires or if there is a substantial modification of the terms of the contract.

Disclosures on fair value. When determining the fair value, it is important to maximize the use of current inputs observable in liquid markets for the financial instrument in question and minimize the use of other inputs (e.g., historical prices, prices for similar instruments, prices on illiquid markets). A three-level measurement hierarchy is defined for these purposes. If prices quoted in liquid markets are available at the reporting date for the respective financial instrument, these will be used unadjusted for the measurement (Level 1 measurement). Other input parameters are then irrelevant for the measurement. One such example is shares and bonds that are actively traded on a stock exchange. If quoted prices on liquid markets are not available at the reporting date for the respective financial instrument, but the instrument can be measured using other inputs that are observable on the market at the reporting date, a Level 2 measurement will be applied. The conditions for this are that no major adjustments have been made to the observable inputs and no unobservable inputs are used. Examples of Level 2 measurements are collateralized interest rate swaps, currency forwards, and cross-currency swaps that can be measured using current interest rates or exchange rates. If the conditions for a Level 1 or Level 2 measurement are not met, a Level 3 measurement is applied. In such cases, major adjustments must be made to observable inputs or unobservable inputs must be used.

Financial assets include cash and cash equivalents, trade receivables, originated loans and other receivables, investments in equity instruments, and derivative financial assets. They are measured at fair value upon initial recognition. For all financial assets not subsequently measured at fair value through profit or loss, the transaction costs directly attributable to the acquisition are taken into account plus, in the case of debt instruments held, a loss account for expected credit losses. The fair values recognized in the statement of financial position are generally based on market prices of the financial assets. If these are not available, the fair value is determined using standard valuation models on the basis of current market parameters. For the classification and measurement of debt instruments held, the respective business model for managing the debt instruments and whether the instruments have the characteristics of a standard loan, i.e., whether the cash flows are solely payments of principal and interest, is relevant. Assuming the assets have these characteristics and if the business model is to hold to collect the asset's contractual cash flows, they are measured at amortized cost. If the objective of the business model is to hold to collect and sell the contractual cash flows, they are measured at fair value through other comprehensive income with recycling to profit or loss at the date of their disposal. In all other cases, financial assets are measured at fair value through profit or loss. There may be different business models for separate portfolios of the same types of debt instruments, for example if factoring transactions exist for certain trade receivables.

Cash and cash equivalents include cash accounts and short-term cash deposits at banks. They have maturities of up to three months at initial recognition.

Trade receivables are measured at their transaction price at initial recognition. Trade receivables with a significant financing component are initially measured at fair value.

Investments in **equity instruments** represent strategic investments. Deutsche Telekom exercises the option of generally measuring these through other comprehensive income without recycling to profit or loss. The acquisition and disposal of strategic investments is based on business policy considerations.

Dividends received are recognized immediately in profit or loss unless they constitute a repayment of capital.

Derivative financial assets that are not part of an effective hedging relationship are measured at fair value through profit or loss.

In the **consolidated statement of cash flows**, Deutsche Telekom reports cash flows from interest and dividends received as cash inflows or outflows in net cash from operating activities.

Financial liabilities are measured at fair value on initial recognition. For all financial liabilities not subsequently measured at fair value through profit or loss, the transaction costs directly attributable to the acquisition are also a component of the carrying amount.

If the contractual payment term for **liabilities to suppliers** is longer than the normal credit period in the relevant procurement market at this point in time, this liability is reported under other interest-bearing liabilities in financial liabilities instead of under trade payables. A financing agreement of this nature is shown as a non-cash transaction in the consolidated statement of cash flows and the relevant repayment of the financial liability is reported under net cash from/used in financing activities. This applies regardless of whether the supplier sells its receivable or not.

Derivative financial liabilities that are not part of an effective hedging relationship are measured at fair value through profit or loss.

Deutsche Telekom has not yet made use of the option to designate financial instruments upon initial recognition as **at fair value through profit or loss**.

At initial recognition, debt instruments held that are not measured at fair value through profit or loss are measured including a loss allowance account for expected **credit losses**. For trade receivables with and without a significant financing component, contract assets, and lease assets, the loss allowance is calculated at an amount equal to the lifetime expected credit losses. For all other instruments, the loss allowance is determined at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. Otherwise, the loss allowance is calculated at an amount equal to twelve-month expected credit losses. In this case, losses incurred later than twelve months after the reporting date would therefore not be considered.

When determining the amount of loss allowances for financial assets, Deutsche Telekom applies impairment models that are based on the historical probability of default and supplemented by the relevant future-oriented parameters. For debt instruments traded in an active market, publicly available market data is used to determine the loss allowance for expected credit losses.

The loss allowance takes adequate account of the future expected credit risk; write-offs lead to the derecognition of the respective receivables. Financial assets are grouped together on the basis of similar credit risk characteristics, tested collectively for impairment, and written off, if necessary. Loss allowances for trade receivables are managed by the portfolio managers of the individual business entities which have their own policies, procedures, and controls for the management of customer default risk and take account of the circumstances in the respective market. They consider internal credit ratings and empirical data on the customers' solvency, as well as customer-specific risks, and make use of available external ratings and estimates by collection agencies. The expected amount of a loss allowance is generally determined using a provision matrix. The loss allowance rates are updated at regular intervals and adjusted to reflect current conditions and economic forecasts. For receivables and contract assets paid in installments a weighted loss rate is calculated, which reflects the period in which the amounts to be paid by the customer become due. A receivable is deemed past due, if the customer has not made the payment by the contractually agreed due date. In some cases, impairments are recognized using allowance accounts. The decision of whether to account for credit risks using an allowance account or by directly reducing the receivable will depend on whether it is still realistic to expect the corresponding amounts to be collected and is also the responsibility of the respective business entity.

Receivables are derecognized if the efforts to collect them are not successful and the receivable balance is deemed to be uncollectible.

Deutsche Telekom uses **derivatives** to hedge the interest rate and currency risks resulting from its operating, financing, and investing activities. The Company does not hold or issue derivatives for speculative trading purposes. Derivatives are carried at their fair value upon initial recognition and also for subsequent measurement. The fair value of traded derivatives is equal to their market price, which can be positive or negative. If there is no market price available, the fair value is determined using standard financial valuation models.

The fair value of derivatives is the price that Deutsche Telekom would receive or have to pay if the financial instrument were transferred at the reporting date. This is calculated on the basis of the counterparties' relevant exchange rates and interest rates at the reporting date. Calculations are made using average rates. In the case of interest-bearing derivatives, a distinction is made between the clean price and the dirty price (full fair value). In contrast to the clean price, the dirty price also includes the interest accrued. The fair values carried correspond to the dirty price.

Embedded derivatives are separated from financial liabilities and other non-financial contracts that are not measured at fair value through profit or loss if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract. These derivatives must then be presented separately in the consolidated statement of financial position and measured at fair value through profit or loss. Derivatives embedded in financial assets do not need to be separated, however. In such cases, the entire instrument is rather to be measured at fair value provided the cash flows from the instrument are not solely payments of principal and interest.

Recording the changes in the fair values – either in profit or loss or directly in equity – depends on whether or not the derivative is part of an effective hedging relationship as set out in IFRS 9. If hedge accounting is not applied, the changes in the fair values of the derivatives must be recognized immediately in profit or loss. If, on the other hand, effective hedge accounting exists, the hedge will be recognized as such.

Deutsche Telekom applies **hedge accounting** to hedged items in the statement of financial position and future cash flows, thus reducing income statement volatility. A distinction is made between fair value hedges, cash flow hedges, and hedges of a net investment in a foreign operation depending on the nature of the hedged item. Hedging relationships are exclusively accounted for in accordance with the requirements of IFRS 9. Deutsche Telekom exercises the option of designating cross-currency basis spreads as hedging costs rather than as part of the hedging relationship and presenting them separately in equity. To hedge the currency risk of an unrecognized firm commitment, Deutsche Telekom makes use of the option to recognize it as a cash flow hedge rather than a fair value hedge. In the case of fair value hedges, the cumulative adjustments to the carrying amount of the hedged item are amortized when the hedging relationship has been discontinued.

IFRS 9 sets out strict requirements on the use of hedge accounting. Deutsche Telekom complies with these requirements by documenting, at the inception of a hedge, both the relationship between the financial instrument used as the hedging instrument and the hedged item, as well as the risk management objective and the risk strategy of the hedge. This involves concretely assigning the hedging instruments to the corresponding assets or liabilities or (firmly committed/highly probable) future transactions and also assessing the effectiveness of the hedging instruments designated. The effectiveness of existing hedging relationships is monitored on an ongoing basis. If the criteria for applying hedge accounting are no longer met, the hedging relationship will be de-designated immediately.

Deutsche Telekom does not use hedge accounting in accordance with IFRS 9 to **hedge the foreign-currency exposure** of recognized monetary assets and liabilities, because the gains and losses on the hedged item from currency translation that are recognized in profit or loss in accordance with IAS 21 are shown in the income statement together with the gains and losses on the derivatives used as hedging instruments.

Contracts to buy a non-financial item that is physically settled, such as energy, are to be recognized as derivatives if the contractually agreed delivery volume will not be used in full in own business operations. Possible use cases are contracts under which a fixed percentage of the energy generated by a wind park or solar farm (physical power purchase agreements) is to be purchased. If more energy were to be generated than is needed, the purchaser would have to resell the surplus if they had no feasible option to store it temporarily. Alternatively, the supplier would sell the unneeded energy and charge Deutsche Telekom the difference between the proceeds from the sale and the contractually agreed price (net settlement). In either case, the contract would have to be recognized as a derivative at fair value through profit or loss. To date, no material contracts to be recognized as derivatives exist at Deutsche Telekom. The delivery volume stipulated in physical power purchase agreements is always used in full in the Group's own business operations. In order to ensure this, contracts have been concluded with sufficiently low minimum purchase volumes. There is no net settlement for volumes not purchased. Additional quantities needed can either be purchased at a fixed price agreed in advance or at current market price. In order to achieve its climate goals, Deutsche Telekom also acquires emission certificates under cash-settled energy forward agreements.

For further information, please refer to Note 43 "[Financial instruments and risk management](#)."

Insurance contracts

Deutsche Telekom recognizes a group of insurance contracts it issues from the earliest of the following:

- the beginning of the coverage period of the group of contracts;
- the date when the first payment from a policyholder in the group becomes due; or
- for a group of onerous contracts, when the group becomes onerous.

The coverage period of each contract in the group at initial recognition is less than one year. Hence, for measurement purposes, Deutsche Telekom applies the premium allocation approach in accordance with IFRS 17. This results in substantially recognizing the insurance premiums on a straight-line basis as revenue in the income statement. Any insurance acquisition cash flows are recognized as expenses when those costs are incurred. In cases where the relevant criteria are met, service contracts for a fixed fee are accounted for in accordance with IFRS 15 rather than IFRS 17.

Contingencies (contingent liabilities and assets)

Contingencies (contingent liabilities and assets) are potential liabilities or assets arising from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not entirely within the control of Deutsche Telekom. Contingent liabilities are also present obligations that arise from past events for which an outflow of resources embodying economic benefits is not probable or for which the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are only recognized at their fair value if they were assumed in the course of a business combination. Contingent liabilities not assumed in the course of a business combination are not recognized. Contingent assets are not recognized. However, when the realization of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognized as an asset. Information on contingent liabilities is disclosed in the notes to the consolidated financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote. The same applies to contingent assets where an inflow of economic benefits is probable.

Leases

A lease is a contract in which the lessor conveys the right to use an asset for a period of time to the lessee in exchange for consideration, typically a payment or series of payments. The scope of IFRS 16 applies to standard lease, rental, and tenancy agreements as well as agreements in which the lessee is granted other rights to use assets, such as certain easements. A lease only exists if the contract conveys the right to control the use of an identified asset to the lessee. The lessee has control when it has the right to obtain substantially all of the economic benefits from use of the identified asset during the contract term and the right to direct the use of the identified asset.

Lessee. At the commencement date of the lease, a lessee recognizes a right-of-use asset and a lease liability in the statement of financial position for all leases. The right-of-use asset is measured applying the cost model and the lease liability is generally measured at the present value of the future lease payments. This measurement concept also applies to leases for which the underlying asset is of low value, and to short-term leases for which the lease term is no longer than twelve months. Associated non-lease components are generally not separated from the lease components, i.e., all non-lease payments due under the contract are also generally recognized in the statement of financial position. Deutsche Telekom makes use of the option to apply IAS 38 for leases of intangible assets, rather than IFRS 16.

The lease liability is recognized at the present value of the future lease payments to be made over the reasonably certain lease term. Lease payments are all of the fixed payments and in-substance fixed payments (payments that may, in form, contain variability but that, in substance, are unavoidable), less any future lease incentives payable by the lessor. Variable lease payments that depend on an index or a rate, amounts expected to be payable under residual value guarantees, and payments for the exercise of reasonably certain purchase and termination options are also measured and recognized as part of the lease liability. The series of payments is discounted at the interest rate implicit in the lease or, if that rate cannot be readily determined, at the lessee's incremental borrowing rate. The incremental borrowing rate is determined by deriving benchmark interest rates for a period of up to 30 years from maturity-related risk-free interest rates. On this basis, an adjustment is carried out to account for credit-risk premiums, country risks, and interest rate differentials between a bond financing arrangement and the financing of individual lease transactions. All other variable payments are recognized as an expense. The lease liability is subsequently measured using the effective interest method.

The cost of the right-of-use asset comprises: the amount of the initial measurement of the lease liability; any lease payments made at or before the commencement date, less any lease incentives received from the lessor; any initial direct costs incurred for obtaining the lease; the costs for preparing the leased asset for its intended use; and an estimate of any future dismantling and restoration costs. The right-of-use asset is subsequently depreciated on a straight-line basis over the lease term and, if applicable, reduced by any impairment losses. If ownership of the leased asset is transferred to the lessee at the end of the lease term, or if it is reasonably certain that a purchase or put option will be exercised, the right-of-use asset is depreciated from the commencement date to the end of the useful life of the underlying asset.

The lease term is the period during which it is reasonably certain that an underlying asset will be used by the lessee. In addition to the non-cancelable period of a lease, extensions will be included if their exercise is reasonably certain at the commencement of the lease term. Early termination rights are not to be considered if it is reasonably certain that an existing termination right will not be exercised. These estimates are reassessed either upon the occurrence of an event that is not within the control of the lessee or a significant change in circumstances that affect a change in lease term. The lease term will be revised if an extension option or termination option is exercised or not exercised contrary to the original estimate. The revision of the lease term leads to a change in the future series of lease payments and therefore to a remeasurement of the lease liability using a revised current discount rate. The amount of the resulting difference is recognized outside profit or loss as an adjustment to the right-of-use asset or is offset against it. Derecognition amounts that exceed the carrying amount of the right-of-use asset are recognized as an income in profit or loss.

A lease modification that substantially increases the scope of the original lease is accounted for as a separate lease if both the lessee is granted an additional right to use one or more underlying assets and the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope that the lessee would otherwise have to pay for use if it had leased these assets from a third party under a separate lease.

For lease modifications that increase the scope of a lease but are not accounted for as a separate lease, the required remeasurement of the lease liability is accounted for outside profit or loss as an adjustment to the carrying amount of the right-of-use asset and the lease liability for the existing lease. If a lease modification decreases the scope of the lease, the lessee also remeasures both the right-of-use asset and the lease liability and recognizes any gain or loss in profit or loss. The modified amounts are measured at the modification date with a revised discount rate.

Lessor. If a lease does not transfer substantially all risks and rewards incidental to ownership of an underlying asset to the lessee, the leased asset is recognized in the statement of financial position by the lessor (**operating lease**). Measurement of the leased asset is then based on the accounting policies applicable to the underlying asset. The lease payments, including contractually defined future changes in the lease payments, are recognized by the lessor in profit or loss as revenue from the use of entity assets by others in the scope of IFRS 16, because these payments constitute (monthly) recurring transactions. Contractually defined future changes in the lease payments during the term of the lease are recognized as lease revenue on a straight-line basis over the lease term, which is assessed at the commencement date of the contract. Where extension options exist, the exercises of those extension options that are reasonably certain are initially taken into account at the time the lease is concluded. If, contrary to the original expectation, these options are exercised or not exercised during the lease term, the previously assessed term will be revised and taken into account in the recognition of future lease revenue from operating lease transactions.

If substantially all risks and rewards incidental to ownership of the underlying leased asset are transferred to the lessee (**finance lease**), the lessor recognizes at the commencement date, in place of the leased asset, a receivable at an amount equal to the net investment in the lease. The net investment is defined as the discounted aggregate of future lease payments and any unguaranteed residual value accruing to the lessor. The lease payments made by the lessees are split into an interest component and a principal component using the effective interest method. In subsequent measurement, the lease receivable is reduced by the principal lease payments received. The interest component of the payments received is recognized as finance income over the lease term in the consolidated income statement.

Under business models in which Deutsche Telekom is classified as a manufacturer or dealer lessor within the meaning of IFRS 16, **revenue from finance leases** is recognized at the date at which the asset is made available for use to the lessee at the fair value of the underlying leased asset or, if lower, the present value of the payments including any guaranteed residual value and presented as lease revenue. The selling profit or loss from the finance lease is realized in the amount of the difference between the revenue and the carrying amount of the underlying asset less the present value of the unguaranteed residual value. The finance income (interest income) is subsequently also presented as lease revenue.

For **sale-and-leaseback transactions**, if there is a transfer of control within the meaning of IFRS 15, Deutsche Telekom as the seller-lessee measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the seller-lessee. Any gain or loss that relates to the rights transferred to the buyer-lessor is recognized in profit or loss. If there is no transfer of control, the seller-lessee recognizes the transaction as a financing transaction. While the transaction is legally subject to a lease contract, it is not accounted for as a lease and the underlying asset is not derecognized in this case. Where shares in cell tower business companies are sold with loss of control in accordance with IFRS 10 and simultaneous leaseback of part of the passive network infrastructure sold, a portion of the gain is recognized on a pro rata basis in subsequent periods. Applying the sale-and-leaseback requirements, the gain on disposal is calculated as the amount of the rights transferred to the buyer-lessor and the proportionate deferred gain is determined as the amount that relates to the right of use retained.

Share-based payment programs

Equity-settled share-based payment transactions are measured at fair value on the grant date. The fair value of the obligation is recognized as personnel costs over the vesting period and offset against capital reserves. For equity-settled share-based payment transactions, the fair value is determined using internationally accepted valuation techniques, such as the Black-Scholes model or the Monte Carlo model. For cash-settled share-based payment transactions, the goods and services acquired and the liability incurred are recognized at the fair value of the liability. The fair value of the liability has to be newly determined at each reporting date and at the settlement date, and the changes in the fair value have to be recognized in profit and loss, until the liability is settled.

Net revenue, contract assets and liabilities/contract costs

Revenues include all revenues from the ordinary business activities of Deutsche Telekom. Ordinary activities do not only refer to the core business but also to other recurring sales of goods or rendering of services. However, gains from sales of items of property, plant and equipment or intangible assets are not recognized as revenue but as other operating income. All ancillary income in connection with the delivery of goods and rendering of services in the course of an entity's ordinary activities is also presented as revenue. Examples include dunning fees, contractual penalties, and default interest. Income from interest added back from long-term customer receivables and contract assets is also considered ancillary income in the course of ordinary activities where the underlying receivables or contract assets have resulted in the recognition of revenue. Revenues are recorded net of value-added tax and other taxes collected from customers that are remitted to governmental authorities. They are recognized in accordance with the provision of goods or services, provided that collectability of the consideration is probable. For service contracts with a continuous service provision, the contractually agreed total consideration is recognized as revenue on a straight-line basis over the minimum contract term, regardless of the payment pattern.

A **contract asset** must be recognized when Deutsche Telekom recognized revenue for fulfillment of a contractual performance obligation before the customer paid consideration or before – irrespective of when payment is due – the requirements for billing and thus the recognition of a receivable exist.

A **contract liability** must be recognized when the customer paid consideration or a receivable from the customer is due before Deutsche Telekom fulfilled a contractual performance obligation and thus recognized revenue. In a customer contract, contract liabilities must be set off against contract assets.

Multiple-element arrangements involving the delivery or provision of multiple products or services must be separated into distinct performance obligations, each with its own separate revenue contribution that is recognized as revenue on fulfillment of the obligation to the customer. At Deutsche Telekom, this especially concerns the sale or lease of a mobile handset or other telecommunications equipment combined with the conclusion of a mobile or fixed-network telecommunications contract. The total transaction price of the bundled contract is allocated among the individual performance obligations based on their relative – possibly estimated – standalone selling prices, i.e., based on a ratio of the standalone selling price of each separate element to the aggregated standalone selling prices of the contractual performance obligations. As a result, the revenue to be recognized for products (often delivered in advance) such as mobile handsets that are sold at a subsidized price in combination with a long-term service contract is higher than the amount billed or collected. This leads to the recognition of what is known as a contract asset – a receivable arising from the customer contract that has not yet legally come into existence – in the statement of financial position. The contract asset is reversed and reduced over the remaining minimum contract period, reducing revenue from the other performance obligations (in this case: mobile service revenues) compared with the amounts billed. In contrast to the amounts billed, this results in higher revenue from the sale of goods and merchandise and lower revenue from the provision of services.

Customer activation fees and other advance one-time payments by the customer that do not constitute consideration for a separate performance obligation are deferred as contract liabilities and recognized as revenue over the minimum contract term or, in exceptional cases (e.g., in the case of contracts that can be terminated at any time) over the expected contract period. The same applies to fees for installation and set-up activities that do not have an independent value for the customer.

As distinct from promotional offers, **options to purchase additional goods or services free of charge or at a discount** are separate performance obligations (material rights) for which part of the revenue is deferred as a contract liability until the option is exercised or expires, providing the discount on future purchases is an implicit component of the consideration for the current contract and is also significant. The measure of significance is whether the decision by the (average) customer to enter into the current contract is likely to have been significantly influenced by their right to the future discount. Offers for volume discounts for the purchase of additional core products of an entity (e.g., a discount offered on an additional fixed-network contract for mobile customers) are considered by Deutsche Telekom as promotional offers for which customers do not (implicitly) pay as part of the current contract.

Long-term customer receivables (e.g., arising from sales of handsets in installments), contract assets (e.g., arising from the subsidized sale of a handset in connection with the conclusion of a long-term customer contract), or contract liabilities (e.g., arising from a prepayment by the customer) are recognized at present value if the **financing component** is significant in relation to the total contract value (i.e., including those performance obligations that do not contain a financing component). The discount rate also reflects the customer credit risk. Deutsche Telekom makes use of the option not to recognize a significant financing component if the period between when a good or service is transferred to the customer and when the customer pays for that good or service will be one year or less.

Payments to customers including credits or subsequent discounts are recognized as a reduction in revenue unless the payment constitutes consideration for a distinct good or service from the customer, for which the fair value can be reasonably estimated.

Gross vs. net recognition of revenues. In cases where a company is in an intermediary position between another supplier/vendor (e.g., manufacturer, wholesaler) and a customer, it must be assessed whether the company itself supplies the relevant product or provides the service requested by the customer as the principal or whether the company merely acts as the agent for the supplier. The determining factor is control over the specified good or service prior to transfer to the customer. The assessment determines whether the company must recognize revenue on a gross basis (as a principal) or net of the costs incurred to the supplier (as an agent), i.e., only in the amount of the remaining margin. For Deutsche Telekom, the question arises particularly in the case of (branded) digital products (e.g., streaming services, software licenses, cloud-based software as a service) provided by and purchased from third parties and sold to customers as part of Deutsche Telekom's product portfolio. As a rule, Deutsche Telekom considers itself to be the principal in the aforementioned cases provided the customer does not enter into any contractual relationship with the third-party supplier and Deutsche Telekom bears primary responsibility for product acceptance and customer support, and is in the position to set the sale price.

Contract costs comprise the incremental costs of obtaining a contract (mainly sales commission paid to employees and third-party retailers in the direct and indirect sales channel) and the costs to fulfill a contract. These must be capitalized if it can be assumed that the costs will be compensated by future revenue from the contract. Incremental costs of obtaining a contract are additional costs that would not have been incurred had the contract not been concluded. Costs to fulfill a contract are costs relating directly to a contract that are incurred after contract inception and serve the purpose of fulfilling the contract but are incurred prior to fulfillment and cannot be capitalized under any other IFRS Accounting Standard. Deutsche Telekom makes use of the option to immediately recognize contract costs whose amortization period would not be more than one year as an expense.

The capitalized contract costs are generally recognized on a straight-line basis over the expected contract period. The expenses are disclosed in Deutsche Telekom's income statement, not under depreciation and amortization but – depending on the sales channel – as goods and services purchased or personnel costs.

In the **indirect sales channel**, third-party retailers often arrange service contracts on behalf of and for the account of Deutsche Telekom (as the agent) in connection with the sale of subsidized handsets in their own name and for their own account (as the principal). In such cases, the retailers receive commission in an amount that explicitly or implicitly compensates them for the handset subsidy granted. As in the case of multiple-element arrangements in the direct sales channel, the customer ultimately covers the handset subsidy by paying a price above the standalone selling price for the service contract. Deutsche Telekom considers this an implicit promise to the customer that on conclusion of this service contract they will be able to purchase a handset at a discounted price. The only difference between this promise and the purchase of a service in the direct sales channel is that it is not Deutsche Telekom that is granting the discount as part of a multiple-element arrangement but a third-party retailer that is compensated for it by Deutsche Telekom through the commission it receives for arranging the service contract. As, from an economic substance perspective, these payments constitute indirect payments by Deutsche Telekom to customers, the portion of the commission payments attributable to the (implicit) cost reimbursements to the retailer is not deemed to be contract costs but a contract asset and is therefore recognized as a reduction of the service revenues over the contract term rather than as an expense. This ensures that the amount of the service revenues generated with retail customers for identical rate plans does not depend on the type of sales channel.

Depending on the business model, **revenue recognition** at Deutsche Telekom is as follows:

The **mobile and fixed-network business** of the Germany, United States, and Europe operating segments includes mobile services, narrow- and broadband access to the fixed network and the internet, television via internet, connection and roaming fees billed to other fixed-network and mobile operators (wholesale business), and sales or lease of mobile handsets, other telecommunications equipment, and accessories, as well as reinsurance for terminal equipment insurance policies and extended warranties offered to mobile customers. Revenue generated from the use of voice and data communications as well as television via internet is recognized upon rendering of the agreed service. The services rendered relate to use by customers (e.g., call minutes), availability over time (e.g., monthly flat rates), or other agreed rate plans. Revenue and expenses associated with the sale of telecommunications equipment and accessories are recognized when the products are delivered, provided there are no unfulfilled company obligations that affect the customer's final acceptance of the arrangement. Revenue from the lease of mobile handsets and telecommunications equipment that is not considered a sale in economic terms is recognized monthly as the entitlement to the fees accrued. Advertising revenues are recognized in the period in which the advertisements are exhibited.

Trade-in rights for used handsets which are granted to customers upon contract conclusion under the condition of a new purchase transaction (including renewal of an existing service contract) do not constitute repurchase arrangements; however, if the repurchase prices exceed the fair value of the handsets these rights must be recognized as separate performance obligations for which part of the contractual revenue is deferred until they are exercised or expire.

Particularly in the mobile communications business, the timing of payments for mobile handsets purchased in connection with the conclusion of a service contract differs from the timing of the delivery and hence from revenue recognition. Where a significant financing component exists, revenue is measured at the present value. Whereas the sale of subsidized handsets in connection with the conclusion of (long-term) service contracts in the consumer business is still common in the Germany operating segment and also to some extent in the Europe operating segment, handsets are not sold at a discount at all, or only to a limited extent, in the United States operating segment and to some extent in the Europe operating segments; payment-by-installment models or lease models are offered to customers instead. In both the subsidy model and the payment-by-installment model, an asset must thus be recognized at the date of revenue recognition and is generally settled over a 24-month service contract term through payments made by the customer. The only difference is that with the subsidy model it is a contract asset that is repaid through the portion of the monthly bill that exceeds the allocated monthly service revenues. By contrast, the payment-by-installment model involves an existing legal customer receivable that is settled based on an installment plan – separately from the monthly billing for telecommunications services.

The **Systems Solutions** operating segment provides, among other things, IT services and network services for corporate customers including IT outsourcing services and the sale of hardware including desktop services. Revenue from service contracts is recognized as the service is performed, i.e., normally on a pro rata basis over the contract term. Revenue from service contracts billed on the basis of time and material used is recognized at the contractual hourly rates as labor hours are delivered and direct expenses are incurred.

Revenue from hardware sales or sales-type leases is recognized when the product is shipped to the customer, provided there are no unfulfilled company obligations that affect the customer's final acceptance of the arrangement. Any costs of these obligations are recognized when the corresponding revenue is recognized.

Revenue from construction contracts and construction-type service contracts (or elements of service contracts), for which a defined output is promised (e.g., IT developments), is recognized using the percentage-of-completion method. The measure of progress or stage of completion of a contract is generally determined as the percentage of cost incurred up until the reporting date relative to the total estimated cost at the reporting date (cost-to-cost method). In particular for complex outsourcing contracts with corporate customers, a reliable estimate of the total cost and therefore of the stage of completion is not possible in many cases, so revenue is only recognized in the amount of the contract costs expensed. This means that a proportionate profit is not realized until the contract has been completed (zero-profit method).

Revenue from non-sales-type rentals and leases is recognized on a straight-line basis over the lease term.

Income taxes

Income taxes include current income taxes as well as deferred taxes. Current and deferred tax assets and liabilities must be recognized where they are probable. They are measured in accordance with the tax laws applicable or already announced as of the reporting date, provided said announcement has the effect of actual enactment. Where uncertain tax assets or uncertain tax liabilities are recognized because they are probable, these must be measured at their most probable amount. In exceptional cases the expected value is considered. Where current and deferred taxes are recognized, they must be reported as income or expense except to the extent that the tax arises from a transaction which is recognized outside the consolidated income statement, either in other comprehensive income or directly in equity, or in connection with a business combination. Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset in the statement of financial position if Deutsche Telekom has a legally enforceable right to set off current tax assets against current tax liabilities, has an intention to settle net, and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

Current tax assets and current tax liabilities must be recognized in the amount that Deutsche Telekom expects to settle with or recover from the tax authorities. They include liabilities/receivables for the current period as well as for prior periods.

Deferred taxes are recognized for temporary differences between the carrying amounts in the consolidated statement of financial position and the tax base, as well as for tax loss carryforwards and tax credits. As an exception to this principle, a deferred tax liability is not recognized for temporary differences if the deferred tax liability arises from the initial recognition of an asset or a liability in a transaction which is not a business combination and, at the time of the transaction, affects neither IFRS accounting profit (before taxes) nor taxable profit/tax loss. Nor is a deferred tax liability recognized for temporary differences arising from the initial recognition of goodwill. A deferred tax liability is generally recognized for temporary differences associated with investments in subsidiaries, joint arrangements, and associates, unless Deutsche Telekom is able to control the timing of the reversal of the temporary difference and it is probable that the temporary differences will not reverse in the foreseeable future.

Consolidation methods

Subsidiaries

Subsidiaries are companies that are directly or indirectly controlled by Deutsche Telekom. Control only exists if an investor has power over the investee, is exposed to variable returns or has rights to variable returns, and is able to use its power to affect the amount of variable returns. The existence of substantive potential voting rights that are currently exercisable or convertible, including potential voting rights held by other Group companies, are considered when assessing whether an entity is controlled.

All subsidiaries are included in the consolidated financial statements, unless the costs of preparing the reporting required for inclusion by means of full consolidation would outweigh the benefits, which is primarily the case for subsidiaries which an operating segment or the Group considers to be insignificant based on the following criterion: the sum of all unconsolidated subsidiaries must not account for more than 1 % of the Group's total assets, revenue, profit/loss for the year, contingent assets/liabilities, and other financial obligations. If the 1 % limit is exceeded, Deutsche Telekom determines which companies are to be included in the consolidated financial statements, taking the long-term development of the investment and consolidation effects into account. Aside from the quantitative criteria, qualitative criteria will also be used to assess the materiality of an entity for the consolidated group. Excluding a subsidiary must not significantly change the segment result or the Group's profit/loss for the year, nor may other significant trends be ignored. Subsidiaries that are not fully consolidated due to their subordinate significance are recognized under other assets.

Income and expenses of a subsidiary are included in the consolidated financial statements from the acquisition date and remain included in the consolidated financial statements until the date on which the parent company ceases to control the subsidiary. If necessary, the subsidiaries' accounting principles will be aligned with the uniform accounting principles applied by the Deutsche Telekom Group. Intercompany income and expenses, receivables and liabilities, and profits or losses are eliminated.

Upon loss of control, a gain or loss from the disposal of the subsidiary is recognized in the consolidated income statement in the amount of the difference between (i) the proceeds from the disposal of the subsidiary, the fair value of the remaining shares, the carrying amount of the non-controlling interests, and the cumulative amounts of other comprehensive income attributable to the subsidiary, and (ii) the carrying amount of the subsidiary's net assets to be disposed of.

Joint operations, joint ventures, and associates

Joint arrangements, in which two or more parties have joint control over an activity, must be classified as either joint operations or joint ventures.

A **joint operation** is characterized by the fact that the parties that have joint control of the arrangement (joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint operator accounts for the assets, liabilities, revenues, and expenses relating to its interest in the joint operation as well as its share of the joint assets, liabilities, revenues, and expenses.

In a **joint venture**, on the other hand, the parties that have joint control of the arrangement (partners) have rights to the net assets of the entity. **Associates** are companies on which Deutsche Telekom has a significant influence, and that are neither subsidiaries nor joint ventures. As with joint ventures, associates are accounted for using the **equity method**.

Investments in joint ventures and associates that are included in the consolidated financial statements using the equity method are recognized at cost at the time of acquisition. The carrying amount of the investment may include goodwill as the positive difference between the cost of the investment and Deutsche Telekom's proportionate share in the fair values of the entity's identifiable net assets. If necessary, the accounting principles of joint ventures and associates will be aligned with the uniform accounting principles applied by the Deutsche Telekom Group. The carrying amount of the investment accounted for using the equity method is tested for impairment provided there are indications of impairment. An indication can be an event or development that points to either a significant or sustained decline (or increase, in the case of a previously recognized impairment loss) in the fair value of the investment. Examples of this are observable market prices (where available), material deviations from the plan, or material changes in market interest rates. If the carrying amount of the investment exceeds its recoverable amount, an impairment loss must be recognized in the amount of the difference. The recoverable amount is measured at the higher of fair value less costs of disposal and value in use.

Upon loss of significant influence, a gain or loss from the disposal of the joint venture/associate is recognized as other operating income or expense in the amount of the difference between (i) the proceeds from the disposal of the shares, the fair value of the remaining shares, and the cumulative amounts of other comprehensive income attributable to the joint venture or associate, and (ii) the carrying amount of the investment to be disposed of.

The materiality assessment for jointly controlled entities and associates is generally performed using the same methods as for subsidiaries, but is limited to the criteria of profit/loss for the year, contingent assets and liabilities, and other financial obligations.

Business combinations

A business combination exists when Deutsche Telekom obtains control of another entity. All business combinations must be accounted for using the acquisition method. The cost of an acquired subsidiary is measured at the fair value of the consideration transferred, i.e., the sum of the assets transferred, liabilities assumed, and equity instruments issued. Transaction costs are recognized as expense. The acquisition cost is allocated to the acquired assets, liabilities, and contingent liabilities. The identifiable assets acquired and the liabilities and contingent liabilities assumed are recognized in full at their fair values at the acquisition date, regardless of the level of the investment held by Deutsche Telekom.

Goodwill arising in a business combination is measured as the excess of the aggregate of the cost of acquisition, the amount of any non-controlling interest in the acquiree, and, in a business combination achieved in stages, the fair value of the equity interest held by Deutsche Telekom in the acquiree prior to the acquisition date over the fair value of the net assets acquired. Any difference arising on the revaluation of equity interests previously held by Deutsche Telekom is recognized in profit or loss.

For each business combination there is an option in relation to the measurement of the non-controlling interests. These can be recognized either directly at their fair value (i.e., the non-controlling interest in the enterprise value of the acquiree) or at the non-controlling interest in the fair value of the net assets acquired. As a result, in the first case, the non-controlling interests also have a share in the goodwill arising from the business combination, while in the second case the non-controlling interest is limited to the remeasured assets and liabilities and the goodwill is therefore recognized only as the amount attributable to Deutsche Telekom.

Transactions relating to the further acquisition or sale of equity interests with other shareholders that do not affect Deutsche Telekom's controlling interest do not lead to any change in goodwill. The difference between the fair value of the consideration transferred or received (i.e., the purchase price of the interests) and the carrying amount of the equity attributable to the non-controlling interests must be offset directly against consolidated shareholders' equity in capital reserves or increases the capital reserves.

Judgments and estimates

The presentation of the results of operations or financial position in the consolidated financial statements is dependent upon and sensitive to the accounting policies, assumptions, and estimates. The actual amounts may differ from those estimates. The following critical accounting estimates and related assumptions and uncertainties inherent in accounting policies applied are essential to understand the underlying financial reporting risks and the effects that these accounting estimates, assumptions, and uncertainties may have on the consolidated financial statements.

Please also refer to the comments in the section "[Impact of climate change](#)."

Measurement of **property, plant and equipment, and intangible assets** involves the use of estimates for determining the fair value at the acquisition date, provided they were acquired in a business combination. Furthermore, the expected useful lives of these assets must be estimated. The determination of the fair values of assets and liabilities, as well as of the useful lives of the assets is based on management's judgment. The measurement of intangible assets acquired in barter transactions is based on management's judgment as to whether a barter transaction has commercial substance. For this, an analysis is performed to determine to what extent the future cash flows (risk, timing, and amount) are expected to change as a consequence of the transaction. Information from external experts is obtained for this analysis and for the determination of the fair values of assets.

The determination of **impairments of property, plant and equipment, intangible assets, and right-of-use assets** involves the use of estimates that include, but are not limited to, the cause, timing, and amount of the impairment. Impairment is based on a large number of factors, such as changes in current competitive conditions, expectations of growth in the telecommunications industry, increased cost of capital, changes in the future availability of financing, technological obsolescence, discontinuance of services, current replacement costs, prices paid in comparable transactions, and other changes in circumstances that may indicate an impairment. Management is required to make significant judgments concerning the identification and validation of impairment indicators, as well as the estimation of future cash flows and the determination of fair values for assets (or groups of assets), applicable discount rates, useful lives, and residual values of the relevant assets. Specifically, the estimation of cash flows underlying the fair values from the mobile business considers the continued investment in network infrastructure required to generate future revenue growth through the offering of new data products and services, for which only limited historical information on customer demand is available. If the demand for these products and services did not materialize as expected, this would result in less revenue, less cash flow, and potential impairment. In addition, when determining fair values, further planning uncertainties that reflect the risks of macroeconomic development could adversely affect future results of operations. Inflation, energy prices, and expectations of inflation and energy price rises as well as their impact on revenue (when passed on to customers) and costs are included in impairment tests via the planning approved by management. Risk management also identifies new risks and additionally takes into account any such risks that would have a significant impact and change an impairment test.

The determination of the **recoverable amount of a cash-generating unit or an investment accounted for using the equity method** involves the use of estimates by management. Methods used to calculate the recoverable amount include discounted cash flow-based methods and methods that use market prices as a basis. The discounted cash flow valuations refer to projections that are based on financial plans that have been approved by management and are also used for internal purposes. The chosen planning horizon reflects the assumptions for short- to medium-term market developments and is selected to achieve a steady state in the business outlook that is necessary for calculating the perpetual annuity. This steady state will only be reached based on the planning horizon selected, in particular due to the sometimes long investment cycles in the telecommunications industry and the investments planned and expected in the long run to acquire and extend spectrum licenses. Cash flows beyond the internal mid-term planning are extrapolated using appropriate growth rates defined separately for each cash-generating unit or investment. These growth rates are based on real growth and inflation expected in the long term for the countries in which the respective unit or investment operates. To achieve the sustainable growth rates set for the period of the perpetual annuity, additional sustainable investments derived specifically for each cash-generating unit or investment are taken into account. The key assumptions on which management has based its calculation of the recoverable amount include the following assumptions that were primarily derived from internal sources and are based on past experience and extended by current internal expectations, and that are underscored by external market data and estimates: development of revenue, customer acquisition and retention costs, churn rates, capital expenditure, market share, and growth rates. Discount rates are determined on the basis of external data derived from the market, taking account of the risks associated with the cash-generating unit or investment (market and country risks). Any future changes in the aforementioned assumptions could have a

significant impact on the fair values of the cash-generating units or investments. Changes in the assumptions may have a negative impact, as a result of future macroeconomic trends, continued intense competition, further possible legislation changes (e.g., as part of national austerity programs), and regulatory intervention.

Management recognizes **allowances for (doubtful) accounts** to account for expected losses resulting from payment default of customers. When evaluating the adequacy of an allowance for (doubtful) accounts, management bases its estimates on the aging of accounts receivable balances and historical write-off experience, customer creditworthiness, and changes in customer payment terms. If the financial condition of customers were to deteriorate, actual write-offs might be higher than expected.

In each tax jurisdiction in which Deutsche Telekom operates, management must make judgments for the calculation of **current and deferred taxes**. This is relevant, for example, when it comes to a decision on recognizing deferred tax assets because it must be probable that a taxable profit will be available against which the deductible temporary differences, loss carryforwards, and tax credits can be utilized. In addition to the estimate of future earnings, various factors are used to assess the probability of the future utilization of deferred tax assets, including past results of operations, the reliability of planning, and tax planning strategies. The period used for the assessment of the recoverability depends on the circumstances at the respective Group company and typically is in a range of five to ten years.

Pension obligations for benefits to non-civil servants are generally satisfied by defined benefit plans. Pension benefit costs for non-civil servants are determined in accordance with actuarial valuations, which rely on assumptions regarding the discount rate, the expected salary increase rate, the expected pension trend, and life expectancy. In the event that changes in the assumptions regarding these parameters are required, the future amounts of the pension benefit costs may be affected materially.

Deutsche Telekom is obligated, under the German Federal Posts and Telecommunications Agency Reorganization Act (Gesetz zur Reorganisation der Bundesanstalt für Post und Telekommunikation Deutsche Bundespost), to pay for its share of any operating cost shortfalls between the income of the **Civil Service Health Insurance Fund** (Postbeamtenkrankenkasse) and benefits paid. The Civil Service Health Insurance Fund provides services mainly in cases of illness, birth, or death for its members, who are civil servants employed by or retired from Deutsche Telekom AG, Deutsche Post AG, and Deutsche Postbank AG, and their relatives. When Postreform II came into effect, participation in the Civil Service Health Insurance Fund was closed to new members. The insurance premiums collected by the Civil Service Health Insurance Fund must not exceed the insurance premiums imposed by alternative private health insurance enterprises for comparable insurance benefits, and, therefore, do not reflect the changing age distribution of the participants in the fund. Deutsche Telekom recognizes provisions in the amount of the actuarially determined present value of Deutsche Telekom's share in the fund's future deficit, using a discount rate and making assumptions about life expectancies and projections for contributions and future increases in general health care costs in Germany. Since the calculation of these provisions involves long-term projections over periods of more than 50 years, the present value of the liability may be highly sensitive even to small variations in the underlying assumptions.

Deutsche Telekom exercises considerable judgment in measuring and recognizing **provisions** and **contingent liabilities** related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration, or government regulation. Judgment is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the final settlement. Provisions are recognized for losses from executory contracts, provided a loss is considered probable and can be reasonably estimated. Because of the inherent uncertainties in this evaluation process, actual losses may be different from the originally estimated provision. In addition, significant estimates are involved in the determination of provisions related to taxes and litigation risks. These estimates are subject to change as new information becomes available, primarily with the support of internal specialists or with the support of outside consultants, such as actuaries or legal counsel. Revisions to the estimates of these losses from executory contracts may significantly affect future results of operations.

Revenue recognition, contract assets and liabilities/contract costs

The determination of the **transaction price** may also be subject to estimates and assumptions, especially in the case of variable consideration, e.g., performance bonuses paid out at the end of a contract. Since their inclusion can lead over time to the recognition of revenue that must be partially reversed in subsequent periods if the conditions for payment are not met, variable payment components can only be included in the transaction price if it is highly probable that there will be an entitlement to payment. Where the variable consideration leads to a reduction in the payment entitlement or a repayment obligation on the part of Deutsche Telekom (e.g., in the case of volume discounts), the fixed contractual payment must be set lower accordingly. In the case of variable discounts, the non-inclusion of the variable consideration means that these as-yet unknown discounts are generally taken into account with a reducing effect on the transaction price.

The standalone selling prices of individual products or services that are part of **multiple-element arrangements** are complex to determine, because some of the elements are price-sensitive and, thus, volatile in a competitive marketplace. In many cases, standalone selling prices can also not be observed for the company's own products. Due to the fact that comparability is generally not completely assured, the use of market prices for similar products, e.g., competitor prices, is subject to an element of uncertainty, as is an estimate using a cost-plus-margin approach. Changes in estimates of standalone selling prices can significantly influence the allocation of the transaction price for the entire multiple-element arrangement among the individual performance obligations and therefore affect both the financial position, i.e., the carrying amount of contract assets and contract liabilities, and the current and future results of operations.

One-time payments by the customer for contracts that can be terminated at any time are recognized over an expected contract period, the length of which depends on the period over which, based on the amount of the payment, the customer is expected to renew or not terminate the contract on a monthly basis. As such, the expected contract period is based on a subjective estimate and is therefore not tantamount to a statistically calculated average customer retention period.

Contract costs are deferred and generally recognized as expense over the expected contract period. The estimate of the expected average contract period is based on historical customer turnover. However, this is subject to fluctuations and has only limited informative value with regard to future customer behavior, particularly if new products are rolled out. If management's estimates are revised, material differences may result in the amount and timing of expenses for subsequent periods.

The significance of **material rights** is an estimate that is based on both quantitative and qualitative factors. This is ultimately a matter of judgment, even though it is supported by quantitative facts. Depending on the decision as to whether or not the customer has a material right to be deferred, there may be material differences in the amount and timing of revenues for the current and subsequent periods.

Extension and termination options for the lessee

Extension and termination options are included in many lease arrangements. Local entities are responsible for managing their individual leases. As a result, lease contracts include different terms and conditions.

The main population of lease contracts comprises arrangements for cell site infrastructure, land/ground underneath the infrastructure, switch sites, office buildings, and retail stores, which are mainly located in the United States and Germany. The length of the lease term in these contracts is the main factor in measuring the lease liabilities.

The majority of cell site leases in the United States have an initial non-cancelable term of 5 to 15 years, with several renewal options that can extend the lease term from 5 to 35 years. Cell site leases in Germany, on the other hand, have an initial non-cancelable period of 8 years, during which the lease cannot be terminated. After this initial period of time, the lease extends automatically if the lessee does not terminate the lease. Unless terminated by the lessee, leases extend by a maximum of 8 years twice and 6 years once. In the event of termination, the sites can be used for up to another 5 years.

In **determining the lease term**, management applies judgment and considers all facts and circumstances that create an economic incentive for Deutsche Telekom to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if Deutsche Telekom is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease.

In determining the duration of leases of cell site space, land/ground, switch sites, office buildings, and retail stores, which are the most relevant lease contracts, the following are the most relevant factors that are considered:

- Rapidly advancing and ever-changing technology in the telecommunications industry requires flexible lease contracts, i.e., management tries to minimize longer periods during which the contracts cannot be canceled.
- When determining whether an extension of a lease contract is reasonably certain, in addition to any significant penalties for terminating (or not extending) the lease, business plans and the business model are considered, e.g., cost/benefit analysis, consolidation plans for the mobile network and office facilities, new mobile network standards, significance of the property for the underlying operations, replacement or usage of additional technology, as well as the availability and cost of alternative locations.
- Often leasehold improvements can be used in alternative locations. In many cases, the costs of moving or replacing the asset or initial construction costs are not the main factor considered when determining whether to extend or not to extend the lease.
- Significant investments made in a location, e.g., construction of towers and masts on the leased land, are economic penalties typically considered when determining the lease term.

After having considered all of the factors above, for cell site contracts in the United States as of the lease commencement date, it was concluded that it is generally not reasonably certain that an option to extend the lease term beyond the initial non-cancelable lease term will be exercised. With the sale of the GD tower companies, for cell site contracts in Germany, a lease term of eight years for the entire portfolio is considered reasonably certain. Increasing uncertainty about future changes in the telecommunications market and strategic considerations are important factors in this assessment. Extension options after that period are typically not considered reasonably certain at commencement of the lease. Payments associated with these optional periods are not included in the measurement of the lease liabilities.

Most extension options for office and shop leases are not included in the lease liability because Deutsche Telekom could replace the leased assets without significant cost or business disruption.

Exposure to future additional cash outflows will only arise when an extension option (not determined to be reasonably certain) is exercised or when a termination option (determined to be reasonably certain) is not exercised.

After the commencement date, the likelihood of exercising an option is only reassessed if a significant event or a significant change in circumstances occurs that affects this judgment, and this is within the control of the lessee. Deutsche Telekom reassesses the lease term when an option is exercised (or not exercised) or Deutsche Telekom becomes obligated to exercise or not to exercise it.

For further information on undiscounted future lease payments, please refer to Note 13 "[Financial liabilities and lease liabilities](#)."

Changes in the composition of the Group and other transactions

In the 2025 financial year, Deutsche Telekom conducted the following transactions, which had an impact on the composition of the Group. Other changes to the composition of the Group not shown here were of no material significance for Deutsche Telekom's consolidated financial statements.

Acquisition of Vistar Media in the United States

On December 20, 2024, T-Mobile US had entered into an agreement on the acquisition of 100 % of the outstanding capital stock of Vistar Media Inc. (Vistar Media), a provider of technology solutions for digital-out-of-home-advertisements. The transaction was consummated on February 3, 2025. All necessary regulatory approvals had been duly granted and all other closing conditions met. T-Mobile US transferred cash of USD 0.6 billion (EUR 0.6 billion) to the seller. Part of the payment made as of the acquisition date was used to settle pre-existing relationships with Vistar Media and is excluded from the fair value of the consideration transferred.

Vistar Media has been included in the consolidated financial statements since February 3, 2025. The acquisition meets the conditions for a business combination in accordance with IFRS 3. The purchase price allocation and the measurement of the assets and liabilities has not yet been finalized as of December 31, 2025. The preliminary fair values of acquired assets and assumed liabilities are presented in the following table:

millions of €	
	Fair value at the acquisition date
Assets	
Current assets	197
Cash and cash equivalents	41
Trade receivables	153
Other assets	3
Non-current assets	593
Goodwill	334
Other intangible assets	257
Of which: customer base	196
Of which: brands	8
Of which: other	53
Property, plant and equipment	1
Right-of-use assets	1
Assets	790
Liabilities and shareholders' equity	
Current liabilities	125
Trade and other payables	125
Non-current liabilities	62
Lease liabilities	2
Deferred tax liabilities	60
Liabilities	187

The preliminary goodwill is calculated as follows:

millions of €	
	Fair value at the acquisition date
Consideration transferred	603
– Fair value of assets acquired	456
+ Fair value of liabilities assumed	187
= Goodwill	334

The preliminary goodwill comprises the expected growth in service revenues, which is to be generated through the combined business activities, Vistar Media's workforce, and intangible assets that do not qualify for separate recognition. No part of the preliminary goodwill is expected to be deductible for income tax purposes.

The customer base was measured using the multi-period excess earnings method. Under this method, the fair value of the customer base is calculated by determining the present value of earnings after tax attributable to existing customers. This method is based on significant inputs that are not observable on the market, and as such constitutes a Level 3 measurement category. Key assumptions include revenues over an estimated period of time, the discount rate, the forecast expenses, and contributory asset charges. The customer base is amortized over an estimated average remaining useful life of 9 years. The brands and other intangible assets are amortized over an estimated average remaining useful life of 4 years.

The transaction-related costs incurred in connection with the acquisition had no material impact on the consolidated income statement. The inclusion of Vistar Media in the consolidated financial statements has no material impact on Deutsche Telekom's results of operations.

Acquisition of Blis in the United States

On February 18, 2025, T-Mobile US had entered into a share purchase agreement for the acquisition of 100 % of the outstanding capital stock of Blis Holdco Limited (Blis), a provider of advertising solutions. The transaction was consummated on March 3, 2025. All necessary regulatory approvals had been duly granted and all other closing conditions met. T-Mobile US transferred cash of USD 0.2 billion (EUR 0.2 billion) to the seller. Part of the payment made as of the acquisition date was used to settle pre-existing relationships with Blis and is excluded from the fair value of the consideration transferred.

Blis has been included in the consolidated financial statements since March 3, 2025. The acquisition meets the conditions for a business combination in accordance with IFRS 3. The purchase price allocation and the measurement of the assets and liabilities has not yet been finalized as of December 31, 2025. The preliminary fair values of the acquired assets and the assumed liabilities amount to EUR 0.2 billion and EUR 0.1 billion, respectively, resulting in a preliminary goodwill amounting to EUR 0.1 billion.

The transaction-related costs incurred in connection with the acquisition had no material impact on the consolidated income statement. The inclusion of Blis in the consolidated financial statements has no material impact on Deutsche Telekom's results of operations.

Acquisition of Lumos in the United States

On April 24, 2024, T-Mobile US had entered into an agreement with the investment fund EQT Infrastructure Fund VI (EQT) to establish a joint venture to acquire the fiber-to-the-home platform Lumos. The transaction was consummated on April 1, 2025. All necessary regulatory approvals had been duly granted and all other closing conditions met. Since April 1, 2025, the investment has been included in the consolidated financial statements using the equity method. Upon closing, T-Mobile US invested USD 0.9 billion (EUR 0.8 billion) in the company to acquire a 50 % equity interest and 97 thousand fiber customers. For the customers acquired, T-Mobile US recognized an intangible asset amortized over a weighted average useful life of 9 years. Following completion of the transaction, Lumos will continue to provide fiber services for the acquired fiber customers under a wholesale agreement between T-Mobile US and Lumos. The revenues generated from the acquired fiber customers are recognized at T-Mobile US under postpaid service revenues. The related costs paid for the provision and use of the fiber network are recognized under cost of services. The funds invested by T-Mobile US will be used by Lumos to fund future fiber builds. In addition, pursuant to the definitive agreement, T-Mobile US expects to make an additional capital contribution of approximately USD 0.5 billion (EUR 0.4 billion) between 2027 and 2028.

Acquisition of Metronet in the United States

On July 18, 2024, T-Mobile US had entered into an agreement with KKR & Co. Inc. to establish a joint venture to acquire the fiber-to-the-home platform Metronet Holdings, LLC and certain of its affiliates (Metronet). The transaction was consummated on July 24, 2025. All necessary regulatory approvals had been duly granted and all other closing conditions met. The shareholding has been included in Deutsche Telekom's consolidated financial statements using the equity method since July 24, 2025. Upon closing, T-Mobile US invested USD 4.6 billion (EUR 3.9 billion) in the joint venture to acquire a 50 % equity interest and 713 thousand residential fiber customers. For the customers acquired, T-Mobile US recognized an intangible asset amortized over a weighted average useful life of 10 years. Following completion of the transaction, Metronet will continue to provide fiber services for the acquired residential fiber customers under a wholesale agreement between T-Mobile US and Metronet. The revenues generated from the acquired residential fiber customers are recognized at T-Mobile US under postpaid service revenues. The related costs paid for the provision and use of the fiber network are recognized under cost of services.

For summarized financial information on the joint ventures, as well as a reconciliation to the carrying amount of the investments, please refer to Note 10 "[Investments accounted for using the equity method](#)."

Acquisition of UScellular in the United States

On May 24, 2024, T-Mobile US had entered into an agreement with United States Cellular Corporation (UScellular), Telephone and Data Systems, Inc., and USCC Wireless Holdings, LLC, under which T-Mobile US acquires substantially all wireless operations of UScellular and specific spectrum licenses for a total purchase price of around USD 4.4 billion (EUR 3.9 billion). The purchase price was to be paid in cash and by way of the assumption of debt of up to USD 2.0 billion (EUR 1.8 billion) under an exchange offer to certain UScellular debtholders before the closing of the transaction.

On July 22, 2025, T-Mobile US had entered into agreements on the acquisition of the wireless operations of Farmers Cellular Telephone Company, Inc., Iowa RSA No. 9 Limited Partnership and Iowa RSA No. 12 Limited Partnership (the Iowa Entities) for a purchase price of around USD 0.2 billion (EUR 0.2 billion), payable in cash. Prior to the acquisition of the Iowa Entities, UScellular held a minority interest in these entities.

The UScellular Wireless Business offers a comprehensive range of wireless communications products and services. Following the acquisition, T-Mobile US expects to increase competition in the U.S. wireless and broadband industries, to achieve synergies, and to enhance rural 5G coverage with T-Mobile US' combined network footprint. Following closing of the transaction, UScellular and the Iowa Entities continue to own their remaining spectrum and their cell towers. Since the date of the acquisition of UScellular's Wireless Business by T-Mobile US, UScellular has been operating under the name of Array Digital Infrastructure, Inc.

The transactions were consummated on August 1, 2025. All necessary regulatory approvals had been duly granted and all other closing conditions met. The acquired activities, assets, and liabilities have been included in Deutsche Telekom's consolidated financial statements as consolidated subsidiaries since August 1, 2025.

Upon completion of the transaction in connection with the acquisition of UScellular's Wireless Business, T-Mobile US made an upfront purchase price payment in cash of USD 2.8 billion (EUR 2.5 billion). In addition, the completion of the acquisition triggered the obligation to exchange senior notes of UScellular in the amount of USD 1.7 billion (EUR 1.4 billion) for T-Mobile US USD bonds on the same terms. The exchange obligation was recognized as a liability assumed as part of the UScellular Acquisition. Subsequently, T-Mobile US issued USD bonds with a total volume of USD 1.7 billion (EUR 1.4 billion) with terms ending between 2033 and 2070 and bearing interest of between 5.50 % and 6.70 %, as part of the exchange offer. The bonds rank equally with all other unsecured and unsubordinated liabilities of T-Mobile US.

On August 1, 2025, T-Mobile US concluded a 15-year master license agreement for the lease of space on at least 2,100 cell towers still owned by UScellular and agreed the extension of the lease terms of existing lease agreements for space on around 600 UScellular cell towers by another 15 years after completion of the transaction. In addition, space on around another 1,800 cell towers was leased under the master license agreement for up to 30 months after the acquisition transaction. Following the conclusion of the master license agreement, as of the date of the UScellular Acquisition, right-of-use assets and lease liabilities of USD 1.0 billion (EUR 0.9 billion) each were recorded; of this, right-of-use assets and lease liabilities of USD 0.8 billion (EUR 0.7 billion) for the cell towers that were not already being leased by T-Mobile US before the date of the UScellular Acquisition were reported as additions from changes in the composition of the Group.

The purchase price allocation and the measurement of assets, liabilities, and the consideration transferred at the acquisition date has not been finalized as of December 31, 2025. The preliminary fair value of the consideration transferred amounts to USD 2.9 billion (EUR 2.5 billion) as of the acquisition date, and breaks down as follows:

millions of €	
	Fair value at the acquisition date
Fair value of the cash component paid on the acquisition date	2,464
Fair value of T-Mobile US shares in exchange for share-based remuneration for the period of service prior to the acquisition of the company	39
= Consideration transferred	2,503

The amount of the cash component paid on the acquisition date was subject to customary adjustments within a 120-day review period.

The preliminary fair values of the acquired assets and assumed liabilities are presented in the following table:

millions of €	Fair value at the acquisition date
Assets	
Current assets	1,268
Cash and cash equivalents	11
Trade receivables	1,056
Contract assets	3
Other financial assets	25
Other assets	60
Inventories	113
Non-current assets	4,651
Goodwill	185
Other intangible assets	2,115
Of which: customer base	332
Of which: spectrum licenses	1,516
Of which: other	267
Property, plant and equipment	1,019
Right-of-use assets ^a	1,051
Deferred tax assets	53
Other financial assets	189
Other assets	39
Assets	5,919
Liabilities and shareholders' equity	
Current liabilities	755
Financial liabilities	21
Lease liabilities ^a	157
Trade and other payables	206
Other provisions	143
Contract liabilities	228
Non-current liabilities	2,661
Financial liabilities ^b	1,568
Lease liabilities ^a	902
Contract liabilities	124
Other provisions	66
Liabilities	3,416

^a These items included right-of-use assets and lease liabilities of EUR 0.7 billion each in connection with the master license agreement with UScellular for the cell towers that were not already leased before the date of the UScellular Acquisition by T-Mobile US.

^b Obligations to exchange UScellular senior notes into T-Mobile US bonds were recognized as liabilities assumed as part of the UScellular Acquisition.

The preliminary goodwill is calculated as follows:

millions of €	Fair value at the acquisition date
Consideration transferred	2,503
– Fair value of assets acquired	5,734
+ Fair value of liabilities assumed	3,416
= Goodwill	185

The preliminary goodwill comprises anticipated synergies to be leveraged through the combined business activities, including cost savings from the planned integration of network infrastructure, facilities, personnel, and systems, the UScellular workforce, and intangible assets that do not meet the recognition requirements. It is expected that the preliminarily recognized goodwill will be deductible from income tax in the amount of EUR 13 million.

The customer base was measured using the multi-period excess earnings method. Under this method, the fair value of the customer base is calculated by determining the present value of earnings after tax attributable to existing customers. This method is based on significant inputs that are not observable on the market, and as such constitutes a Level 3 measurement category. Key assumptions include revenues over an estimated period of time, the discount rate, the forecast expenses, and contributory asset charges. The customer base is amortized over an estimated average remaining useful life of 10 years.

The spectrum licenses were measured using the market approach. This method draws on significant inputs that are not observable on the market and as such constitute a Level 3 measurement category. One of the key assumptions in applying the market approach is the allocation at market level based on the latest spectrum transactions and the changes in value on these markets following the original auctions.

The fair value of the acquired trade receivables amounts to EUR 0.3 billion for ongoing services and EUR 0.8 billion for installment sales of terminal equipment. This compares with a gross amount of the trade receivables of EUR 0.3 billion and EUR 1.0 billion, respectively. The difference between the fair value and the gross amount is mainly attributable to discounting at market interest rates, taking into account expected bad debt.

The transaction-related costs incurred in connection with the acquisition had no material impact on the consolidated income statement. The inclusion of UScellular in the consolidated financial statements has no material impact on Deutsche Telekom's results of operations.

Sale of Telekom Romania Mobile Communications

On September 19, 2025, Hellenic Telecommunications Organization S.A. (OTE) had entered into an agreement on the sale of Telekom Romania Mobile Communications S.A. (TKRM), which was assigned to the Europe operating segment. As of September 30, 2025, the company's assets and liabilities were reclassified to assets and disposal groups held for sale and liabilities directly associated with non-current assets and disposal groups held for sale. The transaction was consummated on October 1, 2025. All necessary regulatory approvals had been duly granted. The two-step transaction encompassed the sale of certain TKRM assets to Digi Romania S.A., including the prepaid customer business, certain frequency rights, and part of the tower portfolio, as well as the sale of the shares held by OTE in TKRM, with the exception of the aforementioned assets, to Vodafone Romania S.A. The sale price amounts to EUR 0.1 billion, subject to customary adjustments upon completion of the transaction including for net debt, working capital, and other expenses. The gain on deconsolidation is immaterial from the Group's perspective.

Furthermore, in 2025, the following developments occurred in connection with transactions already conducted in prior periods:

Acquisition of Ka'ena in the United States

On March 9, 2023, T-Mobile US had entered into a Merger and Unit Purchase Agreement for the acquisition of 100 % of the outstanding equity of Ka'ena Corporation and its subsidiaries including, among others, Mint Mobile, for a maximum purchase price of USD 1.35 billion to be paid out originally 39 % in cash and 61 % in shares of T-Mobile US common stock. On March 13, 2024, T-Mobile US had entered into an agreement amending the mechanics of payment, resulting in a nominal increase in the percentage of cash compared to shares of T-Mobile US common stock to be paid out as part of the total purchase price.

The transaction was consummated on May 1, 2024. All necessary regulatory approvals had been duly granted and all other closing conditions met. Ka'ena has been included in the consolidated financial statements since May 1, 2024.

The purchase price was variable dependent upon achieving specified performance indicators of Ka'ena Corporation and consisted of an upfront payment at deal close, subject to certain agreed-upon adjustments, and a variable earnout, payable on August 1, 2026. On June 30, 2025, T-Mobile US further amended the Merger and Unit Purchase Agreement to set the calculation of the earnout as the difference between the maximum purchase price of USD 1.35 billion and the upfront payment. The requirement for Ka'ena to achieve specified performance indicators has been removed. As of December 31, 2025, the carrying amount of the outstanding consideration of EUR 0.2 billion (December 31, 2024: EUR 0.2 billion) was included under other financial liabilities.

The acquisition meets the conditions for a business combination in accordance with IFRS 3. The purchase price allocation and the measurement of assets, liabilities, and the consideration transferred at the acquisition date were finalized in the reporting period as of April 30, 2025. The finalization of the purchase price allocation did not result in any changes to the fair values of the assets acquired and the liabilities assumed at the acquisition date compared with those reported in the consolidated financial statements as of December 31, 2024.

For more information on the transactions and on the fair values of the consideration transferred and the acquired assets and assumed liabilities, please refer to the section “Changes in the composition of the Group and other transactions” under “Summary of accounting policies” in the notes to the consolidated financial statements in the [2024 Annual Report](#).

The composition of the Deutsche Telekom Group changed as follows in the 2025 financial year:

	Domestic	International	Total
Consolidated subsidiaries			
January 1, 2025	57	235	292
Additions	2	41	43
Disposals (including mergers)	0	9	9
December 31, 2025	59	267	326
Associates accounted for using the equity method			
January 1, 2025	5	12	17
Additions	0	1	1
Disposals	0	0	0
December 31, 2025	5	13	18
Joint ventures accounted for using the equity method			
January 1, 2025	18	3	21
Additions	6	2	8
Disposals	0	0	0
December 31, 2025	24	5	29
Total			
January 1, 2025	80	250	330
Additions	8	44	52
Disposals (including mergers)	0	9	9
December 31, 2025	88	285	373

Other transactions that had no effect on the composition of the Group

Deutsche Telekom AG's shareholder remuneration

In the 2025 financial year, Deutsche Telekom AG bought back 65.4 million shares in several tranches as part of a buy-back program, with a total volume of EUR 2.0 billion. The 2025 share buy-back program was completed on December 11, 2025. The approximately 81 million shares bought back under the 2024 program were canceled on August 28, 2025, reducing Deutsche Telekom AG's share capital by around EUR 208 million.

For further information on the reduction of share capital at Deutsche Telekom AG, please refer to Note 19 “[Shareholders' equity](#).”

In November 2025, Deutsche Telekom AG announced a new share buy-back program with a total volume of up to EUR 2 billion for the 2026 financial year. The buy-back commenced on January 5, 2026 and will be carried out in several tranches up to the end of 2026. In the period from January 5, 2026 to February 17, 2026, Deutsche Telekom AG bought back around another 9 million shares with a total volume of around EUR 0.3 billion under this share buy-back program.

T-Mobile US' shareholder return

In the 2025 financial year, T-Mobile US completed a further shareholder return program comprising share buy-backs and dividend payments in a total volume of up to USD 14 billion, which ran through December 31, 2025. Under this program, T-Mobile US bought back around 42.4 million shares with a total volume of USD 9.9 billion (EUR 8.8 billion) in several tranches, and paid out a cash dividend of USD 4.1 billion (EUR 3.7 billion). EUR 2.0 billion of the cash dividends was attributable to Deutsche Telekom's stake and EUR 1.8 billion to non-controlling interests in T-Mobile US.

On December 11, 2025, T-Mobile US announced a new shareholder return program with a total volume of up to USD 14.6 billion for the 2026 financial year, comprising additional share buy-backs and dividends to be paid out, due to run through December 31, 2026. The amount available for share buy-backs is reduced by the amount of any dividends approved by the Board of Directors of T-Mobile US. In the period from January 1, 2026 to February 6, 2026, T-Mobile US bought back around 5 million additional shares with a total volume of USD 1.0 billion (EUR 0.8 billion) under this share buy-back program.

Sale of T-Mobile US shares by Deutsche Telekom

In the reporting period, Deutsche Telekom sold a portion of its T-Mobile US share portfolio on the market in several tranches, without jeopardizing its own majority ownership position in T-Mobile US. Under the sales plans, Deutsche Telekom sold 6.4 million T-Mobile US shares with a total volume of EUR 1.3 billion. On December 30, 2025, the latest valid sales plan was terminated.

Principal subsidiaries

The Group's principal subsidiaries are presented in the following table:

Name and registered office		Deutsche Telekom share %	Deutsche Telekom share including treasury shares %	Percentage of voting rights held by Deutsche Telekom %	Net revenue ^a millions of €	Profit (loss) from operations ^a millions of €	Shareholders' equity ^a millions of €	Average number of employees	Assigned to segment
Telekom Deutschland GmbH, Bonn, Germany	Dec. 31, 2025/2025	100.00	100.00	100.00	23,201	5,943	8,517	2,526	Germany
	Dec. 31, 2024/2024	100.00	100.00	100.00	23,265	5,413	7,927	2,549	
T-Systems International GmbH, Frankfurt/Main, Germany	Dec. 31, 2025/2025	100.00	100.00	100.00	2,321	(179)	1,246	5,660	Systems Solutions
	Dec. 31, 2024/2024	100.00	100.00	100.00	2,264	(138)	1,127	6,025	
T-Mobile US, Inc., Bellevue, Washington, United States ^{b, c}	Dec. 31, 2025/2025	45.62	52.58	56.66	78,097	17,677	58,568	68,280	United States
	Dec. 31, 2024/2024	46.30	51.41	58.56	75,046	20,323	68,256	64,808	
Hellenic Telecommunications Organization S.A. (OTE), Marousi, Athens, Greece ^b	Dec. 31, 2025/2025	54.62	55.66	61.82	3,634	701	2,742	9,478	Europe
	Dec. 31, 2024/2024	53.45	54.38	60.40	3,591	664	2,598	8,566	
Hrvatski Telekom d.d., Zagreb, Croatia ^{b, c}	Dec. 31, 2025/2025	54.56	54.66	54.66	1,142	180	2,131	5,391	Europe
	Dec. 31, 2024/2024	53.54	54.11	54.11	1,102	175	2,149	5,361	
Magyar Telekom Telecommunications Public Limited Company, Budapest, Hungary ^{b, c}	Dec. 31, 2025/2025	65.78	69.71	69.71	2,475	690	2,783	6,589	Europe
	Dec. 31, 2024/2024	65.78	67.96	67.96	2,436	564	2,442	6,741	
Slovak Telekom a.s., Bratislava, Slovakia ^{b, c}	Dec. 31, 2025/2025	100.00	100.00	100.00	883	228	1,574	2,466	Europe
	Dec. 31, 2024/2024	100.00	100.00	100.00	864	231	1,564	2,497	
T-Mobile Austria Holding GmbH, Vienna, Austria ^{b, c}	Dec. 31, 2025/2025	100.00	100.00	100.00	1,507	252	2,922	1,891	Europe
	Dec. 31, 2024/2024	100.00	100.00	100.00	1,494	235	2,772	1,868	
T-Mobile Czech Republic a.s., Prague, Czech Republic ^{b, c}	Dec. 31, 2025/2025	100.00	100.00	100.00	1,291	380	2,416	3,084	Europe
	Dec. 31, 2024/2024	100.00	100.00	100.00	1,238	341	2,300	3,084	
T-Mobile Polska S.A., Warsaw, Poland ^{b, c}	Dec. 31, 2025/2025	100.00	100.00	100.00	1,746	131	2,059	3,261	Europe
	Dec. 31, 2024/2024	100.00	100.00	100.00	1,660	101	1,961	3,383	

^a IFRS figures of the respective subgroup.

^b Consolidated subgroup.

^c Indirect shareholding of Deutsche Telekom AG.

In accordance with § 313 HGB, the full statement of investment holdings, which forms part of the notes to the consolidated financial statements, is published in the company register together with the consolidated financial statements. It is available upon request from Deutsche Telekom AG, Bonn, Investor Relations, and on Deutsche Telekom's website (www.telekom.com) under Investor Relations. Furthermore, the statement of investment holdings includes a full list of all subsidiaries that exercise simplification options in accordance with § 264 (3) HGB or disclosure simplification options in accordance with § 264b HGB.

The following table shows the non-controlling interests for principal subsidiaries:

Name and registered office		Percentage of shareholding for non-controlling interests %	Percentage of shareholding for non-controlling interests incl. treasury shares %	Percentage of voting rights for non-controlling interests %	Cumulative non-controlling interests ^a millions of €	Dividends paid out to non-controlling interests millions of €
T-Mobile US, Inc., Bellevue, Washington, United States ^{b, c}	Dec. 31, 2025/2025	54.38	47.42	43.34	27,577	1,729
	Dec. 31, 2024/2024	53.70	48.59	41.44	32,949	1,514
Hellenic Telecommunications Organization S.A. (OTE), Marousi, Athens, Greece ^b	Dec. 31, 2025/2025	45.38	44.34	38.18	1,029	152
	Dec. 31, 2024/2024	46.55	45.62	39.60	993	138
Hrvatski Telekom d.d., Zagreb, Croatia ^{b, c}	Dec. 31, 2025/2025	45.44	45.34	45.34	770	58
	Dec. 31, 2024/2024	46.46	45.89	45.89	789	55
Magyar Telekom Telecommunications Public Limited Company, Budapest, Hungary ^{b, c}	Dec. 31, 2025/2025	34.22	30.29	30.29	641	88
	Dec. 31, 2024/2024	34.22	32.04	32.04	591	52

^a IFRS figures at the level of the consolidated financial statements of Deutsche Telekom.

^b Consolidated subgroup.

^c Indirect shareholding of Deutsche Telekom AG.

For further information, please refer to the section “Other transactions that had no effect on the composition of the Group” under “Summary of accounting policies.”

Summarized financial information for subsidiaries with significant non-controlling interests:

millions of €

Name and registered office		Current assets ^a	Non-current assets ^a	Current liabilities ^a	Non-current liabilities ^a	Profit (loss) ^a	Total comprehensive income ^a
T-Mobile US, Inc., Bellevue, Washington, United States ^{b, c}	Dec. 31, 2025/2025	24,538	173,312	21,379	117,903	9,885	2,128
	Dec. 31, 2024/2024	20,577	195,035	20,369	126,986	12,215	16,502
Hellenic Telecommunications Organization S.A. (OTE), Marousi, Athens, Greece ^b	Dec. 31, 2025/2025	1,396	4,363	2,138	879	610	634
	Dec. 31, 2024/2024	1,270	4,453	1,652	1,473	454	446
Hrvatski Telekom d.d., Zagreb, Croatia ^{b, c}	Dec. 31, 2025/2025	608	1,993	357	113	141	142
	Dec. 31, 2024/2024	633	1,941	316	109	140	131
Magyar Telekom Telecommunications Public Limited Company, Budapest, Hungary ^{b, c}	Dec. 31, 2025/2025	1,093	3,365	761	913	541	682
	Dec. 31, 2024/2024	900	3,165	681	942	413	266

^a IFRS figures of the respective subgroup.

^b Consolidated subgroup.

^c Indirect shareholding of Deutsche Telekom AG.

millions of €

Name and registered office		Net cash from operating activities ^a	Net cash (used in) from investing activities ^a	Net cash (used in) from financing activities ^a
T-Mobile US, Inc., Bellevue, Washington, United States ^{b, c}	2025	28,091	(15,537)	(11,785)
	2024	27,767	(11,738)	(15,827)
Hellenic Telecommunications Organization S.A. (OTE), Marousi, Athens, Greece ^b	2025	1,185	(473)	(658)
	2024	1,115	(521)	(592)
Hrvatski Telekom d.d., Zagreb, Croatia ^{b, c}	2025	410	(99)	(253)
	2024	409	(179)	(239)
Magyar Telekom Telecommunications Public Limited Company, Budapest, Hungary ^{b, c}	2025	933	(317)	(488)
	2024	774	(228)	(425)

^a IFRS figures of the respective subgroup.

^b Consolidated subgroup.

^c Indirect shareholding of Deutsche Telekom AG.

Structured entities

Deutsche Telekom processes factoring transactions by means of structured entities.

For further information, please refer to Note 43 "[Financial instruments and risk management](#)."

Since 2014, Deutsche Telekom has consolidated four structured leasing Special Purpose Entities (SPEs), and since 2018 two more such SPEs, for real estate as well as operating and office equipment at two sites for the operation of data centers in Germany. The two data centers were built under the management of an external leasing company and are operated by T-Systems International GmbH. Apart from the contractual obligations to make lease payments to the leasing SPEs, Deutsche Telekom has no obligation to give them further financial support.

T-Mobile USA Tower LLC and T-Mobile West Tower LLC, which are included in the consolidated financial statements as investments accounted for using the equity method, are also structured entities.

For further information, please refer to Note 10 "[Investments accounted for using the equity method](#)."

Joint operations

On the basis of a contractual arrangement concluded by T-Mobile Polska S.A., Deutsche Telekom combined the activities for the planning, building, and operation of the Polish mobile communications network with a partner in 2011 to generate savings. Deutsche Telekom recognizes its share (50 %) of the corresponding assets in line with the economic substance in the consolidated statement of financial position.

Currency translation

Foreign-currency transactions are translated into the functional currency at the exchange rate at the date of transaction. At the reporting date, monetary items are translated at the closing rate, and non-monetary items are translated at the exchange rate at the date of transaction. Exchange rate differences are recognized in profit or loss.

The assets and liabilities of Group entities whose functional currency is not the euro are translated into euros from the local currency using the middle rates at the reporting date. The income statements and corresponding profit or loss of foreign-currency denominated Group entities are translated at monthly average exchange rates for the period. The differences that arise from the use of both rates are recognized directly in equity.

The exchange rates of certain key currencies changed as follows:

€	Annual average rate			Rate at the reporting date	
	2025	2024	2023	Dec. 31, 2025	Dec. 31, 2024
100 Czech korunas (CZK)	4.05247	3.98049	4.16582	4.12592	3.96834
1,000 Hungarian forints (HUF)	2.51584	2.52989	2.61802	2.59639	2.43070
100 Macedonian denars (MKD)	1.62445	1.62386	1.62354	1.62420	1.62725
100 Polish zlotys (PLN)	23.58650	23.22300	22.01400	23.69110	23.38780
1 U.S. dollar (USD)	0.88442	0.92391	0.92468	0.85106	0.96209

Development of the overall economic environment and the associated impact

The global economy proved remarkably resilient in 2025, despite high political uncertainty and increased trade barriers. It was driven by advanced production and trade flows, high investments in data centers and artificial intelligence (AI), and supportive fiscal policy measures, as well as easing in the monetary policy environment following cuts in key interest rates. Nevertheless, growth in global trade slowed in the reporting year. Labor markets remained robust overall, despite initial signs of slowing.

Uncertainty over the global economic outlook remains high. In particular, ongoing high geopolitical tensions constitute a significant risk factor. Uncertainty in trade policy has risen further in the context of increasing import restrictions in major economies. By contrast, a broad-based revival in private consumption could lead to a moderate economic recovery in the year ahead. In the medium term, progressing digital transformation and more widespread use of artificial intelligence are likely to boost productivity growth. However, the economic outlook remains subject to significant downside risks.

The telecommunications industry has so far proven to be relatively resilient in the face of economic fluctuations.

For further information on the economic trend, please refer to the section “[The economic environment](#)” in the combined management report.

Deutsche Telekom is aware that, especially in view of the current developments, extrapolating past experience to the future is only possible to a limited extent. Deutsche Telekom continues to address these challenges and considers them in its business decisions in the course of developing measures to mitigate the risks. For example, interest rate risks are mitigated by means of active interest rate management, whereby each year, a maximum is set for the percentage of variable-interest liabilities, taking into account the planned finance costs. With respect to their energy supply, Deutsche Telekom’s national companies pursue different procurement strategies, e.g., by concluding power purchase agreements, to balance long-term supply reliability and appropriate prices.

For further information on risk mitigation measures, please refer to the section “[Risk and opportunity management](#)” in the combined management report.

Deutsche Telekom also considers the development of the economic environment in its consolidated financial statements and financial reporting, e.g., when determining the impairment of goodwill, the recognition of deferred taxes, and the measurement of provisions, financial instruments, and investments accounted for using the equity method.

Impact of climate change

Deutsche Telekom wants to play a leading role in **climate change mitigation and environmental protection** in the context of its current and future business activities and is constantly defining new goals to achieve this. For example, the goal set for 2025 of achieving climate neutrality in the Company (Scope 1 and 2) was achieved. As an interim goal on the journey towards GHG neutrality along the entire value chain, Deutsche Telekom aims to reduce CO₂ emissions across Scopes 1 to 3 by 55 % in absolute terms by 2030 compared with 2020. By 2040 at latest, the Company wants to achieve net zero emissions along the entire value chain – across Scope 1, 2 and 3 emissions. Since 2021, the Group has covered 100 % of its electricity requirements with renewable energy. This is achieved through power purchase agreements and other forms of direct purchase, such as through guarantees of origin.

Deutsche Telekom updated its climate scenario analysis in 2024 and carried out the associated resilience analysis. This scenario analysis remains valid for the 2025 reporting year:

- Climate change risks are already visible in the form of increasingly extreme weather conditions. Such storm events could damage infrastructure and disrupt network operation. Deutsche Telekom is prepared for the rising impacts of **physical risks**, such as changes in precipitation patterns and extreme weather variability, and has already implemented comprehensive adaptation actions. Nevertheless, material risks with a very high risk extent but a very low probability of occurrence may result from extreme weather events.
- In addition, an analysis was made of how resilient Deutsche Telekom’s business model is to the potential future consequences of climate change. For this, transition aspects were considered, i.e., factors associated with the transition to a low-emission, climate-resilient economy. These may give rise to **transition risks**, e.g., as a consequence of political change or legislation. The mitigation measures Deutsche Telekom is taking to counter these risks include measuring the Group’s own energy efficiency and finding ways to improve it. The sustainability-related targets agreed for Board of Management remuneration with regard to the respective annual energy consumption and the annual CO₂ emissions for Scope 1 and 2 also contribute to achieving the climate targets and energy efficiency measures.

The analysis showed that Deutsche Telekom is highly resilient overall to both material transition risks and physical climate risks. Furthermore, Deutsche Telekom has not identified any assets and business activities that are incompatible with a transition to a carbon-neutral economy or that require significant effort to be compatible with a transition to a carbon-neutral economy. No critical climate-related assumptions have been used to date to measure assets and liabilities in the consolidated financial statements.

For more information, please refer to “[ESRS E1 – Climate change](#)” in the section “[Combined sustainability statement](#)” of the combined management report.

Deutsche Telekom is committed to the responsible **use of resources** along its entire value chain. In addition to conserving and avoiding resources, the aim is to make products and materials as durable as possible and to ensure they are returned into circulation at the end of their lifetimes. Longer use phases and reuse not only save on resources, but also reduce energy use and emissions, thus at the same time contributing to climate change mitigation. As part of the Europe-wide resource efficiency strategy, the European national companies have voluntarily committed to being fully circular in technology and devices by 2030.

The growing scarcity of raw materials due to wars, pandemics, and in the long term also the finite nature of resources, poses a financial risk to Deutsche Telekom’s business activities. Deutsche Telekom is already facing rising material, production, logistics, and energy costs due to scarcity.

For more information on this, please refer to “[ESRS E5 – Resource use and circular economy](#)” in the section “[Combined sustainability statement](#)” of the combined management report.

Notes to the consolidated statement of financial position

1 Cash and cash equivalents

In the reporting period, cash and cash equivalents decreased by EUR 0.7 billion to EUR 7.8 billion.

For further information, please refer to Note 37 “[Notes to the consolidated statement of cash flows](#).”

Cash and cash equivalents have an original maturity of less than three months and mainly comprise fixed-term bank deposits. They also include small amounts of cash-in-hand and checks. Deutsche Telekom obtained cash collateral of EUR 235 million (December 31, 2024: EUR 109 million) under collateral contracts as surety for potential credit risks arising from derivative transactions.

As of December 31, 2025, Deutsche Telekom reported cash and cash equivalents of EUR 202 million (December 31, 2024: EUR 207 million) that is not freely available to Deutsche Telekom, mainly relating to liabilities issued by T-Mobile US and collateralized by assets.

2 Trade receivables

At EUR 16.8 billion, trade receivables increased by EUR 0.4 billion against the 2024 year-end level. Excluding effects of changes in the composition of the Group and offsetting exchange rate effects, receivables in the United States operating segment increased, due in particular to the migration of UScellular customers to the EIP (equipment installment plan) model as well as a larger customer base as a result of the acquisition of the Lumos and Metronet customer bases. Effects of changes in the composition of the Group, primarily from the acquisitions of UScellular and Vistar Media in the United States operating segment increased the carrying amount, while exchange rate effects, primarily from the translation of U.S. dollars into euros had an offsetting effect. Receivables increased slightly in both the Europe and Germany operating segments.

Of the total of trade receivables, EUR 14.1 billion (December 31, 2024: EUR 13.9 billion) is due within one year. As of the reporting date, trade receivables with a carrying amount of EUR 2,213 million (December 31, 2024: EUR 1,777 million) in connection with asset-backed securities issued by T-Mobile US and with a carrying amount of EUR 356 million (December 31, 2024: EUR 446 million) in connection with factoring agreements concluded by T-Mobile US, were pledged as collateral.

For information on allowances, credit ratings, and write-offs of receivables as well as on factoring agreements, please refer to Note 43 “[Financial instruments and risk management](#).”

3 Contract assets

The carrying amount of contract assets increased by EUR 0.4 billion against December 31, 2024 to EUR 3.1 billion. Contract assets relate to receivables that have not yet legally come into existence, which arise from the earlier – as compared to billing – recognition of revenue, in particular from the sale of goods and merchandise under long-term multiple-element arrangements (e.g., mobile contract plus handset). Receivables from long-term construction contracts are also recognized under contract assets. Of the total contract assets, EUR 0.4 billion related to contract assets in connection with long-term construction contracts (December 31, 2024: EUR 0.2 billion).

The increase in the carrying amount was mainly due to higher contract assets in the United States operating segment, with EUR 0.5 billion of the increase due to growth in business models in the consumer and business customer areas in the United States, in which discounts are granted on handset sales on the condition of a minimum service contract term. By contrast, exchange rate effects, primarily from the translation from U.S. dollars into euros, decreased the carrying amount.

For information on allowances of contract assets, please refer to Note 43 “[Financial instruments and risk management](#).”

4 Inventories

millions of €

	Dec. 31, 2025	Dec. 31, 2024
Raw materials and supplies	174	186
Work in process	34	49
Finished goods and merchandise	2,658	2,216
	2,866	2,451

The carrying amount of inventories increased by EUR 0.4 billion against the 2024 year-end level to EUR 2.9 billion. Stockpiling, primarily for the market launch of high-value mobile terminal equipment in the United States operating segment, increased the carrying amount, as did effects of changes in the composition of the Group resulting from the UScellular Acquisition. By contrast, exchange rate effects, primarily from the translation from U.S. dollars into euros, decreased the carrying amount.

As in the prior year, no significant impairment losses were recognized on the net realizable value in 2025. The carrying amount of inventories expensed during the reporting period was EUR 20,362 million (2024: EUR 20,672 million; 2023: EUR 20,047 million). The comparatives for 2024 and 2023 have been adjusted retrospectively.

Finished goods and merchandise primarily comprise retail products (e.g., terminal equipment and accessories) not manufactured by Deutsche Telekom and services rendered but not yet invoiced, primarily to business customers.

5 Non-current assets and disposal groups held for sale and liabilities directly associated with non-current assets and disposal groups held for sale

As of December 31, 2025, current assets included EUR 3.2 billion (December 31, 2024: EUR 0.3 billion) in non-current assets and disposal groups held for sale. As in the prior year, current liabilities did not include any liabilities directly associated with non-current assets and disposal groups held for sale as of December 31, 2025. The change in carrying amounts resulted from the transactions described below.

millions of €

	Dec. 31, 2025			Dec. 31, 2024		
	T-Mobile US spectrum	Other	Total	T-Mobile US spectrum	Other	Total
Non-current assets and disposal groups held for sale						
Intangible assets	3,057	0	3,057	153	3	156
Of which: goodwill	0	0	0	0	0	0
Property, plant and equipment	0	93	93	0	100	100
Total	3,057	93	3,150	153	103	256

As of December 31, 2025, the carrying amount of non-current assets and disposal groups held for sale included spectrum licenses of EUR 3.1 billion in connection with the sale agreed between T-Mobile US and Grain. Completion of the transaction is subject to FCC approvals and certain other customary closing conditions. In the prior year, the item also included spectrum licenses in connection with an exchange transaction agreed between T-Mobile US and another telecommunications company, which was consummated in the reporting year. The licenses were recognized at their carrying amounts.

For further information on the agreement concluded with Grain, please refer to Note 6 “[Intangible assets](#).”

As of December 31, 2025, the item also included property, plant and equipment of EUR 0.1 billion (December 31, 2024: EUR 0.1 billion), mainly real estate held for sale. As of December 31, 2025, as at the end of the prior year, this did not include any significant real estate no longer recognized at carrying amount in accordance with IFRS 5, but at fair value less costs of disposal.

Exchange rate effects, in particular from the translation of U.S. dollars into euros, reduced the carrying amount by EUR 0.2 billion.

No reversals of impairments of the carrying amounts of the non-current assets and disposal groups held for sale were recognized either in the reporting year or in the prior year.

6 Intangible assets

millions of €

	Internally generated intangible assets	Acquired intangible assets								Goodwill	Advance payments and intangible assets under development	Total
		Total	Acquired concessions, industrial and similar rights and assets	LTE licenses	UMTS licenses	GSM licenses	FCC licenses (T-Mobile US)	5G licenses	Other acquired intangible assets			
Cost												
At December 31, 2023	13,032	140,687	1,964	5,696	617	1,232	97,942	2,711	30,526	37,887	2,340	193,945
Currency translation	540	7,323	16	(35)	(1)	2	6,306	0	1,035	1,367	69	9,299
Changes in the composition of the Group	1	683	65	0	0	0	0	0	619	673	0	1,357
Additions	592	5,301	340	0	0	0	4,290	59	612	0	3,677	9,571
Disposals	(2,702)	(6,699)	(462)	(5)	(151)	(185)	(62)	0	(5,834)	0	(55)	(9,456)
Change from non-current assets and disposal groups held for sale	0	(963)	0	(9)	0	0	(954)	0	0	0	0	(963)
Reclassifications	1,541	2,583	46	0	0	0	281	160	2,097	0	(4,099)	26
At December 31, 2024	13,004	148,916	1,969	5,647	465	1,048	107,801	2,931	29,054	39,927	1,932	203,779
Currency translation	(1,088)	(14,340)	(39)	59	0	2	(12,299)	8	(2,072)	(2,765)	(121)	(18,314)
Changes in the composition of the Group	60	2,403	38	0	0	0	1,516	0	848	393	0	2,856
Additions	590	4,199	415	100	0	110	1,261	283	2,031	0	3,605	8,394
Disposals	(1,145)	(3,523)	(360)	(1,387)	(255)	(104)	(4)	0	(1,413)	0	(253)	(4,921)
Change from non-current assets and disposal groups held for sale	0	(5,487)	0	(167)	(63)	(36)	(5,078)	0	(144)	(3)	0	(5,489)
Reclassifications	1,852	1,648	14	0	0	0	0	20	1,614	0	(3,476)	23
At December 31, 2025	13,273	133,816	2,037	4,252	147	1,019	93,199	3,242	29,919	37,552	1,687	186,328

millions of €

	Internally generated intangible assets	Acquired intangible assets								Goodwill	Advance payments and intangible assets under development	Total
		Total	Acquired concessions, industrial and similar rights and assets	LTE licenses	UMTS licenses	GSM licenses	FCC licenses (T-Mobile US)	5G licenses	Other acquired intangible assets			
Accumulated amortization and impairment losses												
At December 31, 2023	(9,024)	(31,300)	(1,369)	(3,096)	(532)	(836)	(2,547)	(408)	(22,513)	(17,591)	(26)	(57,941)
Currency translation	(413)	(823)	(8)	4	2	(1)	(138)	0	(682)	(722)	0	(1,959)
Changes in the composition of the Group	0	1	0	0	0	0	0	0	1	0	0	1
Additions (amortization)	(2,268)	(4,366)	(398)	(354)	(14)	(50)	0	(145)	(3,404)	0	0	(6,633)
Additions (impairment)	(5)	(18)	0	0	0	(4)	0	0	(14)	0	(10)	(33)
Disposals	2,702	6,574	459	3	151	185	55	0	5,721	0	2	9,278
Change from non-current assets and disposal groups held for sale	0	6	0	6	0	0	0	0	0	0	0	6
Reclassifications	(10)	(11)	(3)	(4)	0	0	0	0	(4)	0	10	(12)
Reversal of impairment losses	0	2,630	0	0	0	0	2,630	0	0	0	0	2,630
At December 31, 2024	(9,019)	(27,307)	(1,319)	(3,441)	(393)	(706)	0	(553)	(20,895)	(18,313)	(24)	(54,663)
Currency translation	839	1,327	17	(20)	1	(1)	0	(1)	1,332	1,371	0	3,537
Changes in the composition of the Group	0	0	0	0	0	0	0	0	0	250	0	250
Additions (amortization)	(2,328)	(4,462)	(417)	(356)	(7)	(49)	0	(161)	(3,472)	0	0	(6,790)
Additions (impairment)	0	(2)	0	0	0	0	0	0	(2)	0	0	(2)
Disposals	1,139	3,456	365	1,387	255	104	0	0	1,344	0	0	4,595
Change from non-current assets and disposal groups held for sale	0	406	0	167	63	36	0	0	141	0	0	406
Reclassifications	(22)	(11)	0	1	0	0	0	0	(12)	0	23	(10)
Reversal of impairment losses	0	0	0	0	0	0	0	0	0	0	0	0
At December 31, 2025	(9,390)	(26,594)	(1,353)	(2,263)	(82)	(617)	0	(715)	(21,565)	(16,693)	(2)	(52,678)
Net carrying amounts												
At December 31, 2024	3,986	121,609	650	2,206	72	342	107,801	2,379	8,159	21,613	1,908	149,115
At December 31, 2025	3,883	107,223	685	1,989	66	403	93,199	2,527	8,354	20,859	1,685	133,650

The carrying amount of intangible assets decreased by EUR 15.5 billion to EUR 133.7 billion. Exchange rate effects of EUR 14.8 billion, primarily from the translation of U.S. dollars into euros, and depreciation, amortization and impairment losses of EUR 6.8 billion decreased the carrying amount. Reclassifications of intangible assets to non-current assets and disposal groups held for sale also reduced the carrying amount by EUR 5.1 billion. In the United States operating segment, this related to the agreed sale of spectrum licenses to Grain for EUR 3.1 billion, and the sale of spectrum licenses to N77 for EUR 1.7 billion, as described in the section “Agreements on spectrum licenses.” In addition, further agreements were entered into in the reporting period for the exchange of spectrum licenses. Disposals reduced the carrying amount by EUR 0.3 billion, mainly due to the write-off of not-in-service capitalized software development costs related to a billing system in the United States operating segment, while investments increased it by EUR 8.4 billion. EUR 1.9 billion of this related to the acquisition of mobile spectrum, of which EUR 1.3 billion related to the acquisition of mobile spectrum in the United States operating segment, including EUR 0.5 billion for the acquisition of the remaining Channel 51 licenses, as described in the section “Agreements on spectrum licenses.” A further EUR 0.2 billion related to the Germany operating segment and the extension of the allocation of licenses by the Bundesnetzagentur in the 800 MHz, 1,800 MHz, and 2,600 MHz spectrum bands. In the Europe operating segment, mobile spectrum was acquired in Poland for EUR 0.3 billion, and in Slovakia for EUR 0.2 billion. This was recorded under advance payments and intangible assets. A further EUR 1.3 billion of the investments related to the acquisition of customer bases outside of business combinations, mainly from Metronet. Effects of changes in the composition of the Group mainly resulting from the acquisition of UScellular, Vistar Media, and Blis increased the carrying amount by EUR 3.1 billion, with goodwill accounting for EUR 0.6 billion of this.

For further information on amortization and impairment losses, please refer to Note 27 “[Depreciation, amortization and impairment losses](#).”

Agreements on spectrum licenses

T-Mobile US consummated a number of transactions agreed with telecommunications companies for the exchange of spectrum licenses in the reporting year. The fair values of the licenses received in these transactions amounted to EUR 0.4 billion in total. The resulting overall gain was immaterial. The licenses transferred as part of the exchange transactions, which had a carrying amount of totaling EUR 0.4 billion, were recognized in non-current assets and disposal groups held for sale after being reclassified when the agreements were concluded, and up to the point at which the transactions were consummated.

On September 10, 2024, T-Mobile US and N77 License Co. LLC (N77) entered into an agreement on the sale of spectrum licenses, pursuant to which N77 had the option to purchase all or a portion of T-Mobile US’ remaining 3.45 GHz licenses for a certain range of cash consideration. The number of licenses sold was determined based upon the amount of committed financing granted to N77. On April 30, 2025, T-Mobile US sold a portion of the licenses to N77 in exchange for a purchase price of USD 2.0 billion (EUR 1.8 billion). The sale generated income of EUR 0.1 billion following regulatory approvals by the U.S. Federal Communications Commission (FCC). The licenses transferred as part of the transaction, which had a carrying amount totaling EUR 1.7 billion, were recognized in non-current assets and disposal groups held for sale after being reclassified as a result of the agreement, and up to the point at which the transaction was consummated.

On August 8, 2022, T-Mobile US entered into agreements with Channel 51 License Co, LLC and LB License Co, LLC (Sellers) for the acquisition of spectrum licenses in the 600 MHz band in exchange for a total cash consideration of USD 3.5 billion (EUR 3.2 billion). On March 30, 2023, the contractual parties had further agreed that the transaction be divided into two separate tranches. The FCC had previously approved the transfer of the first tranche of licenses. This transfer was concluded on June 24, 2024. The corresponding purchase price payment of USD 2.4 billion (EUR 2.2 billion) was made on August 5, 2024. On October 22, 2024, the FCC approved the transfer of certain licenses from the second tranche. These licenses were transferred and the associated purchase price of USD 0.5 billion (EUR 0.5 billion) paid on December 6, 2024. The transaction for the remaining licenses from the second tranche was closed on June 2, 2025 with the purchase price payment of USD 0.6 billion (EUR 0.5 billion), following regulatory approvals by the FCC.

For further information, please refer to Note 5 “[Non-current assets and disposal groups held for sale and liabilities directly associated with non-current assets and disposal groups held for sale](#).”

The following agreements will have an impact on the presentation of Deutsche Telekom's results of operations and financial position in the future:

On May 30, 2025, T-Mobile US entered into an agreement on the sale of 800 MHz spectrum licenses to the group companies of Grain Management, LCC (Grain) in exchange for cash consideration of USD 2.9 billion (EUR 2.5 billion) and the receipt of Grain's 600 MHz spectrum licenses. It has been further agreed that T-Mobile US will additionally receive a share of future proceeds from transactions entered into by Grain that monetize the 800 MHz spectrum licenses, subject to certain terms and conditions. Since May 30, 2025, the licenses concerned have been reported as held for sale with a carrying amount of EUR 3.1 billion. The transaction is subject to FCC approvals and certain other customary closing conditions. The transaction is expected to be closed in the first half of 2026. The proceeds from the sale are expected to be immaterial for the results of operations of the Group.

On September 12, 2023, T-Mobile US agreed with U.S. cable network operator Comcast Corporation (Comcast) to acquire spectrum in the 600 MHz band in exchange for total cash consideration of between USD 1.2 billion and USD 3.3 billion (EUR 1.0 billion and EUR 2.8 billion), depending on the number of underlying licenses. The final purchase price will be determined at the time the parties make the required transfer filings with the FCC. At the same time, T-Mobile US and Comcast have concluded exclusive leasing arrangements. The leasing rights for T-Mobile US will apply for at least two years, regardless of whether Comcast decides to remove part of its licenses from the purchase agreement. On January 13, 2025, T-Mobile US and Comcast entered into an amendment to the license purchase agreement pursuant to which T-Mobile US will acquire additional spectrum. As a consequence of the amendment, the total cash consideration amounts to between USD 1.2 billion and USD 3.4 billion (EUR 1.0 billion and EUR 2.9 billion). A partial acquisition of spectrum licenses with a value of approximately USD 45 million (EUR 38 million) is expected in the first half of 2026. The acquisition of the remaining licenses is then expected to close in the first half of 2028.

For further information, please refer to Note 42 "[Other financial obligations](#)."

Reversal in 2024 of impairment losses recognized in prior years on FCC licenses in the United States operating segment

In 2024, impairment losses on FCC licenses previously acquired by T-Mobile US were reversed in full (EUR 2.6 billion before deferred taxes). These FCC licenses were impaired as of September 30, 2012 following ad hoc impairment testing of the United States cash-generating unit. Regular assessments had to be made in subsequent periods to determine whether the reasons for impairment still existed – in full or in part. The fair value less costs of disposal of the United States cash-generating unit derived from the share price of T-Mobile US, which has been listed since 2013, has significantly exceeded its carrying amount for some years now. However, the reversal is limited to the lower of the recoverable amount of the impaired spectrum licenses determined by the fair value less costs of disposal on the one hand and the acquisition cost of these licenses on the other. An initial reversal of the impairment loss in the amount of EUR 1.7 billion (before deferred taxes) was recognized in the third quarter of 2017, which was indicated back then by the results of the 600 MHz spectrum auction completed in 2017. The measurement of Sprint's FCC licenses at fair value in connection with the purchase price allocation following the business combination of T-Mobile US and Sprint effective April 1, 2020 indicated a further increase in the PCS licenses' value, and resulted in a further reversal of an impairment loss of EUR 1.6 billion as of December 31, 2020. As the impairment of the FCC licenses related entirely to the PCS licenses, only these licenses were subject to the reversals of the impairment losses.

Starting in 2024, in connection with the build-out of the 5G network, PCS and AWS spectrum – both of which belong to the mid-band spectrum – have increasingly been used on the same network components. That means the two frequency bands are now interchangeable and, as such, are to be regarded as a single unit of account for the purposes of testing for reversal of impairment. Furthermore, with the conclusion of the integration of the Sprint network, the licenses acquired under that business combination are now also part of the unit of account. Overall, these developments indicated a fair value of the combined mid-band unit of account that was significantly higher than the sum of the carrying amounts. This resulted in a remeasurement of the combined PCS and AWS licenses of T-Mobile US in 2024 using the greenfield method (Level 3 input pursuant to IFRS 13), which was validated by a market value approach (Level 2 input pursuant to IFRS 13). The market approach drew on market prices from comparable auctions and secondary market transactions, as well as analyst estimates. Analyst estimates were used because they included estimated market values for the individual frequency ranges of mobile companies in the United States. Multipliers were derived from these market prices for the price in U.S. dollars per MHz per member of the population (price per MHz/pop). Based on the bandwidth of observable multipliers, a multiplier of USD 1.95 per MHz/pop was used to derive the fair value of T-Mobile US' PCS and AWS licenses. As a result of the remeasurement, a recoverable amount of EUR 69.8 billion was calculated for the PCS and AWS licenses. Taking the carrying amount of EUR 48.6 billion into account, the remaining amount of the impairment loss on the FCC licenses of EUR 2.6 billion was therefore reversed in full in 2024 and recorded under other operating income.

Goodwill

In the reporting year, the **carrying amount of goodwill in cash-generating units** in the operating segments decreased by EUR 0.8 billion to EUR 20.9 billion. This was the result of the following effects:

United States operating segment. The decrease in goodwill of EUR 0.9 billion primarily relates to exchange rate effects from the translation of U.S. dollars into euros. By contrast, the effects of changes in the composition of the Group – from the acquisitions of UScellular, Vistar Media, and Blis – increased the carrying amount of goodwill by EUR 0.6 billion.

For further information on the UScellular, Vistar Media, and Blis transactions, please refer to the section [“Changes in the composition of the Group and other transactions”](#) under [“Summary of accounting policies.”](#)

Europe operating segment. Changes in goodwill in the cash-generating units Poland, Hungary, and the Czech Republic mainly resulted from exchange rate effects.

Disclosures on annual impairment tests. As of December 31, 2025, Deutsche Telekom carried out its annual impairment tests on the goodwill and intangible assets with an indefinite useful life (in particular, FCC licenses in the United States) assigned to the cash-generating units.

The recoverable amounts to be identified for the impairment tests were largely determined on the basis of the fair values less costs of disposal. With the exception of the United States cash-generating unit (Level 1 measurement), these figures were calculated using the net present value method. The main parameters are shown in the following table. The impairment tests on goodwill as of December 31, 2025 did not result in any need for impairment in the cash-generating units. Likewise no need for impairment had been identified in the cash-generating units at the reporting date of the prior year.

The recoverable amounts at the cash-generating units Greece, Croatia, Montenegro, and North Macedonia were determined using the value in use. The market price of an active and liquid market (share price) of T-Mobile US was used to determine the fair value less costs of disposal in the case of the United States cash-generating unit. The measurements of all other cash-generating units, as for the value in use, are founded on projections for a ten-year projection period that are based on financial plans that have been approved by management and are also used for internal purposes. The chosen planning horizon reflects the assumptions for short- to medium-term market developments and is selected to achieve a steady state in the business outlook that is necessary for calculating the perpetual annuity. This steady state can only be established based on this planning horizon, in particular due to the sometimes long investment cycles in the telecommunications industry and the investments planned and expected in the long run to acquire and extend the rights of spectrum use. Cash flows beyond the internal mid-term planning are extrapolated using appropriate growth rates defined separately for each cash-generating unit. These growth rates are based on real growth and inflation expected in the long term for the countries in which the respective unit operates. To achieve the sustainable growth rates set for the period of the perpetual annuity, additional sustainable investments derived specifically for each cash-generating unit are taken into account. The key assumptions on which management has based its determination of the recoverable amount include the following assumptions that were primarily derived from internal sources and are based on past experience and extended to include internal expectations, and that are underscored by external market data and estimates: development of revenue, customer acquisition and retention costs, churn rates, capital expenditure, market share, and growth rates. Discount rates are determined on the basis of external data derived from the market, taking account of the market and country risks associated with the cash-generating unit. Any significant future changes in the aforementioned assumptions would have an impact on the fair values of the cash-generating units. Changes in the assumptions may have a negative impact, as a result of future macroeconomic trends, continued intense competition, further possible legislation changes (e.g., as part of national austerity programs), and regulatory intervention.

For further information on the determination of the recoverable amounts of the cash-generating units, please refer to the section [“Accounting policies”](#) under [“Summary of accounting policies.”](#)

The following table provides an overview of the main factors affecting the measurement and the classification of the input parameters (levels) used to determine the recoverable amounts in accordance with IFRS 13.

		Goodwill carrying amount millions of €	Impairment millions of €	Detailed planning period years	Discount rates ^a %	Sustainable growth rate p. a. Ø in %	Level allocation of input parameters ^b
Germany	2025	4,849	0	10	5.21	0.0	Level 3
	2024	4,848	0	10	4.88	0.0	Level 3
United States	2025	11,495	0	n.a.	n.a.	n.a.	Level 1
	2024	12,355	0	n.a.	n.a.	n.a.	Level 1
Europe							
Poland	2025	206	0	10	6.36	1.0	Level 3
	2024	203	0	10	6.50	1.0	Level 3
Hungary	2025	857	0	10	7.80	1.0	Level 3
	2024	805	0	10	8.11	1.0	Level 3
Czech Republic	2025	833	0	10	5.82	1.0	Level 3
	2024	801	0	10	5.02	1.0	Level 3
Croatia	2025	506	0	10	5.80	1.0	Value in use
	2024	506	0	10	5.85	1.0	Value in use
Slovakia	2025	417	0	10	5.19	1.0	Level 3
	2024	417	0	10	5.46	1.0	Level 3
Greece	2025	422	0	10	5.54	1.0	Value in use
	2024	422	0	10	5.54	1.0	Level 3
Austria	2025	613	0	10	5.64	1.0	Level 3
	2024	613	0	10	5.56	1.0	Level 3
Other ^c	2025	53	0	10	7.97–8.96	1.0	Value in use
	2024	53	0	10	8.00–8.22	1.0	Value in use
Systems Solutions	2025	18	0	10	8.50	1.0	Level 3
	2024	0	0	10	8.37	1.0	Level 3
Group Headquarters & Group Services							
Deutsche Telekom IT	2025	590	0	10	8.40	1.0	Level 3
	2024	590	0	10	8.23	1.0	Level 3
Deutsche Telekom in total	2025	20,859	0				
	2024	21,613	0				

^a Discount rate consistently after taxes. The discount rate before taxes for the calculation of the value in use amounts to 7.19 % (2024: n.a.) for Greece, 6.99 % (2024: 7.06 %) for Croatia, and 9.40 % to 10.00 % (2024: 9.03 % to 9.79 %) for "Other."

^b Level of input parameters in the case of fair value less costs of disposal.

^c This includes goodwill from the cash-generating units Montenegro and North Macedonia.

The sensitivity analyses for the need for impairment resulting from a change in the main parameters affecting measurement did not result in any need for impairment for any cash-generating unit to which goodwill is allocated. Changes of plus or minus 50 basis points in the discount rate and in the sustainable growth rate, and of 5 percentage points in net cash flows were each analyzed separately.

Impairment losses on non-current assets in the Europe operating segment. In the reporting year, impairment losses on property, plant and equipment, intangible assets, and right-of-use assets totaling EUR 71 million were recognized. Impairment losses totaling EUR 50 million were recognized in the Europe operating segment following ad hoc impairment tests at the Romania cash-generating unit. Overall, EUR 27 million of the impairment losses related to right-of-use assets, EUR 20 million to property, plant and equipment, and EUR 2 million to intangible assets. They arose as follows during the year:

In the first half of 2025, impairment losses of EUR 40 million were recognized in the Europe operating segment following an ad hoc impairment test at the Romania cash-generating unit. The subsidiary in Romania operated in a structurally challenging and highly competitive market. The fair value less costs of disposal was calculated at EUR 17 million, which is EUR 40 million lower than the carrying amount of the cash-generating unit. The fair value was derived on the basis of purchase offers.

As of September 30, 2025, the assets and liabilities of the Romania cash-generating unit were reclassified to assets and disposal groups held for sale and liabilities directly associated with non-current assets and disposal groups held for sale, as per the agreement dated September 19, 2025 concerning their sale. The impairment test conducted in this connection resulted in the recognition of further impairment losses of EUR 10 million. The fair value less costs of disposal was calculated at EUR -3 million, which is EUR 10 million lower than the carrying amount of the cash-generating unit.

Deutsche Telekom had commitments for the acquisition of intangible assets in the amount of EUR 5.9 billion (December 31, 2024: EUR 6.0 billion) as of the reporting date. The majority of this related to commitments entered into by T-Mobile US.

For further information, please refer to Note 42 “[Other financial obligations](#).”

Expenditure on research and development recognized as an expense by Deutsche Telekom amounted to EUR 20.0 million in the reporting year (2024: EUR 21.3 million).

7 Property, plant and equipment

millions of €

	Land and equivalent rights, and buildings including buildings on land owned by third parties	Technical equipment and machinery	Other equipment, operating and office equipment	Advance payments and construction in progress	Total
Cost					
At December 31, 2023	18,691	143,556	8,674	6,284	177,206
Currency translation	483	3,068	238	113	3,902
Changes in the composition of the Group	0	(4)	0	1	(3)
Additions	45	3,475	341	7,729	11,590
Disposals	(294)	(8,206)	(870)	(71)	(9,440)
Change from non-current assets and disposal groups held for sale	117	(2)	(7)	(4)	104
Reclassifications	821	7,574	656	(7,954)	1,098
At December 31, 2024	19,863	149,461	9,034	6,099	184,457
Currency translation	(1,004)	(6,165)	(474)	(212)	(7,855)
Changes in the composition of the Group	125	835	34	27	1,020
Additions	89	3,066	379	8,552	12,086
Disposals	(186)	(7,147)	(924)	(161)	(8,418)
Change from non-current assets and disposal groups held for sale	(68)	(639)	(219)	(18)	(944)
Reclassifications	682	8,957	641	(8,994)	1,286
At December 31, 2025	19,501	148,368	8,469	5,293	181,631
Accumulated depreciation and impairment losses					
At December 31, 2023	(10,983)	(95,017)	(6,135)	(29)	(112,164)
Currency translation	(217)	(1,785)	(160)	0	(2,162)
Changes in the composition of the Group	0	3	1	0	4
Additions (depreciation)	(762)	(10,169)	(930)	0	(11,861)
Additions (impairment)	(3)	(39)	(20)	(23)	(85)
Disposals	288	7,910	840	1	9,039
Change from non-current assets and disposal groups held for sale	(100)	2	12	4	(82)
Reclassifications	56	(545)	(46)	0	(535)
Reversal of impairment losses	2	0	0	0	2

millions of €

	Land and equivalent rights, and buildings including buildings on land owned by third parties	Technical equipment and machinery	Other equipment, operating and office equipment	Advance payments and construction in progress	Total
At December 31, 2024	(11,719)	(99,640)	(6,438)	(48)	(117,845)
Currency translation	468	3,693	325	0	4,486
Changes in the composition of the Group	0	0	0	0	0
Additions (depreciation)	(786)	(10,055)	(943)	0	(11,784)
Additions (impairment)	(2)	(28)	(6)	(3)	(39)
Disposals	170	6,971	900	1	8,042
Change from non-current assets and disposal groups held for sale	58	624	209	18	909
Reclassifications	0	(621)	8	0	(613)
Reversal of impairment losses	5	0	0	0	5
At December 31, 2025	(11,805)	(99,057)	(5,946)	(32)	(116,839)
Net carrying amounts					
At December 31, 2024	8,144	49,821	2,595	6,051	66,612
At December 31, 2025	7,696	49,311	2,523	5,261	64,791

The carrying amount of property, plant and equipment decreased by EUR 1.8 billion compared to December 31, 2024 to EUR 64.8 billion. Depreciation and impairment losses totaling EUR 11.8 billion, exchange rate effects of EUR 3.4 billion, primarily from the translation of U.S. dollars into euros, and disposals of EUR 0.4 billion decreased the carrying amount. Additions, primarily for the upgrade and build-out of the network (broadband, fiber-optic, and mobile infrastructure), increased the carrying amount by EUR 12.1 billion. Effects of changes in the composition of the Group, mainly resulting from the UScellular Acquisition, increased the carrying amount by EUR 1.0 billion. Reclassifications of right-of-use assets upon expiry of the contractual lease term to property, plant and equipment, primarily for network technology in the United States operating segment, also increased the carrying amount by EUR 0.7 billion.

For further information on depreciation, amortization and impairment losses, please refer to Note 6 “[Intangible assets](#)” and Note 27 “[Depreciation, amortization and impairment losses](#).”

Deutsche Telekom had commitments for the acquisition of property, plant and equipment in the amount of EUR 4.7 billion as of the reporting date (December 31, 2024: EUR 5.1 billion). These commitments mainly relate to the Germany, United States, and Europe operating segments. Restoration obligations of EUR 0.6 billion were recognized as of December 31, 2025 (December 31, 2024: EUR 0.5 billion), mainly attributable to restoration obligations of T-Mobile US.

For further information, please refer to Note 42 “[Other financial obligations](#).”

8 Right-of-use assets – lessee relationships

millions of €

	Land and equivalent rights, and buildings including buildings on land owned by third parties	Technical equipment and machinery	Other equipment, operating and office equipment	Total
Carrying amounts of right-of-use assets by class of underlying asset				
At December 31, 2023	4,141	28,621	64	32,826
Currency translation	94	1,556	0	1,649
Changes in the composition of the Group	0	0	2	2
Additions	855	2,887	50	3,793
Disposals	(37)	(26)	(2)	(65)
Depreciation	(1,073)	(4,308)	(32)	(5,413)
Impairment losses	0	(2)	0	(3)
Reclassifications	1	(578)	0	(578)
Reversal of impairment losses	2	0	0	2
Change from non-current assets and disposal groups held for sale	0	0	0	0
At December 31, 2024	3,981	28,152	81	32,214
Currency translation	(177)	(2,900)	0	(3,077)
Changes in the composition of the Group	32	1,019	1	1,052
Additions	767	3,754	32	4,554
Disposals	(20)	(54)	(2)	(76)
Depreciation	(991)	(4,337)	(36)	(5,364)
Impairment losses	(27)	(2)	(1)	(29)
Reclassifications	(1)	(685)	0	(686)
Reversal of impairment losses	0	0	0	0
Change from non-current assets and disposal groups held for sale	(9)	0	0	(9)
At December 31, 2025	3,555	24,948	76	28,579

The carrying amount of the right-of-use assets decreased by EUR 3.6 billion compared to December 31, 2024 to EUR 28.6 billion. Depreciation and impairment losses reduced the carrying amount by EUR 5.4 billion. Exchange rate effects, primarily from the translation of U.S. dollars into euros, reduced the carrying amount by EUR 3.1 billion, the previously mentioned reclassifications to property, plant and equipment by EUR 0.7 billion, and disposals by EUR 0.1 billion. By contrast, the carrying amount was increased by additions of EUR 4.6 billion and effects of changes in the composition of the Group of EUR 1.1 billion, mainly from the UScellular Acquisition. Right-of-use assets totaling EUR 0.9 billion were recognized in connection with a master license agreement concluded by T-Mobile US for the lease of new space on UScellular towers and the extension of lease terms for space already being leased. The right-of-use assets of EUR 0.7 billion for those towers that were not already being leased by T-Mobile US before the date of the UScellular Acquisition were reported as additions from changes in the composition of the Group.

For further information on depreciation, amortization and impairment losses, please refer to Note 6 “[Intangible assets](#)” and Note 27 “[Depreciation, amortization and impairment losses](#).”

For information on corresponding lease liabilities, please refer to Note 13 “[Financial liabilities and lease liabilities](#).”

The right-of-use assets recognized in the statement of financial position relate in particular to leases for cell sites, network infrastructure, and real estate.

Leases can include extension and termination options that can have a substantial impact on the period of depreciation of the right-of-use assets if it is deemed to be reasonably certain that extension options will be exercised or termination options will not be exercised.

For further information, please refer to the section “[Accounting policies](#)” under “[Summary of accounting policies](#).”

No significant gains or losses from sale and leaseback transactions were recorded in the reporting year. After the GD tower companies had been sold in 2023, Deutsche Telekom leased back the majority of the sold passive network infrastructure in Germany and Austria under a sale and leaseback arrangement. The portion of the gain attributable to the retained use of the sold assets, amounting to EUR 3.0 billion, will have an impact in later periods by way of lower depreciation of the capitalized right-of-use assets.

9 Capitalized contract costs

millions of €		
	Dec. 31, 2025	Dec. 31, 2024
Costs of obtaining a contract	3,918	3,666
Costs to fulfill a contract	18	16
	3,936	3,682

As of December 31, 2025, the carrying amount of capitalized contract costs stood at EUR 3.9 billion and was thus EUR 0.3 billion higher than at the end of the prior year. This increase was attributable in particular to a higher level of capitalized costs of obtaining a contract in postpaid customer business in the United States, Germany, and Europe operating segments. The costs of obtaining a contract mainly include sales commissions paid to employees and third-party retailers in the direct and indirect sales channel. By contrast, exchange rate effects, primarily from the translation from U.S. dollars into euros, decreased the carrying amount.

Overall, capitalized contract costs of EUR 2.9 billion (2024: EUR 2.9 billion) were written down on a straight-line basis over the estimated customer retention period.

10 Investments accounted for using the equity method

Deutsche Telekom publishes the following information on significant investments included in the consolidated financial statements using the equity method:

Name and registered office	Deutsche Telekom share		Percentage of voting rights		Assigned to segment
	Dec. 31, 2025 %	Dec. 31, 2024 %	Dec. 31, 2025 %	Dec. 31, 2024 %	
GlasfaserPlus Holding GmbH & Co. KG, Cologne, Germany ^a	50.00	50.00	50.00	50.00	Germany
T-Mobile USA Tower LLC, Wilmington, Delaware, United States ^b	100.00	100.00	100.00	100.00	United States
T-Mobile West Tower LLC, Wilmington, Delaware, United States ^b	100.00	100.00	100.00	100.00	United States
Trailblazer Holdco LLC, Wilmington, Delaware, United States (Lumos) ^{b, c}	50.00	n.a.	50.00	n.a.	United States
Metronet Systems Holdings LLC, Wilmington, Delaware, United States ^{b, d}	50.00	n.a.	50.00	n.a.	United States
Digital Infrastructure Vehicle II SCSp SICAV-RAIF, Senningerberg, Luxembourg	35.67	35.77	35.67	35.77	Group Development
GD Towers Holding GmbH, Bonn, Germany ^e	48.97	49.00	48.97	49.00	Group Development

^a Indirect shareholding via Telekom Deutschland GmbH (Deutsche Telekom AG's share: 100.00 %).

^b Indirect shareholding via T-Mobile US, Inc., United States (Deutsche Telekom AG's share: 45.62 %).

^c The shareholding has been included in Deutsche Telekom's consolidated financial statements using the equity method since April 1, 2025.

^d The shareholding has been included in Deutsche Telekom's consolidated financial statements using the equity method since July 24, 2025.

^e Indirect shareholding via Deutsche Telekom Towers Holding GmbH (Deutsche Telekom AG's share: 100.00 %).

Description of the nature of the activities of the joint arrangements or associates

GlasfaserPlus Holding GmbH & Co. KG with its subsidiary GlasfaserPlus GmbH (GlasfaserPlus), a joint venture between Deutsche Telekom and the IFM Global Infrastructure Fund, is engaged in the planning, construction, and operation of fiber-optic network infrastructure to the building or user (FTTH), and wholesale services to serve end customers on the mass market.

T-Mobile USA Tower LLC and T-Mobile West Tower LLC are structured entities founded by T-Mobile US in each of which it holds a 100 % stake for the purpose of contributing cell sites in accordance with a framework agreement signed in 2012 between T-Mobile US and Crown Castle International Corp., Houston, United States, concerning the leasing and use of the cell sites. The sole right to continue to use and lease out these sites was transferred to Crown Castle. T-Mobile US continues to operate its mobile equipment on these cell towers and, to this end, leases back the required capacity from Crown Castle. Previously unused infrastructure is thus available for Crown Castle to lease to third parties. In return, the owners of the land on which the cell towers are built will no longer receive lease payments from T-Mobile US for those cell towers that were contributed to the two associates and those companies that were disposed of. Both entities were deconsolidated as of the date of the closing of the transaction in 2012, because Crown Castle

independently operates the cell towers, generates revenues from leasing out the sites for an average of 27 years, and determines the finance and business activities of both entities that are relevant for consolidation purposes. It is expected that the leasing of tower space will allow Crown Castle to generate sufficient ongoing profits and cash flows to be able to meet its contractual obligations. Deutsche Telekom has only a significant influence and includes these companies in the consolidated financial statements as associates. Under certain conditions, T-Mobile US will continue to be held liable for any default in the lease payment by Crown Castle to the owners of the underlying land of the cell sites. The agreement includes an extremely low maximum guarantee amount for Deutsche Telekom, since in the unlikely event that this case occurs, T-Mobile US could take over the further use of the relevant cell sites or alternatively terminate the contracts with the owners of the cell site land at short notice. At closing, T-Mobile US established an immaterial cash reserve in the entities sufficient to fund the payment of ongoing administrative expenses not payable by Crown Castle. Aside from the guarantee and the payment of administrative expenses, there is no other funding obligation by T-Mobile US.

Trailblazer Holdco LLC with its subsidiary (Lumos) is a joint venture between T-Mobile US and the investment fund EQT Infrastructure Fund VI (EQT). In connection with the acquisition transaction, T-Mobile US acquired fiber customers from Lumos. Since then, Lumos has continued to provide fiber services for the acquired fiber customers under a wholesale agreement between T-Mobile US and Lumos. The joint venture acts as an FTTH platform, focusing on market identification and selection, build-out planning, network planning and development, network services, and installation for customers. T-Mobile US manages the customer relationships and sells fiber-optic services under the T-Mobile brand.

Metronet Systems Holdings LLC with its subsidiaries (Metronet) is a joint venture between T-Mobile US and KKR & Co. Inc. In connection with the acquisition transaction, T-Mobile US acquired residential fiber customers from Metronet. Since then, Metronet has continued to provide fiber services for the acquired fiber customers under a wholesale agreement between T-Mobile US and Metronet. The joint venture acts as an FTTH platform, focusing on market identification and selection, build-out planning, network planning and development, network services, and installation for customers. T-Mobile US manages the customer relationships and sells fiber-optic services under the T-Mobile brand.

For further information on the acquisitions of Lumos and Metronet, please refer to the section [“Changes in the composition of the Group and other transactions”](#) under [“Summary of accounting policies”](#).

Digital Infrastructure Vehicle II SCSp SICAV-RAIF (DIV II) is an investment company with a portfolio of shareholdings in companies engaged in the development and operation of digital infrastructure projects, such as mobile infrastructure, fiber-optic networks, data centers, and related activities, with a focus on Europe.

GD Towers Holding GmbH with its shareholdings in the cell tower business companies in Germany and Austria (GD tower companies), operates cell sites in Germany and Austria as a joint venture of Deutsche Telekom with DigitalBridge and Brookfield. The sale of 51.0 % of the shares in the GD tower companies on February 1, 2023 resulted in the loss of control over these companies. Since then, Deutsche Telekom has included the remaining stake in the GD tower companies in the consolidated financial statements using the equity method. Based on contractual arrangements, the shareholders (Deutsche Telekom with DigitalBridge and Brookfield) can only make the relevant decisions jointly and unanimously, and thus have joint control over the company. With a remaining stake of currently around 49.0 %, Deutsche Telekom has classified the GD tower companies as a joint venture based on the legal form and the resulting rights and obligations of the shareholders in relation to the net assets of the company.

The following tables provide summarized financial information on the main companies included in the consolidated financial statements and accounted for using the equity method. The data is not based on the stakes attributable to Deutsche Telekom AG, but represents the shareholdings on an assumed 100 % basis.

Summarized financial information on the main entities accounted for using the equity method

millions of €

	GlasfaserPlus ^a		GD tower companies ^a	
	Dec. 31, 2025/ 2025	Dec. 31, 2024/ 2024	Dec. 31, 2025/ 2025	Dec. 31, 2024/ 2024
Current assets	233	206	445	170
Of which: cash and cash equivalents	26	40	305	99
Non-current assets	2,095	1,270	11,587	11,706
Current liabilities	1,198	499	2,023	2,459
Of which: financial liabilities	340	100	193	247
Non-current liabilities	910	830	9,439	7,808
Of which: financial liabilities	910	830	5,972	4,505
Net revenue	59	49	1,401	1,303
Profit (loss)	(57)	(89)	234	421
Other comprehensive income	0	0	27	(18)
Total comprehensive income	(57)	(89)	261	403
Depreciation, amortization and impairment losses	(57)	(29)	(804)	(729)
Interest income	1	1	4	5
Interest expense	(15)	(56)	(277)	(274)
Income taxes	0	0	262	460
Dividends paid to Deutsche Telekom	0	0	(228)	0

^a Consolidated subgroup.

millions of €

	Lumos ^a		Metronet ^a	
	Dec. 31, 2025/ 2025	Dec. 31, 2024/ 2024	Dec. 31, 2025/ 2025	Dec. 31, 2024/ 2024
Current assets	720	n.a.	148	n.a.
Of which: cash and cash equivalents	687	n.a.	74	n.a.
Non-current assets	1,982	n.a.	8,700	n.a.
Current liabilities	151	n.a.	177	n.a.
Of which: financial liabilities	24	n.a.	12	n.a.
Non-current liabilities	1,003	n.a.	3,724	n.a.
Of which: financial liabilities	906	n.a.	3,669	n.a.
Net revenue	97	n.a.	272	n.a.
Profit (loss)	(76)	n.a.	(204)	n.a.
Other comprehensive income	(1)	n.a.	0	n.a.
Total comprehensive income	(77)	n.a.	(204)	n.a.
Depreciation, amortization and impairment losses	(41)	n.a.	(233)	n.a.
Interest income	0	n.a.	6	n.a.
Interest expense	(54)	n.a.	(102)	n.a.
Income taxes	(1)	n.a.	0	n.a.
Dividends paid to Deutsche Telekom	0	n.a.	0	n.a.

^a Consolidated subgroup.

millions of €

	T-Mobile USA Tower LLC		T-Mobile West Tower LLC	
	Dec. 31, 2025/ 2025	Dec. 31, 2024/ 2024	Dec. 31, 2025/ 2025	Dec. 31, 2024/ 2024
Current assets	0	0	0	0
Non-current assets	184	192	239	252
Current liabilities	0	0	0	0
Non-current liabilities	0	0	0	0
Net revenue	0	0	0	0
Profit (loss)	0	0	0	0
Other comprehensive income	0	0	0	0
Total comprehensive income	0	0	0	0
Dividends paid to Deutsche Telekom	0	0	0	0

millions of €

	DIV II ^a	
	Dec. 31, 2025/ 2025	Dec. 31, 2024/ 2024
Current assets	1	1
Of which: cash and cash equivalents	1	1
Non-current assets	1,071	824
Current liabilities	0	0
Of which: financial liabilities	0	0
Non-current liabilities	64	22
Of which: financial liabilities	0	0
Net revenue	0	0
Profit (loss)	55	34
Other comprehensive income	0	0
Total comprehensive income	55	34
Depreciation, amortization and impairment losses	0	0
Dividends paid to Deutsche Telekom	0	0

^a As financial data of DIV II as of December 31, 2025 was not yet available in its entirety to Deutsche Telekom at the date of preparation, the interim financial statements of DIV II as of September 30, 2025 were used as a basis for the summarized financial information and for the reconciliation statement to the carrying amount reported in Deutsche Telekom's consolidated statement of financial position. The comparatives as of December 31, 2024 were similarly based on the company's interim financial statements as of September 30, 2024.

Reconciliation to the carrying amount included in the consolidated statement of financial position

millions of €

	GlasfaserPlus ^a		GD tower companies ^a	
	2025	2024	2025	2024
Net assets as of January 1	147	56	1,609	1,206
Profit (loss)	(57)	(89)	234	421
Other comprehensive income	0	0	27	(18)
Capital increase	130	180	0	0
Dividends from shareholders' equity	0	0	(1,300)	0
Net assets as of December 31	220	147	570	1,609
Share of net assets attributable to Deutsche Telekom as of December 31	110	74	279	788
Goodwill – equity method	886	886	5,418	5,421
Impairment	(584)	(584)	(2,626)	(2,626)
Reversal of impairment losses	584	334	2,626	2,078
Other reconciliation effects	5	(1)	0	0
Carrying amount as of December 31	1,001	709	5,697	5,662

^a Consolidated subgroup.

millions of €

	Lumos ^a		Metronet ^a	
	2025	2024	2025	2024
Net assets as of date of inclusion in the consolidated financial statements using the equity method ^b	1,714	n.a.	5,182	n.a.
Profit (loss)	(76)	n.a.	(204)	n.a.
Other comprehensive income	(1)	n.a.	0	n.a.
Exchange rate effects	(90)	n.a.	(32)	n.a.
Net assets as of December 31	1,547	n.a.	4,946	n.a.
Share of net assets attributable to Deutsche Telekom as of December 31	774	n.a.	2,473	n.a.
Other reconciliation effects	5	n.a.	80	n.a.
Carrying amount as of December 31	779	n.a.	2,553	n.a.

^a Consolidated subgroup.

^b The shareholding in Lumos has been included in Deutsche Telekom's consolidated financial statements using the equity method since April 1, 2025. The shareholding in Metronet has been included in Deutsche Telekom's consolidated financial statements using the equity method since July 24, 2025.

millions of €

	T-Mobile USA Tower LLC		T-Mobile West Tower LLC	
	2025	2024	2025	2024
Net assets as of January 1	192	166	251	218
Profit (loss)	15	15	17	19
Other comprehensive income	0	0	0	0
Dividends paid	0	0	0	0
Exchange rate effects	(23)	11	(29)	14
Net assets as of December 31	184	192	238	251
Share of net assets attributable to Deutsche Telekom as of December 31	184	192	238	251
Adjustment of carrying amount	0	0	0	0
Other reconciliation effects	0	0	0	0
Carrying amount as of December 31	184	192	238	251

millions of €

	DIV II ^a	
	2025	2024
Net assets as of January 1	803	714
Profit (loss) ^a	114	50
Other comprehensive income	0	0
Capital increase	90	39
Net assets as of December 31	1,007	803
Share of net assets attributable to Deutsche Telekom as of December 31	359	286
Other reconciliation effects	45	51
Carrying amount as of December 31	404	337

^a As financial data of DIV II as of December 31, 2025 was not yet available in its entirety to Deutsche Telekom at the date of preparation, the interim financial statements of DIV II as of September 30, 2025 were used as a basis for the summarized financial information and for the reconciliation statement to the carrying amount reported in Deutsche Telekom's consolidated statement of financial position. In addition, profit/loss after income taxes also includes profit/loss after income taxes of the prior-year fourth quarter on a pro rata basis. Similarly, the comparatives as of December 31, 2024 are summarized financial information determined on the basis of the company's annual financial statements as of September 30, 2024 and the reconciliation statement.

In the 2025 and 2024 financial years, the consolidated financial statements did not include any unrecognized losses in connection with investments accounted for using the equity method.

Summarized aggregate financial information on non-significant entities accounted for using the equity method

The figures relate to the interests attributable to Deutsche Telekom.

millions of €

	Joint ventures		Associates	
	Dec. 31, 2025/ 2025	Dec. 31, 2024/ 2024	Dec. 31, 2025/ 2025	Dec. 31, 2024/ 2024
Total carrying amounts	142	110	88	82
Total share in profit (loss)	29	10	29	75
Other comprehensive income	0	0	0	0
Total comprehensive income	29	10	29	75

11 Other financial assets

millions of €

	Dec. 31, 2025		Dec. 31, 2024	
	Total	Of which: current	Total	Of which: current
Originated loans and receivables	5,906	4,478	5,170	4,194
Of which: collateral paid	1,689	1,614	1,533	1,458
Of which: other receivables – publicly funded projects	1,706	664	1,550	961
Debt instruments – measured at fair value through profit or loss	245	7	265	6
Derivative financial assets	1,399	21	1,585	131
Of which: derivatives with a hedging relationship	826	15	674	47
Of which: derivatives without a hedging relationship	573	6	911	83
Equity instruments – measured at fair value through profit or loss	7	3	3	0
Equity instruments – measured at fair value through other comprehensive income	794	0	549	0
Lease assets	205	75	171	87
	8,557	4,584	7,743	4,418

The carrying amount of current and non-current other financial assets increased by EUR 0.8 billion compared to December 31, 2024 to EUR 8.6 billion. Exchange rate effects, primarily from the translation of U.S. dollars into euros, decreased the carrying amount by a total of EUR 0.3 billion.

The net total of originated loans and receivables increased by EUR 0.7 billion to EUR 5.9 billion. The increase in the carrying amount resulted from higher receivables from collateral agreements as surety for credit risks in connection with forward payer swaps due to normal fluctuations in fair value (EUR 0.2 billion), higher receivables from grants still to be received from publicly funded projects in the Germany operating segment (EUR 0.2 billion), an increase in operating receivables at T-Mobile US (EUR 0.2 billion), primarily from the increase in receivables from terminal equipment manufacturers and primary insurers, receivables from GD tower companies in connection with dividends from shareholders' equity (EUR 0.2 billion), and effects of changes in the composition of the Group (EUR 0.2 billion), primarily from the UScellular Acquisition. Exchange rate effects reduced the carrying amount by EUR 0.2 billion.

At the reporting date, cash and cash equivalents of EUR 69 million when translated into euros (December 31, 2024: EUR 70 million) were pledged as collateral for liabilities with the right of creditors to priority repayment in the event of default.

The carrying amount of derivatives without a hedging relationship decreased by EUR 0.3 billion, in particular in connection with the measurement of cross-currency swaps, due to a fall in the USD/EUR exchange rate. By contrast, the carrying amount of derivatives with a hedging relationship increased by EUR 0.2 billion.

Increases in fair value resulted in an increase in the carrying amounts of equity instruments by EUR 0.2 billion.

For further information on allowances, derivatives, cash collateral, and the credit ratings of originated loans and receivables, please refer to Note 43 "[Financial instruments and risk management](#)."

12 Other assets

The carrying amount of current and non-current other assets increased by EUR 0.4 billion to EUR 4.2 billion. As of December 31, 2025, this item included various advance payments, totaling EUR 3.5 billion (December 31, 2024: EUR 3.3 billion), mainly including advance payments in connection with agreements on services for certain mobile communications equipment that do not fall under the scope of IFRS 16. Non-current other assets also included a defined benefit asset of EUR 0.2 billion as of December 31, 2025 (December 31, 2024: EUR 0.1 billion). Effects of changes in the composition of the Group, mainly resulting from the UScellular Acquisition in the United States, increased the carrying amount by EUR 0.1 billion. Exchange rate effects, in particular from the translation of U.S. dollars into euros, reduced the carrying amount by EUR 0.3 billion.

13 Financial liabilities and lease liabilities

The following table shows the composition and maturity structure of **financial liabilities** and **lease liabilities** as of December 31, 2025:

millions of €

	Dec. 31, 2025				Dec. 31, 2024			
	Total	Due within 1 year	Due > 1 year ≤ 5 years	Due > 5 years	Total	Due within 1 year	Due > 1 year ≤ 5 years	Due > 5 years
Bonds and other securitized liabilities	91,980	4,925	33,327	53,727	94,678	4,203	32,405	58,070
Asset-backed securities collateralized by trade receivables	1,698	506	1,192	0	1,506	548	958	0
Liabilities to banks	4,414	962	1,894	1,558	2,284	172	1,935	177
	98,092	6,393	36,413	55,285	98,468	4,923	35,298	58,247
Liabilities with the right of creditors to priority repayment in the event of default	719	313	406	0	1,311	480	831	0
Other interest-bearing liabilities	5,987	1,648	2,330	2,009	6,430	1,186	2,643	2,601
Liabilities from deferred interest	1,197	1,197	0	0	1,158	1,158	0	0
Other non-interest-bearing liabilities	1,875	1,732	80	63	2,138	1,970	113	55
Derivative financial liabilities	2,469	45	504	1,920	2,687	135	460	2,092
	12,247	4,935	3,320	3,992	13,723	4,929	4,046	4,748
Financial liabilities	110,339	11,328	39,733	59,277	112,191	9,852	39,344	62,995
Lease liabilities	36,384	5,744	18,043	12,596	40,248	5,674	18,036	16,538

The carrying amount of current and non-current financial liabilities decreased by EUR 1.9 billion compared with year-end 2024 to EUR 110.3 billion, primarily due to the factors described below. This also includes exchange rate effects that reduced the carrying amount by EUR 10.4 billion, primarily from the translation of U.S. dollars into euros.

The carrying amount of bonds and other securitized liabilities decreased by EUR 2.7 billion to EUR 92.0 billion. Exchange rate effects decreased the carrying amount of bonds and other securitized liabilities by EUR 9.2 billion. In addition, the carrying amount was reduced by scheduled repayments of USD bonds of T-Mobile US of USD 3.0 billion (EUR 2.7 billion) and of EUR bonds of Deutsche Telekom International Finance B.V. of EUR 1.1 billion and a GBP bond of Deutsche Telekom International Finance B.V. of GBP 0.2 billion (EUR 0.2 billion), as well as by the early repayment of USD bonds of USD 2.0 billion (EUR 1.7 billion) by T-Mobile US. The carrying amount was increased by USD bonds issued by T-Mobile US in the reporting period with a volume of USD 6.3 billion (EUR 5.6 billion), with terms ending between 2032 and 2056 and bearing interest of between 4.63 % and 5.88 %, and by EUR bonds with a volume of EUR 2.8 billion with terms ending between 2032 and 2045 and bearing interest of between 3.15 % and 3.80 %. It was also increased by obligations to exchange USD bonds in the amount of USD 1.7 billion (EUR 1.4 billion), assumed under the UScellular Acquisition, for which T-Mobile US then issued USD bonds with a total value of USD 1.7 billion (EUR 1.4 billion) with terms ending between 2033 and 2070 and bearing interest of between 5.50 % and 6.70 %. The carrying amount was also increased by the issue of EUR bonds of EUR 2.3 billion by Deutsche Telekom AG, with terms ending between 2029 and 2045 and bearing interest of 2.63 % to 3.63 % and of a NOK bond by Deutsche Telekom AG of NOK 1.5 billion (EUR 0.1 billion) with a term ending in 2037 and bearing interest of 4.57 %.

The asset-backed securities collateralized by trade receivables of EUR 1.7 billion (December 31, 2024: EUR 1.5 billion) are bonds issued by T-Mobile US. Trade receivables were provided as collateral for these bonds, hence they constitute a separate class of financial instruments. Issues in the reporting period in the amount of EUR 0.9 billion when translated into euros increased the carrying amount. By contrast, repayments of EUR 0.5 billion when translated into euros had a decreasing effect on the carrying amount. Exchange rate effects also decreased the carrying amount by EUR 0.2 billion. As of the reporting date, trade receivables with a carrying amount of EUR 2.2 billion when translated into euros (December 31, 2024: EUR 1.8 billion) were pledged as collateral for these bonds.

The carrying amount of liabilities to banks increased by EUR 2.1 billion compared with December 31, 2024 to EUR 4.4 billion, mainly due to T-Mobile US utilizing two credit lines backed by export credit agencies (ECA Facility) to finance network equipment-related purchases by T-Mobile US amounting to USD 1.9 billion (EUR 1.7 billion), as well as the raising by Deutsche Telekom AG of variable-interest promissory notes of EUR 0.6 billion with terms ending in 2032. By contrast, exchange rate effects decreased the carrying amount by EUR 0.1 billion.

The liabilities with the right of creditors to priority repayment in the event of default of EUR 0.7 billion (December 31, 2024: EUR 1.3 billion) relate primarily to bonds issued by Sprint. Collateral was provided for these bonds, hence they constitute a separate class of financial instruments. The main factor reducing the carrying amount was repayments made in the reporting period in the amount of EUR 0.5 billion when translated into euros. At the reporting date, cash and cash equivalents with a carrying amount of EUR 69 million (December 31, 2024: EUR 70 million) when translated into euros were pledged as collateral for these bonds. Exchange rate effects decreased the carrying amount of liabilities with the right of creditors to priority repayment in the event of default by EUR 0.1 billion.

The carrying amount of other interest-bearing liabilities decreased by EUR 0.4 billion compared with December 31, 2024 to EUR 6.0 billion. Exchange rate effects decreased the carrying amount of other interest-bearing liabilities by EUR 0.4 billion. In addition, the carrying amount in the Germany operating segment was reduced by scheduled repayments of loans for the acquisition of 5G licenses (EUR 0.2 billion), liabilities for media broadcasting rights (EUR 0.3 billion), and in the United States operating segment by the repayment of liabilities for the use of assets (EUR 0.2 billion). By contrast, the carrying amount was increased in connection with liabilities incurred for the acquisition of spectrum in the Germany operating segment for the extension of the allocation of licenses by the Bundesnetzagentur (EUR 0.2 billion) and in the Europe operating segment for the acquisition of mobile spectrum in Slovakia and Poland (EUR 0.2 billion), as well as by liabilities incurred for the acquisition of broadcasting rights in the Germany operating segment (EUR 0.2 billion). In connection with cash collateral received for derivative financial instruments – primarily forward-payer swaps – the carrying amount of other interest-bearing liabilities increased by EUR 0.1 billion.

The carrying amount of other non-interest-bearing liabilities decreased by EUR 0.3 billion to EUR 1.9 billion, due in part to exchange rate effects.

The carrying amount of derivative financial liabilities decreased by EUR 0.2 billion compared with December 31, 2024 to EUR 2.5 billion. The main reducing factors were measurement effects from derivatives in cash flow hedges.

For further information on derivative financial liabilities, please refer to Note 43 [“Financial instruments and risk management.”](#)

Deutsche Telekom has established ongoing liquidity management. To ensure the Group's and Deutsche Telekom AG's solvency and financial flexibility at all times, Deutsche Telekom maintains a liquidity reserve in the form of credit lines and cash. This liquidity reserve is to cover the capital market maturities of the next 24 months at any time. Since the business combination between T-Mobile US and Sprint, T-Mobile US has pursued its own separate financing and liquidity strategy.

At December 31, 2025, Deutsche Telekom (excluding T-Mobile US) had standardized bilateral credit agreements with 20 banks for a total of EUR 12.0 billion. None of these lines of credit had been utilized as of December 31, 2025. Pursuant to the credit agreements, the terms and conditions depend on Deutsche Telekom's rating. The bilateral credit agreements have an original maturity of 36 months and can, after each period of 12 months, be extended by a further 12 months to renew the maturity of 36 months. Furthermore, cash on hand of EUR 2.8 billion were available to Deutsche Telekom.

Bilateral credit lines with an aggregate total volume of USD 7.5 billion (EUR 6.4 billion) and a cash balance of USD 5.6 billion (EUR 4.8 billion) were available to T-Mobile US as of December 31, 2025. None of these credit lines had been utilized as of December 31, 2025.

The carrying amount of current and non-current **lease liabilities** decreased by EUR 3.9 billion to EUR 36.4 billion compared with December 31, 2024. Exchange rate effects, in particular from the translation of U.S. dollars into euros, reduced the carrying amount by EUR 3.7 billion. In addition, lease liabilities decreased by EUR 0.8 billion in the United States operating segment, mainly due to a lower number of new contracts following the decommissioning of the former Sprint's wireless network and other synergies from the Sprint Merger. Lease liabilities in the Germany operating segment and in the Group Headquarters & Group Services segment decreased by a total of EUR 0.3 billion. By contrast, effects of changes in the composition of the Group, mainly resulting from the UScellular Acquisition, increased the carrying amount by EUR 1.1 billion. Lease liabilities totaling EUR 0.9 billion were recognized in connection with a master license agreement concluded by T-Mobile US for the lease of new space on UScellular towers and the extension of lease terms for space already being leased on UScellular towers. Of this, lease liabilities of EUR 0.7 billion for the cell towers that were not already being leased by T-Mobile US before the date of the UScellular Acquisition were reported as additions from changes in the composition of the Group.

For further information on lessee relationships, please refer to Note 8 "[Right of use assets – lessee relationships.](#)"

In the reporting year and in the previous year, there were no significant expenses for variable lease payments that were not included in the measurement of lease liabilities.

As of December 31, 2025, as in the prior year, there were no significant future payment obligations for leases that have not yet begun and which are not taken into account in the measurement of lease liabilities.

The following tables show the contractually agreed (undiscounted) cumulative interest payments and repayments of the non-derivative financial liabilities, the lease liabilities, and the derivatives with positive and negative fair values:

millions of €

	Carrying amount Dec. 31, 2025	Cash flows in				
		2026	2027	2028–2030	2031–2035	2036 and thereafter
Non-derivative financial liabilities						
Bonds, other securitized liabilities, liabilities to banks, and similar liabilities	(98,092)	(9,140)	(11,724)	(37,983)	(35,886)	(47,966)
Liabilities with the right of creditors to priority repayment in the event of default	(719)	(342)	(327)	(79)	0	0
Other interest-bearing liabilities	(5,987)	(2,108)	(928)	(2,185)	(2,674)	(126)
Liabilities from deferred interest	(1,197)	(1,195)	0	0	0	0
Other non-interest-bearing liabilities	(1,875)	(1,753)	(66)	(10)	(3)	0
Lease liabilities	(36,384)	(7,340)	(6,719)	(15,361)	(13,517)	(350)
Derivative financial liabilities and assets						
Derivative financial liabilities						
Currency derivatives without a hedging relationship	(9)	(9)	0	0	0	0
Currency derivatives in connection with cash flow hedges	(15)	(15)	0	0	0	0
Embedded derivatives without a hedging relationship	(20)	3	10	4	0	0
Other derivatives in connection with cash flow hedges	(99)	(1)	(3)	(4)	(9)	(9)
Other derivatives without a hedging relationship	(78)	0	0	0	(95)	
Interest rate derivatives without a hedging relationship	(264)	9	14	26	14	173
Interest rate derivatives in connection with fair value hedges	(1,751)	(143)	(139)	(329)	(327)	(580)
Interest rate derivatives in connection with cash flow hedges	(233)	(76)	(72)	(187)	(132)	(98)
Derivative financial assets ^a						
Currency derivatives without a hedging relationship	6	5	0	0	0	0
Currency derivatives in connection with cash flow hedges	15	15	0	0	0	0
Embedded derivatives without a hedging relationship	184	28	33	96	104	
Other derivatives in connection with cash flow hedges	14	0	1	3	13	6
Other derivatives without a hedging relationship	0	0	0	0	0	0
Interest rate derivatives without a hedging relationship	94	24	24	78	139	307
Interest rate derivatives in connection with fair value hedges	31	(6)	(6)	(19)	36	0
Interest rate derivatives in connection with cash flow hedges	766	(17)	(30)	29	(13)	76
Financial guarantees and loan commitments	(760)	(760)	0	0	0	0

^a This does not include payments that Deutsche Telekom would have to make or would receive in the event of exercising options to buy or sell company shares. It is unclear whether, when, and to what extent such options will be exercised.

For information on the guarantees to Glasfaser NordWest, please refer to Note 45 "[Related party disclosures.](#)"

millions of €

	Carrying amount Dec. 31, 2024	Cash flows in				
		2025	2026	2027–2029	2030–2034	2035 and thereafter
Non-derivative financial liabilities						
Bonds, other securitized liabilities, liabilities to banks, and similar liabilities	(98,468)	(7,681)	(11,745)	(36,918)	(40,062)	(44,504)
Liabilities with the right of creditors to priority repayment in the event of default	(1,311)	(534)	(388)	(459)	0	0
Other interest-bearing liabilities	(6,430)	(1,884)	(1,596)	(2,336)	(3,468)	(127)
Liabilities from deferred interest	(1,158)	(1,155)	0	0	0	0
Other non-interest-bearing liabilities	(2,138)	(2,048)	(93)	(14)	(5)	(1)
Lease liabilities	(40,248)	(7,421)	(6,838)	(15,933)	(17,877)	(356)
Derivative financial liabilities and assets						
Derivative financial liabilities						
Currency derivatives without a hedging relationship	(31)	(37)	0	0	0	0
Currency derivatives in connection with cash flow hedges	(14)	(15)	0	0	0	0
Currency derivatives in connection with net investment hedges	(13)	(17)	0	0	0	0
Embedded derivatives without a hedging relationship	(21)	(2)	(1)	1	0	0
Other derivatives in connection with cash flow hedges	(94)	1	0	4	(2)	(9)
Other derivatives without a hedging relationship	(76)	0	0	0	(95)	0
Interest rate derivatives without a hedging relationship	(191)	(93)	(29)	(39)	(85)	0
Interest rate derivatives in connection with fair value hedges	(1,672)	(357)	(316)	(634)	(710)	(1,156)
Interest rate derivatives in connection with cash flow hedges	(574)	(8)	(8)	(95)	(76)	(51)
Derivative financial assets ^a						
Currency derivatives without a hedging relationship	13	13	0	0	0	0
Currency derivatives in connection with cash flow hedges	20	21	0	0	0	0
Embedded derivatives without a hedging relationship	189	50	36	123	150	19
Other derivatives in connection with cash flow hedges	17	0	0	0	0	0
Other derivatives without a hedging relationship	1	0	0	0	0	0
Interest rate derivatives without a hedging relationship	504	139	69	241	286	866
Interest rate derivatives in connection with fair value hedges	65	0	(9)	(26)	114	0
Interest rate derivatives in connection with cash flow hedges	572	143	101	246	541	247
Financial guarantees and loan commitments	(760)	(760)	0	0	0	0

^a This does not include payments that Deutsche Telekom would have to make or would receive in the event of exercising options to buy or sell company shares. It is unclear whether, when, and to what extent such options will be exercised.

All instruments held at December 31, 2025 and for which payments were already contractually agreed were included. Planning data for future, new liabilities were not included. Amounts in foreign currency were each translated at the closing rate at the reporting date. The variable interest payments arising from the financial instruments were calculated using the last interest rates fixed before December 31, 2025. Financial liabilities that can be repaid at any time are always assigned to the earliest possible time period.

14 Trade and other payables

millions of €

	Dec. 31, 2025	Dec. 31, 2024
Trade payables	9,497	9,364
Other liabilities	84	125
	9,581	9,489

The carrying amount of trade and other payables increased by EUR 0.1 billion to EUR 9.6 billion. In the United States operating segment, liabilities increased due to higher liabilities to terminal equipment manufacturers, mainly on account of larger procurement volumes, and to effects of changes in the composition of the Group from the acquisitions of UScellular and Vistar Media. By contrast, exchange rate effects, in particular from the translation from U.S. dollars into euros, decreased the carrying amount. A lower procurement volume in the Germany operating segment likewise reduced the carrying amount.

Of the total of trade and other payables, EUR 9.5 billion (December 31, 2024: EUR 9.4 billion) is due within one year.

15 Provisions for pensions and other employee benefits

Defined benefit plans

The Group's pension obligations are based on direct and indirect pension commitments mainly in Germany, the United States, and Switzerland. Deutsche Telekom's provisions for pensions are comprised as follows:

millions of €	Dec. 31, 2025	Dec. 31, 2024
Defined benefit liability	1,883	3,209
Defined benefit asset	(212)	(59)
Net defined benefit liability (asset)	1,671	3,151
Of which: provisions for direct commitments	1,647	3,006
Of which: provisions for indirect commitments	24	145

Defined benefit liabilities are disclosed under non-current liabilities in the consolidated statement of financial position. The defined benefit asset is recognized under other non-current assets in the consolidated statement of financial position.

The net defined benefit liability (asset) decreased year-on-year from EUR 3.2 billion to EUR 1.7 billion, mainly due to the increase in the fair values of plan assets and the increase in the discount rate compared with December 31, 2024. Overall, the remeasurement resulted in an actuarial gain of EUR 1.1 billion to be recognized directly in equity. Benefits paid directly by the employer in the reporting period and employer contributions to plan assets also contributed to the reduction in the carrying amount.

Calculation of net defined benefit liabilities/assets

millions of €	Dec. 31, 2025	Dec. 31, 2024
Present value of the obligations fully or partially funded by plan assets	9,325	9,902
Plan assets at fair value	(8,057)	(7,162)
Defined benefit obligations in excess of plan assets	1,268	2,740
Present value of the unfunded obligations	346	367
Defined benefit liability (asset) according to IAS 19.63	1,614	3,107
Effect of asset ceiling (according to IAS 19.64)	57	44
Net defined benefit liability (asset)	1,671	3,151

millions of €	2025	2024
Net defined benefit liability (asset) as of January 1	3,151	4,014
Service cost	184	200
Net interest expense (income) on the net defined benefit liability (asset)	107	141
Remeasurement effects	(1,118)	(834)
Pension benefits paid directly by the employer	(341)	(327)
Employer contributions to plan assets ^a	(284)	(58)
Changes attributable to business combinations/transfers of operation/acquisitions and disposals	0	0
Reclassifications to liabilities directly associated with non-current assets and disposal groups held for sale	0	0
Administration costs actually incurred (paid from plan assets)	0	0
Exchange rate fluctuations for plans in foreign currency	(28)	16
Net defined benefit liability (asset) as of December 31	1,671	3,151

^a The increase in employer contributions to plan assets in the 2025 financial year was mainly due to employer contributions of EUR 217 million to plan assets made in a number of German entities.

Assumptions for the measurement of defined benefit obligations

Key assumptions for the measurement of the defined benefit obligations are the discount rate, the salary increase rate, the pension increase rate, and life expectancy. The following table shows the assumptions for the Group's relevant defined benefit obligations (Germany, United States, and Switzerland) on which the measurement as of December 31 of the respective year is based. The assumptions made as of December 31 of the respective prior year are used to measure the expected pension expense (defined benefit cost) of a given financial year.

%

		Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2023
Discount rate	Germany	4.05	3.43	3.49
	United States	5.60	5.72	5.20
	Switzerland	1.30	1.03	1.43
Salary increase rate	Germany	2.50	2.50	2.50
	United States ^a	n.a.	n.a.	n.a.
	Switzerland	1.30	1.30	1.40
Pension increase rate	Germany (general)	2.20	2.20	2.20
	Germany (according to articles of association)	1.00	1.00	1.00
	United States	n.a.	n.a.	n.a.
	Switzerland	0.10	0.10	0.10

^a The salary increase rate in the United States has no impact on the amount of the pension obligations, since all commitments are frozen.

years

		Dec. 31, 2025	Dec. 31, 2024
Duration	Germany	9.8	10.6
	United States	11.4	11.6
	Switzerland	13.5	13.9

The following biometric assumptions were essential for the measurement of pension obligations:

Germany: Heubeck 2018G, Switzerland: BVG 2020 generational actuarial tables, United States: Pri-2012 tables.

The aforementioned discount rates were used as of December 31, 2025 when calculating the present value of defined benefit obligations, taking into account future salary increases. The rates were determined in line with the average weighted duration of the respective obligation.

The discount rate is determined based on the yields of high-quality corporate bonds with AA rating, mapped in a yield curve showing the corresponding spot rates. The underlying method is routinely reviewed and refined as required (e.g., further development of the bond markets, automation of the availability of corresponding data in terms of quantity and quality). As part of the continuous review of the process for determining the discount rates, the recognition of bonds with relatively high or low yields was optimized in 2024, and the bond universe was extended. As a result, the discount rate to be applied as of December 31, 2024 increased by 2 basis points (eurozone), or decreased by 18 basis points (United Kingdom), and the present value of the defined benefit obligations recognized as of December 31, 2024 declined by a total of EUR 18 million.

Development of defined benefit obligations

millions of €

	2025	2024
Defined benefit obligations as of January 1	10,269	10,869
Current service cost	162	159
Interest cost	358	396
Remeasurement effects	(497)	(49)
Of which: experience-based adjustments	8	30
Of which: adjusted financial assumptions	(502)	(26)
Of which: adjusted demographic assumptions	(3)	(53)
Total benefits actually paid ^a	(543)	(1,242)
Contributions by plan participants	4	4
Changes attributable to business combinations/transfers of operation/acquisitions and disposals	0	0
Past service cost (due to plan amendments/curtailments)	(6)	5
Settlements	28	36
Reclassifications to liabilities directly associated with non-current assets and disposal groups held for sale	0	0
Taxes to be paid as part of pensions	0	0
Exchange rate fluctuations for plans in foreign currency	(104)	92
Defined benefit obligations as of December 31	9,671	10,269
Of which: active plan participants	3,956	4,188
Of which: plan participants with vested pension rights who left the Group	2,089	2,226
Of which: benefit recipients	3,626	3,855

^a The benefits actually paid in 2024 include EUR 546 million from a plan settlement at T-Mobile US by which part of the defined benefit obligations to pensioners were transferred to an insurer.

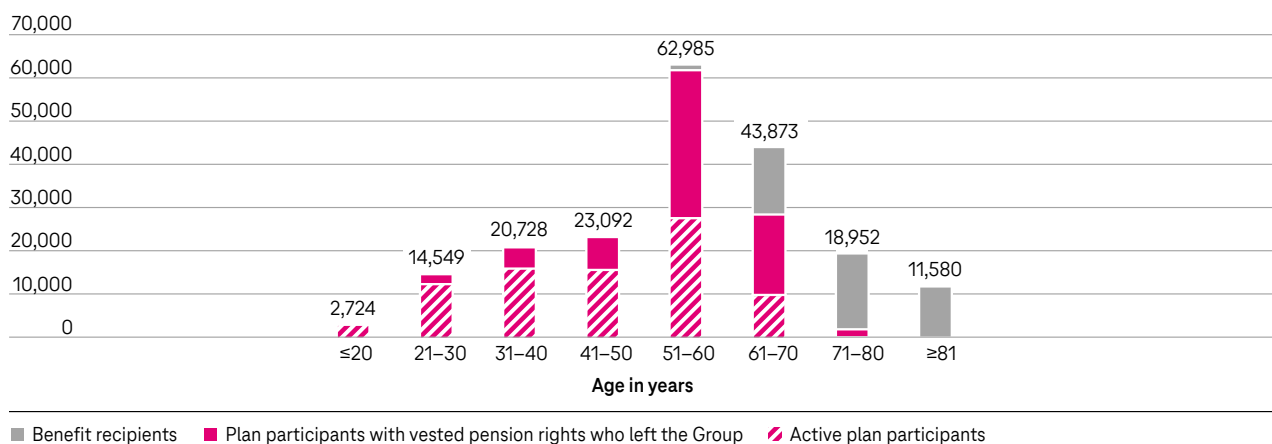
Distribution of obligations relating to Deutsche Telekom's most significant plans

millions of €

	Dec. 31, 2025				Dec. 31, 2024			
	Germany	United States	Switzerland	Other plans	Germany	United States	Switzerland	Other plans
Defined benefit obligations	8,343	773	227	328	8,820	861	240	348
Plan assets at fair value	(6,987)	(623)	(285)	(162)	(6,111)	(602)	(284)	(165)
Effect of asset ceiling	0	0	57	0	0	0	44	0
Net defined benefit liability (asset)	1,356	150	0	165	2,709	259	0	183

The following comments on the age structure and sensitivity analysis, as well as on descriptions of plans and the risks associated with them, relate to the relevant pension obligations (Germany, United States, and Switzerland).

Age structure of plan participants in the most significant pension plans



Sensitivity analysis for the defined benefit obligations

The following sensitivity analysis describes the effects of possible adjustments in the material actuarial assumptions for measurement on the defined benefit obligations determined as of December 31, 2025.

millions of €

	Increase (decrease) of the defined benefit obligations as of Dec. 31, 2025			Increase (decrease) of the defined benefit obligations as of Dec. 31, 2024		
	Germany	United States	Switzerland	Germany	United States	Switzerland
Increase of discount rate by 100 basis points	(705)	(75)	(20)	(811)	(86)	(22)
Decrease of discount rate by 100 basis points	841	90	28	975	103	30
Increase of salary increase rate by 50 basis points	(1)	0	1	0	0	1
Decrease of salary increase rate by 50 basis points	1	0	(1)	0	0	(1)
Increase of pension increase rate by 25 basis points	3	0	5	4	0	5
Decrease of pension increase rate by 25 basis points	(3)	0	(2)	(4)	0	(2)
Life expectancy increase by 1 year	161	19	6	184	21	6
Life expectancy decrease by 1 year	(164)	(19)	(6)	(187)	(21)	(6)

The sensitivity analysis was carried out separately for the discount rate, the salary increase rate, and the pension increase rate. For this purpose, further actuarial evaluations were made for both the increase and for the decrease of the assumptions. It can be assumed that the life expectancy of the plan members will not change significantly within a year. Nevertheless, the effect of a change in life expectancy on the obligations was additionally determined from a risk perspective. Evaluations were carried out based on the assumption that the life expectancy of the plan members aged 65 would increase or decrease by one year. The life expectancy of the remaining plan members was adjusted accordingly.

Global Pension Policy and description of the plans

Deutsche Telekom manages its pension commitments based on the Group-wide Global Pension Policy. It ensures on a worldwide basis that Group minimum standards regarding the granting and management of company pension benefits are complied with, plans are harmonized, and financial and other risks to the core business are avoided or reduced. In addition, the policy provides guidelines for the implementation and management of pension commitments and defines requirements for the launch, adjustment, and closure of corresponding plans. The regulations and provisions laid down in this Group policy take into account the national differences in state pension and other commitments under labor, tax, and social law and the common business practices in the area of pension commitments.

Defined benefit plans based on final salaries in the Group have largely been replaced by plans with contribution-based promises to minimize the risks involved. In addition, a corporate CTA (Deutsche Telekom Trust e.V.) is used in Germany for additional funding of pension obligations. A CTA (contractual trust agreement) is a legally structured trust agreement to cover unfunded pension commitments with plan assets, and to provide greater protection against insolvency for these assets.

In **Germany** there are commitments for pension and disability benefits for a majority of employees as well as pension benefits for their surviving dependents. As part of a reorganization of the company pension plan, a capital account plan was introduced across Germany in 1997 for active employees. Furthermore, in subsequent years, commitments acquired through company acquisitions were also transferred to the capital account plan scheme. The capital account plan is an employer-financed, contribution-based benefit promise. The salary-linked contributions granted annually earn interest in advance for each year of provision up to age 60, calculated using age-based factors, converting the contribution into a guaranteed insured amount. The advance interest rate currently stands at 3.50 % p. a. (target interest rate for the capital account plan).

The period for providing these contributions to the capital accounts plan is initially limited to ten future contribution years. The contribution period will be extended automatically every year by a further year, unless terminated. The insured amounts accumulated over the period of active service are paid out if an insured event arises, mostly in the form of a lump sum. When measuring the pension provision, we also take into account the payout options that have been exercised. Based on the payment guidelines and the structure of the capital account plan, the employer can plan for this, and there is only a small risk inherent in the plan with regard to the volatility of remuneration dynamics.

The risk benefits granted by Deutsche Telekom (death in the active phase and/or disability) under the company pension scheme were most recently significantly restructured in 2020 and 2021. Grandfather clauses have been included for employees who have worked for the company for longer periods and part-time employees. As a result of the restructuring, benefits granted and paid are directly recognized as expenses in the payout year.

In addition, in Germany there are various closed legacy commitments, which generally provide for old-age and disability benefits as well as benefits for surviving dependents in the form of life-long pensions. The commitments predominantly comprise the VAP parallel obligations. These relate to obligations that originally existed at the Deutsche Bundespost Institution for Supplementary Retirement Pensions for Salaried Employees and Wage Earners (Versorgungsanstalt der Deutschen Bundespost – VAP), which were allocated to Deutsche Telekom in the course of the privatization and the associated departure from the VAP as per segmentation agreement, and for which Deutsche Telekom has declared a direct pension commitment under the parallel obligation. For those employees active when the Company was privatized, the withdrawal from the VAP pension scheme was additionally compensated by a number of grandfather clauses.

To the extent that defined benefit plans in Germany grant annuities, the future adjustment in this case, except for insignificant exceptions, is bindingly defined in the existing benefit regulations. A change in the assumptions for the general pension trend in Germany therefore only has an immaterial impact on the defined benefit obligations.

As a change in life expectancy mainly impacts on the obligations from legacy pension commitments and, since 1997, commitments have been granted in the capital accounts plan that generally provide for a lump-sum payment as standard, no significant change in the risk resulting from the change in life expectancy is expected for the Group over subsequent years.

To cover pension obligations over the long term, Deutsche Telekom has transferred funds to a corporate CTA and a corporate pension fund.

The most significant pension plans in the **United States** comprise a medical plan, life insurance, and two pension commitments. The commitments have been entirely frozen and replaced by contribution plans (401(k) plans) within the meaning of IAS 19 for future vested rights.

The pension commitments in the United States mainly relate to two defined benefit plans: the Sprint Retirement Pension Plan (SRPP) and the Supplemental Executive Retirement Plan (SERP). The benefit amount under the SRPP is calculated primarily on the basis of 1.5 % of the beneficiary's total salary up to December 31, 2005. Furthermore, the additional SERP was set up for contributions above the tax exemption limits for the relevant eligible persons. Both plans have been frozen since December 31, 2005, such that plan participants have not been able to earn any more vested rights since that date.

The SRPP is financed through a pension fund within the framework of U.S. regulations. The level of financing of the SRPP is regularly reviewed, with the company paying additional contributions into the pension fund on top of the minimum contributions if necessary, depending on the financing status.

Under the medical plan, the company grants allowances to pensioners for medical care costs.

Under the life insurance policies, the company pays a benefit in the event of the death of a pensioner (basic coverage for pensioners prior to 2004) of 50 % of the final allowable income drawn (taking into account a cap for the maximum amount payable).

Under the company pension system in **Switzerland**, a defined benefit plan is in place that is financed by employer and employee contributions. This plan is granted by the legally independent T-Systems pension fund. As is often the case in Switzerland, the companies grant higher benefits than legally required. The Swiss Federal Law on Occupational Retirement, Surviving Dependents' and Disability Pension (Bundesgesetz über die berufliche Alters-, Hinterlassenen- und Invalidenvorsorge – BVG) sets out minimum requirements for the pay to be insured, the age-based contributions, and a minimum annuity factor for the obligatory portion of the accrued retirement assets to be annuitized. In addition, the Swiss Federal Council defines a minimum interest rate for the obligatory retirement assets (2026: 1.25 %; 2025: 1.25 %).

The foundation board (Stiftungsrat) presides over the Swiss pension fund. It ensures the day-to-day running of the pension fund and decides on fundamental aspects, such as the amount and the structure of the pension benefits and the asset investment strategy. The foundation board is equally composed of employer and employees' representatives.

Due to the minimum yield for the obligatory retirement assets, a risk exists for the plans in Switzerland that additional resources would have to be allocated to the pension fund if it were to be underfinanced. The pension fund offers the plan members the option to choose a life-long pension instead of a one-time payment. This option gives rise to longevity and investment risks, since at the time of retirement, assumptions must be made regarding life expectancy and return on assets. Since January 1, 2018, T-Systems Schweiz has decided to apply the risk-sharing method when measuring its pension obligations. The measurement of obligations was changed such that employee participation in funding a possible deficit can be taken into account when measuring the employer's obligation. The general option for employee participation in funding a deficit is covered by Art. 29 of the pension regulations.

Development of plan assets at fair value

millions of €

	2025	2024
Plan assets at fair value as of January 1	7,162	6,907
Changes attributable to business combinations/transfers of operation/acquisitions and disposals	0	0
Interest income on plan assets (calculated using the discount rate)	251	255
Amount by which the actual return exceeds (falls short of) the interest income on plan assets (remeasurement)	634	776
Employer contributions to plan assets ^a	284	58
Contributions by plan participants	4	4
Benefits actually paid from plan assets ^b	(202)	(915)
Settlements	0	0
Administration costs	0	0
Tax payments	0	0
Exchange rate fluctuations for plans in foreign currency	(75)	75
Plan assets at fair value as of December 31	8,057	7,162

^a The increase in employer contributions to plan assets in the 2025 financial year was mainly due to employer contributions of EUR 217 million to plan assets made in a number of German entities.

^b The benefits actually paid from plan assets in 2024 include EUR 546 million from a plan settlement at T-Mobile US by which part of the defined benefit obligations to pensioners were transferred to an insurer.

Breakdown of plan assets at fair value by investment category

millions of €

	Dec. 31, 2025	Of which: price in an active market	Of which: price without an active market	Dec. 31, 2024	Of which: price in an active market	Of which: price without an active market
Equity securities	5,361	5,361	0	4,856	4,856	0
Of which: shares in BT	2,523	2,523	0	2,077	2,077	0
Debt securities	2,260	2,260	0	1,779	1,779	0
Real estate	83	31	52	123	73	51
Derivatives	0	0	0	0	0	0
Investment funds	21	21	0	43	43	0
Asset-backed securities	0	0	0	0	0	0
Structured debt instruments	0	0	0	0	0	0
Cash and cash equivalents	95	95	0	102	102	0
Other	238	209	29	259	227	32
Plan assets at fair value	8,057	7,976	81	7,162	7,079	82

The investment policy and risk management are set in line with the risk and development characteristics of the pension obligations. On the basis of a systematic, integrated asset/liability management analysis, potential results from different investment portfolios, which can cover a large number of asset classes, are compared with the stochastically simulated development of the pension obligations, thereby explicitly considering the relative development of plan assets against the pension obligations. The investment strategy is mainly characterized by the objective of satisfying obligations from granted pension commitments on time by systematically setting up and professionally managing a suitable portfolio for the plan assets. It essentially aims to establish a widely diversified investment portfolio that generates a risk profile appropriate to the overall objective, by means of corresponding risk factors and diversification. The management of investments is subject to continuous monitoring to ensure active risk management. Cost-efficient investment management is effected by means of professional portfolio management involving external service providers.

At the reporting date, the plan assets at fair value included shares amounting to EUR 6 million (December 31, 2024: EUR 7 million) and bonds amounting to EUR 12 million (December 31, 2024: EUR 6 million) issued by Deutsche Telekom AG and its subsidiaries.

Development of the effect of the asset ceiling

millions of €

	2025	2024
Effect of asset ceiling as of January 1	44	52
Interest expense on asset ceiling (recognized in the income statement)	0	1
Changes in asset ceiling ((gains) losses recognized in equity)	12	(9)
Currency gain (loss)	1	0
Effect of asset ceiling as of December 31	57	44

Breakdown of defined benefit costs in the income statement ^a

millions of €

	Disclosure in income statement	2025	2024	2023
Current service cost	Personnel costs	162	159	146
Past service cost (due to plan amendments/curtailments)	Personnel costs	(6)	5	(3)
Settlements	Personnel costs	28	36	34
Service cost		184	200	177
Interest cost	Other financial income (expense)	358	396	433
Interest income on plan assets (calculated using the discount rate)	Other financial income (expense)	(251)	(255)	(269)
Interest expense on the effect of the asset ceiling	Other financial income (expense)	0	1	1
Net interest expense (income) on net defined benefit liability (asset)		107	141	166
Defined benefit cost		292	341	343
Administration costs actually incurred (paid from plan assets)	Personnel costs	0	0	0
Total amounts recognized in profit or loss		292	341	343

^a The GD tower companies, which operated the cell tower business in Germany and Austria and were assigned to the Group Development operating segment, were recognized as a discontinued operation in the consolidated financial statements from the third quarter of 2022 until their sale on February 1, 2023.

Amounts recognized in the consolidated statement of comprehensive income

millions of €

	2025	2024	2023
Remeasurement ((gain) loss recognized in other comprehensive income in the financial year)	(1,118)	(834)	(18)
Of which: remeasurement due to a change in defined benefit obligations	(497)	(49)	541
Of which: remeasurement due to a change in plan assets	(634)	(776)	(555)
Of which: remeasurement due to changes in the effect of asset ceiling (according to IAS 19.64)	12	(9)	(4)

Total benefit payments expected

millions of €

	2026	2027	2028	2029	2030
Benefits paid from pension provisions	265	582	557	592	627
Benefits paid from plan assets	173	66	67	71	72
Total benefits expected	438	648	625	663	699

Since 2018, benefit payments for direct pension commitments have also been funded using CTA assets. Furthermore, Deutsche Telekom reserves the right to claim reimbursement from CTA assets in the following year, as required, for payments made directly by the employer.

For 2026, Deutsche Telekom does not plan any allocations to plan assets at fair value in Germany. Deutsche Telekom is planning international allocations of EUR 36 million in 2026.

Defined contribution plans

The employer's contribution paid to the statutory pension scheme (Deutsche Rentenversicherung) in Germany in the 2025 financial year totaled EUR 0.5 billion (2024: EUR 0.5 billion; 2023: EUR 0.5 billion). Group-wide, EUR 188 million (2024: EUR 187 million; 2023: EUR 201 million) from current contributions for additional defined contribution plans was recognized in the consolidated income statement in 2025.

Civil-servant retirement arrangements at Deutsche Telekom

An expense of EUR 212 million was recognized in the 2025 financial year (2024: EUR 245 million, 2023: EUR 271 million) for the annual contribution to the Civil Service Pension Fund, which generally amounts to 33 % of the pensionable gross emoluments of active civil servants and the notional pensionable gross emoluments of civil servants on temporary leave from civil-servant status. The present value of future payment obligations was EUR 0.4 billion as of the reporting date (December 31, 2024: EUR 0.6 billion, December 31, 2023: EUR 0.8 billion) and is shown under other financial obligations.

For further information, please refer to Note 42 “Other financial obligations.”

16 Other provisions

millions of €

	Provisions for termination benefits	Other provisions for personnel costs	Provisions for restoration obligations	Provisions for litigation risks	Provisions for sales and procurement support	Miscellaneous other provisions	Total
At December 31, 2023	254	4,369	1,709	646	542	580	8,100
Of which: current	220	1,973	139	573	542	388	3,835
Transfer resulting from changes in accounting standards	0	0	0	0	0	0	0
Changes in the composition of the Group	0	72	0	0	4	1	76
Currency translation adjustments	6	64	72	14	12	7	174
Addition	81	2,530	474	48	476	224	3,832
Use	(277)	(2,022)	(584)	(415)	(499)	(175)	(3,973)
Reversal	(8)	(88)	(23)	(34)	(8)	(67)	(228)
Interest effect	0	4	55	0	0	1	59
Other changes	0	(174)	1	(2)	0	1	(174)
At December 31, 2024	56	4,753	1,704	257	527	571	7,868
Of which: current	56	2,212	154	188	527	401	3,537
Transfer resulting from changes in accounting standards	0	0	0	0	0	0	0
Changes in the composition of the Group	0	21	159	0	36	7	224
Currency translation adjustments	(5)	(98)	(142)	(4)	(18)	(14)	(282)
Addition	232	2,529	235	52	585	242	3,875
Use	(63)	(2,426)	(164)	(20)	(504)	(173)	(3,350)
Reversal	(6)	(137)	(68)	(35)	(3)	(49)	(298)
Interest effect	0	(89)	37	0	0	0	(52)
Other changes	29	(86)	(7)	(4)	0	1	(67)
At December 31, 2025	242	4,468	1,755	246	623	584	7,918
Of which: current	225	2,142	130	193	623	449	3,762

The carrying amount of current and non-current other provisions stood at EUR 7.9 billion as of December 31, 2025, unchanged against the prior-year level. This was primarily attributable to the factors described below.

Provisions for termination benefits and other provisions for personnel costs include, among other components, provisions for staff restructuring. These have developed as follows in the 2025 financial year:

millions of €							
	Jan. 1, 2025	Changes in the composition of the Group	Addition	Use	Reversal	Other changes	Dec. 31, 2025
Severance and voluntary redundancy models	56	0	232	(63)	(6)	23	242
Phased retirement	1,273	0	788	(748)	0	8	1,320
	1,329	0	1,020	(812)	(7)	32	1,562
Of which: current	419						622

Provisions for termination benefits increased by EUR 0.2 billion, primarily due to the 2025 Workforce Transformation. The program aims to optimize workflows by centralizing executives and teams, reducing organizational levels, and eliminating duplicate roles.

Other provisions for personnel costs decreased by EUR 0.3 billion, due in part to a decline in provisions for short- and long-term variable remuneration components. The carrying amount of the provision recognized for the Civil Service Health Insurance Fund (Postbeamtenkrankenkasse – PBeaKK) declined by EUR 0.1 billion, mainly due to an increase in the discount rate. Exchange rate effects, primarily from the translation of U.S. dollars into euros, also decreased the carrying amount by a further EUR 0.1 billion. Other provisions for personnel costs also include provisions for deferred compensation and allowances, as well as for anniversary gifts.

The provisions for restoration obligations increased by EUR 0.1 billion. Effects of changes in the composition of the Group resulting mainly from the UScellular Acquisition in the United States operating segment increased the carrying amount by EUR 0.2 billion. By contrast, exchange rate effects, primarily from the translation of U.S. dollars into euros, reduced the carrying amount by EUR 0.1 billion. Provisions for restoration obligations include the estimated costs for dismantling and removing assets, and restoring the sites on which they are located. The estimated costs are included in the costs of the relevant assets.

The provisions for litigation risks remained at the prior-year level. They primarily relate to possible settlements attributable to pending lawsuits.

Provisions for sales and procurement support increased by EUR 0.1 billion. These provisions are recognized for dealer commissions and market development funds (advertising subsidies, and refunds).

Miscellaneous other provisions remained at the prior-year level. These include provisions related to onerous executory contracts, the disposal of businesses and site closures, in particular in prior financial years, as well as warranty and environmental damage provisions.

In the measurement of the other provisions, Deutsche Telekom is exposed to interest rate fluctuations, which is why the effect of a possible change in the interest rate on the principal non-current provisions was simulated. The other, non-staff-related provisions are discounted using maturity-related discount rates specific to the respective currency area. To this end, Deutsche Telekom determines discount rates with maturities of up to 30 years. In 2025, the discount rates ranged from 2.43 to 5.04 % (2024: from 2.52 to 3.78 %) in the euro currency area and from 4.26 to 6.53 % (2024: from 4.81 to 6.09 %) in the U.S. dollar currency area. If the discount rate were increased by 50 basis points with no other change in the assumptions, the present value of the principal other non-current provisions would decrease by EUR 64 million (December 31, 2024: EUR 59 million). If the discount rate were decreased by 50 basis points with no other change in the assumptions, the present value of the principal other non-current provisions would increase by EUR 67 million (December 31, 2024: EUR 60 million).

17 Other liabilities

millions of €

	Dec. 31, 2025	Of which: current	Dec. 31, 2024	Of which: current
Early retirement	580	250	742	287
Deferred revenue	34	27	35	27
Liabilities from other taxes	1,634	1,634	1,742	1,742
Other deferred revenue	152	96	113	43
Liabilities from severance payments	138	138	104	104
Liabilities – publicly funded projects	1,557	488	1,344	710
Miscellaneous other liabilities	837	665	802	604
	4,931	3,298	4,882	3,516

The carrying amount of current and non-current other liabilities remained unchanged at EUR 4.9 billion. Liabilities in connection with publicly funded projects increased by EUR 0.2 billion, in particular due to existing build-out obligations in connection with grants still to be received from funding projects for the broadband build-out in the Germany operating segment. By contrast, liabilities from early retirement arrangements for civil servants and from other taxes decreased by EUR 0.2 billion and EUR 0.1 billion, respectively. Liabilities from early retirement arrangements for civil servants exist vis-à-vis the Civil Service Pension Fund and arise from payment obligations under agreements that had already been concluded. The obligations are payable in up to seven annual installments following retirement.

18 Contract liabilities

The carrying amount of current and non-current contract liabilities increased year-on-year by EUR 0.2 billion to EUR 3.6 billion. These substantially include deferred revenues. In the United States operating segment, contract liabilities increased by EUR 0.2 billion, mainly in due to effects of changes in the composition of the Group in connection with the UScellular Acquisition. By contrast, exchange rate effects, primarily from the translation from U.S. dollars into euros, decreased the carrying amount. In the Germany operating segment, the carrying amounts decreased by EUR 0.1 billion year-on-year.

Revenue of EUR 2,182 million (January 1, 2024: EUR 1,754 million) from contract liabilities that were still outstanding as of January 1, 2025 was realized in the reporting year. The figure for 2024 has been adjusted retrospectively. Of the total of contract liabilities, EUR 2,572 million (December 31, 2024: EUR 2,378 million) is due within one year.

For further information on the UScellular Acquisition, please refer to the section “[Changes in the composition of the Group and other transactions](#)” under “[Summary of accounting policies](#).”

19 Shareholders' equity

Issued capital

As of December 31, 2025, the share capital of Deutsche Telekom AG totaled EUR 12,557 million. The share capital is divided into 4,905,190,213 no par value registered shares.

	2025		2024	
	thousands	%	thousands	%
Federal Republic of Germany – Berlin, Germany ^a	689,601	14.1	689,601	13.8
KfW – Frankfurt/Main, Germany	696,779	14.2	696,779	14.0
Free float	3,518,810	71.7	3,600,078	72.2
Of which: BlackRock, Inc. – Wilmington, DE, United States ^b	277,476		245,067	
Of which: SoftBank Group Corp. – Tokyo, Japan ^c	21,161		225,000	
	4,905,190	100.0	4,986,459	100.0

^a According to the last notification from the Federal Republic of Germany published on June 5, 2024, the reporting threshold of 30 % of the voting rights was not reached. The stake in Deutsche Telekom AG was thus 28.18 % of the voting rights on June 5, 2024. Further sales of shares reduced the stake in Deutsche Telekom to 27.80 %. In connection with the capital decrease on August 28, 2025 through cancellation of shares, the stake increased to 28.26 % of the voting rights, on the assumption of an unchanged number of shares.

^b According to the last notification from BlackRock published on July 3, 2025, the reporting threshold of 5 % of the voting rights was exceeded. The stake in Deutsche Telekom was thus 5.56 % of the voting rights on July 1, 2025. A further 0.08 % was attributable to voting rights in conjunction with instruments in accordance with § 38(1) of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG). In connection with the capital decrease on August 28, 2025 through cancellation of shares, the stake increased to 5.66 % of the voting rights, on the assumption of an unchanged number of shares.

^c According to the latest notification from SoftBank published on August 5, 2025, the reporting threshold of 3 % of the voting rights was not reached. The stake in Deutsche Telekom AG was thus 0.42 % of the voting rights on August 4, 2025. In connection with the capital decrease on August 28, 2025 through cancellation of shares, the stake increased to 0.43 % of the voting rights, on the assumption of an unchanged number of shares.

Treasury shares. The amount of issued capital assigned to treasury shares was EUR 172 million as of December 31, 2025. This equates to 1.4 % of share capital. 67,167,793 treasury shares were held at December 31, 2025.

The Shareholders' Meeting on April 9, 2025 authorized the Board of Management to buy back shares up to and including April 8, 2030 up to a total of 10 % of the Company's capital stock on the date of the resolution or – if this value is lower – on the date of exercising this authorization, provided the shares to be purchased on the basis of this authorization in conjunction with any other shares of the Company which the Company has already purchased and still possesses or are to be assigned to it under §§ 71a et seq. AktG do not at any time account for more than 10 % of the Company's capital stock pursuant to § 71 (2) sentence 1 AktG. The authorization shall not be exercised for the purpose of trading in treasury shares.

Furthermore, the Board of Management is authorized to use treasury shares that have been or will be purchased on the basis of this authorization or previous authorizations or for any other reasons, in addition to selling them on the stock exchange or by means of an offer to all shareholders in proportion to their shareholdings, for all other legally permissible purposes, in particular for the following purposes. The Board of Management is authorized to withdraw treasury shares without further resolution by the Shareholders' Meeting. There is also the option of selling the shares in return for cash or non-cash consideration. In addition, treasury shares can be used to fulfill obligations and to hedge acquisition obligations or acquisition rights to shares in the Company, in particular from issued convertible bonds, bonds with warrants, profit participation rights, and/or participating bonds (or combinations of these instruments). Treasury shares can also be used in connection with share-based payment transactions and employee share plans. The shares may also be used for purposes involving an exclusion of subscription rights. Under the resolution of the Shareholders' Meeting on April 9, 2025, the Board of Management is also authorized to acquire the shares through the use of equity derivatives.

Changes in treasury shares are set out in the following table:

No par value shares		Treasury shares transferred						As of Dec. 31, 2025
		As of Jan. 1, 2025	Purchase of own shares	Reclassification of shares	Of which: Employee share program	Of which: Share Matching Plan	Cancellation of treasury shares	
Share buy-back program		81,268,383	65,412,156	0	0	0	(81,268,383)	65,412,156
Shares previously held in a trust deposit		3,969,924	0	(2,369,715)	0	0	0	1,600,209
Share Matching Plan		791,039	0	173,766	0	(809,377)	0	155,428
Employee share program		0	0	2,195,949 ^a	(2,195,949) ^a	0	0	0
Total		86,029,346	65,412,156	0	(2,195,949)	(809,377)	(81,268,383)	67,167,793
Amount of share capital accounted for by these shares	millions of €	220	167	0	(6)	(2)	(208)	172
Percentage of share capital	%	1.73 ^b	1.33	0.00	(0.04)	(0.02)	(1.67)	1.37
Change in retained earnings	millions of €	0	(1,833)	0	0	0	(208)	(2,041)
Change in capital reserves	millions of €	0	0	0	59	15	208	281
Price	€		30.58 ^c		29.23			
Period		Jan.-Dec. 2025			Oct. 16, 2025	Jan.-Dec. 2025	Aug. 19, 2025	

^a Includes retransfers of 53 shares from the 2024 employee share program.

^b Percentage relates to share capital as of January 1, 2025.

^c Average price.

2024 share buy-back program. In the period from January 3, 2024 to December 18, 2024, Deutsche Telekom AG bought back around 81 million shares under the share buy-back program. The Board of Management decided on August 19, 2025 to reduce the share capital of Deutsche Telekom AG accordingly and to cancel the shares that had been bought back. The cancellation in simplified form of these around 81 million shares was completed on August 28, 2025.

2025 share buy-back program. In the period from January 3, 2025 to December 11, 2025, Deutsche Telekom AG bought back 65.4 million shares under the share buy-back program with a total volume (excluding transaction costs) of around EUR 2.0 billion. The majority of the repurchased shares are to be canceled, and a small proportion are to be used in the Share Matching Plan or the employee share program.

Shares previously held in a trust deposit. As part of the acquisition of VoiceStream Wireless Corp., Bellevue, and Powertel, Inc., Bellevue, in 2001, Deutsche Telekom AG issued new shares from authorized capital to a trustee, for the benefit of holders of warrants, options, and conversion rights, among others. These option or conversion rights expired in full in the 2013 financial year. As a result, the trustee no longer had any obligation to fulfill any claims in accordance with the purpose of the deposit. The trust relationship was terminated at the start of 2016 and the deposited shares were transferred free of charge to a custody account of Deutsche Telekom. The previously deposited shares are accounted for in the same way as treasury shares in accordance with § 272 (1a) HGB. On the basis of authorization by the Shareholders' Meeting on April 9, 2025, the treasury shares acquired free of charge may be used for the same purposes as the treasury shares acquired for a consideration.

Share Matching Plan and employee share program. Currently, the treasury shares for participants of the Share Matching Plan and of the Shares2You shares program for employees are issued from the pool of shares previously held in a trust deposit.

For matching shares from the Share Matching Plan and for free shares from the employee share program Shares2You, treasury shares are transferred free of charge to the custody accounts of employees of Deutsche Telekom AG. In cases where treasury shares are transferred to the custody accounts of employees of other Group companies, the costs have been transferred at fair value to the respective Group company since the 2016 financial year. In the reporting year, 999 thousand treasury shares with a fair value of EUR 30 million were billed to other Group companies. Where treasury shares were transferred to the custody accounts of employees that were bought by way of the personal investment as part of the employee share program Shares2You, a conversion rate of EUR 29.23 per share was used. The conversion is determined using the lowest price at which a trade actually took place on an official German exchange on the date of conversion.

Voting rights. Each share entitles the holder to one vote. These voting rights are restricted, however, in relation to treasury shares (at December 31, 2025: around 67 million in total).

Authorized capital and contingent capital. Authorized capital and contingent capital comprised the following components as of December 31, 2025:

	Amount millions of €	No par value shares thousands	Purpose
Authorized capital	3,830	1,495,938	Capital increase against cash contribution/contribution in kind until April 6, 2027
2024 Contingent Capital	1,200	468,750	Servicing convertible bonds and/or bonds with warrants issued on or before April 9, 2029

Changes in the composition of the Group, transactions with owners, and capital increase. The following table shows the changes in the composition of the Group and the development of transactions with owners:

millions of €

	2025			2024		
	Issued capital and reserves attributable to owners of the parent	Non-controlling interests	Total shareholders' equity	Issued capital and reserves attributable to owners of the parent	Non-controlling interests	Total shareholders' equity
Changes in the composition of the Group	0	0	0	0	(1)	(1)
Other effects	0	0	0	0	(1)	(1)
Transactions with owners	(2,617)	(5,193)	(7,810)	(2,071)	(5,613)	(7,685)
T-Mobile US	(2,521)	(5,002)	(7,523)	(2,006)	(5,441)	(7,447)
OTE share buy-back	(54)	(97)	(151)	(50)	(101)	(151)
Hrvatski Telekom share buy-back	(8)	(27)	(35)	(7)	(23)	(30)
Magyar Telekom share buy-back	(34)	(67)	(101)	(8)	(49)	(57)

Transactions with owners decreased the carrying amount of shareholders' equity by EUR 7.8 billion in the reporting year. They mainly relate to the United States operating segment and are the result of share buy-backs by T-Mobile US and the sale of T-Mobile US shares by Deutsche Telekom.

For further information, please refer to the section "[Changes in the composition of the Group and other transactions](#)" under "[Summary of accounting policies](#)."

Non-controlling interests: total other comprehensive income

Total other comprehensive income of non-controlling interests primarily comprises remeasurement effects as part of the acquisition of the OTE group in 2009 totaling EUR 0.3 billion (December 31, 2024: EUR 0.3 billion), as well as currency translation effects of EUR 1.1 billion (December 31, 2024: EUR 2.6 billion), and remeasurement losses recognized directly in equity in connection with forward-payer swaps concluded for borrowings at T-Mobile US, which were terminated prematurely in April 2020.

Notes to the consolidated income statement

As a result of the sales agreement concluded on July 13, 2022, the GD tower companies had been recognized as a discontinued operation from the third quarter of 2022 until their sale on February 1, 2023. Thus, the contributions by the GD tower companies were no longer included in the individual items of the consolidated income statement in the 2023 comparative period. Instead, profit or loss after taxes was disclosed in aggregate form in the item "Profit/loss after taxes from discontinued operation."

20 Net revenue

Net revenue breaks down into the following revenue categories:

millions of €	2025	2024	2023
Service revenues	99,363	96,537	92,923
Germany	22,710	22,480	22,096
United States	63,176	61,143	58,522
Europe	10,602	10,239	9,739
Systems Solutions	4,100	3,883	3,796
Group Development	0	0	0
Group Headquarters & Group Services	982	972	1,024
Reconciliation	(2,207)	(2,179)	(2,254)
Non-service revenues	19,718	19,232	19,047
Germany	2,900	3,231	3,092
United States	14,921	13,904	13,913
Europe	2,050	2,108	2,051
Systems Solutions	3	121	100
Group Development	9	10	16
Group Headquarters & Group Services	1,181	1,254	1,282
Reconciliation	(1,345)	(1,396)	(1,406)
Net revenue ^a	119,081	115,769	111,970

^a Revenue includes interest income of EUR 738 million in the reporting year, calculated using the effective interest method (2024: EUR 658 million; 2023: EUR 662 million). This income is primarily attributable to accrued interest on receivables in connection with handsets sold under installment plans in the United States operating segment.

The service revenues essentially comprise predictable and/or recurring revenues from Deutsche Telekom's core activities. These relate to revenues that are generated from services (i.e., revenues from fixed and mobile network voice services, incoming and outgoing calls, as well as data services) plus roaming revenues, monthly basic charges and visitor revenues, as well as revenues from the ICT business. Service revenue also includes revenues earned in connection with premium services for customers, such as reinsurance for device insurance policies and extended warranties. Revenue from insurance contracts in the scope of IFRS 17 in the Group amounted to EUR 4.3 billion (2024: EUR 4.6 billion; 2023: EUR 4.5 billion).

Non-service revenues mainly comprise one-time and variable revenues, e.g., revenue from the sale or rental of fixed-network or mobile devices, from value-added services, from application and contract services, revenue with virtual network operators, one-time revenue from the build-out of technical infrastructure, and revenue from vehicle and property leasing.

Net revenue includes revenue from the use of entity assets by others in the scope of IFRS 16 in the amount of EUR 0.7 billion (2024: EUR 0.9 billion; 2023: EUR 1.1 billion). Of the revenue from the use of entity assets by others reported in net revenue, EUR 0.6 billion (2024: EUR 0.7 billion; 2023: EUR 0.7 billion) relates to service revenues and EUR 0.1 billion (2024: EUR 0.2 billion; 2023: EUR 0.4 billion) to non-service revenues.

Net revenue for the reporting year was EUR 119.1 billion, up EUR 3.3 billion on the prior-year level. In the Germany operating segment, revenue declined by 0.4 % year-on-year, mainly due to lower mobile terminal equipment revenues. By contrast, service revenues increased in the mobile and fixed-network business. In the United States operating segment, revenue was up 4.1 % against the prior-year level, which was attributable to higher service and terminal equipment revenue. In the Europe operating segment, revenue increased by 2.5 % year-on-year, primarily due to the increase in services revenues in the mobile, fixed-network, and IT business. Revenue in the Systems Solutions operating segment was up 2.5 % year-on-year, mainly due to growth in the Digital and Road Charging areas.

For information on changes in net revenue, please refer to the section “[Development of business in the Group](#)” in the combined management report.

The total transaction price attributable to performance obligations that have (partially) not been fulfilled (hereinafter: outstanding transaction price) amounts to EUR 23.7 billion (2024: EUR 22.7 billion, 2023: EUR 23.4 billion).

The portion of the outstanding transaction price attributable to performance obligations that have not been fulfilled or not yet completely fulfilled at the end of the reporting year is generally recognized as revenue over the remaining term of the service contracts concluded. Since most service contracts – unless they can be canceled at any time – have a minimum contract term of 24 months, an average remaining term of approximately 12 months can be assumed, provided the course of business in the mass market business remains virtually unchanged. The disclosures only refer to transactions within the scope of IFRS 15, i.e., they do not include portions of the transaction price being allocated to performance obligations outside the scope of this standard, e.g., leases.

Deutsche Telekom generally makes use of the practical expedients in IFRS 15, according to which outstanding performance obligations under contracts with an expected original term of no more than one year and revenues recognized in accordance with the billed amounts are exempt from the disclosure requirement. Individual subsidiaries deviate from this general approach and have not made use of these practical expedients for groups of contracts with similar characteristics.

Service concession arrangements

Satellitic NV, Machelen, Belgium, is a fully consolidated subsidiary of Deutsche Telekom and on July 25, 2014 signed a contractual arrangement with Viapass, the public agency responsible for toll collection in Belgium, for the set-up, operation, and financing of an electronic toll collection system. After Viapass accepted the system on March 30, 2016, the set-up phase was completed on March 31, 2016. The subsequent operation phase has a duration of 12 years, with the additional option for Viapass to extend the term three times by 1 year. Satellitic has no entitlement to the toll revenue collected but receives contractually agreed fees for setting up and operating the system. Viapass is authorized to terminate the arrangement giving notice of six months with payment of reasonable compensation. In the event of regular or premature termination of the agreement, Satellitic has an obligation to hand over to Viapass, on request, material assets for the operation of the toll collection system that have not yet passed to the ownership of Viapass; in such an event, however, the software platform for toll collection would not be handed over to Viapass. The agreement was classified as a service concession arrangement within the meaning of IFRIC 12. Since the start of the operation phase on April 1, 2016, the separate fees for operation and maintenance services have been recognized as revenue in the respective periods, which totaled EUR 82 million in the reporting year (2024: EUR 89 million; 2023: EUR 94 million).

21 Other operating income

millions of €	2025	2024	2023
Income from the reversal of impairment losses on non-current assets	5	2,633	14
Income from the disposal of non-current assets	458	448	228
Income from reimbursements	119	118	135
Income from insurance compensation	208	92	151
Income from ancillary services	29	35	42
Miscellaneous other operating income	539	587	814
Of which: gains resulting from deconsolidations and from the sale of stakes accounted for using the equity method	3	0	239
	1,358	3,913	1,384

Income from the reversal of impairment losses on non-current assets of EUR 2.6 billion resulted in the prior year from the reversal in full of impairment losses on spectrum licenses at T-Mobile US, which increased their carrying amount. EUR 0.1 billion of the income from the disposal of non-current assets resulted from the sale, consummated on April 30, 2025, of spectrum licenses to N77. In the prior year, this income amounted to EUR 0.2 billion and related to transactions for the exchange of certain spectrum licenses at T-Mobile US. Income from insurance compensation mainly related to refunds from insurance companies for expenses incurred in connection with the cyberattack on T-Mobile US in August 2021. In the prior year, miscellaneous other operating income included, among others, the non-refundable extension fee of EUR 0.1 billion which arose in connection with an agreement on the sale of spectrum licenses concluded between T-Mobile US and DISH Network Corporation.

22 Changes in inventories

Changes in inventories comprise both volume- and value-based increases and decreases in inventories of finished goods and work in process. There were no significant changes in inventories in the reporting year or in prior years.

23 Own capitalized costs

Own capitalized costs amounted to EUR 2.7 billion in the reporting year (2024: EUR 2.6 billion, 2023: EUR 2.7 billion) and mainly relate to investments in network build-out and the development of platforms for cell sites.

24 Goods and services purchased

millions of €

	2025	2024	2023
Expenses for raw materials and supplies	1,873	1,879	2,042
Expenses for merchandise	23,638	22,449	22,072
Expenses for services purchased	23,236	23,045	23,087
	48,747	47,374	47,201

25 Average number of employees and personnel costs

	2025	2024	2023
Group (total)	199,223	200,227	204,856
Of which: discontinued operation	0	0	65
Germany	73,052	76,787	80,112
International	126,171	123,440	124,744
Non-civil servants	193,891	193,986	197,289
Civil servants (domestic, active service relationship)	5,333	6,241	7,567
Trainees and students on cooperative degree courses	4,683	4,684	4,908
Personnel costs millions of €	19,781	19,004	19,077
Of which: wages and salaries	16,286	15,724	15,787
Of which: social security contributions and pension benefit costs	3,494	3,280	3,290

The average headcount decreased by 0.5 % compared with the prior year. In Germany, it decreased by 4.9 % due in particular to efficiency enhancement measures and the take-up of socially responsible instruments in connection with staff restructuring in the Germany and Systems Solutions operating segments, and in the Group Headquarters & Group Services segment. The average headcount outside of Germany increased by 2.2 %, mainly in the United States. New staff were also recruited in the “Product and Technology” Board of Management department. In the Europe operating segment, by contrast, the socially responsible staff restructuring continued.

Personnel costs increased year-on-year by EUR 0.8 billion to EUR 19.8 billion, mainly driven by the United States operating segment, due to the higher average headcount and higher restructuring expenses. In the Germany operating segment and in the Group Headquarters & Group Services segment, lower headcounts resulted in a reduction in personnel costs. The agreed salary increases from the collective agreements concluded in 2024 and 2025 in Germany and abroad had an offsetting effect.

26 Other operating expenses

millions of €	2025	2024	2023
Impairment losses on financial assets, contract assets, and lease assets	1,559	1,357	1,149
Gains (losses) from the write-off of financial assets measured at amortized cost	21	19	14
Other	4,183	4,256	3,856
Of which: legal and audit fees	359	442	459
Of which: losses from asset disposals	523	259	270
Of which: other taxes	358	452	586
Of which: cash and guarantee transaction costs	540	521	595
Of which: insurance expenses	182	186	181
Of which: miscellaneous other operating expenses	2,220	2,397	1,764
Of which: losses resulting from deconsolidations and from the sale of stakes accounted for using the equity method	24	2	4
	5,764	5,632	5,019

Miscellaneous other operating expenses include expenses of EUR 0.8 billion (2024: EUR 0.7 billion; 2023: EUR 0.6 billion) for data storage in data centers, in cloud applications, or other IT services, and of EUR 0.4 billion (2024: EUR 0.5 billion; 2023: EUR 0.4 billion) for regulatory duties in the United States operating segment. In the prior year, miscellaneous other operating expenses included the forgone contingent consideration receivable of EUR 0.4 billion from IFM Global Infrastructure Fund from the continuation of the joint fiber-optic rollout at GlasfaserPlus.

27 Depreciation, amortization and impairment losses

The following table provides a breakdown of depreciation, amortization and impairment losses:

millions of €	2025	2024	2023
Amortization and impairment of intangible assets	6,792	6,666	6,580
Of which: amortization of mobile licenses	574	563	554
Of which: impairment losses	2	33	101
Of which: impairment losses on mobile licenses	0	4	4
Depreciation and impairment of property, plant and equipment	11,823	11,946	11,954
Of which: impairment losses	39	85	110
Depreciation and impairment of right-of-use assets	5,393	5,415	5,441
Of which: impairment losses	29	3	10
	24,009	24,027	23,975

Impairment losses break down as follows:

millions of €	2025	2024	2023
Intangible assets	2	33	101
Of which: in connection with the ad hoc impairment tests in the Romania cash-generating unit	2	17	0
Of which: in connection with the ad hoc impairment test in the Systems Solutions cash-generating unit ^a	0	15	96
Property, plant and equipment	39	85	110
Of which: in connection with the ad hoc impairment tests in the Romania cash-generating unit	20	71	0
Of which: in connection with the ad hoc impairment test in the Systems Solutions cash-generating unit	0	0	54
Of which: in connection with the ad hoc impairment tests of assets of the fiber-optic-based fixed network in the United States ^b	0	0	28
Right-of-use assets	29	3	10
Of which: in connection with the ad hoc impairment tests in the Romania cash-generating unit	27	0	0
Of which: in connection with the ad hoc impairment tests of assets of the fiber-optic-based fixed network in the United States ^b	0	0	8
	71	120	221

^a Of the impairment losses in 2023, EUR 26 million related to intangible assets in the Group Headquarters & Group Services segment that are subject to use by the Systems Solutions operating segment and are allocated to the Systems Solutions cash-generating unit for the purposes of impairment testing.

^b Arising from the ad hoc impairment test in 2022.

Depreciation, amortization and impairment losses on intangible assets, property, plant and equipment, and right-of-use assets remained on the prior-year level at EUR 24.0 billion.

Depreciation and amortization remained stable at the prior-year level of EUR 23.9 billion. In the Group Headquarters & Group Services segment, depreciation, amortization and impairment losses decreased, mainly as a result of the ongoing optimization of our real estate portfolio, and due to a lower capitalization rate for own capitalized costs in connection with IT projects. In the Germany operating segment, depreciation and amortization increased slightly due to rising volumes in the fiber-optic build-out. In the United States operating segment, depreciation and amortization remained at the prior-year level. In U.S. dollars, they increased as a result of non-current assets assumed under the UScellular Acquisition. The acceleration of certain technology assets in the prior year had an offsetting effect.

As in the prior year, impairment losses amounted to EUR 0.1 billion. Impairment losses totaling EUR 50 million were recognized in the Europe operating segment in 2025 following ad hoc impairment tests at the Romania cash-generating unit. EUR 27 million of the impairment losses related to right-of-use assets, EUR 20 million to property, plant and equipment, and EUR 2 million to intangible assets. The impairment losses recognized in the prior year of EUR 0.1 billion also related primarily to the Romania cash-generating unit in the Europe operating segment. Impairment losses on intangible assets and property, plant and equipment totaling EUR 88 million were recognized here.

For further information on the ad hoc impairment tests, please refer to Note 6 “[Intangible assets](#).”

In the United States operating segment, reductions in useful lives resulted in additional depreciation and amortization in the amount of EUR 128 million. Of this total, EUR 13 million applied to intangible assets, EUR 83 million to property, plant and equipment, and EUR 31 million to right-of-use assets.

For further information, please refer to Note 6 “[Intangible assets](#),” Note 7 “[Property, plant and equipment](#),” and Note 8 “[Right-of-use assets – lessee relationships](#).”

28 Profit/loss from operations

Profit from operations (EBIT) in the Group decreased from EUR 26.3 billion to EUR 24.8 billion, down EUR 1.5 billion against the prior year.

For information on the development of EBIT, please refer to the section “[Development of business in the Group](#)” in the combined management report.

29 Finance costs

millions of €	2025	2024	2023
Interest income	613	927	870
Interest expense	(6,522)	(6,613)	(6,588)
	(5,909)	(5,686)	(5,719)
Of which: from leases	(1,803)	(1,888)	(1,874)
Of which: from financial instruments relating to measurement categories in accordance with IFRS 9			
Debt instruments measured at amortized cost	142	215	324
Debt instruments measured at fair value through profit or loss	305	399	251
Financial liabilities measured at amortized cost ^a	(4,531)	(4,375)	(4,356)

^a Interest expense calculated according to the effective interest method and adjusted for accrued interest from derivatives recognized in the reporting year that were used as hedging instruments against interest rate-based changes in the fair values of financial liabilities measured at amortized cost in the reporting year for hedge accounting in accordance with IFRS 9 (2025: interest income of EUR 144 million and interest expense of EUR 600 million; 2024: interest income of EUR 317 million and interest expense of EUR 738 million; 2023: interest income of EUR 303 million and interest expense of EUR 845 million).

Finance costs amounted to EUR 5.9 billion, putting the figure EUR 0.2 billion below the prior-year level. On the one hand, interest income decreased, primarily due to lower interest income from derivatives to hedge against interest rate risks (EUR 0.2 billion) and due to a decrease in cash on hand invested in interest-bearing money-market investments (EUR 0.1 billion). On the other hand, interest expense decreased slightly due to lower interest expense from derivatives to hedge against interest rate risks (EUR 0.1 billion) and lower interest expense for lease liabilities due to a decline in lease liabilities (EUR 0.1 billion). By contrast, interest expense increased slightly, due to higher debt than in the prior year (EUR 0.1 billion).

Interest of EUR 128 million (2024: EUR 132 million; 2023: EUR 207 million) was capitalized as part of acquisition costs in the reporting year. The amount was calculated on the basis of an interest rate in the average range between 4.3 % at the start of the year and 4.4 % at the end of the year (2024: between 4.2 % and 4.3 %; 2023: between 3.4 % and 4.2 %) applied across the Group.

Interest payments (including capitalized interest) of EUR 7.7 billion (2024: EUR 8.1 billion; 2023: EUR 7.9 billion) were made in the reporting year.

Accrued interest payments from derivatives (interest rate swaps) that were designated as hedging instruments in a fair value hedge in accordance with IFRS 9 are netted per swap contract and recognized as interest income or interest expense depending on the net amount. Finance costs are assigned to the measurement categories on the basis of the hedged item. Only financial liabilities were hedged in the reporting period.

30 Share of profit/loss of associates and joint ventures accounted for using the equity method

millions of €	2025	2024	2023
Share of profit (loss) of joint ventures	721	2,561	(2,778)
Share of profit (loss) of associates	44	(27)	12
	765	2,534	(2,766)

The share of profit of associates and joint ventures included in the consolidated financial statements accounted for using the equity method decreased by EUR 1.8 billion compared with the prior year to EUR 0.8 billion.

This was primarily attributable to higher reversals of impairment losses recognized in the prior-year period on the carrying amounts of the investments in the GD tower companies and GlasfaserPlus, which are included as joint ventures.

In the prior year, reversals of impairment losses of EUR 2.1 billion and EUR 0.3 billion, respectively, were recognized on the carrying amounts of the investments in the GD tower companies and in GlasfaserPlus. These reversals of impairment losses were, at the GD tower companies, due to lower discount rates and improved planning, and at GlasfaserPlus, almost entirely due to lower discount rates. Level 3 input parameters were used to determine the pro rata recoverable amounts – as fair value less costs of disposal – of EUR 5.7 billion for the GD tower companies and of EUR 0.7 billion for GlasfaserPlus (after deduction of net debt). Discount rates of 6.38 % for the GD tower companies and 5.14 % for GlasfaserPlus were used.

In the reporting period, further reversals of impairment losses of EUR 0.5 billion and EUR 0.2 billion, respectively, were recognized on the carrying amounts of the investments in the GD tower companies and in GlasfaserPlus. These reversals of impairment losses were due to declines in industry-specific financing costs and the resulting lower discount rates, while retaining the existing business plans. Level 3 input parameters were used to determine the pro rata recoverable amounts – as fair value less costs of disposal – of EUR 7.5 billion for the GD tower companies and of EUR 1.1 billion for GlasfaserPlus (after deduction of net debt). Discount rates of 5.79 % for the GD tower companies and 5.02 % for GlasfaserPlus were used.

For further information, please refer to Note 10 “[Investments accounted for using the equity method.](#)”

31 Other financial income/expense

millions of €	2025	2024	2023
Income from investments (without share of profit (loss) of associates and joint ventures accounted for using the equity method)	5	(12)	22
Gains (losses) from financial instruments	(156)	(2)	170
Interest component from measurement of provisions and liabilities	(25)	(142)	(536)
Impairment losses on other financial assets	(3)	(12)	0
Gains (losses) from the write-off of other financial assets measured at amortized cost	0	0	0
	(179)	(168)	(345)

Other financial expense remained stable at EUR 0.2 billion, with gains/losses from financial instruments decreasing by EUR 0.2 billion. By contrast, the interest component from measurement of provisions and liabilities increased against the prior year. This improvement was partly attributable to the subsequent measurement using actuarial principles of the present value of the provision recognized for the Civil Service Health Insurance Fund (Postbeamtenkrankenkasse – PBeaKK).

EUR 373 million (2024: EUR -204 million, 2023: EUR 129 million) of gains/losses from financial instruments related to currency translation effects, and EUR 529 million (2024: EUR 201 million, 2023: EUR 41 million) to gains/losses from other derivatives as well as measurements of equity investments.

As a rule, all income/expense components including interest income and expense from financial instruments classified as at fair value through profit or loss in accordance with IFRS 9 are reported under gains/losses from financial instruments.

For further information on financial instruments, please refer to Note 43 “[Financial instruments and risk management.](#)”

32 Income taxes

Income taxes in the consolidated income statement

A tax expense of EUR 4.6 billion was recorded in the 2025 financial year. The amount of tax expense essentially reflects the shares of the different countries in profit before income taxes and their respective national tax rates. However, the effective tax rate decreased due to the reversals of impairment losses on the carrying amounts of the stakes in the GD tower companies and GlasfaserPlus that had no effect on tax. In addition, the remeasurement of deferred taxes due to the future reduction of the corporate income tax rate in Germany reduced the tax rate, as well as the realization of a tax benefit in the Europe operating segment. In the prior year, a tax expense of EUR 5.3 billion was recorded. The effective tax rate also decreased by the recognized reversals of impairment losses on the carrying amounts of the stakes in the GD tower companies and GlasfaserPlus that had no effect on tax.

The following table provides a breakdown of income taxes in Germany and internationally:

millions of €	2025	2024	2023
Current taxes	1,639	1,380	1,125
Germany	679	521	531
International	960	859	594
Deferred taxes	2,935	3,921	2,547
Germany	130	491	233
International	2,805	3,430	2,314
	4,573	5,301	3,672

Deutsche Telekom's combined income tax rate for 2025 amounts to 31.7 % (2024: 31.7 %; 2023: 31.4 %). It consists of corporate income tax at a rate of 15.0 %, the solidarity surcharge of 5.5 % on corporate income tax, and trade tax at an average multiplier of 454 % (2024: 454 %; 2023: 445 %).

Reconciliation of the effective tax rate. Income taxes of EUR -4,573 million (as expense) in the reporting year (2024: EUR -5,301 million (as expense); 2023: EUR -3,672 million (as expense)) are derived as follows from the expected income tax expense/benefit that would have arisen had the statutory income tax rate of the parent company (combined income tax rate) been applied to profit/loss before income taxes:

millions of €	2025	2024	2023
Profit (loss) before income taxes	19,499	22,958	11,968
Expected income tax expense (benefit) (Income tax rate applicable to Deutsche Telekom AG: 2025: 31.7 %; 2024: 31.7 %; 2023: 31.4 %)	6,181	7,278	3,758
Adjustments to expected tax expense (benefit)			
Effect of changes in statutory tax rates	(52)	(48)	30
Tax effects from prior years	(107)	(218)	(30)
Tax effects from other income taxes	575	754	474
Non-taxable income	(74)	(11)	(82)
Tax effects from associates and joint ventures accounted for using the equity method	(288)	(765)	820
Non-deductible expenses	192	172	86
Permanent differences	(171)	149	(196)
Goodwill impairment losses	0	0	(2)
Tax effects from loss carryforwards	(31)	(6)	152
Tax effects from additions to and reductions of local taxes	69	72	68
Adjustment of taxes to different foreign tax rates	(1,721)	(2,074)	(1,406)
Other tax effects	0	(2)	0
Income tax expense (benefit) according to the consolidated income statement	4,573	5,301	3,672
Effective income tax rate %	23	23	31

Current income taxes in the consolidated income statement

The following table provides a breakdown of current income taxes:

millions of €	2025	2024	2023
Current income taxes	1,639	1,380	1,125
Of which: current tax expense	1,704	1,426	1,178
Of which: prior-period tax expense	(27)	(78)	(53)
Of which: recognized in other comprehensive income	(38)	32	0

Deferred taxes in the consolidated income statement

Deferred taxes developed as follows:

millions of €	2025	2024	2023
Deferred tax expense (benefit)	2,935	3,921	2,547
Of which: from temporary differences	1,715	1,508	2,146
Of which: from loss carryforwards	1,249	2,210	457
Of which: from tax credits	(29)	203	(56)

Income taxes in the consolidated statement of financial position

Current income taxes in the consolidated statement of financial position

millions of €	Dec. 31, 2025	Dec. 31, 2024
Recoverable taxes	495	445
Tax liabilities	(563)	(736)
Current taxes recognized in other comprehensive income		
Hedging instruments	(282)	(244)

Deferred taxes in the consolidated statement of financial position

millions of €	Dec. 31, 2025	Dec. 31, 2024
Deferred tax assets	660	3,682
Deferred tax liabilities	(22,291)	(24,260)
	(21,631)	(20,579)
Of which: recognized in other comprehensive income		
Gains (losses) from the remeasurement of defined benefit plans	209	437
Revaluation surplus	226	203
Hedging instruments	177	356
Recognized in other comprehensive income before non-controlling interests	612	995
Non-controlling interests	(103)	(109)
	509	886

Deferred taxes developed as follows:

millions of €	Dec. 31, 2025	Dec. 31, 2024
Deferred taxes recognized in the statement of financial position	(21,631)	(20,579)
Difference to prior year	(1,052)	(5,062)
Of which: recognized in income statement	(2,934)	(3,921)
Of which: recognized in other comprehensive income	(385)	(85)
Of which: recognized in capital reserves	23	44
Of which: acquisitions (disposals) (including assets and disposal groups held for sale)	(17)	(84)
Of which: currency differences	2,261	(1,016)

Deferred taxes on loss carryforwards developed as follows:

millions of €	Dec. 31, 2025	Dec. 31, 2024
Deferred taxes on loss carryforwards before allowances	2,390	3,980
Difference to prior year	(1,590)	(1,962)
Of which: recognition (derecognition)	(1,211)	(2,237)
Of which: acquisitions (disposals) (including assets and disposal groups held for sale)	(10)	0
Of which: currency differences	(369)	275

Deferred taxes relate to the following key items in the statement of financial position, loss carryforwards, and tax credits:

millions of €

	Dec. 31, 2025		Dec. 31, 2024	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Current assets	1,768	(980)	1,752	(1,581)
Trade receivables	465	(48)	529	(45)
Inventories	512	0	388	0
Other assets	765	(336)	829	(469)
Contract assets	26	(596)	6	(1,067)
Non-current assets	3,298	(36,885)	3,813	(40,461)
Intangible assets	920	(21,273)	1,165	(23,331)
Property, plant and equipment	485	(7,196)	605	(7,439)
Other financial assets	1,891	(7,874)	2,042	(9,183)
Capitalized contract costs	2	(542)	1	(508)
Current liabilities	1,911	(1,461)	1,875	(1,418)
Financial liabilities	433	(173)	490	(201)
Trade and other payables	185	(53)	163	(38)
Other provisions	385	(232)	387	(193)
Other liabilities	696	(632)	763	(670)
Contract liabilities	212	(371)	72	(316)
Non-current liabilities	12,202	(3,896)	14,562	(3,996)
Financial liabilities	2,333	(1,657)	2,865	(1,595)
Provisions for pensions and other employee benefits	982	(1,906)	1,630	(1,953)
Other provisions	761	(232)	866	(271)
Other liabilities	8,025	(45)	9,097	(106)
Contract liabilities	101	(56)	104	(71)
Retained earnings	7	(129)	8	(164)
Tax credits	227	0	217	0
Loss carryforwards	2,021	0	3,506	0
Interest and other carryforwards	286	0	1,309	0
Total	21,720	(43,351)	27,042	(47,620)
Of which: non-current	16,982	(37,147)	23,905	(44,604)
Netting	(21,060)	21,060	(23,360)	23,360
Recognition	660	(22,291)	3,682	(24,260)

The loss carryforwards amount to:

millions of €

	Dec. 31, 2025	Dec. 31, 2024
Loss carryforwards for corporate income tax purposes ^a	7,708	13,914
Expiry within		
1 year	0	0
2 years	13	0
3 years	0	14
4 years	1	0
5 years	5	22
After 5 years	936	1,199
Unlimited carryforward period	6,753	12,679

^a The loss carryforwards include both German and foreign loss carryforwards.

Loss carryforwards and temporary differences for which no deferred taxes were recorded amount to:

millions of €	Dec. 31, 2025	Dec. 31, 2024
Loss carryforwards for corporate income tax purposes ^a	1,387	1,669
Expiry within		
1 year	0	0
2 years	13	0
3 years	0	14
4 years	0	0
5 years	0	0
After 5 years	761	919
Unlimited carryforward period	613	736
Temporary differences in corporate income tax	248	426

^a The loss carryforwards include both German and foreign loss carryforwards.

In addition, no deferred taxes are recognized on trade tax loss carryforwards of EUR 35 million (December 31, 2024: EUR 123 million) and on temporary differences for trade tax purposes in the amount of EUR 1 million (December 31, 2024: EUR 2 million). Furthermore, apart from corporate income tax loss carryforwards, no deferred taxes amounting to EUR 67 million (December 31, 2024: EUR 95 million) were recognized for other foreign income tax loss carryforwards and, apart from temporary differences for trade tax purposes, no deferred taxes amounting to EUR 4 million (December 31, 2024: EUR 4 million) were recognized for other foreign income taxes.

No deferred tax assets were recognized on the aforementioned tax loss carryforwards and temporary differences as it is not probable that taxable profit will be available in the foreseeable future against which these tax loss carryforwards can be utilized.

A positive tax effect in the amount of EUR 9 million (2024: EUR 4 million; 2023: EUR 3 million) attributable to the utilization of tax loss carryforwards on which deferred tax assets had not yet been recognized was recorded in the reporting year.

The write-up of deferred tax assets resulted in a positive effect of EUR 39 million in the reporting year (2024: EUR 22 million).

Deferred tax assets of EUR 24 million from the business combination of T-Mobile US with Sprint were recognized for the first time.

No deferred tax liabilities were recognized on temporary differences in connection with equity interests in subsidiaries amounting to EUR 1,014 million (December 31, 2024: EUR 844 million) as it is unlikely that these differences will be recognized in the near future.

Income taxes in the statement of comprehensive income

millions of €

	2025			2024			2023		
	Before tax amount	Tax (expense) benefit	Net of tax amount	Before tax amount	Tax (expense) benefit	Net of tax amount	Before tax amount	Tax (expense) benefit	Net of tax amount
Items not subsequently reclassified to profit or loss (not recycled)									
Gains (losses) from the remeasurement of defined benefit plans	1,118	(229)	889	834	(117)	717	18	61	79
Gains (losses) from the remeasurement of equity instruments	271	1	272	54	0	54	(70)	2	(67)
Share of profit (loss) of investments accounted for using the equity method	1	0	1	0	0	0	0	0	0
	1,390	(228)	1,162	889	(117)	772	(52)	63	12
Items subsequently reclassified to profit or loss (recycled), if certain reasons are given									
Exchange differences on translating foreign operations									
Recognition of other comprehensive income in income statement	31	0	31	2	0	2	4	0	4
Change in other comprehensive income (not recognized in income statement)	(7,638)	0	(7,638)	3,901	0	3,901	(2,094)	0	(2,094)
Gains (losses) from the remeasurement of debt instruments									
Recognition of other comprehensive income in income statement	1,319	(36)	1,283	1,163	(38)	1,125	921	(18)	902
Change in other comprehensive income (not recognized in income statement)	(1,223)	31	(1,192)	(1,116)	31	(1,085)	(838)	(17)	(855)
Gains (losses) from hedging instruments (designated risk components)									
Recognition of other comprehensive income in income statement	(132)	(54)	(186)	(44)	33	(11)	(33)	21	(12)
Change in other comprehensive income (not recognized in income statement)	787	(156)	630	(13)	(5)	(18)	(251)	75	(176)
Gains (losses) from hedging instruments (hedging costs)									
Recognition of other comprehensive income in income statement	1	0	1	1	0	1	1	0	1
Change in other comprehensive income (not recognized in income statement)	11	(2)	9	(4)	0	(4)	(25)	8	(17)
Share of profit (loss) of investments accounted for using the equity method									
Recognition of other comprehensive income in income statement	(2)	0	(2)	0	0	0	(4)	0	(4)
Change in other comprehensive income (not recognized in income statement)	28	0	28	(9)	0	(9)	(22)	0	(22)
	(6,819)	(218)	(7,036)	3,881	21	3,902	(2,342)	69	(2,273)
Other comprehensive income	(5,429)	(445)	(5,874)	4,770	(96)	4,674	(2,394)	132	(2,262)
Profit (loss)			14,926			17,657			21,992
Total comprehensive income			9,052			22,331			19,730

Change in taxation laws in Germany

On July 11, 2025, the Bundesrat adopted the law for an immediate tax investment program to strengthen Germany as a business location. The law entered into force on July 19, 2025 and provides, among other things, for the introduction of a declining-balance depreciation allowance for certain assets as well as a gradual reduction of the corporate income tax rate from 2028. In connection with the improved depreciation framework, a partial deferral of income tax payments to future periods is to be expected.

Disclosures on global minimum level of taxation

Legal regulations under the OECD Pillar 2 Model Rules, which are designed to ensure large multinational enterprise groups pay a minimum level of tax, have been transposed into national law in Germany and consolidated in the German Minimum Tax Act (Mindeststeuergesetz – MinStG). Deutsche Telekom falls within the scope of the MinStG. The legal regulations have also been or will be transposed into national law in many other countries in which the Group is active. This meant that foreign subsidiaries of Deutsche Telekom were likewise required to apply national statutory provisions on minimum taxation. In this connection, provisions of EUR 1 million for global minimum tax rates were recognized in the consolidated financial statements as of December 31, 2025. Furthermore, the Group made use of the temporary exemption from the accounting standards for deferred taxes (IAS 12.4A) published

by the IASB in May 2023; accordingly, with regard to the regulations for a global minimum level of taxation, no deferred taxes are recognized and no corresponding information is disclosed.

Change in taxation laws in the United States

On July 4, 2025, U.S. President Donald Trump signed the One Big Beautiful Bill Act (the "OBBBA") into law. This Act includes numerous changes to existing tax law, including provisions regarding depreciation and amortization of certain assets, limitations on interest deductions, and the deductibility of research and development expenditure. These provisions became effective beginning in 2025, and are expected to result in a partial deferral of income tax payments to future periods. They are currently not expected to have a material impact on our net profit. We will, however, continue to assess the impact of changes to tax legislation arising from OBBBA on our consolidated financial statements.

33 Profit/loss after taxes from discontinued operation

The sale of the GD tower companies was consummated on February 1, 2023. Since then, these companies are no longer included as fully consolidated subsidiaries in the consolidated financial statements. The development presented contains the contributions for the first month of 2023.

The following table provides a breakdown of profit/loss after taxes from the discontinued operation:

millions of €	2025	2024	2023
Net revenue	0	0	15
Other operating income	0	0	12,926
Changes in inventories	0	0	0
Own capitalized costs	0	0	0
Goods and services purchased	0	0	69
Personnel costs	0	0	(6)
Other operating expenses	0	0	0
EBITDA	0	0	13,004
Depreciation, amortization and impairment losses	0	0	0
Profit (loss) from operations (EBIT)	0	0	13,004
Finance costs	0	0	(14)
Share of profit (loss) of associates and joint ventures accounted for using the equity method	0	0	0
Other financial income (expense)	0	0	(2)
Profit (loss) from financial activities	0	0	(16)
Profit (loss) before income taxes	0	0	12,989
Income taxes	0	0	708
Profit (loss) after taxes from discontinued operation	0	0	13,696

In 2023, other operating income of EUR 12.9 billion related to the deconsolidation gain realized from the loss of control over the GD tower companies. Income from income taxes resulted from deferred tax effects arising in connection with the concluded sale-and-leaseback transaction.

34 Profit/loss attributable to non-controlling interests

millions of €	2025	2024	2023
T-Mobile US	4,758	6,026	3,803
Hrvatski Telekom	65	65	61
Hellenic Telecommunications Organization (OTE)	286	211	246
Magyar Telekom	182	140	85
Other	26	6	8
	5,317	6,448	4,204

35 Dividend per share

For the 2025 financial year, the Board of Management of Deutsche Telekom AG proposes to the Shareholders' Meeting the distribution of a dividend of EUR 1.00 for each no par value share carrying dividend rights. On the basis of this payout volume, total dividends in the amount of EUR 4.8 billion would be appropriated to the no par value shares carrying dividend rights as of February 17, 2026. The final amount of the total dividend payment depends on the number of no par value shares carrying dividend rights as of the date of the resolution on the appropriation of net income as adopted on the day of the Shareholders' Meeting.

A dividend of EUR 0.90 for the 2024 financial year for each no par value share carrying dividend rights was paid out in 2025.

36 Earnings per share

Basic and diluted earnings per share are calculated in accordance with IAS 33 as follows:

		2025	2024	2023
Profit (loss) from continuing operations attributable to the owners of the parent (net profit (loss))	millions of €	9,609	11,209	4,092
Profit (loss) from discontinued operation attributable to the owners of the parent (net profit (loss))	millions of €	0	0	13,696
Profit (loss) attributable to the owners of the parent (net profit (loss))	millions of €	9,609	11,209	17,788
Average number of ordinary shares issued	millions	4,955	4,986	4,986
Average number of treasury shares	millions	(84)	(48)	(11)
Adjusted weighted average number of ordinary shares outstanding (basic and diluted)	millions	4,871	4,938	4,976
Earnings per share from continuing operations (basic and diluted)	€	1.97	2.27	0.82
Earnings per share from discontinued operation (basic and diluted)	€	0.00	0.00	2.75
Earnings per share (basic and diluted)	€	1.97	2.27	3.57

The calculation of earnings per share (basic and diluted) is based on the time-weighted number of all ordinary shares outstanding. Furthermore, the weighted average number of ordinary shares outstanding is determined by deducting the weighted average number of treasury shares held by Deutsche Telekom AG. There are currently no significant diluting effects.

Other disclosures

37 Notes to the consolidated statement of cash flows

Net cash from operating activities

At EUR 40.6 billion, net cash from operating activities was EUR 0.8 billion higher than in the prior year. This is the result of the strong development of the operating business. Lower cash outflows in connection with the integration of Sprint in the United States also had a positive effect. By contrast, exchange rate effects and slight increases in net interest payments and tax payments had a reducing effect.

Deutsche Telekom defines operating working capital as the total of trade receivables, inventories, and trade and other payables. The negative effect on the change in assets carried as working capital is mainly attributable to an increase of new contracts with equipment installment plans and to higher inventories of terminal equipment, mainly as a result of the UScellular Acquisition and the larger customer base following the acquisition of customers from Metronet and Lumos. Other factors contributing to the development were higher capitalized contract costs and dealer commission, as well as higher receivables from terminal equipment manufacturers. The positive effect on the change in liabilities carried as operating working capital mainly resulted from higher liabilities in the United States operating segment, including as a result of the higher procurement volume.

For further information on individual assets carried as working capital, please refer to Note 2 “[Trade receivables](#)” and Note 4 “[Inventories](#).”

For further information, please refer to Note 14 “[Trade and other payables](#).”

Net cash used in/from investing activities

millions of €

	2025	2024	2023
Cash outflows for investments in intangible assets	(6,942)	(7,973)	(5,560)
Cash outflows for investments in property, plant and equipment	(12,314)	(11,198)	(12,306)
Proceeds from the sale of spectrum to N77	1,777	0	0
Other proceeds from the disposal of property, plant and equipment, and intangible assets	298	190	205
Payments for publicly funded investments in the broadband build-out	(454)	(402)	(338)
Proceeds from public funds for investments in the broadband build-out	428	469	444
Net cash flows for collateral deposited and hedging transactions	56	204	(448)
Changes in cash and cash equivalents in connection with the acquisition of the 50 % equity interest in Metronet	(2,660)	0	0
Changes in cash and cash equivalents in connection with the UScellular Acquisition ^a	(2,453)	0	0
Changes in cash and cash equivalents in connection with the acquisition of the 50 % equity interest in Lumos	(835)	0	0
Changes in cash and cash equivalents in connection with the acquisition of Vistar Media ^b	(561)	0	0
Changes in cash and cash equivalents in connection with the acquisition of Blis ^c	(142)	0	0
Changes in cash and cash equivalents in connection with the upfront payment made for the Ka'ena Acquisition ^d	0	(357)	0
Other changes in cash and cash equivalents in connection with the acquisition of control of subsidiaries	(30)	(1)	(4)
Changes in cash and cash equivalents in connection with the sale of the 51 % stake in the GD tower companies ^e	0	0	7,599
Changes in cash and cash equivalents in connection with the sale of T-Mobile US' fiber-optic-based Wireline Business ^f	0	0	13
Other changes in cash and cash equivalents in connection with the loss of control of subsidiaries	109	1	17
Capital repayments of investments accounted for using the equity method	91	0	0
Other	(159)	167	165
Net cash (used in) from investing activities	(23,793)	(18,900)	(10,213)
Of which: from discontinued operation	0	0	(17)

^a Includes, in addition to the purchase price payment of EUR 2,464 million, inflows of cash and cash equivalents in the amount of EUR 11 million.

^b Includes, in addition to the purchase price payment of EUR 603 million, inflows of cash and cash equivalents in the amount of EUR 41 million.

^c Includes, in addition to the purchase price payment of EUR 166 million, inflows of cash and cash equivalents in the amount of EUR 23 million.

^d Includes, in addition to the cash component of the upfront payment made of EUR 383 million, inflows of cash and cash equivalents in the amount of EUR 22 million and (net) payments received in the third and fourth quarters of 2024 of EUR 4 million in connection with further portions of the purchase price.

^e Includes, in addition to the cash inflow of EUR 7,696 million for the sale of the 51 % stake, outflows of cash and cash equivalents in the amount of EUR 97 million.

^f Includes, in addition to the cash inflow of EUR 56 million for the sale of the Wireline Business, outflows of cash and cash equivalents in the amount of EUR 43 million.

At EUR 19.3 billion, cash outflows for investments in intangible assets and property, plant and equipment were EUR 0.1 billion higher than in the prior-year period. In the reporting period, payments of EUR 1.1 billion were made for mobile spectrum licenses, mainly in the United States and Europe operating segments. Furthermore, in the United States operating segment, investments in the acquisition of customer bases, mainly in connection with the acquisition of Metronet, resulted in total cash outflows of EUR 1.3 billion. In the prior-year period, this item had included cash outflows for mobile spectrum licenses of EUR 3.2 billion in the United States operating segment. Excluding investments in mobile spectrum licenses and acquisitions of customer bases, cash outflows for investments in intangible assets and property, plant and equipment were up EUR 0.9 billion year-on-year. Cash outflows in the United States operating segment increased by EUR 0.6 billion, in particular due to higher investments in the continued network build-out and additional capex as a result of the UScellular Acquisition. Cash outflows in the Europe and Germany operating segments increased by EUR 0.2 billion and EUR 0.1 billion, respectively.

The contractually promised government grants from publicly funded projects for the broadband build-out in Germany reduce the cost of the relevant property, plant and equipment. The grants received and payments made for the build-out continue to be recognized in net cash used in/from investing activities; however, they are not part of cash capex, because the payments made do not result in additions to property, plant and equipment. Since the payments are not made at the same point in time as the proceeds are received, the net amounts can be positive or negative in the individual periods.

Interest payments (including capitalized interest) of EUR 7.7 billion (2024: EUR 8.1 billion; 2023: EUR 7.9 billion) were made in the 2025 financial year. Capitalized interest of EUR 0.1 billion (2024: EUR 0.1 billion; 2023: EUR 0.2 billion) was reported within cash capex in net cash used in/from investing activities, together with the associated assets.

Net cash used in/from financing activities

millions of €

	2025	2024	2023
Issuance of bonds	10,768	8,719	7,880
Repayment of bonds	(5,713)	(5,720)	(9,464)
Issuance of asset-backed securities	909	917	0
Repayment of asset-backed securities	(512)	(171)	0
Commercial paper, net	0	0	(2,280)
Loans taken out with the EIB	0	0	0
Repayment of EIB loans	0	(400)	(333)
ECA facilities taken out	1,757	0	0
Repayment of ECA facilities	(115)	0	0
Overnight borrowings from banks	0	0	(200)
Repayment of liabilities with the right of creditors to priority repayment in the event of default	(448)	(826)	(742)
Repayment of liabilities from 5G spectrum acquired in Germany	(235)	(195)	(195)
Repayment of financial liabilities for media broadcasting rights	(457)	(377)	(375)
Principal portion of repayment of lease liabilities	(5,633)	(6,209)	(5,904)
Changes in cash and cash equivalents in connection with the sale and leaseback of the passive network infrastructure of the GD tower companies	0	0	3,069
Net cash flows for hedging transactions	2	3	14
Cash flows from continuing involvement factoring, net	(2)	(9)	3
Deutsche Telekom AG share buy-back	(2,000)	(1,974)	0
Dividend payments (including to other shareholders of subsidiaries)	(6,438)	(5,592)	(4,027)
Cash inflows from transactions with non-controlling entities			
Sale of T-Mobile US shares by Deutsche Telekom	1,307	3,567	0
T-Mobile US stock options	3	10	11
Other cash inflows	17	23	19
	1,327	3,600	30
Cash outflows from transactions with non-controlling entities			
Increase of the stake in T-Mobile US	0	(614)	0
T-Mobile US share buy-backs/share-based payment	(9,254)	(10,674)	(12,381)
OTE share buy-back	(150)	(151)	(177)
Other payments	(144)	(91)	(171)
	(9,548)	(11,530)	(12,730)
Other	47	(517)	(281)
Net cash (used in) from financing activities	(16,293)	(20,282)	(25,534)
Of which: from discontinued operation	0	0	(74)

Non-cash transactions in the consolidated statement of cash flows

In the reporting period, Deutsche Telekom leased assets with a carrying amount of EUR 4.6 billion, mainly network equipment, cell sites, and land and buildings. These assets are recognized in the statement of financial position under right-of-use assets and the related liabilities under lease liabilities. Future repayments of the liabilities will be recognized in net cash used in/from financing activities. The corresponding additions of right-of-use assets were up EUR 0.8 billion against the prior-year period, in part as a result of the inclusion of UScellular, as well as due to the continued build-out of the nationwide 5G networks in the United States operating segment.

Consideration for the acquisition of broadcasting rights is paid by Deutsche Telekom in accordance with the terms of the contract on the date of its conclusion or spread over the term of the contract. Financial liabilities of EUR 0.4 billion were recognized in the reporting year for future consideration for acquired broadcasting rights (2024: EUR 0.4 billion). The payment of the consideration will be recognized in net cash used in/from financing activities.

In connection with the extension of use of the 800 MHz, 1,800 MHz, and 2,600 MHz frequency ranges in Germany granted by the Bundesnetzagentur, financial liabilities of EUR 0.2 billion were recognized for future consideration. Future payments will be recognized in net cash used in/from financing activities.

Financial liabilities associated with net cash used in/from financing activities

The carrying amounts of the financial liabilities associated with net cash used in/from financing activities, divided into carrying amount changes having and not having an effect on cash flows, developed as follows in the reporting year:

Development of the carrying amounts of the financial liabilities associated with net cash used in/from financing activities in 2025

millions of €

	As of Jan. 1, 2025	Of which: payments to be disclosed in net cash used in/from financing activities ^a	Total carrying amount changes having an effect on cash flows	Changes in the composition of the Group
Bonds and other securitized liabilities	94,678	94,678	4,962	1,568
Asset-backed securities collateralized by trade receivables	1,506	1,506	395	0
Liabilities to banks	2,284	2,284	1,928	0
	98,468	98,468	7,285	1,568
Liabilities with the right of creditors to priority repayment in the event of default	1,311	1,311	(346)	0
Other interest-bearing liabilities	6,430	5,781	(1,114)	0
Liabilities from deferred interest	1,158	0	0	0
Other non-interest-bearing liabilities	2,138	545	78	55
Derivative financial liabilities	2,687	246	(32)	0
	13,723	7,883	(1,413)	55
Financial liabilities	112,191	106,351	5,872	1,623
Lease liabilities	40,248	40,248	(5,633)	1,061
Derivative financial assets	1,585	(19)	(18)	0

^a Deutsche Telekom exercised the option pursuant to IAS 7.33 and presented interest paid and interest received under net cash from operating activities.

millions of €

Carrying amount changes not having an effect on cash flows							As of Dec. 31, 2025
	Currency translation	Fair value	Carrying amount changes according to the effective interest method	Other	Total carrying amount changes not having an effect on cash flows	Carrying amount on Dec. 31, 2025 of the payments to be disclosed in net cash used in/from financing activities ^a	
Bonds and other securitized liabilities	(9,249)	110	(83)	(6)	(7,660)	91,980	91,980
Asset-backed securities collateralized by trade receivables	(207)	0	3	0	(204)	1,698	1,698
Liabilities to banks	(76)	24	36	(19)	(36)	4,176	4,414
	(9,532)	134	(44)	(25)	(7,900)	97,853	98,092
Liabilities with the right of creditors to priority repayment in the event of default	(127)	0	(17)	(102)	(246)	719	719
Other interest-bearing liabilities	(422)	0	160	813	551	5,217	5,987
Liabilities from deferred interest	0	0	0	0	0	0	1,197
Other non-interest-bearing liabilities	(81)	0	0	(61)	(87)	537	1,875
Derivative financial liabilities	0	361	0	0	361	575	2,469
	(630)	361	144	649	579	7,048	12,247
Financial liabilities	(10,162)	495	99	624	(7,321)	104,902	110,339
Lease liabilities	(3,713)	0	0	4,420	1,769	36,384	36,384
Derivative financial assets	0	408	0	0	408	371	1,399

^a Deutsche Telekom exercised the option pursuant to IAS 7.33 and presented interest paid and interest received under net cash from operating activities.

Total carrying amount changes having an effect on cash flows of EUR 0.3 billion reported in net cash used in/from financing activities deviate from net cash used in/from financing activities, in particular due to the cash payments made for satisfying dividend entitlements of Deutsche Telekom AG's shareholders, the interest paid in connection with financial liabilities reported in cash generated from operations, and the changes in non-controlling interests having an effect on cash flows as well as the share buy-back program of Deutsche Telekom AG. The other carrying amount changes in lease liabilities not having an effect on cash flows are mainly attributable to additions in connection with the recognition of right-of-use assets. The other carrying amount changes in financial liabilities not having an effect on cash flows include additions of EUR 0.4 billion for the acquisition of broadcasting rights.

In the 2025 financial year, Deutsche Telekom made total interest payments of EUR 7.7 billion to service interest obligations. This figure includes interest payments for derivative and non-derivative financial liabilities, interest payments for lease liabilities, and interest payments recognized under intangible assets and property, plant and equipment. The above reconciliation only shows the carrying amounts of the financial liabilities, lease liabilities, and derivative financial assets allocated to net cash used in/from financing activities.

For further information, please refer to the previous section "[Non-cash transactions in the consolidated statement of cash flows](#)."

The carrying amounts of the financial liabilities disclosed in net cash used in/from financing activities, divided into carrying amount changes having and not having an effect on cash flows, developed as follows in 2024:

Development of the carrying amounts of the financial liabilities associated with net cash used in/from financing activities in 2024

millions of €

	As of Jan. 1, 2024	Of which: payments to be disclosed in net cash used in/from financing activities ^a	Total carrying amount changes having an effect on cash flows	Changes in the composition of the Group
Bonds and other securitized liabilities	87,097	87,097	2,967	0
Asset-backed securities collateralized by trade receivables	677	677	744	0
Liabilities to banks	3,560	3,196	(596)	0
	91,333	90,970	3,116	0
Liabilities with the right of creditors to priority repayment in the event of default	2,067	2,067	(782)	0
Other interest-bearing liabilities	6,628	6,049	(1,569)	0
Liabilities from deferred interest	1,009	0	0	0
Other non-interest-bearing liabilities	921	46	469	0
Derivative financial liabilities	2,564	462	(11)	0
	13,189	8,624	(1,893)	0
Financial liabilities	104,522	99,594	1,223	0
Lease liabilities	40,792	40,792	(6,209)	2
Derivative financial assets	1,780	152	(3)	0

^a Deutsche Telekom exercised the option pursuant to IAS 7.33 and presented interest paid and interest received under net cash from operating activities.

millions of €

Carrying amount changes not having an effect on cash flows

	Currency translation	Fair value	Carrying amount changes according to the effective interest method	Other	Total carrying amount changes not having an effect on cash flows	Carrying amount on Dec. 31, 2024 of the payments to be disclosed in net cash from/used in financing activities ^a	As of Dec. 31, 2024
Bonds and other securitized liabilities	4,831	51	(247)	(21)	4,614	94,678	94,678
Asset-backed securities collateralized by trade receivables	82	0	3	0	85	1,506	1,506
Liabilities to banks	0	37	38	(392)	(317)	2,284	2,284
	4,913	88	(206)	(413)	4,382	98,468	98,468
Liabilities with the right of creditors to priority repayment in the event of default	97	0	(27)	(44)	26	1,311	1,311
Other interest-bearing liabilities	198	0	175	928	1,301	5,781	6,430
Liabilities from deferred interest	0	0	0	0	0	0	1,158
Other non-interest-bearing liabilities	30	0	0	0	30	545	2,138
Derivative financial liabilities	0	(206)	0	0	(206)	246	2,687
	325	(206)	148	884	1,151	7,883	13,723
Financial liabilities	5,238	(117)	(58)	472	5,534	106,351	112,191
Lease liabilities	1,965	0	0	3,698	5,665	40,248	40,248
Derivative financial assets	0	(168)	0	0	(168)	(19)	1,585

^a Deutsche Telekom exercised the option pursuant to IAS 7.33 and presented interest paid and interest received under net cash from operating activities.

38 Segment reporting

Deutsche Telekom reports on five operating segments, as well as on the Group Headquarters & Group Services segment. Three operating segments are distinguished by region (Germany, United States, Europe), one by customers and products (Systems Solutions), and another by tasks (Group Development). For three operating segments, business activities are assigned by customer and product (Germany, Systems Solutions, United States), while one operating segment allocates its activities on a regional basis (Europe) and another allocates them by equity investment (Group Development).

The **Germany** operating segment comprises all fixed-network and mobile business activities for consumers and business customers, including separate sales entities in Germany to allow a customer-centric sales approach. The Wholesale business delivers wholesale telecommunication services for third-party telecommunications companies. Build-out of the mobile and fixed networks in Germany is managed by the Technology business unit.

The **United States** operating segment combines all mobile activities in the U.S. market. T-Mobile US offers services, terminal equipment, and accessories for consumers. In addition, the company sells devices to dealers and other third-party distributors for resale. They provide wireless communications and broadband services through a variety of service plan options to U.S. domestic customers, including plans marketed to businesses. T-Mobile US also offers wireless devices. They also provide products that are complementary to their wireless communications and broadband services, including device protection, financial services and advertising.

The **Europe** operating segment comprises all fixed-network and mobile operations of the national companies in Greece, Hungary, Poland, the Czech Republic, Croatia, Slovakia, Austria, North Macedonia, and Montenegro. In these countries, Deutsche Telekom is an integrated provider of telecommunications services. Hellenic Telecommunications Organization (OTE) ended its mobile activities in the Romanian market upon completion of the sale of the national company there as of October 1, 2025. Besides the traditional fixed-network and mobile business with residential customers, most of the national companies also offer ICT solutions for business customers.

The **Systems Solutions** operating segment offers a comprehensive portfolio of B2B ICT services worldwide and in particular in the core market of Germany, as well as in Austria and Switzerland (DACH), under the T-Systems brand. The business focus is on the central growth areas of advisory, cloud services, and digitalization. Security solutions and networking offers are integral components of its service offering, supported by strategic partnerships. Our services penetrate deep into the value chains of selected industries – in particular automotive, healthcare, and the public sector.

The goal of the **Group Development** segment is to actively manage entities and equity investments to grow their value. The investment management group DTCP; Comfortcharge, which is a provider of e-mobility charging infrastructure; and the Group functions of Mergers & Acquisitions and strategic Portfolio Management are also assigned to Group Development.

The **Group Headquarters & Group Services** segment comprises all Group units that cannot be allocated directly to one of the operating segments, as well as the Board of Management department for Product and Technology. Group Headquarters defines strategic aims for the Group, ensures they are met, and becomes directly involved in selected Group projects. Group Services provides services to the entire Group; in addition to typical services provided by Deutsche Telekom Services Europe, such as financial accounting, human resources services, and operational procurement, Group Services also includes the placement services of personnel services provider Vivento. Further units are Group Supply Services (GSUS) for real estate management and strategic procurement, and MobilitySolutions, which is a full-service provider for fleet management and mobility services.

Changes to the segment and organizational structure in 2025

Deutsche Telekom consummated material business combinations in the reporting year. In the United States operating segment, the DOOH providers Vistar Media and Blis were acquired, as well as the wireless operations and selected spectrum licenses of UScellular, which have since been fully consolidated and included in Deutsche Telekom's consolidated financial statements. The equity investments acquired in the Lumos and Metronet FTTH platforms in the United States operating segment are included in the consolidated financial statements using the equity method. In the Europe operating segment, Telekom Romania Mobile Communications was sold.

For further information on the corporate transactions consummated in the reporting year, please refer to the section "[Changes in the composition of the Group and other transactions](#)" under "[Summary of accounting policies](#)."

The business segments are reviewed at regular intervals by the Deutsche Telekom Board of Management in terms of the allocation of resources and their earnings performance.

The measurement principles for Deutsche Telekom's segment reporting structure are based primarily on the IFRSs adopted in the consolidated financial statements. Deutsche Telekom evaluates the segments' performance based on revenue and profit/loss from operations (EBIT), among other factors. Revenue generated and goods and services exchanged between segments are calculated on the basis of market prices. Services provided by Deutsche Telekom IT are generally charged at cost. Development services are not charged, but capitalized at segment level in accordance with the internal control concept. In accordance with the segments' control concept, intragroup leases are not capitalized by the lessee, but instead recognized as periodic expenses. In accordance with the Company's principles of segment management, when loans with embedded derivatives are granted internally to Group entities, the derivative component is recognized separately also in the creditor company's financial statements and measured at fair value through profit or loss. Segment assets and liabilities include all assets and liabilities that are carried in the financial statements prepared by the segments and included in the consolidated financial statements. Segment investments include additions to intangible assets, property, plant and equipment, and right-of-use assets. Where entities accounted for using the equity method are directly allocable to a segment, their shares of profit or loss after income taxes and their carrying amounts are reported in that segment's accounts. All of the performance indicators shown in the following tables are presented exclusively from the segments' perspective: The effects of intersegment transactions are eliminated and presented in aggregate form in the reconciliation line.

The following table shows the performance indicators (revenue, EBIT) used by Deutsche Telekom to evaluate the operating segments' performance as well as additional segment-related indicators (goods and services purchased, personnel costs, depreciation and amortization, impairment losses, interest income, interest expense):

millions of €																						
							Profit (loss) from operations	Depreciation and amortization	Impair- ment losses	Interest income	Interest expense	Share of profit (loss) of associates and joint ventures accounted for using the equity method	Income taxes	Segment assets	Segment liabilities	Segment invest- ments	Investments accounted for using the equity method	Net cash from operating activities	Net cash used in/ from investing activities	Of which: cash capex ^a	Net cash used in/ from financing activities	Average number of employees
Germany	2025	24,986	624	25,610	(10,123)	(5,508)	6,401	(4,480)	(6)	222	(730)	197	(9)	54,809	37,916	5,607	1,100	10,204	(5,039)	(4,870)	(6,481)	56,502
	2024	25,066	646	25,711	(10,415)	(5,661)	5,698	(4,379)	(5)	334	(764)	274	(10)	53,149	37,763	5,229	777	10,457	(4,914)	(4,782)	(6,054)	58,656
	2023	24,520	668	25,187	(10,260)	(5,495)	6,073	(4,211)	(9)	280	(685)	(147)	(7)	52,637	38,645	6,982	364	10,289	(4,585)	(4,587)	(6,181)	60,468
United States	2025	78,081	16	78,097	(32,864)	(8,699)	17,677	(15,507)	(2)	346	(4,794)	(106)	(3,123)	197,850	139,282	15,046	3,754	28,091	(15,537)	(11,060)	(11,785)	68,280
	2024	75,035	11	75,046	(31,359)	(7,697)	20,323	(15,544)	(2)	430	(4,716)	33	(3,726)	215,612	147,355	15,760	460	27,767	(11,738)	(11,410)	(15,827)	64,808
	2023	72,431	5	72,436	(31,701)	(8,091)	14,487	(15,513)	(38)	273	(4,526)	29	(2,550)	203,435	138,491	12,846	384	25,206	(9,869)	(10,053)	(14,849)	66,446
Europe	2025	12,418	234	12,652	(5,704)	(1,638)	2,489	(2,547)	(62)	63	(202)	(9)	(426)	25,757	9,109	3,144	76	4,411	(1,950)	(2,250)	(2,042)	32,115
	2024	12,126	221	12,347	(5,557)	(1,603)	2,247	(2,524)	(98)	76	(207)	(7)	(502)	24,615	8,800	2,683	49	4,066	(2,058)	(1,919)	(1,650)	33,126
	2023	11,586	204	11,790	(5,391)	(1,522)	1,973	(2,500)	(23)	60	(200)	(6)	(332)	24,237	8,801	2,970	42	3,801	(1,951)	(2,049)	(1,905)	33,430
Systems Solutions	2025	3,444	659	4,103	(1,845)	(2,027)	92	(252)	(1)	146	(157)	(5)	(2)	4,240	2,921	258	18	306	(214)	(220)	(94)	25,361
	2024	3,377	627	4,004	(1,845)	(1,971)	107	(221)	(16)	167	(172)	1	(58)	4,007	2,901	342	24	313	(252)	(229)	(163)	25,803
	2023	3,258	638	3,896	(1,810)	(1,959)	(71)	(218)	(126)	152	(155)	(2)	(41)	4,016	2,972	306	22	299	(395)	(210)	107	25,927
Group Development	2025	7	2	9	(23)	(18)	(2)	(3)	0	79	(8)	689	(1)	10,194	131	3	6,122	271	97	(3)	(661)	91
	2024	8	2	10	(21)	(22)	(39)	(3)	0	131	(12)	2,234	(1)	9,978	287	6	6,021	130	6,207	(4)	(5)	104
	2023	32	83	115	(39)	(28)	13,217	(2)	0	220	(62)	(2,640)	(21)	11,237	3,879	7	3,777	381	53	(24)	658	166
Group Headquarters & Group Services	2025	145	2,017	2,163	(1,828)	(1,892)	(1,837)	(1,154)	(1)	930	(1,809)	(2)	(1,021)	37,290	48,461	981	17	6,179	145	(861)	(5,363)	16,874
	2024	158	2,069	2,226	(1,835)	(2,052)	(2,058)	(1,241)	0	1,226	(2,165)	0	(942)	37,251	48,759	944	12	4,503	2,777	(833)	(12,869)	17,729
	2023	158	2,147	2,305	(1,710)	(1,990)	(1,874)	(1,326)	(26)	1,265	(2,356)	0	31	40,096	51,607	1,135	15	7,755	(1,433)	(969)	(5,863)	18,419
Total from continuing operations and the discontinued operation	2025	119,081	3,553	122,634	(52,387)	(19,782)	24,821	(23,943)	(71)	1,785	(7,699)	765	(4,581)	330,140	237,820	25,040	11,087	49,461	(22,498)	(19,265)	(26,426)	199,223
	2024	115,769	3,575	119,345	(51,032)	(19,006)	26,277	(23,913)	(120)	2,364	(8,035)	2,534	(5,238)	344,612	245,866	24,965	7,343	47,236	(9,978)	(19,177)	(36,568)	200,227
	2023	111,985	3,744	115,729	(50,911)	(19,086)	33,806	(23,771)	(221)	2,251	(7,983)	(2,766)	(2,921)	335,659	244,395	24,246	4,605	47,732	(18,179)	(17,891)	(28,031)	204,856
Reconciliation	2025	0	(3,553)	(3,553)	3,640	2	1	5	0	(1,172)	1,177	0	8	(40,371)	(40,283)	(6)	0	(8,834)	(1,295)	9	10,134	0
	2024	0	(3,575)	(3,575)	3,658	2	0	6	0	(1,437)	1,423	0	(63)	(39,678)	(39,573)	(11)	0	(7,361)	(8,923)	5	16,286	0
	2023	0	(3,744)	(3,744)	3,779	2	(4)	18	0	(1,391)	1,391	0	(43)	(45,354)	(45,327)	(26)	0	(10,435)	7,966	25	2,497	0
Consolidated total from continuing operations and the discontinued operation	2025	119,081	0	119,081	(48,747)	(19,781)	24,822	(23,938)	(71)	613	(6,522)	765	(4,573)	289,769	197,538	25,034	11,087	40,627	(23,793)	(19,256)	(16,293)	199,223
	2024	115,769	0	115,769	(47,374)	(19,004)	26,277	(23,907)	(120)	927	(6,613)	2,534	(5,301)	304,934	206,294	24,954	7,343	39,874	(18,900)	(19,171)	(20,282)	200,227
	2023	111,985	0	111,985	(47,132)	(19,083)	33,802	(23,754)	(221)	861	(6,593)	(2,766)	(2,964)	290,305	199,068	24,220	4,605	37,298	(10,213)	(17,866)	(25,534)	204,856
Discontinued operation	2025	0	0	0	0	0	0	0	0	0	0	0	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	2024	0	0	0	0	0	0	0	0	0	0	0	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	2023	(15)	(84)	(99)	(69)	6	(13,004)	0	0	9	4	0	(708)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Reconciliation	2025	0	0	0	0	0	0	0	0	0	0	0	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	2024	0	0	0	0	0	0	0	0	0	0	0	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	2023	0	84	84	0	0	0	0	0	0	0	0	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Group total	2025	119,081	0	119,081	(48,747)	(19,781)	24,822	(23,938)	(71)	613	(6,522)	765	(4,573)	289,769	197,538	25,034	11,087	40,627	(23,793)	(19,256)	(16,293)	199,223
	2024	115,769	0	115,769	(47,374)	(19,004)	26,277	(23,907)	(120)	927	(6,613)	2,534	(5,301)	304,934	206,294	24,954	7,343	39,874	(18,900)	(19,171)	(20,282)	200,227
	2023	111,970	0	111,970	(47,201)	(19,077)	20,798	(23,754)	(221)	870	(6,588)	(2,766)	(3,672)	290,305	199,068	24,220	4,605	37,298	(10,213)	(17,866)	(25,534)	204,856

^a Cash outflows for investments in intangible assets (excluding goodwill) and property, plant and equipment, as shown in the statement of cash flows.

Information on geographic areas

The Group's non-current assets and net revenue are shown by region: Germany, Europe (excluding Germany), North America, and other countries. The North America region comprises the United States and Canada. The Europe (excluding Germany) region covers the entire European Union (excluding Germany) and the other countries in Europe. Other countries include all countries that are not Germany or in Europe (excluding Germany) or North America. Non-current assets are allocated to the regions according to the location of the assets in question. Non-current assets encompass intangible assets; property, plant and equipment; right-of-use assets; capitalized contract costs; investments accounted for using the equity method; as well as other non-current assets. Net revenue is allocated according to the location of the respective customers' operations.

millions of €

	Non-current assets			Net revenue		
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2023	2025	2024 ^a	2023
Germany	51,942	50,437	47,033	26,251	26,226	25,721
International	192,017	210,328	196,367	92,830	89,543	86,249
Europe (excluding Germany)	19,759	18,886	19,083	14,304	13,971	13,371
North America	172,193	191,365	177,217	78,089	75,137	72,386
Other countries	66	78	68	437	436	492
Group	243,959	260,766	243,401	119,081	115,769	111,970

^a The calculation of the domestic and the subdivision of international revenue as shares of net revenue was adjusted effective September 30, 2025. The comparatives for the 2024 financial year have been adjusted retrospectively: from EUR 27.4 billion to EUR 26.2 billion (Germany) and from EUR 88.3 billion to EUR 89.5 billion (international), and of the latter, from EUR 12.6 billion to EUR 14.0 billion (Europe) and from EUR 0.6 billion to EUR 0.4 billion (other countries).

For information on products and services, please refer to Note 20 "Net revenue."

39 Contingencies

As part of its ordinary business activities, Deutsche Telekom is involved in various proceedings both in and out of court with government agencies, competitors, and other parties, the outcome of which often cannot be reliably anticipated. As of the reporting date, the Group was exposed to contingent liabilities amounting to EUR 0.1 billion (December 31, 2024: EUR 0.1 billion) and to contingent assets amounting to EUR 0.0 billion (December 31, 2024: EUR 0.0 billion) that can be reliably estimated, and, on the basis of the information and estimates available, do not fulfill the requirements for recognition as liabilities or assets in the statement of financial position. The total contingent liabilities only include individual cases that do not have any significant impact on their own. In the event that, in extremely rare cases, Deutsche Telekom comes to the conclusion that the disclosures required by IAS 37 could seriously undermine the outcome of the relevant proceedings, these disclosures will not be made.

Contingent liabilities

On the basis of the information and estimates available, the following issues do not fulfill the requirements for recognition as liabilities in the statement of financial position. As it is not possible to estimate the amount of the contingent liabilities or the group of contingent liabilities with sufficient reliability in each case due to the uncertainties described below, they have not been included in the aforementioned total contingent liabilities.

Claims relating to charges for the shared use of cable ducts. In 2012, Kabel Deutschland Vertrieb und Service GmbH (today Vodafone Deutschland GmbH (VDG)) filed a claim against Telekom Deutschland GmbH to reduce the annual charge for the rights to use cable duct capacities. In similar proceedings, the then Unitymedia Hessen GmbH & Co. KG, Unitymedia NRW GmbH, and Kabel BW GmbH (today all Vodafone West) filed claims against Telekom Deutschland GmbH in January 2013, demanding that it cease charging the plaintiffs more than a specific and precisely stated amount for the shared use of cable ducts, including in the future. The claims were rejected by the Frankfurt/Main Higher Regional Court (VDG) and by the Düsseldorf Higher Regional Court (Vodafone West) and an appeal was not allowed in both cases. In response to the complaints of the plaintiffs against non-allowance of appeal, the Federal Court of Justice allowed the appeal by VDG to the extent that it relates to claims dating from January 1, 2012 onward; the appeal by Vodafone West was allowed to the extent that it relates to claims dating from January 1, 2016 onward. The claims were rejected with legally binding effect for the time periods prior to this. In a ruling on December 14, 2021, the Federal Court of Justice referred the proceedings concerning the remaining claims back to the responsible Higher Regional Courts for a new hearing and decision. VDG has since updated its claim, which it now puts at around EUR 980 million plus interest for the period from January 2012 to December 2024. The plaintiff Vodafone West has also updated its claim, which it now puts at around EUR 538 million plus interest for the period from January 2016 to April 2024. It is currently not possible to estimate the financial impact of both these proceedings with sufficient certainty.

Sprint Merger class action. On June 1, 2021, a shareholder class action and derivative action was filed in the Delaware Court of Chancery against Deutsche Telekom AG, SoftBank, T-Mobile US, and all of our officers and directors at that time, asserting a breach of fiduciary duties relating to the purchase price amendment to the Merger Agreement, as well as SoftBank's subsequent monetization of its T-Mobile US shares. The complaint, which was amended several times, remains directed at the same defendants and the same underlying transactions as in the original action; however, it includes additional submission on alleged facts. It is currently not possible to estimate the resulting claim and financial risk of these proceedings with sufficient certainty.

Proceedings against T-Mobile US in consequence of the cyberattack on T-Mobile US in August 2021. In August 2021, T-Mobile US confirmed that their systems had been subject to a criminal cyberattack that compromised data of millions of their customers, former customers, and prospective customers. With the assistance of outside cybersecurity experts, T-Mobile US located and closed the unauthorized access to their systems and identified customers whose information was impacted and notified them, consistent with state and federal requirements.

A shareholder derivative action that had remained pending in this context, filed in September 2022 against the members of the Board of Directors of T-Mobile US and against T-Mobile US as nominal defendant alleging claims for breach of fiduciary duties relating to the company's cybersecurity practices, was dismissed with legal effect in the first quarter of 2025. The proceeding is thus concluded.

In addition, inquiries have been made by various government agencies, law enforcement and other state authorities, with which T-Mobile US is cooperating in full. An agreement was reached in 2024 on the inquiries made by the Federal Communications Commission (FCC). It is currently not possible to estimate the resultant financial risk of these proceedings with sufficient certainty.

The proceedings relating to the cyberattack in August 2021 will no longer be reported as the main lawsuits have been concluded.

Proceedings against T-Mobile US in consequence of the cyberattack on T-Mobile US in January 2023. On January 5, 2023, T-Mobile US identified that a bad actor was obtaining data through an application programming interface (API). Investigations by the company have found that the affected API was only able to provide a limited set of customer account data, including name, billing address, email address, telephone number, date of birth, T-Mobile account number, and information such as the number of lines on the account and plan features. The results of the investigation indicate that, in total, around 37 million current postpaid and prepaid customer accounts were affected, although many of these accounts did not include the full data set. T-Mobile US assumes that the attacker retrieved data via the affected API for the first time from or around November 25, 2022. In accordance with federal and state requirements, the company has notified those individuals whose data was affected. In connection with this cyberattack, consumer class actions were filed against T-Mobile US and official inquiries were submitted to the company, to which it will respond and, as a result of which, it may incur substantial expenses. It is currently not possible to estimate the resultant financial risk with sufficient certainty.

Class action relating to shareholder return programs of T-Mobile US. On February 25, 2025, a shareholder class action and derivative action was filed in the Delaware Court of Chancery against Deutsche Telekom AG, T-Mobile US, and all of T-Mobile US' directors, asserting breach of fiduciary duties relating to the 2022 share buy-back program and the 2023–2024 shareholder return program of T-Mobile US. It is currently not possible to estimate the resulting claim and financial risk of these proceedings with sufficient certainty.

Patents and licenses

Like many other large telecommunications and internet providers, Deutsche Telekom is regularly exposed to intellectual property rights disputes. There is a risk that Deutsche Telekom may have to pay license fees and/or compensation; Deutsche Telekom is also exposed to a risk of cease-and-desist orders, for example relating to the sale of a product or the use of a technology.

Anti-trust proceedings

Deutsche Telekom and its subsidiaries are subject to proceedings under anti-trust law in various jurisdictions, which may also lead to civil follow-on claims. Taken individually, none of the proceedings has a material impact. Deutsche Telekom believes the respective allegations and claims for damages are unfounded. The outcome of the proceedings cannot be foreseen at this point in time.

Claims for damages against Slovak Telekom following a European Commission decision to impose fines. The European Commission decided on October 15, 2014 that Slovak Telekom had abused its market power on the Slovak broadband market and as a result imposed fines on Slovak Telekom and Deutsche Telekom AG, which were paid in full in January 2015. After the General Court of the European Union partially overturned the European Commission's decision in 2018 and reduced the fines by a total of EUR 13 million, the legal recourse following the ruling of the European Court of Justice on March 25, 2021 is exhausted. Following the decision of the European Commission, competitors filed damage actions against Slovak Telekom with the civil court in Bratislava. These claims seek compensation for alleged damages due to Slovak Telekom's abuse of a dominant market position, as determined by the European Commission. Three claims totaling EUR 219 million plus interest are currently pending. It is currently not possible to estimate the financial impact with sufficient certainty.

Antitrust class action complaint following the merger with Sprint. T-Mobile US is defending against an antitrust class action complaint from June 17, 2022, in which the plaintiffs allege that the merger of T-Mobile US and Sprint violated the antitrust laws and harmed competition in the U.S. retail cell service market. Plaintiffs seek injunctive relief and trebled monetary damages on behalf of a purported class of AT&T and Verizon customers who plaintiffs allege paid artificially inflated prices due to the merger. It is currently not possible to estimate the financial impact with sufficient certainty.

Tax risks

In many countries, Deutsche Telekom is subject to the applicable tax regulations. Risks can arise from changes in local taxation laws or case law and different interpretations of existing provisions. As a result, they can affect Deutsche Telekom's tax expense and benefits as well as tax receivables and liabilities.

40 Lessor relationships

Finance leases. Deutsche Telekom is a lessor in connection with finance leases. Essentially, these relate to the leasing of routers and other hardware, which Deutsche Telekom provides to its customers for data and telephone network solutions, and of space on cell sites.

The following table shows how the amount of the net investment in a finance lease is determined:

millions of €	Dec. 31, 2025	Dec. 31, 2024
Lease payments	265	172
Unguaranteed residual value	6	9
Gross investment	271	181
Unearned finance income	(66)	(10)
Net investment (present value of the lease payments)	205	172

The following table presents the maturities of lease payments:

millions of €	Dec. 31, 2025	Dec. 31, 2024
Maturity		
Within 1 year	69	74
In 1 to 2 years	49	44
In 2 to 3 years	26	24
In 3 to 4 years	16	11
In 4 to 5 years	12	6
After 5 years	93	12
	265	172

Operating leases. Deutsche Telekom is a lessor in connection with operating leases. The underlying leases mainly relate to cell sites or space on cell sites, building and co-location space, and unbundled local loop lines in the Germany operating segment, at Group Headquarters & Group Services, and in the Europe and United States operating segments.

Contracts on the provision of the latest generation of modems/routers to consumers in the fixed-network mass-market do not satisfy the definition of a lease, where modem and router features are incorporated in one device.

The leasing of local loop lines and space to wholesale fixed-network customers (e.g., co-location space) is also classified as a lease. The regulator requires Deutsche Telekom to make co-location space and unbundled local loop lines available to competitors. In contrast to unregulated products, the residual value risk for these assets is rather low because competitors are economically dependent on the use of these assets. In the unlikely event that co-location space and unbundled local loop lines are not leased, Deutsche Telekom will try to find new tenants for the vacant space or unleased lines. In the case of its own cell sites in the Europe operating segment, Deutsche Telekom will also strive to continue leasing – where possible – all of the free space that it does not itself occupy. The aim here is to reduce the vacancy rate of unused space as far as possible by re-letting and to spread the cost.

Operating leases exist for the following items of property, plant and equipment:

millions of €				
	Land and buildings	Technical equipment and machinery	Other equipment, operating and office equipment	Total
Cost				
At December 31, 2023	20	1,518	7	1,545
Currency translation	0	(4)	0	(4)
Changes in the composition of the Group	0	0	0	0
Additions	0	165	2	167
Disposals	0	(353)	0	(353)
Change from non-current assets and disposal groups held for sale	0	0	0	0
Reclassifications	0	41	0	41
At December 31, 2024	20	1,368	9	1,397
Currency translation	0	8	0	8
Changes in the composition of the Group	0	0	0	0
Additions	0	163	3	166
Disposals	0	(222)	(1)	(223)
Change from non-current assets and disposal groups held for sale	0	(2)	0	(2)
Reclassifications	1	21	(1)	22
At December 31, 2025	21	1,336	9	1,367
Accumulated depreciation and impairment losses				
At December 31, 2023	(19)	(987)	(4)	(1,011)
Currency translation	0	2	0	2
Changes in the composition of the Group	0	0	0	0
Additions (amortization)	0	(207)	(2)	(209)
Additions (impairment)	0	(1)	0	(1)
Disposals	0	301	0	301
Change from non-current assets and disposal groups held for sale	0	0	0	0
Reclassifications	0	(5)	0	(5)
Reversal of impairment losses	0	0	0	0
At December 31, 2024	(19)	(897)	(6)	(922)
Currency translation	0	(3)	0	(3)
Changes in the composition of the Group	0	0	0	0
Additions (amortization)	0	(172)	(1)	(174)
Additions (impairment)	0	(3)	0	(3)
Disposals	0	201	1	202
Change from non-current assets and disposal groups held for sale	0	1	0	1
Reclassifications	0	0	0	0
Reversal of impairment losses	0	0	0	0
At December 31, 2025	(20)	(874)	(6)	(899)
Net carrying amounts				
At December 31, 2024	1	471	3	475
At December 31, 2025	2	463	3	468

The maturity analysis of the lease payments arising from operating leases is as follows:

millions of €		
Maturity	Dec. 31, 2025	Dec. 31, 2024
Within 1 year	155	176
In 1 to 2 years	126	115
In 2 to 3 years	23	24
In 3 to 4 years	73	75
In 4 to 5 years	18	16
After 5 years	82	67
	478	473

41 Insurance contracts

A device insurance scheme is within the scope of IFRS 17, which sets accounting rules for certain insurance contracts. Under this scheme, customers of Deutsche Telekom buy insurance coverage for accidental damage, loss, and theft. An insurance company is insurer, and Deutsche Telekom is the insurance company's reinsurer, covering all losses. The coverage period of each contract in the group is one month. Deutsche Telekom applies the premium allocation approach in accordance with IFRS 17. This is because it can be expected that the premium allocation approach results in a measurement of the liability for remaining coverage for the group that does not differ materially from the one that would be produced applying the general measurement requirements in IFRS 17. Insurance revenue for the period is the amount of expected premium receipts allocated to the period. The level of insurance risk is largely constant throughout the coverage period. There has not been significant variability in the level of claims over the past years. The premium receipts are therefore allocated to each period on the basis of the passage of time in accordance with IFRS 17, and the amount of the risk adjustment is primarily based on past experience. For materiality reasons, no adjustments are made for the time value of money and the effect of financial risk. Amounts receivable from or payable to the insurance company are presented as other financial assets or financial liabilities respectively to the extent the offsetting criteria are not met. Incurred claims of uncertain timing or amount are presented as other provisions. The portfolio of insurance contracts is composed of a multitude of customers. There are no significant risk concentrations. The main risk arising from the portfolio is the level of claims.

The amounts are illustrated in the table below.

millions of €	2025	2024
Portfolio of insurance contracts that is an asset		
Carrying amount as of December 31	242	268
Of which: asset (liability) for remaining coverage		
Carrying amount as of January 1 (asset)	410	386
Premiums received	(4,307)	(4,538)
Insurance revenue recognized in profit or loss in the current period	4,327	4,554
Currency translation effects recognized directly in equity	(61)	8
Carrying amount as of December 31 (asset)	369	410
Of which: liability for incurred claims		
Carrying amount as of January 1 (liability)	(142)	(136)
Expenses recognized in the current period for incurred claims and other insurance service expenses	(2,876)	(3,042)
Incurred claims and other insurance service expenses paid in the current period	2,737	2,893
Payments in the current period that relate to past service	141	138
Currency translation effects recognized directly in equity	13	5
Carrying amount as of December 31 (liability)	(127)	(142)

Insurance revenue in the amount of EUR 4,533 million and insurance service expenses in the amount of EUR 3,044 million were recognized in the 2023 financial year.

42 Other financial obligations

The following table provides an overview of Deutsche Telekom's other financial obligations:

millions of €

	Dec. 31, 2025			
	Total	Due within 1 year	Due > 1 year ≤ 5 years	Due > 5 years
Purchase commitments regarding property, plant and equipment	4,694	4,135	471	88
Purchase commitments regarding intangible assets	5,894	1,911	3,952	31
Firm purchase commitments for inventories	6,526	5,331	1,195	0
Other purchase commitments and similar obligations	27,512	14,276	9,984	3,253
Payment obligations to the Civil Service Pension Fund	447	0	316	131
Obligations from the acquisition of interests in other companies	607	181	426	0
Miscellaneous other obligations	4	2	2	0
	45,683	25,835	16,345	3,503

Purchase commitments regarding intangible assets include, among others, obligations arising from the agreement between T-Mobile US and Comcast for the acquisition of 600 MHz spectrum licenses. In this regard, the maximum purchase price of USD 3.4 billion (EUR 2.9 billion) was included in the disclosure. Other purchase commitments and similar obligations mainly comprise obligations for the procurement of services, such as maintenance and servicing, IT services, marketing activities, and outsourcing. The obligations arising in connection with business combinations mainly relate to obligations from the acquisition of Lumos of USD 0.5 billion (EUR 0.4 billion) in the United States.

For further information on the agreement concluded with Comcast, please refer to Note 6 "[Intangible assets](#)."

For further information on the acquisition of Lumos in the United States, please refer to the section "[Changes in the composition of the Group and other transactions](#)" under "[Summary of accounting policies](#)."

43 Financial instruments and risk management

For further information on financial instruments, please refer in particular to Note 2 “Trade receivables,” Note 11 “Other financial assets,” Note 13 “Financial liabilities and lease liabilities,” Note 29 “Finance costs,” and Note 31 “Other financial income/expense.”

Carrying amounts, amounts recognized, and fair values by class and measurement category

millions of €

		Amounts recognized in the statement of financial position in accordance with IFRS 9				
	Measurement category in accordance with IFRS 9	Carrying amount Dec. 31, 2025	Amortized cost	Fair value through other comprehensive income without recycling to profit or loss	Fair value through other comprehensive income with recycling to profit or loss	Fair value through profit or loss ^a
Assets						
Cash and cash equivalents	AC	7,818	7,818			
Trade receivables		16,842				
At amortized cost	AC	7,395	7,395			
At fair value through other comprehensive income	FVOCI	9,447			9,447	9,447
Other financial assets		8,557				
Originated loans and other receivables		6,151				
At amortized cost	AC	5,906	5,906			5,914
Of which: collateral paid	AC	1,689	1,689			
Of which: publicly funded projects	AC	1,706	1,706			
At fair value through profit or loss	FVTPL	245				245
Equity instruments		801				
At fair value through other comprehensive income	FVOCI	794		794		794
At fair value through profit or loss	FVTPL	7				7
Derivative financial assets		1,399				
Derivatives without a hedging relationship	FVTPL	573				573
Of which: termination rights embedded in bonds issued	FVTPL	278				278
Of which: energy forward agreements	FVTPL	184				184
Derivatives with a hedging relationship	n.a.	826			795	31
Lease assets	n.a.	205				
Liabilities						
Trade payables	AC	9,581	9,581			
Financial liabilities		110,339				
Bonds and other securitized liabilities	AC	91,980	91,980			89,542
Asset-backed securities collateralized by trade receivables	AC	1,698	1,698			1,716
Liabilities to banks	AC	4,414	4,414			4,424
Liabilities with the right of creditors to priority repayment in the event of default	AC	719	719			713
Other interest-bearing liabilities	AC	5,987	5,987			5,886
Of which: collateral received	AC	235	235			
Liabilities from deferred interest	AC	1,197	1,197			
Other non-interest-bearing liabilities	AC	1,875	1,875			
Derivative financial liabilities		2,469				
Derivatives without a hedging relationship	FVTPL	371				371
Of which: energy forward agreements	FVTPL	20				20
Derivatives with a hedging relationship	n.a.	2,098			347	1,751
Lease liabilities	n.a.	36,384				

millions of €

**Amounts recognized in the statement of financial position
in accordance with IFRS 9**

	Measurement category in accordance with IFRS 9	Carrying amount Dec. 31, 2025	Amortized cost	Fair value through other comprehensive income without recycling to profit or loss	Fair value through other comprehensive income with recycling to profit or loss	Fair value through profit or loss ^a	Fair value Dec. 31, 2025 ^b
Aggregated by measurement category (IFRS 9)							
Assets							
Financial assets at amortized cost	AC	21,119	21,119				5,914
Financial assets at fair value through other comprehensive income with recycling to profit or loss	FVOCI	9,447			9,447		9,447
Financial assets at fair value through other comprehensive income without recycling to profit or loss	FVOCI	794		794			794
Financial assets at fair value through profit or loss	FVTPL	825				825	825
Liabilities							
Financial liabilities at amortized cost	AC	117,451	117,451				102,281
Financial liabilities at fair value through profit or loss	FVTPL	371				371	371

^a For energy forward agreements please refer to the detailed comments in the following section.

^b The practical expedient under IFRS 7.29 was applied for disclosures on specific fair values.

millions of €

		Amounts recognized in the statement of financial position in accordance with IFRS 9					
	Measurement category in accordance with IFRS 9	Carrying amount Dec. 31, 2024	Amortized cost	Fair value through other comprehensive income without recycling to profit or loss	Fair value through other comprehensive income with recycling to profit or loss	Fair value through profit or loss ^a	Fair value Dec. 31, 2024 ^b
Assets							
Cash and cash equivalents	AC	8,472	8,472				
Trade receivables		16,411					
At amortized cost	AC	7,222	7,222				
At fair value through other comprehensive income	FVOCI	9,189			9,189		9,189
Other financial assets		7,743					
Originated loans and other receivables		5,435					
At amortized cost	AC	5,170	5,170				5,181
Of which: collateral paid	AC	1,533	1,533				
Of which: publicly funded projects	AC	1,550	1,550				
At fair value through profit or loss	FVTPL	265				265	265
Equity instruments		552					
At fair value through other comprehensive income	FVOCI	549		549			549
At fair value through profit or loss	FVTPL	3				3	3
Derivative financial assets		1,585					
Derivatives without a hedging relationship	FVTPL	911				911	911
Of which: termination rights embedded in bonds issued	FVTPL	193				193	193
Of which: energy forward agreements	FVTPL	189				189	189
Derivatives with a hedging relationship	n.a.	674			609	65	674
Lease assets	n.a.	171					
Liabilities							
Trade payables	AC	9,489	9,489				
Financial liabilities		112,191					
Bonds and other securitized liabilities	AC	94,678	94,678				90,072
Asset-backed securities collateralized by trade receivables	AC	1,506	1,506				1,510
Liabilities to banks	AC	2,284	2,284				2,225
Liabilities with the right of creditors to priority repayment in the event of default	AC	1,311	1,311				1,283
Other interest-bearing liabilities	AC	6,430	6,430				6,319
Of which: collateral received	AC	109	109				
Liabilities from deferred interest	AC	1,158	1,158				
Other non-interest-bearing liabilities	AC	2,138	2,138				
Derivative financial liabilities		2,687					
Derivatives without a hedging relationship	FVTPL	320				320	320
Of which: energy forward agreements	FVTPL	21				21	21
Derivatives with a hedging relationship	n.a.	2,367			695	1,672	2,367
Lease liabilities	n.a.	40,248					

millions of €

			Amounts recognized in the statement of financial position in accordance with IFRS 9				
	Measurement category in accordance with IFRS 9	Carrying amount Dec. 31, 2024	Amortized cost	Fair value through other comprehensive income without recycling to profit or loss	Fair value through other comprehensive income with recycling to profit or loss	Fair value through profit or loss ^a	Fair value Dec. 31, 2024 ^b
Aggregated by measurement category (IFRS 9)							
Assets							
Financial assets at amortized cost	AC	20,864	20,864				5,181
Financial assets at fair value through other comprehensive income with recycling to profit or loss	FVOCI	9,189			9,189		9,189
Financial assets at fair value through other comprehensive income without recycling to profit or loss	FVOCI	549		549			549
Financial assets at fair value through profit or loss	FVTPL	1,179				1,179	1,179
Liabilities							
Financial liabilities at amortized cost	AC	118,994	118,994				101,409
Financial liabilities at fair value through profit or loss	FVTPL	320				320	320

^a For energy forward agreements please refer to the detailed comments in the following section.^b The practical expedient under IFRS 7.29 was applied for disclosures on specific fair values.

Trade receivables include receivables amounting to EUR 2.7 billion (December 31, 2024: EUR 2.5 billion) due in more than one year. The fair value generally equals the carrying amount.

Disclosures on fair value

Financial instruments not measured at fair value, the fair values of which are disclosed nevertheless^{a, b}

millions of €

	Dec. 31, 2025				Dec. 31, 2024			
	Level 1	Level 2	Level 3 ^c	Total	Level 1	Level 2	Level 3 ^c	Total
Assets								
Originated loans and receivables		5,914		5,914		5,181		5,181
Liabilities								
Financial liabilities measured at amortized cost	81,426	20,577	278	102,281	85,062	16,154	193	101,409
Of which: bonds and other securitized liabilities	80,717	8,551	274	89,542	83,782	6,100	190	90,072
Of which: asset-backed securities collateralized by trade receivables		1,716		1,716		1,510		1,510
Of which: liabilities to banks		4,424		4,424		2,225		2,225
Of which: liabilities with the right of creditors to priority repayment in the event of default	709		4	713	1,280		3	1,283
Of which: other interest-bearing liabilities		5,886		5,886		6,319		6,319

^a For the definition of the levels, please refer to the section "Summary of accounting policies".^b Including, where it exists, financial assets and liabilities reported under assets and liabilities directly associated with non-current assets and disposal groups held for sale.^c Separation of embedded derivatives; the fair value of the entire instrument must be categorized as Level 1.

Financial instruments measured at fair value ^{a, b}

millions of €

	Dec. 31, 2025				Dec. 31, 2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Trade receivables								
At fair value through other comprehensive income			9,447	9,447			9,189	9,189
Other financial assets – Originated loans and other receivables								
At fair value through profit or loss	233		12	245	248		17	265
Equity instruments								
At fair value through other comprehensive income	9		785	794	14		535	549
At fair value through profit or loss	3		4	7			3	3
Derivative financial assets								
Derivatives without a hedging relationship		100	473	573		518	393	911
Derivatives with a hedging relationship		812	14	826		657	17	674
Liabilities								
Derivative financial liabilities								
Derivatives without a hedging relationship		273	98	371		223	97	320
Derivatives with a hedging relationship		1,999	99	2,098		2,273	94	2,367

^a For the definition of the levels, please refer to the section "Summary of accounting policies".

^b Including, where it exists, financial assets and liabilities reported under assets and liabilities directly associated with non-current assets and disposal groups held for sale.

Of the **equity instruments measured at fair value through other comprehensive income** and recognized under other financial assets, the instruments presented in the different levels constitute separate classes of financial instruments. In each case, the fair values of the total volume of equity instruments recognized as Level 1 are the price quotations at the reporting date.

The **listed bonds and other securitized liabilities** are assigned to Level 1 or Level 2 depending on the market liquidity of the relevant instrument. Consequently, issues denominated in euros or U.S. dollars with relatively large nominal amounts are to be classified as Level 1, the rest as Level 2. The fair values of the instruments assigned to Level 1 equal the nominal amounts multiplied by the price quotations at the reporting date. The fair values of the instruments assigned to Level 2 are calculated as the present values of the payments associated with the debts, based on the applicable yield curve and Deutsche Telekom's credit spread curve for specific currencies. T-Mobile US' EUR bonds and its U.S. dollar asset-backed securities collateralized by trade receivables are assigned to Level 2. Their fair values are determined on the basis of quoted prices for identical assets on inactive markets and observable changes in the market interest rates.

The fair values of **liabilities to banks and other interest-bearing liabilities** are calculated as the present values of the payments associated with the debts, based on the applicable yield curve and Deutsche Telekom's credit spread curve for specific currencies. The fair values of **trade receivables** and of **originated loans and other receivables** are calculated as the present values of the payments associated with the receivables, based on the applicable yield curve and the credit risk of the debtors.

Since there are no market prices available for the **derivative financial instruments** in the portfolio assigned to Level 2 due to the fact that they are not listed on the market, the fair values are calculated using standard financial valuation models, based entirely on observable inputs. The fair value of derivatives is the price that Deutsche Telekom would receive or have to pay if the financial instrument were transferred at the reporting date. Interest rates of contractual partners relevant as of the reporting date are used in this respect. The middle rates applicable as of the reporting date are used as exchange rates. In the case of interest-bearing derivatives, a distinction is made between the clean price and the dirty price. In contrast to the clean price, the dirty price also includes the interest accrued. The fair values carried correspond to the full fair value or the dirty price.

The **equity instruments measured at fair value through other comprehensive income** comprise a large number of investments in strategic, unlisted individual positions. Deutsche Telekom considers the chosen measurement through other comprehensive income without recycling to profit or loss to be appropriate because there are no plans to use the investments for short-term profit-taking. At the date of disposal of an investment, the total cumulative gain or loss is reclassified to retained earnings. Acquisitions and disposals are based on business policy investment decisions.

Investments in equity instruments at fair value through other comprehensive income

millions of €

	2025	2024
Fair value as of December 31	794	549
Dividends recognized in profit/loss	0	0
Of which: on investments divested in the reporting period	0	0
Of which: on investments still held at the reporting date	0	0
Fair value at the derecognition date of instruments divested in the reporting period	143	1
Cumulative gains reclassified in the reporting period from other comprehensive income to retained earnings	64	2
Of which: from the disposal of investments	64	0
Cumulative losses reclassified in the reporting period from other comprehensive income to retained earnings	1	2
Of which: from the disposal of investments	0	2

Development of the carrying amounts of the financial assets and financial liabilities assigned to Level 3^a

millions of €

	Equity instruments at fair value through other comprehensive income	Derivative financial assets at fair value through profit or loss: termination rights embedded in bonds issued	Derivative financial assets at fair value through profit or loss: energy forward agreements	Derivative financial liabilities at fair value through profit or loss: energy forward agreements
Carrying amount as of January 1, 2025	535	193	189	(21)
Additions (including first-time classification as Level 3)	149	138	0	0
Decreases in fair value recognized in profit/loss (including losses on disposal)	0	(104)	(33)	(4)
Increases in fair value recognized in profit/loss (including gains on disposal)	0	75	82	1
Decreases in fair value recognized directly in equity	(73)	0	0	0
Increases in fair value recognized directly in equity	345	0	0	0
Disposals (including last classification as Level 3) ^b	(143)	0	(32)	1
Currency translation effects recognized directly in equity	(27)	(24)	(22)	3
Carrying amount as of December 31, 2025	785	278	184	(20)

^a Including, where it exists, financial assets and liabilities reported under assets and liabilities directly associated with non-current assets and disposal groups held for sale.

^b The disposals under energy forward agreements include billing amounts paid.

The **equity instruments** assigned to Level 3 that are **measured at fair value through other comprehensive income** and carried under other financial assets are equity investments with a carrying amount of EUR 785 million measured using the best information available at the reporting date. As a rule, Deutsche Telekom considers transactions involving shares in those companies to have the greatest relevance. Transactions involving shares in comparable companies are also considered. The proximity of the relevant transaction to the reporting date, and the question of whether it was conducted at arm's length, are relevant for deciding which information is used for the measurement. Furthermore, the degree of similarity between the object being measured and comparable companies must be taken into consideration. For the development of the carrying amounts in the reporting period, please refer to the table above. As of the reporting date, no investments were reported under non-current assets and disposal groups held for sale. In the case of investments with a carrying amount of EUR 489 million, transactions involving shares in these companies took place at arm's length sufficiently close to the reporting date, which is why the share prices agreed in the transactions were to be used without adjustment for the measurement as of the current reporting date. In the case of investments with a carrying amount of EUR 47 million, an analysis of operational indicators (especially revenue, EBIT, and liquidity) revealed that the carrying amounts were equivalent to current fair values. Due to better comparability, previous arm's length transactions involving shares in these companies are preferable to more recent transactions involving shares in similar companies. In the case of investments with a carrying amount of EUR 177 million, for which the last arm's length transactions relating to shares in these companies took place further in the past, a measurement performed more recently relating to shares in similar companies provides the most reliable representation of the fair values. Based on these arm's length transactions, multiples were calculated and applied to the reference variable of expected revenue (ranging between 1.0 and 27.3). A range of equally distributed percentiles in intervals of 16.7 % around the median were taken as a basis here. For each investment, the appropriate percentile was used depending on the specific circumstances. If other values had been used for

the multiples and for the expected revenue amounts, the calculated fair values would have been different. However, these hypothetical deviations (sensitivities) were immaterial as of the current reporting date. In addition, non-material individual items with a carrying amount of EUR 72 million when translated into euros are included with differences in value of minor relevance.

For the development of the carrying amounts in the reporting year, please refer to the table above.

The **derivatives without a hedging relationship** assigned to Level 3 and carried under derivative financial assets relate to options embedded in bonds issued by T-Mobile US with a carrying amount of EUR 278 million when translated into euros. The options, which can be exercised by T-Mobile US at any time, allow early redemption of the bonds at fixed exercise prices. Observable market prices are available regularly and also at the reporting date for the bonds as entire instruments, but not for the options embedded therein. The termination rights are measured using an option pricing model. Historical interest rate volatilities of bonds issued by T-Mobile US and comparable issuers are used for the measurement of the spreads because these provide a more reliable estimate at the reporting date than current market interest rate volatilities. The spread curve, which is also unobservable, was derived on the basis of current market prices of bonds issued by T-Mobile US and debt instruments of comparable issuers. Risk-free interest rates and spreads were simulated separately from each other. At the current reporting date, the following interest rate volatility and spreads were used for the various rating levels of the USD bonds:

Interest rate volatilities and spreads used for USD bonds by rating levels

%	Interest volatility (absolute figure)	Spread
BBB+	0.1 %–0.2 %	0.8 %–1.4 %
BBB-	0.1 %–0.2 %	1.2 %–1.8 %

If other values had been used for the interest rate volatility and for the spread curve, the calculated fair values would have been different. The hypothetical deviation (sensitivity) was immaterial as of the current reporting date. If the spread curve had been 50 basis points higher (lower) at the reporting date, the fair value of the options would have been EUR 95 million lower (EUR 127 million higher). If the risk-free interest rate had been 50 basis points higher (lower) at the reporting date, the fair value of the options would have been EUR 73 million lower (EUR 93 million higher). In the reporting period, a net expense of EUR 6 million when translated into euros was recognized under the Level 3 measurement in other financial income/expense for unrealized losses for the options in the portfolio at the reporting date. Please refer to the table above for the development of the carrying amounts in the reporting period. Due to their distinctiveness, these instruments constitute a separate class of financial instruments.

With a carrying amount of EUR 184 million when translated into euros, the **derivatives without a hedging relationship** assigned to Level 3 and carried under **derivatives financial assets** relate to energy forward agreements embedded in contracts entered into by T-Mobile US. The same applies to **derivative financial liabilities** with a carrying amount of EUR 20 million when translated into euros. These agreements consist of two components: the energy forward agreement and the acquisition of renewable energy credits by T-Mobile US. Commercial operations are already underway. The agreement concerning a project for which commercial operations have not yet begun was terminated in the reporting period. Under the energy forward agreements, which are accounted for separately as derivatives, T-Mobile US receives variable amounts based on the actual energy output and the then current energy prices, and pays fixed amounts per unit of energy generated from the start of commercial operations throughout the term of the contract. The energy forward agreements are measured using valuation models because no observable market prices are available. The value of the derivatives is influenced primarily by the future energy output and the future energy prices on the relevant markets. The main contract parameters and assumptions made are set out in the table below. In the view of T-Mobile US, the contracts were entered into at current market conditions, and the most appropriate parameters for the unobservable inputs were used for measurement purposes. The transaction price at inception was zero in each case. Since the unobservable inputs have a significant influence on the measurement of the derivatives, the respective amount resulting from initial measurement (day 1 gain) for some of the agreements was not recognized in profit or loss on initial recognition. Instead, these day 1 gains are amortized in profit or loss on a straight-line basis over the period of commercial energy production. This amortization adjusts the effects from measuring the derivatives in each accounting period using the respective valuation models and updated parameters. All amounts from the measurement of the derivatives are presented in net terms per contract in the statement of financial position (derivative financial assets/liabilities) and in the income statement (other operating income/expenses). The remaining agreements were acquired by T-Mobile US in a business combination and, for these agreements too, unobservable inputs have a material influence on the measurement of the derivatives. However, under the requirements for business combinations, the respective amounts resulting from the measurement are recognized as derivative financial assets, as a result of which there are no amounts yet to be amortized for these agreements. On the following reporting dates, the effects from the periodic measurement of the derivatives will be recorded in full in the income statement (other operating expenses or other operating income). At the reporting date, the calculated fair value from Deutsche Telekom's perspective for one of the energy forward agreements described above is negative and amounts to EUR -5 million when translated into euros. The fair values of all other energy forward agreements are positive and amount to EUR 231 million when translated into euros. If other

values had been used for the future energy prices and for the future energy output, the calculated fair values would have been different. However, these hypothetical deviations (sensitivities) were immaterial as of the current reporting date. In the reporting period, net income of EUR 7 million when translated into euros was recognized under the Level 3 measurement in other operating income/expense for unrealized gains for the derivatives for all the above energy forward agreements. Please refer to the corresponding table for the development of the carrying amounts in the reporting period. The development of the day 1 gain yet to be amortized in the income statement in the reporting period is shown in the following table. The straight-line amortization of the day 1 gains through profit or loss over the period of commercial energy production amounts to a total of EUR 8 million per year when translated into euros.

Main contract parameters of energy forward agreements

millions of €

	United States
Term of the contract from the start of commercial operation in years	12 to 15
End of the term of contracts for which commercial operation has already begun	2029 to 2035
Expected energy output in GWh per year	3,382
Expected energy prices per MWh for the unobservable portion of the term in €	22 to 226
Length of time in years, for which energy prices are regularly observable	up to 10

Development of the not yet amortized amounts

millions of €

	Energy forward agreements in the United States ^a
Measurement amounts on initial recognition	245
Measurement amounts on initial recognition (additions during the reporting period)	0
Measurement amounts amortized in profit or loss in prior periods	(59)
Measurement amounts amortized in profit or loss in the current reporting period	(9)
Currency translation adjustments	1
Disposals in prior periods	(85)
Disposals in the current reporting period	(31)
Measurement amounts not amortized as of December 31, 2025	62

^a For more details, please refer to the explanations above.

For the trade receivables measured at fair value through other comprehensive income assigned to Level 3 and for the **originated loans and other receivables** measured at fair value through profit or loss, the main factor in determining fair value is the credit risk of the relevant counterparties. If other values had been used for the default rates as of the reporting date with no change in the reference variables, the calculated fair values would have been different. However, these hypothetical deviations (sensitivities) were immaterial as of the current reporting date. The financial assets assigned to Level 3 include trade receivables measured at fair value through other comprehensive income, for which the credit risk of customers constitutes an unobservable input for the measurement, with a carrying amount of EUR 9,447 million (December 31, 2024: EUR 9,189 million) when translated into euros. As a rule, a credit scoring model is used for receivables paid in installments. The cash flows are discounted on the basis of the weighted average of the original effective interest rates of the financial assets in the relevant portfolio. A weighted average credit-risk spread of 7.25 % (December 31, 2024: 7.18 %) was applied to the respective receivables portfolios at the reporting date. The credit-risk spreads applied are derived from the expected future credit loss of the relevant portfolio and are updated on an ongoing basis. Changes in the fair value of these trade receivables are also caused by changes in observable market interest rates.

For information on the amounts recognized in shareholders' equity and in profit/loss, please refer to the following table "Net gain/loss by measurement category."

No notable fluctuations in value are expected from the other financial assets and financial liabilities assigned to Level 3.

Net gain/loss by measurement category

millions of €

		Recognized in profit or loss from interest and dividends	Recognized in profit or loss from subsequent measurement			Recognized directly in equity from subsequent measurement	Recognized in profit or loss from derecognition	Net gain (loss)
			At fair value	Currency translation	Impairments/ allowances			
Debt instruments measured at amortized cost	2025	156	n.a.	(242)	(262)	n.a.	(21)	(369)
	2024	215	n.a.	130	(291)	n.a.	(19)	35
Debt instruments measured at fair value through profit or loss	2025	305	1	n.a.	n.a.	n.a.	11	317
	2024	399	(420)	n.a.	n.a.	n.a.	13	(8)
Debt instruments measured at fair value through other comprehensive income	2025	0	n.a.	n.a.	(1,193)	97	(140)	(1,236)
	2024	0	n.a.	n.a.	(1,024)	47	(164)	(1,141)
Equity instruments measured at fair value through profit or loss	2025	0	1	n.a.	n.a.	n.a.	0	1
	2024	1	(3)	n.a.	n.a.	n.a.	0	(2)
Equity instruments measured at fair value through other comprehensive income	2025	0	n.a.	n.a.	n.a.	271	n.a.	271
	2024	0	n.a.	n.a.	n.a.	54	n.a.	54
Derivatives measured at fair value through profit or loss	2025	n.a.	(414)	n.a.	n.a.	n.a.	n.a.	(414)
	2024	n.a.	302	n.a.	n.a.	n.a.	n.a.	302
Financial liabilities measured at amortized cost	2025	(4,075)	n.a.	601	n.a.	n.a.	n.a.	(3,473)
	2024	(4,004)	n.a.	(333)	n.a.	n.a.	n.a.	(4,337)
	2025	(3,613)	(412)	359	(1,455)	368	(150)	(4,902)
	2024	(3,389)	(121)	(204)	(1,316)	101	(170)	(5,098)

^a The amount reported under debt instruments measured at fair value through other comprehensive income is the net amount after deduction of the effects recognized in profit or loss for impairment losses in the amount of EUR -1,319 million.

Interest from financial instruments is recognized in finance costs, dividends in other financial income/expense (income from investments).

For further information, please refer to Note 29 “Finance costs” and Note 31 “Other financial income/expense.”

The other components of the net gain/loss are generally recognized in other financial income/expense, except for allowances on trade receivables that are classified as debt instruments measured at amortized cost and debt instruments measured at fair value through other comprehensive income, which are reported under other operating expenses. The loss/gain from energy forward agreements is reported under other operating expenses/other operating income.

For further information, please refer to Note 2 “Trade receivables.”

The net loss from the subsequent measurement for financial instruments allocated to the measurement category at fair value through profit or loss (EUR 412 million) also includes interest and currency translation effects. The currency translation gains from the measurement category “Financial liabilities measured at amortized cost” (EUR 601 million) included currency translation losses from derivatives that Deutsche Telekom used as hedges for hedge accounting in foreign currency (EUR 565 million; 2024: gains of EUR 212 million). Finance costs from financial liabilities measured at amortized cost (expense of EUR 4,075 million) primarily consist of interest expense on bonds and other (securitized) financial liabilities. The item also includes interest expense from the addition of accrued interest and interest income from interest discounted from trade payables. However, it does not include the interest expense and interest income from interest rate derivatives Deutsche Telekom used in the reporting year to hedge the fair value risk of financial liabilities.

For further information, please refer to Note 29 “Finance costs.”

Principles of risk management

Deutsche Telekom is exposed in particular to risks from changes in exchange rates and interest rates that affect its assets, liabilities, and forecast transactions. Financial risk management aims to limit these market risks through ongoing operational and finance activities. Selected derivative and non-derivative hedging instruments are used for this purpose, depending on the risk assessment. However, Deutsche Telekom only hedges the risks that affect the Group's cash flows. Derivatives are exclusively used as hedging instruments, i.e., not for trading or other speculative purposes. To reduce the credit risk, hedging instruments are generally only concluded with leading financial institutions whose credit rating is at least BBB+/Baa1. In addition, the credit risk for derivatives with a positive market value is generally minimized through collateral agreements with all core banks. A counterparty-specific limit system is in place for our deposits.

The fundamentals of Deutsche Telekom's financial policy are established by the Board of Management and overseen by the Supervisory Board. Group Treasury is responsible for implementing the financial policy and for ongoing risk management. Certain transactions require the prior approval of the Board of Management, which is also regularly briefed on the severity and amount of the current risk exposure.

Group Treasury regards effective management of the market risk as one of its main tasks. The main risks relate to foreign currencies and interest rates.

Currency risks. Deutsche Telekom is exposed to currency risks from its investing, financing, and operating activities, and from dividend payments received. Risks from foreign currencies are generally hedged to the extent that they influence the Group's cash flows. Foreign-currency risks that do not influence the Group's cash flows (i.e., the risks resulting from the translation of assets and liabilities of foreign operations into the Group's reporting currency) are generally not hedged, however. Deutsche Telekom may nevertheless also hedge this foreign-currency risk under certain circumstances.

Foreign-currency risks in the area of investment result, for example, from the acquisition and disposal of investments in foreign companies. Deutsche Telekom hedges these risks. If the risk position exceeds EUR 100 million, the Board of Management must make a special decision on how the risk shall be hedged. If the risk position is below EUR 100 million, Group Treasury performs the currency hedging itself. At the reporting date, Deutsche Telekom was not exposed to any significant risks from foreign-currency transactions in the field of investments.

Foreign-currency risks in the financing area are caused by financial liabilities in foreign currency and loans in foreign currency that are issued to Group entities for financing purposes. Group Treasury hedges these risks. Cross-currency swaps and currency derivatives are generally used to convert financial obligations and intragroup loans denominated in foreign currencies into the Group entities' functional currencies.

At the reporting date, the foreign-currency liabilities for which currency risks were hedged mainly consisted of bonds in U.S. dollars and pounds sterling. On account of these hedging activities, Deutsche Telekom was not exposed to any significant currency risks in the area of financing at the reporting date.

Foreign-currency risks from dividend payments mainly result from the shares Deutsche Telekom holds in T-Mobile US.

The Group entities predominantly execute their operating activities in their respective functional currencies. Payments made in a currency other than the respective functional currency mainly relate to payments for telecommunications services (procurement of network technology and mobile communications equipment as well as payments to international telecommunications companies for the provision of connection services) and IT services (procurement of IT hardware, software, and services).

Dividends received in foreign currency are used for foreign currency payments in operating activities, thereby offsetting the corresponding risks. The remaining net risk is not generally hedged.

For the presentation of market risks, IFRS 7 requires sensitivity analyses that show the effects of hypothetical changes of relevant risk variables on profit or loss and shareholders' equity. In addition to currency risks, Deutsche Telekom is exposed to interest rate risks and price risks in its investments. The periodic effects are determined by relating the hypothetical changes in the risk variables to the balance of financial instruments at the reporting date. It is assumed that the balance at the reporting date is representative for the year as a whole.

Currency risks as defined by IFRS 7 arise on account of financial instruments being denominated in a currency that is not the functional currency and being of a monetary nature; differences resulting from the translation of financial statements into the Group's presentation currency are not taken into consideration. Relevant risk variables are generally all non-functional currencies in which Deutsche Telekom has contracted financial instruments.

The currency sensitivity analyses are based on the following assumptions: major non-derivative monetary financial instruments (liquid assets, receivables, interest-bearing securities and/or debt instruments held, interest-bearing and non-interest-bearing liabilities, and lease liabilities) are either directly denominated in the functional currency or were transferred to the functional currency through the use of derivatives. Exchange rate fluctuations therefore have no effects on profit or loss, or shareholders' equity. Hence only unhedged foreign currency items are included in the currency sensitivities.

Equity instruments held are of a non-monetary nature and therefore are not exposed to a currency risk as defined by IFRS 7.

Interest income and interest expense from financial instruments are also either recorded directly in the functional currency or transferred to the functional currency using derivatives. For this reason, there can be no effects on the variables considered in this connection.

In the case of fair value hedges designated to hedge currency risks, the changes in the fair values of the hedged item and the hedging instrument attributable to changes in exchange rates balance out almost completely in the income statement in the same period. As a consequence, these financial instruments are not exposed to currency risks with an effect on profit or loss, or shareholders' equity, either.

Cross-currency swaps are always assigned to non-derivative hedged items, so as a rule, these instruments likewise do not have any currency effects.

Deutsche Telekom is therefore only exposed to currency risks from specific currency derivatives. Some of these are currency derivatives that are part of an effective cash flow hedge for hedging payment variability resulting from changes in exchange rates in accordance with IFRS 9. Volatility of exchange rates of the currencies on which these transactions are based affects the hedging reserves in shareholders' equity and the fair value of these hedging instruments. Others are currency derivatives that are neither part of one of the hedges defined in IFRS 9 nor part of a natural hedge. These derivatives are used to hedge planned transactions. Changes in exchange rates of the currencies on which such financial instruments are based affect other financial income or expense (net gain/loss from remeasurement of financial assets and liabilities to fair value).

If the euro had gained (lost) 10 % against all currencies at December 31, 2025, the hedging reserves in shareholders' equity and the fair values of the hedging instruments before taxes would have been EUR 4 million lower (higher) (December 31, 2024: EUR 113 million higher (lower)). If the euro had gained (lost) 10 % against all currencies at December 31, 2025, other financial income and the fair value of the hedging instruments before taxes would have been EUR 17 million higher (lower) (December 31, 2024: EUR 107 million higher (lower)).

Interest rate risks. Deutsche Telekom is exposed to interest rate risks, mainly in the euro zone and in the United States. The interest rate risks are actively managed as part of the interest rate management activities. For the debt position in euros a maximum variable percentage is set on an annual basis, taking into account the planned finance costs. The debt position of T-Mobile US in U.S. dollars is primarily determined through partially cancelable, fixed-income debt instruments. The composition of the liabilities portfolio (ratio of fixed to variable) is managed by issuing non-derivative financial instruments and, where necessary, also deploying derivative financial instruments.

Including derivative hedging instruments, an average of 10 % (2024: 10 %) of the debt position denominated in euros had a variable rate of interest in 2025. In U.S. dollars, the variable percentage of the nominal volume stood at 2 % as of December 31, 2025, compared with 0 % as of December 31, 2024.

Interest rate risks are presented by way of sensitivity analyses in accordance with IFRS 7. These show the effects of changes in market interest rates on interest payments, interest income and expense, other income components, and, if appropriate, shareholders' equity. The interest rate sensitivity analyses are based on the following assumptions: Changes in the market interest rates of non-derivative financial instruments with fixed interest rates only affect income if these are measured at their fair value. As such, all financial instruments with fixed interest rates that are carried at amortized cost are not subject to interest rate risk as defined in IFRS 7.

In the case of fair value hedges designated for hedging interest rate risks, the changes in the fair values of the hedged item and the hedging instrument attributable to changes in interest rates balance out almost completely in the income statement in the same period. This means that interest-rate-based changes in the measurement of the hedged item and the hedging instrument largely do not affect income and are therefore not subject to interest rate risk.

In the case of interest rate derivatives in fair value hedges which are not designated as hedged items in an aggregated risk position, however, changes in market interest rates affect the amount of interest payments and, as a consequence, have an effect on interest income and are therefore included in the calculation of income-related sensitivities.

Changes in the market interest rate regarding financial instruments that were designated as hedging instruments in a cash flow hedge to hedge payment variability resulting from changes in interest rates affect the hedging reserve in shareholders' equity and are therefore taken into consideration in the equity-related sensitivity calculations.

Changes in market interest rates affect the interest income or expense of non-derivative variable-interest financial instruments, the interest payments of which are not designated as hedged items of cash flow hedges against interest rate risks. As a consequence, they are included in the calculation of income-related sensitivities.

In addition, changes in the market interest rate had an impact on the carrying amount of trade receivables recognized at fair value and originated loans and other receivables. However, this variability is not managed.

Changes in the market interest rate regarding interest rate derivatives (interest rate swaps, cross-currency swaps) that are not part of a hedging relationship as set out in IFRS 9 affect other financial income or expense and are therefore taken into consideration in the income-related sensitivity calculations. Currency derivatives are not exposed to interest rate risks and therefore do not affect the interest rate sensitivities.

If the market interest rates had been 100 basis points higher at December 31, 2025, profit or loss before taxes would have been EUR 1 million lower (December 31, 2024: EUR 0 million higher). If the market interest rates had been 100 basis points lower at December 31, 2025, profit or loss before taxes would have been EUR 2 million higher (December 31, 2024: EUR 0 million lower). The effects from the options embedded in the bonds issued by T-Mobile US are not included in this simulation. However, the effects from the other financial instruments assigned to Level 3 described above are included. If the market interest rates had been 100 basis points higher (lower) at December 31, 2025, the hedging and revaluation reserves in equity before taxes would have been EUR 727 million higher (EUR 726 million lower) (December 31, 2024: EUR 847 million higher (EUR 848 million lower)). Deutsche Telekom considers a sensitivity of 100 basis points to still be appropriate, since it simulates a realistic market movement.

Other price risks. As part of the presentation of market risks, IFRS 7 also requires disclosures on how hypothetical changes in risk variables affect the price of financial instruments. Important risk variables are stock exchange prices or indexes.

Aside from the value-creating factors in the financial instruments assigned to Level 3 described above, there were no other price risks at the reporting date.

Deutsche Telekom is exposed to a credit risk from its operating activities and certain financing activities. As a rule, transactions with regard to financing activities are only concluded with counterparties that have at least a credit rating of BBB+/Baa1, in connection with active limit management. In addition, we have concluded collateral agreements for our derivative transactions. At the level of operations, the outstanding debts are continuously monitored in each area, i.e., locally. Credit risks are taken into account through allowances calculated at portfolio level. The solvency of the business with corporate customers, especially international carriers, is monitored separately. In terms of the overall risk exposure from the credit risk, however, the receivables from these counterparties are not so extensive as to justify extraordinary concentrations of risk.

Maximum credit risk of financial assets ^a

millions of €

Classes of financial instruments (IFRS 7)	Measurement category (IFRS 9)	2025	2024
Originated loans and other receivables	AC	5,906	5,168
	FVTPL	245	265
Cash and cash equivalents	AC	7,818	8,472
Trade receivables	AC	7,389	7,216
	FVOCI	9,447	9,189
Contract assets (IFRS 15)	n.a.	3,138	2,711
Lease receivables	n.a.	205	171

^a Including, where it exists, financial assets reported under assets directly associated with non-current assets and disposal groups held for sale.**Development of allowances ^a**

millions of €

	General approach									Simplified approach			
	12-month expected credit losses			Lifetime expected credit losses									
	Stage 1 – No change in credit risk since initial recognition			Stage 2 – Significant increase in credit risk since initial recognition, not credit-impaired			Stage 3 – Credit-impaired at the reporting date (not purchased or originated credit-impaired)						
	Cash and cash equivalents	Originated loans and other receivables		Cash and cash equivalents	Originated loans and other receivables		Cash and cash equivalents	Originated loans and other receivables		Trade receivables	Contract assets	Lease assets	
AC	AC	FVOCI	AC	AC	FVOCI	AC	AC	FVOCI	AC	FVOCI	n.a.	n.a.	
January 1, 2025	0	(14)	0	0	0	0	0	(17)	0	(1,240)	(393)	(56)	0
Transfers													
from stage 1 to stage 3		13						(13)					
Reclassification due to a change in business model													
Additions		(3)						(3)		(356)	(1,193)	(127)	
Use		1								309	1,052	69	
Reversal								1		97		34	
Other										27	20	5	
Foreign currency effect										(12)	(6)	3	
December 31, 2025	0	(2)	0	0	0	0	0	(32)	0	(1,175)	(519)	(71)	0

^a Including, where it exists, financial assets reported under assets directly associated with non-current assets and disposal groups held for sale.

There were no material transfers in the general approach.

Credit rating of financial assets measured at amortized cost or at fair value through other comprehensive income ^a

millions of €

	Dec. 31, 2025				Dec. 31, 2024			
	Contractual obligations fulfilled to date	Disruptions in performance already occurred	Non-performing	Total	Contractual obligations fulfilled to date	Disruptions in performance already occurred	Non-performing	Total
General approach (short term)								
12-month expected credit losses (stage 1)	12,105			12,105	12,533			12,533
Lifetime expected credit losses								
Significant increase in credit risk, but not credit-impaired (stage 2)		72		72		41		41
Credit-impaired at the reporting date, but not purchased or originated credit-impaired (stage 3)			137	137			123	123
	12,105	72	137	12,314	12,533	41	123	12,697
General approach (long term)								
12-month expected credit losses (stage 1)	1,428			1,428	964			964
Lifetime expected credit losses								
Significant increase in credit risk, but not credit-impaired (stage 2)		0		0		0		0
Credit-impaired at the reporting date, but not purchased or originated credit-impaired (stage 3)			13	13			11	11
	1,428	0	13	1,441	964	0	11	975
Simplified approach								
Trade receivables	16,364	599	1,055	18,017	15,933	520	1,198	17,651
Contract assets	3,176	21	12	3,209	2,749	9	9	2,767
Lease receivables	205	0	0	205	163	1	7	172
	19,745	620	1,067	21,431	18,845	530	1,215	20,590
Financial assets that are purchased or originated credit-impaired								
Receivables	0				0			0
	33,277	692	1,217	35,186	32,342	570	1,349	34,262

^a Including, where it exists, financial assets reported under assets directly associated with non-current assets and disposal groups held for sale.

Offsetting of financial instruments

millions of €

	Dec. 31, 2025				Dec. 31, 2024			
	Trade receivables	Trade payables	Derivative financial assets	Derivative financial liabilities	Trade receivables	Trade payables	Derivative financial assets	Derivative financial liabilities
Gross amounts subject to enforceable master netting arrangements or similar agreements	684	523	911	2,273	675	482	1,176	2,497
Amounts set off in the statement of financial position in accordance with IAS 32.42	(44)	(44)			(56)	(56)		
Net amounts presented in the statement of financial position	640	478	911	2,273	619	426	1,176	2,497
Amounts subject to enforceable master netting arrangements or similar agreements and not meeting all offsetting requirements in accordance with IAS 32.42	(21)	(21)	(902)	(2,264)	(20)	(20)	(1,175)	(2,471)
Of which: amounts related to recognized financial instruments	(21)	(21)	(670)	(670)	(20)	(20)	(1,071)	(1,071)
Of which: amounts related to financial collateral (including cash collateral)			(232)	(1,594)			(104)	(1,400)
Net amounts	619	458	9	9	599	406	1	26

Offsetting is applied in particular to receivables and liabilities at Deutsche Telekom AG and Telekom Deutschland GmbH for the routing of international calls via the fixed network and for roaming fees in the mobile network.

In line with the contractual provisions, in the event of insolvency all derivatives with a positive or negative fair value that exist with the respective counterparty are offset against each other, leaving a net receivable or liability. The net amounts are normally recalculated every bank working day and offset against each other. When the netting of the positive and negative fair values of all derivatives was positive from Deutsche Telekom's perspective, the counterparty provided Deutsche Telekom with cash pursuant to the collateral contracts mentioned in Note 1 "[Cash and cash equivalents](#)." The credit risk was thus further reduced.

When the netting of the positive and negative fair values of all derivatives was negative from Deutsche Telekom's perspective, Deutsche Telekom provided cash collateral to counterparties pursuant to collateral agreements. The net amounts are normally recalculated every bank working day and offset against each other. The cash collateral paid is offset by corresponding negative net derivative positions of EUR 1,594 million at the reporting date, which is why it was not exposed to any credit risks in this amount at the reporting date.

For further information, please refer to Note 11 "[Other financial assets](#)."

The collateral paid is reported under originated loans and other receivables within other financial assets. On account of its close connection to the corresponding derivatives, the collateral paid constitutes a separate class of financial assets. Likewise, the collateral received, which is reported as other interest-bearing liabilities under financial liabilities, constitutes a separate class of financial liabilities on account of its close connection to the corresponding derivatives. There were no other significant agreements reducing the maximum exposure to the credit risk of financial assets. The maximum exposure to the credit risk of the other financial assets thus corresponds to their carrying amounts.

In accordance with the terms of the bonds issued by T-Mobile US, T-Mobile US has the right to terminate the majority of bonds prematurely under specific conditions. The rights of early termination constitute embedded derivatives and are presented separately as derivative financial assets in the consolidated statement of financial position. Since they are not exposed to any credit risk, they constitute a separate class of financial instruments. Please refer to the explanations above for more information on the energy forward agreements for which no collateral is provided. There is also no credit risk on embedded derivatives held.

No collateral is provided for the options received from third parties for the purchase or sale of shares in associates.

At the reporting date, cash and cash equivalents of EUR 69 million when translated into euros were pledged as collateral for liabilities issued by T-Mobile US with the right of creditors to priority repayment in the event of default. This cash collateral is not exposed to any significant credit risk.

For further information, please refer to Note 13 "[Financial liabilities and lease liabilities](#)."

Liquidity risks

For information on these risks, please refer to Note 13 "[Financial liabilities and lease liabilities](#)."

Hedge accounting

Fair value hedges. To hedge the fair value risk of fixed-income liabilities, Deutsche Telekom primarily uses interest rate swaps (pay variable, receive fixed) denominated in EUR and USD. Fixed-income bonds denominated in EUR and USD were designated as hedged items. The changes in the fair values of the hedged items resulting from changes in the EURIBOR or USD SOFR swap rate are offset against the changes in the value of these interest rate swaps. In addition, cross-currency swaps mainly in the EUR/USD and EUR/GBP currency pairs, are designated as fair value hedges, which convert fixed-income foreign currency bonds into variable-interest EUR bonds to hedge the interest rate and currency risk. The changes in the fair value of the hedged items resulting from changes in the USD SOFR and GBP SONIA swap rate as well as the USD and GBP exchange rate, are offset against the changes in the value of these cross-currency swaps. The aim of the fair value hedges is thus to transform the fixed-income bonds into variable-interest debt, thus hedging the fair value (interest rate risk and currency risk) of these financial liabilities. Credit risks are not part of the hedging and, on account of Deutsche Telekom's rating, have only an immaterial effect on the changes in the fair value of the hedged item.

Cash flow hedges – interest rate risks. Deutsche Telekom mainly uses payer interest rate swaps and forward-payer interest rate swaps (pay fixed, receive variable) to hedge the cash flow risk of existing and future debt. The interest payments to be made in the hedging period are the hedged items and are recognized in profit or loss in the same period. Hedged items may be individual liabilities, portfolios of liabilities, or combinations of liabilities and derivatives (aggregate risk exposure). The changes in the cash flows of the hedged items resulting from changes in the USD SOFR rate and the EURIBOR rate are offset against the changes in the cash flows of the interest rate swaps. The aim of this hedging is to transform the variable-interest bonds into fixed-income debt, thus hedging the cash flows of the financial liabilities. Credit risks are not part of the hedging and, on account of Deutsche Telekom's rating, have only an immaterial effect on the changes in the fair value of the hedged item.

Cash flow hedges – currency risks. Deutsche Telekom entered into currency derivative and cross-currency swaps (pay fixed, receive variable) to hedge cash flows not denominated in a functional currency. The payments in foreign currency to be made in the hedging period are the hedged items and are recognized in profit or loss in the same period. The terms of the hedging relationships will end in the years 2026 through 2045. In the case of rolling cash flow hedges for hedging currency risks, short-term currency forwards are entered into, which are then extended by means of follow-up transactions.

At each reporting date, the effectiveness of the fair value and cash flow hedges is reviewed prospectively based on the main contractual features and recognized by using the dollar offset test. All hedging relationships were sufficiently effective as of the reporting date.

Hedging of a net investment. To hedge the net investment in T-Mobile US against fluctuations in the U.S. dollar spot rate, a net investment hedge of up to a nominal USD 1.3 billion was designated in the reporting period. Short-term currency forwards were used as hedging instruments ("pay U.S. dollars – receive euros") with a change in the U.S. dollar spot rate being designated as the hedged risk. Any changes in value of the hedged net investment resulting from changes in the U.S. dollar spot exchange rate were offset by changes in the value of the currency forwards. At each reporting date, effectiveness was reviewed prospectively based on the key characteristics and is determined retrospectively in the form of a dollar offset test. As of the reporting date, the hedging volume had declined to zero. The hedges of the net investment in T-Mobile US against fluctuations in the U.S. dollar spot rate de-designated in prior periods did not generate any effects in 2025. The amounts recognized under cumulative other comprehensive income would be reclassified to profit or loss in the event of the disposal of T-Mobile US.

Conditions of derivative financial instruments in hedging relationships ^a

millions of €

	2026					
	Nominal amount	Average hedge rate	Average swap rate received	Average swap rate paid	Average margin paid	Average margin received
Fair value hedges						
Interest rate risk						
EURIBOR	1,503		0.9509 %	6M EURIBOR	0.4944 %	
USD SOFR						
Cross-currency risk						
USD/EUR						
Other						
Cash flow hedges						
Currency risk						
Buy						
USD/EUR	200	1.0892				
Other	27					
Sell						
USD/EUR	190	1.1838				
Interest rate risk						
EURIBOR						
EURIBOR						
USD SOFR	1,277		3M USD SOFR	4.75 %		2.3323 %

^a In addition to the main hedges in euros and U.S. dollars, there are also hedges in the following currencies: pound sterling, Swiss francs, Norwegian kroner, Hong Kong dollars, and Australian dollars, which cumulate under "Other."

millions of €

2027–2030						
	Nominal amount	Average hedge rate	Average swap rate received	Average swap rate paid	Average margin paid	Average margin received
Fair value hedges						
Interest rate risk						
EURIBOR	2,489		1.4525 %	6M EURIBOR	0.7589 %	
USD SOFR	1,547		4.0084 %	3M USD SOFR	1.6215 %	
Cross-currency risk						
USD/EUR	1,557	1.1221	8.7500 %	3M EURIBOR	5.8751 %	
Other	816					
Cash flow hedges						
Currency risk						
Buy						
USD/EUR	1,338	1.3147	8.7500 %	7.7788 %		
Other	441					
Sell						
USD/EUR	600	0.8945	3.5500 %	5.4857 %		
Interest rate risk						
EURIBOR	2,373		6M EURIBOR	2.9056 %		0.0000 %
EURIBOR	2,368		3M EURIBOR	2.8428 %		0.0000 %
USD SOFR	1,262		3M USD SOFR	4.7500 %		1.6391 %

millions of €

2031 and thereafter						
	Nominal amount	Average hedge rate	Average swap rate received	Average swap rate paid	Average margin paid	Average margin received
Fair value hedges						
Interest rate risk						
EURIBOR	3,200		1.7637 %	6M EURIBOR	1.0746 %	
USD SOFR	2,481		4.2858 %	3M USD SOFR	2.0659 %	
Cross-currency risk						
USD/EUR						
Other	1,054					
Cash flow hedges						
Currency risk						
Buy						
USD/EUR	420	1.2383	8.8448 %	7.8128 %		
Other						
Sell						
USD/EUR	4,150	0.8542	3.5829 %	5.5691 %		
Interest rate risk						
EURIBOR	3,791		6M EURIBOR	3.1108 %		0.3427 %
EURIBOR	2,628		3M EURIBOR	3.8192 %		1.4251 %
USD SOFR						

Nominal and carrying amounts of derivative financial instruments in hedging relationships ^a

millions of €

	2025					2024					Disclosure of the hedging instruments in the statement of financial position
	Nominal amount of the hedging instruments		Carrying amount of the hedging instruments		Change in value of the hedging instruments in the reporting period for determining ineffectiveness	Nominal amount of the hedging instruments		Carrying amount of the hedging instruments		Change in value of the hedging instruments in the reporting period for determining ineffectiveness	
	in foreign currencies	in euros	Financial assets	Financial liabilities		in foreign currencies	in euros	Financial assets	Financial liabilities		
Fair value hedges											Other financial assets/ financial liabilities
Interest rate risk		11,220		(1,387)	110		12,612		(1,499)	7	
Of which: EUR		7,192					8,058				
Of which: USD	4,733	4,028				4,733	4,554				
Cross-currency risk		3,426	31	(364)	24		3,470	65	(173)	22	Other financial assets/ financial liabilities
Of which: USD	1,747	1,557				1,747	1,557				
Of which: other		1,869					1,913				
Cash flow hedges											Other financial assets/ financial liabilities
Currency risk		7,367	394	(28)	123		4,989	410	(100)	36	
Buy											
USD/EUR	2,521	1,959				2,755	2,173				
Other		468					479				
Sell											
USD/EUR	5,204	4,940				2,498	2,332				
Other							5				
Interest rate risk		13,700	387	(220)	536		14,746	182	(488)	69	Other financial assets/ financial liabilities
USD SOFR	2,983	2,539				2,983	2,870				
EURIBOR		11,161					11,876				
Net investment hedges											Other financial assets/ financial liabilities
Currency risk		0	0	0	119		1,234	0	(13)	(101)	
Sell											
USD/EUR	0	0				1,300	1,234				

^a In this and the following tables on hedging relationships, losses are shown as negative amounts unless explicitly stated otherwise.

Disclosures on hedged items in hedging relationships

millions of €

		Carrying amount of the hedged items (including cumulative fair value hedge adjustments)	Cumulative adjustments to the carrying amount of the existing fair value hedges	Change in the fair value of the hedged items for determining ineffectiveness in the reporting period	Remaining balance of cumulative adjustments to the carrying amount of the terminated fair value hedges	Balance of amounts recognized in other comprehensive income relating to hedged risk (existing hedging relationships) ^a	Balance of amounts recognized in other comprehensive income relating to hedged risk (terminated hedging relationships) ^a	Presentation of the hedged items in the statement of financial position
Fair value hedges								
Interest rate risk	2025	10,048	(1,419)	(100)	135	n.a.	n.a.	Financial liabilities
	2024	11,381	(1,515)	(35)	179	n.a.	n.a.	
Cross-currency risk	2025	2,656	(280)	(78)	0	n.a.	n.a.	
	2024	2,932	(361)	(64)	0	n.a.	n.a.	
Cash flow hedges								
Currency risk	2025	n.a.	n.a.	(127)	n.a.	(40)	3	n.a.
	2024	n.a.	n.a.	(36)	n.a.	150	4	
Interest rate risk	2025	n.a.	n.a.	(543)	n.a.	330	(886)	
	2024	n.a.	n.a.	(67)	n.a.	(203)	(1,084)	
Net investment hedges								
Currency risk	2025	n.a.	n.a.	(119)	n.a.	890	n.a.	n.a.
	2024	n.a.	n.a.	101	n.a.	771	n.a.	

^a Figures include non-controlling interests.

Gains or losses from hedging relationships

millions of €

		Hedge ineffectiveness of existing hedging relationships recognized in profit or loss	Changes in fair value recognized directly in other comprehensive income	Amounts reclassified to profit or loss from other comprehensive income due to occurrence of the hedged items (existing hedging relationships) ^a	Amounts reclassified to profit or loss from other comprehensive income due to occurrence of the hedged items (terminated hedging relationships) ^a	Total change in other comprehensive income	Presentation of the reclassified effective amounts in profit or loss	Presentation of the ineffectiveness in profit or loss
Fair value hedges								n.a.
Interest rate risk	2025	9	n.a.	n.a.	n.a.	n.a.		Other financial income (expense)
	2024	(29)	n.a.	n.a.	n.a.	n.a.		
Cross-currency risk	2025	(54)	n.a.	n.a.	n.a.	n.a.		
	2024	(41)	n.a.	n.a.	n.a.	n.a.		
Cash flow hedges								
Currency risk	2025	(4)	127	(317)	(1)	(191)	Net revenue/ goods and services purchased/ other financial income (expense)	Other financial income (expense)
	2024	0	36	(28)	(1)	7		
Interest rate risk	2025	(7)	543	(10)	198	731	Interest expense	
	2024	2	67	(222)	208	53		
Net investment hedges								
Currency risk	2025	0	119	0	0	119	Other financial income (expense)	
	2024	0	(101)	0	0	(101)		

^a Negative amounts represent gains in the consolidated income statement.

The recorded ineffectiveness in the consolidated income statement mainly resulted from the different discount rates of the hedged items (fixed-income) and designated hedging instruments (fixed-income and variable-interest). Furthermore, cross-currency interest rate hedges are impacted by effects from cross-currency basis spreads, which are included in the hedging instruments, but not in the hedged items. For some hedges, the characteristics of hedging instruments and hedged items differ, resulting in ineffectiveness. The relative amounts of the ineffectiveness are not expected to increase significantly in the future. Furthermore, there are no other potential sources of ineffectiveness.

Reconciliation of total other comprehensive income from hedging relationships ^a

millions of €

	Designated risk components (effective portion)			Total designated risk components	Hedging costs ^b	Total other comprehensive income
	Cash flow hedges		Net investment hedges			
	Currency risk	Interest rate risk	Currency risk			
At January 1, 2025	154	(1,287)	771	(362)	8	(354)
Changes recognized directly in equity	127	543	119	789	11	800
Reclassification to profit or loss due to occurrence of the hedged item	(318)	188		(130)	2	(128)
At December 31, 2025	(37)	(556)	890	297	21	318

^a Figures include non-controlling interests.

^b The hedging costs relate entirely to cross-currency basis spreads.

Factoring transactions involving the splitting of significant risks and rewards with control remaining at Deutsche Telekom

Deutsche Telekom is party to factoring agreements under which trade receivables from consumers and business customers relating to both charges already due and charges from sales of handsets payable over a period of up to two years are sold on a revolving basis. In two transactions, subsidiaries of Deutsche Telekom sell receivables to structured entities that are also subsidiaries of Deutsche Telekom and were established for the sole purpose of these factoring agreements. The required funding is provided to these structured entities in the context of Deutsche Telekom's general Group financing. These structured entities have no assets and liabilities other than those resulting from the purchase and sale of the receivables under factoring agreements. The structured entities transfer the legal role of creditor for the receivables in each case to a bank that performs this role on behalf of the respective investors who have beneficial ownership of the receivables (administrative agent). For both agreements, these investors are eleven banks and seven other structured entities altogether. Deutsche Telekom does not consolidate these seven other structured entities because it has no control over their relevant activities. The seven other structured entities are financed through the issue of commercial paper to third parties outside the Group or, alternatively, through a credit facility provided in each case by a bank. The receivables being sold are selected from the relevant portfolios, either in an automated process in compliance with the eligibility criteria set out in the receivables purchase agreement or based on the decision of the relevant structured entity taking an obligatory minimum volume into account. Receivables are sold on a daily basis and billed on a monthly basis. In the transactions, Deutsche Telekom is obligated to buy back aged receivables and receivables for which a write-off is imminent at nominal value. Such buy-backs do not affect the allocation of the credit risk-related losses in any way, as the latter would be passed back to the buyers in line with the agreed risk allocation. None of the structured entities has business activities other than the purchase or sale of trade receivables or other investments. In none of the transactions is Deutsche Telekom exposed to risks other than the credit risk and late-payment risk resulting from the sold receivables agreed in the respective agreement. The risks relevant for the risk assessment with respect to the sold receivables are based on the credit risk and the late-payment risk. Deutsche Telekom bears certain portions of the credit risk in the individual transactions. The other credit risk-related losses are borne by the respective buyers. The late-payment risk in all transactions continues to be borne in full by Deutsche Telekom. Substantially all the risks and rewards of ownership of the receivables were neither transferred nor retained (allocation of the material risks and rewards between Deutsche Telekom and the buyers). Deutsche Telekom continues to perform servicing for the receivables sold. The buyers have the right to transfer the servicing to third parties for no specific reason. Although Deutsche Telekom is not authorized to use the receivables sold other than in its capacity as servicer, it retains control over the receivables sold because the buyers and the structured entities do not have the practical ability to resell the purchased receivables. At the time the receivables are sold, the fair value of the expected losses is expensed. Expected future payments are presented as a component of the associated liability. Deutsche Telekom continues to recognize the trade receivables sold to the extent of its continuing involvement, i.e., in the maximum amount with which it is still liable for the credit risk and late-payment risk inherent in the receivables sold, and recognizes a corresponding associated liability presented in other non-interest-bearing liabilities. The receivables and the associated liability are then derecognized in the extent to which Deutsche Telekom's continuing involvement is reduced (particularly when payment is made by the customer). The carrying amount of the receivables is subsequently reduced by the extent to which the actual losses to be borne by Deutsche Telekom resulting from the credit risk and the late-payment risk exceed the losses initially expected. This amount is recognized as an expense. Please refer to the table below for the disclosures on the continuing involvement resulting from the receivables sold.

Transfer of financial assets

millions of €

	Allocation of substantially all risks and rewards	
	Retention of control	
	Partial or full transfer of the credit risk and full retention of the late-payment risk	
	With the involvement of structured entities	
	2025	2024
End of contract terms	2026–2029	2025–2028
Contractual maximum volume	1,915	2,165
Volume of receivables sold as of the reporting date	1,766	1,995
Scope of monthly volume of receivables sold in the reporting year	338–1,095	572–1,878
Provision for receivables management	0	0
Continuing involvement		
Maximum credit risk	364	399
Maximum late-payment risk	23	29
Carrying amount of the continuing involvement (asset side)	387	427
Carrying amount of the associated liability	456	518
Fair value of the associated liability	70	91
Buy-back agreements		
Nominal value of receivables that can be bought back at the nominal amount	1,766	1,995
Purchase price discounts recognized in profit or loss, program fees, and pro rata loss allocations		
Reporting year	171	234
Cumulative since commencement of the agreement	2,270	2,099

44 Capital management

The overriding aim of Deutsche Telekom's capital management is to strike a balance between the contrasting expectations of the following stakeholders, so that sufficient funding is available for an attractive dividend, debt repayment, responsible staff restructuring, and new investment in a sustainable and positive customer experience:

- **Shareholders** expect an appropriate, reliable return on their capital employed.
- **Providers of debt capital** expect an appropriate return and that Deutsche Telekom is able to repay its debts.
- **Employees** expect jobs that are secure and that any necessary staff restructuring will be done in a responsible manner.
- **“Entrepreneurs within the enterprise”** expect sufficient investment funding to be able to shape Deutsche Telekom's future business and develop products, innovations, and services for the customer.
- **Society** expects Deutsche Telekom to do everything within its power to protect the environment, encourage fair and democratic co-existence, and shape the digital transformation in a responsible manner.

An important key performance indicator for the capital market communication with investors, analysts, and rating agencies is financial flexibility, which Deutsche Telekom determines based on relative debt, i.e., net debt to adjusted EBITDA. At 2.62x, Deutsche Telekom met the target value for relative debt of $\leq 2.75x$. Adjusted EBITDA and net debt are non-GAAP figures not governed by International Financial Reporting Standards, and their definition and calculation may vary from one company to another.

	2025	2024	2023
Relative debt ^a			
Net debt	2.62x	2.78x	2.82x
EBITDA (adjusted for special factors)			
Equity ratio	%		
	31.8	32.3	31.4

^a Relative debt is calculated on a quarterly basis.

A further essential key performance indicator is the equity ratio, i.e., the ratio of shareholders' equity to total assets in the consolidated statement of financial position. The equity ratio was 31.8 % as of December 31, 2025, which is within the target corridor of between 25 and 35 %. In addition, Deutsche Telekom maintains a liquidity reserve covering all maturities of the next 24 months.

For further information, please refer to the sections "[Management of the Group](#)" and "[Development of business in the Group](#)" in the combined management report.

The following table shows the calculation of net debt from the statement of financial position values.

millions of €					
	Dec. 31, 2025	Dec. 31, 2024	Change	Change %	Dec. 31, 2023
Bonds and other securitized liabilities	91,980	94,678	(2,698)	(2.8)	87,097
Asset-backed securities collateralized by trade receivables	1,698	1,506	191	12.7	677
Liabilities to banks	4,414	2,284	2,131	93.3	3,560
Other financial liabilities	12,247	13,723	(1,476)	(10.8)	13,189
Lease liabilities	36,384	40,248	(3,865)	(9.6)	40,792
Financial liabilities and lease liabilities	146,722	152,439	(5,717)	(3.8)	145,314
Accrued interest	(1,197)	(1,158)	(40)	(3.4)	(1,009)
Other	(1,922)	(2,184)	262	12.0	(966)
Gross debt	143,603	149,097	(5,494)	(3.7)	143,339
Cash and cash equivalents	7,818	8,472	(654)	(7.7)	7,274
Derivative financial assets	1,399	1,585	(185)	(11.7)	1,780
Other financial assets	1,868	1,713	155	9.0	2,006
Net debt ^a	132,518	137,327	(4,809)	(3.5)	132,279
Lease liabilities ^b	34,451	38,011	(3,560)	(9.4)	38,533
Net debt AL	98,067	99,316	(1,249)	(1.3)	93,746

^a Including, where it exists, net debt reported under liabilities directly associated with non-current assets and disposal groups held for sale.

^b Excluding finance leases at T-Mobile US.

45 Related-party disclosures

Federal Republic of Germany and other related parties

The Federal Republic of Germany is both a direct and an indirect shareholder (via KfW) and holds 28.3 % (December 31, 2024: 27.8 %) of the share capital of Deutsche Telekom AG. In previous years, this resulted in the Federal Republic of Germany representing a solid majority at the Shareholders' Meetings of Deutsche Telekom AG due to its level of attendance, giving it control over Deutsche Telekom. Thanks to higher levels of attendance, the Federal Republic has not had a majority of the voting rights at the Shareholders' Meetings of Deutsche Telekom AG since 2016. As such, it is no longer deemed to have control over Deutsche Telekom, but rather only a significant influence. Therefore, the Federal Republic and the companies controlled and jointly controlled by the Federal Republic, but not the companies over which the Federal Republic can exercise a significant influence, are classified as related parties of Deutsche Telekom. In the course of business, Deutsche Telekom deals directly with these companies, and with authorities and other government agencies as an independent party. Deutsche Telekom participates in the spectrum auctions of the Bundesnetzagentur. The acquisition of mobile spectrum through licenses may result in build-out obligations.

The Federal Posts and Telecommunications Agency (Bundesanstalt für Post und Telekommunikation; Federal Agency) has been assigned certain tasks by law that affect cross-company issues at Deutsche Telekom AG, Deutsche Post AG, and Deutsche Bank AG (as legal successor of Deutsche Postbank AG). The Federal Agency's responsibilities include the continuation of the Civil Service Health Insurance Fund (Postbeamtenkrankenkasse), the Recreation Service (Erholungswerk), the Deutsche Bundespost Institution for Supplementary Retirement Pensions for Salaried Employees and Wage Earners (Versorgungsanstalt der Deutschen Bundespost), and

the Welfare Service (Betreuungswerk) for Deutsche Telekom AG, Deutsche Post AG, and Deutsche Bank AG, Frankfurt/Main, Germany (as legal successor of Deutsche Postbank AG). The coordination and administrative tasks are performed on the basis of agency agreements. Up to and including the 2012 reporting year, Deutsche Telekom AG maintained a joint pension fund, Bundes-Pensions-Service für Post und Telekommunikation e.V., Bonn (Federal Pension Service for Post and Telecommunications – BPS-PT), together with Deutsche Post AG and Deutsche Bank AG (as legal successor of Deutsche Postbank AG) for civil-servant pension plans. The German Act on the Reorganization of the Civil Service Pension Fund (Gesetz zur Neuordnung der Postbeamtenversorgungskasse – PVKNeuG) transferred the functions of BPS-PT relating to civil-servant pensions (organized within the Civil Service Pension Fund) to the existing Federal Agency effective January 1, 2013. The civil-servant pension functions are therefore performed by the Civil Service Pension Fund as an integral part of the Federal Agency. This joint Civil Service Pension Fund works for the funds of all three companies and also handles the financial administration of the pension plan for the Federal Republic on a trust basis. For the 2025 financial year, Deutsche Telekom made payments in the amount of EUR 74 million (2024: EUR 78 million, 2023: EUR 81 million). Furthermore, payments are made to the Civil Service Pension Fund in accordance with the provisions of the Act on the Reorganization of the Civil Service Pension Fund.

For further information, please refer to Note 15 “Provisions for pensions and other employee benefits.”

The Federal Republic and the companies controlled and jointly controlled by the Federal Republic are customers or suppliers of Deutsche Telekom and as such have mutual contractual relationships with Deutsche Telekom.

Material revenues, receivables, and liabilities from or to **joint ventures** and **associates** are as follows:

On February 1, 2023, Deutsche Telekom sold 51.0 % of the shares in the cell tower business companies in Germany and Austria (GD tower companies). Since then, the stake retained by Deutsche Telekom of currently around 49.0 % has been included in the consolidated financial statements as a joint venture using the equity method. Once the transaction was consummated, Deutsche Telekom leased back the majority of the sold passive network infrastructure in Germany and Austria under a sale-and-leaseback agreement with a non-cancellable lease term of eight years. As of December 31, 2025, there were lease liabilities to the GD tower companies of EUR 4.3 billion (December 31, 2024: EUR 4.6 billion). Additionally, there were revenues of EUR 67 million (2024: EUR 58 million; 2023: EUR 68 million), goods and services purchased of EUR 20 million (2024: EUR 23 million), receivables of EUR 16 million (December 31, 2024: EUR 20 million), and liabilities of EUR 63 million (December 31, 2024: EUR 44 million) from or to the companies. As of December 31, 2025, originated loans and receivables included receivables of EUR 202 million in connection with dividends from the Company's shareholders' equity (December 31, 2024: EUR 0 million). Furthermore, Deutsche Telekom AG granted the GD tower companies a shareholder loan of EUR 25 million (December 31, 2024: EUR 79 million).

Revenue generated with the joint venture GlasfaserPlus totaled EUR 487 million (2024: EUR 375 million; 2023: EUR 386 million), in particular from the build-out and maintenance of the FTTH network, data processing, telecommunications, consulting services, and goods and services purchased of EUR 88 million (2024: EUR 35 million; 2023: EUR 30 million). As of December 31, 2025, receivables amounted to EUR 189 million (December 31, 2024: EUR 122 million) and liabilities to EUR 0 million (December 31, 2024: EUR 0 million). In addition, capitalized contract costs of EUR 299 million (December 31, 2024: EUR 72 million) were recognized.

Revenue generated with the joint venture Glasfaser NordWest totaled EUR 35 million (2024: EUR 69 million, 2023: EUR 87 million), in particular from the build-out of the FTTH network and maintenance services as well as data processing services and goods and services purchased of EUR 38 million (2024: EUR 25 million; 2023: EUR 10 million). As of December 31, 2025, receivables amounted to EUR 30 million (December 31, 2024: EUR 40 million) and liabilities to EUR 2 million (December 31, 2024: EUR 3 million). In addition, capitalized contract costs of EUR 31 million (December 31, 2024: EUR 56 million) were recognized. Furthermore, Telekom Deutschland GmbH granted Glasfaser NordWest a shareholder loan of EUR 125 million (December 31, 2024: EUR 125 million).

Glasfaser NordWest concluded loan agreements with banks for a total volume of EUR 1.4 billion. As a shareholder of Glasfaser NordWest, Telekom Deutschland assumes liability for these loans with its shares in the company by securing liens on these shares and by assigning pro rata (50 %) entitlements arising under the originated shareholder loan. In the event of conditions precedent arising, the shareholders each have also agreed to grant a loan to repay Glasfaser NordWest's existing liabilities of up to EUR 760 million. Utilization is unlikely, since Glasfaser NordWest is expected to meet its obligations and it is unlikely that the conditions precedent of the loan agreement will arise.

T-Mobile US' investment in the fiber-to-the-home platform Lumos under a joint venture has been included in the consolidated financial statements using the equity method since April 1, 2025. Business relationships exist between T-Mobile US and Lumos which gave rise in the reporting year to expenses of EUR 27 million (2024: n.a.; 2023: n.a.) in connection with the provision of network services, recognized under goods and services purchased. As of December 31, 2025, receivables amounted to EUR 0 million (December 31, 2024: n.a.) and liabilities to EUR 5 million (December 31, 2024: n.a.).

T-Mobile US' investment in the fiber-to-the-home platform Metronet Holdings, LLC and certain of its affiliates (Metronet) under a joint venture has been included in the consolidated financial statements using the equity method since July 24, 2025. Business relationships exist between T-Mobile US and Metronet, which gave rise in the reporting year to expenses of EUR 141 million (2024: n.a.; 2023: n.a.) in connection with the provision of network services, recognized under goods and services purchased. As of December 31, 2025, receivables amounted to EUR 0 million (December 31, 2024: n.a.) and liabilities to EUR 39 million (December 31, 2024: n.a.).

For further information on the acquisitions of Lumos and Metronet, please refer to the section "[Changes in the composition of the Group and other transactions](#)" under "[Summary of accounting policies](#)."

There were no material revenues, receivables, or liabilities from or to the associate DIV II.

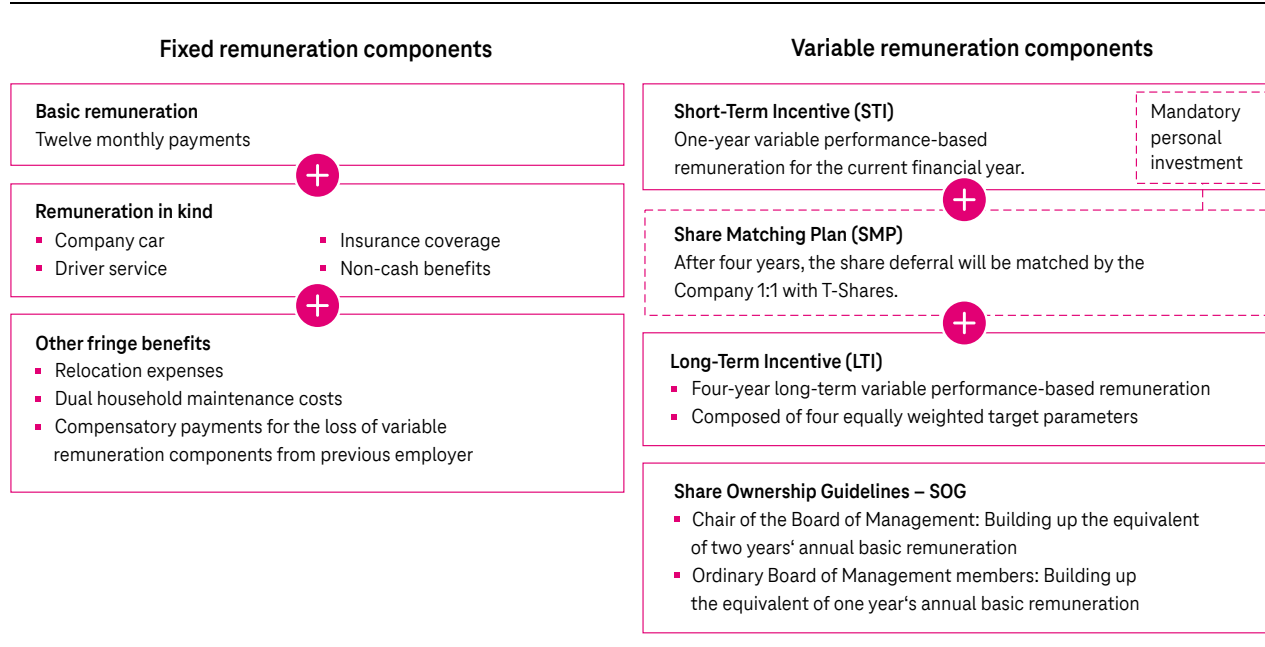
Related individuals

At the Supervisory Board meeting on January 27, 2025, the Supervisory Board adopted a new Board of Management remuneration system, which was introduced with retroactive effect as of January 1, 2025. This remuneration system was submitted to a vote at the Shareholders' Meeting of Deutsche Telekom AG on April 9, 2025 and was approved. For details on the changes, please refer to the Board of Management remuneration system, which can be found on the Deutsche Telekom AG website. Disclosures on the remuneration of each individual Board of Management and Supervisory Board member, and other individual disclosures, form part of the Remuneration Report published separately by the Board of Management and Supervisory Board in accordance with § 162 of the German Stock Corporation Act (Aktiengesetz – AktG).

Detailed information on the remuneration of the Board of Management and the Supervisory Board is published in the separate [Remuneration Report](#).

The following figure provides a simplified, schematic representation of fixed and variable remuneration components for Board of Management members under the 2025 Board of Management remuneration system:

Remuneration of the Board of Management



In the reporting year, expenses for short-term benefits payable to members of the Board of Management and the Supervisory Board amounted to EUR 24.5 million (2024: EUR 24.4 million). These include, as Board of Management remuneration, the basic remuneration, the fringe benefits, and the Short-Term Incentive (STI), as well as Supervisory Board remuneration in the form of fixed remuneration, committee remuneration, and meeting attendance fees.

Components of the Short-Term Incentive

Group financial targets (50 %)		+	Segment financial targets (50 %)		×	ESG & Strategy multiplier (0.8–1.2)	
Service revenues	30 %		Service revenues ^a	33.33 %		Customer retention/satisfaction	33.33 %
EBITDA AL	30 %		EBITDA AL	33.33 %		Employee satisfaction	33.33 %
Free cash flow AL	40 %		OPEX ratio (adjusted) ^b	33.33 %		Personal strategic targets	33.33 %
0 %–166.67 %			0 %–166.67 %				

^a Instead of service revenues, external revenue is used for the Systems Solutions operating segment.

^b Instead of the (adjusted) OPEX ratio, the (adjusted) EBITDA AL margin is used for the Systems Solutions operating segment.

For details on the financial and non-financial performance indicators relevant for the Short-Term Incentive, please refer to the section “[Management of the Group](#)” in the combined management report.

In 2025, expenses of EUR 0.0 million (2024: income of EUR 0.6 million) were recorded as long-term benefits. In addition, expenses for share-based remuneration for Board of Management members were incurred in the amount of EUR 7.0 million (2024: EUR 21.3 million), which related to participation in the Share Matching Plan (SMP) and in the Long-Term Incentive Plan (LTI). The LTI is based on the share price and is set out in detail together with the SMP as part of the disclosures on share-based payment.

For further information, please refer to Note 47 “[Share-based payment](#).”

Service cost of EUR 0.4 million (2024: EUR 0.3 million) was recorded for Board of Management pensions. In 2025, EUR 3.0 million (2024: EUR 0.0 million) was paid for termination benefits and recognized as an expense.

Based on the explanations above, as of December 31, 2025, the obligations from short-term remuneration components for members of the Board of Management and Supervisory Board amounted to EUR 14.3 million (December 31, 2024: EUR 14.1 million) and those from long-term remuneration components to EUR 28.5 million (December 31, 2024: EUR 36.8 million). Furthermore, the present value of the defined benefit obligation (DBO) from the Board of Management pension amounts to EUR 14.8 million (December 31, 2024: EUR 20.9 million).

The remuneration of the Board of Management and the Supervisory Board totaled EUR 34.8 million in the reporting year (2024: EUR 45.4 million).

Since the introduction of the Board of Management remuneration system in 2021, new members of the Board of Management are no longer entitled to receive a Board of Management pension. Current members of the Board of Management with a contribution-based pension commitment did not receive any contributions for 2025. The pension credit accrued up to December 31, 2020 is fixed and non-forfeitable. Upon retirement, these Board of Management members shall receive their pension credit in the form of a lump sum. A special arrangement applies for the pension commitment of Timotheus Höttges, which is structured as defined benefits and upon his retirement will be paid out in the form of life-long pension payments with a pension for surviving dependents in the form of entitlements for widows and orphans. The pension commitment may be in the form of a life-long retirement pension upon reaching the age of 62 or in the form of an early retirement pension upon reaching the age of 60. Opting for the early retirement pension scheme is connected with actuarial deductions. The maximum pension level of 50 % of annual basic remuneration was reached in 2018. Since then, an annual dynamic increase of 2.4 % has been applied to this level. The reference variable for both the pension level and the dynamic increase is the basic remuneration applicable as of December 31, 2018. The pension payments to be made upon retirement increase dynamically, at a rate of 1 % per year. In the event of a permanent incapacity for work (invalidity), the beneficiary is also entitled to the pension credit accrued. The 2022 Shareholders' Meeting approved the extension of the pension commitment for Timotheus Höttges to include the option for up to 50 % of the vested pension benefits to be paid as a lump sum, instead of a lifetime retirement pension.

Employees elected to the Supervisory Board of Deutsche Telekom AG continue to be entitled to a regular salary as part of their employment contract. The amount of the remuneration is the adequate compensation for their job or activity within the Company. Besides this, no major transactions took place with related individuals.

The members of the Board of Management and Supervisory Board of Deutsche Telekom AG are members of supervisory boards or management boards of other companies or are shareholders of other companies with which Deutsche Telekom AG maintains relations in the ordinary course of business.

All related-party transactions are performed on an arm's length basis. The arm's length principle is documented and monitored on an ongoing basis and any necessary adjustments are made in a timely manner.

46 Remuneration of the Board of Management and the Supervisory Board

The disclosure of the total remuneration of current and former members of the Board of Management and the Supervisory Board of Deutsche Telekom AG is made in accordance with the provisions of § 314 (1) No. 6 of the German Commercial Code (Handelsgesetzbuch – HGB).

Board of Management remuneration for the 2025 financial year

Total remuneration of the members of the Board of Management for the 2025 financial year amounted to EUR 36.4 million (2024: EUR 31.7 million). This includes a total of 126,067 entitlements to matching shares with a fair value of EUR 5.3 million on the grant date (2024: EUR 3.1 million). Since 2021, the members of the Board of Management participate in a share price-based Long-Term Incentive Plan (LTI), under which entitlements were granted to a pool of 327,392 (2024: 367,208) phantom shares with a fair value of EUR 10.3 million (2024: EUR 8.0 million).

Former members of the Board of Management

A total of EUR 12.7 million (2024: EUR 9.1 million) was included for payments to and entitlements for former members of the Board of Management as well as any surviving dependents. Provisions (measured in accordance with IAS 19) totaling EUR 141.0 million (2024: EUR 150.0 million) were recognized for current pensions and vested rights to pensions for this group of persons and their surviving dependents.

Supervisory Board remuneration for the 2025 financial year

Total remuneration of the members of the Supervisory Board for 2025 amounted to EUR 3.9 million (plus VAT) (2024: EUR 3.9 million (plus VAT)) and comprised fixed annual remuneration plus meeting attendance fees.

Other

The Company has not granted any advances or loans to current or former Board of Management members or to current or former Supervisory Board members, nor were any other financial obligations to the benefit of this group of people entered into.

Detailed information on the remuneration of the Board of Management and the Supervisory Board is published in the separate [Remuneration Report](#).

47 Share-based payment

Share Matching Plan

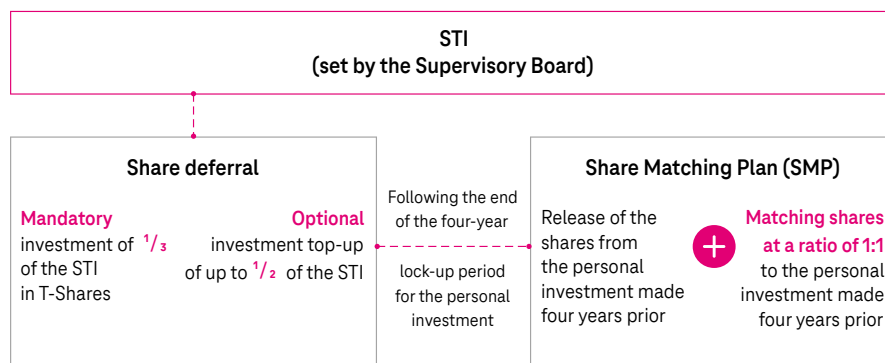
Members of the Board of Management have a contractual obligation to invest one third of the Short-Term Incentive (STI) set by the Supervisory Board in shares of Deutsche Telekom AG. There is an option to voluntarily increase the investment volume to up to 50 % of the STI. Deutsche Telekom AG will transfer one additional share for every share acquired as part of this Board of Management member's aforementioned personal investment (Share Matching Plan – SMP) on expiration of the four-year lock-up period starting from the date of purchase.

Specific executives are contractually obligated to invest between a minimum of 10 % and a maximum of 50 % of the gross payment amount of their short-term variable remuneration component, which is based on the achievement of targets set for each person for the financial year (STI), in Deutsche Telekom AG shares. Target achievement is generally determined based on the collective targets set for the respective organizational unit. Deutsche Telekom AG will award one additional share for every share acquired as part of this executive's aforementioned personal investment (SMP). These shares will be allotted to the beneficiaries of this plan on expiration of the four-year lock-up period.

Other executives in specific management groups who were not contractually obligated to participate in the SMP are given the opportunity to participate on a voluntary basis. This offer is only made when the Group's free cash flow target for the preceding year has been achieved. To participate, the executives invest between a minimum of 5 % or 10 % and a maximum of 50 % of the target amount (100 %) of the short-term variable remuneration component (STI) in shares of Deutsche Telekom AG. Deutsche Telekom AG will award one additional share for every two shares acquired as part of this executive's aforementioned personal investment (SMP). The additional shares will be allotted to the beneficiaries of this plan on expiration of the four-year lock-up period.

The following chart illustrates the functioning of the previous SMP based on the example of the Board of Management tranches up to and including the 2024 tranche.

Functioning of the previous Share Matching Plan based on the example of Board of Management members^a



^a For other stakeholder groups, the Share Matching Plans differ with regard to the investment obligation and amount, as well as in terms of the matching ratios.

With the introduction of the new Board of Management remuneration system in 2025, future tranches of the SMP were amended for Board of Management members such that the matching ratio depends on the development of the total shareholder return (TSR) at the end of the four-year lock-up period. Under the new system, Board of Management members receive between 0.8 and 1.5 additional shares for each share acquired as part of their personal investment, depending on the TSR development. If the TSR declines by 20 % or more, no additional shares are awarded. From the 2027 financial year, this design is to be rolled out to other executives below the Board of Management.

The individual SMPs are each recognized for the first time at fair value on the grant date. To determine the fair value, the expected dividend entitlements are deducted from Deutsche Telekom AG's share price, as there are no dividend entitlements until the matching shares have been allocated. For the Board of Management tranches of the new remuneration system, from 2025, fair value will be determined using a Monte Carlo simulation, so as to reflect TSR development. In the 2025 financial year, a total of 0.5 million (2024: 0.8 million) matching shares were allocated to beneficiaries of the plan at a weighted average fair value of EUR 31.86 (2024: EUR 19.55). The cost is to be recognized against the capital reserves pro rata temporis until the end of the service period and amounted to EUR 12 million in total for all tranches as of December 31, 2025 (December 31, 2024: EUR 13 million). In the reporting year, shares with a total value of EUR 10 million (2024: EUR 12 million) were transferred to plan participants. The capital reserves recognized for the SMP as of December 31, 2025 amounted to EUR 32 million (December 31, 2024: EUR 30 million).

Long-Term Incentive Plan

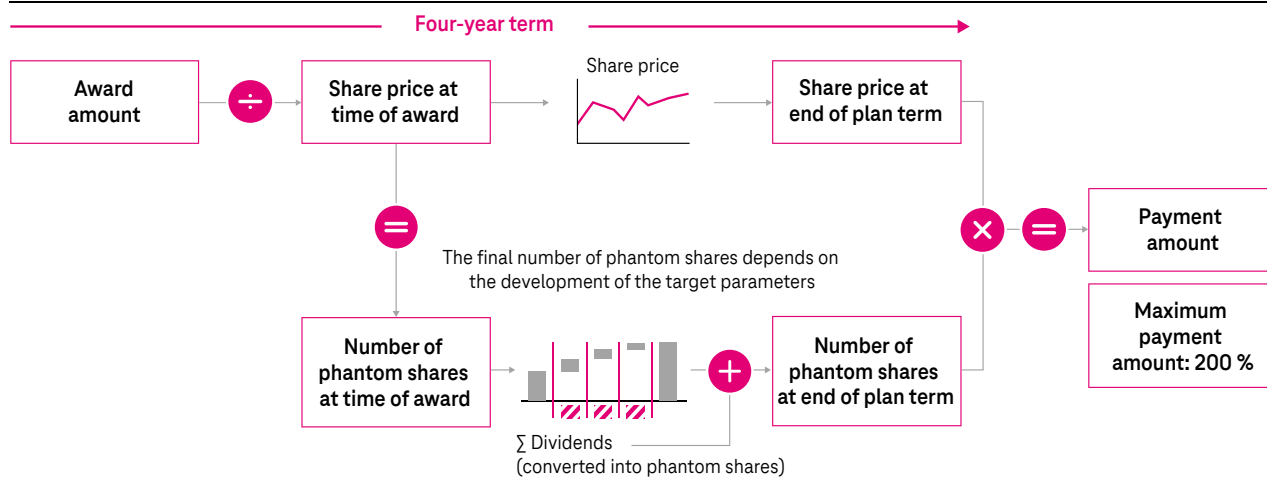
Since 2021, Board of Management members also participate in the Group's existing Long-Term Incentive Plan (LTI). The amount of the annual participation is contractually defined individually for each Board of Management member.

Certain executives from the Deutsche Telekom Group also participate in the LTI, provided the achievement of the collective targets (financial, strategic, and ESG targets) of the organizational unit to which the executive belongs is 100 % or higher, or they have an individual contractual commitment. For executives who are offered the option of voluntary participation in the SMP, investment in the SMP is a necessary condition for participation in the LTI. At the inception of the LTI plan, the participating executives receive an award of between 15 % and 43 % of their annual target salary depending on the management group to which they have been assigned.

The initial number of phantom shares is contingent on the participation contribution or the award amount divided by the share price in a reference period at the inception of the plan. Over the term of the four-year plan, the value of the phantom shares changes in line with Deutsche Telekom AG's share price development. Under the old plan design, the number of phantom shares changed in line with the achievement of the targets for four equally weighted key performance indicators (ROCE, adjusted earnings per share, employee satisfaction, and customer satisfaction), to be determined at the end of each plan year. In addition, a dividend is granted for the phantom shares over the term of the plan. This dividend is reinvested in phantom shares, increasing the number of phantom shares held by each plan participant. At the end of the four-year plan term, the final number of phantom shares will be converted on the basis of a share price calculated in a reference period at the end of the plan and paid out in cash together with the dividend for the last year of the plan, which is not converted into phantom shares.

The following chart illustrates the functioning of the previous LTI based on the example of the Board of Management tranches.

Functioning of the previous Long-Term Incentive Plan based on the example of Board of Management members^a



^a For members of the Board of Management, the maximum payment amount is set at 200 % of the award amount; for other executives, different rules apply.

With the switch to the new 2025 Board of Management remuneration system, target achievement for the LTI for Board of Management members is determined using two equally weighted key performance indicators (ROCE and adjusted earnings per share) and an ESG multiplier (0.8–1.2), which is derived from the two equally weighted targets energy consumption and CO₂ emissions (Scope 1 and 2). Furthermore, the LTI is only paid out if the TSR has declined by less than 20 % over the four-year plan term. From the 2026 financial year, this design is to be rolled out to other executives below the Board of Management.

The phantom shares are recognized at fair value as of each measurement date. This generally corresponds to the Deutsche Telekom AG share price. For the Board of Management tranches, more complex measurement models are used. For previous Board of Management tranches, a Black-Scholes model was used so as to account for a potential cap on the amount paid out. For Board of Management tranches from 2025, a Monte Carlo simulation is used to take the TSR-related credit risk into account in the fair value. The fair value is multiplied by the proportionate number of vested phantom shares and discounted to the measurement date. Additional expenses since the previous quarter are added to the provision. In the 2025 financial year, a total of 2.39 million (2024: 3.30 million) phantom shares were granted at a weighted average fair value of EUR 29.42 (2024: EUR 21.65). A plan must be remeasured at every reporting date until the end of the service period and expensed pro rata temporis. The cost of the LTI plans amounted to EUR 86 million for all tranches in the reporting year (2024: EUR 192 million). In 2025, the provision was utilized in the amount of EUR 166 million (2024: EUR 110 million). In addition, the carrying amount increased by EUR 5 million as a result of discounting. The provision amounted to EUR 316 million as of December 31, 2025 (December 31, 2024: EUR 391 million).

For detailed information on Board of Management member remuneration, please refer to the [Remuneration Report](#) published separately by the Board of Management and the Supervisory Board.

“Shares2You” shares program for employees

Since the 2021 financial year, employees of Group companies in Germany, and since the 2022 financial year, also employees of some Group companies outside Germany have been given the option to voluntarily invest an amount of between EUR 50 and EUR 1,000 per year in shares in Deutsche Telekom. Each participating employee receives one additional free share in Deutsche Telekom AG for every two shares acquired by way of this personal investment (Shares2You). Participation is subject to a short minimum service period. The shares acquired by the participants, including the free shares, are subject to a four-year lock-up period and are blocked during this time, for example with regard to sale.

The cost for the free shares must be recognized against the capital reserves at the inception of the plan. A corresponding expense of EUR 21.4 million was recognized as of December 31, 2025 (December 31, 2024: EUR 19.6 million). In total, 2.2 million shares (2024: 2.1 million shares), of which 0.7 million free shares (2024: 0.7 million free shares), at a fair value of EUR 29.23 (2024: EUR 27.90) were transferred to plan participants in the 2025 financial year.

Stock-based compensation at T-Mobile US

In June 2023, the shareholders of T-Mobile US approved the 2023 Incentive Award Plan, which replaces the Omnibus Incentive Plan from 2013. Under T-Mobile US' 2023 Incentive Award Plan, up to 33 million T-Mobile US shares are authorized for stock options, stock appreciation rights, restricted stock units (RSUs), and performance awards to employees, consultants, and non-employee directors. As of December 31, 2025, there were around 25 million T-Mobile US shares available for future grants under this incentive plan.

T-Mobile US grants RSUs to eligible employees and certain non-employee directors, and performance-based restricted stock units (PRSUs) to eligible key executives of the company. RSUs entitle the grantee to receive shares of T-Mobile US' common stock at the end of a vesting period of up to three years. PRSUs entitle the holder to receive shares of T-Mobile US common stock at the end of a vesting period of up to three years if a specific performance goal is achieved. The number of shares ultimately received is dependent on the actual performance of T-Mobile US measured against a defined performance target.

The RSU and PRSU plans resulted in the following share-related development:

Time-based restricted stock units and restricted stock awards (RSUs)

	Number of shares	Weighted average grant-date fair value USD
Non-vested as of January 1, 2025	6,637,235	151.55
Adjustment of prior year amount	4,164,914	259.31
Granted	339,324	233.41
Vested	(4,535,878)	166.10
Forfeited	(554,457)	217.70
Non-vested as of December 31, 2025	6,051,138	215.34

Performance-based restricted stock units (PRSUs)

	Number of shares	Weighted average grant-date fair value USD
Non-vested as of January 1, 2025	559,364	159.79
Granted	400,650	269.28
Adjustments ^a	241,488	155.67
Vested	(614,347)	164.83
Forfeited	(69,035)	256.21
Non-vested as of December 31, 2025	518,120	223.71

^a Relates to PRSUs granted before 2025, for which the vesting period had expired in 2025 and which resulted in the issue of additional shares. These PRSUs are also included under PRSUs vested in 2025 and as such are a component of the item "Vested."

The program is measured at fair value on the grant date and recognized as expense, net of expected forfeitures, following a graded vesting schedule over the related service period. The fair value of stock awards for the RSUs is based on the closing price of T-Mobile US' common stock on the date of grant. The fair value of stock awards for the PRSUs was determined using the Monte Carlo model. Stock-based compensation expense was EUR 926 million as of December 31, 2025 (December 31, 2024: EUR 701 million).

48 Declaration of conformity with the German Corporate Governance Code in accordance with § 161 AktG

In accordance with § 161 AktG, the Board of Management and the Supervisory Board of Deutsche Telekom AG have submitted the mandatory declaration of conformity and made it available to shareholders on Deutsche Telekom AG's website. The full text of the Declaration of Conformity is available on the Deutsche Telekom website.

<https://www.telekom.com/en/company/management-and-corporate-governance/details/declaration-of-conformity-pursuant-to-161-aktg-479770>

49 Events after the reporting period

Deutsche Telekom AG's 2026 share buy-back program. In the period from January 5, 2026 to February 17, 2026, Deutsche Telekom AG bought back around 9 million shares with a total volume of EUR 0.3 billion under this share buy-back program.

For further information, please refer to the section "[Summary of accounting policies – Other transactions that had no effect on the composition of the Group.](#)"

T-Mobile US' 2026 shareholder return program. In the period from January 1, 2026 to February 6, 2026, T-Mobile US bought back around 5 million shares with a total volume of around USD 1.0 billion (EUR 0.8 billion) under this share buy-back program.

For further information, please refer to the section "[Summary of accounting policies – Other transactions that had no effect on the composition of the Group.](#)"

Increase of bilateral credit lines by T-Mobile US. On January 5, 2026, T-Mobile US concluded a revised credit agreement with certain financial institutions. The agreement amends and replaces in full the previous credit agreement from October 17, 2022. The credit agreement from January 2026 raises the previous bilateral credit lines from a total aggregate volume of USD 7.5 billion to USD 10.0 billion and extends the term until January 5, 2031.

Issue of USD bonds by T-Mobile US. On January 12, 2026, T-Mobile US issued senior notes with a total volume of USD 2.0 billion (EUR 1.7 billion) with terms ending between 2036 and 2056 and bearing interest of between 5.000 % and 5.850 %.

Early repayment of USD bonds by T-Mobile US. On February 1, 2026, T-Mobile US prematurely repaid USD bonds (senior notes) with a volume of USD 1.5 billion (EUR 1.3 billion) with terms ending in 2028 and bearing interest of 4.750 %.

T-Mobile US' master receivables financing agreement On February 5, 2026, T-Mobile US entered into a master receivables financing agreement, from which it received a revolving loan facility of USD 1.0 billion (EUR 0.9 billion) maturing on February 5, 2027. The lenders' claims are secured by both existing and future current customer receivables.

50 Auditor's fees and services in accordance with § 314 HGB

Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich, member of the German Chamber of Public Accountants in Berlin, has been the independent auditor of the Company since the 2022 financial year. The responsible auditor at Deloitte is Prof. Dr. Tim Hoffmann.

The following table provides a breakdown of the auditor's professional fees recognized as expenses in the 2025 financial year:

millions of €	
	2025
Auditing services	17
Other assurance services	1
Tax advisory services	0
Other non-audit services	0
	18

Professional fees for auditing services include in particular fees for the statutory auditing of annual and consolidated financial statements and the subsidiaries included in the consolidated financial statements, fees for the review of the interim financial statements, and fees for other auditing services.

The fees recognized under other assurance services mainly relate to services in the context of assurance engagements with regard to the combined sustainability statement.

In the 2024 financial year, the fees for the auditor of the consolidated financial statements included EUR 16 million for auditing services, EUR 1 million for other assurance services, EUR 0 million for tax advisory services, and EUR 0 million for other services.

Bonn, February 17, 2026

Deutsche Telekom AG
The Board of Management

Timotheus Höttges

Dr. Feri Abolhassan Pur-Moghaddam	Birgit Bohle	Rodrigo Diehl	Dr. Christian P. Illek
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Thorsten Langheim	Dominique Leroy	Dr. Abdurazak Mudesir
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Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group, and the Group management report, which is combined with the management report of Deutsche Telekom AG, includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Bonn, February 17, 2026

Deutsche Telekom AG
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Independent auditor's and practitioner's reports

To Deutsche Telekom AG, Bonn/Germany

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

Audit Opinions

We have audited the consolidated financial statements of Deutsche Telekom AG, Bonn/Germany, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at December 31, 2025, the consolidated statement of profit and loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from January 1 to December 31, 2025, and the notes to the consolidated financial statements, including material accounting policy information. We have not audited the content of the remuneration report in accordance with Section 162 German Stock Corporation Act (AktG) referenced in the notes 45 to 47 of the notes to the consolidated financial statements. In addition, we have audited the combined management report for the parent and the group of Deutsche Telekom AG, Bonn/Germany, for the financial year from January 1 to December 31, 2025. In accordance with the German legal requirements, we have not audited the content of the combined non-financial statement in accordance with Section 289b to Section 289e, Sections 315b and 315c German Commercial Code (HGB) and the corporate governance statement in accordance with Sections 289f and 315d HGB, both of which are included in the combined management report. In addition, we have not audited the content of the remuneration report referenced in the combined management report, nor the content of the disclosures marked as unaudited and extraneous to management reports specified in section "Introductory remarks".

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS® Accounting Standards issued by the International Accounting Standards Board (IASB) (hereinafter "IFRS Accounting Standards") as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at December 31, 2025 and of its financial performance for the financial year from January 1 to December 31, 2025; our audit opinion on the consolidated financial statements does not cover the content of the remuneration report referred to above.
- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the combined management report does not cover the content of the statements referred to above, of the remuneration report and of the disclosures extraneous to management reports.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation (No. 537/2014; referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). We performed the audit of the consolidated financial statements in supplementary compliance with the International Standards on Auditing (ISA). Our responsibilities under those requirements, principles and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law and the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other German professional responsibilities in accordance with these requirements and the IESBA Code. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the combined management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1 to December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In the following, we present the accounting for sales revenue that we have determined as the key audit matter in the course of our audit.

Our presentation of this key audit matter has been structured as follows:

- a. description (including reference to corresponding information in the consolidated financial statements)
- b. auditor's response

Revenue recognition

- a. Deutsche Telekom AG, Bonn/Germany, recognized revenue of bEUR 119.1 (prior year: bEUR 115.8) in the consolidated statement of profit and loss for the financial year 2025. This revenue is particularly generated with the rendering of services, i.e. rendering mobile and fixed-network voice and data services and ICT services as well as with the sale of goods and merchandise. Due to the business model and its wide range of services, the accurate recognition of this revenue in the consolidated statement of profit and loss in compliance with the applicable IFRS Accounting Standard "Revenue from Contracts with Customers" (IFRS 15) requires the coordinated interaction of a variety of complex IT systems, in which a high number of transactions are initiated, processed and invoiced in an automated manner.

In view of the dynamic development of these complex services, the recognition of revenue with the necessary IT systems was of particular significance in the scope of our audit.

The disclosures of the executive directors concerning revenue are included in sections "Accounting policies" and "Judgments and estimates" of the "Summary of accounting policies" chapter and in section "20 – Net revenue" of the "Notes to the consolidated statement of profit and loss" chapter of the notes to the consolidated financial statements.

- b. In order to assess risks of material misstatement, we first obtained an understanding of the process flows and the internal control related to the recognition of revenue by taking into account the corporate environment and the applicable accounting standards.

To the extent that identified controls were relevant to our audit of revenue, we tested the controls for design and implementation. This testing of design and implementation covered both manual controls and automated controls in the IT systems used for the purposes of revenue recognition (system-integrated input, processing and output controls for transaction processing). In the IT systems that are important to the implementation of controls, we also tested the general IT controls – particularly those that secure authorized access, ensure system operation and changes in relation to these IT systems – for design and implementation by calling in IT specialists.

On the basis of the risks of material misstatement identified in the scope of these audit procedures, we selected manual and automated controls as well as related general IT controls from the controls relevant to the audit with respect to revenue recognition. Subsequently, these controls were tested for operating effectiveness to assess their effectiveness in the reporting year. In this context, too, we involved IT specialists.

Apart from testing the operating effectiveness, we performed, inter alia, the following substantive procedures in response to identified risks of material misstatement:

- By involving IFRS specialists, we assessed for selected business models as to whether the accounting policies defined for these models by the executive directors of Deutsche Telekom AG, Bonn/Germany, result in revenue recognition according to the requirements of the relevant IFRS 15 Accounting Standard.
- We tested the reconciliation of transaction data recorded in the upstream systems to the revenue reported in the general ledger for accuracy and completeness. This also included the examination of manual adjustment postings for revenue cut-off.
- To further audit revenue, we used data analysis tools to generate evaluations of different revenue flows over time and analyzed deviations from expected customer and revenue trends. We examined the customer and contract data used in the analyses by comparing the related contracts with the corresponding data in the master data systems on a sample basis.

Other Information

The executive directors and/or the supervisory board are responsible for the other information. The other information comprises

- the report of the supervisory board,
- the combined non-financial statement,
- the corporate governance statement,
- the remuneration report,
- the content of the disclosures marked as unaudited and extraneous to management reports specified in section “Introductory remarks” in the combined management report,
- the executive directors’ confirmations in accordance with Section 297 (2) sentence 4 and Section 315 (1) sentence 5 HGB regarding the consolidated financial statements and the combined management report, and
- all other parts of the annual report,
- but not the consolidated financial statements, not the audited content of the disclosures in the combined management report and not our auditor’s report thereon.

The supervisory board is responsible for the report of the supervisory board. The executive directors and the supervisory board are responsible for the statement according to Section 161 AktG concerning the German Corporate Governance Code, which is part of the corporate governance statement, and the remuneration report. Otherwise, the executive directors are responsible for the other information.

Our audit opinions on the consolidated financial statements and on the combined management report do not cover the other information. Consequently, we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information identified above and, in doing so, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the audited content of the disclosures in the combined management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Combined Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the combined management report that as a whole provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) and in supplementary compliance with the ISA will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of internal control or these arrangements and measures of the Group.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and with the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- plan and perform the audit of the consolidated financial statements in order to obtain sufficient appropriate audit evidence regarding the financial information of the entities or of the business activities within the Group, which serves as a basis for forming audit opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and review of the audit procedures performed for the purposes of the group audit. We remain solely responsible for our audit opinions.
- evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Assurance on the Electronic Reproductions of the Consolidated Financial Statements and of the Combined Management Report Prepared for Publication Pursuant to Section 317 (3a) HGB

Assurance Opinion

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance whether the electronic reproductions of the consolidated financial statements and of the combined management report (hereinafter referred to as "ESEF documents") prepared for publication, contained in the file, which has the SHA-256 value d7112a97a4299e22fa534c6d5ce4be9a14ffdd61ee9e6a4e968e62d8387f50f3, meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB ("ESEF format"). In accordance with the German legal requirements, this assurance work only covers the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format, and therefore covers neither the information contained in these electronic reproductions nor any other information contained in the file identified above.

In our opinion, the electronic reproductions of the consolidated financial statements and of the combined management report prepared for publication contained in the file identified above meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB. Beyond this assurance opinion and our audit opinions on the accompanying consolidated financial statements and on the accompanying combined management report for the financial year from January 1 to December 31, 2025 contained in the “Report on the Audit of the Consolidated Financial Statements and of the Combined Management Report” above, we do not express any assurance opinion on the information contained within these electronic reproductions or on any other information contained in the file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the electronic reproductions of the consolidated financial statements and of the combined management report contained in the file identified above in accordance with Section 317 (3a) HGB and on the basis of the IDW Assurance Standard: Assurance Work on the Electronic Reproductions of Financial Statements and Management Reports Prepared for Publication Purposes Pursuant to Section 317 (3a) HGB (IDW AsS 410 (06.2022)). Our responsibilities in this context are further described in the “Group Auditor’s Responsibilities for the Assurance Work on the ESEF Documents” section. Our audit firm has applied the requirements of the IDW Quality Management Standards.

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents based on the electronic files of the consolidated financial statements and of the combined management report according to Section 328 (1) sentence 4 no. 1 HGB and for the tagging of the consolidated financial statements according to Section 328 (1) sentence 4 no. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements for the electronic reporting format pursuant to Section 328 (1) HGB.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group Auditor’s Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- evaluate the technical validity of the ESEF documents, i.e., whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the balance sheet date, on the technical specification for this electronic file.
- evaluate whether the ESEF documents enable an XHTML reproduction with content equivalent to the audited consolidated financial statements and to the audited combined management report.
- evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the balance sheet date, enables an appropriate and complete machine-readable XBRL copy of the XHTML reproduction.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the general meeting on April 9, 2025. We were engaged by the supervisory board on May 14, 2025. We have been the group auditor of Deutsche Telekom AG, Bonn/Germany, without interruption since the financial year 2022.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

OTHER MATTER – USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as with the assured ESEF documents. The consolidated financial statements and the combined management report converted into the ESEF format – including the versions to be submitted for inclusion in the Company Register – are merely electronic reproductions of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Prof. Dr. Tim Hoffmann.

Düsseldorf/Germany, February 24, 2026

Deloitte GmbH

Wirtschaftsprüfungsgesellschaft

Signed:

Christoph Schenk

Wirtschaftsprüfer

(German Public Auditor)

Signed:

Prof. Dr. Tim Hoffmann

Wirtschaftsprüfer

(German Public Auditor)

To Deutsche Telekom AG, Bonn/Germany

ASSURANCE REPORT OF THE INDEPENDENT GERMAN PUBLIC AUDITOR ON AN ASSURANCE ENGAGEMENT TO OBTAIN LIMITED AND REASONABLE ASSURANCE IN RELATION TO THE COMBINED SUSTAINABILITY STATEMENT

Assurance Conclusion and Opinion

We have conducted a limited assurance engagement on the Sustainability Statement of Deutsche Telekom AG, Bonn/Germany, combining the Consolidated Sustainability Statement and the Non-Financial Statement of the parent, included in section “Combined Sustainability Statement” of the combined management report for the parent and the group, for the financial year from January 1 to December 31, 2025 (hereafter referred to as “the Combined Sustainability Statement”). In addition, we have performed a reasonable assurance engagement on the disclosures regarding the indicator “Total energy consumption” in section “ESRS E1–5 – Energy Consumption and mix” and regarding the indicator “GHG gross emissions Scopes 1 and 2 (market-based)” and “t CO₂e emissions Scope 2 (location-based)” in section “ESRS E1–6 – Gross Scopes 1, 2 and 3 and total GHG emissions” included in the Combined Sustainability Statement. The Combined Sustainability Statement was prepared to fulfill the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of December 14, 2022 (Corporate Sustainability Reporting Directive, CSRD) and Article 8 of Regulation (EU) 2020/852 and Sections 289b to 289e, 315b and 315c German Commercial Code (HGB) for a combined non-financial statement.

Not subject to our assurance engagement are

- all references within the Combined Sustainability Statement to information outside of the combined management report and
- the references marked as “additional information” within the Combined Sustainability Statement, which point to information located elsewhere in the combined management report and not designated there as part of the sustainability reporting.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Combined Sustainability Statement is not prepared, in all material respects, in accordance with the requirements of the CSRD and Article 8 of Regulation (EU) 2020/852, Sections 289b to 289e, 315b and 315c HGB for a combined non-financial statement, and the specifying criteria presented by the executive directors of the Company. This assurance conclusion includes that nothing has come to our attention that causes us to believe

- that the consolidated sustainability statement included in the accompanying Combined Sustainability Statement does not comply, in all material respects, with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the entity to identify information to be included in the consolidated sustainability statement (the materiality assessment) is not, in all material respects, in accordance with the description set out in section “ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities” of the consolidated sustainability statement, or
- that the disclosures in the Combined Sustainability Statement do not comply, in all material respects, with Article 8 of Regulation (EU) 2020/852.

In addition, based on the procedures performed and the evidence obtained, the disclosures subject to a reasonable assurance engagement comply, in all respects material to the Combined Sustainability Statement, with the requirements of the CSRD and Article 8 of Regulation (EU) 2020/852, Sections 289b to 289e, 315b and 315c HGB for a consolidated non-financial statement, and the specifying criteria presented by the executive directors of the Company.

We do not express an assurance conclusion or assurance opinion on individual disclosures.

Furthermore, we do not express an assurance conclusion or assurance opinion on the above-mentioned parts of the Combined Sustainability Statement that were not covered by our assurance engagement.

Basis for the Assurance Conclusion and Opinion

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information”, issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in section “German Public Auditor’s Responsibilities for the Assurance Engagement on the Combined Sustainability Statement”.

We are independent of the entity in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Our audit firm has applied the IDW Quality Management Standards. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion and opinion.

Responsibilities of the Executive Directors and the Supervisory Board for the Combined Sustainability Statement

The executive directors are responsible for the preparation of the Combined Sustainability Statement in accordance with the requirements of the CSRD and the applicable German legal and other European requirements as well as with the specifying criteria presented by the executive directors of the Company and for designing, implementing and maintaining such internal control as they have considered necessary to enable the preparation of a combined sustainability statement in accordance with these requirements that is free from material misstatement, whether due to fraud (i.e. fraudulent reporting in the Combined Sustainability Statement) or error.

This responsibility of the executive directors includes establishing and maintaining the materiality assessment process, selecting and applying appropriate reporting policies for preparing the Combined Sustainability Statement as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The supervisory board is responsible for overseeing the process for the preparation of the Combined Sustainability Statement.

Inherent Limitations in Preparing the Combined Sustainability Statement

The CSRD and the applicable German legal and other European requirements contain wording and terms that are subject to considerable interpretation uncertainties and for which no authoritative comprehensive interpretations have yet been published. The executive directors have made interpretations of such wording and terms in the Combined Sustainability Statement. The executive directors are responsible for the reasonableness of these interpretations. As such wording and terms may be interpreted differently by regulators or courts, the legality of measurements or evaluations of the sustainability matters based on these interpretations is uncertain. The quantification of non-financial performance indicators disclosed in the Combined Sustainability Statement is also subject to inherent uncertainties.

These inherent limitations also affect the assurance engagement on the Combined Sustainability Statement.

German Public Auditor’s Responsibilities for the Assurance Engagement on the Combined Sustainability Statement

Our objective is to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the Combined Sustainability Statement has not been prepared, in all material respects, in accordance with the CSRD, the applicable German legal and other European requirements and the specifying criteria presented by the executive directors of the Company.

In addition, our objective is to express a reasonable assurance opinion, based on the assurance engagement we have conducted, on whether the concerned disclosures of the Combined Sustainability Statement are prepared, in all respects material to the Combined Sustainability Statement, in accordance with the CSRD, the applicable German legal and other European requirements and the specifying criteria presented by the executive directors of the Company.

Furthermore, our objective is to issue an assurance report that includes our assurance conclusion and opinion on the Combined Sustainability Statement.

As part of a limited and reasonable assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism. We also

- obtain an understanding of the process used to prepare the Combined Sustainability Statement, including the materiality assessment process carried out by the entity to identify the disclosures to be reported in the Combined Sustainability Statement. In respect of the disclosures subject to a reasonable assurance engagement, we also obtain an understanding of the controls that are relevant for preparing these disclosures.
- identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. In respect of the disclosures subject to a reasonable assurance engagement, we identify and assess the risks of material misstatement due to fraud or error, and design and perform procedures to address these risks and obtain reasonable assurance for our assurance opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. In addition, the risk of not detecting a material misstatement in information obtained from sources not within the entity's control (value chain information) is ordinarily higher than the risk of not detecting a material misstatement in information obtained from sources within the entity's control, as both the entity's executive directors and we as practitioners are ordinarily subject to restrictions on direct access to the sources of the value chain information.
- consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

Summary of the Procedures Performed by the German Public Auditor

A limited and reasonable assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgement.

In performing our limited assurance engagement, we

- evaluated the suitability of the criteria as a whole presented by the executive directors in the Combined Sustainability Statement.
- inquired of the executive directors and relevant employees involved in the preparation of the Combined Sustainability Statement about the preparation process, including the materiality assessment process carried out by the entity to identify the disclosures to be reported in the Combined Sustainability Statement, and about the internal controls related to this process.
- evaluated the reporting policies used by the executive directors to prepare the Combined Sustainability Statement.

- evaluated the reasonableness of the estimates and related information provided by the executive directors. If, in accordance with the ESRS, the executive directors estimate the value chain information to be reported for a case in which the executive directors are unable to obtain the information from the value chain despite making reasonable efforts, our assurance engagement is limited to evaluating whether the executive directors have undertaken these estimates in accordance with the ESRS and assessing the reasonableness of these estimates, but does not include identifying information in the value chain that the executive directors were unable to obtain.
- performed analytical procedures or tests of details and made inquiries in relation to selected information in the Combined Sustainability Statement.
- conducted site visits.
- considered the presentation of the information in the Combined Sustainability Statement.
- considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Combined Sustainability Statement.

In performing our reasonable assurance engagement, we also

- obtained an understanding of internal controls also for control activities and monitoring of internal controls.
- conducted a test of design and implementation for controls relevant to the assurance engagement.
- conducted tests of operating effectiveness for controls relevant to the assurance engagement.
- intensified substantive procedures, where applicable by considering substantiated security of controls for obtaining reasonable assurance.
- conducted additional procedures to ascertain the estimates made by the executive directors.

Restriction of Use

We issue this report as stipulated in the engagement letter agreed with the Company (including the “General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms)” dated 1 January 2024 of the Institut der Wirtschaftsprüfer (IDW)). We draw attention to the fact that the assurance engagement was conducted for the Company’s purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Consequently, it may not be suitable for any other than the aforementioned purpose. Accordingly, the report is not intended to be used by third parties as a basis for making (financial) decisions.

Our responsibility is to the Company alone. We do not accept any responsibility to third parties. Our assurance conclusion and opinion are not modified in this respect.

Düsseldorf/Germany, February 24, 2026

Deloitte GmbH

Wirtschaftsprüfungsgesellschaft

Signed:

Christoph Schenk

Wirtschaftsprüfer

(German Public Auditor)

Signed:

Prof. Dr. Tim Hoffmann

Wirtschaftsprüfer

(German Public Auditor)