Deutsche Telekom

The 2025 financial year

Connecting your world.

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Deutsche Telekom at a glance

billions of €		Change %	2025	2024	2023	2022	2021
Revenue and earnings							
Net revenue		2.9	119.1	115.8	112.0	114.4	107.8
Of which: Germany [a]	%		22.0	22.7	23.0	22.1	23.0
Of which: international [a]	%		78.0	77.3	77.0	77.9	77.0
Service revenue		2.9	99.4	96.5	92.9	92.0	83.2
EBITDA		(2.9)	48.8	50.3	57.8	44.0	40.5
EBITDA (adjusted for special factors)		2.3	50.5	49.4	46.8	46.4	43.2
EBITDA AL		(3.1)	42.5	43.8	51.2	36.0	33.9
EBITDA AL (adjusted for special factors)		2.8	44.2	43.0	40.5	40.2	37.3
EBITDA AL margin (adjusted for special factors)	%		37.2	37.2	36.2	35.1	34.6
Profit (loss) from operations (EBIT)		(5.5)	24.8	26.3	33.8	16.2	13.1
Net profit (loss)		(14.3)	9.6	11.2	17.8	8.0	4.2
Net profit (loss) (adjusted for special factors)		3.7	9.7	9.4	7.9	9.1	5.9
Profitability							
ROCE	%		7.5	8.5	9.0	4.5	4.1
Statement of financial position							
Total assets		(5.0)	289.8	304.9	290.3	298.6	281.6
Shareholders' equity		(6.5)	92.2	98.6	91.2	87.3	81.5
Equity ratio	%		31.8	32.3	31.4	29.2	28.9
Net debt [b]		(3.5)	132.5	137.3	132.3	142.4	132.1
Relative debt [b]			2.62	2.78	2.82	3.07	3.06
Cash flows							
Net cash from operating activities		1.9	40.6	39.9	37.3	35.8	32.2
Cash capex		(0.4)	(19.3)	(19.2)	(17.9)	(24.1)	(26.4)
Cash capex (before spectrum investment) [c]		(5.6)	(16.9)	(16.0)	(16.6)	(21.0)	(18.0)
Free cash flow (before dividend payments and spectrum investment) [c, d]		(0.2)	24.1	24.1	20.9	15.2	14.3
Free cash flow AL (before dividend payments and spectrum investment) [c, d]		2.0	19.5	19.2	16.1	11.5	8.8
Net cash (used in) from investing activities		(25.9)	(23.8)	(18.9)	(10.2)	(22.3)	(27.4)
Net cash (used in) from financing activities		19.7	(16.3)	(20.3)	(25.5)	(15.4)	(10.8)
T-Share – key figures							
Earnings per share	€	(13.1)	1.97	2.27	3.57	1.61	0.87
Adjusted earnings per share	€	5.2	2.00	1.90	1.60	1.83	1.22
Dividend per share [e]	€	11.1	1.00	0.90	0.77	0.70	0.64
Total dividend [f]		10.0	4.8	4.4	3.8	3.5	3.2
Adjusted weighted average number of ordinary shares outstanding	millions	(1.4)	4,871	4,938	4,976	4,972	4,813
Rating (Standard & Poor's, Fitch)			BBB+, BBB+	BBB+, BBB+	BBB+, BBB+	BBB, BBB+	BBB, BBB+
Rating (Moody's)			A3	Baa1	Baa1	Baa1	Baa1

[a] The calculation of the Germany and international revenue shares was adjusted effective September 30, 2025. The comparatives for the 2024 financial year were adjusted retrospectively from 23.7 % to 22.7 % (Germany) and 76.3 % to 77.3 % (international).

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

[c] Excluding cash outflows for investments made by T-Mobile US to acquire customer bases.

[d] Excluding proceeds from the disposal of spectrum due to the sale of spectrum licenses by T-Mobile US.

[e] Subject to approval by the relevant bodies and the fulfillment of other legal requirements.

[f] Subject to approval by the 2026 Shareholders' Meeting concerning the dividend payments for the 2025 financial year. For further information, please refer to Note 35 "Dividend per share" in the notes to the consolidated financial statements.

		Change %	2025	2024	2023	2022	2021
Environment							
Energy consumption [a]	GWh	(0.3)	11,957	11,991	12,241	13,253	13,323
CO_2 emissions (Scope 1 and 2) [b, c]	kt CO_2e	(4.9)	240	253	258	233	247
Employees							
Average number of employees (full-time equivalents, without trainees)	thousands	(0.5)	199	200	205	211	221
Employees (FTEs) in the Group/number of employees at the reporting date (full-time equivalents, without trainees)	thousands	(0.1)	198	198	200	207	217
Employee satisfaction (engagement score) [d]			77	77	76	78	77
Fixed-network and mobile customers							
Mobile customers [e]	millions	4.5	273.2	261.4	252.2	245.4	248.2
Fixed-network lines	millions	(1.6)	24.8	25.2	25.4	25.3	26.1
Broadband customers [f]	millions	0.8	22.5	22.3	22.0	21.4	21.6
Customer retention/satisfaction (TRI *M index) [d]			81.3	77.6	76.2	76.0	73.4

[a] Energy consumption, mainly: electricity, fuel, other fossil fuels, district heating for buildings. The figure for 2024 was adjusted retrospectively due to changes in electricity distribution at individual sites.
[b] Since 2023, CO_2 emissions have also included fugitive emissions from refrigerants and fire suppressants.
[c] Calculated according to the market-based method of the Greenhouse Gas Protocol.
[d] Deutsche Telekom excluding T-Mobile US.
[e] Including T-Mobile US wholesale customers.
[f] Excluding wholesale.

The figures shown in this report were rounded in accordance with standard business rounding principles. However, changes were calculated on the basis of non-rounded values. As a result, the total indicated may not be equal to the precise sum of the individual figures.

For information on the development of business in the operating segments, please refer to the section "Development of business in the operating segments" in the combined management report and in the IR back-up on our Investor Relations website.

For information on our performance indicators and alternative performance measures, please refer to the section "Management of the Group" in the combined management report and our Investor Relations website.

To our shareholders

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Letter from the Chair of the Board of Management

Dear shareholders,
Dear friends of Deutsche Telekom,

2025 was a truly special year for Deutsche Telekom. We celebrated 30 years of Deutsche Telekom AG, during which time our Company has continually reinvented itself. When we look at Deutsche Telekom as it is today, we could not imagine it any other way. Our transformation from a German authority to the world's most valuable telecommunications brand is no coincidence. It is the result of confidence, tenacity, and belief in our own future. Change runs through our Company like a bloodline, and we have actively shaped this change. With clear decisions, bold action, and the passion of the people who work for Deutsche Telekom. The good of our customers was and always is our utmost priority. And hence, the constant driving force for us.

On the operating side, we continued to build on the incredibly successful trends of previous years. Our businesses are robust, our growth sustainable, and our strategy is proving successful. We maintain our high level of investment in infrastructure and future technologies, while staying consistently aligned with the targets we presented at the 2024 Capital Markets Day and which still stand.

In figures: Net revenue increased by 2.9 % to EUR 119.1 billion. Service revenue also increased by 2.9 % to EUR 99.4 billion. This is the result of the positive response from customers. Adjusted EBITDA AL grew by 2.8 % to EUR 44.2 billion. In organic terms, i.e., assuming comparable exchange rates and a comparable composition of the Group, revenue grew by 4.2 % and adjusted EBITDA AL by 4.7 %. All operating segments made a positive contribution to this trend, and free cash flow AL grew to EUR 19.5 billion.

These results are foundational for long-term success – for our customers, for our employees, and for you, our shareholders. And we want that to pay off, which is why we plan to propose to the 2026 Shareholders' Meeting a record dividend of EUR 1.00 per dividend-bearing share for the 2025 financial year, based on adjusted earnings per share of EUR 2.00. We also bought back shares with a total volume of EUR 2.0 billion in 2025, and we will again buy back shares worth up to EUR 2 billion in 2026.

Our strategy is founded on a clear principle: growth driven by quality, scaling, and technological leadership. At the center remains our flywheel. It unites four key elements: customer satisfaction, network quality, efficiency, and financial strength. This model has worked reliably for us over the past few years. In 2025, we took targeted steps to build up further momentum.

Besides our core business, a key acceleration lever has been the expansion of our focus to data, digital progress, and artificial intelligence. We no longer see AI as a futuristic concept – it is already integral to our operating business. Our strategic cooperation with Nvidia represents a major milestone in this respect. It enables us to create the technological basis for our partners to integrate their AI applications directly into our networks, platforms, and services. Securely, powerfully, and at scale. We are opening up new opportunities not only for our own processes, but also for business customers, industry partners, and public bodies. This partnership serves to strengthen our position as a leading provider of technology platforms to digital society.

At the same time, we continue to scale our businesses globally. Thanks to our networks in Europe and the United States, we are uniquely positioned to do so. We selectively leverage these strengths to reduce time-to-market for innovations, unlock synergies, and capture efficiencies. Nowhere is this more evident than in the United States, where T-Mobile US is continually raising the bar for customer growth and network quality. Not only that, but we are reaping the benefits of our Lumos and Metronet joint ventures in the U.S. fiber market. And in Europe we are forging ahead with our fast-paced fiber-optic and 5G build-out and consolidating our leadership. We invest billions in network build-out every year – on both sides of the Atlantic. In 2025, we made Group-wide investments (before spectrum) of EUR 16.9 billion. Including spectrum payments, this figure was EUR 19.3 billion.

In 2025 we took a further strategic step to reinforce our brand's appeal with the acquisition of the broadcast rights for the soccer World Cup in the United States, Canada, and Mexico. Our involvement here is far more than just a media investment. It is a clear commitment to reach, relevance, and emotional connection with customers through our MagentaTV product. Major events like the soccer World Cup bring people together. And "Connecting your world" is exactly what Deutsche Telekom has stood for – for 30 years. We unite content, networks, and services to deliver outstanding experiences to millions of customers.

A key factor in this regard is our brand. It represents reliability, innovativeness, and customer-centricity. This strength is paying off, both economically and for society. Our “T” stands worldwide for quality, reliability, and technological leadership. We have constantly evolved our brand over the years into what it is today. Deutsche Telekom is now one of the most valuable brands globally and the strongest telecommunications brand in Europe. This strength gives our customers confidence, attracts talent, and gives us a position of strength in negotiations with partners, thereby directly contributing to our economic success. Particularly in times of profound technological transformation, having a strong, credible brand gives us a decisive competitive edge. It is also a major pillar underpinning our long-term growth.

For all of this economic success, we maintain our position. And adapt it to new circumstances. In a world dominated by geopolitical change, intensifying competition, and technological progress, we see ourselves as an anchor of stability. In this reality, acting with intention will only continue to grow in importance. The introduction of T-Style represents the next step on our cultural journey, in which we are readjusting our focus to successfully address contemporary and future challenges. T-Style is the next iteration of our company culture rather than a completely new cultural program. Our goal: to reach the top together.

Dear shareholders,

At Deutsche Telekom we will continue to do everything within our power to earn the trust you place in us. With a clear strategy, the courage to invest, and the ambition to be a little better every day. The coming years will undoubtedly bring their fair share of challenges, but also great opportunities. Deutsche Telekom is here and ready to seize them. We won’t stop!

Best regards,
Tim Höttges

Supervisory Board's report to the 2026 Shareholders' Meeting

Dear shareholders,

The 2025 financial year was characterized by the implementation of the latest iteration of the Group strategy and the Group's ongoing transformation in an age of digitalization and technological change. With its strategy to transform Deutsche Telekom into the Leading Digital Telco, the Company is well positioned to leverage future opportunities and face challenges head on. Deutsche Telekom made great strides in many areas due to AI-driven digitalization. In the financial year just ended, the Board of Management closed various transactions serving to further optimize and protect the Company's investment portfolio. In the 2025 financial year, business developed well overall. The Group's growth momentum continues unabated despite intensifying competition on both sides of the Atlantic. Through a disciplined approach, Deutsche Telekom successfully overcame the strategic and structural challenges it faced in a geopolitically tense, volatile macroeconomic environment. The network build-out was ramped up further. Deutsche Telekom again underscored its ability to perform at the top level with special offerings for customers and its strong commitment to service. The Group continues to invest significant resources to safeguard the Company's long-term success. Strong results brought the 2025 financial year to a successful close. The Group continues to maintain its industry-leading position. Deutsche Telekom is still the most valuable company brand in Europe, in addition to being the most valuable telecommunications brand globally. The Company also remained committed to its responsibility to society in the 2025 financial year, through social engagement in many areas, ambitious sustainability targets, and more. The Supervisory Board exercised its functions as an advisory and supervisory body and gave the Board of Management its full support.

Supervisory Board activities in the 2025 financial year

We continually supervised and supported the Board of Management in its management of the Company by providing advice. Specifically, this consisted of ensuring that the Board of Management's activities were lawful, compliant, appropriate, strategically relevant, sustainable, and efficient.

The Board of Management's written and oral reports formed the essential basis for the fulfillment of the Supervisory Board's tasks and duties under the law, the Articles of Incorporation, and the Rules of Procedure. The Board of Management kept us regularly informed in good time on corporate strategy, planning, business development of the Company and its different segments, the risk situation, risk and opportunity management, compliance, innovation focuses, and any deviations in the business development from original plans, as well as significant business transactions involving the Company and its major subsidiaries and associates.

The Board of Management fulfilled its duties to inform quickly and in full. The Board of Management's reports met all statutory requirements, the standards of good corporate governance, and the criteria imposed on them by us with regard to both content and scope. In addition to the reports, we requested and received supplementary information. We reviewed, critically analyzed, and verified the plausibility of these reports and other information.

The Rules of Procedure of the Board of Management and Supervisory Board include a list of transactions and measures for which the Board of Management has to obtain approval from the Supervisory Board. We met with the Board of Management to discuss and thoroughly review the business transactions and measures presented to us in the 2025 financial year for approval in line with this document. We approved the transactions and measures submitted for resolution.

The frequency of plenary and committee meetings means that we are in close contact with the Board of Management. The Board of Management also reports on individual issues in writing or in discussions between the meetings. In addition, the Chair of the Supervisory Board is in contact with the Board of Management, especially the Chair of the Board of Management, at regular appointments at which current business transactions, strategy issues, planning, business development, sustainability, regulation, the risk situation, risk and opportunity management, and compliance, as well as other significant events, are discussed.

In the 2025 financial year, six Supervisory Board plenary meetings were held as well as one off-site conference, and 29 meetings of the Supervisory Board committees took place. Detailed information concerning the form in which these meetings were held (face to face/ virtual) is provided below. The overall attendance rate was around 97 %. Those members who were unable to attend meetings were generally able to participate nonetheless by submitting their votes in writing or by way of prior briefings on resolutions for decision.

The meetings were either held face to face or virtually:

Committee	Face-to-face meetings [a]	Virtual meetings
Plenary meeting/off-site conference	5	2
General Committee	6	3
Audit and Finance Committee	5	1
Strategy, ESG, and Innovation Committee	4	1
Staff Committee	2	1
Nomination Committee	1	5
Mediation Committee (no meetings held)		

[a] Option to participate via video/audioconference in certain cases where the participant could not be physically present.

The Supervisory Board plenary meeting additionally adopted three resolutions and the General Committee one resolution outside of meetings by means of a written procedure.

Members of the Board of Management attended the plenary meetings and the committee meetings of the Supervisory Board. The Supervisory Board also came together in plenary meetings without the Board of Management on a regular basis. The Supervisory Board followed up the off-site conference with an executive session without the Board of Management.

In the **Supervisory Board meeting on January 27, 2025,** we adopted a new Board of Management remuneration system. We amended the age limit for the Board of Management with the adoption of a general age limit of 67 years. We approved the premature reappointment of Timotheus Höttges and the extension of his service contract as Chair of the Board of Management. Connected to this, we approved the update to the Declaration of Conformity with the German Corporate Governance Code in respect of the premature extension. We resolved to terminate Srinivasan Gopalan's Board position and approved his termination agreement, and resolved to appoint Rodrigo Diehl and approved his service contract. Mr. Diehl was assigned the Germany Board department for the period from March 1, 2025 to February 29, 2028.

In the **meeting on February 25, 2025**, in the presence of the external auditor, we primarily dealt with the Company's 2024 annual financial statements and consolidated financial statements, the Group management report, which is combined with the management report of Deutsche Telekom AG (combined management report), and the combined non-financial statement contained in the combined management report as a separate section. Our approval of the 2024 annual financial statements was based on the recommendation of the Audit and Finance Committee. The same applies to the review of the combined non-financial statement. We agreed to the Board of Management's proposal on the appropriation of net income. In addition, we adopted a resolution on the preparation of the 2024 Remuneration Report and approved the agenda for the 2025 Shareholders' Meeting, including the selection of Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich, as the independent auditor of the annual financial statements and consolidated financial statements for the 2025 financial year based on the recommendation of the Audit and Finance Committee. Beyond this, we dealt with various matters pertaining to the Board of Management and the Supervisory Board. The Board of Management reported comprehensively on the Company's current situation and the most important financial and operational KPIs for the Group and its segments. We additionally approved the spin-off of the cell towers of Hellenic Telecommunications Organization, Hrvatski Telekom, and Magyar Telekom.

In the **meeting on May 22, 2025**, we approved Claudia Nemat's resignation from the Board of Management along with the conclusion of a termination agreement with Ms. Nemat, and resolved to appoint Dr. Abdurazak Mudesir and approved his service contract. Dr. Mudesir was assigned the Technology and Innovation Board department for the period from October 1, 2025 to September 30, 2028. We also dealt with further matters pertaining to the Board of Management (target ranges for the Short-Term Incentive and Long-Term Incentive instruments, details of the ESG and Strategy multiplier, etc.). Furthermore, the Board of Management reported comprehensively on the current situation (regulation, diversity, etc.) and the financial and operational KPIs in the Company and its segments in the first quarter of 2025. We approved the organizational realignment of the B2B Delivery unit at Telekom Deutschland. We also approved the sale of shares of T-Mobile US. In addition, resolutions were passed on the exercise of participation rights in subsidiaries subject to co-determination. Additionally, we carried out a periodic review of the Group risk report.

In the **meeting on September 3, 2025**, the Board of Management reported on the current situation and the financial and operational KPIs for the Company and its segments in the second quarter of 2025. We dealt with matters pertaining to the Board of Management (setting energy targets for 2026, etc.). The Supervisory Board also dealt with the matter of the independence of a Supervisory Board member. We adopted a further resolution on the exercise of participation rights in a subsidiary, as well as a resolution relating solely to a change to the wording of the Articles of Incorporation (e.g., on the amount and breakdown of capital stock following the capital decrease resolved by the Board of Management on August 19, 2025 through the retirement of treasury shares).

At the **off-site conference with the Board of Management on September 3 and 4, 2025**, we dealt with the implementation of the latest iteration of the Group strategy. The Board of Management reported on the status of the AI transformation, the scaling of global technology platforms, new business models, and developments in the portfolio.

In the **meeting on November 11, 2025**, the Board of Management informed us of its considerations regarding the 2025 dividend.

In the **meeting on December 11, 2025,** we dealt with various matters pertaining to the Board of Management and Supervisory Board, including adopting resolutions on the provisional achievement of targets for the 2025 financial year, deciding on two nominations for election to the Supervisory Board, and setting the Board of Management targets for 2026. We dealt with the increase in the remuneration of the members of the Supervisory, Board scheduled for proposal to the 2026 Shareholders' Meeting. Furthermore, the Board of Management reported on the current situation and the financial and operational KPIs in the Company and its segments in the third quarter of 2025. One focus of the meeting was the resolution on the budget and on the annual financing plan for the 2026 financial year. In addition, we acknowledged the medium-term planning for 2026 through 2029. We approved investments necessary for T-Mobile US to participate in the auction to acquire AWS-3 spectrum, and approved T-Mobile US' 2026 share buy-back program. We also adopted resolutions on the German Corporate Governance Code (including resolutions on the Declaration of Conformity and on assessing the independence of Supervisory Board members on the shareholders' side). Lastly, we carried out the periodic review of the Group risk report.

At our plenary meetings and in the Audit and Finance Committee in particular, we also regularly supervised the management of the Company by the Board of Management. As part of this, we made sure that the Board of Management ensured compliance with legal provisions and internal standards and policies supported by the Group-wide compliance organization. We also regularly met with the Board of Management to discuss the internal control system it had introduced and the risk and opportunity management system. Based on our regular deliberations and on the audit reports from the external auditor, we came to the conclusion that there are no factors which contradict the appropriateness and effectiveness of these systems in their entirety.

Outside of our meetings, the members of the Supervisory Board also attended information events to keep up to date on the latest topics and developments.

Organization of the Supervisory Board's activities

To increase the efficiency of our work, and in consideration of the specific requirements we have to fulfill, we have set up the committees listed below, all of which have an equal number of shareholders' and employees' representatives, with the exception of the Nomination Committee. The chairs of the respective committees regularly reported to the plenary meeting on the content and results of the committee meetings.

Supervisory Board committees

Committee	Supervisory Board member
General Committee	
	Dr. Frank Appel (Chair)
	Harald Krüger
	Kerstin Marx
	Stefan Ramge, since January 14, 2025
	Frank Sauerland
	Christoph Schmitz-Dethlefsen
Audit and Finance Committee	
	Dagmar P. Kollmann (Chair)
	Rachel Empey, since April 9, 2025
	Dr. Helga Jung, until April 9, 2025
	Petra Steffi Kreusel
	Kerstin Marx
	Susanne Schöttke
	Karl-Heinz Streibich
	Karin Topel
	Stefan B. Wintels
Strategy, ESG, and Innovation Committee	
	Dr. Frank Appel (Chair)
	Odysseus D. Chatzidis
	Eric Daum
	Constantin Greve
	Lars Hinrichs, until April 9, 2025
	Dr. Reinhard Ploss, since April 9, 2025
	Stefan Ramge, since January 14, 2025
	Frank Sauerland
	Margret Suckale

Committee	Supervisory Board member
Staff Committee	
	Frank Sauerland (Chair)
	Dr. Frank Appel
	Odysseus D. Chatzidis
	Harald Krüger
	Kerstin Marx
	Dr. Reinhard Ploss
	Nicole Seelemann-Wandtke
	Margret Suckale
Nomination Committee	
	Dr. Frank Appel (Chair)
	Dagmar P. Kollmann
	Stefan Ramge, since January 14, 2025
Mediation Committee	
	Dr. Frank Appel (Chair)
	Kerstin Marx
	Stefan Ramge, since January 14, 2025
	Christoph Schmitz-Dethlefsen

The **General Committee** held nine meetings in 2025. The committee focused mainly on preparing the recommendations for resolution for the plenary meetings in regard to all decisions on matters pertaining to the Board of Management and Supervisory Board. Remuneration issues, as well as succession planning for the Board of Management, were central topics of discussion. Together with the Chair of the Audit and Finance Committee, the General Committee also paid a visit to T-Mobile US in order to form a comprehensive picture from on the ground of the situation of the U.S. business.

The **Audit and Finance Committee** met six times in 2025. With the exception of the meeting on November 27, 2025, the external auditor attended all further five meetings. The Audit and Finance Committee also consulted with the external auditor without the Board of Management in these five meetings. The Audit and Finance Committee's area of responsibility is defined by German and European legislation, the German Corporate Governance Code, and the Rules of Procedure of the Supervisory Board. It includes, in particular, the monitoring of accounting and the accounting process, the effectiveness of the internal control system (ICS), the risk and opportunity management system, the internal auditing system, compliance, including the compliance management system, and data privacy and data security. In addition, the Audit and Finance Committee deals with legal disputes as well as cybersecurity and the resulting risks for the Group. The Audit and Finance Committee also handled matters relating to the audit of the Company's financial statements, in particular selecting and ensuring the independence of the external auditor, and of the additional services provided by the external auditor, the commissioning of the external auditor for the audit of the annual financial statements and consolidated financial statements, including the obligations to provide information as recommended by the German Corporate Governance Code, the agreement on fees, as well as the stipulation of the main focuses of the audit. Furthermore, the Audit and Finance Committee discussed the assessment of the audit risk, the audit strategy and audit plan, and the audit results together with the external auditor. Outside of the meetings, the Chair of the Audit and Finance Committee was in regular dialogue with the external auditor on the audit progress and other topics, which she reported back to the Audit and Finance Committee. The Audit and Finance Committee commissioned Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich, to perform a limited assurance engagement on the combined sustainability statement contained in the combined management report as a separate section, as well as a reasonable assurance engagement in respect of the two management-relevant performance indicators (energy consumption and CO_2 emissions (Scope 1 and 2)).

In the 2025 financial year, the Audit and Finance Committee again held one extraordinary meeting on fundamental issues affecting the Group. At this meeting, the committee dealt in particular with the effectiveness of reporting on the internal control system, the risk and opportunity management system, and the internal auditing system, and with the compliance management system (systems), including the ongoing development of the reporting structure. The Audit and Finance Committee discussed information on new requirements and developments in German and EU law, and accounting standards. The committee's work in the reporting year focused mainly on the latest developments in the areas of data privacy and data security, the effectiveness of the ICS, and the development of the risk profile, particularly against the backdrop of the geopolitical situation, as well as the development and auditing of sustainability reporting, the current Act on Corporate Due Diligence in Supply Chains, and the progress made with digitalization and the implementation of artificial intelligence in the systems.

In the meeting on November 27, 2025, the Audit and Finance Committee adopted resolutions on the 2026 budget and the 2026 annual financing plan and made two recommendations for resolution to the Supervisory Board in this regard. The medium-term planning for 2026 to 2029 was also addressed in this meeting.

The **Strategy, ESG, and Innovation Committee** met five times in 2025. At these meetings, the committee dealt extensively with the respective strategies for the Europe, Technology and Innovation, Germany, and T-Systems departments. It also dealt with a range of ESG and sustainability topics. Preparations were made for the Supervisory Board's strategy meeting, the Deutsche Telekom Trend Radar 2025 was presented, and various M&A transactions addressed (in connection with T-Mobile US, etc.). The committee also learned about the Company's global location strategy, the development of the Deutsche Telekom Tech Fund, and the development of the GD Towers cell tower company.

The **Staff Committee** held three meetings in 2025 and mainly discussed matters relating to headcount planning and qualitative and quantitative staff-requirements planning for the purpose of preparing Supervisory Board resolutions on the 2026 budget. In addition, the committee dealt with topics such as the people strategy, the HR organization, management remuneration, and the results of the employee survey. Further topics included the Group's development in line with German legislation on equal participation of women and men in management positions (First and Second Acts on Equal Participation of Men and Women in Management Positions, or FüPoG I and II), and the people and culture topic at T-Mobile US.

The **Nomination Committee** met six times in 2025, and dealt in its meetings with succession planning for the Supervisory Board. A particular focus was on filling two Supervisory Board positions opening up in 2026. Based on the voluntary targets for the composition of the Supervisory Board, the profile of skills and expertise, and the diversity concept, the committee took the initial step of defining a requirements profile. In the second step, a successor was sought on the basis of this profile and with the support of an external HR consultant. The committee additionally dealt with medium-term succession planning.

The **Mediation Committee** to be formed in accordance with § 27 (3) of the Codetermination Act did not meet in 2025.

Number of meetings attended by the individual members

Supervisory Board member	Meeting	Attendance	Attendance rate
Dr. Appel, Frank			
	Supervisory Board plenary meeting/off-site conference	7/7	
	General Committee	9/9	
	Strategy, ESG, and Innovation Committee	5/5	
	Staff Committee	3/3	
	Nomination Committee	6/6	
	Audit and Finance Committee (as guest)	(6)	
	Total	**30/30**	**100 %**
Schmitz-Dethlefsen, Christoph			
	Supervisory Board plenary meeting/off-site conference	7/7	
	General Committee	9/9	
	Total	**16/16**	**100 %**

Supervisory Board member	Meeting	Attendance	Attendance rate
Chatzidis, Odysseus D.			
	Supervisory Board plenary meeting/off-site conference	7/7	
	Strategy, ESG, and Innovation Committee	5/5	
	Staff Committee	3/3	
	Total	**15/15**	**100 %**
Daum, Eric			
	Supervisory Board plenary meeting/off-site conference	7/7	
	Strategy, ESG, and Innovation Committee	5/5	
	Total	**12/12**	**100 %**
Empey, Rachel			
since April 9, 2025	Supervisory Board plenary meeting/off-site conference	5/5	
	Audit and Finance Committee	4/5	
	Total	**9/10**	**90 %**
Greve, Constantin			
	Supervisory Board plenary meeting/off-site conference	7/7	
	Strategy, ESG, and Innovation Committee	5/5	
	Total	**12/12**	**100 %**
Hinrichs, Lars			
until April 9, 2025	Supervisory Board plenary meeting/off-site conference	1/2	
	Strategy, ESG, and Innovation Committee	0/1	
	Total	**1/3**	**33 %**
Dr. Jung, Helga			
until April 9, 2025	Supervisory Board plenary meeting/off-site conference	2/2	
	Audit and Finance Committee	1/1	
	Total	**3/3**	**100 %**
Knight, Natalie			
since April 9, 2025	Supervisory Board plenary meeting/off-site conference	5/5	
	Total	**5/5**	**100 %**
Kollmann, Dagmar P.			
	Supervisory Board plenary meeting/off-site conference	7/7	
	Audit and Finance Committee	6/6	
	Nomination Committee	6/6	
	Strategy, ESG, and Innovation Committee (as guest)	(5)	
	Total	**19/19**	**100 %**
Kreusel, Petra Steffi			
	Supervisory Board plenary meeting/off-site conference	7/7	
	Audit and Finance Committee	6/6	
	Total	**13/13**	**100 %**
Krüger, Harald			
	Supervisory Board plenary meeting/off-site conference	7/7	
	General Committee	9/9	
	Staff Committee	3/3	
	Total	**19/19**	**100 %**
Marx, Kerstin			
	Supervisory Board plenary meeting/off-site conference	7/7	
	General Committee	9/9	
	Audit and Finance Committee	5/6	
	Staff Committee	3/3	
	Strategy, ESG, and Innovation Committee (as guest)	(4)	
	Total	**24/25**	**96 %**
Dr. Ploss, Reinhard			
	Supervisory Board plenary meeting/off-site conference	7/7	
	Strategy, ESG, and Innovation Committee	4/4	
	Staff Committee	2/3	
	Total	**13/14**	**93 %**
Ramge, Stefan			
since January 2, 2025	Supervisory Board plenary meeting/off-site conference	7/7	
	General Committee	9/9	
	Strategy, ESG, and Innovation Committee	5/5	
	Nomination Committee	6/6	
	Total	**27/27**	**100 %**

Supervisory Board member	Meeting	Attendance	Attendance rate
Sauerland, Frank			
	Supervisory Board plenary meeting/off-site conference	7/7	
	General Committee	9/9	
	Strategy, ESG, and Innovation Committee	5/5	
	Staff Committee	3/3	
	Total	**24/24**	**100 %**
Schöttke, Susanne			
	Supervisory Board plenary meeting/off-site conference	6/7	
	Audit and Finance Committee	4/6	
	Total	**10/13**	**77 %**
Seelemann-Wandtke, Nicole			
	Supervisory Board plenary meeting/off-site conference	7/7	
	Staff Committee	2/3	
	Total	**9/10**	**90 %**
Streibich, Karl-Heinz			
	Supervisory Board plenary meeting/off-site conference	7/7	
	Audit and Finance Committee	6/6	
	Total	**13/13**	**100 %**
Suckale, Margret			
	Supervisory Board plenary meeting/off-site conference	7/7	
	Strategy, ESG, and Innovation Committee	5/5	
	Staff Committee	3/3	
	Total	**15/15**	**100 %**
Topel, Karin			
	Supervisory Board plenary meeting/off-site conference	7/7	
	Audit and Finance Committee	6/6	
	Total	**13/13**	**100 %**
Wintels, Stefan B.			
	Supervisory Board plenary meeting/off-site conference	6/7	
	Audit and Finance Committee	6/6	
	Total	**12/13**	**92 %**

Conflicts of interest on the Supervisory Board

No conflicts of interest have arisen among the Supervisory Board members in the reporting year. Should a conflict of interest arise, the Supervisory Board members will discuss how to proceed with the Chair of the Supervisory Board.

Corporate governance

The Supervisory Board and Board of Management are aware that good corporate governance is an important foundation for corporate success. The provisions of the German Corporate Governance Code are hence reflected in the Company's statutes. The Board of Management and the Supervisory Board last issued their Declaration of Conformity with the German Corporate Governance Code on December 30, 2025.

> This Declaration of Conformity can be found on the Deutsche Telekom AG website. It also provides access to the declarations of conformity from previous years.

Apart from the exception disclosed therein for the period until December 30, 2025, Deutsche Telekom complied, and continues to comply, with all recommendations of the Code. For detailed information on corporate governance at Deutsche Telekom, please refer to the Corporate Governance Statement.

> The Corporate Governance Statement can be found on the Deutsche Telekom AG website.

Training and development

The members of the Supervisory Board generally take on the necessary training and further education measures required for their tasks on their own initiative. Deutsche Telekom offers supporting information events and workshops – in 2025 the main focus was on digitalization in risk management and the use of AI in internal audit – delivered by experts from within the Company. Company visits and presentations of product innovations are additionally arranged and offered to the Supervisory Board members to enhance their understanding of the Company. They also inform themselves and undergo continued training on current topics both within and outside of the Supervisory Board's meetings. The Company offers new Supervisory Board members a customized program to introduce them to the industry and the situation of the Company. Furthermore, the members of the Audit and Finance Committee are informed (both continually and in depth at an annual special meeting) about the latest changes in the law, new accounting and auditing standards, developments in risk management methodology, and any changes in corporate governance issues. The members of the Supervisory Board are also kept up to date about any new requirements for work on the Supervisory Board at the regular Board and committee meetings.

Changes in the composition of the Board of Management

On January 27, 2025, the Supervisory Board resolved to cancel the current appointment of Timotheus Höttges. He was reappointed to the Board of Management prematurely for the period from February 1, 2025 until midnight on December 31, 2028. He was reassigned the department of the Chair of the Board of Management.

The Supervisory Board additionally resolved on January 27, 2025 to terminate Srinivasan Gopalan's position as the Board of Management member for the Germany department and to approve his termination agreement effective midnight on February 28, 2025. Mr. Gopalan initially assumed the function of Chief Operating Officer at T-Mobile US effective March 1, 2025, before becoming Chief Executive Officer effective November 1, 2025.

In the same meeting, the Supervisory Board approved the appointment of Rodrigo Diehl to the Board of Management for the period from March 1, 2025 to midnight on February 29, 2028. He was assigned to the Germany Board department.

The Supervisory Board resolved on May 22, 2025 to terminate Claudia Nemat's position as the Board of Management member for the Technology and Innovation Board department and to approve her termination agreement effective midnight on September 30, 2025.

In the same meeting, the Supervisory Board approved the appointment of Dr. Abdurazak Mudesir to the Board of Management for the period from October 1, 2025 until midnight on September 30, 2028. He was assigned the Technology and Innovation Board department. On December 11, 2025, the Supervisory Board approved the renaming of the Technology and Innovation Board department to "Product and Technology."

Changes in the composition of the Supervisory Board

Shareholders' representatives

The court appointment of Stefan Ramge that was initially limited to the end of the 2025 Shareholders' Meeting ended at the close of the Shareholders' Meeting on April 9, 2025. Mr. Ramge was elected by the Shareholders' Meeting on April 9, 2025 as a member of the Supervisory Board until the close of the 2029 Shareholders' Meeting.

In January 2025, Lars Hinrichs resigned from his position on the Supervisory Board with effect from the end of the Shareholders' Meeting on April 9, 2025.

Dr. Helga Jung's mandate expired at the close of the Shareholders' Meeting on April 9, 2025. Dr. Jung and Mr. Hinrichs are succeeded by Rachel Empey and Natalie Knight, who were elected as members of the Supervisory Board by resolution of the Shareholders' Meeting on April 9, 2025 until the close of the 2029 Shareholders' Meeting.

We would like to thank all members of the Supervisory Board who have left for their successful and constructive collaboration.

Review of the annual and consolidated financial statements, the sustainability statement, and the 2025 Remuneration Report

The Board of Management submitted the annual financial statements, the consolidated financial statements, and the Group management report, which is combined with the management report of Deutsche Telekom AG (combined management report), together with its proposal for the appropriation of net income and the Corporate Governance Statement, to us in good time. The combined management report also included a separate section containing the combined sustainability statement for Deutsche Telekom AG and for the Group (combined sustainability statement) for the 2025 financial year.

Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich (Deloitte), which was appointed as auditor of the single-entity financial statements and auditor of the consolidated financial statements (external auditor) for the 2025 financial year by the Shareholders' Meeting, audited the annual financial statements as of December 31, 2025, which were prepared by the Board of Management in accordance with the provisions of the German Commercial Code (Handelsgesetzbuch – HGB), and the combined management report, as well as the consolidated financial statements as of December 31, 2025, which were prepared in accordance with IFRS as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e (1) HGB, and the combined management report (documentation on the financial statements). The external auditor issued an unqualified audit opinion for each document. Moreover, Deloitte performed a limited assurance engagement on the combined sustainability statement for the 2025 financial year prepared by the Board of Management in respect of the disclosures required by law as well as in relation to the two management-relevant performance indicators (energy consumption and CO_2 emissions (Scope 1 and 2)) in order to obtain reasonable assurance and issued a combined report without any reservations in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised).

The external auditor confirmed its independence in writing to the Audit and Finance Committee and the Supervisory Board together with the submission of the audit reports. There are no circumstances that may give rise to doubts about the external auditor's impartiality. In the Supervisory Board meeting on February 24, 2026, the Audit and Finance Committee informed us about its monitoring of the external auditor's independence while taking account of the non-audit services provided, and about its conclusion that the auditor continues to meet the independence requirements.

The external auditor submitted its reports on the nature and extent as well as the result of its audits (audit reports) to us. The aforementioned documentation on the financial statements, the external auditor's preliminary audit reports, and the Board of Management's proposal for the appropriation of net income were made available to the members of the Supervisory Board in good time. The same applies to the combined sustainability statement and the Corporate Governance Statement.

We conducted our own in-depth review of the documents submitted by the Board of Management and the external auditor's audit reports. In preparation, the Audit and Finance Committee had conducted a thorough review of the aforementioned documents. The documentation on the financial statements and the Board of Management's proposal for the appropriation of net income were explained in detail by the Board of Management to the members of the Audit and Finance Committee at its meeting on February 24, 2026. The members of the Board of Management also answered the committee members' questions. Moreover, the external auditor also attended this meeting and reported on its audit, in particular the focal points of the audit defined in agreement with the Audit and Finance Committee and the Supervisory Board, and the main findings of its audit, and explained its preliminary audit reports. The members of the Audit and Finance Committee acknowledged and critically reviewed the preliminary audit reports and preliminary audit opinions, and discussed them, as well as the audit itself, with the external auditor. The review included questions about the nature and extent of the audit and about the audit findings. The Audit and Finance Committee satisfied itself that the audit and the audit reports were compliant. In particular, its members had assured themselves that the audit reports and the audit conducted by the external auditor met the legal requirements. The external auditor then issued its final audit reports without any changes and issued an unqualified audit opinion for each of the financial statements. Furthermore, the Audit and Finance Committee adopted the aforementioned approach with respect to the audit report and audit opinion on the combined sustainability statement and conducted a review of both. Deloitte then issued this report along with an unqualified audit opinion. The Audit and Finance Committee recommended that we approve the results of the audit conducted by the external auditor and, since it had no objections to the documents submitted by the Board of Management, that we approve the annual financial statements and the consolidated financial statements, that we not raise any objections against the combined management report or the combined sustainability statement, and that we support the Board of Management's proposal for the appropriation of net income.

We performed the final review of the documentation on the financial statements, as well as the Board of Management's proposal for the appropriation of net income, on February 25, 2026, taking into account the report and recommendations of the Audit and Finance Committee and the external auditor's final audit reports. The Board of Management attended this meeting, explained the documents they had submitted, and answered our questions. The external auditor also attended this meeting and reported on its audit and the main findings of its audit, explained its audit reports, and answered our questions, in particular relating to the nature and extent of the audit and the audit findings. Based on this and the report presented by the Audit and Finance Committee, we were satisfied that the audit and the audit report were compliant. Hence, we approved the findings of the audit by the external auditor. The same applies to the combined sustainability statement contained in the combined management report.

Based on the final outcome of our review of the annual financial statements, the consolidated financial statements, the combined management report, and the combined sustainability statement, as well as the Board of Management's proposal for the appropriation of net income, no objections need be raised. The same applies to the Corporate Governance Statement even insofar as it has not been audited by the external auditor. We followed the Audit and Finance Committee's recommendation and approved the annual financial statements and the consolidated financial statements for 2025. The 2025 annual financial statements are therefore formally adopted.

The Supervisory Board's assessment of the position of the Company and the Group is the same as that which the Board of Management presented in its combined management report. It followed the Audit and Finance Committee's recommendation and approved these documents. The same applies to the combined sustainability statement.

When dealing with the budget and medium-term planning on December 11, 2025, we conducted an in-depth examination of financial and investment plans, discussing in particular the development of earnings, free cash flow, the equity ratio, and balance sheet ratios. The Board of Management's proposal concerning the appropriation of net income was examined by the Audit and Finance Committee on February 24, 2026, and by the Supervisory Board on February 25, 2026. The external auditor was present at both meetings. We approved and supported the Board of Management's proposal to pay out shareholder remuneration of around EUR 4,829 million and to carry forward around EUR 23,121 million to unappropriated net income.

The Remuneration Report for the 2025 financial year was prepared by the Board of Management and Supervisory Board in accordance with § 162 (1) sentence 1 of the Stock Corporation Act (Aktiengesetz – AktG) and reviewed separately by the external auditor. In addition to the formal statutory review of the existence of disclosures pursuant to § 162 (1) and (2) AktG, Deloitte was commissioned by the Supervisory Board to conduct an assurance engagement on the remuneration report for the financial year from January 1, 2025 to December 31, 2025, including related disclosures, to obtain reasonable assurance regarding its compliance, in all material respects, with the provisions of § 162 AktG, for which Deloitte issued an unqualified opinion in accordance with IDW audit standard 490.

We would like to thank the members of the Board of Management, all employees, and the works committees for their commitment and dedication in the 2025 financial year.

Bonn, February 25, 2026
The Supervisory Board

Dr. Frank Appel
Chair

Members of the Board of Management of Deutsche Telekom AG in 2025

Timotheus Höttges

Chair of the Board of Management since January 1, 2014

Memberships of supervisory boards required to be formed by law:

- Mercedes-Benz Group AG, Stuttgart (since 7/2020) [a]
- Mercedes-Benz AG, Stuttgart (since 10/2021)

Memberships of comparable supervisory bodies of business enterprises in Germany or abroad:

- T-Mobile US, Inc., Bellevue, United States, Chair of the Board of Directors (since 4/2013) [a, b]

Dr. Feri Abolhassan Pur-Moghaddam

Board member responsible for T-Systems since January 1, 2024

– No other seats –

Birgit Bohle

Board member responsible for Human Resources and Legal Affairs, and Labor Director since January 1, 2020

Memberships of supervisory boards required to be formed by law:

- Deutsche Telekom Services Europe SE, Bonn (since 10/2019), Chair of the Supervisory Board (since 3/2024) [b]
- Telekom Deutschland GmbH, Bonn (since 1/2019) [b]
- T-Systems International GmbH, Frankfurt/Main (since 6/2021), Chair of the Supervisory Board (since 10/2025) [b]
- Vonovia SE, Bochum (since 5/2024) [a]

Rodrigo Diehl

Board member responsible for Germany since March 1, 2025

– No other seats – [c]

Dr. Christian P. Illek

Board member responsible for Finance since January 1, 2019

Memberships of supervisory boards required to be formed by law:

- Deutsche Telekom Services Europe SE, Bonn (since 8/2019) [b]
- Telekom Deutschland GmbH, Bonn (since 6/2021), Chair of the Supervisory Board (since 6/2021) [b]

Memberships of comparable supervisory bodies of business enterprises in Germany or abroad:

- BUYIN S.A., Brussels, Belgium (since 12/2018), Chair of the Supervisory Board (1/2023 to 12/2025) [b]
- T-Mobile US, Inc., Bellevue, United States, Member of the Board of Directors (since 1/2019) [a, b]

[a] Listed on the stock exchange.

[b] Supervisory board seats in companies that are part of the Group.

[c] All information relates to the period subsequent to the Board of Management member joining the Board of Management.

Thorsten Langheim

Board member responsible for USA and Group Development since January 1, 2019

Memberships of supervisory boards required to be formed by law:

- FC Bayern München AG, Munich (since 9/2021)

Memberships of comparable supervisory bodies of business enterprises in Germany or abroad:

- Deutsche Telekom Capital Partners Management GmbH, Hamburg, Chair of the Investment Committee (since 6/2015) [b]
- Deutsche Telekom Tech Fund GmbH, Bonn, Chair of the Investment Committee (since 2/2024) [b]
- Digital Infrastructure Vehicle II SCSp SICAV-RAIF, Luxembourg, Member of the Limited Partner Advisory Committee (since 7/2022)
- DTCP Growth Equity III SICAV-RAIF, Luxembourg, Member of the Limited Partner Advisory Committee (since 11/2022) [b]
- GD Towers Holding GmbH, Bonn, Chair of the Shareholders' Committee (since 2/2023)
- Incharge Fund, SCSp SICAV-RAIF, Luxembourg, Member of the Limited Partner Advisory Committee (since 9/2024)
- T-Mobile US, Inc., Bellevue, United States, Member of the Board of Directors (since 6/2014) [a, b]

Dominique Leroy

Board member responsible for Europe since November 1, 2020

Memberships of comparable supervisory bodies of business enterprises in Germany or abroad:

- Compagnie de Saint-Gobain, Courbevoie, France, Member of the Board of Directors (since 11/2017) [a]
- Hellenic Telecommunications Organization S.A. (OTE S.A.), Marousi, Athens, Greece (since 11/2020) [a, b]
- T-Mobile US, Inc., Bellevue, United States, Member of the Board of Directors (since 11/2020) [a, b]
- T-Mobile Polska S.A., Warsaw, Poland (since 11/2020), Chair of the Supervisory Board (since 11/2020) [b]

Dr. Abdurazak Mudesir

Board member responsible for Product and Technology (formerly Technology and Innovation) since October 1, 2025

Memberships of supervisory boards required to be formed by law:

- Deutsche Telekom IT GmbH, Bonn (since 10/2025) [b]
- Deutsche Telekom Security GmbH, Bonn (since 10/2025) [b]

Memberships of comparable supervisory bodies of business enterprises in Germany or abroad:

- BUYIN S.A., Brussels, Belgium (since 3/2023) [b]
- PASM Power and Air Condition Solution Management GmbH, Munich (1/2023 to 1/2026), Chair of the Supervisory Board (1/2023 to 1/2026) [b]
- T-Mobile US, Inc., Bellevue, United States, Member of the Board of Directors (since 9/2025) [a, b]

Members of the Board of Management who left in the 2025 financial year: [d]

Srinivasan Gopalan

Board member responsible for Germany from November 1, 2020 to February 28, 2025

Memberships of supervisory boards required to be formed by law:

- Deutsche Telekom Service GmbH, Bonn, Chair of the Supervisory Board (11/2020 to 2/2025) [b]
- Deutsche Telekom Technik GmbH, Bonn, Chair of the Supervisory Board (11/2020 to 2/2025) [b]

Memberships of comparable supervisory bodies of business enterprises in Germany or abroad:

- T-Mobile US, Inc., Bellevue, United States, Member of the Board of Directors (since 8/2022) [a, b]

[a] Listed on the stock exchange.
[b] Supervisory board seats in companies that are part of the Group.
[d] All information relates to the period prior to the Board of Management member leaving the Board of Management.

Claudia Nemat

Board member responsible for Technology and Innovation from January 1, 2017 to September 30, 2025

Memberships of supervisory boards required to be formed by law:

- Airbus Defence and Space GmbH, Ottobrunn (5/2016 to 3/2025)
- Deutsche Telekom IT GmbH, Bonn, Chair of the Supervisory Board (6/2017 to 9/2025) [b]
- Deutsche Telekom Security GmbH, Bonn (8/2020 to 9/2025), Deputy Chair of the Supervisory Board (9/2020 to 9/2025) [b]
- T-Systems International GmbH, Frankfurt/Main (4/2020 to 9/2025), Chair of the Supervisory Board (6/2021 to 9/2025) [b]

Memberships of comparable supervisory bodies of business enterprises in Germany or abroad:

- ABB Ltd., Zurich, Switzerland, Member of the Board of Directors (since 3/2025) [a]
- Airbus SE, Leiden, Netherlands, Member of the Board of Directors (5/2016 to 3/2025) [a]

[a] Listed on the stock exchange.
[b] Supervisory board seats in companies that are part of the Group.

Members of the Supervisory Board of Deutsche Telekom AG in 2025

Dr. Frank Appel

Member of the Supervisory Board since April 7, 2022
Chair of the Supervisory Board since April 7, 2022
Former Chair of the Board of Management of Deutsche Post AG, Bonn

Memberships of other supervisory boards required to be formed by law:
- Fresenius Management SE, Bad Homburg vor der Höhe (since 5/2021)
- RWE AG, Essen (since 5/2024), Chair of the Supervisory Board (since 4/2025) [a]

Odysseus D. Chatzidis

Member of the Supervisory Board since January 3, 2018
Chair of the European Works Council of Deutsche Telekom AG, Bonn
– No other seats –

Eric Daum

Member of the Supervisory Board since November 7, 2023
First Deputy Chair of the Group Works Council of Deutsche Telekom AG, Bonn

Memberships of other supervisory boards required to be formed by law:
- Deutsche Telekom Service GmbH, Bonn (since 1/2016) [b]

Rachel Empey

Member of the Supervisory Board since April 9, 2025
Former member of the Board of Management of Fresenius Management SE, Bad Homburg vor der Höhe

Memberships of other supervisory boards required to be formed by law:
- Bayerische Motoren Werke Aktiengesellschaft, Munich (since 9/2021) [a]
- ZF Friedrichshafen AG, Friedrichshafen (since 3/2023)

Constantin Greve

Member of the Supervisory Board since November 20, 2018
Chair of the Central Works Council of Deutsche Telekom AG, Bonn
– No other seats –

Natalie Knight

Member of the Supervisory Board since April 9, 2025
Former Member of the Board of Directors of Stellantis N.V., Hoofddorp, Netherlands
– No other seats –

[a] Listed on the stock exchange.
[b] Supervisory board seats in companies that are part of the Group.

Dagmar P. Kollmann

Member of the Supervisory Board since May 24, 2012
Entrepreneur, member of several supervisory boards and advisory boards as well as the Monopolies Commission
Former CEO of Morgan Stanley Bank, Frankfurt/Main
Former Member of the Board of Directors of Morgan Stanley Bank International Limited, London, United Kingdom

Memberships of other supervisory boards required to be formed by law:

- Citigroup Global Markets Europe AG, Frankfurt/Main, Chair of the Supervisory Board (since 11/2021)

Memberships of comparable supervisory bodies of business enterprises in Germany or abroad:

- Coca Cola European Partners plc, London, United Kingdom (5/2019 to 5/2025) [a]
- Paysafe Holdings UK Limited, London, United Kingdom (since 3/2021) [a]
- Unibail-Rodamco SE, Paris, France, Member of the Supervisory Board (5/2014 to 4/2025) [a]

Petra Steffi Kreusel

Member of the Supervisory Board since January 1, 2013
Senior Vice President, Customer & Public Relations at Deutsche Telekom Geschäftskunden GmbH, Bonn
Group Officer for Digital Education and School at Deutsche Telekom AG, Bonn
Chair of the Executive Staff Representation Committee of Deutsche Telekom Geschäftskunden GmbH, Bonn
Deputy Chair of the Group Executive Staff Representation Committee of Deutsche Telekom AG, Bonn

Memberships of other supervisory boards required to be formed by law:

- Deutsche Telekom Geschäftskunden GmbH, Bonn (since 10/2023) [b]

Harald Krüger

Member of the Supervisory Board since May 17, 2018
Managing partner of KC&C GmbH, Gräfelfing
Former Chair of the Board of Management of Bayerische Motoren Werke Aktiengesellschaft, Munich

Memberships of other supervisory boards required to be formed by law:

- Deutsche Lufthansa AG, Cologne (since 5/2020) [a]

Kerstin Marx

Member of the Supervisory Board since May 1, 2020
Chair of the Group Works Council of Deutsche Telekom AG, Bonn

Memberships of other supervisory boards required to be formed by law:

- Deutsche Telekom Geschäftskunden GmbH, Bonn (since 10/2023) [b]

[a] Listed on the stock exchange.
[b] Supervisory board seats in companies that are part of the Group.

Dr. Reinhard Ploss

Member of the Supervisory Board since April 5, 2023
Chairman of the Supervisory Board of Knorr-Bremse AG, Munich
Former CEO of Infineon Technologies AG, Neubiberg

Memberships of other supervisory boards required to be formed by law:

- Knorr-Bremse AG, Munich, Chairman of the Supervisory Board (since 5/2022) [a]

Memberships of comparable supervisory bodies of business enterprises in Germany or abroad:

- CustomCells Holding GmbH, Itzehoe, Advisory Board Chair (9/2023 to 5/2025)

Stefan Ramge

Member of the Supervisory Board since January 2, 2025
Head of Directorate-General VIII at the Federal Ministry of Finance, Berlin

Memberships of other supervisory boards required to be formed by law:

- Bundesdruckerei Gruppe GmbH, Berlin (since 8/2018)
- Flughafen Berlin Brandenburg GmbH, Berlin (since 11/2022)
- Telekom Deutschland GmbH, Bonn (since 11/2016) [b]

Frank Sauerland

Member of the Supervisory Board since November 20, 2018
Head of the Collective Bargaining Policy Committee IKT, National Committee A at the ver.di National Executive Board, Berlin

Memberships of other supervisory boards required to be formed by law:

- Telekom Deutschland GmbH, Bonn (since 12/2016), Deputy Chair of the Supervisory Board (since 1/2017) [b]

Christoph Schmitz-Dethlefsen

Member of the Supervisory Board since November 7, 2023
Deputy Chair of the Supervisory Board since January 1, 2024
Member of the ver.di National Executive Board, Head of Department for Financial Services, Communication and Technology, Culture, Supply and Disposal, Berlin

Memberships of other supervisory boards required to be formed by law:

- AXA Konzern AG, Cologne (since 4/2017)

Susanne Schöttke

Member of the Supervisory Board since April 7, 2022
Head of the North state district of ver.di, Lübeck

Memberships of other supervisory boards required to be formed by law:

- MVV Energie AG, Mannheim (since 2/2021) [a]

[a] Listed on the stock exchange.
[b] Supervisory board seats in companies that are part of the Group.

Nicole Seelemann-Wandtke

Member of the Supervisory Board since July 5, 2018
Member of the Works Council of the Consumers unit of Telekom Deutschland GmbH, Bonn

Memberships of other supervisory boards required to be formed by law:
- Telekom Deutschland GmbH, Bonn (since 10/2023) [b]

Karl-Heinz Streibich

Member of the Supervisory Board since October 1, 2013
Honorary chair of the acatech senate – Deutsche Akademie der Technikwissenschaften e.V. (National Academy of Science and Engineering), Munich

Memberships of other supervisory boards required to be formed by law:
- Siemens Healthineers AG, Munich (since 3/2018), Deputy Chair of the Supervisory Board (since 2/2023) [a]

Margret Suckale

Member of the Supervisory Board since September 28, 2017
Member of several supervisory boards and former Member of the Board of Executive Directors of BASF SE, Ludwigshafen am Rhein

Memberships of other supervisory boards required to be formed by law:
- DWS Group GmbH & Co. KGaA, Frankfurt/Main (since 3/2018) [a]
- Heidelberg Materials AG, Heidelberg (since 8/2017) [a]
- Infineon Technologies AG, Neubiberg (since 2/2020) [a]

Memberships of comparable supervisory bodies of business enterprises in Germany or abroad:
- Greiner AG, Kremsmünster, Austria (since 6/2023)

Karin Topel

Member of the Supervisory Board since July 1, 2017
Chair of the Works Council of Deutsche Telekom Technik GmbH, Bonn, Technical Branch Office, Eastern District

Memberships of other supervisory boards required to be formed by law:
- Deutsche Telekom Technik GmbH, Bonn (since 12/2022) [b]

Stefan B. Wintels

Member of the Supervisory Board since April 7, 2022
CEO of KfW, Frankfurt/Main

Memberships of other supervisory boards required to be formed by law:
- Deutsche Post AG, Bonn (since 5/2022) [a]

Memberships of comparable supervisory bodies of business enterprises in Germany or abroad:
- KfW Capital GmbH & Co. KG, Frankfurt/Main, Chair of the Supervisory Board (since 11/2021)

[a] Listed on the stock exchange.
[b] Supervisory board seats in companies that are part of the Group.

Supervisory Board members who left in the 2025 financial year: [c]

Lars Hinrichs

Member of the Supervisory Board from October 1, 2013 to April 9, 2025
Managing Partner of Cinco Capital GmbH, Hamburg, and of Digital Art Museum GmbH, Hamburg
Managing Director of HackFwd Admin GmbH, Hamburg

Memberships of other supervisory boards required to be formed by law:

- Xempus AG, Munich (since 1/2016), Deputy Chair of the Supervisory Board (since 10/2023)

Memberships of comparable supervisory bodies of business enterprises in Germany or abroad:

- Target Global Acquisition I Corp., Grand Cayman, Cayman Islands (since 3/2021)
- Simsalasim, Inc., New York, United States, Board member (since 12/2024)

Dr. Helga Jung

Member of the Supervisory Board from May 25, 2016 to April 9, 2025
Former Member of the Board of Management of Allianz SE, Munich

Memberships of other supervisory boards required to be formed by law:

- Allianz Global Corporate & Specialty SE, Munich, Deputy Chair of the Supervisory Board (since 5/2013)
- Allianz Lebensversicherungs-AG, Stuttgart (since 4/2020)

[c] All information relates to the period prior to the Supervisory Board member leaving the Supervisory Board.

The T-Share

		2025	2024	2023
XETRA closing prices				
Share price on the last trading day	€	27.66	28.89	21.75
Year high	€	35.85	30.60	23.05
Year low	€	26.35	20.83	18.56
Trading volume				
German exchanges	billions of shares	1.7	1.7	1.7
Market capitalization on the last trading day	billions of €	135.7	144.1	108.5
Weighting of the T-Share in major stock indexes on the last trading day				
DAX 40	%	5.4	7.4	6.1
Dow Jones EURO STOXX 50®	%	2.3	3.0	2.4
T-Share – key figures				
Earnings per share	€	1.97	2.27	3.57
Dividend per share [a]	€	1.00	0.90	0.77
Total number of ordinary shares at the reporting date [b]	millions	4,905	4,986	4,986

[a] Subject to approval by the relevant bodies and the fulfillment of other legal requirements.
[b] Including treasury shares held by Deutsche Telekom AG.

Development of international indexes

2025 was characterized by strong growth on the international markets, with many indexes reaching record highs. The development of inflation and interest rates over the course of the year bolstered stock valuations and, as in 2024, artificial intelligence was a vital growth driver. Although U.S. economic policy and the associated tariff discussions increased volatility, they were not sufficient to halt the general upward trend.

The DAX 40 – as a total return index, i.e., including reinvested dividends – climbed 22.7 % over the course of the year. In the same period, the Dow Jones rose by 13.0 %, or by 14.9 % including reinvested dividends.

The Nikkei also rose substantially in 2025, recording growth of 26.3 % at year-end. The Dow Jones EURO STOXX 50® recorded slightly lower, although still significant growth, rising 21.2 %.

T-Share performance

2025 was also a good year for the European telecommunications sector: The industry's barometer, the Dow Jones STOXX® Europe 600 Telecommunications, climbed 15.8 % as of the end of the year.

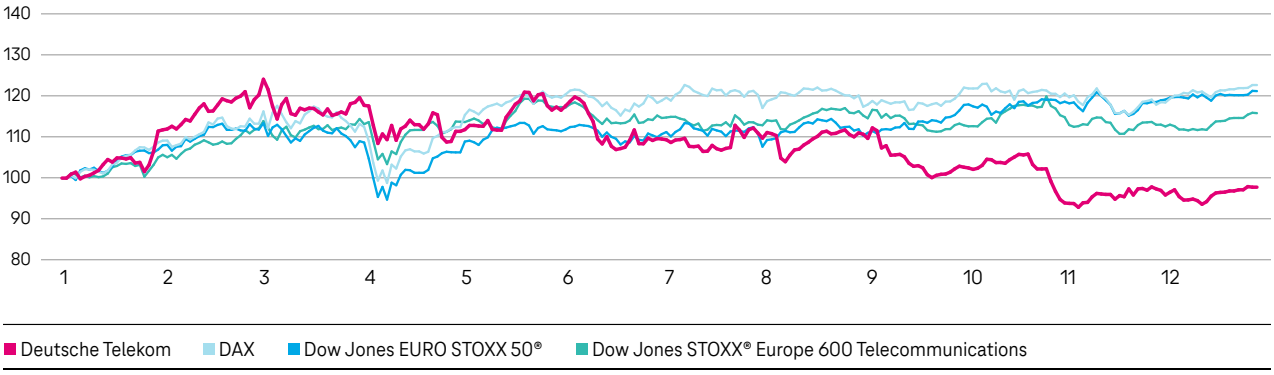
The T-Share was not able to profit from this positive environment: It ended 2025 on a slightly negative note. The closing price at the end of 2025 was EUR 27.66. The development of the share price was significantly influenced by the weak U.S. dollar and the weaker development of the share price of our U.S. subsidiary, T-Mobile US.

The lowest price recorded during the year was EUR 26.35 on November 6, 2025, while the highest price of EUR 35.85 was recorded on March 3, 2025.

On a total return basis – and thus comparable with the DAX – our share ended 2025 down slightly by 1.5 %.

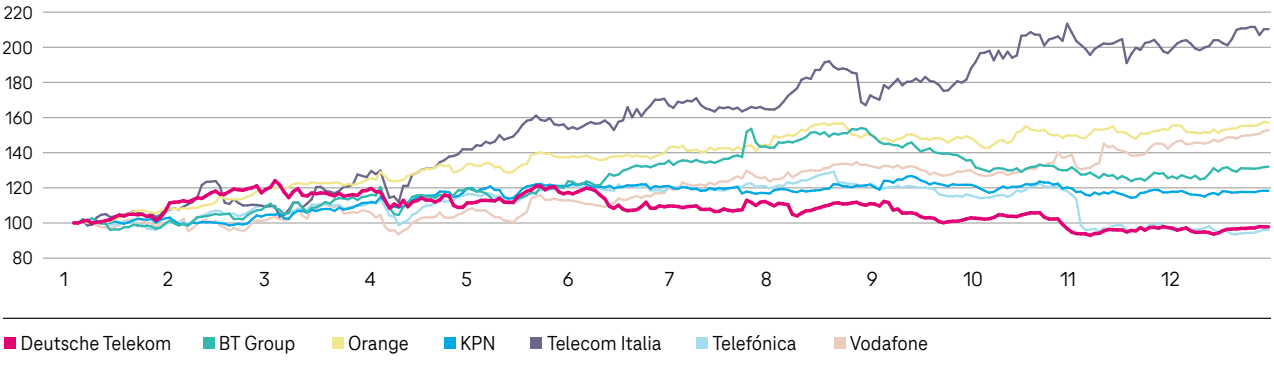
T-Share as compared to DAX, Dow Jones EURO STOXX 50®, and Dow Jones STOXX® Europe 600 Telecommunications

January 1 to December 31, 2025 (based on total shareholder return)



T-Share as compared to other European telecommunications companies

January 1 to December 31, 2025 (based on total shareholder return)



For an overview of the performance of the T-Share in recent years, please visit our Investor Relations website.

T-Share sustainability rating

For more than two decades, we have successfully included our share in a number of different ESG ratings. How we select these ratings depends on their relevance for the financial market, independence, the quality of the analysis, and on the strategic relevance of the results. If the rating agencies give the T-Share a good ESG rating, the share will be listed in corresponding sustainability indexes on the financial market. In 2025, the T-Share was once again listed in key sustainability indexes, again being included in the Climate A list and named as a Supplier Engagement Leader by CDP.

Listing of the T-Share in sustainability indexes/ratings

Rating agency	Indexes/ratings/ranking	2025	2024	2023	2022
CDP	STOXX Global Climate Change Leaders	✔	✔	✔	✔
	Supplier Engagement A-List	✔	✔	✔	✔
MSCI	Universal Indexes [a, b]	✔	✔	✔	✔
	EMU Climate Action Index	✔	✔	✔	✔
ISS ESG	Prime Status (Sector Leader)	✔	✔	✔	✔
Bloomberg	Gender Equality Index [c]	✔	✔	✔	✔
	ESG “Leading” status	✔	✔	✔	✔
Sustainalytics	STOXX Global ESG Leaders [a]	✔	✔	✔	✔
	STOXX® Europe ESG Leaders 50 Index	✔	✔	✔	✔
	DAX ESG Target	✔	✔	✔	✔
FTSE Financial Times Stock Exchange (LSEG)	FTSE4Good Index Series [a]	✔	✔	✔	✔

✔ listed

[a] Listed in other indexes in the relevant universe.

[b] Renamed in the reporting year.

[c] Ranking for the reporting year is based on the rating from 2023.

Dividend

The Board of Management of Deutsche Telekom AG will propose to the Shareholders' Meeting on April 1, 2026 the distribution of a dividend of EUR 1.00 per dividend-bearing share, up from EUR 0.90 in the prior year. In November 2024, we had announced that we would buy back shares in Deutsche Telekom AG in 2025 up to a total purchase price of EUR 2 billion under a share buy-back program. The buy-back started on January 3, 2025, and was completed on December 11, 2025. In total, 65.4 million shares were bought back for a total amount of around EUR 2.0 billion.

For 2026, Deutsche Telekom announced a further share buy-back program of up to EUR 2 billion, which started on January 5, 2026.

Capital markets communication

Deutsche Telekom maintains a close dialog with participants on the capital market and is monitored and analyzed by a number of German and international analysts (coverage). As of December 31, 2025, we recorded 17 analyst recommendations, all 17 of these with a buy recommendation.

> For a current overview of analyst coverage, please visit our Investor Relations website.

The dialog with our institutional investors was maintained through participation in numerous conferences as well as by holding virtual and conventional roadshows.

Our investor communications also received recognition in the reporting year: HHL Leipzig Graduate School of Management, in cooperation with Manager Magazin, voted us Investors' Darling for the best financial communication for the fourth time in succession with the #1 spot in its DAX 40 ranking of 2025. We were also named best IR team in the DAX 40 in the survey by DIRK, the German Investor Relations Association, in cooperation with WirtschaftsWoche magazine. In Extel's annual investor survey, Deutsche Telekom took first place for the best IR work among European telecommunications companies.

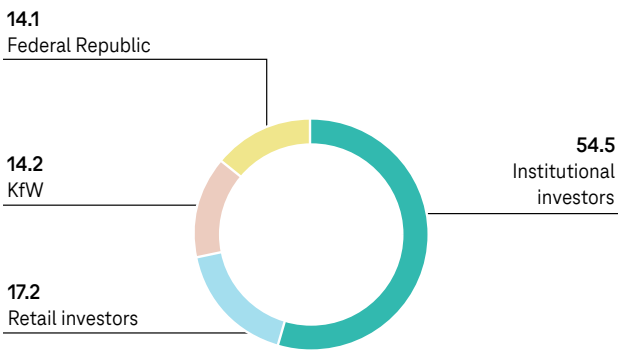
We kept up our intensive dialog with retail investors in 2025, with our Shareholders' Meeting, which is held in person, and regular newsletters forming the basis for the dialog offered to our 1.3 million retail investors. Management held timely live webcasts, in German, to discuss all quarterly results in 2025 and the annual results for 2024 with interested retail investors.

Shareholder structure

The Federal Republic's shareholding, including that of KfW, increased to 28.3 % in 2025, mainly due to the share buy-back program carried out in 2024, which resulted in a decrease in the number of shares in the 2025 financial year. On August 4, 2025, we received a notification of SoftBank's voting rights stating that its last reported shareholding of 4.5 % has decreased to 0.4 %. As a result, the percentage of shares in free float at the reporting date increased to 71.1 % of the share capital, with the share of retail investors increasing to 17.2 % and the share of institutional investors increasing to 54.5 %.

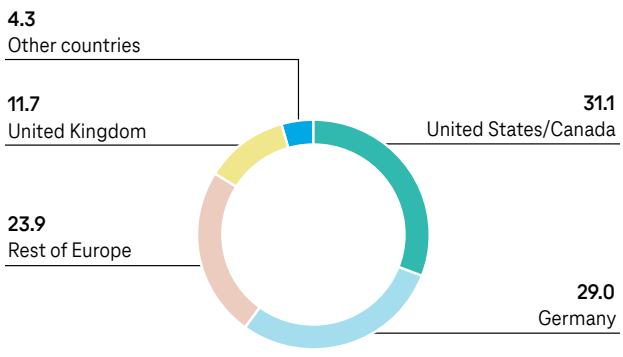
Shareholder structure

% (as of December 31, 2025)



Geographical distribution of free float

% (as of December 31, 2025)

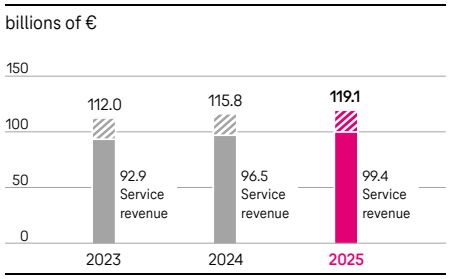


> For further information relevant to shareholders, please refer to our Investor Relations website.

Development of selected financial data

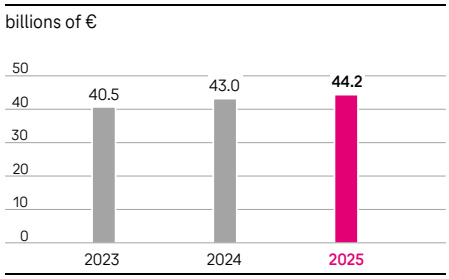
Net revenue, service revenue

- Net revenue increased by 2.9 % to EUR 119.1 billion, despite negative exchange rate effects. In organic terms, net revenue increased by 4.2 %. Service revenue increased by 2.9 % to EUR 99.4 billion. In organic terms, net revenue increased by 3.8 %.
- Revenue in the Germany segment decreased by 0.4 % on account of lower mobile terminal equipment revenues. Service revenue grew by 1.0 %.
- In the United States segment, higher service and terminal equipment revenues generated revenue growth of 4.1 %, or 6.0 % on an organic basis.
- Revenue in our Europe segment grew by 2.5 %, or by 2.9 % on an organic basis, on account of higher service revenues.
- Revenue in the Systems Solutions segment was up 2.5 %, on the back of growth in the Digital and Road Charging areas.



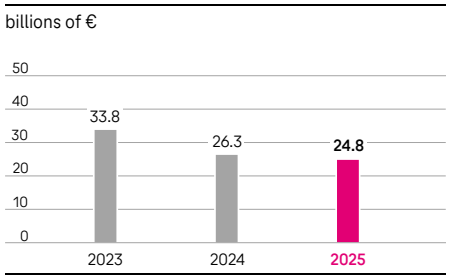
EBITDA AL (adjusted for special factors)

- Adjusted EBITDA AL grew by 2.8 % to EUR 44.2 billion. In organic terms, it increased by 4.7 %.
- Adjusted EBITDA AL in the Germany segment increased by 1.7 %, driven by service revenue growth and enhanced cost efficiency.
- In the United States segment, adjusted EBITDA AL grew by 2.5 %. In organic terms, the increase was 5.3 %, on account of higher service and terminal equipment revenues.
- In the Europe segment, adjusted EBITDA AL increased by 5.6 % on the back of the revenue growth and a positive net margin, or 5.4 % in organic terms.
- In the Systems Solutions segment, adjusted EBITDA AL increased by 15.7 % due to margin increases and cost optimizations in the Cloud area, as well as to revenue growth in the Digital and Road Charging areas.
- The adjusted EBITDA AL margin remained stable at 37.2 %. The adjusted EBITDA AL margin was 41.8 % in the Germany segment, 37.5 % in the United States segment, and 37.0 % in the Europe segment.



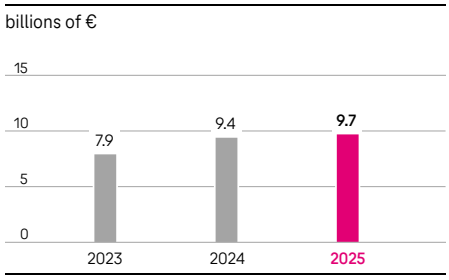
Profit/loss from operations (EBIT)

- EBIT declined by EUR 1.5 billion to EUR 24.8 billion, mainly due to the reversal recognized in the prior year of impairment losses on FCC licenses of T-Mobile US.
- At EUR -1.8 billion, special factors affecting EBITDA AL were down by EUR 2.6 billion against the prior year. In the prior year, these special factors mainly included the reversal of impairment losses on FCC licenses of EUR 2.6 billion.
- At EUR 24.0 billion, depreciation, amortization and impairment losses were on a par with the prior-year level.



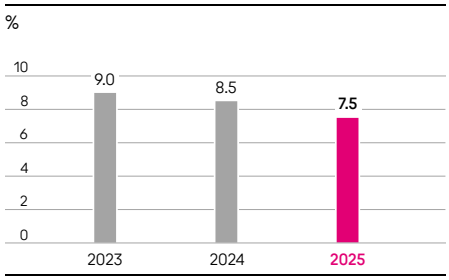
Net profit (adjusted for special factors)

- Adjusted net profit increased by EUR 0.4 billion to EUR 9.7 billion.
- Adjusted earnings per share amounted to EUR 2.00 compared with EUR 1.90 in the prior year.
- This positive development allows a proposed dividend of EUR 1.00 per dividend-bearing share for the 2025 financial year, up from EUR 0.90 in the prior year.
- Unadjusted net profit decreased by EUR 1.6 billion to EUR 9.6 billion, mainly due to the reversal of impairment losses on FCC licenses in the prior year. Loss from financial activities, which increased by EUR 2.0 billion to EUR 5.3 billion also contributed to this decline. This was primarily due to higher reversals of impairment losses on our investments in GD Towers and GlasfaserPlus in the prior year.



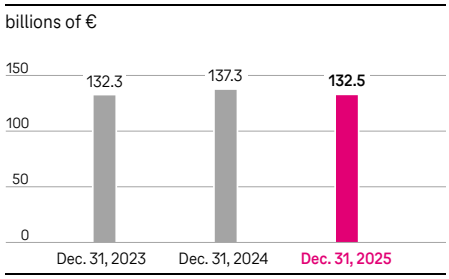
ROCE

- ROCE (return on capital employed) decreased by 1.0 percentage points to 7.5 %, due to a EUR 2.4 billion reduction in net operating profit after taxes (NOPAT) to EUR 19.0 billion, while the average amount of net operating assets (NOA) remained almost constant at EUR 255.1 billion.
- The decline in NOPAT is mainly due to the reversal recognized in the prior year of impairment losses on FCC licenses. The share of profit of associates and joint ventures included in the consolidated financial statements using the equity method also decreased, primarily due to higher reversals in the prior year of impairment losses on our investments in GD Towers and GlasfaserPlus.



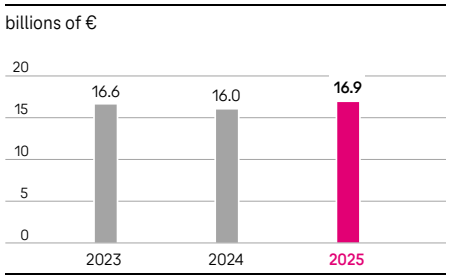
Net debt [a]

- Net debt decreased by EUR 4.8 billion to EUR 132.5 billion.
- The main factors reducing net debt were free cash flow (before dividend payments and spectrum investment) (EUR 24.1 billion) and exchange rate effects (EUR 11.6 billion).
- The main factors increasing net debt were the corporate transactions in the United States segment (EUR 10.4 billion) and the share buy-backs by T-Mobile US (EUR 8.9 billion) and Deutsche Telekom AG (EUR 2.0 billion). Net debt was also increased by dividend payments including non-controlling interests (EUR 6.4 billion) and additions of lease liabilities and of right-of-use assets (EUR 4.6 billion).



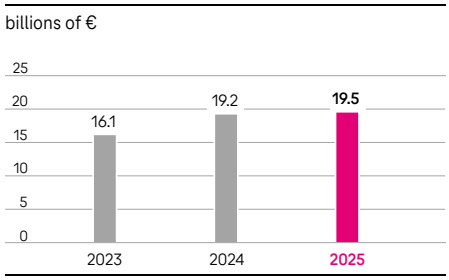
Cash capex (before spectrum investment) [b]

- Cash capex (before spectrum investment) increased by EUR 0.9 billion to EUR 16.9 billion.
- In the United States segment, cash capex increased by EUR 0.6 billion, in particular due to higher investments in the continued network build-out and the UScellular Acquisition. In the Europe segment, cash capex was up EUR 0.2 billion and in the Germany segment it was up EUR 0.1 billion against the prior year.
- Cash capex (including spectrum investment) increased by EUR 0.1 billion to EUR 19.3 billion. Cash outflows of EUR 1.3 billion were recorded in the reporting year for the acquisition of customer bases by T-Mobile US. Furthermore, EUR 1.1 billion in total was invested in mobile spectrum licenses, mainly in the United States and Europe operating segments. In the prior year, EUR 3.2 billion was paid for mobile spectrum licenses, mainly in the United States.



Free cash flow AL (before dividend payments and spectrum investment) [b, c]

- Free cash flow AL (before dividend payments and spectrum investment) increased from EUR 19.2 billion to EUR 19.5 billion.
- Free cash flow AL was positively affected by the strong development of the operating business, lower cash outflows in connection with the integration of Sprint in the United States, and a decrease in cash outflows for the repayment of lease liabilities.
- Currency translation effects, higher cash capex (before spectrum investment), and marginally higher tax payments and net interest payments had a decreasing effect.



For a reconciliation for the organic development of key figures for the prior year, please refer to the section "Additional information."

For further information, please refer to the sections "Development of business in the Group" and "Development of business in the operating segments" in the combined management report, and to the IR back-up on our Investor Relations website.

For further information on our performance indicators and alternative performance measures, please refer to the section "Management of the Group" in the combined management report and our Investor Relations website.

[a] Including, where it exists, net debt reported under assets and liabilities directly associated with non-current assets and disposal groups held for sale.
[b] Excluding cash outflows for investments made by T-Mobile US to acquire customer bases.
[c] Excluding proceeds from the disposal of spectrum due to the sale of spectrum licenses by T-Mobile US.

Highlights

For further media information releases, please refer to our website.

Developments at senior management level

On January 27, 2025, the Supervisory Board of Deutsche Telekom AG resolved to reappoint Tim Höttges as **Chair of the Board of Management** prematurely for the period from February 1, 2025 until December 31, 2028. In the same meeting, the Supervisory Board approved the termination of Srini Gopalan's Board position effective February 28, 2025, and appointed Rodrigo Diehl to the Board of Management as the member responsible for the **Germany Board department** for the period from March 1, 2025 to February 29, 2028. On May 22, 2025, the Supervisory Board resolved to terminate Claudia Nemat's appointment as of September 30, 2025 and to appoint Dr. Abdu Mudesir as Board member responsible for the **Technology and Innovation Board department** (now "Product and Technology") for the period from October 1, 2025 to September 30, 2028.

Shareholder remuneration

Deutsche Telekom AG's shareholder remuneration. On the basis of the results for the 2025 financial year as well as the finance strategy communicated at the 2024 Capital Markets Day, the Board of Management of Deutsche Telekom AG will propose to the 2026 Shareholders' Meeting the distribution of a dividend of EUR 1.00 per share for the 2025 financial year.

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.

For further information on the 2025 share buy-back program, please refer to our Investor Relations website.

In November 2025, Deutsche Telekom AG announced a new share buy-back program with a total volume of EUR 2 billion for the 2026 financial year. The buy-back commenced on January 5, 2026 and will be carried out in several tranches through to the end of 2026.

For further information on the 2026 share buy-back program, please refer to our Investor Relations website.

T-Mobile US' shareholder return. In the 2025 financial year, T-Mobile US bought back 42.4 million shares as part of the 2025 shareholder return program with a total volume of USD 9.9 billion (EUR 8.8 billion) in several tranches, and paid out cash dividends in the amount of USD 4.1 billion (EUR 3.7 billion).

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.

For further information on the shareholder return programs, please refer to the section "Development of business in the Group" in the combined management report and the section "Other transactions that had no effect on the composition of the Group" in the notes to the consolidated financial statements.

Transactions

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 plan, 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.

Purchase options for shares in T-Mobile US. On October 2, 2025, Deutsche Telekom received purchase options from SoftBank for 10 million T-Mobile US shares, which can be exercised at a variable market price until April 1, 2029. This secures us access to the majority stake in T-Mobile US for the long term.

Business combinations in the United States. In the reporting year, T-Mobile US acquired the DOOH providers Vistar Media and Blis, the FTTH platforms Lumos and Metronet (pro rata in each case) under a joint venture, and the wireless operations and specific spectrum licenses from UScellular. All necessary regulatory approvals had been duly granted and all other closing conditions met.

Sale of T-Mobile US spectrum licenses to N77. On April 30, 2025, T-Mobile US sold a portion of its 3.45 GHz spectrum licenses to N77, following receipt of the regulatory approval by the U.S. Federal Communications Commission.

Sale of Telekom Romania Mobile Communications. On October 1, 2025, Hellenic Telecommunications Organization (OTE) consummated the sale of Telekom Romania Mobile Communications. All necessary regulatory approvals had been duly granted and all other closing conditions met.

> For further information on these transactions, please refer to the sections "Development of business in the Group," "Group organization," and "The economic environment" in the combined management report, and the sections "Other transactions that had no effect on the composition of the Group," "Changes in the composition of the Group and other transactions," and "Intangible assets" in the notes to the consolidated financial statements.

Rating

On September 26, 2025, the rating agency Moody's raised our rating, which stood at A3 with a stable outlook as of December 31, 2025.

Network build-out and investments in networks

Germany. At the end of 2025, our 5G network covered 99.0 % of the population in Germany, bringing the total number of households and businesses with the option to subscribe to a fiber-optic line with us to 12.6 million. That is 2.5 million lines more than in the prior year.

In the reporting year, the Bundesnetzagentur extended the usage rights for the 800, 1,800, and 2,600 MHz spectrum bands by five years. The extension fee for Telekom Deutschland is EUR 0.2 billion for the entire extension period.

United States. In 2025, T-Mobile US is the best mobile network in the United States according to independent network tests. Ookla once again confirms, for example, 5G network leadership in terms of speed and performance.

In the reporting year, T-Mobile US completed the acquisition of 600 MHz spectrum licenses from Channel 51 with a payment of EUR 0.5 billion for the remaining licenses in the second tranche.

Europe. As of the end of 2025, our national companies covered on average 91.9 % of the population in our European footprint with 5G. A total of around 11.3 million households and companies had access to our fiber-optic network offering gigabit speeds. That is 1.3 million lines more than in the prior year.

In the reporting year, our national companies in Poland and Slovakia secured spectrum in the relevant spectrum award procedures for a total of EUR 0.5 billion.

> For further information on investments in our networks and spectrum auctions, please refer to the sections "Group strategy" and "Development of business in the operating segments," as well as "The economic environment" in the combined management report.

Events

T-Mobile US' Capital Markets Day Update. On February 11, 2026, T-Mobile US presented its financial results for the 2025 financial year as part of a "Capital Markets Day Update." In addition, the company has updated its guidance with regard to key financial and customer figures for 2026 and 2027.

> For further information, please refer to T-Mobile US' website.

Digitalization initiative: Digital X 2025. On September 10, 2025, we presented an AI focus edition of Digital X in Cologne. The updated format, with around 100 master classes and outstanding speakers, offered over five thousand guests ample opportunity for dialog on artificial intelligence and digital transformation. Together with market-leading partners and experts, the digitalization initiative aims to create tangible impetus for Europe's digital agenda and take action together – for sustainable digitalization and strengthened competitiveness.

For further information, please refer to our topic special (German only).

30 years of Deutsche Telekom AG. On July 11 and 12, 2025, we celebrated our 30th anniversary as a stock corporation. During the two days of festivities, we outlined Deutsche Telekom's evolution into the most valuable telecommunications brand in the world, unveiled the sculpture "Gran elefant dret" in front of Group Headquarters in Bonn, and celebrated a city festival in Bonn with all kinds of activities, like a drone show and appearances by famous artists.

For further information, please refer to our topic special (German only).

Mobile World Congress (MWC) 2025. At MWC in Barcelona from March 3 to 6, 2025, we spotlighted technologies and innovations in the worlds of artificial intelligence (AI) and connectivity under the headline theme "Shaping technology for all." The centerpieces of our stand were our AI phone and further products and services with Magenta AI.

For further information, please refer to our media report.

Environment, Social, and Governance

Climate neutrality in own operations. We have reached our first major milestone on the way to net zero emissions: In the reporting year, Deutsche Telekom became the first multi-national telecommunications company to become climate-neutral across the Group in its own operations (Scope 1 and 2). We have reduced our emissions by more than 94 % compared with 2017. A small percentage is neutralized through high-quality CO_2 removal projects. As a result, the Group achieved the goal of net zero emissions in own business operations (Scope 1 and 2). This is proof that climate protection and profitability are not mutually exclusive: Since the introduction of the ambitious climate targets up to the timely achievement of the current milestone, the Company's stock market and brand value have risen sharply.

For further information, please refer to our media report.

Five years of #NoHateSpeech. Since 2020, Deutsche Telekom has been committed to fostering respectful interactions in digital spaces through its initiative #NoHateSpeech. Five years on, this commitment strengthens our brand and society: The initiative has won multiple awards (most recently the Effie Evergreen Award), is connected with many partner organizations, and is supported by a large number of employees.

For further information, please refer to our media report.

Commitment to sustainable energy solutions. Following on from Münster, Hanover, and Munich, in the reporting year we commissioned another large-scale battery storage system for green energy in Bamberg. The plan is to provide a total storage capacity of 126 MWh at nine locations by 2026, 96 MWh of which was already available in 2025. Furthermore, the Pallasseum residential complex in Berlin will in future largely be heated using waste heat from a nearby Deutsche Telekom data center: A heat pump will cover around 65 % of the annual heat demand of the 500 apartments, at no additional cost to the tenants. This will reduce carbon emissions, as gas will now only be needed during peak loads.

Cooperations, partnerships, and major deals

Cooperations for the fiber-optic build-out. In the reporting year, we entered into further fiber cooperations with regional public utility companies. These include an agreement with **Stadtnetz Bamberg**, the regional provider for the city of Bamberg, on the rollout of fiber to over 50 thousand households and business locations city-wide over the coming years. We also signed cooperation agreements with the municipal utilities **Stadtwerke Karlsruhe**, with **Stadtwerke München** in Munich and their telecommunications subsidiary **M-net**, as well as with **Stadtwerke Hilden**. The goal is to roll out fiber-to-the-building across the respective regions and to leverage synergies from the partnerships. Our fiber cooperations are proving successful, for example in **Baden-Württemberg**, where at the end of July 2025, we celebrated together with the state government over 1 million usable fiber-optic lines in our network.

Partnerships with Nvidia. In June 2025, we announced together with Nvidia, plans for the first **Industrial AI Cloud** for European manufacturers on German soil. We will provide secure, sovereign, and fast infrastructure and deliver data center operations, sales, security, and AI solutions. Nvidia will deliver the necessary chips and hardware. We already celebrated the first major milestones for the Industrial AI Cloud in November 2025: With companies and institutions like SAP, Siemens, Agile Robots, Wandelbots, Quantum Systems, PhysicsX, Perplexity, and Leibniz University Hannover, further partners and initial users are part of this new sovereign AI ecosystem. The Industrial AI Cloud went live in February 2026.

Furthermore, in August 2025, we announced together with Nvidia the launch of a new **cloud gaming offer** on the market, which has been available since early December 2025. The product combines Nvidia's GeForce NOW cloud platform with our 5G+ network and enables cloud gaming with optimized response times directly on smartphones. Innovative technologies such as L4S and network slicing deliver the highly stable connections.

Partnership with OpenAI. Together with OpenAI, at the start of December 2025, we announced a long-term cooperation to facilitate the offer of advanced AI applications in Europe in the future. We will work in close cooperation to design new AI-powered products and expand communication options for customers. The first pilot projects are scheduled for the first quarter of 2026.

For further information, please refer to our media report.

Partnership with Google Cloud. In April 2025, we signed a strategic agreement with Google Cloud, extending to 2030, on cloud and AI integration. The goal is to further modernize our IT, networks, and business applications, and will include the migration of our SAP landscape. We expect this partnership to enhance our operational efficiency, improve customer experiences, and drive forward technological innovation in the telecommunications industry.

For further information, please refer to our media report.

Participation in the IRIS^2 satellite project. The IRIS^2 satellite constellation (Infrastructure for Resilience, Interconnectivity and Security via Satellite) is a European Union project for better digital infrastructure in Europe. It aims to build a powerful, secure, and independent communication network. We intend to contribute to the project with the core topics of connectivity and IT infrastructure. Subject matter of the contract is the design of advanced IT and data center services, highly secure networks, and a 5G core network.

For further information, please refer to our media report.

Sports collaborations. Our support for sports continues: In August 2025, we revealed that we had extended our longstanding partnership with **FC Bayern Munich** through 2032. The focus of our collaboration is on technology, the digital fan experience, and social responsibility. We have also extended our successful media partnership with the **German Hockey Federation** through 2028. Up to 132 international matches of the German men's and women's hockey teams will be broadcast live on MagentaTV. In September 2025, we announced our involvement in a major sporting event in the United States: T-Mobile US will be the official telecommunications service provider for the **2028 Olympic and Paralympic Games** in Los Angeles. Our U.S. subsidiary will provide 5G infrastructure, deliver connectivity for all competition venues and staff, broadcast the events, and much more. In addition, T-Mobile US extended its commitment with the **Formula One Grand Prix** in Las Vegas and is taking on an expanded role as regional 5G innovation partner. The aim is to use 5G technology to improve connectivity and digital solutions in the field of racing events.

Major deals for T-Systems. Toll Collect once again entrusted T-Systems with the operation of IT for the truck toll system in Germany. The applications will be relocated to a private and sovereign cloud at our data center locations in Magdeburg and Biere. The contract has a term of eight years. The **Collectivité Européenne d'Alsace**, the European Collectivity of Alsace, has commissioned T-Systems Road User Services GmbH, together with the French electronics and automation company Grenobloise d'Electronique et d'Automatismes (GEA), to set up and operate a satellite-based system for truck tolling on the north-south axis in Alsace. The contract has a term of eight and a half years.

Smart airports in Croatia. In November 2025, Hrvatski Telekom announced that it will set up private 5G networks at three Croatian airports. The NextGen 5G Airports project is being co-financed by the EU under the CEF Digital program and aims to substantially improve the efficiency, security, and digital transformation of the airports. The private 5G networks offer flexible adjustments to individual requirements and ensure stable, reliable communications infrastructure.

Products, rate plans, and services

Launch of our T Cloud. We added a new element to our cloud portfolio in September 2025 with T Cloud, a cloud service platform that enables customers to tailor their cloud solutions according to their needs and provides digital independence from non-European technologies. At the heart of the T Cloud offerings are sovereign cloud services that are provided to customers at different levels of security in line with European standards, integrating a multi-cloud approach and partner ecosystems. In addition to hyperscaler solutions and consulting services, the platform also offers Deutsche Telekom's own cloud infrastructure.

> For further information, please refer to our media report.

Launch of our AI devices. T-Mobile US introduced the **Revvl 8 smartphone** on August 14, 2025, exclusively on the U.S. market. This high-performance device uses integrated Gemini AI. Our **T Phone 3** has been available in Germany and nine other European countries, also since August 14, 2025. Instead of apps on the home screen, users control the smartphone via the integrated AI assistant, Magenta AI, which is based on the AI-powered Perplexity app. The **T Phone 3 Pro**, with better hardware and extended functions, has been available since October 14, 2025. We have also brought the **T Tablet 2** AI-based tablet to the market.

Launch of the T-Satellite service by T-Mobile US. On July 23, 2025, T-Mobile US launched T-Satellite, the U.S.' first automatic satellite-to-mobile network built to deliver network coverage in places carrier towers cannot reach. The service works with common smartphones and, since October 1, 2025, also supports data-based applications like WhatsApp and Google Maps. The connection uses Starlink satellites, allowing these apps to be used in regions without terrestrial mobile coverage.

Even more MagentaSport on MagentaTV. In May 2025, we announced the acquisition of the media rights for a total of 272 matches of the **FIFA** Men's World Cup 2026, the FIFA Women's World Cup 2027, and the FIFA U20 World Cups in 2025 and 2027 for the German TV market. In addition, we have acquired the media rights to all 51 matches of **UEFA** EURO 2028. We are expanding our basketball offering by having acquired the broadcast rights for all **FIBA** games in the pay-to-view sector until 2029. This will include all live games of the World Cup and EuroBasket events, and all German games from the Olympic qualifying tournaments. We have also secured the broadcast rights for key 3x3 basketball events until 2029, including the World Cup and Europe Cup, the FIBA World Tour, and the Olympic qualifiers. At the same time, we are the main sponsor of the 3x3 team "Baskets Bonn Telekom." From January 2026, MagentaTV is also presenting extensive live **golf** coverage: We have two new TV channels showing the PGA Tour, the DP World Tour, and the 2027 and 2029 Ryder Cup, among other things.

AI for enterprises. T-Systems has added AI Foundation Services to its product portfolio. These services provide companies with a private and secure development, testing, and production environment that meets particularly high data security and privacy requirements. AI models and services are pre-configured, ready for immediate use, and form the basis for enterprise-wide scaling of AI solutions across different business units and regions.

> For further information, please refer to our media report.

Awards

In the reporting year, we won numerous accolades for our brand, our networks, and our service, as well as our IR, CR, and HR work, and more besides. Below is a selection; for more detailed information, please click on "Find out more."

Brand	■ **Brand Finance Europe 500** For the third consecutive time, the study confirms Deutsche Telekom's position as Europe's most valuable brand with a brand value of EUR 76.5 billion.	Find out more
	■ **Brand Finance Global 500** Deutsche Telekom retains its position as Europe's most valuable company brand and the most valuable telco brand worldwide. In 2025, our brand value stood at USD 85.3 billion. In 2026, it increased again to USD 96.2 billion.	Find out more Find out more
	■ **Most Valuable Global Brands** In the Kantar BrandZ 2025 ranking, Deutsche Telekom retains its top position as the most valuable telecommunications brand and most valuable German brand with a brand value of USD 105.7 billion.	Find out more
Networks	■ **Chip network tests** Deutsche Telekom performs well in Germany-wide network test of internet providers in terms of reliability, contractual compliance, and lowest latencies, winning with a total score of 1.62. Our mobile network also wins top scores for speed, reliability, and availability, with a total score of 1.2 and is the only network to be rated "excellent."	Find out more (DE) Find out more (DE)
	■ **Computer Bild network test** Deutsche Telekom's mobile network is crowned the best network in Germany for the 14th time in a row, with top scores in 5G speed, network coverage, and stability, achieving an overall score of 1.1.	Find out more (DE)

	■ **Connect Crowd Sourcing comparison** The large-scale network test performed by Umlaut covering the six largest countries of Europe rates Deutsche Telekom's mobile network as the best outright by a significant margin, with network coverage of 97.7 % and a user experience rating of 95.7 %.	Find out more (DE)
	■ **Connect readers awards** In Germany, Deutsche Telekom again takes first place in the categories "mobile network operator," "network operator prepaid cards," "fixed-network provider," and "IPTV services."	Find out more (DE)
	■ **Connect network tests** In Germany and Austria, Deutsche Telekom once again tops the table in the fixed-network test with an overall score of "very good." We are also crowned test winner in Germany and Austria once again in the mobile network test, with an overall score of "outstanding" and top scores in all the key categories.	Find out more (DE) Find out more (AT) Find out more (DE) Find out more (AT)
	■ **Futurezone network test** Magenta Telekom wins this network test for the first time thanks to the best performance in Austria.	Find out more (DE)
	■ **HAKOM network test** Hrvatski Telekom once again has the best mobile network in Croatia according to independent testing by the Croatian regulatory authority.	Find out more
	■ **Imtest network tests** In the network test of German mobile providers, Deutsche Telekom shows the best overall performance and receives a score of "very good." Magenta Telekom in Austria wins the fixed-network internet test, also with a score of "very good."	Find out more (DE) Find out more (AT)
	■ **Ookla® Speedtest Awards™** Deutsche Telekom's European national companies once again perform well in the speed test in terms of network quality, e.g., with the fastest internet in Austria, or the fastest mobile network in Poland and Greece.	Find out more (AT) Find out more (PL) Find out more
	■ **Ookla® Speedtest Connectivity Report** T-Mobile US is best mobile network in the United States according to independent network tests. Ookla once again confirms, for example, 5G network leadership in terms of speed and performance.	Find out more
	■ **Umlaut's Best in Test** In Greece, Umlaut certifies Cosmote Telekom's mobile network as Best in Test for speed and quality for the 11th year running.	Find out more
Service	■ **Chip industry test** Deutsche Telekom's Frag Magenta chatbot wins the digital assistants test with a top score of "very good" in one of the most important categories: Response Quality.	Find out more (DE)
	■ **Connect hotline test IPTV and streaming** In Germany, Deutsche Telekom's service hotline for MagentaTV is given a score of "outstanding," winning all five categories and scoring maximum points for Availability, Interactive Voice Response, and Friendliness.	Find out more (DE)
	■ **Connect hotline test of mobile providers** In Germany, Deutsche Telekom wins the test for the 7th time in a row, coming best in class across all five categories. In Austria, Magenta Telekom wins the test of mobile providers for the best customer service.	Find out more (DE)
	■ **Connect test of network operators' service apps** Our MeinMagenta service app, with its improved security and AI-powered chatbot, is awarded a score of "outstanding."	Find out more (DE)
	■ **Connect test of network operators' shops** In the test of shops of the major telecommunications providers in Germany, overall victory goes once again to Deutsche Telekom. In three cities, our shops achieve maximum points and in 20 cities, a score of "outstanding."	Find out more (DE)
	■ **Service Quality Star** In Poland, T-Mobile Polska wins the award as voted for by consumers for the 11th time for its outstanding customer service.	Find out more (PL)
Investor Relations	■ **German Investor Relations Prize** In the prize awarded by the German Investor Relations Association in cooperation with WirtschaftsWoche magazine, Deutsche Telekom wins first place in the category Best Corporate IR Communication.	Find out more (DE)
	■ **Extel surveys** Deutsche Telekom is recognized several times in the pan-European survey of institutional investors, including for Best CEO, Best CFO, Best IR Professional, and Best IR Team. The "Developed Europe Executive Team 2025" survey confirms our IR team as the best in the category "Large Cap – Technology, Media & Telecommunications."	Find out more Find out more
	■ **Investors' Darling** HHL Leipzig Graduate School of Management, in cooperation with Manager Magazin, voted Deutsche Telekom best for investor relations communication with the #1 spot in its overall MDAX and SDAX ranking of 2025. In the DAX 40 ranking, we take this accolade for the 4th time running.	Find out more (DE)
	■ **NetFed IR Benchmark** Deutsche Telekom places first in the IR ranking of the digital capital market communications of German companies, with its very clearly structured IR website and extensive social media presences.	Find out more (DE)

Corporate Responsibility	■ **CDP A List** Deutsche Telekom ranks among the top performers in the prestigious CDP climate protection rating for the 9th time in a row, receiving the top grade of "A."	Find out more
	■ **German Award for Corporate Engagement** Deutsche Telekom receives the award for its engagement against online hate speech in the "Together for Democracy and Human Rights" category.	Find out more
	■ **DSW Award for Good Corporate Governance** The German association for private investors Deutsche Schutzvereinigung für Wertpapierbesitz (DSW) honors Deutsche Telekom for outstanding achievements in innovation, value retention and creation, and appreciation of private property.	Find out more (DE)
	■ **Global Transition Award** Deutsche Telekom receives an award from Handelsblatt for its contribution to limiting global warming by setting a new climate standard in the German economy.	Find out more (DE)
	■ **John J. McCloy Award** The American Council on Germany honors Tim Höttges for Deutsche Telekom's contribution to digital participation in Europe and the United States and for strengthening the transatlantic partnership.	Find out more
	■ **NetFed CR Benchmark** In the CR ranking on the digital sustainability presence of German companies, Deutsche Telekom takes first place with its focus on transparency, interaction, and user-friendliness.	Find out more
Human Resources	■ **Corporate Health Award** Deutsche Telekom wins the award again for its successful and holistic company health management.	Find out more (DE)
	■ **Germany's best companies for vocational training** The study by Capital confirms the outstanding quality of Deutsche Telekom's vocational training and its cooperative degree programs, which makes us one of the best companies for vocational training in Germany.	Find out more (DE)
	■ **HR Excellence Awards** We take first place in the "AI skills and training" category with our programs for empowering employees in the field of generative AI.	Find out more (DE)
	■ **Leading Employer Global** The certificate confirms Deutsche Telekom's position as among the top 1 % of employers worldwide.	Find out more
	■ **Merit Awards** Our personalized AI assistant wins in the "Innovation in HR Practices" category.	Find out more

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Introductory remarks

This report combines the management report of the Deutsche Telekom Group, comprising Deutsche Telekom AG and its consolidated subsidiaries, and the management report of Deutsche Telekom AG.

In light of the expected transposition of the European Corporate Sustainability Reporting Directive (CSRD) into national law, we as a company with a global footprint have based the preparation of the **combined sustainability statement** on the first set of European Sustainability Reporting Standards (ESRS) as a framework and applied them in full. This sustainability statement contains the information in accordance with § 315c German Commercial Code (Handelsgesetzbuch – HGB) in conjunction with § 289c to § 289e HGB. The sustainability statement additionally contains the reporting requirements regarding environmentally sustainable economic activities in accordance with Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (EU Taxonomy). The Supervisory Board of Deutsche Telekom AG is responsible for the review of the content of the sustainability statement. It did this with the support of Deloitte GmbH Wirtschaftsprüfungsgesellschaft (independent auditor) in the form of a limited assurance engagement, as well as a reasonable assurance engagement exclusively in respect of the two non-financial performance indicators of energy consumption and CO_2 emissions (Scope 1 and 2).

> For further information on the transition to the ESRS and on the EU Taxonomy, please refer to the section "Combined sustainability statement."

Likewise given the expected transposition of the CSRD into national law, we have added reporting on our **most important intangible resources** to the combined management report.

> For further information, please refer to the section "Group organization – Intangible resources."

The combined management report contains **information extraneous to the management report**, which is designated with footnotes. This information is not required by law, nor is it stipulated by German Accounting Standard No. 20 (GAS 20).

The recommendations of the German Corporate Governance Code (GCGC) in the amended version published in the Federal Gazette on June 27, 2022 require, among other disclosures, information on the **internal control system** and the **risk and opportunity management system** that go beyond the legal requirements for the management report and are therefore excluded from the substantive audit of the management report by the independent auditor (information extraneous to the management report). This information is included in paragraphs clearly separated from the information that has to be audited, and is designated with a footnote.

> For further information, please refer to the section "Governance and other disclosures."

The **Corporate Governance Statement** pursuant to §§ 289f, 315d HGB, including the **Declaration of Conformity** therein pursuant to § 161 AktG, is reproduced separately in the "Governance and other disclosures" section of the combined management report. The Corporate Governance Statement is not part of the independent auditor's substantive audit.

The **Remuneration Report** pursuant to § 162 AktG is available on the Deutsche Telekom AG website. The Remuneration Report was reviewed by the independent auditor in accordance with § 162 (3) AktG. The independent auditor's audit opinion resulting from the audit is provided in full at the end of the Remuneration Report.

To avoid the repetition of content within the combined management report, which includes the combined sustainability statement, please refer to **further information** provided in other sections or segments of the combined management report wherever appropriate. This includes references to the combined management report from the combined sustainability statement, and vice versa.

In addition, our combined management report includes **references** and **links** to websites with additional information outside the combined management report. These references and links are purely of a supplementary nature and are only intended to simplify access to this information. Please note that this information is not part of the combined management report and is therefore also excluded from the auditor's substantive audit.

Group organization

Business activities

With over 273 million mobile customers, more than 24 million fixed-network lines, and more than 22 million broadband customers, we are one of the leading integrated telecommunications companies worldwide. We provide fixed-network/broadband, mobile, internet, and internet-based TV products and services for consumers, and information and communication technology (ICT) solutions for business and corporate customers. We have an international focus and are represented in more than 50 countries. With some 200 thousand employees worldwide (as of December 31, 2025), we generated revenue of EUR 119.1 billion in the 2025 financial year. 78.0 % of the Group's net revenue is generated outside of Germany.

Our mobile communications business offers mobile voice and data services to consumers and business customers. In addition, we sell mobile devices and other hardware. We also sell mobile services to resellers and to companies that buy network services and market them to third parties (mobile virtual network operators). Our fixed-network business includes all voice and data communications activities based on fixed-network and broadband technology. This includes the sale of terminal equipment and other hardware, as well as the sale of services to resellers. Drawing on a global infrastructure of data centers and networks, we operate ICT systems for multinational corporations and public-sector institutions.

Our ambition is to become the Leading Digital Telco. In pursuit of this, we are driving the responsible digital transformation of our Company and leveraging the potential offered by our data and by AI. This applies both to internal processes, so as to further enhance quality and efficiency, and to specific offerings to our customers. As a global Group with a large footprint in Europe and the United States, we are ideally positioned for this. The operation and sale of convergent networks remains our core business. Sustainability forms an integral component of the Group's strategy, and as such is systematically and organizationally embedded in our business model and our company culture.

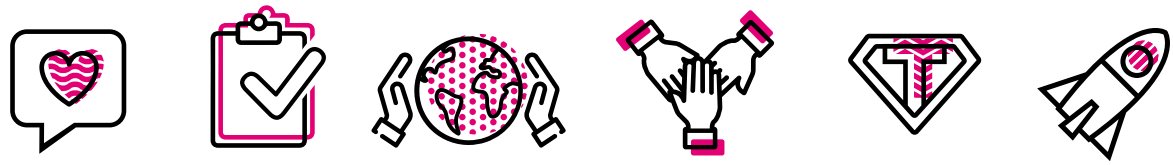
For further information on our Leading Digital Telco vision, please refer to the section "Group strategy."

For further information on our sustainability strategy, please refer to the section "Combined sustainability statement."

Corporate culture

Our responsible corporate governance and business success are based on our shared corporate values and our **Guiding Principles**. Our corporate purpose is: We won't stop until everyone is connected.

Our six Guiding Principles



Delight our customers | Get things done | Act with respect & integrity | Team together – team apart | I am T – count on me | Stay curious & grow

In conjunction with our corporate purpose, our **values** describe what we at Deutsche Telekom stand for: We want to be a sustainably growing, value-driven company that not only delights its customers, creates value for its investors, and in which employees enjoy their work, but also one that is environmentally friendly and fosters a democratic and inclusive society. Our network is fast, reliable, secure, and should be easily accessible for everyone. In addition, it has been operated throughout the Group with electricity from 100 % renewable sources since 2021. At the same time, we want to be more than just another company that provides society with network infrastructure. Our brand claim, "T – Connecting your world," stands for our commitment to connecting people and making their lives permanently easier and more enriched. With our No Hate Speech campaign, we are actively pushing for greater digital democracy. We are a close and trusted companion to the customer; transparent, fair, and open to dialogue. It is our contribution to social togetherness.

In 2026, we will further develop our corporate culture into "T-Style." While this will entail some adaptations to the existing Guiding Principles, our fundamental values as a company remain unchanged.

Intangible resources

Intangible resources (within the meaning of § 289 (3a), § 315 (3a) HGB draft (HGB-E)) have no physical substance and are not in all cases included in the statement of financial position. They fall into three categories:

- **Human capital**: The value delivered by employees through the application of their skills, experience, and expertise.
- **Relational capital**: The inherent value in a company's relationships with its customers, suppliers, business partners, investors, and other key actors.
- **Knowledge and structural capital**: The value created by a company through its innovations, processes, or locations.

Alongside the network infrastructure (broadband, fiber-optic, mobile communications, etc.) and spectrum licenses recognized as assets in our statement of financial position, employee, customer, supplier, investor, and innovation capital likewise play crucial roles in our business model. These are key sources of creating value that will safeguard the success of our Company and the future viability of the Group.

> For information on our concept of value-oriented corporate governance and on our stakeholders, please refer to the section "Management of the Group."

> For information on assets recognized in the consolidated statement of financial position, please refer to Notes 6–8 "Intangible assets," "Property, plant and equipment," and "Right-of-use assets – lessee relationships" in the notes to the consolidated financial statements.

The majority of these intangible resources are not recognized as assets in our consolidated financial statements.
Deutsche Telekom AG, for instance, had a market capitalization of EUR 135.7 billion as of the reporting date, and a brand value in the 2025 financial year of EUR 75.5 billion (USD 85.3 billion according to the 2025 Brand Finance Global 500 study). According to the new 2026 Brand Finance Global 500 study, Deutsche Telekom's brand value had risen by USD 10.9 billion to USD 96.2 billion by the start of 2026. By contrast, the reported carrying amount of shareholders' equity was EUR 92.2 billion as of December 31, 2025.

Our most important intangible resources are considered in our management system. Measurement is carried out by using the most relevant (non-financial) performance indicators employee satisfaction (engagement score), customer retention/satisfaction (TRI*M index), and our rating.

> For further information on our management system, please refer to the section "Management of the Group."

In addition to this, we provide further information on our employees, customers, suppliers, investors, and innovations.

> For information on our employee turnover, please refer to the workforce statistics in the section "Results of operations of the Group." For information on employees, please refer to the section "Group strategy" and the section "Combined sustainability statement – Social."

> For information on the development of our customer figures, please refer to the section "Development of business in the operating segments." For information on customers, please refer to the section "Group strategy" and the section "Combined sustainability statement – Social."

> For information on our suppliers, please refer to the section "Combined sustainability statement – Social."

> For information on our stakeholders, please refer to the section "Management of the Group" and the section "Combined sustainability statement – General information." For information on the shareholder structure at Deutsche Telekom AG, please refer to Note 19 "Shareholders' equity" in the notes to the consolidated financial statements.

> For information on patents and innovation areas of particular relevance to us as a network infrastructure operator, please refer to the section "Product and technology."

Product and technology

In the 2025 financial year, the Board department for Technology and Innovation was renamed to “Product and Technology.” This step underscores the growing importance of an integrated approach at Deutsche Telekom: Innovation does not happen in a vacuum, but rather through the interplay of technological excellence, data-driven value creation, and clear product focus. Our goal is unchanged: To use our powerful networks to deliver the best-possible customer experience, and to expand our technology leadership.

Our strategic pillars

Our technology strategy continues to pursue clear goals: We analyze trends, evaluate their relevance at an early stage and develop suitable applications, before scaling them Group-wide. Going forward, we will further strengthen integration of the four strategic pillars below.

- **Global economies of scale:** Using our international infrastructure, platforms, and scaling mechanisms
- **Technological sovereignty:** Safeguarding independence through our own competencies, open standards, and strong partnerships
- **Data-driven artificial intelligence (AI):** Fostering product and process innovations in a way that is responsible, secure, and efficient
- **Autonomous networks:** Self-optimizing, AI-powered networks that continually enhance performance and service quality

Our core competency consists in the development of technology and product platforms, which we offer on a global scale, as well as the end-to-end integration of hardware and software components in the fixed and mobile networks. We use resilient and future-proof technology in pursuit of our aim to deliver an outstanding customer experience at a sustainable price – using our own network and IT infrastructure and closely supported by strong partners.

Our activities in the product and technology field are systematically aligned with the goal of safeguarding and strengthening our network and technology leadership alongside enhanced customer experiences in the Germany, Europe, and United States operating segments. AI’s growing importance unlocks greater flexibility for us: By using AI responsibly, we can generate real added value, whether from being able to address customer needs more precisely, structuring processes more efficiently, or providing effective support for our employees in their daily work.

In-house developments, partnerships, and start-up funding

We develop innovations in three established ways – strategically strengthened by the use of AI expertise, powerful data platforms, and a consistent platform logic.

- **In-house developments:** T-Labs is the research and development unit of Deutsche Telekom, focusing on disruptive technologies, increasingly relating to AI-powered networks, autonomous systems, and new forms of contextual communication. Current research fields include the networks of the future, quantum communication, spatial computing, decentralized systems, and security, as well as the new field of AI-based analytics technology. T-Labs cooperates with multiple universities around the world.
- **Partnerships and cooperations:** We draw on the expertise and abilities of our partners in order to successfully implement the digital transformation. We rely on innovative energy from around the world, and cooperate with companies from Germany, the United States, Israel, Korea, India, and other innovation hotspots.
- **Start-up funding, venture and growth capital:** hubraum, our tech incubator, puts start-ups in touch with the relevant business units and R&D initiatives within the Group. It offers exclusive access to networks (via network APIs), product platforms, or test data to help the start-ups develop and test their products and services in a faster and better way. The global T Challenge, a joint initiative with T-Mobile US, supports start-ups with the development of innovative solutions geared to the digital transformation and competitiveness of Deutsche Telekom. Venture and growth capital is provided both directly, by our strategic investment fund T.Capital, as well as via our investments in the investment management group DTCP. We support the Federal Government’s WIN Initiative and are committed to working together to strengthen Germany’s and Europe’s presence as a technology hub.

Group-wide innovation areas

Coordinating these activities are our Product and Technology as well as USA and Group Development Board of Management departments, which work in close collaboration with our operating segments. We pursue our innovation activities at an intragroup level and in alignment with our strategy. Our interconnected innovation areas provide a Group-wide framework for this:

- **Home experience & TV:** Broadband, smart home, entertainment, and MagentaTV
- **Digital channels:** Apps and other channels for customer loyalty and marketing, service, and troubleshooting (OneApp, Frag Magenta chatbot)
- **AI Competence Center:** Use and development of generative AI for internal and external processes (product-oriented AI, process automation)
- **Telco-as-a-platform:** Cloudification, automation, and disaggregation of telecommunications networks
- **6G:** Development of the sixth generation of mobile networks
- **Sustainable Telco:** improving energy efficiency and energy resilience

Patent portfolio

Patents are gaining more and more significance in the telecommunications industry. Our patent strategy has to keep pace with the constant evolution of market players and fields of activity. On the one hand, our Group's scope for action must be maintained. On the other, we want to protect the results of our own research and development, and to use these in cooperation and partnership with other companies. National and international patent rights are vital for these types of activity. We are therefore strongly dedicated to developing, obtaining, and maintaining our own patents. In the reporting year, Deutsche Telekom held a total of 8,089 patent rights. We are firmly committed to expanding our patent portfolio, taking relevant current and future technologies into account. This will secure the value of our innovations in a dynamic world and bolster the Group's competitiveness. We predominantly license our patents through our membership of patent pools.

Investments in research and development

Research and development (R&D) expenditure includes pre-production research and development, such as the search for alternative products, processes, systems, and services. By contrast, we do not class as R&D expenditure the costs of developing system and user software which is designed to improve productivity and make our business processes more effective. R&D expenditure in the Deutsche Telekom Group amounted to EUR 20 million in 2025 (2024: EUR 21 million). As the parent company, Deutsche Telekom AG bears part of the Group's research and development expenditure. The expenditure was down slightly against the prior year at EUR 9 million (2024: EUR 12 million). However, this figure cannot be viewed in isolation from our three-pronged innovation strategy comprising in-house developments, partnerships, and start-up funding. In 2025, our Group's investments in internally generated intangible assets to be capitalized were EUR 590 million, more or less on a par with the prior-year level of EUR 592 million. These investments predominantly relate to internally developed software, mainly in our Group Headquarters & Group Services segment. In 2025, Deutsche Telekom AG's investments in internally generated intangible assets to be capitalized were EUR 10 million compared with EUR 5 million for the previous year.

Segment structure [a]

Our financial reporting is divided into five operating segments plus the Group Headquarters & Group Services segment, each of which we describe in detail below.

Our **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 segment offers a tailored service and product portfolio. The bundling of our sales and service business within Sales & Service places a further focus on customer experience and on customer satisfaction. The Wholesale business delivers wholesale telecommunication services for third-party telecommunications companies. The build-out of the mobile and fixed networks in Germany is managed by the Technology business unit.

Our **United States** operating segment combines all mobile activities in the U.S. market. T-Mobile US provides service, devices, and accessories across their flagship brands. In addition, they sell 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.

[a] The disclosures in this section additionally comply with the requirements of ESRS 2 SBM-1 para. 40a-i + ii for sustainability reporting.

Our **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, we are an integrated provider of telecommunications services. Our mobile activities in the Romanian market ended with the sale of the national company there as of October 1, 2025. Besides traditional B2C and B2B fixed-network and mobile business, most of our national companies also offer ICT solutions for business customers.

Our **Systems Solutions** operating segment offers a comprehensive global portfolio of B2B ICT services, 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 as integral components complement the service offering. Strategic partnerships further strengthen our portfolio, enabling us to offer scalable, future-proof solutions. Our services penetrate deep into the value chains of selected industries – in particular automotive, healthcare, and the public sector. The portfolio comprises four areas: Cloud, Digital, Security (in close collaboration with Deutsche Telekom Security), and Advisory. In addition, the Road User Services business unit offers specialized road toll systems.

Our **Group Development** operating segment actively manages entities, subsidiaries, and equity investments to grow their value while giving them the entrepreneurial freedom they need to promote their continued strategic development. 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.

Group Headquarters & Group Services comprises all Group units that cannot be allocated directly to one of the operating segments, as well as our Board of Management department Product and Technology (formerly “Technology and Innovation”), which unites the cross-segment technology, innovation, IT, and security functions of our Germany, United States, Europe, and Systems Solutions operating segments. As the organization that sets the direction and provides impetus, it 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 placement services provided by our personnel service provider, Vivento. Vivento is in charge of securing external employment opportunities for employees, predominantly in the public sector. Further units are Group Supply Services for our real estate management and our strategic procurement, and Telekom MobilitySolutions, which is a full-service provider for fleet management and mobility services.

Changes to the segment and organizational structure in 2025

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, 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. Upon closing, T-Mobile US transferred a cash payment of USD 0.6 billion (EUR 0.6 billion). Vistar Media has been included in the consolidated financial statements since February 3, 2025.

Acquisition of Blis in the United States. On February 18, 2025, T-Mobile US had entered into an agreement on the acquisition of 100 % of the outstanding capital stock of 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. Upon closing, T-Mobile US transferred a cash payment of USD 0.2 billion (EUR 0.2 billion). Blis has been included in the consolidated financial statements since March 3, 2025.

Acquisition of Lumos in the United States. On April 24, 2024, T-Mobile US had entered into an agreement with the investment fund 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. The shareholding has been included in Deutsche Telekom’s consolidated financial statements using the equity method since April 1, 2025. Upon closing, T-Mobile US invested approximately USD 0.9 billion (EUR 0.8 billion) in the company to acquire a 50 % equity interest and 97 thousand fiber customers. 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 are to be used for future fiber builds. In addition, pursuant to the definitive agreement, T-Mobile US expects to make an additional capital contribution of USD 0.5 billion (EUR 0.4 billion) between 2027 and 2028.

Acquisition of UScellular in the United States. On May 24, 2024, T-Mobile US had entered into an agreement on the acquisition of UScellular's wireless operations and specific spectrum licenses. Furthermore, on July 22, 2025, T-Mobile US had entered into purchase agreements for the acquisition of the wireless operations of Farmers Cellular Telephone Company and two Iowa RSA companies ("Iowa Entities") in which UScellular had held a minority interest. The transactions were consummated on August 1, 2025. All necessary regulatory approvals had been duly granted and all other closing conditions met. Upon closing, T-Mobile US transferred a cash payment of USD 2.8 billion (EUR 2.5 billion) and assumed debt of USD 1.7 billion (EUR 1.4 billion). The acquired activities, assets, and liabilities have been included in Deutsche Telekom's consolidated financial statements since August 1, 2025. Following the acquisition, UScellular and the Iowa Entities continue to own their cell towers. T-Mobile US has entered into a master license agreement to lease new space on towers being retained by UScellular and extend the tenancy term on further towers where it is already leasing space from UScellular. As a result of entering into the master license agreement, right-of use assets and lease liabilities were recorded at the acquisition date of USD 1.0 billion each (EUR 0.9 billion).

Acquisition of Metronet in the United States. On July 18, 2024, T-Mobile US had entered into an agreement with KKR to establish a joint venture to acquire the fiber-to-the-home platform Metronet and certain of its affiliates. 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) to acquire a 50 % equity interest in the joint venture and 713 thousand residential fiber customers. 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.

Sale of Telekom Romania Mobile Communications. On September 19, 2025, Hellenic Telecommunications Organization (OTE) had entered into an agreement on the sale of Telekom Romania Mobile Communications (TKRM), which was assigned to the Europe operating segment. The transaction was consummated on October 1, 2025. All necessary regulatory approvals had been duly granted. The two-step transaction encompasses the sale of certain TKRM assets to Digi Romania, including the prepaid customer business, certain spectrum rights, and part of the tower portfolio, as well as the sale of the TKRM shares held by OTE, excluding the aforementioned assets, to Vodafone Romania. The sale price amounts to EUR 0.1 billion and is subject to customary adjustments at closing. The gain on deconsolidation is immaterial from the Group's perspective.

(Expected) changes to the segment and organizational structure in 2026

Reassignment of Comfortcharge. As of January 1, 2026, Deutsche Telekom reassigned the responsibility for business and profit and loss for Comfortcharge GmbH, which is a provider of e-mobility charging infrastructure, from the Group Development operating segment to the Group Headquarters & Group Services segment. This restructuring will bundle Deutsche Telekom's mobility services, as Comfortcharge has evolved into a primarily internal shared services unit in recent years. Prior-year comparatives in both of the segments affected will not be adjusted.

Group strategy

Leading Digital Telco – our vision

Since 2021, our Group strategy has been determined by our **vision** of becoming the Leading Digital Telco by 2030. Because few if any industries are exposed to change as profoundly as the telecommunications sector. Digitalization is the central catalyst for the key trends in this regard, from increasing volumes of data traffic and the attendant demand for high-performing, secure networks, to highly individualized and context-sensitive digital products and services with immediate availability through self-service and cloud-based as-a-service models. We are seeing companies from other industries pushing onto the market with lean, software-defined production models. Providers such as Google, Microsoft, and Amazon Web Services offer B2B connectivity solutions and are increasingly providing network functions in their cloud environments. The rapid advancement of artificial intelligence (AI) is further accelerating these developments and changing both society and the economy: AI is enabling new forms of automation, personalization, and decision-making support. It is transforming companies' value chains and their productivity, while raising consumers' expectations for powerful, personalized digital services. For telecommunications companies, AI is emerging as a central lever of efficiency – through smart network management, efficient operating processes, new data-driven business models, and more – as well as a key technology for digital competitiveness, for instance, as trusted providers of secure, sovereign AI and data infrastructure. At the same time, geopolitical shifts are prompting a significant re-evaluation of international supply chains, and service streams and economic dependencies, thereby increasing the relevance of sovereign European solutions such as resilient networks, security solutions, and independent cloud environments.

We at Deutsche Telekom take up digitalization as the primary driver of significant changes in our ecosystem and correspondingly also in our strategic alignment. For us, this means continuing to invest in our networks and making digital participation possible for all, because building and operating convergent networks remains the core of our strategy. But it also means continuing to digitalize. Whether it involves our products and services, market approach, production, or processes, we ourselves must also become more digital. Only if we are digitalized in all areas, can the success of the last few years continue. The result will be a Deutsche Telekom that can adapt faster and more flexibly to changing market conditions. We reported comprehensively on the further development of our strategy at our Capital Markets Day in October 2024.

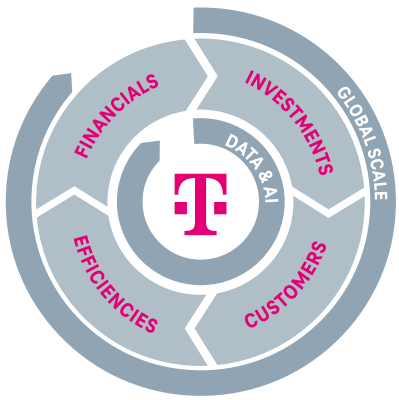
We are already well positioned to reach our **goals** on our journey to realizing our Leading Digital Telco vision: Our key performance indicators at the end of the 2025 financial year confirm that Deutsche Telekom remains Europe's leading telecommunications company. No other telecommunications company has a comparable footprint with its own networks in Europe and the United States. We see ourselves as a global enterprise with a considerable presence in Europe, European roots and values, and an extremely strong business in the United States. However, our Group strategy does not aim to micromanage all local units, but to provide a strategic framework and to utilize local strengths such as networks and competitive standing. Our T-Mobile US business in the United States in particular has successfully operated under this decentralized approach for many years. Because our Group-wide strategic goals are clear: We want to align ourselves long-term with the needs of our customers and transform ourselves into a digital company, leveraging the synergies within our Group, to hold our own against new competitors and continue our growth course.

Our growth ambitions and **success metrics** measured through key performance indicators remain unchanged. The success of our strategy can be seen in our long-term competitiveness and as such is reflected in the established key financial figures. We communicated our targets through 2027 at the 2024 Capital Markets Day.

> For further information on our financial ambition levels through 2027, please refer to the section "Finance strategy."

Our management-relevant performance indicators are defined in the section "Management of the Group"; the results achieved in the financial year are reported in the section "Development of business in the Group." For our expectations through 2027, please refer to the "Forecast." We provide an in-depth look at our sustainability strategy and targets in the "Combined sustainability statement."

Flywheel: Leading Digital Telco vision



At the center of our strategy is the flywheel. It describes how our strategic priorities interact and reinforce one another across our key areas of operation:

- **Investments:** We invest – above all in our networks. These are the basis for delivering our products and services to customers.
- **Customers:** We continuously win new customers with our product and service portfolio. Worldwide, we have over 273 million mobile customers, alongside further fixed-network and TV customers.
- **Efficiencies:** The large number of customers allows us to make full use of our networks and achieve economies of scale also in other areas of the Company. For example, when we develop certain platforms for all customers worldwide, rather than in individual markets. This gives us an efficiency advantage. We are also improving efficiency in our standard processes through digitalization and other measures.
- **Financials:** As a result, we achieve solid financial results. These results put us in a position to make further investments. This keeps our flywheel spinning.

We are accelerating this flywheel with the addition of two further areas of operation:

- We are driving forward the digital transformation of our Company and want to leverage the potential offered by our **data** and by **AI** better than ever going forward. This applies both to internal processes, so as to further enhance quality and efficiency, and to specific offerings for our customers.
- At the same time, we are leveraging our **global scale** with plans to capitalize on more economies of scale in the future, such as synergies through shared platforms, products, and workflows.

In the following, we describe the areas of operation of our strategy and the results achieved in the 2025 financial year.

Investments

Our networks and our technology together form the core of our value creation. That is why we are systematically building out and interlinking our fixed and mobile networks because our strategic goal is to offer our customers the fastest possible connection at top quality, anytime, anyplace. And we remain committed to investing extensively going forward. At our 2024 Capital Markets Day, we announced plans to reinvest around 21 % of our service revenues through 2027 (Deutsche Telekom excluding T-Mobile US and before spectrum investment). Group-wide, in 2025, we invested EUR 16.9 billion (not including spectrum investment) primarily in building and operating networks, with EUR 5.9 billion of this figure spent in Germany alone. This makes us the biggest single investor among all of our German competitors. In pursuit of outstanding quality and an even quicker and more efficient network build-out, we are also striking out in new directions, for example, with the use of artificial intelligence to ensure infrastructure is built out in line with demand. Integrated network management improves the capacity utilization of our infrastructure and increases efficiency in operations and maintenance.

Fiber optic-based fixed networks are the basis for integrated network experiences. The build-out of our fixed-network infrastructure with future-proof optical fiber is our priority. In Germany, we made fiber-optic lines (FTTH) available to 2.5 million further households and companies in 2025 through our own build-out efforts and through partnerships. A total of 12.6 million households and businesses in Germany now have the option to subscribe to a fiber-optic line with us. In 2026, we want to maintain the same high build-out pace and give a similar number of new households access to fiber. By 2030, every household and every business in Germany is to have access to a fiber-optic line. Our aspiration is for Telekom Deutschland to build the majority of these. The German broadband market is characterized by slow, declining growth and sustained intense competition, mainly from alternative network operators. There is a clear uptick in the number of customers using optical fiber. At the same time, there is a shift from DSL to FTTH. More than 580 thousand new customers subscribed to a fiber-optic line from us in 2025, an increase of approximately 25 % compared with the prior year. Contract terminations, mainly for DSL lines, are offsetting this positive trend, and led to us losing around 50 thousand broadband customers in the reporting year. To return to growth in the broadband market by winning even more customers for our fiber-optic network in the future, we adjusted our fiber strategy in the reporting year. Going forward, we will focus more on building out fiber to entire buildings, particularly multi-dwelling units in urban areas, alongside ramping up our sales activities and building out to rural regions.

Alongside our own build-out efforts, we also rely on partnerships with around 50 partners Germany-wide past and present (including public utility companies in the cities of Münster, Kassel, and Regensburg), with around half based on the fiber platform model. Under this model, the local partners build out fiber on the ground, while Telekom Deutschland leases the passive infrastructure and ensures open, non-discriminatory network operation. In the reporting year, we agreed our biggest partnership yet: working with Munich's public utility companies and M-net to deliver fiber to 550 thousand households. Another form of cooperation we use is joint ventures. In this model, Deutsche Telekom establishes a jointly owned network build-out venture with a partner. This venture operates independently and serves to accelerate the fiber build-out through its activities. In the past, we have founded two joint ventures. Since 2020, Glasfaser NordWest – a joint venture with EWE – has been building the network of the future in Germany's northwest. In addition, in 2022 we established GlasfaserPlus together with the Australian private equity firm IFM. GlasfaserPlus operates nationwide and focuses in particular on expanding fiber infrastructure in rural areas.

In the Europe operating segment, the number of broadband customers grew by 3.1 % against year-end 2024 to 7.4 million. A total of 11.3 million households (coverage of 43.1 %) in the footprint of our European national companies have access to our high-performance fiber-optic network.

In the United States, too, we are set to add fixed broadband to our service portfolio. T-Mobile US is leveraging its leading position in respect of mid-band mobile spectrum to offer customers fixed wireless broadband access via FWA. At the same time, T-Mobile US aims to give between 12 and 15 million U.S. households access to fiber by the end of 2030. To this end, T-Mobile US took steps in the reporting year to significantly improve its position with the successful acquisitions of Lumos and Metronet. T-Mobile US also has plans for further collaborations. In the reporting year, for the first time ever T-Mobile US launched its own lineup of fiber plans in the shape of "T-Mobile Fiber Home Internet".

The positive response shows that our efforts are paying off. We received further awards in 2025: Deutsche Telekom made an impression in the nationwide network test of internet providers in Germany with reliability, contractual compliance, and the lowest latency. With an overall score of 1.62, we were named test winner in the network test conducted by the trade magazine Chip. We also once again performed well in the 2025 Connect readers' choice awards in Germany and were voted #1 in the categories "Fixed-Line-Provider" and "IPTV services." Connect trade magazine rated us the best nationwide provider in Germany (09/2025 issue) and Austria in its fixed-network test. Our Austrian network was recognized for the fifth time as the fastest fixed-network internet in the 2025 Ookla® Speedtest Award. It was also named test winner with the top score of "very good" in the fixed-network internet test conducted by Imtest.

In mobile communications, we set ourselves apart from our competitors with the quality of our network that has been singled out for awards in several network tests. With 5G, we are creating a highly reliable mobile network with extremely low latency and high data throughput. In August 2025, we had already met our goal of giving around 99 % of the German population access to 5G by the end of 2025. 5G standalone with network slicing and other innovative functions is available to our consumers via dedicated rate plans. Together with Nvidia, we brought a brand-new 5G+ gaming offering to the market in the reporting year. Network slicing and intelligent network optimization enable us to deliver highly stable response times for mobile cloud gaming directly on smartphones. Deutsche Telekom's business customers have already had access to this technology for some time now, e.g., for live TV broadcasts or in 5G campus networks for industry and research. We utilize AI technology as a tool to help us continually evolve our networks: With the introduction of the RAN Guardian Agent in 2025, we are the first network operator to deploy a sophisticated AI agent in network management. The agent is capable of analyzing network behavior, identifying performance anomalies, and autonomously initiating corrective actions. It supports network management teams and significantly cuts down response times when troubleshooting is required in the network. The RAN Guardian Agent is our first step towards autonomous, self-healing networks.

As of the end of 2025, our national companies covered on average 91.9 % of the population in our European footprint with 5G.

We consistently top the independent network tests: In the 2025 Connect readers' choice awards in Germany, Deutsche Telekom once again was rated best in the categories "Mobile Network Operator" and "Prepaid Cards from Network Operators". We also again won the three big mobile network tests by the trade magazines Chip, Connect, and Computer Bild – the first and only network on test ever to receive a score of "excellent" in the Chip test. In the Imtest network test of German mobile providers, Deutsche Telekom was rated best overall with a score of "very good." Ookla awarded our national companies in Poland and Greece the prize for the fastest mobile network. For the eleventh consecutive time, the mobile network of Cosmote Telekom in Greece received the Best in Test Award from Umlaut for speed and quality. Hrvatski Telekom once again has the best mobile network in Croatia according to independent testing by the Croatian regulatory authority. Independent network tests rated T-Mobile US' mobile network the best in the United States: Ookla confirmed the U.S. subsidiary's continued 5G network leadership in terms of speed and performance.

Our strategic goal is to be able to use the best-in-class integrated network infrastructure for our products and services. That is why we are complementing our own infrastructure with that of strategic partners, while also considering alternative access networks (e.g., satellites). In the reporting year, T-Mobile US and SpaceX launched their joint T-Satellite offering in the United States, delivering basic telecommunications services with low data volumes to areas where terrestrial mobile coverage cannot reach. Satellite-based communication now also supplements classic terrestrial IoT networks (NB-IoT, LTE-M, 4G, and 5G). In the reporting year, we expanded our set of partners for IoT plans with satellite connectivity. Deutsche Telekom IoT can now serve even more use cases with even greater geographical reach through existing roaming partner Skylo and our new partners Sateliot and OQ Technology.

The delivery of connectivity and services based on our own and our partners' infrastructure is reliant on technology- and domain-agnostic orchestration capabilities. These are found in a separate technical control layer above the actual infrastructure, which allows us to manage the "network of networks." We are modernizing our NT/IT architecture to ensure the necessary orchestration capabilities are in place. Our focus is on leveraging the full potential of network automation, cloudification, and disaggregation to make our production considerably faster, more flexible, and more cost-efficient. Disaggregation, or the separation of hardware and software, makes it possible to add new suppliers. We made further progress in respect of the Open Radio Access Network (Open RAN) in the reporting year. One big change is that components from different technology suppliers are now interoperable using open, standardized interfaces. Over a thousand such Open RAN sites are already transmitting in Telekom Deutschland's mobile network. We are planning for more than 3 thousand Open RAN-compatible cell sites by the end of 2027.

Customers

Consumers

Our investments in our networks form the basis for our business model and for satisfied customers: We combine the best networks (fiber, 5G), innovative products, outstanding customer service, and a secure digital environment to enhance digital life for our customers. That's why we market fixed-network and mobile communications in convergent products (fixed-mobile convergence (FMC)). And successfully so: At the end of the reporting year, the total number of customers subscribing to FMC or comparable offerings in our Germany and Europe operating segments had increased to 14.7 million. At our 2024 Capital Markets Day, we additionally declared our intention to further enhance general customer satisfaction levels and to expand our pioneering role in the industry.

> For further information on the development of our customer figures, please refer to the section "Development of business in the operating segments."

In pursuit of our goal to become the Leading Digital Telco, we want to offer more than simply the best connectivity: For this reason, we offer additional services that make the quality of our networks tangible for our customers and provide them with a platform for a secure, digital ecosystem. Our MagentaTV product has been expanded throughout our entire European footprint to aggregate linear television with extensive features on the one hand, and provide access to content from the biggest video streaming services on the other. In 2025, we continued our efforts to further improve and enhance the TV experience: For instance, in May we secured the rights for the 2026 FIFA Men's World Cup and the 2027 Women's World Cup for the German TV market, and we launched the second generation of our MagentaTV Stick. We are also addressing an even broader audience with the introduction of a new Freemium model offering free-to-view content in Germany. Our Android-based TV platform with Telekom-specific user interface is available in seven countries (Germany, Austria, Poland, Croatia, Hungary, Montenegro, and North Macedonia), and aims to open up a unique TV experience to our customers. The addition of 109 thousand TV customers in Germany and 59 thousand in our national companies in Europe shows that we are on the right track.

Above and beyond this, we constantly strive to improve the digital customer experience. Our OneApp platform offers a digital sales and service experience in our European national companies and in Germany. In Germany, the app operates under the name MeinMagenta and was crowned App of the Year 2025 in the communication segment by the market research institute Innofact. The customer app serves as the first port of call, fostering digital interaction with our customers and enabling us to monetize our existing offerings (e.g., through upselling of fixed-network/fiber-optic contracts, and through our Magenta Moments loyalty program in Europe and Germany and Magenta Status in the United States). For this reason, we are continually evolving and extending the app, and in November 2025 added the Switching Made Easy feature in the United States to help customers switch faster to T-Mobile US.

Our goal is not only to keep improving the digital customer experience, but also to develop and monetize digital business models in growth areas outside of our core business. The foundation of these activities is our Magenta Advantage, stemming from our assets and abilities in our core business. This includes, for example, more than 273 million mobile customers, more than 9 million TV customers, and access to the largest companies in the world across industries. For example, we leverage the advantage of our digital reach and brand strength to make exclusive offers from partners available to our customers, to reward their loyalty, and to generate additional revenue. Our Magenta Moments loyalty program has its own section in the OneApp in our national companies in Europe as well as in Germany. In 2025, we further expanded Magenta Moments and are presently piloting Magenta Moments 2.0 in three national companies. This evolution is set to transform the loyalty program into a lifestyle marketplace incorporating additional categories such as gift cards, eating out, and travel. We delighted on average 1.9 million active customers every month of 2025 in Germany with exclusive offerings from partners such as Netflix, McDonalds, Red Bull, Nvidia, and Rewe. Overall in 2025, we enabled more than 250 moments for our customers with external partnerships, our exclusive festival benefits, priority tickets for music events, and more. Magenta Moments was rolled out to Greece in the second quarter of 2025, and is now available in all national companies in Europe. The program continues to grow, and in the reporting year the user base climbed to 9 million members (2024: 5.9 million) with over 135 million transactions. The shared platform offers an attractive lifestyle marketplace with 3,800 brands, including international names like Perplexity and Wolt. Higher satisfaction levels among users of Magenta Moments and the intensification of customer retention efforts are creating added value for our business. Further examples of products and services outside of our core business include the online delivery service Box, the payment service Payzy in Greece, and digital advertising in the United States. In the reporting year, T-Mobile US further expanded its advertising business with the acquisition of DOOH providers Vistar Media and Blis. The core of our brand promise, "Reliability, security, and trust," remains the same and protecting our customers' data and privacy is our top priority.

Our efforts are having a positive impact on customer satisfaction. In the reporting year, we maintained customer retention/satisfaction at a high level, measured using the globally recognized TRI*M method. We use this non-financial performance indicator to improve our customer contact processes, and our products and services. At the same time, we determine the loyalty of our customers towards Deutsche Telekom. The results are presented as a performance indicator, the TRI*M index, which ranges between minus 66 and plus

134 points. At the end of the reporting year, this indicator (for Deutsche Telekom excluding T-Mobile US) came in at 81.3 points compared with the adjusted baseline value of 80.1 points. The values achieved in particular for our Germany and Systems Solutions operating segments, as well as across most of the Europe operating segment, put us in a leading position relative to the respective benchmarks. These leading benchmark positions are to be maintained in 2026, with slight improvements targeted in selected areas for the Europe operating segment. In 2021, we added the Net Promoter Score (NPS) as a further metric. NPS measures the ratio of enthusiastic customers (promoters) to unhappy customers (detractors). For example, a score of 10 means that the share of promoters exceeds the share of detractors by 10 percentage points. We built on our NPS in all of our operating segments with consumer operations (Germany, United States, Europe) over the course of the reporting year. This success is largely down to the various measures we pushed in 2025, such as the latest iteration of the MagentaMobil portfolio, which was launched in Germany in April 2025 to offer customers more data allowance at the same prices. In conjunction with a PlusKarte SIM card, our customers benefit from an unlimited data allowance starting from the M plan.

We have received numerous awards confirming our dedication. For example, we again won the Connect hotline tests in the three areas of mobile, fixed network, and IPTV. Our Telekom shops again took the overall win in the Connect and Chip shop tests. We took the #1 spot in three out of five categories in the Chip digital customer service test, while our digital assistant Frag Magenta was crowned Best Chatbot 2025 with a top score of “very good” in one of the most important categories: Response Quality. Focus Money magazine awarded us the Service King award in its Deutschland Test Study 2025. In Poland, T-Mobile Polska received the Service Quality Star for its customer service for the eleventh time. In the United States, too, we are reaping the rewards of our focus on customer centricity: Numerous surveys rank T-Mobile US ahead of its competitors in terms of service quality (e.g., the J.D. Power study “Wireless Customer Care Mobile Network Operator Performance” rated T-Mobile US the mobile carrier with the best customer service in the United States for the 15th time in succession).

Business customers

As a trusted partner, we drive forward the digitalization of our customers based on global, secure connectivity, flexible software-based networks, and end-to-end security solutions. Our focus is on integrated offerings (combining fixed network, mobile communications, and IT), which we have been bundling under the T Business brand since 2024. T Business addresses demand as a whole from business and the public sector – from connectivity and infrastructure to cybersecurity, IoT, and AI-based digital services – and comprises our activities in the Europe and Germany operating segments.

Our revenue with business customers grew again in the reporting year, in particular in our national companies in Europe and in the Systems Solutions operating segment. In the Germany operating segment, we continued to focus on transforming our business customer segment and maintained stable levels of revenue. Connect Professional magazine surveyed customers in Germany on their satisfaction with their mobile and internet providers, once again crowning us the overall winner. In the Connect Professional cloud-based PBX test, we went one better than last year and won the 2025 test outright. T-Systems ranks as the top IT service provider in Germany in the Lünendonk ranking, and second in the PAC ranking of IT service providers in the DACH region (Germany, Austria, Switzerland).

Going forward, we want to maintain our position in the B2B segment and achieve profitable growth. This also means we want to remain the partner of choice for businesses with cross-border, secure connectivity, cloud, and AI needs. To this end, we are investing in robust, global fixed-network and mobile communications structures and serving our customers as a one-stop shop. In the medium term, we want to respond with greater agility and speed to constantly changing customer needs with fully cloud-based, modular services and dynamically adapt our network and IT structures. Beyond classic connectivity business, our focus is on the Internet of Things (IoT) and cybersecurity as key growth drivers, enhanced by AI and the cloud. To this end, we further refined our B2B cloud and AI strategy in the reporting year. Telekom Deutschland and T-Systems bundle their cloud offerings Group-wide under the new T Cloud brand identity. T Cloud combines public, private, and AI cloud services and aims to support customers in Europe with digital sovereignty and the safe use of cloud and AI technologies. It is our response to the need for a unified platform serving business customers with integrated connectivity, cloud, and security solutions from a single source. A further strategic focus in 2025 was on creating powerful AI infrastructure for industrial applications. We are partnering with Nvidia to build Germany’s first-ever industrial AI cloud, powered by around 10 thousand GPUs (graphics processing units). We will provide secure, sovereign, and fast infrastructure and deliver data center operations, sales, security, and AI solutions. Nvidia will deliver the necessary chips and hardware. This project is supported by further strategic partnerships: SAP delivers the technological basis on its Business Technology Platform, which integrates business applications with AI and simulation technologies. We have also invested in the Berlin-based startup n8n to benefit from its development of AI-powered automation and agent solutions for business customers. The Industrial AI Cloud went live in February 2026. It is primarily directed at industrial enterprises in Europe and enhances our B2B portfolio with a powerful platform for AI-powered business processes, ranging from manufacturing and financial services to new digital services. Further AI offerings (AI Foundation Services from T-Systems, Business GPT from Telekom Deutschland, and more) round out our lineup.

We strengthen our global IoT business through our partnerships in the Bridge Alliance, comprising 36 mobile communications companies from Asia, Australia, Africa, and the Middle East. This alliance has two main benefits: One, we are simplifying access to countries in the Asia-Pacific region for globally operating companies from Europe; and two, we are simplifying access to Europe for companies outside of Europe.

Security and network solutions (network, IT, and cloud) continue to merge into highly secure, end-to-end solutions. Security features which were once purchased separately are increasingly becoming part of the connectivity product or of security solutions: Some SD-WAN and SASE solutions deliver network functions in combination with cloud and application security from a single source. We will continue to develop the core elements of our B2B portfolio, comprising our Multiprotocol Label Switching (MPLS) solutions and SD-WAN products, holistically, taking account of network and security aspects. Whether campus networks or IoT solutions, security by design is the guiding principle underpinning all of our products and services: from the user via the devices, Wi-Fi/mobile network/LAN, through to access and corporate networks, transport networks, and data centers.

For selected industries (automotive, healthcare, public sector), we additionally offer industry-specific solutions through our Systems Solutions operating segment. Our focus is on fulfilling the core customer needs of advisory, cloud services, and digitalization including AI. For instance, in the reporting year we launched Magenta Security Sign, a sovereign platform for legally valid e-signatures for businesses and public bodies. All data is processed in the EU. We consolidated our position as a digitalization partner to the healthcare sector in the reporting year with such steps as the acquisition of an IT company specializing in the management of medical data. We believe digital solutions and services will continue to offer enormous growth potential going forward, in areas such as healthcare, the public sector, and defense.

Nearshoring and offshoring are gaining in relevance for the Group in a competitive environment, and we increasingly utilize both to unlock additional capacities, particularly at and with T-Systems. Overall, the developments in 2025 underscore the systematic implementation and further development of our B2B strategy: from pure connectivity to an integrated, secure, sovereign, and AI-capable digital offering for business customers in Europe and globally.

Efficiencies

The better our networks are utilized, the more efficient we can become. Because of this, customer growth – in terms of both customer numbers and usage intensity – is central to our efficiency. But our Leading Digital Telco vision also means orienting our efficiency to that of digital companies like Netflix and Microsoft. The digital transformation is key to further enhancing cost efficiency throughout our entire value chain: from the customer interface, to our production processes, through to the management of our own infrastructure and supply chains.

Over the last few years, we have continually invested in our digital customer touchpoints. We offer our customers a wide variety of digital service tools, such as our digital assistants that empower customers to quickly and directly resolve certain concerns and issues via self-service. The central platform for digital customer interactions in Europe and Germany is our OneApp, with around 73 % of customers using it in our European footprint, and around 47 % in Germany. In addition, we place great importance on finding a quick solution to our customers' issues. In 2025, we increased our first-call resolution rate again, i.e., the customer issues we resolve directly at the first point of contact (76.0 %; 2024: 74.1 %).

Another factor that plays into an outstanding customer experience and rapid resolution of issues is a 360° view of our customers across all channels, both online and offline. Magenta View is our front-end platform for all employees with direct customer contact, delivering all necessary customer data from a single source. At the end of the reporting year, almost 27 thousand employees in Germany were benefiting from Magenta View.

We also want our internal operation to be as efficient as possible, i.e., in terms of time and costs. In building out our fiber-optic networks, for example, sensors on our T Cars record environmental data to support automated fiber-optic planning. The entire planning process is supported by AI: from the recording of the surfaces and appropriate civil engineering planning, through to digital dialogue with municipalities for approval processes. This reduces planning time significantly. Digitalization is also helping us unlock efficiencies in our network build-out: the Digitale Baubegleitung online tool keeps a digital record of construction progress and up-to-date site measurements, and enables process automation. Another way we are improving efficiency is by automating our network operations. Autonomous networks can predict and address issues before they affect the customer. Automated ticket handling helps speed up troubleshooting: AI-powered tickets are generated from customer complaints about network disruptions and precise measures are derived to clear the incident. With the new Sprinklr platform, we are enhancing our customer service efficiency and reducing complexity in our workflows. Sprinklr is a modern, AI-powered platform that integrates everything we require to deliver efficient, omnichannel, customer-oriented support, from hotline services to precise customer inquiry processing to digital service. We

also continually scrutinize our internal processes and further optimize them wherever possible. We will therefore systematically continue on this path of cost transformation.

Data & AI

Safeguarding sustainable growth, efficiency, profitability, and thus also maintaining our long-term competitiveness, requires us to continually work on improving our processes. This is what drives us to keep digitalizing. We want to fully unlock the potential of our data, make innovative technologies such as AI an integral part of our daily work, and make the best possible use of the advantages of AI along our value chain. It starts with our networks: Going forward, we want to make our networks increasingly autonomous, able to run with minimal human intervention. For instance, in the future, AI will enable us to individually adapt each mobile radio cell to expected workload levels. It will anticipate spikes in local utilization rates, e.g., if there's an open-air concert or a soccer game, and increase the antenna capacity as required. Likewise, it can put certain frequencies into sleep mode during periods of expected low demand, e.g., at night or during school vacation times. Algorithms like these can help reduce electricity consumption without compromising the browsing experience. Another example is automated ticket handling. Complaints about network disruptions received from customers via the service channel are automatically converted into tickets. Since August 2024, we have been using large language models (LLMs) to create some of our tickets. These models are able to extract and structure precise problem descriptions from incoming reports. AI also increasingly helps us to resolve the tickets. Deploying AI in our networks reduces outages, improves quality, and enhances our energy efficiency. One such example is our RAN Guardian Agent, an AI agent which, as described in the "Investments" section, helps us improve network quality in the mobile communications network.

LLMs and generative AI (GenAI) have the potential to completely transform all customer interfaces. We use GenAI to improve our Frag Magenta chatbot, meaning we can also handle customer inquiries for which we have no suitable existing script, or which contain unclear or ungrammatical wording. In the future, it will further improve the automated handling of customer inquiries and reduce the volume of inbound calls to our customer advisors. This was validated by the Chip test, which crowned Frag Magenta the best digital assistant in 2025. Alongside refining our chatbot, we have also further expanded Magenta AI, which contains both the chatbot and an AI-powered search engine that uses global knowledge from freely accessible sources: In August 2025, we launched our AI phone (T Phone 3), followed in October by our AI tablet (T Tablet 2), both of which are based on artificial intelligence from Perplexity and resolve user inquiries at the touch of a button. This tool opens up access to AI to the broader public. The work of our employees outside of customer interactions will likewise benefit from AI in the form of task automation, document insights, and automatic suggestions. The use of AI in IT, such as in all phases of software development, is being successfully tested: from AI-powered code generation to finished software testing, to continual error detection and resolution. Further examples include the analysis of legal texts or the use of internal chatbots to simplify access to internal data and documents. We internally launched the AskT chatbot in 2024, before rolling it out internationally (e.g., Greece and Hungary) in the first quarter of 2025. Various different models are being deployed, currently those from UnifyApps and OpenAI. AskT accesses both internal data sources and world knowledge (e.g., from GPT 4.0). The results of our most recent employee survey in November 2025 indicate that AI is becoming a regular part of many of our employees' everyday lives: 53 % of our employees say they regularly use AI in their work – an increase of 9 percentage points against the survey from May 2025. In parallel, the number of people who do not use AI regularly dropped significantly by 8 percentage points.

We also offer AI solutions to our business customers to address the growing need in some companies to deploy AI models quickly and above all securely. T-Systems has responded to this need with its AI Foundation Services. These services provide our business customers with a secure development, testing, and production environment that meets the strictest data security and privacy requirements. Business GPT and the Industrial AI Cloud which we, together with Nvidia and further strategic partners, put into operation in February 2026, enhance our B2B AI portfolio.

We have implemented internal ethical guidelines on the use of AI.

Global scale

The Group wants to better harness global economies of scale and its reach with its large customer base, realizing scale effects using globally available services and API-based IT platforms in the cloud. These economies of scale are to be leveraged with the help of global ICT solutions and partnerships.

A global orientation also means systematically driving forward knowledge-sharing within the Group. We additionally intend to focus on scaling internal business models and platforms across the entire Group, including our customer app in Europe and Germany, and our OneTV approach with a unified TV production platform for our national companies in Europe. Further examples include our six B2B competence centers, which join forces as needed to develop platforms/services and deliver them to all markets and customer segments. A further lever is the implementation of a common operating model for parts of our network infrastructure in Europe (Common Operating Model for Europe).

In addition to that, we are adapting our production platforms to meet the customer needs of the future, by building cloud-based, scalable, modular platforms and opening up access to selected parts of these platforms to third parties (e.g., service providers and app developers) via APIs. Our goal is to make connectivity, services, and data (e.g., location data, connection conditions, and user behavior) combinable with new applications as needed. The benefits of this architecture include shorter development cycles, faster exploitation of revenue potential, more automated and significantly more cost-efficient production, scaling across business units and borders, and a substantially better customer experience by virtue of personalized digital interactions. We also leverage these advantages with Aduna, a company we founded in the reporting year with Ericsson and 11 further telecommunications companies. Aduna gives developers API-based access to certain network functions (e.g., connection conditions, guaranteed uplink speed), which they can integrate into new services and apps. With Aduna, we and our involved partners are providing a platform for streamlined innovation in the digital ecosystem while simultaneously developing a new market.

A further component of our global orientation is securing our majority stake in T-Mobile US over the long term. Taking the treasury shares held by T-Mobile US into account, our ownership stake in T-Mobile US was 52.6 % as of December 31, 2025. We additionally strive to build consistent brand awareness in all of our national companies, and to this end adapted the OTE group's branding in the first half of 2025.

Financials

Our customer growth and our cost efficiency resulted in solid growth across our key financial figures in the reporting year (revenue, adjusted EBITDA AL, free cash flow AL, etc.). We are focusing on the one hand on maximizing our capital gains to reinvest in sustainable growth and generate further momentum for our flywheel, and on the other on increasing our shareholder remuneration. This is reflected in the EUR 2.0 billion we invested in share buy-backs in the reporting year. For 2026, we are again planning share buy-backs of up to EUR 2 billion. The buy-back commenced on January 5, 2026 and will be carried out in several tranches up to the end of 2026.

> For further information on the development of our financial figures, please refer to the section "Development of business in the Group." Our finance planning for the period through 2027 can be found in the section "Finance strategy," and our outlook for 2026 and 2027 in the section "Forecast."

Our identity: "T"

In implementing our strategy, we leverage our strengths and take on social responsibility: Our brand in particular plays an important role in how customers perceive us. In the reporting year, the Brand Finance Global 500 study once again ranked Deutsche Telekom the most valuable telecommunications brand globally, putting its brand value in the reporting year at USD 85.3 billion, the highest yet in Deutsche Telekom's 30-year history. This represents an increase of 16.4 % against the prior year (USD 73.3 billion). With an increase of 114 % since 2020 (USD 39.9 billion), our brand value has more than doubled in this period. Deutsche Telekom is listed eleventh in the study's global ranking, and is the only European company to appear in the top 20. According to Brand Finance, the rise in Deutsche Telekom's brand value is down to its consistent brand management and the Company's positive economic and technological development. The Group continues to score highly with sustainable investments in network quality, digital technologies, and customer service. We also successfully strengthened perception of our Company as a global player through our consistent international branding.

A further factor crucial to our long-term success is the commitment of our employees. The question on Mood or Satisfaction among employees improved slightly against last year to 81 % (2024: 80 %). 83 % of employees confirmed they are proud of the brand (2024: 83 %), and participation in our Shares2You share program is further evidence that our employees identify with our Company. Through this program, we want to give our employees the opportunity for greater participation in the Company's success. In the reporting year, over 43 % of our employees in Germany (around 39 thousand) participated in the program, along with over 6 thousand employees internationally. The existing countries of Germany, Slovakia, the Czech Republic, Romania, Hungary, Singapore, Austria, India, Switzerland, the Netherlands, Greece, Croatia, Spain, and the United Kingdom were joined by two further countries in the reporting year: North Macedonia and Belgium.

In parallel, we fulfill our responsibility to society by systematically aligning our core business processes with the principle of sustainability. We have set ourselves clear and ambitious goals in respect of climate protection, circular economy, team culture and performance, digital responsibility, and participation. We want to reach net zero along the entire value chain by 2040. In the reporting year, we achieved our first major milestone of net zero emissions in our own business operations (Scope 1 and 2) by 2025. Another interim goal for 2030 is to cut emissions along the value chain by 55 % against 2020, and by as much as 90 % by 2040. Our climate goal complies with the requirements of the Science Based Targets initiative (SBTi). We also want to make our value chain for terminal equipment and network technology in Germany and Europe almost entirely circular by 2030. This includes ambitious targets on the return of devices for refurbishment or recycling. We have additionally established an internal marketplace to promote the reuse of used or unused network equipment.

We introduced sustainability standards for our packaging back in 2020, removing single-use plastics in favor of recyclable materials and environmentally friendly colorings. Since 2021, 100 % of our electricity requirements for all Group units have been met from renewable sources. Whether designing network platforms, migrating to more efficient technologies, using highly efficient data centers, or deploying AI, our energy efficiency – the data volume in the network in relation to the power consumed in this context – is always front and center of our actions. From a long-term perspective, we will also achieve savings from the migration from copper to fiber-optic technology.

With particular regard to ensuring AI is used responsibly, we have established internal ethics guidelines and green AI principles to uphold high standards of accountability in the use of AI. Above and beyond this, we have been supporting a responsible approach to digitalization for many years. Under the "No Hate Speech" initiative, Deutsche Telekom is supporting, for example, projects for media literacy in society and against cyberbullying. In 2025, we successfully expanded our commitment in this area with further initiatives serving to highlight the importance of seeing and standing against online discrimination and hate speech, as well as addressing the risks and threats posed by climate change.

In the reporting year, we further expanded the Telekom Sustainability Campus, a learning platform offering all employees in Germany and Europe access to online sustainability training. This education gives employees the skills and support to contribute to the Group's sustainability-related goals in their daily work.

For further information on our sustainability strategy, please refer to the section "Combined sustainability statement."

Our strategy is summarized in the following ambitions:

- We want to make the difference by delivering the **leading network experience** for our customers: best fiber, best 5G network.
- **We want to grow further:** by monetizing **high-quality networks and services** that enhance the digital life and business of our customers. And generate additional revenue in business areas outside of traditional telecommunication services through the **Magenta Advantage**.
- We want to increase our **productivity and cost efficiency** end-to-end through continuous automation, simplification, and modernization.
- We want to maximize **capital returns** to re-invest in sustainable **growth** and to deliver superior **shareholder value**.
- We make **digitalization** our top priority and harness the full potential of our **data** and of **AI**.
- **We leverage our global scale.** We build and operate platforms and products globally, in the cloud, and with standardized interfaces.
- We play a responsible and active role in **society**. We are a partner, not just at a societal level, but also at a political one, and we work in the interests of ensuring the open, forward-looking development of all countries in which we are active.

Finance strategy

We communicated the strategy through 2027 at the 2024 Capital Markets Day. For investors, Deutsche Telekom continues to pursue an attractive and reliable finance strategy. Excellent financial figures underpin our investments and unlock further customer growth. In parallel, we constantly strive to enhance efficiency.

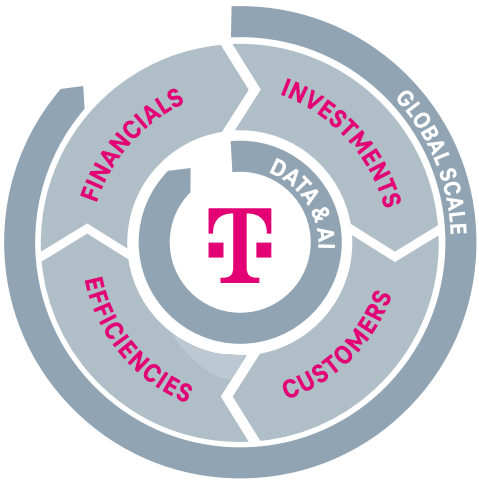
Our finance strategy through 2027

Shareholders' equity

Reliable shareholder remuneration policy

- **Dividend** [a]
  - Between 40 and 60 % of adjusted earnings per share (2025: 50.0 %)
  - Floor at EUR 0.60/share (2025: EUR 1.00/share, payout in 2026)
- **Buy-backs**
  - Up to EUR 2 billion in 2026

Leading Digital Telco – ROCE > WACC



Debt

Undisputed access to debt capital markets

- **Rating**
  A- to BBB
  (as of Dec. 31, 2025: BBB+)
- **Relative debt**
  ≤ 2.75x
  (as of Dec. 31, 2025: 2.62x)
- **Equity ratio**
  25 to 35 %
  (as of Dec. 31, 2025: 31.8 %)
- **Liquidity reserve**
  covers maturities of coming 24 months

[a] Subject to approval by the relevant bodies and the fulfillment of other legal requirements.

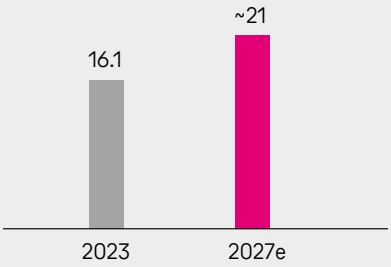
Part of our finance strategy is to achieve our target financial ratios – relative debt (ratio of net debt to adjusted EBITDA) and equity ratio – along with a liquidity reserve that covers our maturities of the coming 24 months at least. With these clear statements we intend to maintain our rating in a corridor from A- to BBB and safeguard undisputed access to the capital market.

There is an attractive and sustainable dividend policy for shareholders, which is subject to approval by the relevant bodies and the fulfillment of other legal requirements. Starting from the 2024 financial year, the amount of the dividend continues to be based on a dividend payout ratio of 40 to 60 % of adjusted earnings per share, with a lower limit fixed at EUR 0.60 per dividend-bearing share. For the 2025 financial year, as announced in November 2025, we propose the distribution of a dividend of EUR 1.00 for each dividend-bearing share. This equates to 50.0 % of adjusted earnings per share. This figure is set to rise from the 2023 level of EUR 1.60 to around EUR 2.5 by 2027. We thus offer our shareholders both an attractive return and a high level of planning reliability. As in previous years the dividend for the 2025 financial year will once again be paid out without deduction of capital gains tax.

In the 2026 financial year, Deutsche Telekom AG's Board of Management is planning total shareholder remuneration of up to EUR 7 billion – comprising the dividend payment for the 2025 financial year and share buy-backs totaling up to EUR 2 billion. The buy-back commenced on January 5, 2026 and will be carried out in several tranches up to the end of 2026.

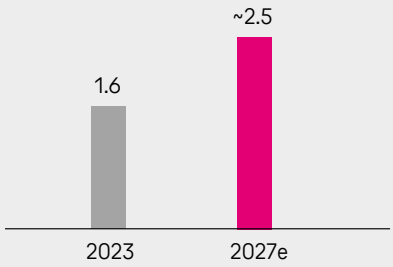
2024 Capital Markets Day: Ambition level [a] up to 2027

Free cash flow AL [b]
billions of €



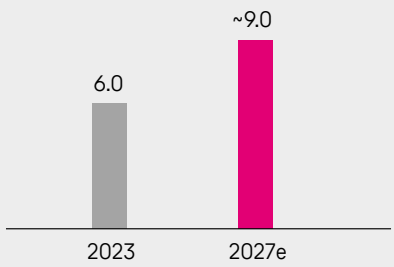
- **Strong increase** despite cash tax normalization in the United States operating segment

Adjusted earnings per share
€/share



- More than 50 % growth in adjusted EPS driven by **business growth** and **accretion**

ROCE [c]
in %



- **Growth** in **EBITDA** and normalization of capex in the United States operating segment

[a] Our ambition level was determined based on an average U.S. dollar exchange rate of USD 1.08 as well as a comparable composition of the Group.
[b] Before dividend payments and spectrum investment and excluding cash outflows for investments in the acquisition of customer bases as well as proceeds from the disposal of spectrum due to the sale of spectrum licenses by T-Mobile US.
[c] The ambition level is based on the organic figure for 2023, i.e., not including the gain on deconsolidation from the sale of GD Towers effective February 1, 2023.

With the strategy presented at the 2024 Capital Markets Day, we are aiming for a new phase of growth up to 2027: We expect average annual growth of around 4 % in both revenue and service revenue, and of 4 to 6 % in adjusted EBITDA AL. Our investments (Deutsche Telekom excluding T-Mobile US) excluding expenses for spectrum are expected to account for around 21 % of service revenues in 2027. The scope for investment is to be used to further roll out our broadband infrastructure and to accelerate the digital transformation of the Company. In mobile communications, the infrastructure build-out will focus on the 5G standard and, in the fixed network, mainly on our continued build-out of fiber-optic infrastructure. The finance strategy supports the transformation of our Group into the Leading Digital Telco. In order to generate a sustainable increase in value, we intend to earn at least our cost of capital. We plan to meet this target by optimizing the utilization of our non-current assets on the one hand, and pursuing strict cost discipline and profitable growth on a sustainable basis on the other (ROCE 2025: 7.5 %). Growth is driven by the enhancement of our business model. Key factors in this are leveraging global economies of scale and the systematic use of artificial intelligence and data.

For further information on the expected development of business in 2026 and 2027, please refer to the section "Forecast."

In order to set and achieve our strategic goals more effectively, we pursue a Group-wide, value-oriented performance management approach, which we explain in the section "Management of the Group."

Management of the Group [a]

We are committed to the concept of value-oriented corporate governance. We want to strike a balance between the contrasting expectations of our stakeholders so that sufficient funding is available for an attractive dividend, deleveraging, responsible staff restructuring, and new investment in a positive and sustainable 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 us to do everything within our power to protect the environment, encourage a fair and democratic co-existence, and shape the digital transformation in a responsible manner.

[a] The disclosures in this section additionally comply with the requirements of ESRS 2 SBM-2 para. 45a-i for sustainability reporting.

Performance management system

We use a specific set of performance indicators to reliably and transparently measure success. Owing to the particular importance of some of these performance indicators, the performance of Board of Management members is also tracked and incentivized by means of remuneration. The remuneration system for the members of the Board of Management provides for basic remuneration in addition to one-year and multi-year variable remuneration components, with target achievement depending on both financial and non-financial performance indicators.

There were no material changes to our management system, in particular to the selection of our most important performance indicators, in the reporting year. In the 2025 financial year, the sale of spectrum and the acquisition of customer bases were not included on an ad hoc basis when calculating our free cash flow AL (before dividend payments and spectrum investment) and cash capex (before spectrum investment) financial performance indicators.

The Shareholders' Meeting of Deutsche Telekom AG on April 9, 2025 authorized a new Board of Management remuneration system effective from the 2025 financial year. Since then, the non-financial social performance indicators of customer retention/satisfaction and employee satisfaction have both counted towards the one-year variable remuneration (Short-Term Incentive Plan, STI), rather than the long-term variable remuneration (Long-Term Incentive Plan, LTI) under which they previously fell. Changes in the social target parameters that are critical to the Company's success are now reflected much faster in the remuneration of the Board of Management members. By contrast, the two non-financial ecological performance indicators of energy consumption and CO_2 emissions (Scope 1 and 2) were moved from the STI to the LTI. This lends appropriate weight to the long-term environmental target parameters derived from the sustainability strategy. From 2026, these changes will additionally be applied to the STI and LTI of eligible managers and the STI of employees in Germany not covered by collective agreements.

> Further information on the Board of Management remuneration system is available on our remuneration website.

The expected results for the 2025 financial year are contrasted with the actual figures in the section "Comparison of the Group's expectations with actual figures." We also report on the actual results in the section "Development of business in the Group." For our expectations through 2027, please refer to the "Forecast." We provide an in-depth look at our sustainability strategy and targets in the "Combined sustainability statement."

The following tables and information provide an overview of our key financial and non-financial performance indicators.

Financial performance indicators

		2025	2024	2023	2022	2021
Revenue	billions of €	119.1	115.8	112.0	114.4	107.8
Service revenue	billions of €	99.4	96.5	92.9	92.0	83.2
EBITDA AL (adjusted for special factors)	billions of €	44.2	43.0	40.5	40.2	37.3
Profit (loss) from operations (EBIT)	billions of €	24.8	26.3	33.8	16.2	13.1
Earnings per share (adjusted for special factors)	€	2.00	1.90	1.60	1.83	1.22
ROCE	%	7.5	8.5	9.0	4.5	4.1
Free cash flow AL (before dividend payments and spectrum investment) [a, b]	billions of €	19.5	19.2	16.1	11.5	8.8
Cash capex (before spectrum investment) [a, b]	billions of €	(16.9)	(16.0)	(16.6)	(21.0)	(18.0)
Rating (Standard & Poor's, Fitch)		BBB+, BBB+	BBB+, BBB+	BBB, BBB+	BBB, BBB+	BBB, BBB+
Rating (Moody's)		A3	Baa1	Baa1	Baa1	Baa1

[a] Excluding cash outflows for investments made by T-Mobile US to acquire customer bases.
[b] Excluding proceeds from the disposal of spectrum due to the sale of spectrum licenses by T-Mobile US.

Revenue and earnings

Revenue corresponds to the value of our operating activities. Absolute revenue depends on how well we are able to sell our products and services on the market. The development of our revenue is an essential indicator for measuring the Company's success. New products and services as well as additional sales activities are only successful if they increase revenue. **Service revenue** essentially comprises high-value – i.e., predictable and/or recurring – revenues from Deutsche Telekom's core activities. Service revenue is the revenues that are generated through customers' use of our services (i.e., revenue from fixed and mobile network voice calls – incoming and outgoing calls – as well as data services) plus roaming revenue, monthly basic charges and visitor revenue, as well as revenue generated from the ICT business. Service revenues also include revenues earned in connection with premium services for customers, such as reinsurance for device insurance policies and extended warranties. Service revenue is an important indicator for the successful implementation of the growth strategy of the Group.

We measure our operating earnings performance on the basis of **adjusted EBITDA AL**, i.e., EBITDA adjusted for depreciation of right-of-use assets, for interest expenses on recognized lease liabilities, and for special factors. And EBITDA is calculated as **EBIT** (profit/loss from operations) before depreciation, amortization and impairment losses on intangible assets, property, plant and equipment, and right-of-use assets. Both metrics indicate the short-term operational performance and the success of individual business areas. Special factors have an impact on the presentation of operations, making it more difficult to compare performance indicators with corresponding figures for prior periods. For this reason, we adjust our performance indicators to provide transparency. Without this adjustment, statements about the future development of earnings are only possible to a limited extent. The further inclusion of unadjusted EBIT/EBITDA AL as performance indicators means special factors are also taken into account. This promotes a holistic view of our expenses. In addition to these absolute indicators, we also use the EBIT and EBITDA AL margins to show how these indicators develop in relation to revenue. This makes it possible to compare the earnings performance of profit-oriented units of different sizes.

> For the calculation of EBITDA AL, EBIT, and net profit/loss adjusted for special factors, please refer to the section "Development of business in the Group."

Adjusted earnings per share is calculated as adjusted net profit divided by the time-weighted number of all ordinary shares outstanding, which is determined by deducting the weighted average number of treasury shares held by Deutsche Telekom AG.

Profitability

We have incorporated sustainable growth in enterprise value into our medium-term aims and implemented it as a separate key performance indicator (KPI) for the entire Group. Return on capital employed (**ROCE**) is a key performance indicator at Group level. ROCE is the ratio of operating result after depreciation, amortization and impairment losses plus imputed taxes (net operating profit after taxes, NOPAT) to the average value of the assets tied up in the course of the year (net operating assets, NOA).

Our goal is to achieve or exceed the return targets imposed on us by providers of debt capital and equity on the basis of capital market requirements. We measure return targets using the weighted average cost of capital (WACC).

NOPAT is an earnings indicator derived from the consolidated income statement, taking an imputed tax expense into consideration. It does not include cost of capital.

NOA includes all assets that make a direct contribution to revenue generation. These include all elements on the asset side of the consolidated statement of financial position that are essential to the rendering of services. To this is added operating working capital, calculated from trade receivables, inventories, and trade and other payables. The figure for other provisions is deducted as no return target exists for this.

Financial flexibility

Free cash flow AL (before dividend payments and spectrum investment) is calculated as net cash from operating activities less net cash outflows for investments in intangible assets (excluding goodwill) and property, plant and equipment, as well as the principal portion of repayment of lease liabilities (excluding finance leases at T-Mobile US). Free cash flow AL is a key yardstick for providers of debt capital and equity. It measures the potential for further developing our Company, for generating organic growth, and for the ability to pay dividends and repay debt.

Cash capex (before spectrum investment) relates to cash outflows for investments in intangible assets (excluding goodwill) and property, plant and equipment, which are relevant for cash outflows as a component of free cash flow.

A **rating** is an assessment or classification of the creditworthiness of debt securities and their issuer according to uniform criteria. The assessment of creditworthiness by rating agencies affects access to the capital markets and to the international finance markets, and refinancing costs. As part of our finance policy, we have defined a target range for our ratings. We believe that with a rating between A- and BBB (Standard & Poor's, Fitch) or between A3 and Baa2 (Moody's) we essentially have the necessary entry to the capital markets to generate the required financing.

Non-financial performance indicators

		2025	2024	2023	2022	2021
Sustainability						
Customer retention/satisfaction (TRI *M index) [a]		81.3	77.6	76.2	76.0	73.4
Employee satisfaction (engagement score) [a]		77	77	76	78	77
Energy consumption [b]	GWh	11,957	11,991	12,241	13,253	13,323
Of which: Deutsche Telekom excluding T-Mobile US	GWh	4,432	4,579	4,567	4,704	n.a.
CO_2 emissions (Scope 1 and 2) [c, d]	kt CO_2e	240	253	258	233	247
Of which: Deutsche Telekom excluding T-Mobile US	kt CO_2e	154	183	188	179	n.a.
Fixed-network and mobile customers						
Mobile customers [e]	millions	273.2	261.4	252.2	245.4	248.2
Fixed-network lines	millions	24.8	25.2	25.4	25.3	26.1
Broadband customers [f]	millions	22.5	22.3	22.0	21.4	21.6
Systems Solutions						
Order entry	millions of €	4,191	4,020	3,628	3,952	3,876

[a] Deutsche Telekom excluding T-Mobile US.
[b] Energy consumption, mainly: electricity, fuel, other fossil fuels, district heating for buildings. The figure for 2024 was adjusted retrospectively due to changes in electricity distribution at individual sites.
[c] Since 2023, CO_2 emissions have also included fugitive emissions from refrigerants and fire suppressants.
[d] Calculated according to the market-based method of the Greenhouse Gas Protocol.
[e] Including T-Mobile US wholesale customers.
[f] Excluding wholesale.

Sustainability

We believe that satisfied customers act as multipliers for our Company's success. As a responsible, service-oriented company, the needs of our customers are front and center of our actions, and we want them to stay with our Company in the long term. For this reason, we measure **customer retention/satisfaction** in our companies using the globally recognized TRI*M method. The results of systematic surveys are expressed by an indicator known as the **TRI*M index**. To underscore the significance of customer retention/satisfaction for our operating business, the tracking and incentivization of the performance of the Board of Management members has been moved to the one-year variable remuneration (Short-Term Incentive Plan). We take the TRI*M indexes calculated for the operating entities (Deutsche Telekom excluding T-Mobile US) as an approximation of the respective entities' percentage of total revenue to create an aggregate TRI*M value. This ensures Board members participate faster in the development of customer retention/satisfaction.

For further information on our customer service, please refer to the section "Group strategy."

Our employees want to contribute to the further development of the Company and identify with it. We want to pursue open dialogue and productive exchange with our employees. New working models, state-of-the-art communication options, and regular employee surveys help us accomplish this. The main feedback tools which the Group uses to assess **employee satisfaction** are the employee survey, carried out every two years, and the half-yearly pulse survey (both Deutsche Telekom excluding T-Mobile US). In our Company, we measure the employee satisfaction performance indicator using the annual average of the **engagement score** – derived from the results of each survey for the four engagement questions on mood, brand identity, employer attractiveness, and inspiration. In view of the major significance of employee satisfaction for the success of the Company, the tracking and incentivization of the performance of the Board of Management members has been moved to the one-year variable remuneration (Short-Term Incentive Plan). This ensures Board members participate faster in the development of employee satisfaction.

For further information on our HR activities, please refer to the section "Combined sustainability statement – Social."

In an age of climate change and the destruction of the environment, companies are under pressure to significantly increase their energy and resource efficiency and restrict their absolute energy consumption. There is a general expectation on the ICT sector to continue building out the telecommunications network while, at the very least, keeping basic consumption stable in the medium term or even reducing it going forward. We use the **energy consumption** non-financial performance indicator to record the energy consumed in our own business operations. In living up to our responsibility to conserve resources and protect the climate, we also run various initiatives that aim to reduce the CO_2 emissions generated as part of our business activities. These initiatives include the long-term use of green electricity, optimizing power consumption in our buildings, and gradually transitioning our Group fleet vehicles from fossil fuels to zero- or low-emission power sources. We measure our progress with reducing our carbon footprint on the basis of the **CO_2 emissions** (Scope 1 and 2) non-financial performance indicator. Given the significance of these two sustainability-related goals in

the medium and long term, the tracking and incentivization of the performance of the Board of Management members has been moved to the long-term variable remuneration. The level of ambition and the target achievement for both performance indicators were calculated excluding T-Mobile US. We also report on a Group-wide ambition level including T-Mobile US.

> For further information on these and other ESG KPIs, please refer to the section "Combined sustainability statement."

Customers

As one of the leading providers of telecommunications and information technology worldwide, the development of our Group – and thus also our financial performance indicators – is closely linked to the development of **customer figures**. Acquiring and retaining customers is thus essential to the success of our Company. We have different ways of measuring the development of our customer figures according to the business activity in our operating segments: Depending on the activities of each segment, we measure the number of mobile customers (one SIM card equals one customer) as well as the number of fixed-network lines and broadband customers/lines.

Systems Solutions

In our Systems Solutions operating segment, we use **order entry** as a non-financial performance indicator. We define and calculate order entry as the total of all amounts resulting from customer orders received in the financial year. Order entry in the form of long-term contracts is of great significance to the Group in order to estimate revenue potential. In other words, order entry is an indicator that provides a high degree of planning reliability.

Performance indicators at Deutsche Telekom AG

Net income is the financial performance indicator of greatest relevance for Deutsche Telekom AG and is used to pay out the dividend to shareholders.

The economic environment

Macroeconomic development

The global economy proved remarkably resilient in 2025, despite high political uncertainty and increased trade barriers. Economic activity remained robust on the back of 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 base rates. Nevertheless, growth in global trade slowed in the reporting year. Higher import tariffs are likely to gradually be reflected in higher consumer prices, thereby dampening the development of consumption and business investment. Labor markets remained robust overall, despite initial signs of slowing. The International Monetary Fund (IMF) estimates global GDP growth for 2025 of 3.3 %, same as in 2024.

In the United States, the rate of growth has let up following the exceptionally strong years of 2023 and 2024. For 2025, real GDP growth of 2.1 % is expected. Higher U.S. tariffs are making imports more expensive and dampening consumer confidence, but without breaking the economy. The push for technological modernization – in particular by investing in data centers, digital infrastructure, and AI applications – remains a cornerstone of economic development. Inflation picked up again in the second half of 2025.

In Europe, the tentative recovery in economic output continued in 2025. The European Commission expects growth of 1.4 % for the European Union (EU). Inflation continues to move towards monetary policy targets. Our core European countries saw mixed development in 2025: In Poland and Croatia, robust consumer spending and sustained high investments drove above-average growth. In Austria, however, growth remained subdued, while Hungary continues to experience high inflation and low growth. Greece continued on its trajectory of recovery on the back of investments and exports. From the point of view of the Organisation for Economic Co-operation and Development (OECD), technological progress is acting as a growth driver across Europe, but its potential is limited by regulatory frameworks that inhibit growth and by fragmented markets.

The German economy is undergoing profound structural change, shaped by geopolitical upheaval, demographic shifts, decarbonization, and digitalization. Germany is particularly hard hit by this change since the manufacturing industry is of huge significance to the overall economy and demographic change is particularly pronounced. Against this backdrop, the economy is expected to more or less stagnate in the reporting year, with growth of 0.2 %. The Bitkom-ifo-Digitalindex, which reflects the business climate in the digital sector in Germany, dropped slightly over the course of the reporting year from minus 2.9 points in January to minus 3.8 points in December, but remains at a significantly higher level than the ifo Business Climate Index for Germany, which was at minus 8.5 points in December 2025.

A broad-based revival in private consumption could contribute to a moderate economic recovery in the year ahead. At the same time, the build-out of data centers and AI infrastructure is already driving short-term demand, especially in the United States, while the effects in Europe have been more moderate so far. 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 economic outlook, please refer to the section "Forecast."

For further information about the risks and opportunities relating to the macroeconomic environment, please refer to the section "Risk and opportunity management."

The following table shows the GDP growth rates and the change in harmonized consumer prices in our most important markets.

%

	GDP for 2023 compared with 2022	GDP for 2024 compared with 2023	GDP estimate for 2025 compared with 2024	Consumer prices for 2023 compared with 2022	Consumer prices for 2024 compared with 2023	Consumer prices estimate for 2025 compared with 2024
Germany	(0.9)	(0.5)	0.2	6.0	2.5	2.2
United States	2.9	2.8	2.1	4.1	2.9	2.8
Greece	2.1	2.1	2.1	4.2	3.0	2.8
Hungary	(0.8)	0.6	0.4	17.0	3.7	4.5
Poland	0.2	3.0	3.3	10.9	3.7	3.4
Czech Republic	0.0	1.2	2.4	12.0	2.7	2.3
Croatia	3.8	3.8	3.2	8.4	4.0	4.3
Slovakia	2.1	1.9	0.8	11.0	3.2	4.2
Austria	(0.8)	(0.7)	0.3	7.7	2.9	3.5

Sources: International Monetary Fund, European Commission, national authorities; last revised: January 2026.

Telecommunications market

The global telecommunications market continued to be dominated in 2025 by growth in data traffic and by the ongoing expansion of high-performance network infrastructures. Demand for telecommunications services was influenced in particular by the increasing digitalization of the economy and society and the growing need for reliable and secure connectivity.

In mobile communications, global data traffic continued to grow in 2025. According to Ericsson, mobile data traffic was up by around 20 % compared with the prior year. The main drivers behind this were the rising consumption of video content, especially of short videos and streaming offers, as well as the growing use of social media and cloud-based apps. The proportion of data traffic handled via 5G continued to increase.

The volume of data traffic also continued to rise in the fixed network. Globally, fixed-network data traffic grew by around 11 % in 2025 compared with the prior year. The trend continued to be shaped by the ongoing shift from linear television to on-demand and streaming services. The growing proportion of high-resolution content, increasing live streaming of sports and major events, and the greater use of cloud-based apps resulted in a sustained increase in bandwidth requirements. In this context, the ongoing build-out of fiber-optic networks provides the basis for higher transmission speeds and improved network quality. Furthermore, fixed wireless access (FWA) continued to grow in importance in some markets, especially North America.

The global telecommunications market developed moderately overall in 2025. According to Analysys Mason's market observations, telecommunications services revenues increased slightly in both Europe and the United States, again driven largely by data services. Despite similar growth dynamics, regional differences in market structures and underlying conditions were evident. While the North American telecommunications market is characterized by lower fragmentation and higher average revenue per customer, revenue development in Europe continued to be dominated by intense competition and high price pressure, despite sustained major investments in the optical-fiber and mobile networks.

Competition in the telecommunications industry remained fierce in 2025. Consumers benefit from a wide range of products to choose from. In the fixed network, established telecommunications companies are competing with cable network operators, regional fiber-optic providers, and resellers, who in Europe make use of regulated wholesale products. In most mobile communications markets, there are three or four network operators with their own network infrastructure; many markets are also being served by numerous mobile virtual network operators (MVNOs).

In parallel to economic development, telecommunications networks also continue to play an increasingly important role in security and resilience. A study published in 2025 by Copenhagen Economics underlines that secure and resilient telecommunications networks are a core prerequisite for the functioning of modern economies. They form the basis for digital services in critical sectors such as energy, healthcare, transportation, and financial services. Despite the growing number of security incidents, the analysis shows that the resilience of networks has improved as downtime for end users has been reduced significantly. At the same time, demands on operators due to cyber threats and climate-related risks continue to grow.

Against this backdrop, discussions continue on the regulatory structure of the telecommunications markets in the European Union. Various reports published at the European level concern themselves with potential approaches to reforming the framework for the telecommunications sector. In January 2026, the European Commission presented a legislative proposal for reforming the regulatory framework (Digital Networks Act).

Germany

According to the ifo Institute, digitalization is one of the most important stabilizers of a German economy that continues to stagnate. The German IT and telecommunications market continued its upward trend in 2025, mainly on the back of progress in the build-out of the mobile and fiber-optic networks, and the continuing rise in data volumes. The industry association Bitkom puts revenue growth in 2025 at 3.9 %.

The market for fixed-network broadband continued to be dominated in 2025 by high infrastructure investments in modern fiber-optic networks. Besides established telecommunications companies, public utilities, municipalities, and special purpose associations, as well as investor-driven network providers, are also active in this segment. According to VATM's 2025 market analysis, the number of households and companies covered by optical fiber (homes passed) increased to 24.8 million, while the number of fiber-optic lines actually connected (homes connected) rose to 9.9 million. Demand for higher bandwidths is bolstered by increasing video, cloud, and streaming apps as well as growing use of hybrid working and collaboration models.

The IPTV market also continued to enjoy growth: With gigabit availability rising steadily and a wide range of UHD/HD content, the number of IP-based TV lines climbed further. IPTV service providers also continued to benefit from the abolition of the Nebenkostenprivileg (a specificity of German law relating to housing associations, whereby cable access fees could be included in monthly rental invoices).

Revenues in the mobile market rose in 2025. Nevertheless, ongoing price pressure in the market put revenues per user under pressure, while at the same time mobile data usage continued to grow strongly. The number of connected devices also increased substantially both in the consumer segment and in the IoT/M2M segment, further increasing demand for mobile data volumes and high transmission rates. The marketing of integrated fixed-network/mobile offers continued, bolstering customer retention.

Digitalization remains a key growth driver in industry and for SMEs. Companies are increasingly investing in connectivity, cloud infrastructure, and automation solutions for industrial applications. This trend benefits in particular data services, cloud services, IoT/M2M solutions, and security applications.

United States

In 2025, the U.S. telecommunications market experienced advancements across multiple domains: 5G Standalone rollout, fiber build-out, fixed wireless expansion, and direct-to-cell service integrating satellites into terrestrial mobile wireless communications. Collectively, these developments enhanced connectivity, supported emerging technologies, and laid the groundwork for next-generation networks.

The wireless and broadband markets continued to experience competitive pressures. Promotional measures by service providers led to higher cost of customer acquisition and retention.

Major carriers including T-Mobile US expanded their mobile wireless networks. T-Mobile US led with a full standalone and 5G advanced network, offering capabilities like network slicing, low latency, and better performance. AT&T has started to move select services on its 5G Standalone network and is expanding availability to more customers as device support and provisioning allow.

Fiber-to-the-home (FTTH) deployments reached record levels, with over 88 million U.S. homes passed (56.5 % of households) by the end of the first half of 2025. Growth was driven by private investments and public funding programs like Broadband Equity, Access, and Deployment (BEAD), positioning fiber as a pillar of high-speed broadband.

Fixed Wireless Access (FWA) in-home broadband saw continued growth in 2025. The three largest service providers, T-Mobile US, AT&T and Verizon, had all-time-high quarterly FWA net additions over 1 million connections in the third quarter of 2025 and their combined FWA user base stood at 14.6 million connections. With their FWA in-home broadband offerings, service providers are capitalizing on consumer preferences for fast, reliable services.

In 2025, T-Mobile US rolled out a new direct-to-cell satellite phone service (T-Satellite) through a cooperation with SpaceX. The service provides customers with messaging and other services in outdoor areas where terrestrial networks are not available. Other mobile wireless providers are in the early stages of providing similar services.

The U.S. Federal Communications Commission (FCC) in 2025 began preparing to make additional mid-band spectrum available for 5G and 6G services via auctions in 2026 and 2027.

Europe

The European market for telecommunications and digital services benefited in the reporting year from a generally stable economic environment. According to the European Central Bank (ECB), key growth drivers were services (including digital services), IT modernization, and the growing use of AI. A robust labor market, falling interest rates, and largely stable inflation levels buoyed demand.

Demand for broadband lines continued unabated throughout the reporting year. According to Analysys Mason, this development was also reflected in the figures for the fixed-network business (excluding systems solutions) for the first nine months of 2025: Revenues from broadband business in particular grew by almost 9 %. The TV business also reported an increase of around 4 %. This offset the decline in revenues from voice telephony. Mobile revenues increased, too, by around 3 % according to Analysys Mason, driven by much higher data usage and the rising popularity of data-intensive apps. In addition, the build-out of 5G networks drove demand for higher-value rate plans and increased investments in telecommunications infrastructure.

The European markets are increasingly characterized by consolidation, the rise of large, converged providers, and new market players. Network operators primarily rely on investments in optical fiber and 5G to improve capacity and quality, retain customers through integrated service packages, and to secure their product portfolio as a competitive factor in a maturing telecommunications market.

Hungary saw the greatest consolidation activity, driven by takeovers of Canal+ (satellite TV), PR Telecom (regional fixed network), and Netfone Telecom (MVNO) by 4iG to strengthen its fixed-network and mobile presence. 4iG also continued its expansion in the Western Balkans – following steps in Albania and Montenegro – by joining forces with ONE Macedonia Telecommunications in North Macedonia, thereby reinforcing its multi-country growth strategy. An important structural change was the establishment of 2Connect, which was created by combining the network assets of Invitech, Antenna Hungária, DIGI, and One Magyarország into one large wholesale infrastructure provider, increasing efficiency, scalability, and market power. In Greece, Greek company Public Power Corporation (PPC) officially entered the local telecommunications market in mid-2025, launching its own FTTH internet service for consumers. This large, nationwide fiber-optic network is now being used to offer aggressive prices and compete directly with existing providers such as OTE (Cosmote), NOVA, and Vodafone. This marks an important change in Greece's digital infrastructure with growing competition.

Convergence (FMC) remains a strategic focus in the European markets. According to Analysys Mason, revenues for FMC products grew by around 12 % in the first nine months of 2025 compared with the same period of the prior year. FMC remains a reliable lever for our national companies and makes a substantial contribution to service revenues. MagentaOne customers show higher satisfaction and lower willingness to switch providers, strengthening the success of the business. FMC is evolving from traditional bundled products to a digital lifestyle ecosystem, especially in convergent, mature markets. Our national company in Greece, for example, bundles services such as payments, energy, insurance, and food deliveries into an integrated, simple solution to meet everyday needs. In our national company in Hungary, digital health services are being added to the portfolio and MagentaOne customers receive more attractive price options. Additional added value arises from target group-specific and optional personalization of services.

In addition to aggregating major local and international linear TV providers, our TV business also includes integrating the corresponding, often downstream on-demand offerings from these partners (e.g., Voyo in Slovakia and Croatia, RTL+, and AMC Selekt in Hungary). We are pursuing this approach more and more consistently in the Europe operating segment, so as to offer our customers not just all content genres (e.g., sports, entertainment, news, etc.), but also the freedom to decide when to consume them (i.e., on-demand). According to Analysys Mason, streaming services recorded strong growth in the first nine months of 2025, recovering with revenue growth of around 15 %.

In the business customer segment, the reporting year was dominated by the further development of AI-based solutions, which are playing a key role in ensuring future-proof development. Accordingly, demand for AI-based solutions is surging. This requires a rapid transformation of business processes. Telecommunications providers will have a key role to play in building the necessary infrastructure, especially when it comes to factors such as network speed and stability, cybersecurity, and cloud computing.

Systems Solutions

The IT business in our core market of Germany and in Austria and Switzerland (DACH), which we address in the Systems Solutions segment under the T-Systems brand, performed well in the reporting year. Market volume increased by 3.1 % to EUR 49 billion. Companies in the DACH economic area continued to invest in the digital transformation, in particular in cloud and digital services. Demand for these services remained a key growth driver in the reporting year.

The cloud market addressed by T-Systems and the market for digital services in the DACH region recorded growth of 3.3 % and 2.9 %, respectively, in 2025. Our strategic focus industries also performed well for the most part: The healthcare market volume rose by 5.1 %, while the public sector recorded similarly strong growth of 5.9 %. By contrast, the automotive industry remained subdued in light of economic and structural changes, with the market for related IT services declining by 2.0 % as a result.

The competition and price environment for the systems solutions business remained challenging in the reporting year. Besides established IT service providers like IBM, Atos and Capgemini, global hyperscalers Amazon Web Services, Microsoft Azure, and Google Cloud in particular added to the platform and innovation pressure in the market. Furthermore, providers with largely offshore-based service models, including Tata Consultancy Services, Infosys, Wipro, and Accenture, contributed to sustained strong price competition. These market conditions put pressure on margins across the industry and underline the relevance of efficient, scalable, and differentiated product and service portfolios.

Major regulatory decisions

Our business activities are largely subject to national, European, and U.S. regulation, which is associated with extensive powers to intervene in our product design and pricing, particularly in Europe. We were still subject to extensive regulation in our fixed-network and mobile businesses in 2025.

Regulation

Review of the approval under merger control law for the joint venture Glasfaser NordWest. Following the Düsseldorf Higher Regional Court's decision to annul the approval issued by the Bundeskartellamt, the Federal Court of Justice overturned this decision on February 25, 2025 and referred the matter back to the Düsseldorf Higher Regional Court. The Düsseldorf Higher Regional Court will now reach a new decision in consideration of the Federal Court of Justice's legal position. Until a final substantive decision is reached on the legality of the Bundeskartellamt's approval, these proceedings have no direct implications for the existence of the joint venture Glasfaser NordWest or for the local fiber build-out.

Telecommunications Act reform in Germany. In July 2025, the paramount public interest in building out telecommunications infrastructure was enshrined in the German Telecommunications Act (Telekommunikationsgesetz – TKG). The new legal status for infrastructure aims to remove barriers to planning and approval and speed up build-out. The Federal Government is additionally planning a further TKG reform to further improve the conditions surrounding network build-out. Key points were published in July 2025 and the draft legislation is expected in the first quarter of 2026.

Following the publication of a relevant discussion paper by the Bundesnetzagentur in April 2025 and of key points by the Federal Ministry for Digital Transformation and Government Modernization (Bundesministerium für Digitales und Staatsmodernisierung) in September 2025 aimed at accelerating the copper-to-fiber migration, the Bundesnetzagentur published the regulatory approach to copper-to-fiber migration in January 2026. The approach imposes no new regulations and is intended merely to stimulate further debate of this important topic. It discusses various options and puts forward proposals for realigning the legal framework. As yet, it is impossible to foresee whether the lawmakers will include some of these proposals in the planned TKG reform.

Legislative proposals of the European Commission. On January 21, 2026 the European Commission published its proposed Digital Networks Act, which aims to replace and revise the European Electronic Communications Code. The proposal largely retains many of the existing rules on consumer protection, universal services, etc., while also addressing new topics such as spectrum licenses of unlimited duration, enhancing network infrastructure resilience, and the framework for the copper-to-fiber migration. The lawmaking process now under way in the EU may result in major changes to the proposed regulations. Given the scope, the procedure is expected to be protracted and will likely include a transition period for transposition in the Member States.

At the same time, the European Commission has proposed a revised Cybersecurity Act containing measures to enhance the security of the ICT supply chain, including rules for network infrastructure providers categorized as high-risk suppliers, and more. The proposed changes touch on matters of national security and other sensitive topics and hence are expected to involve lengthy negotiations between the European Parliament and the Member States.

Bundesnetzagentur's regulatory procedures based on the decision on access regulation including FTTB/H network access. On July 17, 2024, the Bundesnetzagentur published the approval on the regulated charges for access to civil engineering infrastructure. These charges were valid until December 31, 2025 and will be redefined in the first quarter of 2026 with retroactive effect from January 1, 2026. In the parallel Bundesnetzagentur regulatory procedure concerning the related standard offer, the first partial decision was issued on November 14, 2024. The Bundesnetzagentur announced that the overall procedure is scheduled for completion in the second quarter of 2026. Our standard offer for the FTTB/H wholesale products with Ethernet handoff also continues to be under review by the Bundesnetzagentur. In May 2025, the first partial decision was issued, requiring us to make changes to the wholesale agreement. These changes are currently being made to the procedure and agreement before terminating our related standard offer as well following issue of the second partial decision in the first half of 2026.

Awarding of spectrum

In **Poland**, the auction of frequencies in the 700 MHz and 800 MHz bands ended on March 25, 2025. T-Mobile Polska secured one spectrum block in each band for a total of around EUR 185 million (PLN 781 million). Furthermore, T-Mobile Polska's spectrum usage rights of 2x 9 MHz in the 900 MHz band were extended for approximately EUR 109 million (PLN 463 million) in December 2025. In **Slovakia**, the auction for the bands expiring in 2025, 2026, and 2028 ended on July 10, 2025. Slovak Telekom secured 2x 10 MHz in each of the 800 and 900 MHz bands, 1x 20 MHz in the 1,500 MHz band, 2x 20 MHz in each of the 2,100 and 2,600 MHz bands, as well as 1x 40 MHz in the 2,600 MHz Time Division Duplex (TDD) band, for a total of approximately EUR 165 million.

In **Germany**, the Bundesnetzagentur extended the usage rights for the 800, 1,800, and 2,600 MHz spectrum bands on June 13, 2025. The extension is for five years. The extension fee for Telekom Deutschland is EUR 200 million for the extension period. In addition, usage right holders are required to fulfill extensive build-out obligations, which include providing coverage for 99.5 % of Germany's surface area. The requirement to negotiate with service providers and MVNOs was also specified in more detail.

The award rules of the 2019 auction were declared unlawful by the Cologne Administrative Court on August 26, 2024. The ruling of the Cologne Administrative Court requires the Bundesnetzagentur to reach a new decision regarding the motions submitted by Freenet and EWE Tel in 2018 with respect to the imposition of a service provider obligation (instead of a negotiation obligation). In its decision on October 16, 2025, the Federal Administrative Court rejected a complaint filed by the Bundesnetzagentur against non-allowance of appeal against this ruling. The ruling of the Cologne Administrative Court thus became legally binding. This ruling initially has no direct impact on our spectrum usage rights in the 2.1 GHz and 3.6 GHz bands. The contested decision and the frequency allocations based thereon remain in effect for the time being. The Bundesnetzagentur consulted the market on how to proceed regarding the new decision until January 12, 2026. It considers possible options to be either a confirmation of its previous decision, with amended reasons, which would leave the 2019 auction unaffected, or a reallocation of the spectrum in a new award procedure. In both scenarios, we expect Deutsche Telekom to still have sufficient spectrum usage rights in the specified bands to ensure the best possible coverage for its customers.

In the **United States**, the Federal Communications Commission (FCC) began the procedure to re-auction 200 licenses in the AWS-3 bands (Auction 113). The FCC has scheduled the auction to begin on June 2, 2026. Furthermore, on November 20, 2025, the FCC started the procedure for the auction of spectrum in the 3.98 to 4.2 GHz range. This auction of at least 100 MHz to 180 MHz of spectrum must be completed by July 2027. No definitive auction date has yet been set. In **Greece**, we expect the proceedings to begin to re-award the spectrum allocations that will expire in the second and third quarters of 2027 in the 900 MHz and 1,800 MHz bands. Proceedings to re-award spectrum in the 2,600 MHz band expiring at the end of 2026 and spectrum in the 2,300 MHz band have been underway in **Austria** since December 12, 2024. In **Poland**, the procedure to award the 26 GHz band could also begin, if necessary. In the **Czech Republic**, the national regulator began the consultation process on the 26 GHz band; no award is expected in the near future. In **Hungary**, the regulator began preparations for 2026 for an auction of licenses in the 2,100 MHz band expiring in mid-2027. Hungary's national regulator is planning to include further spectrum bands (1,500 MHz and 26 GHz) in this auction.

The following table provides an overview of the main ongoing and planned spectrum awards and auctions as well as license extensions. It also indicates spectrum to be awarded in the near future in various countries.

	Expected start of award procedure	Frequency ranges	Planned award procedures
Greece	tbd	900 MHz/1,800 MHz	Details tbd
Austria	Started	2,300 MHz/2,600 MHz	Details tbd
Poland	tbd	26 GHz	Details tbd
Czech Republic	tbd	26 GHz	Details tbd
Hungary	Started	1,500 MHz/2,100 MHz/26 GHz	Auction, details tbd
United States	June 2, 2026	1,695–1,710 MHz/1,755–1,780 MHz/ 2,155–2,180 MHz	Auction (ascending clock auction [a])
United States	tbd	3.98–4.2 GHz	Auction, details tbd

[a] Multi-round auction with ascending bids.

Agreements on spectrum licenses

On September 10, 2024, T-Mobile US and **N77 License** (N77) had 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 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 for USD 2.0 billion (EUR 1.8 billion) following regulatory approvals by the FCC.

On August 8, 2022, T-Mobile US had entered into agreements with **Channel 51 License** and **LB License** (Channel 51) for the acquisition of spectrum licenses in the 600 MHz band in exchange for 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 first tranche of licenses, along with certain additional licenses from the second tranche, was transferred in the 2024 financial year. 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.

On May 30, 2025, T-Mobile US entered into an agreement on the sale of 800 MHz spectrum licenses to **Grain Management** (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 may 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.

On September 12, 2023, T-Mobile US agreed with U.S. cable network operator **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). 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. 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.

Development of business in the Group

Statement of the Board of Management on business development in 2025

Bonn, February 17, 2026

Deutsche Telekom remained reliable and successful amid the challenging geopolitical and macroeconomic environment in the 2025 financial year. We concentrate on our strengths, keep our sights trained on our goals, and achieve them with commitment, a clear plan, and teamwork. For example, in the reporting year we successfully completed acquisitions in the United States, targeted investments in our networks and future technology, and forged ahead with digitalization, among other things through the wide-ranging use of artificial intelligence.

We raised our full-year guidance for 2025 (adjusted EBITDA AL, free cash flow AL) three times in the course of the year. Our course of growth continued: Net revenue increased by 2.9 % to EUR 119.1 billion. Service revenue also increased by 2.9 % to EUR 99.4 billion. This is the result of the positive response from customers. Adjusted EBITDA AL grew by 2.8 % to EUR 44.2 billion. The main reason for this increase is sound operational development and further enhanced cost efficiency. EBIT decreased by 5.5 % to EUR 24.8 billion, mainly due to the reversal in 2024 of previously recognized impairment losses on FCC licenses of T-Mobile US. We achieved these growth rates in spite of the challenging market environment, especially with regard to the weakness of the U.S. dollar. In organic terms, i.e., assuming comparable exchange rates and a comparable composition of the Group, revenue grew by 4.2 % and adjusted EBITDA AL by 4.7 %.

Our loss from financial activities improved to EUR -5.3 billion as a result of higher reversals of impairment losses recognized in the prior year on our investments in GD Towers and GlasfaserPlus. Adjusted net profit increased to EUR 9.7 billion. Adjusted earnings per share increased to EUR 2.00.

ROCE fell year-on-year to 7.5 %, due to a reduction in net operating profit after taxes (NOPAT). The aforementioned reversals of impairment losses did not benefit NOPAT to the same extent in the 2025 financial year as in the prior year.

Net debt decreased by EUR 4.8 billion to EUR 132.5 billion. This was in large part due to free cash flow (before dividend payments and spectrum investment) and the weaker U.S. dollar. The main factors increasing net debt were the corporate transactions in the United States operating segment, the T-Mobile US and Deutsche Telekom AG share buy-back programs, and the dividend payments.

Conditions on the telecommunications market remained challenging in the reporting year amid ongoing competitive pressure and strict regulatory requirements. Nevertheless, we successfully completed key acquisitions in the United States and systematically built out our network infrastructure. In 2025, we made Group-wide investments (before spectrum) of EUR 16.9 billion. Including spectrum payments, this figure was EUR 19.3 billion. Our main focus was on our broadband and mobile infrastructure (optical fiber and 5G). Our free cash flow AL (before dividend payments and spectrum investment) increased to EUR 19.5 billion. As a solid investment-grade company, we have access to the international capital markets. The rating agency Moody's upgraded our rating in September 2025 from Baa1/positive to A3/stable.

We presented our finance strategy through 2027 at the 2024 Capital Markets Day. We are continuing our attractive dividend policy of paying out 40 to 60 % of adjusted EPS each year for our shareholders. For the 2025 financial year, we will propose a dividend of EUR 1.00 for each dividend-bearing share. This will once again be paid out this year without any deduction of capital gains tax. We started our new 2026 share buy-back program with a total volume of up to EUR 2 billion on January 5, 2026.

The international stock markets and the European telecommunications sector continued to be dominated by buoyant share prices in 2025. Following a solid first six months of 2025, the T-Share closed the financial year down slightly, mainly on account of the weak U.S. dollar and the weaker development of the share price of our U.S. subsidiary T-Mobile US.

We take up digitalization and artificial intelligence as the primary drivers of significant changes in our ecosystem and correspondingly also in our strategic alignment. Building and operating convergent networks remains the core of our strategy. Our goal is firmly in our sights: We want to become the Leading Digital Telco. In the 2025 financial year, we digitalized business models and made progress in respect of AI. Our AI partnership with Nvidia was a milestone. As was our AI phone. And of course, we are also using AI to help ourselves wherever we can. This gives us a responsibility that we embrace. Because we connect people – across borders, generations, and life situations. We continue to invest in innovation, in sustainability, and in the future. It is with this approach that we enter the 2026 financial year.

Comparison of the Group's expectations with actual figures

In the 2024 Annual Report, we outlined expectations for the 2025 financial year for our financial and non-financial key performance indicators anchored in our management system. The following tables summarize the pro forma figures for 2024, the results expected for the reporting year, and the actual results achieved in 2025. The performance indicators that we also forecast in the 2024 Annual Report and their development are presented in the individual sections.

Comparison of the expected financial key performance indicators with actual figures

		Pro forma figures for 2024	Original expectations for 2025 [a]	Expectations revised during 2025 [a]	Results in 2025
Revenue	billions of €	115.9	increase		119.1
Service revenue	billions of €	96.7	increase		99.4
EBITDA AL (adjusted for special factors) [b]	billions of €	43.0	around 44.9	around 45.3	44.2
Profit (loss) from operations (EBIT)	billions of €	26.3	slight decrease		24.8
Earnings per share (adjusted for special factors) [c]	€	1.90	around 2.00		2.00
ROCE [c]	%	8.5	decrease		7.5
Free cash flow AL (before dividend payments and spectrum investment) [b, d, e]	billions of €	19.2	around 19.9	around 20.1	19.5
Cash capex (before spectrum investment) [d, e]	billions of €	(16.0)	(17.1)		(16.9)
Rating (Standard & Poor's, Fitch) [c]		BBB+	from A- to BBB		BBB+
Rating (Moody's) [c]		Baa1	from A3 to Baa2		A3

[a] Our planning for 2025 assumed a U.S. dollar exchange rate of USD 1.08 and a comparable composition of the Group.

[b] Contrary to the forecasts published in the 2024 combined management report (2024 Annual Report), we adjusted the guidance for 2025 for EBITDA AL (adjusted for special factors) and free cash flow AL (before dividend payments and spectrum investment) during the course of the year (Interim Group Reports as of March 31, 2025, June 30, 2025, and September 30, 2025).

[c] Pro forma figures were not provided for these performance indicators in the 2024 Annual Report. Instead, we include here the actual figures for 2024.

[d] Excluding cash outflows for investments made by T-Mobile US to acquire customer bases.

[e] Excluding proceeds from the disposal of spectrum due to the sale of spectrum licenses by T-Mobile US.

The comparison shown in the table of the pro forma figures for 2024 as presented in the 2024 Annual Report and the expectations formulated on this basis for 2025 with the results actually generated for 2025 is not like for like, i.e., these figures are not based on comparable exchange rates or a comparable composition of the Group. The results generated on a like-for-like basis are set out below (in organic terms). The main differences from the results actually generated are attributable to the assumption of an average U.S. dollar exchange rate of USD 1.08 in our planning for 2025. By contrast, the results for 2025 shown in the table above are subject to an average U.S. dollar exchange rate of USD 1.13, which had a corresponding negative impact on the financial performance indicators. The guidance for 2025 as adjusted in the course of the year already takes into account the value contributions from the completed corporate transactions in the United States operating segment.

We look back on a successful financial year. Overall, we met our expectations. In organic terms, revenue increased as expected by 4.2 %. Our service revenue also grew as expected by 3.8 % on an organic basis. Our adjusted EBITDA AL increased by 4.7 % in organic terms. Taking into account the above assumptions, this exceeded our most recently stated guidance. EBIT was likewise negatively affected by exchange rate effects, and declined in 2025 on account of the reversal of impairment losses on FCC licenses at T-Mobile US in 2024. Adjusted earnings per share amounted to EUR 2.00, thereby meeting our expectations. ROCE also developed as expected, declining to 7.5 %. For free cash flow AL (before dividend payments and spectrum investment), we exceeded the guidance revised upwards in the course of the year, excluding exchange rate effects. Cash capex (before spectrum investment), excluding exchange rate effects, was more or less as expected.

Comparison of the expected non-financial key performance indicators with actual figures

		Pro forma figures for 2024	Expectations for 2025	Results in 2025
Sustainability				
Customer retention/satisfaction (TRI *M index) [a, b]		80.1	stable trend	81.3
Employee satisfaction (engagement score) [a, b]		77	stable trend	77
Energy consumption [c]	GWh	11,991	slight increase	11,957
CO_2 emissions (Scope 1 and 2) [d]	kt CO_2e	253	decrease	240
Fixed-network and mobile customers				
Germany				
Mobile customers	millions	68.6	increase	74.5
Fixed-network lines	millions	17.2	stable trend	16.8
Retail broadband lines	millions	15.2	slight increase	15.1
United States				
Postpaid customers	millions	104.1	increase	116.4
Prepaid customers	millions	25.4	stable trend	25.9
Europe				
Mobile customers	millions	49.7	slight increase	47.2
Fixed-network lines	millions	8.1	stable trend	8.0
Broadband customers	millions	7.2	increase	7.4
Systems Solutions				
Order entry	billions of €	4.0	slight increase	4.2

[a] Deutsche Telekom excluding T-Mobile US.
[b] Pro forma figures were not provided for these performance indicators in the 2024 Annual Report. Instead, we include here the actual figures for 2024.
[c] Energy consumption, mainly: electricity, fuel, other fossil fuels, district heating for buildings.
[d] Calculated according to the market-based method of the Greenhouse Gas Protocol.

The comparison shown in the table above of the pro forma figures for 2024 as presented in the 2024 Annual Report and the expectations formulated on this basis for 2025 for the non-financial performance indicators with the results actually generated for 2025 is not like for like, i.e., assuming a comparable composition of the Group. The results generated on a like-for-like basis are set out below.

Assuming a comparable composition of the Group, we are on track with our non-financial performance indicators. In the Germany operating segment, we even recorded a strong increase of 8.7 % in mobile customers, attributable to both the prepaid customer business including M2M-based cards, and the high-value contract customer business. By contrast, the development of fixed-network lines fell short of our expectation due to falling demand for voice products. In a nearly stagnant and highly competitive broadband market, the number of broadband lines remained more or less on a par with the prior year level at 15.1 million, which was below our expectation. In the United States operating segment, the growth in postpaid and prepaid customer numbers significantly exceeded our expectations, even without taking into account the growth from the completed corporate transactions. Excluding the effects from the sale of the Romanian mobile business as of October 1, 2025, customer numbers in the Europe operating segment developed as expected: The number of mobile customers increased slightly by 2.1 %. The number of fixed-network customers declined slightly, while the number of broadband customers increased in line with expectations. The increase in order entry in our Systems Solutions operating segment was mainly due to deals concluded in the public sector portfolio area.

At the end of the reporting year, customer retention/satisfaction (for Deutsche Telekom excluding T-Mobile US) came in at 81.3 points compared with the adjusted baseline value of 80.1 points. The Germany, Europe, and Systems Solutions operating segments contributed to the ongoing positive development with improvements in customer loyalty. Employee satisfaction was most recently measured in November 2025 and remained stable against the prior-year level at 77 points on a scale of 0 to 100. This continued high level was as expected. The Group's energy consumption remained stable instead of the expected slight increase, because in particular the United States was able to achieve greater savings than expected in the original planning. CO_2 emissions reduced in line with our expectations.

> For further information on the trends in our main financial and non-financial performance indicators, please refer to the relevant passages in this section as well as in the section "Development of business in the operating segments."

> For further information on the expected trends in our main financial and non-financial performance indicators in 2026 and 2027, please refer to the section "Forecast."

Deutsche Telekom AG's shareholder remuneration

Deutsche Telekom AG's proposed dividend

On the basis of the results for the 2025 financial year as well as the finance strategy communicated at the 2024 Capital Markets Day, the Board of Management of Deutsche Telekom AG will propose to the 2026 Shareholders' Meeting the distribution of a dividend of EUR 1.00 per dividend-bearing share for the 2025 financial year.

Deutsche Telekom AG's share buy-back programs

In the 2025 financial year, Deutsche Telekom AG bought back in several tranches 65.4 million shares with a total volume of EUR 2.0 billion. The 2025 share buy-back program was completed on December 11, 2025. 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.

In November 2025, Deutsche Telekom AG announced a new share buy-back program with a total volume of EUR 2 billion for the 2026 financial year. The buy-back commenced on January 5, 2026 and will be carried out in several tranches through to the end of 2026. 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.

Other transactions

Sale of T-Mobile US shares by Deutsche Telekom

In the reporting year, 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 plan, 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.

T-Mobile US' 2025 shareholder return program

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 dividend was attributable to Deutsche Telekom's stake and EUR 1.8 billion to non-controlling interests in T-Mobile US.

T-Mobile US' 2026 shareholder return program

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.

Results of operations of the Group

millions of €		2025	2024	Change	Change %	2023
Net revenue		**119,081**	**115,769**	**3,312**	**2.9**	**111,985**
Service revenue		**99,363**	**96,537**	**2,826**	**2.9**	**92,919**
EBITDA AL (adjusted for special factors)		**44,244**	**43,021**	**1,223**	**2.8**	**40,497**
EBITDA AL		42,452	43,815	(1,363)	(3.1)	51,160
Depreciation, amortization and impairment losses		(24,009)	(24,027)	18	0.1	(23,975)
Profit (loss) from operations (EBIT)		**24,822**	**26,277**	**(1,455)**	**(5.5)**	**33,802**
Profit (loss) from financial activities		(5,323)	(3,319)	(2,004)	(60.4)	(8,845)
Profit (loss) before income taxes		19,499	22,958	(3,458)	(15.1)	24,957
Income taxes		(4,573)	(5,301)	727	13.7	(2,964)
Net profit (loss)		9,609	11,209	(1,600)	(14.3)	17,788
Net profit (loss) (adjusted for special factors)		9,747	9,397	350	3.7	7,940
Earnings per share (basic and diluted)	€	1.97	2.27	(0.30)	(13.1)	3.57
Adjusted earnings per share (basic and diluted)	€	**2.00**	**1.90**	**0.10**	**5.2**	**1.60**

In order to increase the informative value of the prior-year comparatives based on changes to the Company's structure or exchange rate effects, we also describe the change in selected figures in **organic terms**, by adjusting the figures for the prior year for changes in the composition of the Group, exchange rate effects, and other effects. Negative exchange rate effects were primarily attributable to the translation of U.S. dollars to euros. Positive effects of changes in the composition of the Group mainly related to the corporate transactions concluded in the United States operating segment.

> For further information on the corporate transactions, please refer to the section "Group organization."

Revenue, service revenue

In the reporting year, we generated net revenue of EUR 119.1 billion, which was 2.9 % or EUR 3.3 billion up on the prior-year level. In organic terms, revenue increased by 4.2 % against the prior-year level, with changes in the composition of the Group having an increasing effect of EUR 1.8 billion and exchange rate effects having a reducing effect of EUR 3.2 billion. Service revenue in the Group increased by EUR 2.8 billion or 2.9 % year-on-year to EUR 99.4 billion. In organic terms, service revenue increased by 3.8 %.

Contribution of the segments to net revenue

millions of €	2025	2024	Change	Change %	2023
Germany	25,610	25,711	(101)	(0.4)	25,187
United States	78,097	75,046	3,050	4.1	72,436
Europe	12,652	12,347	305	2.5	11,790
Systems Solutions	4,103	4,004	99	2.5	3,896
Group Development	9	10	(1)	(6.5)	115
Group Headquarters & Group Services	2,163	2,226	(63)	(2.8)	2,305
Intersegment revenue	(3,553)	(3,575)	23	0.6	(3,744)
Net revenue	**119,081**	**115,769**	**3,312**	**2.9**	**111,985**

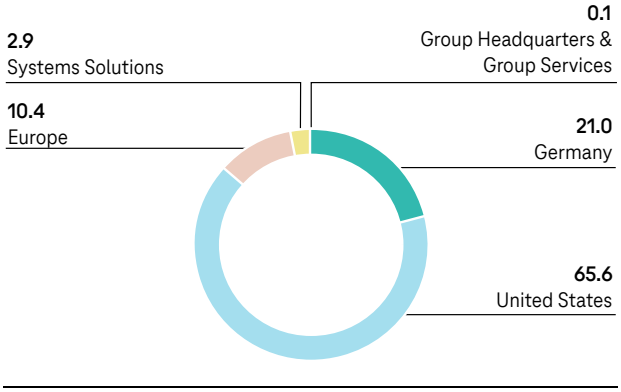
The disclosures in this table additionally comply with the requirements of ESRS 2 SBM-1 para. 40b for sustainability reporting.

In our 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 our United States operating segment, revenue was up 4.1 % against the prior-year level, with negative exchange rate effects having a decreasing effect and the completed corporate transactions having an increasing effect. In organic terms, revenue increased by 6.0 %, due to higher service and terminal equipment revenues. In our Europe operating segment, revenue increased by 2.5 % year-on-year. In organic terms, it increased by 2.9 %, primarily due to the increase in service revenues in the mobile, fixed-network, and IT business. Revenue in our Systems Solutions operating segment was up 2.5 % year-on-year, mainly due to growth in the Digital and Road Charging areas.

> For further information on revenue development in our segments, please refer to the section "Development of business in the operating segments."

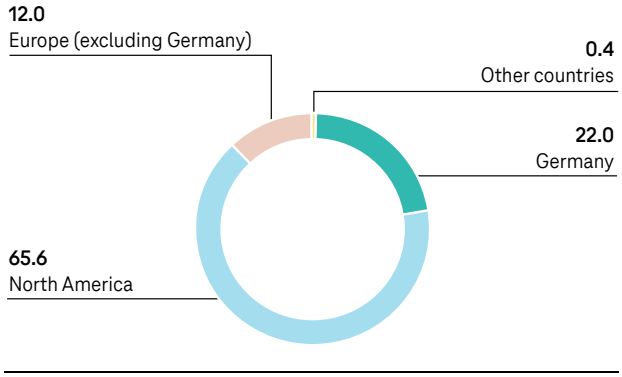
Contribution of the segments to net revenue [a, b]

%



Breakdown of revenue by region [c]

%



[a] For further information, please refer to Note 38 "Segment reporting" in the notes to the consolidated financial statements.

[b] Following the sale of the GD Towers business entity in the 2023 financial year, the Group Development operating segment no longer provides a significant contribution to net revenue.

[c] The calculation of the international share was adjusted effective September 30, 2025. The prior-year comparative was adjusted retrospectively from 76.3 % to 77.3 %.

Our United States operating segment made by far the largest contribution to net revenue, with 65.6 % (2024: 64.8 %). The proportion of net revenue generated internationally increased to 78.0 % (2024: 77.3 %) [c].

Adjusted EBITDA AL, EBITDA AL

Adjusted EBITDA AL increased year-on-year by EUR 1.2 billion or 2.8 % to EUR 44.2 billion in the reporting year. In organic terms, adjusted EBITDA AL increased by 4.7 %, with the changes in the composition of the Group having a net increasing effect of EUR 0.4 billion and exchange rate effects having a decreasing effect of EUR 1.2 billion.

Contribution of the segments to adjusted Group EBITDA AL

millions of €

	2025	Proportion of adjusted Group EBITDA AL %	2024	Proportion of adjusted Group EBITDA AL %	Change	Change %	2023
Germany	10,694	24.2	10,516	24.4	178	1.7	10,238
United States	29,252	66.1	28,545	66.4	708	2.5	26,409
Europe	4,677	10.6	4,431	10.3	246	5.6	4,114
Systems Solutions	427	1.0	369	0.9	58	15.7	321
Group Development	(34)	(0.1)	(32)	(0.1)	(3)	(8.7)	45
Group Headquarters & Group Services	(768)	(1.7)	(801)	(1.9)	33	4.1	(609)
Reconciliation	(3)	0.0	(6)	0.0	3	48.6	(22)
EBITDA AL (adjusted for special factors)	**44,244**	**100.0**	**43,021**	**100.0**	**1,223**	**2.8**	**40,497**

Our Germany operating segment contributed to the increase thanks to high-value service revenue growth and improved cost efficiency with 1.7 % higher adjusted EBITDA AL. Adjusted EBITDA AL in our United States operating segment increased by 2.5 %. In organic terms, it increased by 5.3 %. This rise is primarily attributable to higher service and terminal equipment revenues, offset by increases in some costs. Adjusted EBITDA AL in our Europe operating segment increased by 5.6 % on the back of the sound revenue trend and a positive net margin, or 5.4 % in organic terms. In our Systems Solutions operating segment, adjusted EBITDA AL increased substantially by 15.7 %, mainly due to margin increases and cost optimizations in the Cloud area, as well as to revenue growth in the Digital and Road Charging areas.

Our EBITDA AL decreased by EUR 1.4 billion year-on-year to EUR 42.5 billion. This was primarily due to expenses from special factors affecting EBITDA AL, which increased by EUR 2.6 billion against the prior year to EUR 1.8 billion. The main drivers were the reversals of impairment losses recorded as special factors in 2024. EUR 2.6 billion of these resulted from the reversal in full of impairment losses recognized in prior years on FCC licenses at T-Mobile US. Expenses incurred in connection with staff restructuring totaled EUR 1.0 billion, a slight increase of EUR 0.1 billion against the prior year. This was due in part to the 2025 Workforce Transformation. Net expenses of EUR 0.7 billion were recorded in the prior year as special factors under effects of deconsolidations, disposals, and acquisitions. This included the expenses from the forgone contingent consideration receivable from IFM Global Infrastructure Fund in the Germany operating segment and integration expenses in the United States operating segment. In the reporting year, the expenses

totaled EUR 0.4 billion and mainly related to acquisition and integration costs arising from the UScellular Acquisition in the United States operating segment. Expenses from other special factors affecting EBITDA AL increased by EUR 0.2 billion to EUR 0.2 billion. They included, among other things, the write-off of not-in-service capitalized software development costs related to a billing system in the United States operating segment. By contrast, in addition to the income from the sale of spectrum licenses to N77, legal-related insurance recoveries were recognized in relation to the cyberattack on T-Mobile US in August 2021.

> For further information on the development of (adjusted) EBITDA AL in the segments, please refer to the section "Development of business in the operating segments."

Profit/loss from operations (EBIT)

Group EBIT decreased to EUR 24.8 billion, down EUR 1.5 billion against the prior-year level, mainly due to the reversal in 2024 of impairment losses recognized in prior years on FCC licenses of T-Mobile US.

Depreciation, amortization and impairment losses on intangible assets, property, plant and equipment, and right-of-use assets remained unchanged against the prior year at EUR 24.0 billion. Depreciation and amortization remained stable at the prior-year level of EUR 23.9 billion. As in the prior year, impairment losses amounted to EUR 0.1 billion and mainly related to non-current assets in the Romania cash-generating unit.

> For further information on depreciation, amortization and impairment losses, please refer to Note 27 "Depreciation, amortization and impairment losses" in the notes to the consolidated financial statements.

Profit before income taxes

Profit before income taxes decreased by EUR 3.5 billion to EUR 19.5 billion. Loss from financial activities included in this increased year-on-year by EUR 2.0 billion to EUR 5.3 billion, mainly due to the EUR 1.8 billion decrease in the share of profit of associates and joint ventures included in the consolidated financial statements using the equity method to EUR 0.8 billion. This was mainly attributable to higher reversals of impairment losses in the prior year of EUR 2.1 billion and EUR 0.3 billion, respectively, on the carrying amounts of the investments in GD Towers and in GlasfaserPlus. 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 GD Towers and in GlasfaserPlus. The most recent recognized 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. Finance costs increased by EUR 0.2 billion to EUR 5.9 billion. Other financial expense remained stable at EUR 0.2 billion.

Net profit, adjusted net profit

Net profit decreased year-on-year by EUR 1.6 billion to EUR 9.6 billion, mainly due to the reversal in 2024 of impairment losses recognized in prior years on FCC licenses of T-Mobile US. The tax expense decreased by EUR 0.7 billion to EUR 4.6 billion. Profit attributable to non-controlling interests decreased by EUR 1.1 billion to EUR 5.3 billion. This decrease was primarily attributable to our United States operating segment. Adjusted net profit increased by EUR 0.4 billion to EUR 9.7 billion.

> For further information on tax expense, please refer to Note 32 "Income taxes" in the notes to the consolidated financial statements.

Earnings per share, adjusted earnings per share

Earnings per share is calculated as net profit divided by the weighted average number of ordinary shares outstanding, which totaled 4,871 million as of December 31, 2025. This resulted in earnings per share of EUR 1.97, compared with EUR 2.27 in the prior year. Adjusted earnings per share amounted to EUR 2.00 compared with EUR 1.90 in the prior year.

Employees

Headcount development

		Dec. 31, 2025	Dec. 31, 2024	Change	Change %	Dec. 31, 2023
FTEs in the Group		**198,079**	**198,194**	**(115)**	**(0.1)**	**199,652**
Of which: Deutsche Telekom AG		8,285	9,537	(1,252)	(13.1)	10,789
Of which: civil servants (in Germany, with an active service relationship)		4,759	5,801	(1,042)	(18.0)	6,891
Germany operating segment		55,089	57,303	(2,214)	(3.9)	59,709
United States operating segment		70,036	65,154	4,882	7.5	62,677
Europe operating segment		31,300	32,761	(1,461)	(4.5)	32,932
Systems Solutions operating segment		25,124	25,691	(568)	(2.2)	26,036
Group Development operating segment		94	100	(6)	(5.8)	108
Group Headquarters & Group Services		16,436	17,184	(749)	(4.4)	18,190
Breakdown by geographic area						
Germany		70,751	74,550	(3,798)	(5.1)	78,600
International		127,327	123,644	3,683	3.0	121,052
Productivity trend [a]						
Net revenue per employee	thousands of €	598	578	20	3.4	547

[a] Based on average number of employees.

The Group's headcount remained more or less stable compared with the end of the prior year. In our Germany operating segment, the number of employees declined by 3.9 % against the end of the prior year. Employees continued to take up socially responsible instruments as part of staff restructuring activities, such as phased retirement. The total number of full-time equivalent employees as of December 31, 2025, in our United States operating segment increased by 7.5 % compared to December 31, 2024, which includes the impact of the acquisition of the UScellular Wireless Business in the third quarter of 2025 as well as the acquisitions of Vistar Media and Blis in the first quarter of 2025. In our Europe operating segment, the headcount fell by 4.5 % against the end of 2024, due in particular to the sale of the Romanian mobile business as of October 1, 2025. The headcount in our Systems Solutions operating segment was down 2.2 % against year-end 2024, mainly due to a workforce reduction in traditional infrastructure business. The headcount in the Group Headquarters & Group Services segment was down 4.4 % compared with the end of the prior year, mainly due to the continued staff restructuring measures.

Personnel costs

millions of €

	2025	2024	Change	Change %	2023
Personnel costs in the Group	19,781	19,004	777	4.1	19,083
Of which: Germany	8,041	8,364	(323)	(3.9)	8,201
Of which: international	11,740	10,640	1,100	10.3	10,882
Special factors [a]	1,183	1,099	84	7.6	1,557
Personnel costs in the Group (adjusted for special factors)	18,597	17,905	693	3.9	17,526
Adjusted personnel cost ratio %	**15.6**	**15.5**			**15.6**
Personnel costs at Deutsche Telekom AG under German GAAP	**1,715**	**1,566**	**149**	**9.5**	**1,964**

[a] Expenses for staff-related measures.

Reconciliations of financial performance indicators from the IFRS consolidated financial statements

A reconciliation of the definition of EBITDA to the **"after leases" indicator** (EBITDA AL) can be found in the following table:

millions of €

	2025	2024	Change	Change %	2023
EBITDA	48,831	50,304	(1,473)	(2.9)	57,777
Depreciation of right-of-use assets [a]	(4,689)	(4,703)	14	0.3	(4,810)
Interest expenses on recognized lease liabilities [a]	(1,691)	(1,787)	96	5.4	(1,807)
EBITDA AL	**42,452**	**43,815**	**(1,363)**	**(3.1)**	**51,160**
Special factors affecting EBITDA AL	(1,792)	794	(2,586)	n.a.	10,663
EBITDA AL (adjusted for special factors)	**44,244**	**43,021**	**1,223**	**2.8**	**40,497**

[a] Excluding finance leases at T-Mobile US.

The following table presents the reconciliation of net profit to **net profit adjusted for special factors**:

millions of €

	2025	2024	Change	Change %	2023
Net profit (loss)	**9,609**	**11,209**	**(1,600)**	**(14.3)**	**17,788**
Special factors affecting EBITDA AL	(1,792)	794	(2,586)	n.a.	10,663
Staff-related measures	(1,099)	(1,036)	(63)	(6.1)	(1,485)
Non-staff-related restructuring	(57)	(20)	(37)	n.a.	(40)
Effects of deconsolidations, disposals and acquisitions	(405)	(746)	341	45.7	12,187
Depreciation and impairment losses on right-of-use assets	(47)	0	(47)	n.a.	(8)
Reversals of impairment losses	0	2,630	(2,630)	n.a.	0
Other	(184)	(34)	(151)	n.a.	8
Special factors affecting net profit	1,653	1,018	635	62.4	(815)
Depreciation, amortization and impairment losses	(119)	(407)	289	70.9	(189)
Profit (loss) from financial activities	794	2,328	(1,534)	(65.9)	(2,742)
Income taxes	633	(236)	869	n.a.	1,503
Non-controlling interests	345	(666)	1,011	n.a.	613
Special factors	**(139)**	**1,812**	**(1,951)**	**n.a.**	**9,848**
Net profit (loss) (adjusted for special factors)	**9,747**	**9,397**	**350**	**3.7**	**7,940**

The following table presents a reconciliation of EBITDA AL, EBIT, and net profit to the respective figures adjusted for **special factors**:

millions of €

	EBITDA AL 2025	EBIT 2025	EBITDA AL 2024	EBIT 2024	EBITDA AL 2023	EBIT 2023
EBITDA AL/EBIT	**42,452**	**24,822**	**43,815**	**26,277**	**51,160**	**33,802**
Germany	**(466)**	**(466)**	**(1,056)**	**(1,056)**	**(501)**	**(501)**
Staff-related measures	(440)	(440)	(576)	(576)	(484)	(484)
Non-staff-related restructuring	(13)	(13)	(11)	(11)	(18)	(18)
Effects of deconsolidations, disposals and acquisitions	(20)	(20)	(478)	(478)	(8)	(8)
Depreciation, amortization and impairment losses	0	0	0	0	0	0
Other	7	7	9	9	11	11
United States	**(917)**	**(988)**	**2,345**	**2,078**	**(1,569)**	**(1,556)**
Staff-related measures	(288)	(288)	(65)	(65)	(643)	(643)
Non-staff-related restructuring	(41)	(17)	0	0	0	0
Effects of deconsolidations, disposals and acquisitions	(417)	(417)	(240)	(507)	(958)	(917)
Depreciation, amortization and impairment losses	(20)	(115)	0	0	(8)	(36)
Reversals of impairment losses	0	0	2,630	2,630	0	0
Other	(151)	(151)	20	20	39	39
Europe	**(124)**	**(146)**	**(71)**	**(158)**	**(94)**	**(94)**
Staff-related measures	(66)	(66)	(62)	(62)	(69)	(69)
Non-staff-related restructuring	0	0	0	0	0	0
Effects of deconsolidations, disposals and acquisitions	(20)	(20)	29	29	1	1
Depreciation, amortization and impairment losses	(27)	(50)	0	(88)	0	0
Other	(10)	(10)	(38)	(38)	(26)	(26)
Systems Solutions	**(175)**	**(175)**	**(118)**	**(133)**	**(144)**	**(270)**
Staff-related measures	(150)	(150)	(92)	(92)	(116)	(116)
Non-staff-related restructuring	0	0	0	0	(1)	(1)
Effects of deconsolidations, disposals and acquisitions	5	5	(1)	(1)	0	0
Depreciation, amortization and impairment losses	0	0	0	(15)	0	(126)
Other	(29)	(29)	(25)	(25)	(27)	(27)
Group Development	**35**	**35**	**(5)**	**(5)**	**13,170**	**13,170**
Staff-related measures	1	1	0	0	(3)	(3)
Non-staff-related restructuring	0	0	0	0	0	0
Effects of deconsolidations, disposals and acquisitions	34	34	(5)	(5)	13,173	13,173
Depreciation, amortization and impairment losses	0	0	0	0	0	0
Other	0	0	0	0	0	0
Group Headquarters & Group Services	**(146)**	**(146)**	**(301)**	**(302)**	**(199)**	**(225)**
Staff-related measures	(155)	(155)	(242)	(242)	(169)	(169)
Non-staff-related restructuring	(2)	(2)	(9)	(9)	(21)	(21)
Effects of deconsolidations, disposals and acquisitions	13	13	(51)	(51)	(20)	(20)
Depreciation, amortization and impairment losses	0	0	0	0	0	(26)
Other	(1)	(1)	0	0	11	11
Group	**(1,792)**	**(1,886)**	**794**	**424**	**10,663**	**10,525**
Staff-related measures	(1,099)	(1,099)	(1,036)	(1,036)	(1,485)	(1,485)
Non-staff-related restructuring	(57)	(33)	(20)	(20)	(40)	(40)
Effects of deconsolidations, disposals and acquisitions	(405)	(405)	(746)	(1,013)	12,187	12,228
Depreciation, amortization and impairment losses	(47)	(165)	0	(103)	(8)	(187)
Reversals of impairment losses	0	0	2,630	2,630	0	0
Other	(184)	(184)	(34)	(34)	8	8

millions of €

	EBITDA AL 2025	EBIT 2025	EBITDA AL 2024	EBIT 2024	EBITDA AL 2023	EBIT 2023
EBITDA AL/EBIT (adjusted for special factors)	**44,244**	**26,708**	**43,021**	**25,853**	**40,497**	**23,277**
Profit (loss) from financial activities (adjusted for special factors)		(6,092)		(5,610)		(6,053)
Profit (loss) before income taxes (adjusted for special factors)		**20,616**		**20,243**		**17,225**
Income taxes (adjusted for special factors)		(5,206)		(5,065)		(4,467)
Profit (loss) (adjusted for special factors)		**15,410**		**15,179**		**12,757**
Profit (loss) (adjusted for special factors) attributable to						
Owners of the parent (net profit (loss)) (adjusted for special factors)		9,747		9,397		7,940
Non-controlling interests (adjusted for special factors)		5,662		5,782		4,817

Net assets of the Group

Condensed consolidated statement of financial position

millions of €

	Dec. 31, 2025	Share of total assets/liabilities and shareholders' equity %	Dec. 31, 2024	Change	Dec. 31, 2023
Assets					
Cash and cash equivalents	7,818	2.7	8,472	(654)	7,274
Trade receivables	16,842	5.8	16,411	431	16,157
Intangible assets	133,650	46.1	149,115	(15,465)	136,004
Property, plant and equipment	64,791	22.4	66,612	(1,820)	65,042
Right-of-use assets	28,579	9.9	32,214	(3,635)	32,826
Investments accounted for using the equity method	11,087	3.8	7,343	3,744	4,605
Current and non-current financial assets	8,557	3.0	7,743	813	9,593
Deferred tax assets	660	0.2	3,682	(3,022)	6,401
Non-current assets and disposal groups held for sale	3,150	1.1	256	2,894	211
Miscellaneous assets	14,635	5.1	13,085	1,550	12,193
Total assets	**289,769**	**100.0**	**304,934**	**(15,165)**	**290,305**
Liabilities and shareholders' equity					
Current and non-current financial liabilities	110,339	38.1	112,191	(1,852)	104,522
Current and non-current lease liabilities	36,384	12.6	40,248	(3,865)	40,792
Trade and other payables	9,581	3.3	9,489	92	10,916
Provisions for pensions and other employee benefits	1,883	0.6	3,209	(1,326)	4,060
Current and non-current other provisions	7,918	2.7	7,868	50	8,100
Deferred tax liabilities	22,291	7.7	24,260	(1,969)	21,918
Liabilities directly associated with non-current assets and disposal groups held for sale	0	0.0	0	0	0
Miscellaneous liabilities	9,142	3.2	9,027	115	8,759
Shareholders' equity	92,231	31.8	98,640	(6,408)	91,237
Total liabilities and shareholders' equity	**289,769**	**100.0**	**304,934**	**(15,165)**	**290,305**

Total assets amounted to EUR 289.8 billion as of December 31, 2025, down by EUR 15.2 billion against December 31, 2024. Exchange rate effects, primarily from the translation from U.S. dollars into euros, in particular had a decreasing effect on the carrying amount of total assets.

On the assets side, **cash and cash equivalents** decreased by EUR 0.7 billion against the prior year to EUR 7.8 billion.

> For further information, please refer to Note 37 "Notes to the consolidated statement of cash flows" in the notes to the consolidated financial statements.

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, mainly from the acquisitions of UScellular and Vistar Media in the United States operating segment, increased the carrying amount, while exchange rate effects had an offsetting effect. Receivables increased slightly in both the Europe and Germany operating segments.

> For further information on the acquisitions of UScellular and Vistar Media, please refer to the section "Group organization."

Intangible assets decreased by EUR 15.5 billion to EUR 133.7 billion. Exchange rate effects of EUR 14.8 billion and 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. In addition, further agreements were entered into in the reporting year 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. This included EUR 0.5 billion for the acquisition of the remaining Channel 51 licenses. A further EUR 0.2 billion related to the Germany operating segment and the extension of licenses by the Bundesnetzagentur. In the Europe operating segment, Poland and Slovakia acquired mobile spectrum for a total of EUR 0.5 billion. A further EUR 1.3 billion of the investments related to the acquisition of customer bases, mainly from Metronet. Effects of changes in the composition of the Group resulting mainly from the acquisitions 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 spectrum awards and agreements on spectrum licenses, please refer to the section "The economic environment – Major regulatory decisions."

> For further information on the acquisitions of UScellular, Vistar Media, Blis, and Metronet please refer to the section "Group organization."

Property, plant and equipment decreased by EUR 1.8 billion compared with December 31, 2024 to EUR 64.8 billion. Depreciation and impairment losses of EUR 11.8 billion, exchange rate effects of EUR 3.4 billion, 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.

Right-of-use assets decreased by EUR 3.6 billion compared with December 31, 2024 to EUR 28.6 billion. Depreciation and impairment losses reduced the carrying amount by EUR 5.4 billion. Exchange rate effects 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. This included right-of-use assets of EUR 0.7 billion for towers that were not already being leased by T-Mobile US before the date of the UScellular Acquisition, reported as additions from changes in the composition of the Group.

> For further information on the UScellular Acquisition, please refer to the section "Group organization" and to the section "Summary of accounting policies – Changes in the composition of the Group and other transactions" in the notes to the consolidated financial statements.

Investments accounted for using the equity method increased by EUR 3.7 billion compared to December 31, 2024, to EUR 11.1 billion, mainly due to the acquisition of 50 % of the equity interests in the joint ventures Metronet and Lumos in the United States operating segment for the purchase prices of EUR 2.7 billion and EUR 0.8 billion, respectively. Furthermore, reversals of impairment losses were recognized in the reporting year of EUR 0.5 billion and EUR 0.2 billion, respectively, on the carrying amounts of the investments in GD Towers and 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. By contrast, dividends paid from the shareholders' equity of GD Towers reduced the carrying amount by EUR 0.6 billion.

> For further information on the acquisitions of Metronet and Lumos, please refer to the section "Group organization."

Current and non-current **financial assets** increased by EUR 0.8 billion to EUR 8.6 billion. The net total of originated loans and receivables increased by EUR 0.7 billion, due to higher receivables from collateral agreements (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), receivables from GD Towers in connection with the distribution of dividends from shareholders' equity (EUR 0.2 billion), and effects of changes in the composition of the Group (EUR 0.2 billion) – mainly resulting from the acquisition of UScellular. Increases in fair value resulted in an increase in equity instruments of EUR 0.2 billion. By contrast, derivative financial assets decreased by EUR 0.2 billion. Exchange rate effects reduced the carrying amount by a total of EUR 0.3 billion.

Non-current assets and disposal groups held for sale increased by EUR 2.9 billion compared with December 31, 2024 to EUR 3.2 billion. The increase mainly related to the United States operating segment and resulted from the agreed sale of spectrum licenses to Grain for EUR 3.1 billion. An exchange transaction agreed in the prior year between T-Mobile US and another telecommunications company for the exchange of spectrum licenses, which was consummated in the reporting year, had an offsetting effect.

> For further information on the agreement with Grain, please refer to the section "The economic environment."

Miscellaneous assets increased by EUR 1.5 billion to EUR 14.6 billion. Contract assets of EUR 0.4 billion, mainly in the United States operating segment, contributed to this increase. Inventories increased by EUR 0.4 billion, due in particular to stockpiling, mainly for the market launch of high-value mobile terminal equipment in the United States operating segment, and due to effects of changes in the composition of the Group in connection with the acquisition of UScellular. Current and non-current other assets likewise increased by EUR 0.4 billion, mainly due to increases in various advance payments as well as in defined benefit assets. Capitalized contract costs increased by EUR 0.3 billion.

On the liabilities and shareholders' equity side, current and non-current **financial liabilities** decreased by EUR 1.9 billion compared with the end of 2024 to EUR 110.3 billion.

Bonds and other securitized liabilities declined by EUR 2.7 billion, mainly due to exchange rate effects of EUR 9.2 billion. The carrying amount was also reduced by scheduled and early repayments of USD bonds by T-Mobile US in the amount of EUR 4.4 billion and the repayment of EUR bonds by Deutsche Telekom International Finance B.V. in the amount of EUR 1.1 billion. By contrast, the carrying amount was increased by USD bonds issued by T-Mobile US of EUR 5.6 billion and by EUR bonds of EUR 2.8 billion. The carrying amount was also increased in particular by the issue of EUR bonds of EUR 2.3 billion by Deutsche Telekom AG as well as by USD bonds of EUR 1.4 billion assumed in connection with the UScellular Acquisition.

Liabilities with the right of creditors to priority repayment in the event of default decreased by EUR 0.6 billion, other interest-bearing liabilities by EUR 0.4 billion, and other non-interest-bearing liabilities by EUR 0.3 billion. By contrast, liabilities to banks increased by EUR 2.1 billion, mainly due to T-Mobile US utilizing two credit lines backed by export credit agencies to finance network equipment-related purchases, as well as the raising by Deutsche Telekom AG of variable-interest promissory notes.

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 decreased 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 the UScellular Acquisition, please refer to the section "Group organization" and to the section "Summary of accounting policies – Changes in the composition of the Group and other transactions" in the notes to the consolidated financial statements.

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 reduced the carrying amount. A lower procurement volume in the Germany operating segment likewise reduced the carrying amount.

Provisions for pensions and other employee benefits decreased by EUR 1.3 billion compared with December 31, 2024 to EUR 1.9 billion. Overall, the remeasurement of defined benefit plans resulted in an actuarial gain of EUR 1.1 billion to be recognized directly in equity, mainly due to the increase in the fair values of plan assets and the increase in the discount rate compared with December 31, 2024. 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. By contrast, the EUR 0.2 billion increase in the pension surplus compared with December 31, 2024 had an increasing effect, which resulted in an additional defined benefit asset under other non-current assets.

At EUR 7.9 billion, current and non-current **other provisions** were unchanged against the prior-year level. Provisions for termination benefits increased by EUR 0.2 billion, primarily due to the 2025 Workforce Transformation. Provisions for restoration obligations increased by EUR 0.1 billion, mainly due to the UScellular Acquisition in the United States operating segment. By contrast, other provisions for personnel costs decreased by EUR 0.3 billion, mainly due to a decrease in provisions for short- and long-term variable remuneration components, an interest rate-based decline in the provision recognized for the Civil Service Health Insurance Fund (Postbeamtenkrankenkasse – PBeaKK), and exchange rate effects.

Miscellaneous liabilities increased by EUR 0.1 billion compared to December 31, 2024 to EUR 9.1 billion, mainly due to an increase of EUR 0.2 billion in contract liabilities. By contrast, income tax liabilities decreased by EUR 0.2 billion.

Shareholders' equity decreased by EUR 6.4 billion compared with December 31, 2024 to EUR 92.2 billion. Other comprehensive income decreased the carrying amount by EUR 5.9 billion. Shareholders' equity was reduced in connection with dividend payments for the 2024 financial year to Deutsche Telekom AG shareholders in the amount of EUR 4.4 billion and to other shareholders of subsidiaries in the amount of EUR 2.1 billion. The latter figure includes cash dividends paid by T-Mobile US to non-controlling interests, as declared in the reporting period. Transactions with owners also decreased the carrying amount by EUR 7.8 billion and related mainly to the buy-back of shares by T-Mobile US. The carrying amount was also reduced by share buy-backs of EUR 2.0 billion by Deutsche Telekom AG, while profit of EUR 14.9 billion and capital increases from share-based payments of EUR 0.8 billion had an increasing effect.

> For further information, please refer to the section "Notes to the consolidated statement of financial position" in the notes to the consolidated financial statements.

Profitability and financial position of the Group

Profitability

millions of €

	2025	2024	2023
Profit (loss) from operations (EBIT)	24,822	26,277	33,802
Share of profit (loss) of associates and joint ventures accounted for using the equity method	765	2,534	(2,766)
Net operating profit (NOP)	**25,587**	**28,811**	**31,036**
Tax (imputed tax rate 2025: 25.7 %; 2024: 25.7 %; 2023: 26.6 %)	(6,563)	(7,390)	(8,256)
Net operating profit after taxes (NOPAT)	**19,024**	**21,421**	**22,781**
Cash and cash equivalents	7,818	8,472	7,274
Intangible assets	133,650	149,115	136,004
Property, plant and equipment	64,791	66,612	65,042
Right-of-use assets	28,579	32,214	32,826
Non-current assets and disposal groups held for sale and liabilities [a]	3,150	256	211
Investments accounted for using the equity method	11,087	7,343	4,605
Operating working capital	10,127	9,372	7,660
Other provisions	(7,918)	(7,868)	(8,100)
Net operating assets (NOA)	**251,283**	**265,516**	**245,520**
Average net operating assets (Ø NOA)	**255,085**	**253,122**	**253,453**
ROCE %	**7.5**	**8.5**	**9.0**

[a] Excluding the carrying amounts of companies accounted for using the equity method.

ROCE decreased by 1.0 percentage points in the reporting year to 7.5 %, due to a EUR 2.4 billion reduction in net operating profit after taxes (NOPAT) to EUR 19.0 billion, while the average amount of net operating assets (NOA) remained almost constant at EUR 255.1 billion.

The reduction in NOPAT is primarily attributable to the development of special factors in profit from operations (EBIT). Special factors totaling EUR 1.9 billion had a negative effect on EBIT in the reporting year. They included expenses for staff-related measures of EUR 1.1 billion, including in connection with the 2025 Workforce Transformation in the fourth quarter of 2025, as well as expenses of EUR 0.4 billion for acquisition and integration costs, primarily from the UScellular Acquisition in the United States operating segment. In the prior year, EBIT was impacted by net positive special factors of EUR 0.4 billion, mainly due to the reversal in 2024 of impairment losses recognized in prior years on FCC licenses of T-Mobile US of EUR 2.6 billion.

The development of NOPAT was also negatively impacted by the share of profit of associates and joint ventures included in the consolidated financial statements using the equity method, which fell from EUR 2.5 billion in the prior year to EUR 0.8 billion in the reporting year. While 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 GD Towers and GlasfaserPlus, in the reporting year, equivalent reversals of EUR 0.5 billion and EUR 0.2 billion were made.

> For further information on the definition of ROCE and the methods used to calculate this key performance indicator, please refer to the section "Management of the Group."

Finance management

Our finance management ensures our Group's ongoing solvency and hence its financial equilibrium. The fundamentals of Deutsche Telekom's finance policy are established each year by the Board of Management and overseen by the Supervisory Board. Group Treasury is responsible for implementing the finance policy and for ongoing risk management. In order to ensure we have scope for financing, we continuously monitor the development of net debt, Deutsche Telekom AG's rating, financial flexibility, and free cash flow AL. There have been no material changes resulting from our finance management in the reporting year. We set out the course for the financial years through 2027 at our 2024 Capital Markets Day.

Calculation of net debt

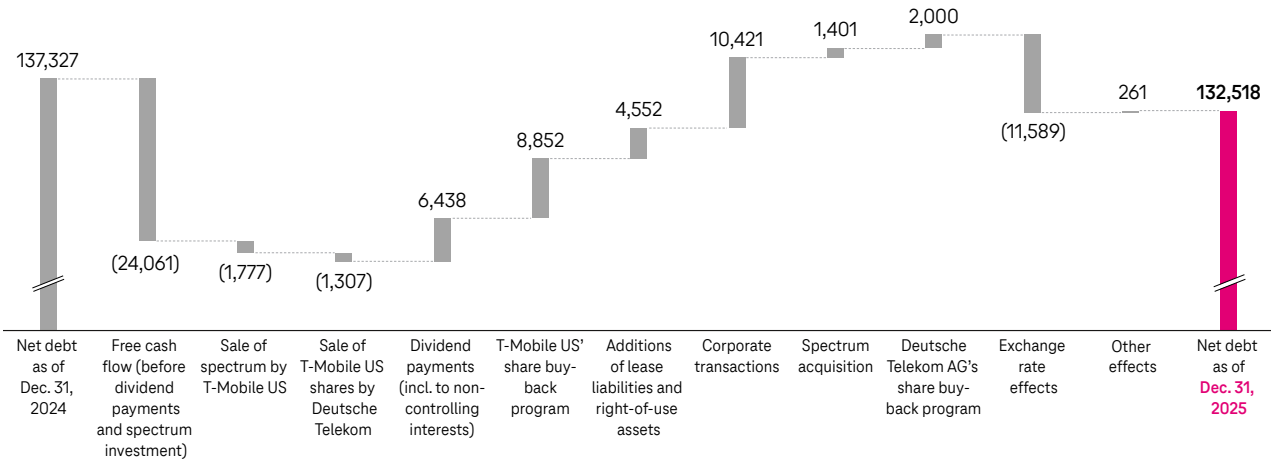
millions of €

	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 assets and liabilities directly associated with non-current assets and disposal groups held for sale.
[b] Excluding finance leases at T-Mobile US.

Changes in net debt

millions of €



In addition to the purchase price payments and inflows of cash in connection with the acquisitions of UScellular, Vistar Media, and Blis, and the purchase price payments for the equity interests acquired in the joint ventures Metronet and Lumos, corporate transactions in the United States operating segment included the acquisition of customer bases as well as the senior notes and lease liabilities assumed in connection with the first-time consolidation of UScellular. The acquisition of spectrum relates to the United States, Germany, and Europe operating segments.

> For further information on the business combinations, please refer to the section "Group organization" and the section "Summary of accounting policies – Changes in the composition of the Group and other transactions" in the notes to the consolidated financial statements.

Other financing options

Off-balance-sheet financing instruments mainly relate to the sale of receivables by means of factoring. Total receivables sold as of December 31, 2025 amounted to EUR 1.8 billion (December 31, 2024: EUR 2.0 billion). At the end of 2025, this solely related to factoring agreements in the United States operating segment. The agreements are used in particular for active receivables management.

The rating of Deutsche Telekom AG

	Standard & Poor's	Moody's	Fitch
Long-term rating/outlook			
Dec. 31, 2023	BBB+/stable	Baa1/stable	BBB+/stable
Dec. 31, 2024	BBB+/stable	Baa1/positive	BBB+/stable
Dec. 31, 2025	**BBB+/positive**	**A3/stable**	**BBB+/stable**
Short-term rating	A-2	P-2	F2

Deutsche Telekom's credit rating with Standard & Poor's was upgraded on May 28, 2025, standing at BBB+ with a positive outlook as of December 31, 2025. On September 26, 2025, the rating agency Moody's raised our rating, which stood at A3 with a stable outlook as of December 31, 2025. As a solid investment-grade company, we have access to the international capital markets.

Financial flexibility

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

[a] Relative debt is calculated on a quarterly basis.

To ensure financial flexibility, we primarily use the KPI "relative debt" (ratio of net debt to adjusted EBITDA). This is a core component of our finance strategy and an important performance indicator for investors, analysts, and rating agencies. At 2.62x, we met the target value for relative debt of ≤ 2.75x. At 31.8 %, the equity ratio was also within the target corridor of between 25 and 35 %.

Calculation of free cash flow AL

millions of €

	2025	2024	Change	Change %	2023
Net cash from operating activities	**40,627**	**39,874**	**753**	**1.9**	**37,298**
Cash outflows for investments in intangible assets	(6,942)	(7,973)	1,032	12.9	(5,560)
Cash outflows for investments in property, plant and equipment	(12,314)	(11,198)	(1,116)	(10.0)	(12,306)
Cash capex	(19,256)	(19,171)	(85)	(0.4)	(17,866)
Spectrum investment	1,071	3,209	(2,138)	(66.6)	1,275
Investments in the acquisition of customer bases	1,322	0	1,322	n.a.	0
Cash capex (before spectrum investment) [a]	**(16,864)**	**(15,962)**	**(901)**	**(5.6)**	**(16,591)**
Proceeds from the disposal of intangible assets (excluding goodwill) and property, plant and equipment	2,075	190	1,885	n.a.	205
Proceeds from the disposal of spectrum	(1,777)	0	(1,777)	n.a.	0
Proceeds from the disposal of intangible assets (excluding goodwill and spectrum) and property, plant and equipment	298	190	108	56.8	205
Net cash outflows for investments in intangible assets (excluding goodwill and spectrum) and property, plant and equipment [a]	**(16,566)**	**(15,772)**	**(794)**	**(5.0)**	**(16,386)**
Free cash flow (before dividend payments and spectrum investment) [a, b]	**24,061**	**24,102**	**(41)**	**(0.2)**	**20,912**
Principal portion of repayment of lease liabilities [c]	(4,515)	(4,946)	431	8.7	(4,770)
Free cash flow AL (before dividend payments and spectrum investment) [a, b]	**19,546**	**19,156**	**390**	**2.0**	**16,141**

[a] Excluding cash outflows for investments made by T-Mobile US to acquire customer bases.
[b] Excluding proceeds from the disposal of spectrum due to the sale of spectrum licenses by T-Mobile US.
[c] Excluding finance leases at T-Mobile US.

Free cash flow AL (before dividend payments and spectrum investment) increased from EUR 19.2 billion in the prior year to EUR 19.5 billion. The following effects impacted on this development:

Net cash from operating activities increased by EUR 0.8 billion to EUR 40.6 billion as a 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 an increasing effect. By contrast, exchange rate effects and slight increases in net interest payments and tax payments had a reducing effect.

Excluding cash outflows for investments made by T-Mobile US to acquire customer bases, **cash capex** (before spectrum investment) increased by EUR 0.9 billion to EUR 16.9 billion. Cash capex in the United States operating segment increased by EUR 0.6 billion to EUR 8.9 billion, in particular due to higher investments in the continued network build-out and additional capex as a result of the UScellular Acquisition. In the Europe operating segment, cash capex stood at EUR 2.0 billion, which was up EUR 0.2 billion year on year, due to the increase in the volume of the underlying investments in optical fiber, mobile communications, and fixed-network capacity. In the Germany operating segment, capital expenditure totaled EUR 4.9 billion in the reporting year, EUR 0.1 billion more than in the prior year, with much of this figure going towards the fiber-optic build-out. In the Systems Solutions operating segment, cash capex declined slightly year-on-year to EUR 0.2 billion.

The sale of spectrum licenses by T-Mobile US to N77 generated cash proceeds of EUR 1.8 billion. Excluding this transaction, proceeds from the disposal of intangible assets (excluding goodwill and spectrum) and property, plant and equipment rose by EUR 0.1 billion.

A decrease of EUR 0.4 billion in cash outflows – in particular in the United States operating segment – for the repayment of lease liabilities had an increasing effect on free cash flow AL.

> For further information on the statement of cash flows, please refer to Note 37 "Notes to the consolidated statement of cash flows" in the notes to the consolidated financial statements.

Development of business in the operating segments

Germany

Customer development

thousands

	Dec. 31, 2025	Dec. 31, 2024	Change	Change %	Dec. 31, 2023
Mobile customers	**74,490**	**68,553**	**5,936**	**8.7**	**61,419**
Contract customers	27,740	26,532	1,208	4.6	25,171
Prepaid customers (incl. M2M)	46,750	42,021	4,728	11.3	36,248
Fixed-network lines	**16,796**	**17,155**	**(359)**	**(2.1)**	**17,342**
Retail broadband lines	**15,103**	**15,152**	**(49)**	**(0.3)**	**15,018**
Of which: optical fiber [a]	13,370	13,213	157	1.2	12,893
Television (IPTV, satellite)	4,747	4,638	109	2.4	4,327
Wholesale lines	10,077	10,474	(396)	(3.8)	10,834
Wholesale broadband lines	8,536	8,587	(51)	(0.6)	8,307
Of which: optical fiber [a]	7,617	7,602	16	0.2	7,307
Unbundled local loop lines (ULLs)	1,541	1,887	(346)	(18.3)	2,527

[a] Disclosure of the total of all fiber-optic lines (FTTx).

Total

In Germany, we continue to be market leader both in terms of fixed-network and mobile revenues. This success is attributable to our high-performance networks, a broad product portfolio, and good service. We want to offer our customers a seamless and technology-neutral telecommunications experience. We regularly adapt our product portfolio to address the needs of our customers.

Mobile communications

Our Germany operating segment had a total of 74.5 million mobile customers as of December 31, 2025. The number of high-value mobile contract customers under the Telekom and congstar brands grew by 1.1 million customers overall against December 31, 2024. Sustained high demand for mobile rate plans with data volumes continues to drive this trend. The prepaid customer base grew by 11.3 % against the end of 2024, driven mainly by the M2M SIM cards used in the automotive industry.

Fixed network

The total number of fiber-optic-based lines was 21.0 million at the end of 2025, reflecting sustained demand for higher bandwidths. The number of retail broadband lines remained more or less stable against the end of 2024 at a total of 15.1 million customers. Around 55 % of the customers have subscribed to a rate plan with speeds of 100 Mbit/s or higher. The rise in demand for our TV content drove growth in our TV customer base of 109 thousand against year-end 2024, an increase of 2.4 %. The number of fixed-network lines decreased by 2.1 % to 16.8 million lines on account of the decline in the voice product.

Wholesale

The number of wholesale lines declined overall as of December 31, 2025. This trend results partly from consumers switching to other providers and partly from our wholesale partners migrating their retail customers to their own infrastructures. Fiber-optic-based wholesale broadband lines accounted for 75.6 % of all lines – an increase of 3.0 percentage points against the end of 2024.

Development of operations

millions of €

		2025	2024	Change	Change %	2023
Revenue		**25,610**	**25,711**	**(101)**	**(0.4)**	**25,187**
Consumers		12,953	13,174	(221)	(1.7)	12,640
Business Customers [a]		8,739	8,727	12	0.1	9,258
Wholesale [a]		3,249	3,249	0	0.0	2,688
Other		668	561	107	19.1	602
Service revenue		**22,710**	**22,480**	**231**	**1.0**	**22,096**
EBITDA		10,887	10,082	806	8.0	10,294
Special factors affecting EBITDA		(466)	(1,056)	591	55.9	(501)
EBITDA (adjusted for special factors)		11,353	11,138	215	1.9	10,794
EBITDA AL		10,228	9,459	769	8.1	9,737
Special factors affecting EBITDA AL		(466)	(1,056)	591	55.9	(501)
EBITDA AL (adjusted for special factors)		**10,694**	**10,516**	**178**	**1.7**	**10,238**
EBITDA AL margin (adjusted for special factors)	%	41.8	40.9			40.6
Depreciation, amortization and impairment losses		(4,486)	(4,384)	(102)	(2.3)	(4,220)
Profit (loss) from operations (EBIT)		**6,401**	**5,698**	**704**	**12.4**	**6,073**
EBIT margin	%	25.0	22.2			24.1
Cash capex		(4,870)	(4,782)	(88)	(1.8)	(4,587)
Cash capex (before spectrum investment)		**(4,870)**	**(4,782)**	**(88)**	**(1.8)**	**(4,587)**

[a] Since January 1, 2024, certain revenues which were previously assigned to Business Customers have been recognized under Wholesale. The 2023 figures were not adjusted retrospectively.

Revenue, service revenue

Total revenue in our Germany operating segment decreased in the reporting year by 0.4 % year-on-year to EUR 25.6 billion, mainly due to lower mobile terminal equipment revenues. By contrast, service revenues grew by 1.0 % year-on-year, due to growth in the mobile and fixed-network businesses, largely driven by broadband and TV business.

Revenue from **Consumers** declined by 1.7 % against the prior year due to lower mobile terminal equipment revenues. The fixed-network business continued to perform well, characterized by sustained broadband revenue growth driven by a number of positive factors, including customer appreciation for reliable networks and high bandwidths as well as our TV offerings. This development more than offset the decline in voice components. Mobile service revenues also trended positively, in line with customer development.

Revenue from **Business Customers** remained at the same level as in the prior year. The fixed-network business remained below the prior-year level, mainly due to declines in voice business and call charges, while the mobile business developed positively.

Wholesale revenue remained stable year-on-year in the reporting year at EUR 3.2 billion.

Adjusted EBITDA AL, EBITDA AL

Adjusted EBITDA AL increased by EUR 0.2 billion or 1.7 % year-on-year. The main reasons for this increase are high-value service revenue growth and enhanced cost efficiency, primarily as a result of the lower headcount and the ongoing implementation of efficiency enhancement and digitalization measures. Various one-time effects came into play. Our adjusted EBITDA AL margin amounted to 41.8 %.

At EUR 10.2 billion, EBITDA AL increased by 8.1 % against the prior-year level, due to the effects described under adjusted EBITDA AL and lower year-on-year expenses arising from special factors. The prior year had included special factors of EUR 1.1 billion, primarily in connection with the forgone contingent consideration receivable from IFM Global Infrastructure Fund, and increased socially responsible staff restructuring measures. Special factors in the reporting year amounted to EUR 0.5 billion, and likewise mainly related to socially responsible staff restructuring measures.

Profit/loss from operations (EBIT)

Profit from operations amounted to EUR 6.4 billion, an increase of 12.4 % against the prior year. This was mainly due to the positive development of EBITDA, which in the prior year had included the negative effect of higher special factors as described above. This was offset by an increase of 2.3 % in depreciation, amortization and impairment losses, mainly resulting from rising fiber build-out volumes.

Cash capex (before spectrum investment), cash capex

Cash capex (before spectrum investment) increased by EUR 88 million, or 1.8 %, compared with the prior year. Capital expenditure totaled EUR 4.9 billion in the reporting year, with much of this figure going towards the build-out of our fiber-optic network. The number of homes passed by our fiber-optic network had increased to 12.6 million by December 31, 2025. In mobile communications, 99.0 % of German households can already use 5G.

United States

Customer development

thousands

	Dec. 31, 2025	Dec. 31, 2024	Change	Change %	Dec. 31, 2023
Customers	**142,388**	**129,528**	**12,860**	**9.9**	**119,700**
Postpaid customers	116,445	104,118	12,327	11.8	98,052
Postpaid phone customers [a, e]	85,594	79,013	6,581	8.3	75,936
Postpaid other customers [a, b, c, e]	30,851	25,105	5,746	22.9	22,116
Prepaid customers [a, d]	25,943	25,410	533	2.1	21,648

[a] In the third quarter of 2025, we acquired 3.3 million postpaid phone customers, 390 thousand postpaid other customers, including 141 thousand 5G broadband customers, and 349 thousand prepaid customers through the UScellular Acquisition, which includes the impact of certain base adjustments to align the policies of UScellular and T-Mobile US.

[b] In the third quarter of 2025, we acquired 755 thousand fiber customers from Metronet and other acquisitions.

[c] In the second quarter of 2025, we acquired 97 thousand fiber customers from Lumos.

[d] In the second quarter of 2024, we acquired 3.5 million prepaid customers through the Ka'ena Acquisition, which includes the impact of certain base adjustments to align the policies of Ka'ena and T-Mobile US.

[e] In the fourth quarter of 2023, we recognized a base adjustment to increase postpaid phone customers by 20 thousand and increase postpaid other customers by 150 thousand due to fewer customers than expected whose service was deactivated as a result of the network shutdowns.

Customers

At December 31, 2025, the United States operating segment (T-Mobile US) had 142.4 million customers, compared to 129.5 million customers at December 31, 2024. Net customer additions were 8.0 million in 2025, compared to 6.3 million in 2024, due to the factors described below.

Postpaid net customer additions were 7.8 million in 2025, compared to 6.1 million in 2024. Postpaid net customer additions increased primarily from higher postpaid other net customer additions and higher postpaid phone net customer additions. Postpaid other net additions increased primarily due to higher net additions from mobile internet devices, higher broadband net additions and higher net additions from other connected devices. The increase in net additions from mobile internet devices was primarily due to success from business customers and higher prior year deactivations of lower Average Revenue per User (ARPU) mobile internet devices in the educational sector activated during the Pandemic and no longer needed. The increase in postpaid other net customer additions was partially offset by lower net additions from wearables. Postpaid phone net customer additions increased primarily from higher gross additions. This increase was partially offset by higher churn and increased deactivations from a growing customer base. 5G broadband (formerly High Speed Internet) net customer additions included in postpaid other net customer additions were 1.7 million and 1.5 million in 2025 and 2024, respectively. Fiber net customer additions included in postpaid other net customer additions were 136 thousand in 2025.

Prepaid net customer additions were 184 thousand in 2025, compared to 258 thousand in 2024. The decrease was primarily driven by increased deactivations from a growing customer base, primarily due to the Ka'ena Acquisition, and higher prepaid to postpaid migrations. This decrease was partially offset by higher gross additions. 5G broadband net customer additions included in prepaid net customer additions were 160 thousand and 200 thousand in 2025 and 2024, respectively.

Development of operations

millions of €

		2025	2024	Change	Change %	2023
Revenue		**78,097**	**75,046**	**3,050**	**4.1**	**72,436**
Service revenue		**63,176**	**61,143**	**2,033**	**3.3**	**58,522**
EBITDA		33,186	35,869	(2,683)	(7.5)	30,038
Special factors affecting EBITDA		(861)	2,432	(3,293)	n.a.	(1,286)
EBITDA (adjusted for special factors)		34,046	33,437	609	1.8	31,324
EBITDA AL		28,336	30,890	(2,554)	(8.3)	24,840
Special factors affecting EBITDA AL		(917)	2,345	(3,262)	n.a.	(1,569)
EBITDA AL (adjusted for special factors)		**29,252**	**28,545**	**708**	**2.5**	**26,409**
EBITDA AL margin (adjusted for special factors)	%	37.5	38.0			36.5
Depreciation, amortization and impairment losses		(15,508)	(15,546)	38	0.2	(15,551)
Profit (loss) from operations (EBIT)		**17,677**	**20,323**	**(2,645)**	**(13.0)**	**14,487**
EBIT margin	%	22.6	27.1			20.0
Cash capex		(11,060)	(11,410)	351	3.1	(10,053)
Cash capex (before spectrum investment) [a]		**(8,889)**	**(8,248)**	**(642)**	**(7.8)**	**(9,060)**

[a] Excluding cash outflows for investments in the acquisition of customer bases.

Revenue, service revenue

Total revenue for the United States operating segment of EUR 78.1 billion in 2025 increased by 4.1 %, compared to EUR 75.0 billion in 2024. In U.S. dollars, T-Mobile US' total revenue increased by 8.7 % during the same period. Total revenue increased primarily due to higher service and equipment revenues. The components of these changes are described below.

Service revenues increased in 2025 by 3.3 % to EUR 63.2 billion. In U.S. dollars, T-Mobile US' service revenues increased by 7.8 % during the same period. This increase resulted from higher postpaid revenues, primarily due to higher average postpaid accounts, including following the acquisitions of the UScellular Wireless Business, Metronet and Lumos, and higher postpaid Average Revenue per Account (ARPA). In addition, service revenues increased from higher prepaid revenues. Prepaid revenues increased primarily due to higher average prepaid customers, primarily from the prepaid customers acquired through the Ka'ena Acquisition, partially offset by lower prepaid ARPU. The increase in service revenues was partially offset by lower wholesale and other service revenues, primarily from lower MVNO revenues, including lower EchoStar (formerly DISH) and TracFone MVNO revenues and the impact from the Ka'ena Acquisition, and lower Affordable Connectivity Program revenues, partially offset by higher advertising revenues, primarily from the acquisitions of Vistar Media and Blis.

Equipment revenues increased in 2025, primarily from an increase in device sales revenue, primarily from higher average revenue per device sold, net of promotions, and a higher number of devices sold. The increase in average revenue per device sold, net of promotions, was primarily driven by an increase in the high-end phone mix. The increase in the number of devices sold was primarily driven by higher postpaid upgrades and following the acquisition of the UScellular Wireless Business, partially offset by lower Assurance Wireless devices. The increase in equipment revenues was also driven by an increase in liquidation revenue, primarily due to a higher number of liquidated devices.

Other revenues were essentially flat.

Adjusted EBITDA AL, EBITDA AL

In euros, adjusted EBITDA AL increased by 2.5 % to EUR 29.3 billion in 2025, compared to EUR 28.5 billion in 2024. The adjusted EBITDA AL margin decreased to 37.5 % in 2025, compared to 38.0 % in 2024. In U.S. dollars, adjusted EBITDA AL increased by 6.8 % during the same period. Adjusted EBITDA AL increased primarily due to higher total service revenues and higher equipment revenues. This increase was partially offset by higher equipment costs, primarily from a higher average cost per device sold, primarily driven by an increase in the high-end phone mix, and a higher number of devices sold, primarily driven by higher postpaid upgrades and following the acquisition of the UScellular Wireless Business, partially offset by lower Assurance Wireless devices. The increase in adjusted EBITDA AL was also partially offset by higher costs following the acquisition of the UScellular Wireless Business, higher personnel-related costs, higher advertising expenses, higher liquidation costs and higher wholesale network access costs and amortization of customer installation fees paid to Metronet and Lumos.

EBITDA AL in 2025 included special factors of EUR -0.9 billion compared to EUR 2.3 billion in 2024. The change in special factors was primarily due to the spectrum impairment reversal recognized in the prior year, higher UScellular Merger-related costs, write-off of not-in-service capitalized software development costs related to T-Mobile US' billing system, higher severance and restructuring costs related to the 2025 Workforce Transformation, and a gain recognized in the prior period for the extension fee paid by DISH associated with the license purchase agreement for the 800 MHz spectrum licenses, which was not purchased. This increase was partially offset by a gain recognized in the current year related to the completed sale of a portion of T-Mobile US' 3.45 GHz spectrum licenses to N77, legal-related insurance recoveries recognized in the first quarter of 2025 related to the August 2021 cyberattack and Sprint Merger-related costs recognized in the prior year. Overall, EBITDA AL decreased by 8.3 % to EUR 28.3 billion in 2025, compared to EUR 30.9 billion in 2024, primarily due to the factors described above, including special factors.

Profit/loss from operations (EBIT)

EBIT decreased by 13.0 % to EUR 17.7 billion in 2025, compared to EUR 20.3 billion in 2024. In U.S. dollars, EBIT decreased by 9.2 % during the same period primarily due to lower EBITDA AL. In euros, depreciation, amortization and impairment losses were essentially flat. In U.S. dollars, depreciation, amortization and impairment losses increased by 4.2 % in the same period primarily from higher depreciation expense from assets acquired in the UScellular Acquisition, partially offset by the acceleration of depreciation for certain technology assets in the prior year.

Cash capex (before spectrum investment), cash capex

Cash capex (before spectrum investment) increased by 7.8 % to EUR 8.9 billion in 2025, compared to EUR 8.2 billion in 2024. In U.S. dollars, cash capex (before spectrum investment) increased by 13.0 % during the same period due to an increase in purchases of property and equipment, including for increased new site builds and incremental capital expenditures following the acquisition of the UScellular Wireless Business.

Cash capex decreased by 3.1 % to EUR 11.1 billion in 2025, compared to EUR 11.4 billion in 2024. In U.S. dollars, cash capex increased by 1.8 % during the same period primarily due to the purchase of fiber customers from Metronet and Lumos and increased purchases of property and equipment as discussed above. This increase was partially offset by a decrease in purchases of spectrum licenses, primarily due to the first tranche of 600 MHz licenses purchased from Channel 51 in the prior year, partially offset by the purchases of the remaining 600 MHz spectrum licenses from Channel 51 in the reporting year.

Europe

Customer development

thousands

		Dec. 31, 2025	Dec. 31, 2024	Change	Change %	Dec. 31, 2023
Europe, total	**Mobile customers**	**47,172**	**49,722**	**(2,550)**	**(5.1)**	**47,853**
	Contract customers [a]	25,590	26,811	(1,221)	(4.6)	27,222
	Prepaid customers [a]	21,582	22,911	(1,329)	(5.8)	20,631
	Fixed-network lines	**8,023**	**8,076**	**(53)**	**(0.7)**	**8,020**
	Broadband customers [b]	**7,395**	**7,173**	**222**	**3.1**	**6,989**
	Television (IPTV, satellite, cable)	4,468	4,410	59	1.3	4,283
	Unbundled local loop lines (ULLs)/wholesale PSTN	1,220	1,445	(225)	(15.6)	1,614
	Wholesale broadband lines	1,219	1,182	37	3.2	1,121
Greece	Mobile customers	7,105	7,143	(38)	(0.5)	7,119
	Fixed-network lines	2,505	2,581	(76)	(2.9)	2,617
	Broadband customers [b]	2,361	2,352	9	0.4	2,405
Hungary	Mobile customers	6,610	6,454	156	2.4	6,246
	Fixed-network lines	1,935	1,958	(24)	(1.2)	1,936
	Broadband customers	1,665	1,654	11	0.7	1,592
Poland	Mobile customers	13,531	12,865	666	5.2	12,592
	Fixed-network lines	28	28	0	0.4	29
	Broadband customers	496	359	137	38.3	260
Czech Republic	Mobile customers	6,643	6,510	134	2.1	6,523
	Fixed-network lines	912	835	77	9.3	763
	Broadband customers	562	512	50	9.7	463
Croatia	Mobile customers	2,539	2,477	62	2.5	2,336
	Fixed-network lines	860	867	(8)	(0.9)	870
	Broadband customers	674	669	5	0.7	661
Slovakia	Mobile customers	2,324	2,534	(210)	(8.3)	2,525
	Fixed-network lines	831	849	(18)	(2.1)	860
	Broadband customers	675	664	11	1.7	657
Austria	Mobile customers	6,596	6,428	168	2.6	4,975
	Fixed-network lines	606	615	(9)	(1.5)	607
	Broadband customers	660	669	(9)	(1.3)	665
Romania	Mobile customers	0	3,517	(3,517)	(100.0)	3,798
Other [c]	Mobile customers	1,825	1,796	29	1.6	1,738
	Fixed-network lines	346	342	4	1.2	338
	Broadband customers	302	294	8	2.9	285

[a] In Poland, a hybrid prepaid-postpaid rate plan portfolio for contract customers was reclassified as of January 1, 2025. Since then, around 1 million customers that were previously reported as contract customers have been classified as prepaid customers. Comparatives have been adjusted retrospectively.

[b] In Greece, the broadband customer base was reduced as of January 1, 2025 as a result of a revised definition. Comparatives have been adjusted retrospectively.

[c] "Other": national companies of North Macedonia, Montenegro, and the lines of the GTS Central Europe group in Romania.

Total

Excluding the effect from the sale of the Romanian mobile business as of October 1, 2025, the Europe operating segment recorded customer growth compared with the end of 2024, with the mobile customer base increasing by 2.1 %. The number of broadband customers increased by 3.1 %. Our convergent product portfolio generated substantial growth of 7.9 % in FMC customers thanks to ongoing demand. We are making good progress in network infrastructure: The build-out of our fixed-network infrastructure with state-of-the-art optical fiber is our priority. The build-out of the 5G network also continues.

Mobile communications

Our Europe operating segment had a total of 47.2 million mobile customers as of December 31, 2025. This figure was down by 5.1 % against the end of the prior year on account of the sale of the Romanian mobile business. Excluding this effect, the number of mobile customers increased by 2.1 %, which included an increase of 3.0 % in the number of mobile contract customers. All national companies contributed to this growth, especially Poland, Greece, the Czech Republic, and Croatia. Overall, contract customers accounted for 54.2 % of the total customer base. Our customers benefit from greater coverage with fast mobile broadband – a result of our integrated network strategy. The footprint countries of our operating segment are also making further headway with 5G. As of the end of 2025, our national companies covered 91.9 % of the population in our European footprint on average with 5G, a substantial increase against the prior year.

Excluding the sale of the Romanian mobile business, the prepaid customer base grew by 1.0 % compared with the end of the prior year. We also convinced a larger portion of our prepaid customers to switch to higher-value contract rate plans.

Fixed network

The broadband business increased by 3.1 % compared with the end of 2024 to a total of 7.4 million customers. This growth, mainly driven by the national companies in Poland, Hungary, and the Czech Republic, offset the decline in Austria. By continuing to invest in optical fiber, we are systematically building out our fixed-network infrastructure. As of the end of 2025, 11.3 million households (43.1 % coverage) have access to our high-performance fiber-optic network offering gigabit speeds. The number of homes passed grew by 1.3 million compared with the end of 2024. As of the end of 2025, the number of fixed-network lines subscribed to declined slightly by 0.7 % compared with the end of 2024 to 8.0 million.

The TV and entertainment business had a total of 4.5 million customers as of December 31, 2025, a slight increase of 1.3 % against the end of the prior year. The TV market is already saturated in many of the countries in our segment, where TV services are offered not only by telecommunications companies, but also by OTT players.

FMC – fixed-mobile convergence and digitalization

Our portfolio of convergent products, MagentaOne, was highly popular with consumers across all of our national companies. As of December 31, 2025, we had 8.8 million FMC customers. This represents an increase of 7.9 % in the customer base. All of our national companies, but in particular Poland, Greece, Hungary, the Czech Republic, and Slovakia, contributed to this growth. We have also seen rising customer numbers from the marketing of our MagentaOne Business product to business customers.

We continue to expand our digital interaction with customers, which means we can meet customer needs in a more personalized and efficient way, and position products and innovative services on the market more quickly. Our service app is used by 73.4 % of our consumers.

Development of operations

millions of €

	2025	2024	Change	Change %	2023
Revenue	**12,652**	**12,347**	**305**	**2.5**	**11,790**
Greece	3,464	3,334	130	3.9	3,189
Hungary	2,270	2,238	32	1.4	2,031
Poland	1,746	1,660	86	5.2	1,522
Czech Republic	1,291	1,238	53	4.3	1,280
Croatia	1,049	1,012	37	3.6	956
Slovakia	883	864	18	2.1	825
Austria	1,507	1,494	14	0.9	1,458
Romania	177	263	(86)	(32.8)	287
Other [a]	335	315	20	6.3	319
Service revenue	**10,602**	**10,239**	**363**	**3.5**	**9,739**
EBITDA	5,098	4,869	229	4.7	4,496
Special factors affecting EBITDA	(97)	(71)	(26)	(37.0)	(94)
EBITDA (adjusted for special factors)	5,195	4,939	255	5.2	4,590
EBITDA AL	4,553	4,360	193	4.4	4,020
Special factors affecting EBITDA AL	(124)	(71)	(53)	(75.8)	(94)

millions of €		2025	2024	Change	Change %	2023
EBITDA AL (adjusted for special factors)		**4,677**	**4,431**	**246**	**5.6**	**4,114**
Greece		1,374	1,346	27	2.0	1,325
Hungary		889	768	121	15.7	600
Poland		475	435	39	9.0	393
Czech Republic		548	506	42	8.3	470
Croatia		395	384	11	2.9	367
Slovakia		397	389	8	2.0	350
Austria		555	546	9	1.6	529
Romania		(7)	1	(9)	n.a.	17
Other [a]		52	54	(2)	(3.9)	61
EBITDA AL margin (adjusted for special factors)	%	37.0	35.9			34.9
Depreciation, amortization and impairment losses		(2,609)	(2,622)	13	0.5	(2,524)
Profit (loss) from operations (EBIT)		**2,489**	**2,247**	**242**	**10.8**	**1,973**
EBIT margin	%	19.7	18.2			16.7
Cash capex		(2,250)	(1,919)	(332)	(17.3)	(2,049)
Cash capex (before spectrum investment)		**(2,029)**	**(1,872)**	**(156)**	**(8.3)**	**(1,766)**

The contributions of the national companies correspond to their respective unconsolidated financial statements and do not take consolidation effects at operating segment level into account.

[a] "Other": national companies in North Macedonia, Montenegro, and the GTS Central Europe group in Romania, as well as the Europe Headquarters.

Revenue, service revenue

Our Europe operating segment generated revenue of EUR 12.7 billion in the reporting year, a year-on-year increase of 2.5 percent. In organic terms, i.e., primarily excluding the sale of the Romanian mobile business and exchange rate effects, revenue increased by 2.9 %. Service revenues grew by 3.5 % year-on-year, or by 3.9 % in organic terms. All national companies contributed to this growth, with our national companies in Greece, Poland, Hungary, the Czech Republic, and Croatia recording the strongest developments in absolute terms.

Organic service revenue growth was due to the strong performance of the mobile business on the back of a larger contract customer base and higher revenue per customer. The year-on-year increase in fixed-network service revenues additionally contributed to this growth. Our intense focus on the continued build-out of high-speed network infrastructure drove growth in broadband and TV revenues, which more than offset the expected declines in voice telephony revenues. The IT business also made a positive contribution to revenue. Declines in revenue from mobile terminal equipment and in wholesale business had an offsetting effect.

Service revenues from **Consumers** increased in organic terms by 3.4 % against the prior year. In mobile communications, service revenues increased as a result of both a higher contract customer base and higher revenue per customer. In the fixed network, revenue from broadband and TV business increased thanks to our continuous fiber-optic build-out and our TV and entertainment offerings. This more than offset the decline in revenue from voice telephony. In addition, a higher number of FMC customers had a positive impact on revenue development.

Service revenues from **Business Customers** grew on an organic basis by 5.5 % against the prior year, with Greece (IT), Croatia (all product areas), Poland (mobile communications), and the Czech Republic (all product areas) making the largest contribution. All product areas recorded year-on-year growth. The mobile contract customer base grew by 1.8 %. In the fixed-network business, the number of broadband customers rose by 3.7 %. Fixed-network service revenues grew by 2.5 % overall. IT revenues increased substantially by 12.6 % year-on-year in organic terms, due to an increase in business with digital infrastructure.

Adjusted EBITDA AL, EBITDA AL

The sound operational revenue trend contributed to strong growth of 5.6 % in adjusted EBITDA AL in the reporting year, to EUR 4.7 billion. In organic terms, adjusted EBITDA AL grew by 5.4 %. Looking at the development by country, this increase was attributable to positive absolute trends, in particular in Hungary, the Czech Republic, Poland, and Greece. Overall, the increase in earnings for the Europe operating segment is mainly attributable to the positive net margin. Indirect costs remained stable at the prior-year level.

At EUR 4.6 billion, EBITDA AL increased by 4.4 % against the prior year. The expense arising from special factors increased year-on-year in connection with the sale of the Romanian mobile business.

Development of operations in selected countries

Greece. In 2025, revenue in Greece increased by 3.9 % year-on-year to EUR 3.5 billion. In organic terms, revenues increased by 4.3 %. This development is largely due to higher service revenues, mainly from IT, but also from the mobile businesses. Revenue in the fixed-network business remained stable against the prior-year period. In addition to the expected decline in revenues in traditional voice telephony, declines were also recorded in wholesale business. Higher revenues in the TV and broadband business had an offsetting effect. Our convergence products continued to perform well, with further customer additions and corresponding revenue.

Adjusted EBITDA AL stood at EUR 1.4 billion, up 2.0 % year-on-year. In organic terms, the increase was 2.1 %, driven mainly by a higher net margin.

Hungary. Revenue in Hungary totaled EUR 2.3 billion in the 2025 financial year, a slight year-on-year increase of 1.4 %. Excluding negative exchange rate effects, revenue increased by 2.4 %. This development was driven mainly by the mobile business, in part on the back of higher revenue per customer. Thanks to our increased investments in the build-out of fiber-optic lines, our offers have won over large numbers of customers. This enabled higher service revenues in broadband business. IT revenues declined. Our convergence products continued to perform well, with further customer additions and corresponding revenue.

Adjusted EBITDA AL stood at EUR 889 million, 15.7 % above the prior-year level. In organic terms, adjusted EBITDA AL grew by 17.4 %. This substantial increase was due to a significantly higher net margin from the positive development in operating business, as well as to the revocation of the supplementary telecommunications tax as of January 1, 2025.

Poland. In the reporting year, revenue in Poland totaled EUR 1.7 billion, an increase of 5.2 %. Excluding positive exchange rate effects, revenue increased by 3.6 %. The growth was mainly driven by mobile service revenues on the back of an increase in the number of contract customers. Broadband and TV revenues from the fixed-network business also posted significant increases, likewise as a result of a growing customer base. The number of FMC customers increased substantially again, with a corresponding positive impact on revenues. By contrast, non-service revenues declined, in particular from mobile devices.

Adjusted EBITDA AL stood at EUR 475 million, 9.0 % above the prior-year level. In organic terms, adjusted EBITDA AL grew by 7.3 %, due to a higher net margin, which more than offset the increase in indirect costs.

Czech Republic. Revenue in the Czech Republic stood at EUR 1.3 billion in 2025, an increase of 4.3 % against the prior year. Excluding positive exchange rate effects, revenue increased by 2.5 %. Service revenues increased by 3.5 % in organic terms, due in part to increases in the fixed network business, particularly the broadband and TV businesses. Service revenues also increased, due to positive growth rates in mobile revenues, driven by increases in the respective customer base. The number of FMC customers likewise grew in the reporting year, with corresponding revenues. IT revenues also increased.

Adjusted EBITDA AL increased by 8.3 % year-on-year to EUR 548 million. In organic terms, adjusted EBITDA AL grew by 6.4 %, due to a higher net margin. This included a negative one-time effect in the prior year resulting from the termination of a business relationship. This was partially offset by an increase in indirect costs.

Austria. Revenue increased by 0.9 % in the reporting year to EUR 1.5 billion. This development was driven by higher service revenues from the mobile business, in particular from wholesale, on account of an overall increase in the customer base. The broadband business also recorded growth, mainly as a result of higher revenue per customer. The number of FMC customers grew in the reporting year, with corresponding revenues.

Adjusted EBITDA AL increased by 1.6 % year-on-year to EUR 555 million. These earnings are driven by a higher net margin.

Profit/loss from operations (EBIT)

In our Europe operating segment, EBIT increased significantly by 10.8 % in the reporting year to EUR 2.5 billion, mainly due to the increase in EBITDA. Depreciation, amortization and impairment losses remained more or less stable.

Cash capex (before spectrum investment), cash capex

In the reporting year, our Europe operating segment reported a year-on-year increase in cash capex (before spectrum investment) to EUR 2.0 billion, an increase of 8.3 %, due to the increase in the volume of the underlying investments in optical fiber, mobile communications, and fixed-network capacity. Cash capex increased by 17.3 % compared with the prior year, due to the higher level of investment and cash outflows for the acquisition of spectrum in Poland and Slovakia. We continue to invest in the provision of broadband, fiber-optic technology, and 5G as part of our integrated network strategy.

Systems Solutions

Order entry

millions of €

	2025	2024	Change	Change %	2023
Order entry	**4,191**	**4,020**	**171**	**4.2**	**3,628**

Development of business

In the reporting year, our systems solutions business continued to focus on growth and future viability.

Order entry in our Systems Solutions operating segment was up by 4.2 % year-on-year in 2025. This development is mainly attributable to increased order entry in the Digital and Road Charging portfolio areas.

Development of operations

millions of €

		2025	2024	Change	Change %	2023
Revenue		**4,103**	**4,004**	**99**	**2.5**	**3,896**
Of which: external revenue		3,444	3,377	67	2.0	3,258
Service revenue		**4,100**	**3,883**	**217**	**5.6**	**3,796**
EBITDA		345	344	1	0.4	272
Special factors affecting EBITDA		(175)	(118)	(56)	(47.7)	(144)
EBITDA (adjusted for special factors)		520	462	58	12.5	416
EBITDA AL		252	251	2	0.6	177
Special factors affecting EBITDA AL		(175)	(118)	(56)	(47.7)	(144)
EBITDA AL (adjusted for special factors)		**427**	**369**	**58**	**15.7**	**321**
EBITDA AL margin (adjusted for special factors)	%	10.4	9.2			8.3
Depreciation, amortization and impairment losses		(252)	(237)	(16)	(6.7)	(344)
Profit (loss) from operations (EBIT)		**92**	**107**	**(14)**	**(13.5)**	**(71)**
EBIT margin	%	2.3	2.7			(1.8)
Cash capex		(220)	(229)	9	4.0	(210)
Cash capex (before spectrum investment)		**(220)**	**(229)**	**9**	**4.0**	**(210)**

Revenue, service revenue

Revenue in our Systems Solutions operating segment amounted to EUR 4.1 billion in the reporting year, up 2.5 % year-on-year, mainly due to growth in the Digital and Road Charging portfolio areas. External revenue increased by 2.0 %, also driven by the Digital and Road Charging portfolio areas. Service revenue also developed positively, increasing by 5.6 %. In organic terms, service revenue increased by 3.0 % year-on-year.

Adjusted EBITDA AL, EBITDA AL

In 2025, adjusted EBITDA AL at our Systems Solutions operating segment increased by 15.7 % year-on-year to EUR 427 million. The increase in adjusted EBITDA AL is mainly attributable to margin increases and cost optimizations in the Cloud area, as well as to revenue growth in the Digital and Road Charging areas. EBITDA AL remained almost unchanged against the prior year at EUR 252 million. The expense arising from special factors increased from EUR 118 million to EUR 175 million, mainly as a result of higher expenses in connection with the socially responsible staff restructuring.

Profit/loss from operations (EBIT)

EBIT in our Systems Solutions operating segment decreased by EUR 14 million against the prior year to EUR 92 million, mainly due to the year-on-year increase in depreciation, amortization and impairment losses.

Cash capex (before spectrum investment), cash capex

Cash capex in the Systems Solutions operating segment stood at EUR 220 million in the reporting year, down EUR 9 million against the prior year. This trend mainly resulted from lower capital expenditure in the Cloud portfolio area.

Group Development

Development of operations

millions of €

	2025	2024	Change	Change %	2023
Revenue	**9**	**10**	**(1)**	**(6.5)**	**115**
Of which: GD Towers [a]	0	0	0	n.a.	99
Service revenue	**0**	**0**	**0**	**n.a.**	**0**
EBITDA	1	(36)	37	n.a.	13,220
Special factors affecting EBITDA [b]	35	(5)	39	n.a.	13,170
EBITDA (adjusted for special factors)	(34)	(32)	(3)	(8.7)	50
Of which: GD Towers [a]	0	0	0	n.a.	78
EBITDA AL	1	(36)	37	n.a.	13,215
Special factors affecting EBITDA AL [b]	35	(5)	39	n.a.	13,170
EBITDA AL (adjusted for special factors)	**(34)**	**(32)**	**(3)**	**(8.7)**	**45**
Of which: GD Towers [a]	0	0	0	n.a.	73
EBITDA AL margin (adjusted for special factors) %	n.a.	n.a.			39.2
Depreciation, amortization and impairment losses	(3)	(3)	0	(12.5)	(2)
Profit (loss) from operations (EBIT)	**(2)**	**(39)**	**36**	**94.0**	**13,217**
Cash capex	(3)	(4)	0	11.7	(24)
Cash capex (before spectrum investment)	**(3)**	**(4)**	**0**	**11.7**	**(24)**

[a] The sale of the GD Towers business entity was consummated on February 1, 2023. Since that date, GD Towers has no longer been part of the Group. The 2023 financial year contains the value contributions up to and including January 2023.

[b] In the second quarter of 2025, this mainly comprised a retroactive deconsolidation gain in connection with the sale of an equity investment in the 2017 financial year.

The goal of our Group Development operating segment is to actively manage entities and equity investments to grow their value. In particular DTCP and Comfortcharge are assigned to Group Development for this reason. The segment currently does not provide a significant contribution to the Group's operational development. We therefore provide no corresponding explanation for this segment.

Group Headquarters & Group Services

Development of operations

millions of €

	2025	2024	Change	Change %	2023
Revenue	**2,163**	**2,226**	**(63)**	**(2.8)**	**2,305**
Service revenue	**982**	**972**	**10**	**1.0**	**1,024**
EBITDA	(682)	(816)	134	16.4	(522)
Special factors affecting EBITDA	(146)	(301)	156	51.7	(199)
EBITDA (adjusted for special factors)	(537)	(515)	(22)	(4.2)	(323)
EBITDA AL	(914)	(1,103)	189	17.1	(808)
Special factors affecting EBITDA AL	(146)	(301)	156	51.7	(199)
EBITDA AL (adjusted for special factors)	**(768)**	**(801)**	**33**	**4.1**	**(609)**
Depreciation, amortization and impairment losses	(1,155)	(1,242)	87	7.0	(1,352)
Profit (loss) from operations (EBIT)	**(1,837)**	**(2,058)**	**221**	**10.7**	**(1,874)**
Cash capex	(861)	(833)	(29)	(3.4)	(969)
Cash capex (before spectrum investment)	**(861)**	**(833)**	**(29)**	**(3.4)**	**(969)**

Revenue, service revenue

Revenue in our Group Headquarters & Group Services segment decreased in the reporting year by 2.8 %, mainly as a result of lower intragroup revenue from land and buildings due to the ongoing optimization of space. This was offset by increased service revenue owing to a higher cost basis for intragroup settlements and additional issues at Deutsche Telekom IT.

Adjusted EBITDA AL, EBITDA AL

In the reporting year, adjusted EBITDA AL of EUR -768 million was slightly up against the prior-year level. We were able to almost entirely offset the decline in intragroup revenue from land and buildings due to the ongoing optimization of space, mainly due to lower operating expenses at our Group Services. Overall, special factors negatively affecting EBITDA AL – in particular due to socially responsible staff-related measures – totaled EUR 146 million in the reporting year and EUR 301 million in the prior year.

Profit/loss from operations (EBIT)

The year-on-year improvement in EBIT by EUR 221 million to EUR -1.8 billion was largely due to the positive development of EBITDA, which in the prior year had been negatively impacted by the aforementioned higher special factors. Furthermore, depreciation, amortization and impairment losses decreased, mainly in the area of land and buildings 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.

Cash capex (before spectrum investment), cash capex

Cash capex increased year-on-year by EUR 29 million, primarily due to higher cash capex for vehicles.

Development of business at Deutsche Telekom AG

Deutsche Telekom AG prepares its annual financial statements in accordance with the principles of the German GAAP, as specified in the German Commercial Code (Handelsgesetzbuch – HGB) and the German Stock Corporation Act (Aktiengesetz – AktG).

In our capacity as the Headquarters of the Deutsche Telekom Group, we perform strategic and cross-segment management functions and provide services for other Group companies. The profits and losses of our subsidiaries, Group financing measures, and the expenses and income from intercompany services have a material effect on our financial position and results of operations.

At a Group level, segment performance in the financial year can be summarized as follows: In the Germany operating segment, total revenue was down 0.4 % on the prior-year level, due mainly to lower mobile terminal equipment revenues. By contrast, service revenues grew by 1.0 % compared with the previous year. Total revenue in the United States operating segment increased by 4.1 % year on year. In organic terms, it rose by 6.0 %. This was attributable to growth in service revenues and terminal equipment revenues. Revenue in our Europe operating segment climbed by 2.5 %. In organic terms, the increase was 2.9 %, on account of higher service revenue. Organic growth in service revenues was due to the strong performance of the mobile communications, fixed-network, and IT businesses. Revenue in our Systems Solutions operating segment was up 2.5 % year on year, due mainly to growth in the Digital and Road Charging areas.

Deutsche Telekom AG reported net income for the 2025 financial year of EUR 3.2 billion. This was attributable to the operating business of Group Headquarters and in particular to the profits transferred by the German subsidiaries. In the previous year, the net income of Deutsche Telekom AG had been largely determined by positive one-time effects from intragroup transactions. This included book gains of EUR 12.8 billion arising from the use of hidden reserves in connection with the intragroup aggregation of shares in the multi-level holding structure for the investment in T-Mobile US. A further EUR 5.7 billion stemmed from a capital repayment by Deutsche Telekom Holding B.V., Maastricht.

Results of operations of Deutsche Telekom AG

Statement of income of Deutsche Telekom AG under German GAAP (total cost method)

millions of €

	2025	2024	Change	Change %	2023
Net revenue	**1,800**	**1,964**	**(164)**	**(8.4)**	**2,110**
Other own capitalized costs	1	2	(1)	(67.1)	2
Total operating performance	**1,801**	**1,966**	**(165)**	**(8.4)**	**2,112**
Other operating income	1,367	13,794	(12,427)	(90.1)	1,371
Goods and services purchased	(394)	(391)	(3)	(0.7)	(419)
Personnel costs	(1,715)	(1,566)	(149)	(9.5)	(1,964)
Depreciation, amortization and write-downs	(155)	(117)	(38)	(32.3)	(174)
Other operating expenses	(2,127)	(3,193)	1,066	33.4	(2,481)
Operating results	**(1,223)**	**10,493**	**(11,716)**	**n.a.**	**(1,555)**
Net financial income (expense)	5,168	10,633	(5,465)	(51.4)	11,281
Income taxes	(706)	(481)	(225)	(46.9)	(614)
Income after income taxes	**3,239**	**20,645**	**(17,406)**	**(84.3)**	**9,112**
Other taxes	(13)	(18)	5	29.2	(17)
Net income	**3,226**	**20,627**	**(17,401)**	**(84.4)**	**9,095**

Operating results declined from EUR 10.5 billion to EUR -1.2 billion, due mainly to a year-on-year decrease in other operating income of EUR 12.4 billion and a EUR 0.2 billion decrease in net revenue. In particular, a decline in other operating expenses of EUR 1.1 billion had an offsetting effect.

The decrease in net revenue totaling EUR 0.2 billion is largely due to lower intragroup cost transfers from hiring out employees as well as from renting and leasing out property.

EUR 0.4 billion of other operating income in the reporting year relates to the write-up on the shareholding in Hellenic Telecommunications Organization S.A. (OTE), Marousi. In the previous year, other operating income had been largely comprised of book gains of EUR 12.8 billion arising from the use of hidden reserves in connection with the intragroup aggregation of shares.

The increase in personnel costs is largely attributable to expenses of EUR 0.3 billion for early retirement arrangements for civil servants. The statutory regulation on which these arrangements are based has been extended through the end of 2026 and its application for the 2025 and 2026 financial years resolved. A lower number of civil servants and employees had an offsetting effect.

Other operating expenses decreased by EUR 1.1 billion. In the previous year, this item included expenses of EUR 0.8 billion attributable to a reduction in shares in affiliated companies in connection with the capital repayment by the indirect subsidiary Deutsche Telekom Holding B.V., Maastricht. Lower expenses from derivatives also contributed EUR 0.2 billion to this decline.

Net financial income decreased by EUR 5.5 billion to EUR 5.2 billion, due primarily to a decrease of EUR 5.7 billion in income related to subsidiaries, associated and related companies. Net interest expense improved slightly to EUR 0.7 billion.

Income related to subsidiaries, associated and related companies of EUR 5.8 billion (2024: EUR 11.5 billion) was positively affected in the reporting year, in particular by profits transferred by Telekom Deutschland GmbH, Bonn, of EUR 5.3 billion (2024: EUR 4.9 billion) and by Deutsche Telekom Towers Holding GmbH, Bonn, of EUR 0.6 billion (2024: EUR 0.1 billion). The transfer of losses of EUR 0.9 billion (2024: EUR 0.9 billion) had an offsetting effect. Transfers of operating profits were up slightly in the reporting year.

Income related to subsidiaries, associated and related companies was positively affected in the reporting year by the operating business of the subsidiaries and in particular by the distribution of profit by the indirect subsidiary GD Towers Holding GmbH, Bonn. The resulting income of EUR 0.5 billion was transferred to Deutsche Telekom AG through the shareholder Deutsche Telekom Towers Holding GmbH, Bonn. The prior-year figure for income related to subsidiaries, associated and related companies, which was nearly twice as high, was affected in particular by the capital repayment of the indirect subsidiary Deutsche Telekom Holding B.V., Maastricht, which directly holds the shares in T-Mobile US. The capital repayment generated income from the use of a portion of hidden reserves of EUR 6.5 billion, applying IDW ERS HFA 13 as amended, at the level of the shareholder T-Mobile Global Holding GmbH, Bonn, which due to the multi-level holding structure was reflected in the profit transfers to T-Mobile Global Zwischenholding GmbH, Bonn, and to Deutsche Telekom AG.

Despite a drop in net income of EUR 17.4 billion, income taxes were up on the prior-year figure. The positive one-time effects from intercompany transactions included in net income for the previous year were tax-neutral.

Other tax expense of EUR 13 million resulted in net income of EUR 3.2 billion in the 2025 financial year. Taking into account EUR 24.7 billion in unappropriated net income carried forward, unappropriated net income totaled EUR 28.0 billion (prior year: EUR 29.1 billion).

Financial position of Deutsche Telekom AG

Balance sheet of Deutsche Telekom AG under German GAAP

millions of €

	Dec. 31, 2025	Dec. 31, 2025 %	Dec. 31, 2024	Change	Dec. 31, 2023
Assets					
Intangible assets	33	0.0	54	(21)	79
Property, plant and equipment	2,199	1.7	2,246	(47)	2,268
Financial assets	118,442	89.8	118,781	(339)	106,260
Noncurrent assets	**120,674**	**91.5**	**121,081**	**(407)**	**108,607**
Receivables	6,793	5.2	7,641	(848)	9,981
Other assets	2,509	1.9	2,360	149	2,995
Cash and cash equivalents	1,555	1.2	1,965	(410)	1,450
Current assets	**10,858**	**8.2**	**11,966**	**(1,108)**	**14,426**
Prepaid expenses and deferred charges	320	0.2	367	(47)	364
Difference between plan assets and corresponding liabilities	4	0.0	1	3	4
Total assets	**131,857**	**100.0**	**133,415**	**(1,558)**	**123,401**
Shareholders' equity and liabilities					
Capital stock and reserves	49,976	37.9	51,894	(1,918)	53,792
Unappropriated net income	27,951	21.2	29,122	(1,171)	12,312
Shareholders' equity	**77,926**	**59.1**	**81,016**	**(3,090)**	**66,104**
Accruals for pensions and similar obligations	3,493	2.6	3,827	(334)	4,133
Tax accruals	107	0.1	299	(192)	319
Other accruals	2,947	2.2	2,898	49	3,141
Accruals	**6,548**	**5.0**	**7,024**	**(476)**	**7,593**
Debt	13,476	10.2	10,697	2,779	9,428
Remaining liabilities	33,824	25.7	34,583	(759)	40,167
Liabilities	**47,301**	**35.9**	**45,280**	**2,021**	**49,595**
Deferred income	82	0.1	95	(13)	109
Total shareholders' equity and liabilities	**131,857**	**100.0**	**133,415**	**(1,558)**	**123,401**

In addition to shareholders' equity, our financial position is mainly determined by noncurrent assets as well as by receivables from and payables to Group companies. Loans recognized under financial assets as well as receivables from and payables to affiliated companies primarily resulted from financing relationships between Deutsche Telekom AG and its subsidiaries.

The balance sheet total declined only slightly by EUR 1.6 billion year on year to EUR 131.9 billion.

The development of total assets was attributable in particular to the decrease of EUR 0.8 billion in receivables, the decrease of EUR 0.4 billion in cash and cash equivalents, and the decrease of EUR 0.3 billion in financial assets.

The EUR 0.3 billion decline in financial assets was largely due to capital repayments by subsidiaries totaling EUR 0.7 billion. Notably, a write-up of the shares in Hellenic Telecommunications Organization S.A. (OTE), Marousi, in the amount of EUR 0.4 billion had an offsetting effect.

Receivables decreased to EUR 6.8 billion, down by EUR 0.8 billion on the prior-year figure. This decline was due primarily to loan repayments by Deutsche Telekom Holding B.V., Maastricht, of EUR 1.7 billion and by Deutsche Telekom Europe B.V., Maastricht, of EUR 0.3 billion. A EUR 1.3 billion increase in receivables from cash management from affiliated companies had an offsetting effect.

The development of total shareholders' equity and liabilities was mainly influenced by the decrease of EUR 3.1 billion in shareholders' equity, of EUR 0.8 billion in remaining liabilities, and of EUR 0.3 billion in accruals for pensions and similar obligations. By contrast, financial liabilities rose by EUR 2.8 billion.

The EUR 3.1 billion decline in shareholders' equity was primarily attributable to the dividend payment of EUR 4.4 billion for the previous year. In addition, the share buy-back program reduced retained earnings by EUR 1.8 billion and capital stock by EUR 0.2 billion in 2025. Net income for the 2025 financial year of EUR 3.2 billion had an increasing effect on equity.

Accruals for pensions and similar obligations fell by EUR 0.3 billion. Payments of pension entitlements and the higher fair value of the plan assets offset against obligations more than compensated for a retransfer from the plan assets in the reporting year.

Financial liabilities increased by EUR 2.8 billion year on year to EUR 13.5 billion, due primarily to the issue of new bonds in the amount of EUR 2.4 billion. In addition, net borrowing from banks increased financial liabilities by EUR 0.4 billion.

The decrease in remaining liabilities by a total of EUR 0.8 billion was attributable primarily to loan repayments to Deutsche Telekom International Finance B.V., Maastricht, of EUR 1.3 billion and to the decrease in liabilities from cash management of EUR 1.1 billion. Furthermore, other liabilities fell by EUR 0.3 billion. By contrast, loans from Deutsche Telekom Holding B.V., Maastricht, of EUR 1.5 billion and from Deutsche Telekom Europe B.V., Maastricht, of EUR 0.5 billion increased remaining liabilities.

Statement of cash flows of Deutsche Telekom AG under German GAAP

millions of €

	2025	2024	Change	2023
Net income	**3,226**	**20,627**	**(17,401)**	**9,095**
Net cash provided by (used for) operating activities	891	15,575	(14,684)	8,714
Net cash (used for) provided by investing activities	3,589	(162)	3,751	47
Net cash (used for) provided by financing activities	(4,890)	(14,898)	10,008	(7,473)
Net change in cash and cash equivalents	**(410)**	**515**	**(925)**	**1,288**
Cash and cash equivalents, at the beginning of the year	1,965	1,450	515	162
Cash and cash equivalents, at the end of the year	**1,555**	**1,965**	**(410)**	**1,450**

Net cash provided by operating activities decreased year on year by EUR 14.7 billion to EUR 0.9 billion. The development of net cash provided by operating activities was mainly impacted by income related to subsidiaries, associated and related companies and the change in intragroup cash management balances. The high prior-year amount was due to the EUR 5.7 billion increase in income related to subsidiaries, associated and related companies and in particular to the change of EUR 6.3 billion in cash management balances vis-à-vis Deutsche Telekom Towers Holding GmbH, Bonn, resulting from the payment of the proceeds from the sale of shares in GD Towers Holding GmbH, Bonn.

Net cash provided by investing activities came to EUR 3.6 billion, which corresponds to a year-on-year increase of EUR 3.8 billion. The largest cash inflows resulted from loan repayments by Deutsche Telekom Holding B.V., Maastricht, of EUR 1.7 billion and by Deutsche Telekom Europe B.V., Maastricht, of EUR 0.3 billion. Added to this were capital repayments by subsidiaries totaling EUR 0.7 billion. Deutsche Telekom AG also received interest payments of EUR 0.9 billion.

Net cash used for financing activities increased by EUR 10.0 billion year on year to EUR -4.9 billion. It mainly resulted from payment of the dividend for the 2024 financial year of EUR 4.4 billion, from interest paid of EUR 1.7 billion, and from payments of EUR 2.0 billion under the share buy-back program. The net issuance of financial liabilities in the amount of EUR 2.8 billion and net cash inflows from the increase in financial liabilities to affiliated companies of EUR 0.5 billion had an offsetting effect. The prior-year figure primarily included net repayments of financial liabilities to affiliated companies in the amount of EUR 8.2 billion.

In all, this resulted in a decrease in cash and cash equivalents of EUR 0.4 billion in the reporting year.

Risk management in hedge accounting

We use derivatives to hedge interest rate and currency exposures as well as other price risks; i.e., exclusively for hedging purposes, not for speculative gains. In the process, we monitor the effectiveness of the hedges on a regular basis.

Combined sustainability statement

General information

ESRS 2 – General disclosures

Creating transparency

Sustainability is at the heart of the Deutsche Telekom Group's multinational business activities. We report on our progress annually, also in the combined management report. The requirements for transparency in corporate sustainability are constantly increasing. In light of the anticipated transposition of the European Corporate Sustainability Reporting Directive (CSRD) into national law, we have already based the preparation of the combined sustainability statement ("sustainability statement") on the first set of the European Sustainability Reporting Standards (ESRS) as a framework for the Group's sustainability statement and applied these standards in full.

This sustainability statement is divided into the sections "General information," "Environment," "Social," and "Governance." When applying the ESRS, the concept of "materiality" is of utmost importance and defines the content to be included in sustainability reporting. In line with the principle of double materiality, we show how we manage material impacts of our business activities on society and the environment, as well as the material risks and opportunities along our entire value chain, in the following ESRS topical standards:

- ESRS E1 – Climate change
- ESRS E5 – Resource use and circular economy
- ESRS S1 – Own workforce
- ESRS S2 – Workers in the value chain
- ESRS S4 – Consumers and end-users
- ESRS G1 – Business conduct
- G-Company-specific: cybersecurity

In addition, we comply with the reporting requirements that have been mandatory since the 2021 reporting year with regard to environmentally sustainable economic activities in accordance with Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (the "EU Taxonomy").

Unless otherwise stated, all disclosures in this sustainability statement apply to the Deutsche Telekom Group (also referred to as "we" or "us").

The Supervisory Board of Deutsche Telekom AG is responsible for the review of the content of the sustainability statement. It did this with the support of Deloitte GmbH Wirtschaftsprüfungsgesellschaft (external auditor) in the form of a limited assurance engagement. The two non-financial performance indicators energy consumption and CO_2 emissions (Scope 1 and 2) are included as management-relevant performance indicators in the reasonable assurance engagement on Deutsche Telekom's consolidated financial statements and the combined management report. The sustainability statement engagement is based on International Standard on Assurance Engagements ISAE 3000 (Revised). To avoid repetition within the combined management report, we refer to further information provided in other sections wherever relevant. References within the combined management report that are part of the sustainability statement are indicated as such. Notes about further information in the combined management report do not form part of the sustainability statement. Links to disclosures outside of the combined management report or the consolidated financial statements constitute further information that goes beyond the legal requirements for sustainability reporting and is not subject to external audit.

As the parent company, Deutsche Telekom AG is obligated to submit a non-financial statement and a consolidated non-financial statement and makes use of the option to combine the two reports. The disclosures that Deutsche Telekom AG is required to make in accordance with § 289c (2) and (3) HGB are contained in the general disclosures and the ESRS topical standards. The combined Group sustainability statement/non-financial statement has been prepared for Deutsche Telekom AG (parent company) in accordance with §§ 289b through 289e and for the Deutsche Telekom Group in accordance with §§ 315b and 315c in conjunction with §§ 289c through 289e HGB as well as in accordance with the ESRS. A transition of the aspects required under HGB to the content of the report under the ESRS is presented in the following section.

Transition to the ESRS

In preparation for the transposition of the CSRD into national law, Deutsche Telekom applied the ESRS as framework on a voluntary basis when preparing the 2025 Group sustainability statement. The crosscutting standard "ESRS 2 – General disclosures" and the main ESRS topical standards determine the content of the report that is material for Deutsche Telekom and can be allocated to the five aspects set out in § 315c (1) HGB in conjunction with § 289c (2) HGB:

Transition to the ESRS

Aspect pursuant to § 315c (1) HGB in conjunction with § 289c (2) HGB	Reflected in ESRS topical standards	Selected content
Aspect 1 – Environmental concerns	ESRS E1 – Climate change ESRS E5 – Resource use and circular economy	Greenhouse gas emissions, energy efficiency, and resource use
Aspect 2 – Employee concerns	ESRS S1 – Own workforce	Guidance and actions on the topics of working conditions, such as health and safety or social dialogue, as well as equal treatment and opportunities for all
Aspect 3 – Social concerns	ESRS S1 – Own workforce ESRS S2 – Workers in the value chain ESRS S4 – Consumers and end-users G-Company-specific: cybersecurity	Dialogue formats, whistleblower systems, as well as protection of consumers and end-users
Aspect 4 – Respect for human rights	ESRS S1 – Own workforce ESRS S2 – Workers in the value chain	Processes for complying with human rights and environmental due diligence in the upstream value chain and in own business activities, labor standards at suppliers
Aspect 5 – Fighting corruption	ESRS G1 – Business conduct	Anti-corruption and anti-bribery instruments

The aspects described in the ESRS topical standards in accordance with the requirements of the HGB are supplemented by information on strategies, actions, targets, and metrics related to the impacts, risks, and opportunities of our business activities. An overview of these impacts, risks, and opportunities can be found at the beginning of each topical standard under "ESRS 2 SBM-3."

Basis for preparation

The index below shows the general disclosures required by the standard ESRS 2 – General Disclosures.

ESRS index under ESRS 2 IRO-2

Disclosure requirement	Name with reference
ESRS 2 General disclosures	
ESRS 2 BP-1	General basis for preparation of the sustainability statement
ESRS 2 BP-2	Disclosures in relation to specific circumstances
ESRS 2 GOV-1	The role of the administrative, management, and supervisory bodies
ESRS 2 GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management, and supervisory bodies
ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes
ESRS 2 GOV-4	Statement on due diligence
ESRS 2 GOV-5	Risk management and internal controls over sustainability reporting
ESRS 2 SBM-1	Strategy, business model, and value chain
ESRS 2 SBM-2	Interests and views of stakeholders
ESRS 2 SBM-3	Material impacts, risks, and opportunities and their interaction with strategy and business modell (use of phase-in option for ESRS 2 SBM-3 para. 48e)
ESRS 2 IRO-1	Description of the process to identify and assess material impacts, risks, and opportunities
ESRS 2 IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement

We see ourselves as a global enterprise with a considerable presence in Europe, European roots and values, and an extremely strong business in the United States. However, our Group strategy does not aim to micromanage all local units, but to provide a strategic framework and to utilize local strengths such as networks and competitive standing. Our T-Mobile US business in the United States in particular has operated under this decentralized approach for many years, enjoying considerable success. In this context, T-Mobile US is sometimes discussed separately in the topical standards, and relevant policies, actions, and targets are presented separately as required.

ESRS 2 BP-1 – General basis for preparation of the sustainability statement

This sustainability statement was prepared on a consolidated basis. The scope of consolidation of the companies included generally consists of Deutsche Telekom AG and its subsidiaries. Subsidiaries classified as not material from a financial perspective were analyzed in terms of their impact on society and the environment caused by our business activities, as well as risks and opportunities, and are also not material for the sustainability statement. Both the consolidated financial statements and the combined sustainability statement therefore refer to the same scope of consolidation. The sustainability statement covers both our own business activities and our upstream and downstream value chain.

When preparing the statement we did not make use of the option to omit specific pieces of information corresponding to intellectual property, know-how, or the results of innovation. The same applies to the disclosure of impending developments or matters in the course of negotiation.

ESRS 2 BP-2 – Disclosures in relation to specific circumstances

The following table provides an overview of the metrics we identified by means of estimates and describes the basis for preparation and the resulting level of accuracy.

Value chain estimation

Metrics of the upstream and downstream value chain	Description of the basis for preparation	Description of the resulting level of accuracy
Scope 3 emissions and emissions factors	Due to a lack of primary data, particularly in the upstream and downstream value chain, coupled with a lack of product-related emissions factors, we used estimates to determine greenhouse gas (GHG) emissions. Emissions factors cannot be precisely determined for each individual product, which is why we use an average value in the upstream value chain for the calculation. Because few suppliers have submitted primary data, we worked with statistical secondary data in accordance with standard industry practice.	We use only recognized sources from public bodies. Software solutions and increasingly digitalized data collection ensure a reliable calculation basis. By performing an annual comparison of the data used against the publicly available sources and the latest findings, we increase our data quality year by year. In this way, we ensure that the overall data quality continues to improve. Given the highly complex relationships in the supply chain and the difficulties involved in collecting and compiling data (life-cycle analysis), the annual assessment forms an integral part of discussions with customers and supplier selection. It includes life-cycle analyses, surveys, and updated emissions factors based on CDP data. The aim is to reduce emissions and improve the accuracy of the emissions data collected with the help of our suppliers.

For further information on the calculation of Scope 3 emissions, please refer to the section “ESRS E1-6.”

The following table shows an overview of metrics that are subject to a high level of measurement uncertainty. It also indicates the sources of those measurement uncertainties.

Sources of estimation and outcome uncertainty

Metrics that are subject to a high level of measurement uncertainty	Information on the sources for measurement uncertainty	Assumptions, approximations, and judgments on which the measurement was based
Resource inflows: optical fiber and antennas	Data on the weight of optical fiber and antennas used is known but it is not practical to record it at the component level, which is why we work with average values and extrapolations and use clustering to determine weight efficiently.	We use historical average values to record data on fiber-optic cables and mobile communications antennas. For cables, these are based on data on the total length of purchased cables and the average weight per unit of length. To calculate the total weight of the antennas, we multiply the number of antennas by the average weight per unit. When collecting data for both cables and antennas, we use two weight categories in order to measure the weights of different cable and antenna types per unit as precisely as possible.
Use of sustainably sourced biological materials for the build-out and maintenance of the network infrastructure	Since manufacturers did not submit any information on this, an estimate was made based on experience from previous years. The level of accuracy of the estimate is limited.	Due to the low weight of the packaging in relation to the total weight, the proportion of biological materials used is estimated at 5 % of the total weight.
Use of recycled materials in network technology packaging, components, and materials	The level of accuracy of the estimate is considered low because no data is disclosed and the estimate is based on assumptions derived from experience in previous years.	The recycling rate for packaging is estimated at 15 % of the total weight.

The following overview shows the information that we incorporate by reference.

Incorporation by reference

Disclosure requirement (datapoints)	Reference, section
ESRS 2 GOV-5 – Risk management and internal controls over sustainability reporting (para. 36 a, b, d, e)	Risk and opportunity management
ESRS 2 SBM-1 – Strategy, business model, and value chain (para. 40a-i + ii)	Group organization
ESRS 2 SBM-1 – Strategy, business model, and value chain (para. 40b)	Development of business in the Groups
ESRS 2 SBM-2 – Interests and views of stakeholders (para. 45a-i)	Management of the Group

Governance

ESRS 2 GOV-1 – The role of the administrative, management, and supervisory bodies

The Board of Management and Supervisory Board of Deutsche Telekom AG collaborate closely for the benefit of the Company and maintain regular contact. The Board of Management coordinates the strategic direction with the Supervisory Board and works towards its implementation in the Group in accordance with applicable law and the existing opportunities for influence under company law. Local adaptations are and remain possible at our national companies. We determine a uniform strategic framework by integrating minimum standards into our Group-wide policies, such as the Code of Human Rights, wherever this is legally possible. The Board of Management and Supervisory Board discuss progress in the implementation of the strategy at regular intervals.

As of December 31, 2025, the responsibilities of the Board of Management of Deutsche Telekom AG were distributed across eight Board departments. The Supervisory Board of Deutsche Telekom AG advises the Board of Management and oversees its management of business. It is composed of 20 members: 10 represent the shareholders and 10 the employees.

The members of the Board of Management have the relevant experience to be able to perform their function. As a whole, the Board of Management is in particular to have many years of experience in the telecommunications sector, technology, innovation, finance, digitalization, artificial intelligence, human resources management, and legal and compliance affairs. Since January 27, 2025, as a rule, members of the Board of Management are not to be older than 67 years of age. No Board member is currently older than this limit. In view of the Group's international focus, it is our aspiration for at least one member of the Board of Management to have an international background. The Supervisory Board members also have experience that is relevant to our sector, our products, and the geographical locations where we operate. As a whole, the Supervisory Board must in particular have experience in the areas of business that are important for Deutsche Telekom, especially the fields of telecommunications and infrastructure, as well as experience with strategy, finance, control, innovation, ESG, and human resources.

The following table shows the gender diversity of the Board of Management and Supervisory Board of Deutsche Telekom AG.

Percentage of female members on the Board of Management and Supervisory Board

%

	Dec. 31, 2025	Dec. 31, 2024
Percentage of female members on the Board of Management of Deutsche Telekom AG	25	37.5
Percentage of female members on the Supervisory Board of Deutsche Telekom AG	45	45

According to the assessment of the shareholders' representatives on the Supervisory Board, all members on the shareholders' side (100 %) are independent within the meaning of the German Corporate Governance Code (GCGC) as of December 31, 2025.

Composition of the Board of Management and the Supervisory Board as of December 31, 2025

Body	Members
Board of Management	
	Tim Höttges
	Dr. Ferri Abolhassan
	Birgit Bohle
	Rodrigo Diehl
	Dr. Christian P. Illek
	Thorsten Langheim
	Dominique Leroy
	Dr. Abdu Mudesir

Body	Members
Supervisory Board	
	Dr. Frank Appel
	Odysseus D. Chatzidis
	Eric Daum
	Rachel Empey
	Constantin Greve
	Dagmar P. Kollmann
	Natalie Knight
	Petra Steffi Kreusel
	Harald Krüger
	Kerstin Marx
	Dr. Reinhard Ploss
	Stefan Ramge
	Frank Sauerland
	Christoph Schmitz-Dethlefsen
	Susanne Schöttke
	Nicole Seelemann-Wandtke
	Karl-Heinz Streibich
	Margret Suckale
	Karin Topel
	Stefan B. Wintels

The Board of Management assesses, manages, and monitors the social and environmental impacts of our business activities identified in the double materiality assessment, as well as risks and opportunities. The Supervisory Board advises the Board of Management and oversees its performance of these activities. For this purpose, it has set up an Audit and Finance Committee as well as a Strategy, ESG, and Innovation Committee, among others.

The Supervisory Board of Deutsche Telekom AG is informed regularly about the corporate responsibility (CR) strategy, its implementation, and its key metrics. The Supervisory Board additionally has a number of committees. The Audit and Finance Committee monitors the effectiveness of the internal control system and the risk management system, as well as the sustainability reporting and the audit thereof. By contrast, the Strategy, ESG, and Innovation Committee addresses matters such as the Company's activities in the areas of environment, social, and governance (ESG) and the implementation of the sustainability strategy. The Board of Management of Deutsche Telekom AG adopts Group-wide sustainability-related policies and strategic objectives. It is regularly informed by representatives of the business areas about the status and progress in implementing the CR strategy and about the status of the targets and related actions. The Group Corporate Responsibility (GCR) department is a key center of competence for strategy, strategic policies and projects, functional and process-related advice, external reporting, and stakeholder management of sustainability topics. The segment heads are responsible for implementing strategy, objectives, and targets within the segments, reporting on these to the Board of Management, and fleshing out the CR strategy in line with business requirements. The management bodies of the Group companies are responsible for implementing strategy, objectives, and targets in the Group companies, reporting on them to their own segment, and also fleshing out the CR strategy.

Processes, controls, and procedures used to monitor, manage, and oversee sustainability-related impacts, risks, and opportunities are not the responsibility of only one specific position or committee in the Company. Rather, they are part of the standard process of the Group-wide risk and opportunity management system. The Group risk report, which presents the major risks, is prepared for the Board of Management on a quarterly basis. The Audit and Finance Committee of the Supervisory Board of Deutsche Telekom AG also examines this report at its meetings. In addition, the Board of Management briefs the Supervisory Board on the Group's sustainability-related impacts, risks, and opportunities.

Deutsche Telekom has established a Group-wide internal control system (ICS) to ensure the accuracy of its financial reporting. The effectiveness of all controls is reviewed internally every year.

> For further information on our integrated control and monitoring system, please refer to the section "Governance and other disclosures."

The Supervisory Board monitors the definition of targets related to material impacts, risks, and opportunities, and the progress in achieving these targets, by continuously monitoring and assessing them and by regularly obtaining information about progress from GCR.

Thanks to her proven expertise in the area of ESG, in particular her responsibility for this subject area at a DAX company (including a role as Head of the Corporate Sustainability Board) and on association level (Chair of the Committee at the German Chemical Industry Association, VCI), Margret Suckale was appointed by the Supervisory Board as an ESG expert to specifically address the Group's sustainability-related topics and areas. Moreover, Ms. Suckale undergoes continuous training in the area of ESG. In addition, the Supervisory Board's Strategy, ESG, and Innovation Committee was established in 2024. Furthermore, GCR experts provide training to the Supervisory Board on sustainability matters. GCR also briefs the Board of Management on sustainability matters. In doing so, we take our material impacts, risks, and opportunities into account and enable our Board of Management and Supervisory Board to properly monitor sustainability matters.

ESRS 2 GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management, and supervisory bodies

The Chair of the Board of Management is responsible for GCR. GCR informs the Board of Management every quarter in the Group Performance Report about the status of the most important sustainability indicators. In addition, a deeper exchange between the members of the Board of Management about these indicators and about developments in the Group takes place in a sustainability business review. Additionally, the Global CR Board serves as a Group-wide steering committee and preparatory body for the Board of Management. GCR also regularly updates the Supervisory Board on the CR strategy and progress in implementing it, as well as on new sustainability-related requirements for the Supervisory Board.

The Board of Management of Deutsche Telekom AG and the management of the individual Group companies are responsible for implementation of and compliance with our due diligence processes. Periodic and/or event-driven internal reporting on human rights and environmental results in decision-making bodies (e.g., management bodies) is designed to ensure that informed decisions can always be made.

The Board of Management and the Supervisory Board were informed by GCR in the reporting year of the outcome of the double materiality assessment and the identified sustainability-related impacts, risks, and opportunities, and discussed these. The Supervisory Board and the Board of Management of Deutsche Telekom AG take the material impacts, risks, and opportunities into account when monitoring the strategy, the decisions of the Company on major transactions, and its risk management process by risk and opportunity management. Compromises in relation to our impacts, risks, and opportunities are only accepted if there are no breaches of the law and, at the same time, all relevant codes and sustainability targets are complied with. Deviations from the Group strategy are reported. We take corresponding actions to mitigate our negative impacts on society and the environment. The Board of Management and Supervisory Board addressed all material impacts, risks, and opportunities during the reporting year. A list of the material impacts, risks, and opportunities can be found in the disclosure requirements for SBM-3 in the relevant topical standards.

ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive schemes

In accordance with § 113 of the German Stock Corporation Act (AktG), the remuneration to be granted to the members of the Supervisory Board is submitted to the Shareholders' Meeting of Deutsche Telekom AG for resolution whenever material changes are made, but at least every four years. The remuneration system for the members of the Board of Management is initially approved by the Supervisory Board of Deutsche Telekom AG. In accordance with § 120a AktG, the Shareholders' Meeting is likewise required to approve the remuneration system for the Board of Management members whenever material changes are made, or at least every four years.

While the remuneration of the Supervisory Board members is comprised exclusively of fixed basic remuneration, committee remuneration, and meeting attendance fees, the remuneration system for the members of the Board of Management provides for basic remuneration in addition to one-year and multi-year variable remuneration components, with target achievement depending on both financial and non-financial performance indicators. In the following, we will consider only the non-financial performance indicators of the variable remuneration instruments for Board of Management members.

> Please refer to the separate Remuneration Report and the remuneration systems for detailed information on remuneration components of the remuneration system for Board of Management members and on the remuneration system for Supervisory Board members.

As part of the one-year variable remuneration for Board of Management members (Short-Term Incentive, STI), the Supervisory Board decided to incorporate the non-financial social performance indicators of customer retention/satisfaction and employee satisfaction in the remuneration system in addition to financial performance indicators using a combined ESG and strategy multiplier. The multiplier can have values between 0.8 and 1.2 and is intended to ensure that the Board of Management is appropriately committed to the interests of customers and employees (Deutsche Telekom excluding T-Mobile US). Customer retention/satisfaction is measured using the globally recognized TRI*M method. When measuring employee satisfaction, the Supervisory Board uses the results of the biennial employee survey and the biannual pulse survey (in each case for Deutsche Telekom excluding T-Mobile US).

> For further information on our non-financial performance indicators for employee satisfaction (engagement score) and customer retention/satisfaction (TRI*M index), please refer to the section "Management of the Group."

Before the start of a financial year, the Supervisory Board derives the target and threshold values for these performance indicators from the company planning. The 100 % target value corresponds to the budget value from the planning. The target achievement level for each target parameter of the STI can vary between 0 % and 166.67 %.

In addition to the financial performance indicators ROCE (return on capital employed) and adjusted EPS (adjusted earnings per share), the long-term variable remuneration for Board of Management members (Long-Term Incentive, LTI) includes an ESG multiplier incorporating the non-financial environmental performance indicators "energy consumption" and "CO_2 emissions" (Scope 1 and 2). The ESG multiplier may have values between 0.8 and 1.2. All values below 1.0 have the effect of a penalty (malus) and all values above 1.0 have the effect of an additional reward (bonus) for Board of Management members. Furthermore, the new remuneration system stipulates that the LTI will expire in its entirety if the total shareholder return (TSR) falls by 20 % or more during the term of the plan. Since 2022, the two environmental performance indicators have also been applied for the variable remuneration of our eligible managers (Deutsche Telekom excluding T-Mobile US) and all employees not covered by collective agreements in Germany.

The target achievement level for each target parameter of the LTI can vary between 0 % and 150 %. The LTI is designed as a cash- and share-based plan with a term of four years. At the start of the LTI plan, the participation contribution of a member of the Board of Management is converted into phantom shares of the Company and divided equally among each of the four years of the plan.

We use the energy consumption performance indicator to record the energy consumed in our own business operations. The aim is to incentivize the members of the Board of Management to behave in a way so as to ensure that energy consumption remains at least stable through 2027 compared with 2023 (Deutsche Telekom excluding T-Mobile US). This target is supported by programs and investments in energy-saving measures for all energy sources, the optimization of infrastructure, and through the use of innovative technology components. The CO_2 emissions performance indicator (Scope 1 and 2) is designed to motivate the Board of Management members to sustainably promote 100 % of electricity from renewable energy sources, to optimize consumption levels in buildings, and to successively convert the Group's vehicle fleet from fossil fuels to emission-free or low-emission engine types. The level of ambition and the target achievement for both performance indicators were calculated excluding T-Mobile US. We also report a Group-wide ambition that includes T-Mobile US.

ESRS 2 GOV-4 – Statement on due diligence

The following overview shows how and in which sections of the sustainability statement the main aspects and steps of the due diligence process are considered.

Overview of the main aspects and steps of the due diligence process in the sustainability statement

Core elements of the due diligence process	Sections in the sustainability statement
Embedding due diligence in governance, strategy, and business model	ESRS 2 GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management, and supervisory bodies
	ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive schemes
	ESRS 2 SBM-3 E1 – Material impacts, risks, and opportunities and their interaction with strategy and business model.
	ESRS 2 SBM-3 E5 – Material impacts, risks, and opportunities and their interaction with strategy and business model.
	ESRS 2 SBM-3 S1 – Material impacts, risks, and opportunities and their interaction with strategy and business model.
	ESRS 2 SBM-3 S2 – Material impacts, risks, and opportunities and their interaction with strategy and business model.
	ESRS 2 SBM-3 S4 – Material impacts, risks, and opportunities and their interaction with strategy and business model.
	ESRS 2 SBM-3 G1 – Material impacts, risks, and opportunities and their interaction with strategy and business model.
Engaging with affected stakeholders in all key steps of the due diligence process	ESRS 2 GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management, and supervisory bodies
	ESRS 2 SBM-2 – Interests and views of stakeholders
	ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks, and opportunities
	ESRS E1-2 – Policies related to climate change mitigation and adaptation
	ESRS E5-1 – Policies related to resource use and circular economy
	ESRS S1-1 – Policies related to own workforce
	ESRS S2-1 – Policies related to value chain workers
	ESRS S4-1 – Policies related to consumers and end-users
	ESRS G1-1 – Business conduct policies and corporate culture
Identifying and assessing adverse impacts	ESRS 2 IRO-1 (including Application Requirements related to specific sustainability matters in the relevant ESRS)
	ESRS 2 SBM-3 E1 – Material impacts, risks, and opportunities and their interaction with strategy and business model.
	ESRS 2 SBM-3 E5 – Material impacts, risks, and opportunities and their interaction with strategy and business model.
	ESRS 2 SBM-3 S1 – Material impacts, risks, and opportunities and their interaction with strategy and business model.
	ESRS 2 SBM-3 S2 – Material impacts, risks, and opportunities and their interaction with strategy and business model.
	ESRS 2 SBM-3 S4 – Material impacts, risks, and opportunities and their interaction with strategy and business model.
	ESRS 2 SBM-3 G1 – Material impacts, risks, and opportunities and their interaction with strategy and business model.
Taking action to address those adverse impacts	ESRS E1-3 – Actions and resources in relation to climate change policies
	ESRS E5-2 – Actions and resources in relation to resource use and circular economy
	ESRS S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions
	ESRS S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions
	ESRS S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions
	ESRS G1-3 – Prevention and detection of corruption and bribery
Tracking the effectiveness of these efforts and communicating	**Targets:**
	ESRS E1-4 – Targets related to climate change mitigation and adaptation
	ESRS E5-3 – Targets related to resource use and circular economy
	ESRS S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
	ESRS S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
	ESRS S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
	Metrics:
	ESRS E1-5 – Energy consumption and mix
	ESRS E1-6 – Gross Scopes 1, 2, 3 and total GHG emissions
	ESRS E1-7 – GHG removals and GHG mitigation projects financed through carbon credits
	ESRS E1-8 – Internal carbon pricing
	ESRS E5-4 – Resource inflows
	ESRS E5-5 – Resource outflows
	ESRS S1-6 – Characteristics of the undertaking's employees
	ESRS S1-8 – Collective bargaining coverage and social dialogue
	ESRS S1-9 – Diversity metrics
	ESRS S1-14 – Health and safety metrics
	ESRS S1-16 – Remuneration metrics (pay gap and total remuneration)
	ESRS S1-17 – Incidents, complaints, and severe human rights impacts

ESRS 2 GOV-5 – Risk management and internal controls over sustainability reporting

Risk management and the internal controls of sustainability reporting are part of Deutsche Telekom's risk management process. As a rule, we assess all sustainability-related risks and opportunities in our risk and opportunity management system, including those in relation to the sustainability reporting process. In the reporting year, no significant risks relating to the sustainability reporting process were identified in this system. However, the internal control system includes continuous process-related controls that address the Group-wide, IT-based collection process with regard to completeness and integrity of the ESG data from the ESRS E1, E5, and S4 topical standards.

> For further information on our risk management process, please refer to the section "Risk and opportunity management."

The various systems implemented by the Board of Management (in particular the internal control system and the risk and opportunity management system including the compliance management system) to record and mitigate risks work together as part of a mutually complementary control and monitoring system and are subject to review by Internal Audit.

The ICS supports the organizational implementation of the Board of Management's decisions. This includes achieving the business targets, proper and reliable accounting, and compliance with significant legal requirements and regulations. Sustainability aspects, such as sustainability reporting, which are continuously developed on the basis of regulatory requirements, are also taken into consideration.

Effectiveness is regularly reviewed applying the dual-checking principle and, depending on the risk exposure of the controls within the functional unit, across departments or (additionally) by Internal Audit. The aim is to identify control gaps and non-effective controls, in particular to analyze the impact on financial reporting and to initiate and monitor suitable countermeasures.

The ICS process is completed with a cascaded approval process, starting with the function owners in the entities and the local finance and managing directors, through to Group level. The ICS Steering Committee, with the involvement of the Group's most important function owners, then evaluates the results and makes recommendations to the Board of Management. Based on this, the Board of Management decides on the appropriateness and effectiveness of the ICS twice a year. The Audit and Finance Committee is informed in detail on the status and results of the ICS process at least three times a year and discusses the alignment of the ICS with management and the external auditors. Nevertheless, there are inherent limitations in every ICS. No control system – even if it is deemed to be appropriate and effective – can ensure that all relevant process-related control risks are identified and are being completely and effectively addressed by means of controls.

> For further information on our integrated control and monitoring system, please refer to the section "Governance and other disclosures."

Strategy

ESRS 2 SBM-1 – Strategy, business model, and value chain

Our Group is divided into five operating segments plus the Group Headquarters & Group Services segment.

> We explain the segments in detail in the section "Group organization."

The Germany, United States, Europe, and Systems Solutions operating segments make a significant contribution to the Group's sustainability performance. As the Group Headquarters, Deutsche Telekom AG exercises strategic and cross-segment management functions and provides services to other Group companies.

Number of employees by geographical areas

FTEs

	Dec. 31, 2025	Dec. 31, 2024
Germany	70,751	74,550
International	127,327	123,644
Total number of employees	**198,079**	**198,194**
Of which: other EU member states	46,415	48,169
Of which: rest of Europe	2,041	2,105
Of which: North America	70,208	65,355
Of which: rest of world	8,664	8,015

Please refer to the section "Development of business in the Group" for an overview of the contributions of the segments to net revenue and for further information.

Sustainability-related goals

No.	Goal	Scope by geographical areas
1	**Environment**	
1.1	Climate change	
1.1.1	We reached our target of achieving net zero emissions in our own business operations (Scope 1 and 2) by the end of 2025. To achieve this, we reduced emissions from our own operations globally by more than 94 % against the 2017 level. We offset the remaining emissions of our CO_2e footprint through high-quality projects to remove CO_2 from the atmosphere, for example, through reforestation.	Group-wide/global
1.1.2	We endeavor to reduce CO_2e emissions across Scopes 1–3 by 55 % against the 2020 level in absolute terms by 2030.	Group-wide/global
1.1.3	By 2040 at the latest, we aim to reduce our emissions along the entire value chain by at least 90 % compared with 2020 and achieve net zero emissions across all three scopes. To achieve this, we aim to reduce total emissions by at least 90 % from a 2020 baseline; only up to 10 % may be offset through high-quality CO_2e removal projects.	Group-wide/global
1.2	Resource use and circular economy	
1.2.1	We aim to be almost fully circular in terms of our technology and terminal equipment by 2030.	Europe (incl. Germany) and global for the Systems Solutions segment
2	**Social aspects**	
2.1	Own workforce	
2.1.1	Increasing the proportion of women in management positions to 30 % by the end of 2027; changed from the original target year of 2025.	Group-wide/global
2.2	Consumers/end-users	
2.2.1	Our goal is to reach over 80 million people (Beneficiaries – Digital Society ESG KPI: cumulatively in the period 2024–2027) who will benefit from Deutsche Telekom's social commitment in the Digital Society area.	Group-wide/global

The following table shows the assessment of the currently most significant products and services, as well as significant markets and customer groups, in relation to Deutsche Telekom's sustainability-related goals.

Assessment of the significant products and services, markets, and customer groups in relation to the sustainability-related goals

Customer groups	Products and services	Germany (incl. Systems Solutions)	Europe (excl. Germany; incl. Systems Solutions)	North America (incl. Systems Solutions)	Sustainability-related goal (no.)
Consumers	Mobile communications	x	x	x	1.1.1, 1.1.2, 1.1.3, 1.2.1 (Deutsche Telekom excluding T-Mobile US), 2.2.1
	Fixed network	x	x		1.1.1, 1.1.2, 1.1.3, 1.2.1, 2.2.1
	TV	x	x		1.1.1, 1.1.2, 1.1.3, 1.2.1 (Deutsche Telekom excluding T-Mobile US)
Business Customers: SMEs (small and medium-sized enterprises)	Mobile communications	x	x	x	1.1.1, 1.1.2, 1.1.3, 1.2.1 (Deutsche Telekom excluding T-Mobile US), 2.2.1
	Fixed network	x	x		1.1.1, 1.1.2, 1.1.3, 1.2.1, 2.2.1
	Cloud	x	x	x	1.1.1, 1.1.2, 1.1.3, 1.2.1 (Deutsche Telekom excluding T-Mobile US)
	Security	x	x	x	1.1.1, 1.1.2, 1.1.3

Customer groups	Products and services	Germany (incl. Systems Solutions)	Europe (excl. Germany; incl. Systems Solutions)	North America (incl. Systems Solutions)	Sustainability-related goal (no.)
Business Customers: L	Journey-to-Digital (standard applications, process transformation and integration, data analytics)	x	x	x	1.1.1, 1.1.2, 1.1.3
	Scalable telecommunications platforms	x	x	x	1.1.1, 1.1.2, 1.1.3, 1.2.1 (Deutsche Telekom excluding T-Mobile US)
Business Customers: XL	Advisory	x	x	x	1.1.1, 1.1.2, 1.1.3
	Security	x	x	x	1.1.1, 1.1.2, 1.1.3, 1.2.1 (Deutsche Telekom excluding T-Mobile US)
	Digital	x	x	x	1.1.1, 1.1.2, 1.1.3, 1.2.1 (Deutsche Telekom excluding T-Mobile US)
	Connectivity	x	x	x	1.1.1, 1.1.2, 1.1.3, 1.2.1 (Deutsche Telekom excluding T-Mobile US)
	Productivity, e.g., UCC (Unified Communication Collaboration tools)	x	x	x	1.1.1, 1.1.2, 1.1.3, 1.2.1 (Deutsche Telekom excluding T-Mobile US)
Public sector	Digitalization and connectivity at public institutions (e.g., local authorities and schools)	x	x	x	1.1.1, 1.1.2, 1.1.3, 1.2.1 (Deutsche Telekom excluding T-Mobile US), 2.2.1
Wholesale	Telecommunications	x	x	x	1.1.1, 1.1.2, 1.1.3
	App and IT landscapes	x			1.1.1, 1.1.2, 1.1.3

x = applicable

Sustainability has been a component of our corporate activities for nearly three decades. We see ourselves as a responsible company and have made this part of our Group strategy. Our aspiration is therefore to implement sustainability along our value chain and to play an important role in meeting environmental, economic, and social challenges.

Our CR strategy is derived from the Group strategy. It focuses on good governance and on four environmental and social areas in which we aim to lead by example:

1. Our strict commitment to climate-neutral business practices: We want to reach net zero by 2040 at the latest across all three scopes along the entire value chain. To achieve this, we aim to reduce total emissions by at least 90 % from a 2020 baseline; only up to 10 % may be neutralized with high-integrity carbon removals.
2. Our determined efforts to ensure our products and services are compatible with the circular economy: In this context, we aim to ensure by 2030 that almost all of the products we bring into the market are circular. This includes all network technology, most T-branded products, and a large share of the mobile devices we sell. (Deutsche Telekom excluding T-Mobile US).
3. Our promotion of corporate culture and inclusion and our investment into future skills: We want to provide a safe, supportive environment where we promote equity among people – across all dimensions of diversity.
4. Our determination to help shape a digital society that is based on fundamental democratic values and in which all people can participate safely, competently, and with autonomy: We want to make the digital world a tolerant, safe space for everyone and enable society to bridge the digital divide.

Good governance is the basis of these strategic pillars. To implement this, we concentrate on a number of different but equally important aspects:

- Data protection, cybersecurity, and information security
- Risk and opportunity management system and internal control system including compliance management system
- Application of the basic principles of digital responsibility
- Respect for human rights and the sustainable development of supply chains
- Investment based on environmental and social criteria and transparent communication about our activities relating to ecological and social sustainability

In terms of the associated challenges, we are working on solutions to address the most important challenges. We intend to further develop and integrate them in the coming years. For us, this involves:

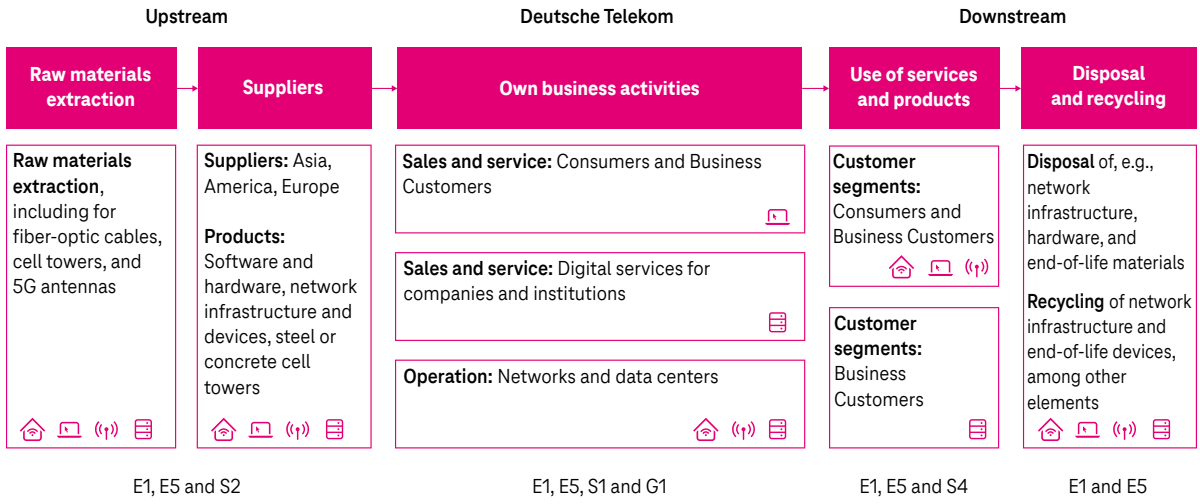
- integrated ESG management in the Group's value chain, e.g., through a project on supplier management with regard to Scope 3 emissions or by implementing a management system to meet the requirements of the German Act on Corporate Due Diligence in Supply Chains (Lieferkettensorgfaltspflichtengesetz – LkSG),
- developing cross-industry standards for the key sustainability indicators in the value chain through collaborations, and
- enabling employees and managers to overcome specific sustainability challenges in their respective roles through the Telekom Sustainability Campus, a learning platform for digital ESG training.

We are one of the leading telecommunications companies worldwide. We have structured our business into the areas of fixed network, mobile communications, merchandise (sale of hardware for using the network), and the Systems Solutions business (Business Customers).

> For further information on our business model, please refer to the sections "Group organization" and "Group strategy."

The following figure shows our value chain along our business areas, including the inputs used and outputs generated by our Company. We have considered the impacts, risks, and opportunities for the telecommunications industry as part of our double materiality assessment and examined a potential relationship with our value chain and business model. We explain material potential impacts, risks, and opportunities in the relevant topical standards.

Value chain



- **Fixed network:** Fiber-optic technology (focus on FTTH), copper cable (recycling only) with related telecommunications services
- **Mobile communications:** Mobile communications network components with related telecommunications services
- **Merchandise and sales:** Smartphones, tablets, (mobile) routers, fixed-network phones, and others
- **Systems solutions business:** Data centers, solutions for various industries

Our goal is to make our product portfolio increasingly sustainable. To achieve this, we take a holistic approach to resource conservation and are committed to the responsible use of resources along our entire value chain. Reusing products and materials and extending their use phase not only saves on resources, but also reduces energy consumption and emissions.

> For further information on our approach to the extraction of raw materials as well as disposal and recycling, please refer to the section "ESRS E5."

The most important economic actors for Deutsche Telekom are its suppliers, customers, and investors.

- **Suppliers:** For the build-out of our network infrastructure, our suppliers from the civil engineering sector and manufacturers of fixed-network and mobile devices and ICT network technology are particularly important. They provide the infrastructure services, technology, devices, and network technology required to operate and develop the telecommunications infrastructure. Deutsche Telekom works closely with its suppliers to achieve common sustainability-related goals, for example reducing emissions from CO_2 equivalents (CO_2e) and promoting a circular economy. In addition, we have requested our suppliers of network technology and terminal equipment (Deutsche Telekom excluding T-Mobile US) to make their products and services almost completely circular by 2030. The relationship between Deutsche Telekom and its economic actors is distinguished by close cooperation on the one hand and by interdependencies on the other hand. The two sides are working to achieve common goals and promote sustainable practices.
- **Customers:** Our customer portfolio comprises consumers, business customers, the public sector, and wholesale. These customer groups use the different telecommunications services and products that Deutsche Telekom offers, such as mobile communications, fixed-network, internet, and TV services. Our relationship with our customers is shaped by our high standards in terms of service quality and customer satisfaction. We also attach great importance to the protection of their privacy and data.
- **Investors:** One of the main objectives of our finance strategy is to ensure unrestricted access to capital markets. Investors are therefore critically important to us as a company, providing the capital we need to grow, innovate, and expand. They enable us to share risks and offer strategic support and valuable networks that help us to secure our ability to obtain financing and optimize our value chain. The liquidity this provides us with is indispensable for scaling up our business model. The support received from investors thus strengthens our long-term competitiveness and sustainability, enabling us to efficiently achieve our business goals and continuously evolve.

ESRS 2 SBM-2 – Interests and views of stakeholders

Interaction with our stakeholder groups does not only help us to find support for our concerns. It also provides input that helps us identify key trends early on. In this way, it facilitates our innovation processes.

For a list of our stakeholder groups and further information, please refer to the section "Management of the Group."

To involve our stakeholder groups in our business activities, we have developed an approach based on the AA1000 principles developed by the non-governmental organization (NGO) AccountAbility: materiality, inclusivity, and responsiveness. In the reporting year, we intensified our dialogue with employees to further embed the topic of sustainability in our internal processes, e.g., at the CR management meeting in Warsaw, through regular virtual meetings with the CR network, and through a series of virtual information events. This includes, for example, refining our strategic approach to promoting digital inclusion, designing training programs in the field of sustainability, and exchanging best practices for measuring and managing GHG emissions.

We organize our stakeholder engagement in three forms: participation, dialogue, and information. We use our recurring case-related relevance analysis to determine how intensively we involve our stakeholders. The more relevant a stakeholder group is to the topic or project concerned, the more intensively that stakeholder group is to be engaged. We list some examples of our active stakeholder management below:

- **Data Privacy Advisory Board:** As an independent advisory body to Deutsche Telekom AG's Board of Management, the Data Privacy Advisory Board advises on key data privacy and data security issues. The Advisory Board also covers aspects of digitalization, societal developments, and ethical issues. It includes members of stakeholder groups from science, business, politics, and independent organizations.
- **"Telekom hilft" (Telekom helps out):** We include customers and end-users by giving them the opportunity to ask questions and provide answers in the community, as well as to take part in discussions, read and comment on blogs on Deutsche Telekom topics, and test new Deutsche Telekom products.
- **"Telekom Ideenschmiede" (Telekom's Ideas Forge):** Deutsche Telekom's Ideas Forge also facilitates dialogue with customers, end-users, and interested parties and gives them the opportunity to share and assess ideas for innovations. Our employees can also submit ideas and suggestions for improvement through our idea management program.
- **Deutsche Telekom's Municipal Advisory Board:** The board of municipal representatives provides the framework for direct dialogue between municipalities and Deutsche Telekom. It functions as a platform for discussing ideas, interests, and expectations and for finding a rapid resolution to certain issues. The board may also invite outside experts to attend individual meetings.

- **Dialogue with our employees:** Our employees can exchange ideas in various areas of interest through our internal communities, such as GreenPioneers, the Human-Centered Technology Community, and Telekom@School.
- **Town hall meetings:** The members of the Board of Management regularly enter into dialogue with our employees and answer questions on current topics. The format was also made more international in the reporting year by holding some of the Group-wide broadcast town hall meetings at the locations of different national companies.
- **"Hack4Humans x AI" hackathon:** In the reporting year, employees worldwide took part in a three-day competition to develop innovative AI solutions for the Group. By promoting people-centered technology use, the format gives experts from different areas of the organization a further opportunity to network at an international level.

The feedback we receive from our stakeholders is incorporated into the alignment of our CR activities and has an impact on the CR program.

Our approach is to address the concerns of stakeholders, if possible, where dialogue with the stakeholder takes place. The areas involved in the dialogue receive direct feedback and can incorporate this directly into the organization of their work. They are responsible for referring concerns that cannot be resolved locally to the appropriate bodies within the Group. This also applies accordingly to the specific topics that are relevant in the context of the due diligence process and the materiality assessment. If a topic proves to be of particular interest to certain stakeholders, we initiate a topic-specific response and, if necessary, develop special dialogue formats. We are also committed to respect for human rights and are dedicated to protecting them in connection with our business operations, our suppliers, and our customers at both global and regional level. Our actions are based, among others, on the relevant recognized international standards and guiding principles, which we describe in the section "ESRS S2-1." In addition, we express our commitment to this in our Code of Human Rights.

The Board of Management and the Supervisory Board of Deutsche Telekom AG were informed in the 2025 financial year about the views and interests of affected stakeholders with regard to the Company's sustainability-related impacts in the context of the presentation of the materiality assessment.

ESRS 2 SBM-3 – Material impacts, risks, and opportunities and their interaction with strategy and business model

In the relevant topical standards, we examine in detail the ESRS topics identified as being material. There we describe Deutsche Telekom's material impacts, risks, and opportunities and their interactions with our strategy and business model. We also discuss the related policies, targets, actions and metrics.

We continuously review the current and anticipated effects of the impacts, risks, and opportunities on our strategy, business model, value chain, and decision-making and their interaction and develop actions to address these. Neither the identified impacts, risks, and opportunities nor the actions taken and planned led to a change in strategy or the business model in the reporting year. Furthermore, the material risks and opportunities did not have any relevant current financial effects on our financial position, financial performance, and cash flows in the reporting year. We aim to foster change towards greater sustainability through new technologies and innovative ideas and by offering more sustainable products and services. This is our response to the effects of climate change. We always take care to comply with the due diligence process and consider all aspects for sustainable governance. The results of the recurring risk analysis pursuant to the LkSG in our own business areas and in the upstream value chain serve, for example, as a basis for deriving actions and are also integrated into corporate decision-making processes (Deutsche Telekom excluding T-Mobile US). As a company listed in the US, T-Mobile US carries out a company-specific risk assessment using its own methodology. The results are regularly reported to the relevant governing bodies, which include representatives of Deutsche Telekom AG.

The actual and potential impacts on the different stakeholders, on which we report under ESRS S1, S2, and S4, arise from our strategy or our business model (ESRS S1) or are connected with these through the procurement of goods (ESRS S2) and our focus on the advancing network build-out (ESRS S4). All material negative impacts on the affected stakeholders that we identified in the double materiality assessment are of a systemic nature; they are not connected with individual incidents or with specific business relationships of Deutsche Telekom. In addition to reporting on how we deal with significant impacts, we also disclose information in the social topical standards on the relationship between significant risks and opportunities arising from impacts and dependencies with regard to our different stakeholders.

Deutsche Telekom's Business Continuity Management (BCM) is a process within operational security and risk management that helps protect business processes from the consequences of damaging incidents and disruptions. By continuously analyzing, assessing, and managing risks, BCM aims to ensure the continuity of business processes and to guarantee the resilience of the Group.

In addition, Deutsche Telekom reports on its climate risk analysis taking into consideration the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in order to ensure resilience, particularly with regard to risks arising from the consequences of climate change.

For further information, please refer to the section "ESRS E1."

The following table provides an overview of the impacts, risks, and opportunities covered by additional entity-specific disclosures.

When the materiality assessment was being updated, changes were made to our material impacts, risks, and opportunities. The positive impact on the employment and inclusion of persons with disabilities, which had been classified as material in the previous year, was no longer assessed as material in the reporting year. Moreover, the financial risk arising from rising costs for carbon offsets was no longer classified as material. At the same time, a significant risk in connection with cybersecurity was identified for the first time in the reporting year and corresponding company-specific disclosures were made.

Entity-specific disclosures

Impacts, risks, and opportunities	Entity-specific disclosure	Reference
T-Systems' data centers mainly use indirect free cooling. Refrigeration systems are deployed if additional capacity is required, and when outside temperatures are high, adiabatic (evaporative) cooling systems are used. The energy requirements are met with electricity generated from renewable sources. Growing demand for cloud-based services is also leading to increased IT performance requirements and energy requirements for data centers.	PUE ESG KPI (Power Usage Effectiveness)	ESRS E1-3
Using and maintaining the networks provided by Deutsche Telekom also requires large amounts of energy.	Energy Intensity ESG KPI	ESRS E1-5
The ongoing build-out of Deutsche Telekom's network infrastructure facilitates access to information. The ability to share opinions with a wider audience has a fundamentally positive impact on the exercise of the right to freedom of expression. The network build-out will thus also help to ensure that all people have equal opportunities to be a part of the digital society.	Community Contribution – Digital Society ESG KPI Beneficiaries – Digital Society ESG KPI	ESRS S4-4
Through the services it provides and the ongoing network build-out, Deutsche Telekom creates the basis for digital inclusion and actively promotes social inclusion. A variety of complementary measures serve, for example, to increase media literacy and promote accessibility and non-discrimination. These will continue to support equal access to digital products and services going forward and allow people from all generations to actively participate in digital society. Company-specific metrics such as the Community Contribution – Digital Society and Beneficiaries – Digital Society ESG KPIs reflect the involvement in these initiatives and the progress made.	Community Contribution – Digital Society ESG KPI Beneficiaries – Digital Society ESG KPI	ESRS S4-5
The advances in digitalization and the increasing sophistication of technological systems pose growing challenges for data security. Overcoming these challenges requires not only technical and organizational resources, but also continuous innovation. This in turn can cause costs to rise.	Cybersecurity	G-Company-specific: cybersecurity

Impact, risk, and opportunity management

ESRS 2 IRO-1 – Description of the process to identify and assess material impacts, risks, and opportunities

We performed an extensive double materiality assessment in 2024 to identify our impacts, risks, and opportunities. The objective of the double materiality assessment was, first, to identify all actual and potential material impacts on society and on the environment that are caused by our business activities and locations along the entire value chain. Second, our objective was to obtain a thorough understanding of the financial risks and opportunities for Deutsche Telekom that may arise from the responses of stakeholder groups and from climate change. The materiality assessment is reviewed annually.

The comprehensive double materiality assessment is continuously refined. It is based on extensive research that considered both studies and other publicly available information. This approach has been enhanced through engagement with internal and external stakeholders in the form of qualitative interviews. In 2025, interactive workshops were again held with topic owners and internal experts. The lessons learned, plus the outcome of an AI-based trend analysis, which serves as a forward-looking addition, were systematically built into the double materiality assessment.

For the double materiality assessment, the functional units addressed the disclosure requirements of all ESRS in the reporting year and considered their relevance for Deutsche Telekom's business. They also compared the maturity of the existing management systems with the requirements of the sustainability standards. To ensure that all disclosure requirements had been reviewed and that Deutsche Telekom is complying with its disclosure obligations, the experts compared the results with all the datapoints required by the ESRS.

We considered both the negative and the positive impacts of our business activities and locations on society and on the environment and along the entire value chain. We then assessed our financial sustainability opportunities and risks, also considering transition risks and physical risks and opportunities connected with biodiversity and ecosystems. This process also considered systemic risks. The results were subsequently validated in an internal workshop with attendees from various functional units. They also raised the concerns of different external stakeholders whose positions they are well aware of due to their work. In this context, we conducted a biodiversity analysis that identified social and environmental impacts along Deutsche Telekom's entire value chain. Fixed-network and mobile communications infrastructure is primarily installed in built-up urban areas. In rural areas and biodiversity-sensitive areas, any intervention takes place in accordance with the national legal requirements (e.g., environmental impact assessments) and is coordinated with the local environmental authorities as required. However, our activities do not have any material impacts on these areas. Nevertheless, Deutsche Telekom attaches great importance to this topic and will continue to track it.

We made the following basic assumptions to allow us to analyze Deutsche Telekom's business activities and value chain realistically and efficiently:

- We have structured our business into the areas of fixed network, mobile communications, merchandise (sale of hardware for using the network), and the systems solutions business (business customers).
- As a service provider that generally does not manufacture products itself, we distribute the products of our suppliers. These are primarily manufacturers of mobile devices. Deutsche Telekom only has a very limited influence on the extraction of raw materials for its merchandise and does not establish a direct link between these activities and its own business model.

Our due diligence process is based on the ESRS dimensions of severity and likelihood of occurrence. Based on these criteria, we used an assessment scheme to evaluate the relevance of positive and negative actual and potential impacts. We considered the following aspects and determined the severity when assessing actual and potential impacts:

- Scale: How grave is the impact?
- Scope: How widespread is it?
- Irreversibility: How difficult is it to reverse it? (only for negative impacts)

In addition, potential impacts are assessed based on their likelihood of occurrence and the time horizon (short, medium, or long term), and we used a five-point scale for this which is based on the recommendations of the December 2023 Implementation Guidance of the European Financial Reporting Advisory Group (EFRAG). We also identified the stage in the value chain where each impact occurs or could occur.

The structure of the financial materiality assessment follows the four-level assessment logic of our established risk and opportunity management system. To determine our financial risks and opportunities, we inventoried and assessed them, allocated them to the ESRS subtopics, and identified correlations with the impacts. They were divided into the following categories:

- Strategic risks and opportunities
- Operational risks and opportunities
- Regulatory risks and opportunities
- Litigation and anti-trust proceedings
- Compliance risks
- Financial risks and opportunities

For further information on our risk management process, please refer to the section "Risk and opportunity management."

We also identified the stages of the value chain where risks and opportunities arise. Likewise, we assigned the time horizon during which they may arise for us to the risks. The two criteria we use – probability of occurrence and risk extent – are taken from the established criteria in our Group-wide risk and opportunity management. Any individual risks or opportunities that exceed GCR's internal monitoring thresholds are reported as part of the Group-wide risk and opportunity management process. In 2025, we continued to apply the assessment scheme from our risk and opportunity management, which is linked to our materiality processes. GCR uses the risk and opportunity inventory as part of the materiality assessment to track new sustainability-related risks and take the assessment scheme into account accordingly in the Group-wide risk and opportunity management system.

After identifying our sustainability-related impacts, risks, and opportunities, we prioritized these on the basis of a threshold. The negative and positive impacts close to the materiality threshold are subject to internal control processes and are continuously observed to determine their potential materiality.

Responsible, appropriate management of risks and opportunities is a core component of our governance. The Board of Management has implemented systems for risk identification and mitigation, in particular the risk and opportunity management system and the internal control system, including the compliance management system. Sustainability topics are integrated into both the risk and opportunity management system and the internal control system. Both systems incorporate sustainability aspects, which are becoming increasingly important as regulatory requirements continue to evolve.

The Group-wide risk and opportunity management system covers risks and opportunities of all segments and central departments. In addition, all material risks and opportunities are measured and disclosed separately based on ESG criteria. Sustainability-related goals are also a component of the Group's risk reporting. The internal control system includes controls that address the Group-wide, IT-based collection process for ESG data from the ESRS E1, E5, and S4 topical standards.

The risk and opportunity inventory for the extensive double materiality assessment from 2024 was based on the previous year's inventory. It was enhanced and reviewed for plausibility following the analysis of the ESRS datapoints. In 2025, we finally updated the materiality assessment carried out in 2024, systematically reviewing the inventory of impacts, risks, and opportunities once again and adding relevant changes and challenges. The findings from the LkSG risk analysis were taken into consideration for the 2025 financial year. At a procedural level, a particular focus of our attention was on integrating an AI-based trend analysis, which will help to identify and assess future sustainability drivers in Deutsche Telekom's specific environment. We incorporated the insights gained into a new validation process.

Following a comprehensive review of our business activities and sites, four topical standards fell below the materiality threshold:

- ESRS E2 – Pollution has been assessed as not material because we have not identified any material impacts, risks, or opportunities from raw materials extraction or from the production and disposal of materials and products in relation to pollution of air, water, and soil.
- ESRS E3 – Water and marine resources has been assessed as not material. No material impacts, risks, or opportunities in connection with water and marine resources have been identified, for example through high water withdrawal for the processing of materials for hardware and network infrastructure or ocean pollution from the discharge of contaminated water.
- ESRS E4 – Biodiversity and ecosystems has been assessed as not material. The materiality assessment for 2024 and 2025 shows that Deutsche Telekom's business activities – from raw materials extraction to installation and all the way to the disposal of infrastructure – do not have significant impacts, risks, or opportunities with regard to biodiversity. Sites located in or near biodiversity-sensitive areas are also not affected. No mitigation measures are therefore required.
- ESRS S3 – Affected communities has been assessed as not material. The related impacts, risks, and opportunities have been assessed as not material, partly due to limited insights and only indirect opportunities to exert influence.

ESRS 2 IRO-1 E1 Description of the processes to identify and assess material climate-related impacts, risks, and opportunities

As part of our materiality assessment, we identified actual and potential sources of greenhouse gas emissions for our own operations and along the value chain. The main levers have been systematically analyzed.

> For further information on the calculation of GHG emissions, please refer to the section "ESRS E1-6."

In the course of the climate risk analysis, we identified the material climate-related opportunities and risks with experts from the areas of technology, procurement, and strategy and risk management, and began weighting them on this basis. In the process, we considered the consequences for our business activities that may result from the physical impacts of the ongoing climate change. On the other hand, we analyzed the potential impacts as a result of political, technological, and social developments associated with the transition to a low-emission economy that has already begun. The analysis also involved a financial quantification of transition risks. This process was last carried out in full in 2023; in 2024, we reviewed the defined risks and updated the data basis for the physical climate risks. The physical climate risk analysis was expanded in the reporting year to include an analysis of the upstream value chain.

In 2023, we analyzed selected Deutsche Telekom locations in Germany, Hungary, Greece, and Croatia with regard to their physical climate risks. The analysis included all data centers as well as critical infrastructure in the fixed network and sampling in the mobile communications network. We extended this analysis to Austria, Poland, Slovakia, the Czech Republic, and the US in 2024. The analysis thus comprises the units that made up nearly 100 % of our revenue in 2025. Locations related to mobile communications, fixed networks, and data centers whose functionality has a material influence on our business activities were taken into account. In total, we analyzed more than 8 thousand sites using a recognized software platform that is based on the climate scenarios developed by the Intergovernmental Panel on Climate Change (IPCC).

The analysis comprised nine climate indices. We considered the risks for the various sites in light of two climate scenarios of the IPCC: a business-as-usual scenario (RCP 4.5/SSP2–4.5), with a global temperature increase of more than two degrees, and a four-degree scenario (RCP 8.5/SSP5–8.5).

In addition to the climate scenarios, we examined the risks in different time periods: for the years 2030, 2040, and 2050.

Deutsche Telekom has defined short-, medium-, and long-term time horizons based on the existing time horizons from the Group-wide risk and opportunity management system. Our intention is to ensure that climate risks are integrated into our risk and opportunity management system and that all business risk categories follow a comparable approach. We also selected a time horizon up to 2050 for the scenario analysis. On the one hand, this matches the time horizons of international agreements on climate change mitigation, such as the Paris Agreement. On the other, it corresponds to a realistic planning horizon for internal strategic planning and the useful life of classic Deutsche Telekom assets such as infrastructure components.

When assessing climate risks, we assessed the probability of occurrence and risk extent. We assessed both the physical climate risks and the transition hazards, taking into account the geographical coordinates of Deutsche Telekom's key locations. We also analyzed the upstream and downstream value chain for the transition risk assessment.

To identify transition opportunities and risks, we also applied the Net Zero Emissions (NZE) 2050 scenario described in the section "ESRS 2 SBM-3 E-1." The process for assessing the opportunities and risks associated with climate change includes:

- identifying and quantifying the important trends
- calculating the impacts on the undertaking
- analyzing the impacts on the value chain

As part of our risk management activities, we quantify a number of risks and publish these in the questionnaire for the CDP, a tool for disclosing climate-related indicators to investors, for example. We factor the extent of the risks into our corporate planning. We also assess the applicability and benefits of management tools that we use to regularly integrate sustainable, attractive financing models, e.g., related to climate protection aspects in investment decisions.

We have 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.

ESRS 2 IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement

The following table contains a list of the disclosure requirements that we complied with in preparing the sustainability statement, following the outcome of the double materiality assessment, as well as the disclosures required by Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation). The datapoints to be reported and hence the material information were determined using qualitative mapping based on an in-depth examination at a content level of the identified impacts, risks, and opportunities. The mapping is based on the criteria defined in para. 31 of ESRS 1. The following topical standards have been assessed as material:

ESRS index

Topical standard with reference
General information
ESRS 2 – General Disclosures
Environment
Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)
ESRS E1 – Climate change
ESRS E5 – Resource use and circular economy
Social
ESRS S1 – Own workforce
ESRS S2 – Workers in the value chain
ESRS S4 – Consumers and end-users
Governance
ESRS G1 – Business conduct
G-Company-specific: cybersecurity

In addition to the topical standards set out above and to ensure fiscal transparency, every year we publish an excerpt from the Country-by-Country Report on our material countries and Group companies.

> The excerpt from the Country-by-Country Report on our material countries and Group companies can be accessed on Deutsche Telekom's website.

The following table contains all the datapoints that derive from other EU legislation, as listed in ESRS 2 Appendix B. It also indicates where the datapoints can be found in our report and which datapoints are assessed as "not material," "not reported," and "not relevant."

List of datapoints in crosscutting and topical standards that derive from other EU legislation

Disclosure requirement	Data-point	Name	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality	Section
ESRS 2 GOV-1	21d	Board's gender diversity	x		x			ESRS 2 GOV-1
ESRS 2 GOV-1	21e	Percentage of board members who are independent			x			ESRS 2 GOV-1
ESRS 2 GOV-4	30	Statement on due diligence	x					ESRS 2 GOV-4
ESRS 2 SBM-1	40d-i	Involvement in activities related to fossil fuel activities	x	x	x		Not relevant	–
ESRS 2 SBM-1	40d-ii	Involvement in activities related to chemical production	x		x		Not relevant	–
ESRS 2 SBM-1	40d-iii	Involvement in activities related to controversial weapons	x		x		Not relevant	–
ESRS 2 SBM-1	40d-iv	Involvement in activities related to cultivation and production of tobacco			x		Not relevant	–
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050				x		ESRS E1-1
ESRS E1-1	16g	Undertakings excluded from Paris-aligned Benchmarks		x	x			ESRS E1-1
ESRS E1-4	34	GHG emissions reduction targets	x	x	x			ESRS E1-4

Disclosure requirement	Data-point	Name	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality	Section
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	x					ESRS E1-5
ESRS E1-5	37	Energy consumption and mix	x					ESRS E1-5
ESRS E1-5	40–43	Energy intensity associated with activities in high climate impact sectors	x					ESRS E1-5
ESRS E1-6	44	Gross Scopes 1, 2, 3, and total GHG emissions	x	x	x			ESRS E1-6
ESRS E1-6	53–55	Gross GHG emissions intensity	x	x	x			ESRS E1-6
ESRS E1-7	56	GHG removals and carbon credits				x	Not relevant (para. 56a)	ESRS E1-7
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks			x		Not reported (phase-in option)	–
ESRS E1-9	66a, 66c	Disaggregation of monetary amounts by acute and chronic physical risk/Location of significant assets at material physical risk		x			Not reported (phase-in option)	–
ESRS E1-9	67c	Breakdown of the carrying value of its real estate assets by energy-efficiency class		x			Not reported (phase-in option)	–
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities			x		Not reported (phase-in option)	–
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the EPRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water, and soil	x				Not material	–
ESRS E3-1	9	Water and marine resources	x				Not material	–
ESRS E3-1	13	Dedicated policy	x				Not material	–
ESRS E3-1	14	Sustainable oceans and seas	x				Not material	–
ESRS E3-4	28c	Total water recycled and reused	x				Not material	–
ESRS E3-4	29	Total water consumption in m^3 per net revenue on own operations	x				Not material	–
ESRS 2 SBM-3 E4	16a-i		x				Not material	–
ESRS 2 SBM-3 E4	16b		x				Not material	–
ESRS 2 SBM-3 E4	16c		x				Not material	–
ESRS E4-2	24b	Sustainable land/agriculture practices or policies	x				Not material	–
ESRS E4-2	24c	Sustainable oceans/seas practices or policies	x				Not material	–
ESRS E4-2	24d	Policies to address deforestation	x				Not material	–
ESRS E5-5	37d	Non-recycled waste	x					ESRS E5-5
ESRS E5-5	39	Hazardous waste and radioactive waste	x					ESRS E5-5
ESRS 2 SBM-3 – S1	14f	Risk of incidents of forced labor	x				Not material	–
ESRS 2 SBM-3 – S1	14g	Risk of incidents of child labor	x				Not material	–
ESRS S1-1	20	Human rights policy commitments	x					ESRS S1-1
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			x			ESRS S1-1
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	x					ESRS S1-1
ESRS S1-1	23	Workplace accident prevention policy or management system	x					ESRS S1-1
ESRS S1-3	32c	Grievance/complaints handling mechanisms	x					ESRS S1-3
ESRS S1-14	88b, 88c	Number of fatalities and number and rate of work-related accidents	x		x			ESRS S1-14
ESRS S1-14	88e	Number of days lost to injuries, accidents, fatalities, or illness	x					ESRS S1-14
ESRS S1-16	97a	Unadjusted gender pay gap	x		x			ESRS S1-16
ESRS S1-16	97b	Annual total remuneration ratio of the highest-paid individual to the median annual total remuneration for all employees	x					ESRS S1-16
ESRS S1-17	103a	Incidents of discrimination	x					ESRS S1-17

Disclosure requirement	Data-point	Name	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality	Section
ESRS S1-17	104a	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	x		x			ESRS S1-17
ESRS 2 SBM3 S2	11b	Significant risk of child labor or forced labor in the value chain	x					ESRS 2 SBM-3 S2
ESRS S2-1	17	Human rights policy commitments	x					ESRS S2-1
ESRS S2-1	18	Policies related to value chain workers	x					ESRS S2-1
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	x		x			ESRS S2-1
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	x					ESRS S2-1
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	x					ESRS S2-4
ESRS S3-1	16	Human rights policy commitments	x				Not material	–
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO Principles or OECD Guidelines	x		x		Not material	–
ESRS S3-4	36	Human rights issues and incidents	x				Not material	–
ESRS S4-1	16	Policies related to consumers and end-users	x					ESRS S4-1
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	x		x			ESRS S4-1
ESRS S4-4	35	Human rights issues and incidents	x					ESRS S4-4
ESRS G1-1	10b	United Nations Convention against Corruption	x					ESRS G1-1
ESRS G1-1	10d	Protection of whistleblowers	x					ESRS G1-1
ESRS G1-4	24a	Fines for violation of anti-corruption and anti-bribery laws	x		x			ESRS G1-4
ESRS G1-4	24b	Standards of anti-corruption and anti-bribery	x					ESRS G1-4

x = applicable

Environment

Disclosures pursuant to Article 8 of Regulation 2020/852 (Taxonomy Regulation)

The EU Taxonomy is designed to promote investment flows from the finance sector to businesses that are involved in environmentally sustainable activities. It is therefore aimed at helping implement the European Green Deal. As a basis for this, the EU Taxonomy provides a binding definition of the environmental sustainability of activities and investments. The EU Taxonomy Regulation requires companies to report on these economic activities.

Under the EU Taxonomy, the first step is to ascertain the taxonomy-eligible economic activities of a company. These are activities that are covered by the EU Taxonomy and that therefore potentially contribute significantly to achieving the environmental objectives. The second step is to check whether these activities are taxonomy-aligned. An activity is defined as taxonomy-aligned if it meets the technical screening criteria for a significant contribution to at least one environmental objective listed in the Annexes to Delegated Regulations (EU) 2021/2139, (EU) 2022/1214, (EU) 2023/2485, and (EU) 2023/2486. At the same time, it must not do any significant harm to any of the other environmental objectives and must meet the minimum social standards ("minimum safeguards") set out in Taxonomy Regulation (EU) 2020/852, which in particular require compliance with human and labor rights.

Application of EU Taxonomy simplifications

Delegated Regulation 2026/73 entered into force on January 28, 2026 and applies retrospectively for the 2025 financial year. Its aim is to simplify the application of the EU Taxonomy. Under the Regulation, companies are exempt from assessing taxonomy-eligibility and alignment for economic activities that are not financially material for their business. For non-financial companies, activities are considered financially non-material if they account for less than 10 % of the entity's total turnover, capital expenditure (capex), or operating expenditure (opex). In addition, non-financial companies are exempt from assessing taxonomy-eligibility and alignment for their entire opex when it is considered non-material for their business model. The Delegated Regulation also contains simplified tables for disclosing the taxonomy KPIs.

Economic activities at Deutsche Telekom under the EU Taxonomy

Deutsche Telekom is a company in the information and telecommunications industry. The EU Taxonomy does not currently include criteria for an economic activity "Provision and operation of electronic communication networks and services." This means that most of our business model is not covered by the EU Taxonomy. As a result, the EU Taxonomy gives us only limited opportunities to indicate our contribution to climate change mitigation even though our industry makes a substantial contribution to achieving Europe's digitalization and climate-related targets through the expansion and operation of telecommunications networks.

Similar to in preceding years, Deutsche Telekom again identified taxonomy-eligible economic activities in 2025. In total, they each account for less than 10 % of the Group's total turnover and capex. The economic activities are therefore considered not financially material and an assessment of their taxonomy-alignment was not carried out for cost-benefit reasons. The economic activities that are not financially material are connected to the "Climate change mitigation" (CCM) and "Transition to a circular economy" (CE) environmental objectives and relate to the following sectors in accordance with the descriptions of activities in the EU Taxonomy:

- Data processing, hosting, and related activities (CCM 8.1) and data-driven solutions for GHG emissions reductions (CCM 8.2)
- Product-as-a-service and other circular use- and result-oriented service models (CE 5.5)
- Transport by motorbikes, passenger cars, and light commercial vehicles (CCM 6.5)

Definition and calculation of the EU Taxonomy KPIs

Turnover according to the EU Taxonomy is equivalent to net revenue in our consolidated income statement contained in the consolidated financial statements.

The relevant capital expenditure was determined on the basis of the consolidated statement of financial position contained in the consolidated financial statements and is determined as the sum of additions under property, plant, and equipment, intangible assets (excluding goodwill), and right-of-use assets. It also includes additions from assets acquired as a result of business combinations and additions recognized under non-current assets and disposal groups held for sale. In line with the EU Taxonomy requirements, the disclosures on capital expenditures do not form part of a capital expenditure (capex) plan.

The EU Taxonomy defines costs that relate to research and development, building remediation measures, short-term leases, maintenance and repair, and any other direct expenditures relating to the day-to-day maintenance of property, plant and equipment as relevant operating expenditure.

We clarified our interpretation of the definition of direct opex in the 2025 financial year for enhanced cross-company comparability of taxonomy reporting. The definition of opex is now in line with standard practice. In prior years, we interpreted taxonomy-relevant opex as expenditure that was directly related to the sale of services and products. Starting from the 2025 financial year, we will expand this interpretation to include operating expenses that are directly attributable to our assets, services, and products and relate directly to research and development, building remediation measures, short-term leases, maintenance and repair, and expenditures relating to the day-to-day maintenance of property, plant and equipment. The total figure for operating expenses has therefore been adjusted retrospectively. For this reason, the opex denominator will retrospectively increase from the EUR 0.4 billion previously reported to EUR 2.9 billion for the 2024 financial year.

Even though taxonomy-relevant opex is now more broadly defined, these expenses are cumulatively not material for Deutsche Telekom's business model. The cost types in the EU Taxonomy are not individually planned and managed at Group level. Our core business is focused on investments. We recognize costs for large-scale repairs as capital expenditure, which means that operating expenditure for maintenance and repairs is minor. Expenses for short-term leases are also not material because leased assets are mostly recorded as right-of-use assets under capital expenditure. Furthermore, there is no significant expenditure on research and development. Consequently, the opex denominator under the EU Taxonomy is insignificant vis-à-vis Deutsche Telekom's total operating expenditure. This is the reason why we opted for not assessing taxonomy-eligibility and alignment in accordance with Delegated Regulation (EU) 2026/73.

Deutsche Telekom's total figures used as the basis for calculation in accordance with the EU Taxonomy in the reporting year amounted to EUR 119.1 billion in turnover (2024: EUR 115.8 billion), EUR 29.5 billion in capital expenditure (2024: EUR 25.6 billion), and EUR 3.2 billion in operating expenditure (2024: EUR 2.9 billion).

Because the EU Taxonomy does not yet adequately cover our core business, applying the legally defined materiality thresholds results in economic activities that are not financially material and account for a total of 2.5 % of Deutsche Telekom's turnover and 1.6 % of its capital expenditure. Given that taxonomy-relevant opex is not material for our business model, taxonomy-eligible and taxonomy-aligned opex will not be disclosed starting from the 2025 financial year.

EU Taxonomy KPIs

					Breakdown by environmental objectives of taxonomy-aligned activities										
	Total 2025	**Proportion of taxonomy-eligible activities**	**Taxonomy-aligned activities**	**Proportion of taxonomy-aligned activities**	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	**Proportion of enabling activities**	**Proportion of transitional activities**	**Not assessed activities considered non-material**	Taxonomy-aligned activities 2024	Proportion of taxonomy-aligned activities 2024
	millions of €	%	millions of €	%	%	%	%	%	%	%	%	%	%	millions of €	%
Turnover	119,081	0.0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.5	562	0.5
Capex	29,478	0.0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.6	75	0.3
Opex [a]	3,198													0	0.0

[a] The definition of opex was changed as of December 31, 2025. The opex denominator has been adjusted retrospectively.

For further information on turnover, please refer to the consolidated income statement in the consolidated financial statements or to Note 20 "Net revenue" in the notes to the consolidated financial statements; for further information on capital expenditure, please refer to Note 6 "Intangible assets," Note 7 "Property, plant and equipment," Note 8 "Right-of-use assets," and to the section "Changes in the composition of the Group and other transactions" in the notes to the consolidated financial statements; for further information on operating expenditure, please refer to Note 26 "Other operating expense" in the notes to the consolidated financial statements.

ESRS E1 – Climate change

Digitalization is changing our society. We intend to support this change and simplify people's lives. However, increasing digitalization requires large quantities of energy. We want to play a pioneering role in climate change mitigation, which is why we set climate-related targets that apply throughout the entire Group.

The following index shows the disclosure requirements relating to the topical standard "Climate change" identified by the materiality assessment.

ESRS index under ESRS 2 IRO-2

Disclosure requirement	Name with reference
ESRS E1 – Climate change	
ESRS 2 GOV-3 E1	Integration of sustainability-related performance in incentive schemes
ESRS E1-1	Transition plan for climate change mitigation
ESRS 2 SBM-3 E1	Material impacts, risks, and opportunities and their interaction with strategy and business model (use of phase-in option for ESRS 2 SBM-3 para. 48e)
ESRS 2 IRO-1 E1	Description of the processes to identify and assess material impacts, risks, and opportunities
ESRS E1-2	Policies related to climate change mitigation and adaptation
ESRS E1-3	Actions and resources in relation to climate change policies
ESRS E1-4	Targets related to climate change mitigation and adaptation
ESRS E1-5	Energy consumption and mix
ESRS E1-6	Gross Scopes 1, 2, 3 and total GHG emissions
ESRS E1-7	GHG removals and GHG mitigation projects financed through carbon credits (ESRS E1–7 para. 56a not reported because not relevant to us)
ESRS E1-8	Internal carbon pricing
ESRS E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities (use of phase-in option)

Strategy

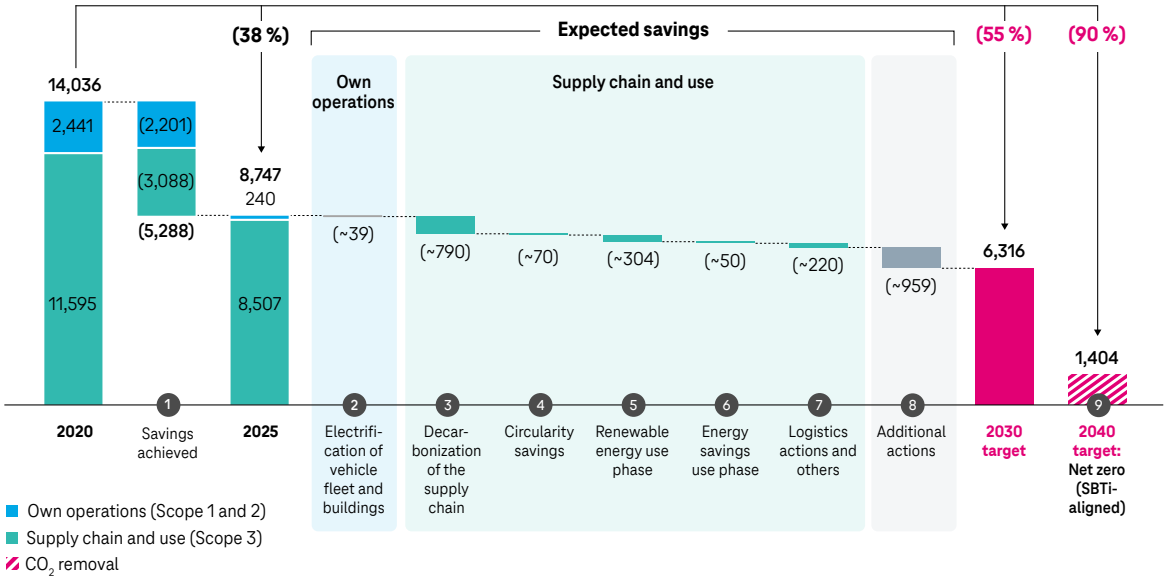
ESRS E1-1 – Transition plan for climate change mitigation

We drew up a Climate Transition Plan that we use for internal management and planning of our emission reduction actions. It also helps us to inform our stakeholders about our pathway to net zero. The Transition Plan is based on greenhouse gas emissions calculations from previous years, as well as our short-, medium- and long-term climate-related targets. The Transition Plan has been approved by Deutsche Telekom AG's Board of Management and Supervisory Board.

> For further information on our GHG emission reduction targets, please refer to the section "ESRS E1-4."

Transition Plan for net zero emissions

CO_2e emissions (kt)



1 **Savings achieved and expected savings**
Savings achieved between 2020 and 2025 were 14.0 % for Scope 1 emissions and 99.2 % for Scope 2 emissions. Scope 1 and Scope 2 emission savings are expected at approximately 39 kilotons of CO_2e emissions by 2030. Savings achieved for Scope 3 emissions were approximately 26.6 % between the base year and 2025. We expect general savings of approximately 2,431 kilotons of CO_2e emissions by 2030.

2 **Electrification of vehicle fleet and buildings**
Electrification and reduction of the vehicle fleet and modernization of buildings and reduction of floor space are key actions for lowering Scope 1 emissions. Using 100 % green energy and increasing the number of electric vehicles helps to reduce emissions. The number of electric vehicles rose by 2,836 in the reporting year. Scope 1 emissions were reduced by 5.3 % year-on-year in the reporting year.

3 **Decarbonization of the supply chain**
In line with our sustainable procurement strategy, a Group-wide task force is leading an initiative to reduce GHG emissions at both the supplier and product level. Our efforts in this regard are guided by our own ambitious climate targets.

4 **Circularity savings**
Circular economy actions help to lower our CO_2e emissions. We continuously increase the proportion of recycled materials in our network technology, promote reuse of used equipment, and increase the proportion of refurbished equipment within the Group. By selling more refurbished smartphones, we also reduce emissions caused by new devices.

5 **Renewable energy use phase**
We expect the share of renewable energy in the countries' electricity mix to increase, which will lead to emissions savings in the use phase.

6 **Energy savings use phase**
In addition to increasing the efficiency of our suppliers' end products, we are also investing in our own product development. Increasing the efficiency of products and solutions in the use phase and hence reducing emissions in the downstream value chain will be key leverage here.

7 **Logistics actions and others**
Optimizing logistics solutions for deliveries to our retail and business customers and extending product life cycles, e.g., by reusing refurbished devices, reduces our Scope 3 emissions. In addition, considering criteria for sustainable sourcing supports the concept of a circular economy, e.g., refurbishment and reuse.

8 **Additional actions**
Based on the assumptions made in the reporting year, we still have a gap of 7 percentage points to close in order to achieve our 2030 climate target. In addition to the actions already taken, we will need to implement further measures in the coming financial years.

9 **CO_2 removal**
To achieve our goal of climate neutrality by 2040 (net zero), we will offset up to a maximum of 10 % of our remaining total emissions by means of high-quality carbon offset projects. We use internationally recognized standards (Oxford categories IV/V) for quality assurance.

The figures are based in part on estimates, assumptions, and projections. The figures for 2020 were adjusted retrospectively in the reporting year due to updated emissions factors and changes in methods and structures applied. These adjustments have yet to be made in the case of 51 % of the Scope 3 emissions in categories 1, 2, and 4. Adjustments to the base year have necessitated adjustments to the absolute target values.

The Transition Plan sets out key starting points for our decarbonization, such as the power consumption of our networks, fuel consumption in our fleet, thermal energy consumption in buildings, reducing emissions in our suppliers' production processes, and increasing product efficiency in the use phase. The decarbonization levers in the Transition Plan are broken down by Scope 1, 2, and 3. For Scope 3 emissions, they include both upstream and downstream emissions. We describe current and planned actions to reduce GHG emissions (Scope 1, 2, and 3) in the section "ESRS E1-3."

The financial quantification of our reduction actions is fully taken into account in the Transition Plan. In this, we are planning operating and capital expenditures (opex and capex) of around EUR 0.2 billion (2025–2028: approx. EUR 0.3 billion) in the downstream value chain for the 2026–2029 period. Increasing the efficiency of products and solutions in the use phase will create key leverage here. This relates primarily to investments in property, plant, and equipment. In the supply chain, actions are mostly concentrated in the upstream value chain. Since the actions are implemented at the suppliers, they do not require significant opex or capex on our part. With regard to Scope 1 emissions, the electrification of our vehicle fleet provides key leverage. To achieve this, we are planning opex and capex of approximately EUR 0.1 billion (2025–2028: approx. EUR 0.2 billion) for the period referred to above. T-Mobile US is not included in the quantification of our actions at the present time. The key levers for decarbonizing our business activities mentioned are not yet covered by the EU Taxonomy, which is why taxonomy-eligible economic activities make up only a small part of our Transition Plan.

> For further information on the Taxonomy, please refer to the section "Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)."

There are no locked-in GHG emissions from our key assets and products. Our data centers run exclusively on electricity generated from renewable energy sources. Fugitive GHG emissions, which may arise from leakages, ventilation systems, or other uncontrolled releases, do not jeopardize our GHG emission reduction targets or increase transition risks.

Due to our affiliation with the telecommunications/network technology industry, we are affected by the EU Paris-aligned Benchmarks, which are aligned with the Paris climate targets as "climate benchmarks" and are intended to create more transparency and better comparability of sustainable investments.

ESRS 2 SBM-3 E1 – Material impacts, risks, and opportunities and their interaction with strategy and business model

In our double materiality assessment, we considered possible impacts, risks, and opportunities in relation to climate change. The table below shows the material **impacts** of our business activities on society and the environment that we identified in the process.

> We provide overarching information on how material impacts, risks, and opportunities interact with our strategy and business model in the section "ESRS 2 SBM-3."

Value chain/ Reference to business model/strategy	Nature of impacts	Description
Climate change mitigation and climate change adaptation		
Upstream/ Impacts connected with the business model	Negative (actual/short-term: <1 year)	Our business activities lead to **Scope 3 emissions in the upstream value chain**. Manufacturing and transportation of the products with relevance for Deutsche Telekom's business (including software and hardware as well as fixed-network and mobile communications infrastructure) generate GHG emissions that contribute to global warming, exacerbating man-made climate change. Significant emissions are particularly generated in the production of components such as cables, antennas, lines, and distributors. Build-out and maintenance of the infrastructure also lead to temporarily higher GHG emissions, especially as a result of the intensive fiber-optic build-out.
Own business activities/ Impacts based on the business model	Negative (actual/short-term: <1 year)	Our **own business activities generate Scope 1 and Scope 2 emissions**. Operating our own sites (including heating, cooling, and power supply) as well as travel using vehicles in the vehicle fleet generate emissions. Overall, however, we source more than 90 % of our total energy requirements from renewable energy sources, with only a small proportion being covered by conventional (fossil) energy generation (for example, natural gas for heating). Reflecting the growing supply of and demand for cloud-based services, the power requirements of the data centers and the associated GHG emissions are likewise rising. Small sections of the networks still require diesel generators (for example, to restore and back up damaged network infrastructure or because they are located in remote areas). In addition, civil engineering works for the network build-out are causing relevant GHG emissions that are having a significant impact on the climate. Increased use of power in the development and use phases can also be attributable to rebound effects. Here, efficiency gains achieved through changes in usage behavior are partially or completely negated. For example, AI-related efficiency gains can be lost again through more frequent/intensive use of the technology or its high energy requirements.
Own business activities/ Impacts based on the business model	Positive (actual/short-term: <1 year)	We conclude **power purchase agreements (PPAs)** to increase the share of renewable energy sources in the electricity mix. In addition, building data centers that are self-sufficient from an energy accounting perspective can have potentially positive impacts through the interaction of renewable generation, storage, and volatile electricity loads.
Downstream/ Impacts connected with the business model	Negative (actual/short-term: <1 year)	**Scope 3 emissions in the downstream value chain** arise, for example, in the treatment of electronic waste as well as in the transportation and the use phase of our products. In our European national companies, network infrastructure waste and returned devices are generally recycled, sold, or otherwise disposed of formally, and we are striving to do the same worldwide. Nonetheless, we cannot guarantee with absolute certainty that no electronic waste is exported and not recycled properly. The treatment of electronic waste and low recycling rates lead to Scope 3 emissions in the downstream value chain. Transportation and use of our sold products also generate substantial downstream Scope 3 emissions.
Downstream/ Impacts connected with the business model	Positive (actual/short-term: <1 year)	When physical processes are replaced by online services, this leads directly or indirectly to **resource and GHG emission savings** for business customers and individuals. Energy-efficient hosting on Deutsche Telekom's infrastructure and optimizing processes by using online services, enable customers to save energy directly or indirectly **(enablement)**.
Energy		
Own business activities / Downstream/ Impacts based on the business model	Negative (actual/short-term: <1 year)	Use of our networks entails high **energy consumption**. Due to growing demand for digital services, a further rise in energy consumption can be expected. Maintenance of the networks also pushes up internal energy consumption on account of more intensive use. Our T-Systems data centers mainly use indirect free cooling. Refrigeration systems are deployed if additional capacity is required, and when outside temperatures are high, adiabatic (evaporative) cooling systems are used. The **energy requirements** are met with electricity generated from renewable sources. Growing demand for cloud-based services is also leading to increased IT performance requirements and energy requirements for data centers.

The following overview illustrates Deutsche Telekom's material **risks and opportunities** and their financial effects on our financial position, financial performance, and cash flows.

> For further information on risks and opportunities that represent a top risk or top opportunity in the next two years, please refer to the section "Risk and opportunity management."

Value chain	Risk/opportunity	Description
Climate change mitigation and climate change adaptation		
Own business activities	Opportunity	The **growing demands of stakeholder groups**, particularly investors, NGOs, and customers, may offer a strategic opportunity for more environmentally responsible behavior. The increasing expectations and demands of these groups are prompting us to make our business strategies and practices more sustainable. This also provides an incentive to develop innovative, environmentally friendly solutions, which in turn creates financial opportunities. Competitive advantages can likewise be achieved by positioning ourselves as a responsible, forward-thinking company.
Own business activities	Physical risk	The **effects of climate change**, e.g., extreme weather events, can lead to repair costs for network infrastructure failures, for example, due to flooding or forest fires. Insurance costs may also rise.
Energy		
Upstream/ own business activities/ Downstream	Transition risk	Higher costs due to **energy pricing**, which can be exacerbated by geopolitical tensions, may constitute a financial risk.

We updated our climate scenario analysis in 2024 and carried out the associated resilience analysis. The scenario analysis remains valid for the 2025 reporting year. The results show that only minor physical risks apply for the majority of the Company's locations in Germany up to the year 2050. We anticipate moderate hazards at the locations of our Croatian and Hungarian national companies, for example due to heat, while in Greece, forest fires in particular represent a hazard. The most common potential physical risks facing T-Mobile US sites are related to heat stress, drought stress, and precipitation stress. We are prepared for the rising impacts of physical risks, such as changes in precipitation patterns and extreme weather variability, and have already implemented comprehensive adaptation actions. Our risk and opportunity management is based on multiple pillars: we structure our telecommunications networks with built-in resiliency. For most of our critical locations, we use uninterruptible emergency power supply systems incorporating batteries as well as mobile and stationary diesel generators. Our crisis management also helps with rapid recovery in the event of disruptions. We cover the risks of damage to buildings and to Deutsche Telekom's network infrastructure by taking out insurance policies.

We cannot guarantee absolute resilience with regard to some climate risks, such as fire or flood events. It is not possible to fully protect Deutsche Telekom's locations from these physical climate-related hazards. We therefore developed an action strategy with our Emergency Response Plan that is triggered when extreme weather events damage the network infrastructure, for example. This ensures that telecommunications networks can provide services even in the event of a crisis. The resilience analysis of physical climate risks in our own business activities focused on the overarching site types of data centers, mobile communications network, and fixed network. Material risks with a very high risk extent but a very low probability of occurrence may result from extreme weather events.

In addition, we analyzed how resilient our business model is to potential future consequences of climate change. For this we considered transition aspects, i.e., factors connected 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. In the transitory resilience analysis, we only considered our own business activities, i.e., our data centers, mobile communications and fixed networks, and devices (smartphones, routers, etc.).

The critical assumptions for analyzing the resilience of our business model with regard to physical climate risks are based on climate scenario SSP5–8.5, which is used by the Intergovernmental Panel on Climate Change (IPCC), and for transition climate risks on the Net Zero Emissions (NZE) 2050 scenario of the International Energy Agency (IEA). The key critical assumptions are as follows:

- SSP5–8.5: This scenario results in a global temperature increase of 4°Celsius. It describes a societal development trajectory accompanied by steadily intensifying fossil fuel exploitation.
- NZE: According to the IEA's estimates, this scenario is the only one that will limit global warming to 1.5° Celsius by 2050.

When assessing risks and opportunities we considered financial effects and also included physical and transition climate risks, taking into account existing or planned adaptation and mitigation actions. This relates primarily to the implemented climate change mitigation strategy, which influences transition risk assessments, as well as to adaptation actions to mitigate negative financial effects arising from physical climate risks.

The analysis showed that Deutsche Telekom is highly resilient overall to both material transition risks and physical climate risks. This means that we are able to adapt our business model to climate change in the short, medium, and long term. We will not have to redeploy, upgrade, or decommission any of our assets, products, or services.

> For further disclosures on the resilience analysis, for example, relating to the scope or the use of climate scenarios, please refer to the section "ESRS 2 IRO-1 E1."

Impact, risk, and opportunity management

ESRS E1-2 – Policies related to climate change mitigation and adaptation

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. We underpin our commitment in our Environmental Guidance (excluding T-Mobile US), which takes into account all relevant environmental aspects in our own business activities as well as in the upstream and downstream value chain. T-Mobile US has also implemented its own environmental policy (T-Mobile Environmental Policy) that formulates the key elements and requirements of a sustainable business policy, such as a commitment to climate change mitigation and resource conservation.

These environmental policies are part of our Group-wide CR strategy. They are publicly accessible and make our Group-wide targets and voluntary commitments transparent to all of our stakeholders. The Environmental Guidance of Deutsche Telekom (excluding T-Mobile US) is the remit of GCR, which is also responsible for the direction taken with the T-Mobile Environmental Policy and thus has overall responsibility. The Group companies are required to implement the requirements set out in these policies in their business activities within the boundaries of the applicable legal framework and to ensure that they implement any systems needed to do this, instruct their employees accordingly, and provide regular training as needed. Implementation is documented by means of the existing data collection systems and controlling processes in the national companies. We review these environmental policies annually and adapt them if one of the following conditions applies:

- change in regulatory requirements;
- change in key references and the underlying standards, such as the ISO standards or the Greenhouse Gas Protocol (GHG Protocol);
- new findings concerning existing and insufficiently addressed environmental aspects, e.g., as a result of further refinements to the sustainability strategy;
- relevant changes in the requirements of our stakeholders that we identify through our stakeholder communication and various dialogue formats.

If Group companies have implemented policies that go beyond the requirements of the Environmental Guidance, we give these preference.

Among other aspects, these environmental policies consider the negative impacts of our GHG emissions (Scope 1–3) in terms of climate change mitigation and adaptation, e.g., due to the energy-intensive operation of our data centers. They also include our mitigation actions.

Deutsche Telekom's Environmental Guidance (excluding T-Mobile US) also addresses the positive impacts associated with the extension of PPAs and the improvement in energy efficiency resulting from the modernization of our networks. In addition, it takes the climate strategy described below into account. Both are integrated into our CR strategy.

Climate-neutral business practices are a key objective of our overarching CR strategy. Our climate strategy focuses on the key areas of GHG emissions management, renewable energy, energy efficiency, and environmentally friendly products. In addition to the climate-related targets specified in the section "ESRS E1-4", it covers actions that we describe in the section "ESRS E1-3."

The climate strategy is subject to a continuous review and update process to reflect changes in the market and internal requirements. In addition, Deutsche Telekom supports various internationally recognized standards and seals of quality for improving the energy efficiency of products and services – including the EU Code of Conduct for Data Centers and the Blue Angel seal in Germany. We contribute to developing these further, for instance by participating in working groups.

We have implemented a Group-wide environmental management system (EMS) for managing our environmental impacts. This is part of the integrated HSE (health, safety, and environment) management system in place in many Group companies The EMS covers all Group companies and is regularly certified by external auditors. The basic requirements of the system apply to all Deutsche Telekom employees. We successively integrate existing management systems and certificates outside the EMS into the Group certificate or, if these go beyond the Group EMS, adapt them to regional approaches in relation to management systems.

We take responsibility both for our own business activities and for our supply chains. We communicate our environmental and human rights-related requirements to our suppliers and outsourcing partners by means of our supplier codes of conduct. In signing this, our suppliers are contractually obligated to comply with Deutsche Telekom's minimum sustainability requirements, as well as with statutory requirements and international standards. We regularly review the requirements for our products, services, and suppliers. Sustainability criteria are incorporated into our decisions on contract awards in tenders. Part of our sustainable procurement strategy is also contractually agreeing with our suppliers that they must increase transparency regarding GHG emissions and draw up mitigation plans.

ESRS E1-3 – Actions and resources in relation to climate change policies

Specific actions for reducing GHG emissions result from the identified key decarbonization levers that we described in the section "ESRS E1-1." As a general rule, the actions have 2030 as their target year or the overarching target of net zero emissions by 2040. For Scopes 1 and 2, these include the following:

- procurement of electricity from renewable sources, with a focus on increasing coverage through PPAs and our own generation;
- energy efficiency actions by using more efficient technologies and decommissioning outdated ones;
- reducing floor space in buildings as well as upgrades and efficiency measures;
- electrification and reduction of our vehicle fleet;
- electrification of heating with heat pumps.

In line with our sustainable procurement strategy, a Group-wide task force is currently leading an initiative to reduce GHG emissions at both the supplier and product level (Scope 3). This task force plays a key role in coordinating efforts across all segments and ensures a consistent approach is taken to reducing emissions. Other Scope 3 actions include extending the life cycle of products, improving the energy efficiency of devices sold, and more sustainable sourcing of materials and packaging.

We are continually improving the energy efficiency of our data centers through a range of actions. The Power Usage Effectiveness (PUE) metric serves as an indicator for the efficiency enhancement in our data centers. We determine this metric using the method recommended by the standard DIN EN 50600 for data centers, which takes the total energy consumed by data centers into account, not just that used to operate the servers. The PUE metric is calculated using the ratio between the total electrical energy consumed by the data center and the amount of electrical energy consumed by IT. In the reporting year, the average global PUE score for our T-Systems data centers was 1.53 (2024: 1.56).

Thanks to our adequate liquidity reserves and solid investment-grade rating, we have the necessary financial flexibility and unobstructed access to the capital markets. This means that there are no factors limiting our ability to finance capital spending and implement the actions planned.

Targets

ESRS E1-4 – Targets related to climate change mitigation and adaptation

The chart in the section "ESRS E1-1" (Transition Plan) shows our climate-related targets. It also specifies the key levers that we have identified for decarbonization.

Our Group-wide climate-related targets are:

- 100 % of electricity from renewable energy sources (Scope 2, market-based method). We achieved this target by the end of 2021.
- We reached our target of achieving net zero emissions in our own business operations (Scope 1 and 2) by the end of 2025. To achieve this, we reduced emissions from our own operations globally by more than 94 % against the 2017 level. We offset the remaining emissions of our CO_2e footprint through high-quality carbon offset projects, for example, through afforestation.

- As an interim goal on the journey towards GHG neutrality along the entire value chain, we aim to reduce CO_2e emissions across Scopes 1 to 3 by 55 % in absolute terms by 2030 compared with 2020. We are in close dialogue with our suppliers to reduce emissions in the production phase through more sustainable manufacturing and to develop products that consume less energy in the utilization phase.
- By 2040 at latest, we want to achieve net zero emissions along the entire value chain – across Scope 1, 2 and 3 emissions. To achieve this, we aim to reduce total emissions by at least 90 % from a 2020 baseline; only up to 10 % may be offset through high-quality CO_2e removal projects.

In general, we want to offset GHG emissions that we cannot avoid so that they are permanently removed from the atmosphere. GHG emissions from technology such as diesel generators to safeguard emergency power supply, which will take time to be converted to a more environmentally friendly alternative or for which there is currently no suitable alternative, are considered unavoidable. However, these emissions are not attributable to key assets or products and have no impact on the achievement of our climate-related targets. These GHG emissions can be offset, for example, through natural sinks, where greenhouse gases are absorbed by natural ecosystems. We only want to use high-quality offsetting projects in accordance with Oxford category IV and V, i.e., we strive to remove carbon from the atmosphere through short- and long-lived storage.

We have developed our climate-related targets in line with current scientific and regulatory conditions. In 2024, the Science Based Targets initiative (SBTi) confirmed that our current climate-related targets continue to contribute to compliance with the Paris Agreement under its new, stricter guidance. The initiative also reviewed the baseline value. When setting our reduction targets and forecasting our progress towards them, we considered a variety of factors: expected market developments (customer figures, sales figures), technical developments in our own operations and in products, and regulatory elements (e.g., expansion of renewable energy/electricity mix).

One of the ways in which we monitor our climate-related targets is through reduction of our GHG emissions. To achieve this, several KPIs are integrated in our internal controlling process, including multi-year planning and projections during the year. Our progress is in line with our original planning. The market-based method is used for Scope 2 emissions.

We continuously evaluate new technologies and processes in terms of whether they can help the Group act more efficiently in the market and conserve essential resources. This extends to both our own product development and our collaboration with strategic suppliers and also applies in particular to our own network technologies. Going forward, artificial intelligence (AI) will increasingly be used to optimize processes. We use an AI application in 5G towers, for example, to improve energy efficiency.

Metrics

The metrics in this standard are not additionally validated externally. The metrics are based in part on estimates, assumptions, and projections.

ESRS E1-5 – Energy consumption and mix

Total energy consumption decreased year-on-year from 11,991 GWh to 11,957 GWh. In the reporting year, 13,905 MWh (2024: 7,819 MWh) of energy was generated from renewable sources. We are not active in high climate impact sectors.

Total energy consumption related to own business activities

MWh

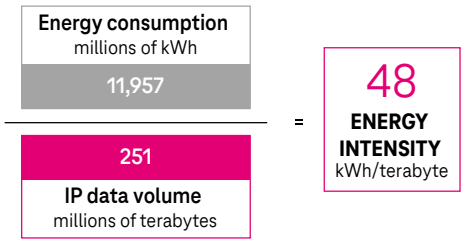
	2025	2024
Total fossil energy consumption	812,912	870,723
Consumption from nuclear sources	0	0
Total renewable energy consumption	11,144,078	11,120,011
of which: fuel consumption for renewable sources including biomass (also comprising industrial and municipal waste of biologic origin), biofuels, biogas, hydrogen from renewable sources, etc.	4,629	1,090
of which: consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	11,125,544	11,111,102
of which: consumption of self-generated non-fuel renewable energy	13,905	7,819
Total energy consumption	**11,956,990**	**11,990,733**

The figures for 2024 were adjusted retrospectively due to changes in electricity distribution at individual sites.

The disclosures are based on data reported by our operating segments. This data comes from consumption bills and figures supplied by local utilities. If it was not available in due time, projections were made to extrapolate consumption levels without precise consumption figures based on information about the significant consumers. Consumption data from the previous year and the relevant prior periods as well as additional information about adjustments to energy requirements were used for these calculations. All renewable electricity certificates are validated by an authorized or accredited certification authority.

We measure progress in improving energy efficiency through network modernization by means of the Energy Intensity ESG KPI. This KPI puts our energy consumption in relation to the transmitted data volume. Using data volume as a denominator makes it possible to create a direct link to the performance of our networks. This takes into account the data volume transported between our customers and the relevant service providers. Any multiple counting of a package across multiple sections of our networks is avoided by various assumptions, such as by limiting it to the first entry into the base network. The numerator of the KPI takes into account the total energy consumption of all energy sources – electricity, fuel, gas, and district heating. In the reporting year, energy consumption relative to IP data volume was approximately 48 kWh/terabyte (2024: 57 kWh/terabyte). The figure reported for 2024 was adjusted retrospectively in the reporting year due to changes in electricity distribution at individual sites. The KPI is relevant because large quantities of energy are needed to operate and maintain the networks.

Energy Intensity ESG KPI



ESRS E1-6 – Gross Scopes 1, 2, 3 and total GHG emissions

We present our Scope 1–3 GHG emissions in a standardized format to make them comparable. To that end, emissions are converted into metric kilotons of CO_2e. Breaking down the GHG emissions along our value chain gives us an overview of the points in the value chain where the majority of them occur.

The factors that influence gross GHG emissions are regularly reviewed. We document any changes or additions in our Emission Calculation Manual. We communicate any significant changes that affect the annual comparability of our GHG emissions. We use the following sources of emissions factors in our calculations: UK Government (2025), published by the Department for Energy Security and Net Zero (DESNZ), formerly by the Department for the Environment, Food and Rural Affairs (DEFRA), International Energy Agency (IEA) (2021/2024), United States Environmental Protection Agency (EPA) (2024), ecoinvent version 3.10, CDP (2024), the German heat and power association (Energieeffizienzverband für Wärme, Kälte und KWK e.V. (AGFW)) (2023), and World Resources Institute (WRI) (2015).

We apply the market-based and location-based methods to calculate GHG emissions, particularly in relation to usage of electricity. The market-based method considers specific emissions factors of the electricity suppliers that an entity actually uses. The location-based method uses average emissions factors for the geographical location in which the electricity is consumed. Our GHG emissions are largely generated by the vehicle fleet, fossil fuels, and district heating. We differentiate between the two methods, thereby adhering to the GHG Protocol Scope 2 Guidance. We disclose market-based and location-based emissions in CO_2e. We calculate Scope 1 and 2 emissions as well as Scope 3 emissions based on the GHG Protocol. We derive the latter from direct supplier data as well as from indirect statistical data.

From Deutsche Telekom's perspective, the market-based approach is the leading method in non-financial reporting. We use this method to calculate emissions with a specific emissions factor (provider factor) per company. This factor depends on a company's actual energy procurement (electricity mix); procuring renewable energy (direct purchase, certificates) has a decreasing effect on emissions.

For the location-based method, we always use the IEA emissions factors for the country in question (country mix factor). A company's actual energy procurement (electricity mix), including the procurement of renewable energy that goes beyond the country mix, is not taken into account.

Gross Scopes 1, 2, 3 and total GHG emissions

t CO_2e

	2025	2024
Scope 1 and 2 (market-based)	240,165	252,568
of which: t CO_2e emissions, Scope 1	223,790	236,355
of which: t CO_2e emissions, Scope 2 (market-based)	16,375	16,212
t CO_2e emissions, Scope 2 (location-based)	3,736,800	4,002,218
t CO_2e emissions, Scope 3 (total)	8,507,234	9,733,536
of which: t CO_2e emissions, Scope 3 (upstream)	5,861,714	7,312,103
of which: t CO_2e emissions, Scope 3 (downstream)	2,645,520	2,421,432
Total t CO_2e emissions Scopes 1–3 (location-based)	**12,467,824**	**13,972,109**
Total t CO_2e emissions Scopes 1–3 (market-based)	**8,747,399**	**9,986,103**

The figures for 2024 were adjusted retrospectively in the reporting year due to updated emissions factors and changes in methods and structures applied. These adjustments have yet to be made in the case of 51 % of the Scope 3 emissions in categories 1, 2, and 4.

As per the definition, operational control over a company, location, establishment, or asset requires the undertaking to have the ability to control the operational activities and relationships. Based on our business models and investments, we did not identify any operational control over non-controlling interests. For this reason, the information is not broken down by the companies in which we have investments.

Scope 1 biogenic emissions from the incineration of organic materials amount to 1,180 metric tons of CO_2e (2024: 229 metric tons of CO_2e). The IEA factors we use do not allow for any breakdown by biogenic emissions, so the location-based Scope 2 figures do not include any additional biogenic emissions from electricity consumption.

Scope 3 emissions declined from 9.73 million metric tons of CO_2e to around 8.51 million metric tons of CO_2e compared with the prior year. The vast majority of the Scope 3 emissions were generated in the categories of the manufacturing of products and components (in particular of devices and network technology) and from the use of our products and services (e.g., sold or leased fixed-network and mobile phones, routers, and media receivers) by our customers. The proportion of emissions calculated using primary data from suppliers was approximately 58 % in 2025 (2024: 60 %). This is predominantly CDP data for the categories of purchased goods and services and capital goods, plus disposal company information for the category of waste generated in operations.

Gross Scope 3 GHG emissions

t CO_2e

	2025	2024
Indirect emissions (upstream)	5,861,714	7,312,103
of which: purchased goods and services	3,064,914	3,573,544
of which: capital goods	1,834,815	2,143,298
of which: fuel- and energy-related activities	275,909	313,079
of which: upstream transportation and distribution	368,371	964,364
of which: waste generated in operations	14,604	17,994
of which: business travel	54,095	58,153
of which: employee commuting	249,006	241,671
Indirect emissions (downstream)	2,645,520	2,421,432
of which: transportation of products sold to customers	279,089	294,935
of which: use of sold products	1,362,542	1,258,060
of which: disposal and recycling of sold products	38,403	34,644
of which: downstream leased assets	856,577	795,914
of which: investments	108,908	37,879

The figures for 2024 were adjusted retrospectively in the reporting year due to updated emissions factors and changes in methods and structures applied. These adjustments have yet to be made in the case of 51 % of the Scope 3 emissions in categories 1, 2, and 4.

Scope 3 GHG emission categories comprise all indirect GHG emissions that occur in a company's value chain, both upstream and downstream. These categories are described in the GHG Protocol and comprise 15 specific types of emissions ranging from the production of raw materials up to the use and disposal of the products. Deutsche Telekom does not cover category 8 "Upstream leased assets," category 10 "Processing of sold products," and category 14 "Franchises" because these are not relevant for our business model.

The following overview shows the reporting boundaries, calculation methods, and calculation tools based on the categories of Scope 3 GHG emissions in the GHG Protocol.

Calculation background to the categories of Scope 3 GHG emissions

Scope 3 GHG emissions category	Description
1. Purchased goods and services	Emissions factors per euro, which are based on our suppliers' Scope 1–3 emissions data divided by their total revenue, are taken from CDP questionnaires and multiplied by the order volume in the relevant procurement categories. If no CDP factors are available for a given supplier, we normally calculate an average emissions factor in the corresponding procurement category for this supplier. For 48 % of emissions in category 1 from suppliers without CDP data, we use the Comprehensive Environmental Data Archive (CEDA) database from the sustainability tool provider Watershed. Similar to CDP, the CEDA database likewise provides plausible emissions factors for the relevant procurement category. We adopted this new approach so that the emissions of areas of the Group with a different supplier base could be depicted more clearly. For a number of suppliers, we use information from life cycle assessments (LCA) instead of CEDA or CDP data to calculate the emissions for the respective order volume.
2. Capital goods	Similar procedure to Scope 3 category 1.
3. Fuel- and energy-related activities	Well-to-tank (WTT) emissions factors from the supplier's ecoinvent database are mainly used to calculate emissions from the Group-wide consumption of energy from different sources.
4. Upstream transportation and distribution	In this category, the approach for calculating the corporate carbon footprint takes into account the GHG emissions caused by the upstream transportation of purchased goods and capital goods, including purchased devices. Emissions are calculated based on estimates of the proportion of product/service costs that are attributable to transportation costs. The respective share of the procurement volume is multiplied by the weighted average emissions factor of our logistics service providers (similar to the calculation of categories 1 and 2). For 37 % of emissions in category 4, we do not apply this approach, but instead use Watershed's sustainability tool and therefore frequently the CEDA emissions factors, as this tool can be used to assign the corresponding transport expenditure to category 4. This new approach will also allow the emissions of areas of the Group with a different supplier base to be depicted more clearly.
5. Waste generated in operations	The calculation includes all waste produced during the reporting year and the annual generation of wastewater. Datasets from ecoinvent for waste treatment were used to calculate emissions.
6. Business travel	The actual data for business travel is tracked. Traffic-specific emissions factors are used to calculate the GHG emissions. The emissions factors applied for the different modes of transport are taken from the ecoinvent database. Emissions from hotel accommodation are also included in the stated figure.
7. Employee commuting	The calculation is based on Group-wide queries on employees' commuting patterns. Remote working emissions are also included here in some parts of the Group.
8. Upstream leased assets	Category 8 emissions are not relevant to Deutsche Telekom.
9. Transportation of products sold to customers	Emissions from our customers' shop visits are reported under category 9. To calculate these emissions, we multiply the number of shop visits (based in part on extrapolations) by the average distance traveled and by an emissions factor for passenger transportation based on a study.
10. Processing of sold products	Category 10 emissions are not relevant to Deutsche Telekom.
11. Use of sold products	Direct emissions in the use phase were calculated by determining product-specific energy consumption and the average energy mix in the relevant countries. The number of devices sold in each device category (e.g., smartphones or routers) is multiplied by the average annual power consumption (based on average product usage) for the relevant device category per country, and the result is then multiplied by the average product life cycle (e.g., three years) and the country-specific electricity grid mix factor.
12. End-of-life treatment of sold products	The emissions calculation includes the average end-of-life emissions for each device sold, which are mainly taken from internal and external product carbon footprint studies. The number of devices sold is multiplied by the average end-of-life emissions per device.
13. Downstream leased assets	The number of pieces of equipment leased to end customers (in particular routers and TV set-top boxes) was multiplied by the corresponding energy consumption of the products used and the average country-specific emissions factor for electricity. The same energy consumption data was used as in category 11. Only the emissions from the use phase were considered. All devices leased to end customers in the reporting year were factored into the calculation.
14. Franchises	Category 14 emissions are not relevant to Deutsche Telekom.
15. Investments	We began to report emissions in this category in 2022. The carbon emissions of our largest financial assets were multiplied by our ownership percentage according to the published Scope 1 and Scope 2 emissions or calculated using industry-specific factors from the EPA database.
16. Other Scope 3 emissions in the upstream value chain	All upstream GHG emissions were recorded in the existing eight upstream categories in accordance with the GHG Protocol.
17. Other Scope 3 emissions in the downstream value chain	All downstream GHG emissions were recorded in the existing seven downstream categories in accordance with the GHG Protocol.

We are not aware of any biogenic CO_2e emissions from the incineration or bio-degradation of biomass in our upstream and downstream value chain. Furthermore, we are not releasing CO_2e emissions or other types of GHG from life cycles of biomasses that would be relevant for the calculation of our Scope 3 emissions.

We report the Carbon Intensity ESG KPI based on revenue. The numerator of the KPI takes into account total CO_2e emissions (Scopes 1–3) for all energy sources – electricity, fuel, gas, and district heating. Location-based carbon intensity in the reporting year was 105 metric tons of CO_2e/€ million (2024: 121 metric tons of CO_2e/€ million). Market-based carbon intensity was 73 metric tons of CO_2e/€ million (2024: 86 metric tons of CO_2e/€ million). The figures reported for 2024 were adjusted retrospectively in the reporting year due to updated emissions factors and changes in methods and structures applied.

> For information on net revenue, please refer to the "Consolidated income statement" in the consolidated financial statements and to note 20 "Net revenue" in the notes to the consolidated financial statements.

Total GHG emissions, disaggregated by Scopes 1 and 2, and significant Scope 3 emissions

t CO_2e

	Retrospective				Milestones and target years			
	2020	2024	2025	Change against prior year %	2025	2030	2040	Annual % of target/ Base year %
Scope 1 GHG emissions								
Gross Scope 1 GHG emissions	260,110	236,355	223,790	(5.3)	188,000			
Percentage of Scope 1 GHG emissions from regulated emission trading schemes	n.a.	n.a.	n.a.	n.a.				
Scope 2 GHG emissions								
Gross Scope 2 GHG emissions (location-based)	4,815,423	4,002,218	3,736,800	(6.6)				
Gross Scope 2 GHG emissions (market-based)	2,180,598	16,212	16,375	1.0	16,000			
Significant Scope 3 GHG emissions								
Total gross indirect Scope 3 GHG emissions	11,595,000	9,733,536	8,507,234	(12.6)	9,972,000			
1. Purchased goods and services	4,099,338	3,573,544	3,064,914	(14.2)				
2. Capital goods	2,525,715	2,143,298	1,834,815	(14.4)				
3. Fuel- and energy-related activities	700,001	313,079	275,909	(11.9)				
4. Upstream transportation and distribution	1,282,193	964,364	368,371	(61.8)				
5. Waste generated in operations	48,986	17,994	14,604	(18.8)				
6. Business travel	20,400	58,153	54,095	(7.0)				
7. Employee commuting	213,401	241,671	249,006	3.0				
8. Upstream leased assets	n.a.	n.a.	n.a.	n.a.				
9. Transportation of products sold to customers	252,488	294,935	279,089	(5.4)				
10. Processing of sold products	n.a.	n.a.	n.a.	n.a.				
11. Use of sold products	1,100,604	1,258,060	1,362,542	8.3				
12. End-of-life treatment of sold products	43,377	34,644	38,403	10.9				
13. Downstream leased assets	1,226,096	795,914	856,577	7.6				
14. Franchises	n.a.	n.a.	n.a.	n.a.				
15. Investments	82,401	37,879	108,908	187.5				
Total GHG emissions								
Total GHG emissions (location-based)	16,670,533	13,972,109	12,467,824	(10.8)				
Total GHG emissions (market-based)	14,035,708	9,986,103	8,747,399	(12.4)	10,176,000	6,316,000	1,404,000	4.5

Individual values are not shown in the table because our planning is performed at an aggregated level.

The figures for 2020 and 2024 were adjusted retrospectively in the reporting year due to updated emissions factors and changes in methods and structures applied. These adjustments have yet to be made in the case of 51 % of the Scope 3 emissions in categories 1, 2, and 4. Adjustments to the base year have necessitated adjustments to the absolute target values.

ESRS E1-7 – GHG removals and GHG mitigation projects financed through carbon credits

The total amount of carbon credits outside our value chain that were verified against recognized quality standards and canceled in the reporting period is 250,000 metric tons of CO_2e (2024: 35,167 metric tons of CO_2e). Carbon credits from removal projects account for the greater part, at 243,000 metric tons of CO_2e. Of the carbon credits canceled in the reporting period, 188,300 metric tons of CO_2e (2024: 25,000 metric tons of CO_2e) are attributable to biogenic sinks and 61,700 metric tons of CO_2e (2024: 8,000 metric tons of CO_2e) are attributable to technological sinks.

The following table provides an overview of the canceled carbon credits and lists, for example, the different standards that we have selected for our portfolio. These standards guarantee the integrity and credibility of the emission reductions and ensure that the credits meet international requirements.

Carbon credits canceled in the reporting year

%

		2025	2024
Total	t CO_2e	**250,000**	**35,167**
Share from removal projects		97.2	6.2
Share from reduction projects		2.8	93.8
Recognized quality standard: Verra		4.4	51.2
Recognized quality standard: Gold Standard		3.2	48.8
Recognized quality standard: Climate Action Reserve		67.7	n.a.
Recognized quality standard: Puro Earth		8.3	n.a.
Recognized quality standard: Carbon Standards International		16.4	n.a.
Share from projects within the EU		0.9	2.8
Share of carbon credits that qualify as corresponding adjustments [a]		0.8	9.0

[a] The figure for 2024 has been adjusted retrospectively.

Carbon credits planned to be canceled in the future

t CO_2e

	Amount until 2028
Total	**455,340**

As begun in 2025, we have also planned to purchase carbon credits from removal projects in accordance with the Scope 1 and 2 plan quantities in the Group for the 2026–2028 period. The total amount of carbon credits outside the value chain planned to be canceled and that are based on contractual agreements is 455,340 metric tons of CO_2e (2024: 625,340 metric tons of CO_2e). Of this figure, 328,840 metric tons of CO_2e (2024: 455,140 metric tons of CO_2e) are attributable to biogenic sinks and 126,500 metric tons of CO_2e (2024: 170,200 metric tons of CO_2e) are attributable to technological sinks.

ESRS E1-8 – Internal carbon pricing

In the reporting year, internal carbon pricing systems were only used at T-Mobile US. Specifically, these are shadow prices that are used in activities related to capital expenditures, in procurement, and in operations. T-Mobile US's internal CO_2e price is calculated based on the cost of acquiring guarantees of origin for electricity from renewable sources (renewable energy certificates – RECs) for the 2024 calendar year. The figure was calculated using the Emissions & Generation Resource Integrated Database (eGRID) sub-regional file for 2023 so as to ensure accurate emissions factors. The applied internal CO_2e price was USD 6.40/t CO_2e (2024: USD 7.33/t CO_2e). The internal CO_2e price is used to ensure an accurate assessment of the financial effects of reducing CO_2e emissions, alongside other project costs and benefits. Savings in RECs costs achieved through lower energy consumption are also taken into account. By evaluating the cost of purchasing renewable energy, T-Mobile US can identify opportunities for cost savings. This pricing approach underpins our strategy of reducing Scope 2 emissions by prioritizing the reduction of energy consumption and investing in energy-efficient technologies. 100 % of T-Mobile US' Scope 2 emissions are covered through the internal CO_2e pricing mechanism. In 2025, T-Mobile US' location-based Scope 2 emissions amounted to 2,522,988 metric tons of CO_2e (2024: 2,633,330 metric tons of CO_2e).

T-Mobile US' internal CO_2e price is used to assess the financial effects of energy consumption and emission reduction, but not to measure assets or determine residual value.

ESRS E5 – Resource use and circular economy

We are committed to responsible use of resources along our entire value chain. In addition to conserving and avoiding resources, we aim to make products and materials as durable as possible and to ensure they are returned into circulation at the end of their lifetimes. By means of longer use phases and reusing, we are able to not only save on resources, but also to reduce energy use and emissions, thus contributing to climate change mitigation.

The following index shows the disclosure requirements relating to the topical standard "Resource use and circular economy" identified by the materiality assessment.

ESRS index under ESRS 2 IRO-2

Disclosure requirement	Name with reference
ESRS E5 – Resource use and circular economy	
ESRS 2 SBM-3 E5	Material impacts, risks, and opportunities and their interaction with strategy and business model (use of phase-in option for ESRS 2 SBM-3 para. 48e)
ESRS 2 IRO-1 E5	Description of the processes to identify and assess material impacts, risks, and opportunities
ESRS E5-1	Policies related to resource use and circular economy
ESRS E5-2	Actions and resources in relation to resource use and circular economy
ESRS E5-3	Targets related to resource use and circular economy
ESRS E5-4	Resource inflows
ESRS E5-5	Resource outflows
ESRS E5-6	Anticipated financial effects from material resource use and circular economy-related risks and opportunities (use of phase-in option)

Strategy

ESRS 2 SBM-3 E5 – Material impacts, risks, and opportunities and their interaction with strategy and business model

In our double materiality assessment, we considered possible impacts, risks, and opportunities in relation to resource use and circular economy. The table below shows the material **impacts** of our business activities on society and the environment that we identified in the process.

> We provide overarching information on how material impacts, risks, and opportunities interact with our strategy and business model in the section "ESRS 2 SBM-3."

Value chain/ Reference to business model/strategy	Nature of impacts	Description
Resource inflows, including resource use		
Upstream/ Impacts based on the business model	Negative (actual/short-term: <1 year)	We procure large quantities of products and components for the maintenance and build-out of fixed-network and mobile communications infrastructure (primarily for antenna or fiber-optic build-out). These **resource inflows for the network build-out** are associated with negative impacts on the depletion of non-renewable resources and the use of renewable resources.
Downstream/ Impacts connected with the business model	Positive (actual/short-term: <1 year)	Through **new business models** such as leasing or selling refurbished technical equipment, we can have a positive impact. A leasing model for fixed-network equipment, for example, will help us achieve circular economy targets. With these models we reduce resource inflows and avoid the use of new materials. We also sell used network components through third parties to extend product life cycles. An internal marketplace for network technology has also been set up so that products can be used for longer.
Waste		
Own business activities and downstream/ Impacts based on the business model	Negative (actual/short-term: <1 year)	The **construction and operation of office buildings**, which we need to provide our services, generates waste. The construction and operation of **data centers** also generates waste that can harm the environment if not disposed of properly. In addition, large quantities of electronic waste are generated during **the build-out and maintenance of the networks**.
Own business activities and downstream/ Impacts based on the business model	Positive (potential/long-term: >5 years)	Deutsche Telekom's **zero waste ambitions** may – at least potentially – have positive impacts on the avoidance of waste.

The following overview illustrates Deutsche Telekom's material **risks** and their financial effects on our financial position, financial performance, and cash flows.

> For further information on risks and opportunities that represent a top risk or top opportunity in the next two years, please refer to the section "Risk and opportunity management."

Value chain	Risk/opportunities	Description
Resource inflows, including resource use		
Upstream	Risk	The growing **scarcity of raw materials** due to wars, pandemics or the finite nature of resources poses a financial risk to our business activities. We are already facing rising material, production, logistics, and energy costs due to scarcity.

Impact, risk, and opportunity management

ESRS E5-1 – Policies related to resource use and circular economy

We aim to minimize our negative impact in the context of resource inflows and resource use in the field of network technology by taking a variety of approaches to achieve efficient use of resources and promote a circular economy. The sourcing volume will remain high in the coming years due to the continuous network build-out. By promoting the reuse of products and materials, we are reducing our raw material requirements. In addition, we are endeavoring to repair more network technology components and to reuse them elsewhere, so as to reduce the amount of new equipment needed.

In 2025, we made preparations to roll out a comprehensive set of KPIs (Telco Circularity Score, TCS). From January 2026, we (excluding T-Mobile US) intend to use this to measure our holistic approach to increasing our circularity. It helps us to manage the underlying strategic actions. The set of KPIs includes a specific KPI for the circular material use ratio for network technology, which takes into account the proportion of reused or refurbished network technology and the share of circular materials when it comes to new procurement. This is another way in which we aim to counteract the negative impact of our resource inflows for the network build-out. Responsibility for implementing the circular business models lies with the relevant business units, i.e., at company level.

Our procurement strategy and the implementation policies derived from it address sustainability throughout the entire sourcing process. We are committed to ensuring that our suppliers comply with our environmental, social, and ethical sustainability requirements. In the course of tenders, we weight our environmental objectives, our suppliers' GHG emissions and, in the case of individual product groups, other social sustainability criteria. By doing so, we seek to minimize the negative influences of resource inflows for network technology while at the same time promoting innovations at our partners. When it comes to new procurement, we want to increase the use of recycled materials with our approach to increasing our circular material use ratio. In addition, we are working with the manufacturers of network technology and devices to develop roadmaps and actions as part of a program to integrate circularity aspects, among other aspects.

We use KPIs and management tools to monitor the implementation of our procurement strategy. These include, for example, scorecards that can be used to assess the sustainability of individual providers and products. Responsibility for the topic of sustainable procurement lies with the Finance Board of Management department and the Group's procurement functions. Other functional units and the GCR unit provide support in terms of content.

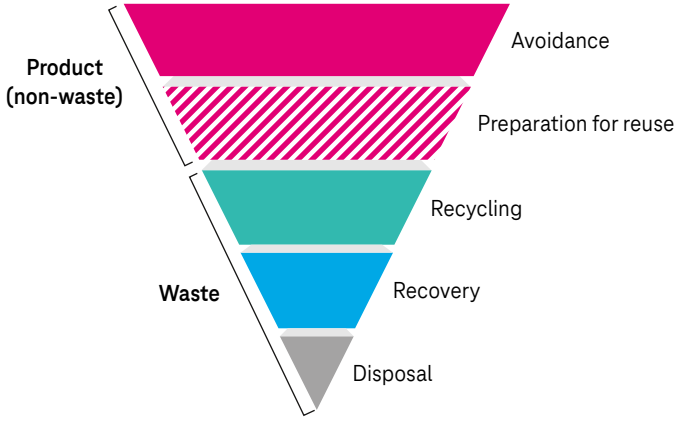
We also place particular emphasis on environmentally sustainable features when designing our products. Our holistic approach (excluding T-Mobile US) comprises our telecommunications services, the related terminal equipment, including plastic-free packaging, and shipping to customers that emits a minimum of greenhouse gases. We take a number of measures so that our customers can use the devices for longer, and the hardware can be reused or professionally recycled at the end of its useful life. For this we team up with our partners, for example various providers of buy-back, refurbishment or collection services. In this way, we make a direct contribution to the positive effects of our new business models. T-Mobile US utilizes global sustainability certifications to evaluate products, like handsets and tablets, and requires manufacturers to achieve a certain minimum UL ECOLOGO Certification Program or Electronic Product Environmental Assessment Tool (EPEAT) rating. The certifications cover a range of product sustainability topics, including material use and end-of-life management.

In addition, we (excluding T-Mobile US) set requirements for the development of new devices that are sold under the T brand, which will increase the use rate of secondary raw materials, among other aspects. This design approach is driven by our Environmental Guidance. It considers factors such as the upstream negative impacts of resource inflows and – in order to mitigate these – defines actions to reuse products. In addition, the Guidance explains concepts for professional recycling and thus covers risks that may arise due to potential resource scarcity.

For further information on our Environmental Guidance, please refer to the section "ESRS E1-2."

Our waste management (excluding T-Mobile US) is organized in line with the International Waste Management Framework. We strive to avoid creating waste wherever possible and to recycle as much as possible of the waste we do produce. In this context, we pursue a variety of approaches to ensure, for example, controlled handling of electronic waste generated and to avoid disposing of it in landfills. The waste pyramid provides a methodological framework for these approaches: The first step is to avoid waste, followed by reuse, recycling, and other forms of recovery (e.g., energy recovery) – so that, in the end, only those materials remain for disposal that cannot be treated at the other levels of the pyramid.

Waste pyramid in connection with Deutsche Telekom's approach to circular economy



We monitor implementation of the waste management system with a set of KPIs that are continuously being refined. We not only focus on the waste generated by Deutsche Telekom itself, but also include the upstream and downstream value chain in our analysis. In the upstream value chain, this particularly refers to increasing the share of refurbished devices or prioritizing the modular design of network technology in order to avoid waste. Later reuse, refurbishment or recycling at the end of life is also taken into account in procurement and product design. In the downstream value chain, we take responsibility for electronic waste, such as by implementing the circular economy policies mentioned above (e.g., buy-back, refurbishment, collection). Our waste management approaches aim to counteract the negative impacts of the waste we produce, for example through the construction and operation of data centers or the network build-out. The individual segments are responsible for implementing the waste management system. The most important metrics in waste management are incorporated into the TCS described above. T-Mobile US is also committed to effectively reducing waste and disposing of it responsibly. Targeted efforts are being made to train and empower internal teams and external partners on waste prevention. In addition, the company actively works with partners who support the repair, reuse, and resale of equipment.

Because our supply chains are international, the associated geographical regions related to the policies for resource conservation and circular economy and to the procurement strategy must be considered globally. The policies for product design and waste are focused primarily on Europe.

ESRS E5-2 – Actions and resources in relation to resource use and circular economy

The following actions are in line with our approach to circularity, our procurement strategy, and our waste management. They are ongoing with no defined end date and are applicable in Europe and, in part, globally. Some of the topics are also incorporated into the TCS, for example the recycling of electronic waste or the refurbishment of devices. The sustainability factor is also used in the purchase evaluation at T-Mobile US. The remaining actions mentioned below apply only to Deutsche Telekom excluding T-Mobile US.

The following actions apply primarily to the upstream value chain:

- We weight the sustainability factor in our procurement assessment and thus make it an economic differentiation factor in procurement.
- We use an internal platform for used network technology to make it available for reuse in other areas of the company and at other locations. This aims to reduce the use and procurement of new equipment.
- We collaborate with our strategic suppliers for the network build-out to reduce the quantity and size of packaging for network equipment/technology and hence also minimize negative environmental impacts, e.g., due to the high use of plastics.

The following actions apply primarily to the downstream value chain:

- Our business model in the area of customer premises equipment (CPE) – such as modems, routers, or TV receivers – is based on the principle of circular economy, since the devices are predominantly leased by customers and their return is thus usually ensured. We resell or re-lease the returned products, which means that they have a longer useful life. We also advocate the refurbishment and professional recycling of CPE, with the aim of recovering the valuable raw materials they contain.
- We also try to avoid electronic waste by encouraging our customers to make use of our take-back offers so that we can add used devices to our recycling processes.
- We have adopted a binding policy concerning the recycling of copper cables. Such cables are being partially replaced over the course of our fiber-optic build-out.

Targets

ESRS E5-3 – Targets related to resource use and circular economy

As part of our Europe-wide resource efficiency strategy, our European national companies have voluntarily committed to being almost fully circular in technology and devices by 2030. In this context, we aim to ensure by 2030 that almost all of the products we bring into the market are circular. This includes all network technology, most T-branded products, and a large share of the mobile devices we sell. In addition to recycling, the goal also includes aspects such as design, material selection, useful life, and durability. We use the TCS as a management tool for achieving this target. T-Mobile US does not have any formal targets for the circular economy.

The sub-target “zero ICT waste to landfill,” which was already achieved by the end of 2022, also contributes to our European circularity target: EU law requires all electronic waste or returned devices, such as smartphones, routers, or laptops, attributable to Deutsche Telekom throughout Europe to be properly disposed of or recycled. We are also working to avoid the incineration of electronic waste. Our minimum target in this regard is to fully recycle electronic waste – both our own and that of our customers. Our target (excluding T-Mobile US) was defined in cooperation with the segments. We monitor implementation and target achievement through overarching, consistent sustainability-related reporting. Our target of recycling all our electronic waste was nearly achieved in the reporting year. T-Mobile US remains committed to responsibly managing network equipment and electronic waste across the network. The company prioritizes sustainability by repairing and reusing equipment where possible, reselling parts that are no longer needed to extend their useful life, and sending the remainder to certified recyclers, a process that generates value back to the company while avoiding unnecessary landfill waste. For customers, there is a Device Reuse and Recycling program, extending the device lifecycle through reuse, recycling, and resale.

Our goal of being almost fully circular in technology and devices by 2030 calls for a holistic approach across the entire value chain. We are currently developing a specific target for increasing our circular material use ratio for network technology. Target development has already been initiated and is expected to be completed in 2026. Starting in January 2026, the TCS will map the expansion of circular product design, minimization of primary materials, and procurement and use of renewable resources.

Our approach to defining our circularity targets and prospectively defining targets for the TCS is based on scientific studies, case studies (including from the Ellen MacArthur Foundation), and existing policies such as the waste pyramid already described. These are intended to help us to ensure that our approaches are methodologically sound and that their substance is robust. The interests and views of our external stakeholder groups are indirectly taken into account in target setting, for example through information collected from committee work.

Metrics

The metrics reported here are based on measurements and, in part, on estimates and projections. They are not additionally validated externally.

ESRS E5-4 – Resource inflows

The material resource inflows for the network build-out include, in particular, mobile communications antennas and optical fiber. Raw materials and materials for mobile communications antennas include iron, aluminum, copper, nickel, magnesium, cobalt, silicon, precious metals (gold, platinum), rare earths, plastics and fiber-reinforced plastics (FRP). The essential materials used in optical fiber are glass and plastics (PE, PC).

The overall total weight of products and technical and biological materials used during the reporting period

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	2025	2024
Optical fiber	1,216	1,473
Mobile communications antennas	7,101	6,371
Total weight	**8,316**	**7,844**

Use of sustainably sourced biological materials for the build-out and maintenance of the network infrastructure is mainly limited to fresh fibers used for network technology packaging. These sustainably sourced fresh fibers are added to recycled fibers to increase the stability of the (cardboard) packaging. In addition, sustainably sourced fresh wood is used for cable drums. Due to the low weight of the packaging in relation to the total weight, the corresponding proportion is estimated at 5 % (2024: 5 %) of the total weight. Since manufacturers did not submit any information on this, an estimate was made based on experience from previous years. The level of accuracy of the estimate is therefore limited. For certification, we primarily focus on responsible forestry labels, such as the internationally recognized certificate issued by the Forest Stewardship Council (FSC).

We use recycled materials primarily in packaging, as well as in network technology materials and components. This mainly concerns recycled metals such as iron, aluminum, and copper, and – to a lesser extent – recycled plastics. It also relates to recycled sources for packaging. Specifically, this includes recycled fibers for (cardboard) packaging in network technology and recycled or reused wood for cable drums. The recycling rate is estimated at around 15 % (2024: 15 %) of the total weight. This corresponds to approximately 1,247 metric tons (2024: 1,177 metric tons). The level of accuracy of the estimate is considered low because no data is disclosed and the estimate is based on assumptions derived from experience in previous years.

We use historical average weights to record data on fiber-optic cables and mobile communications antennas. For cables, these are based on data on the total length of cables used and the average weight per unit of length. To calculate the total weight of the antennas, we multiply the number of antennas by the average weight per unit. When collecting the data, we use two weight categories in order to measure the weights of different cable and antenna types per unit as precisely as possible.

We are not aware of any overlap between reuse and recycling.

ESRS E5-5 – Resource outflows

At Deutsche Telekom, we distinguish between the following categories of technical waste: electronic waste, cables, and other. Non-technical waste is broken down into paper waste, municipal waste, and other waste. We divide these items into “hazardous” and “non-hazardous” waste. How we treat the waste depends on its categorization. To calculate the waste quantities per recovery method, the waste quantities are multiplied by quotas per recovery type depending on the type of waste. To calculate the proportion of non-recycled waste, the corresponding quantity is divided by the total amount of waste. If no separate data is available, which is the case in particular for municipal and office waste due to data collection limitations, the figures are extrapolated using average values per workplace.

Waste generation

t

		2025	2024
Total waste destined for recovery		**47,514**	**54,292**
Waste destined for recovery – preparation for reuse		85	44
of which: non-hazardous waste		14	20
of which: hazardous waste		71	24
Waste destined for recovery – recycling		43,091	52,965
of which: non-hazardous waste		40,434	46,359
of which: hazardous waste		2,657	6,606
Waste destined for recovery – other recovery operations		4,338	1,283
of which: non-hazardous waste		600	965
of which: hazardous waste		3,738	318
Total waste destined for disposal		**16,738**	**17,093**
Waste destined for disposal – incineration		5,549	5,972
of which: non-hazardous waste		5,546	5,925
of which: hazardous waste		4	46
Waste destined for disposal – landfilling		11,150	11,091
of which: non-hazardous waste		11,130	11,073
of which: hazardous waste		21	18
Waste destined for disposal – other disposal operations		38	30
of which: non-hazardous waste		32	29
of which: hazardous waste		7	1
Non-recycled waste		21,161	18,420
Non-recycled waste – percentage of total waste	%	33	26
Total hazardous waste		6,496	7,013
Total radioactive waste		n.a.	n.a.
Total waste generation		**64,252**	**71,385**

The waste processing category “preparation for reuse” does not include our refurbishing initiatives for devices, as these do not form part of our volume of waste.

The biomass we generate primarily relates to biowaste in office buildings and canteens. In the field of network technology and IT, the following waste is generated: metals, rare earths, nonmetallic minerals, and plastics. These elements can be found both in the waste generated by active technology (transmitter and receiver technology, storage technology, etc.) and in passive technology (e.g., cables, technology housings). The same applies to the devices taken back from customers in the fixed network (routers, TV boxes, etc.) and mobile communications businesses (e.g., smartphones, tablets). A small quantity of textiles accumulates in the office buildings from textile floor coverings and work clothing.

Social

ESRS S1 – Own workforce

Our approximately 200 thousand employees are of crucial importance for our business success. We attach great importance to employee involvement and fair behavior toward colleagues, promote diversity, and engage in systematic health management.

The following index shows the disclosure requirements relating to the topical standard “Own workforce” identified by the materiality assessment.

ESRS index under ESRS 2 IRO-2

Disclosure requirement	Name with reference
ESRS S1 – Own workforce	
ESRS 2 SBM-2 S1	Interests and views of stakeholders
ESRS 2 SBM-3 S1	Material impacts, risks, and opportunities and their interaction with strategy and business model (use of phase-in option for ESRS 2 SBM-3 para. 48e)
ESRS S1-1	Policies related to own workforce
ESRS S1-2	Processes for engaging with own workforce and workers’ representatives about impacts
ESRS S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns
ESRS S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions
ESRS S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
ESRS S1-6	Characteristics of the undertaking’s employees
ESRS S1-8	Collective bargaining coverage and social dialogue
ESRS S1-9	Diversity metrics
ESRS S1-14	Health and safety metrics
ESRS S1-16	Remuneration metrics (pay gap and total remuneration)
ESRS S1-17	Incidents, complaints, and severe human rights impacts

Strategy

ESRS 2 SBM-3 S1 – Material impacts, risks, and opportunities and their interaction with strategy and business model

In our double materiality assessment, we considered possible impacts, risks, and opportunities in relation to own workforce. The table below shows the material **impacts** of our business activities on society and the environment that we identified in the process.

> We provide overarching information on how material impacts, risks, and opportunities interact with our strategy and business model in the section “ESRS 2 SBM-3.”

Value chain/ Reference to business model/strategy	Nature of impacts	Description
Working conditions		
Own business activities/ Impacts based on the business model	Negative (potential/short-term: <1 year)	Wherever workers' representatives have been democratically elected, Deutsche Telekom collaborates constructively with these individuals in a spirit of trust. This ensures that appropriate consideration is given to employees' interests. The lack of collective representation of employee interests by, e.g., trade unions may have a negative impact on **social dialogue** and the right of employees to **freedom of association**. What is more, a lack of other options for workers' representatives to form alliances in the company, such as **works councils**, may also negatively impact the workforce's own interests. In the U.S., labor unions are less common in the ICT sector. The formation of unions follows applicable regulations in the U.S., and elections to establish a potential union can take place at any time.
Own business activities/ Impacts based on the business model	Negative (actual/short-term: <1 year)	Various risky activities, such as civil engineering work or working at height, negatively impact the **health and safety** of technicians as well as other Deutsche Telekom workers. We therefore pay close attention to occupational health and safety, specifically the accident and health rate in Germany. Work on power lines and high-voltage power lines and on electricity pylons increases the risk of accidents and consequently entails a health risk.
Own business activities/ Impacts based on the business model	Positive (actual/short-term: <1 year)	Our occupational health protection and safety actions promote **health and safety** among employees. This is confirmed by KPIs such as the health rate (sick leave) and the health index (mental health). In addition, other local programs help improve employees' physical fitness and increase employee satisfaction.
Equal treatment and opportunities for all		
Own business activities/ Impacts based on the business model	Positive (actual/short-term: <1 year)	**Diversity** is a focus topic of Deutsche Telekom (with the exception of T-Mobile US due to a changed regulatory environment). We are achieving positive impacts on our own workforce through a corresponding portfolio of actions. In addition to the broad range of training courses available to our staff, we provide active support for employee networks. Evaluations of employee surveys show that structural actions to increase diversity within and outside the Company's own workforce enhance the motivation and well-being of the employees concerned and can drive forward inclusion even beyond the boundaries of the Company.
Own business activities/ Impacts based on the business model	Negative (potential/short-term: <1 year)	In the ICT industry, the pay gap has a negative impact on **gender equality and equal pay for work of equal value**. The gender pay gap has been shown to exist in Germany as well as in the United States and other European countries such as Greece. We follow the principle of gender-independent remuneration, but we cannot rule out the possibility that the gender pay gap at Deutsche Telekom may have a negative impact on our female employees.

The following overview illustrates Deutsche Telekom's material **risks** and their financial effects on our financial position, financial performance, and cash flows.

> For further information on risks and opportunities that represent a top risk or top opportunity in the next two years, please refer to the section "Risk and opportunity management."

Value chain	Risk/opportunity	Description
Equal treatment and opportunities for all		
Own business activities	Risk	The growing competition for specialists in the labor market (war for talents) may lead to recruitment difficulties. If growing expectations regarding **equal treatment** and **diversity** – such as fair promotion opportunities, an inclusive leadership culture or visible representation of diverse backgrounds – are not met, an employer may additionally become less attractive. Unfilled vacancies may give rise, for example, to recruitment costs and higher expenses resulting from a loss of productivity, but also erode innovation potential.

Employees affected by material impacts only include persons in our own workforce who are directly employed by Deutsche Telekom. Freelancers and workers from temporary employment agencies are not considered and not reported, since – in relation to internal, active workforce – they only account for a small number of people.

In the section "ESRS S2 SBM-3", we explain how we determine whether certain groups of people within the upstream value chain and in our own business may be potentially affected to a greater extent by the negative impacts of our business activities.

Impact, risk, and opportunity management

ESRS S1-1 – Policies related to own workforce

Working conditions (social dialogue, freedom of association, the existence of works councils and the information, consultation, and participation rights of workers). Across the globe, Deutsche Telekom is committed to freedom of association and collective bargaining and complies with the relevant national legislation. As the underlying laws and contracts vary from country to country, we manage co-determination matters locally.

Our approach to managing the material impacts in relation to social dialogue and freedom of association is enshrined in our Code of Human Rights. This Code outlines our values and standards, which are set forth in greater detail in our instructions and processes, creating our framework for action.

Our principles and expectations formulated in the Code include the following:

- Protection of freedom of association and the right to collective bargaining
- Promotion of occupational health and safety at work
- Prohibition of unequal treatment in employment
- Payment of adequate living wage
- Zero-tolerance approach to violence, discrimination, or harassment of any sort
- Training and skills development
- Prohibition of child labor, forced labor, and all forms of slavery as well as human trafficking.

The principles and expectations described in the Code of Human Rights of Deutsche Telekom (excluding T-Mobile US) are aimed in equal measure at our employees and at our suppliers and business partners. We commit to respect and promote human rights and environmental matters everywhere we operate.

> The Code of Human Rights can be accessed on our website by all Deutsche Telekom employees, their representatives, and external parties.

The Code of Human Rights is an integral part of our policy statement on human rights. The Board of Management thus commits to respecting internationally recognized human rights standards. Because our focus topics in social and environmental matters may change as our Company evolves, we continuously review our related due diligence and amend the Code as needed. The Code is in line with the requirements of the German Act on Corporate Due Diligence in Supply Chains (Lieferkettensorgfaltspflichtengesetz – LkSG) and describes the implementation of our human rights and environment-related due diligence processes, including the internal complaints mechanism. The Code of Human Rights is required to be implemented by all Group companies over which Deutsche Telekom AG exerts a controlling influence as defined by the LkSG. The requirement is that they carry out relevant business activities that are established on a permanent basis and not limited to holding investments. A total of 145 Group companies meet these criteria. By December 31, 2025, 141 Group companies had implemented the updated Code of Human Rights.

T-Mobile US does not fall within the scope of the LkSG and the company applies its own Human Rights Statement that also addresses the above-mentioned principles and expectations. T-Mobile US expects its own workforce, as well as third-party business partners and suppliers, to comply with this commitment. All T-Mobile US employees and external parties can access the company's Human Rights Statement on the T-Mobile US website.

The Code of Human Rights is based on our human rights strategy implemented by GCR, for which the Chair of the Board of Management is responsible. Different centralized and local functional units are charged with its implementation. The implementation of the expectations set out in the T-Mobile US Human Rights Statement is the responsibility of the senior management across Human Resources, Corporate Social Responsibility and Legal Affairs of T-Mobile US.

> For further information on our human rights policy commitments, please refer to the section "ESRS S2-1."

Working conditions (health and safety) Occupational health and safety is firmly incorporated into our structures through management systems for health and safety in the workplace as well as suitable policies and guidelines. This helps us address the material impacts of our business activities on the health and safety of our employees. To do this, we use a certified integrated management system for health, safety, and environment (HSE) at many of our Group companies. It is based on the international standards ISO 45001 and ISO 14001 and takes into account the Luxembourg Declaration on Workplace Health Promotion in the European Union and the United Nations Global Compact. Some Group companies are not covered by an umbrella certificate because they have their own certifications. In the Code of Human Rights, we also commit to ensuring occupational health and safety in the workplace for our employees that is at least equal to the level required by applicable law, and we are continuously working to further improve our working conditions.

Our systematic approach to occupational health and safety is intended to maintain and promote the health of our employees. In this context, we develop action plans for occupational health and safety to further improve employees' safety, keep employees healthy, and improve their performance. What is more, our systematic approach contributes to making sustainability a component of our business processes and of our employees' everyday lives and helps us to systematically plan, implement, and improve our HSE processes. It also assists us in bidding on new projects in which potential commercial customers require their suppliers to provide HSE certificates. The general responsibilities, duties, and programs for health and safety management are laid down in writing, which serves to harmonize our systems and align them in a targeted manner. To ensure that the requirements of ISO 45001 are met, we regularly carry out internal audits at selected locations and engage independent external certification authorities to conduct annual reviews.

Our commitment to occupational health and safety covers our activities, products, and services: fixed network/broadband, mobile communications, internet, internet-based TV products and services, as well as information and communication-related solutions for business customers of Deutsche Telekom. Our HSE responsibility also extends to monitoring of outsourced processes.

The Board of Management department for Human Resources and Legal Affairs has overarching responsibility for managing occupational health and safety. Information about Deutsche Telekom's systematic approach to occupational health and safety is documented centrally on the intranet, where it is accessible to all employees (Deutsche Telekom excluding T-Mobile US). T-Mobile US employees are provided with the relevant documents by central HSE certification management in Germany. Our employees can participate actively in designing our occupational health and safety actions.

Equal treatment and opportunities for all (diversity; gender equality and equal pay for work of equal value). Fostering diversity, equity, and inclusion (DE&I) is an integral part of our corporate identity. We offer all employees – irrespective of age, ethnic origin and nationality, gender and gender identity, physical and mental abilities, religion, faith and belief, sexual orientation, and social origin – a wide range of development opportunities. Moreover, we do not tolerate any form of direct or indirect violence, discrimination, or harassment in the workplace. Our Diversity, Equity, and Inclusion (DE&I) Policy and our Code of Human Rights constitute important cornerstones for promoting the various aspects of diversity and eliminating discrimination within Deutsche Telekom (excluding T-Mobile US). T-Mobile US addresses anti-discrimination in its Code of Business Conduct and Human Rights Statement.

The DE&I Policy applies to our employees (Deutsche Telekom excluding T-Mobile US) as well as to people who are functionally equivalent to employees, for example temporary agency workers. The Deutsche Telekom Group units are responsible for implementing the Policy in their own organizations; the precedence of national and supranational law and the cultural norms within this framework, as well as any participation rights of the responsible or authorized employee representatives, shall be observed. At least every three years, the responsible HR department reviews the provisions of the Group policy to determine whether they need to be amended or adapted, and revises them if necessary. When the Policy was prepared and updated, the interests of our own workforce were taken into account through repeated consultation with selected employees. Besides the fundamental international human rights benchmarks, the Policy complies with the requirements of the EU anti-discrimination directives and applicable local laws in the countries in which we operate. Ultimate responsibility for implementing the Policy lies with the Board of Management department for Human Resources and Legal Affairs.

> The DE&I Policy can be downloaded from Deutsche Telekom's website.

In addition to the DE&I Policy, we actively promote accessibility, equality, and the inclusion of people with disabilities through a comprehensive portfolio of actions. Our aim is not just to provide them with a secure livelihood, but also to continuously promote their career advancement. To make our working environment even more inclusive and implement our DE&I Policy in the business units, we are developing both area-specific and cross-divisional action plans. These address all dimensions of diversity.

ESRS S1-2 – Processes for engaging with own workforce and workers' representatives about impacts

We pursue dialogue-oriented employee relations throughout the Group and engage in trust-based, constructive collaboration with employees' representatives and trade unions. We manage co-determination matters locally. The Group Board of Management is generally involved in issues of particular importance.

Works councils, central works councils, and the Group Works Council represent the interests of employees in Germany. We also have executive staff representation committees and representatives of persons with disabilities at unit, company, and Group level. The workers' representatives represent the employees in different committees, such as at the meetings of the Health and Safety Committee (HSC). Our social partner representing the employees' interests on a European level is the European Works Council (EWC). Even in non-European nations like the United States, all of our employees enjoy the right to form and join trade unions.

The biennial employee survey and the biannual pulse survey (in each case for Deutsche Telekom excluding T-Mobile US) are a key participation format and also an indicator of the relationship between the Company and our workforce. The results of the surveys help us to identify weak points and determine where there is room for improvement. We use the engagement score, which we determine based on the annual average of the findings of the surveys, as a benchmark for employee satisfaction (Deutsche Telekom excluding T-Mobile US).

> For further information on our non-financial performance indicator for employee satisfaction (engagement score), please refer to the section "Management of the Group."

T-Mobile US conducts its own employee survey (Our Voice Survey), which is sent at least annually to all employees. The Our Voice Survey measures sentiment/satisfaction across various key areas of employee engagement that span belonging, well-being, career development, culture, and leadership support.

We also involve our workforce – for example our employee networks – when preparing policies and guidelines and when developing learning and upskilling formats. We are working with our employee networks to identify and break down systemic barriers – for example, by asking how inclusive our recruitment processes are. This aims to ensure that all employees are continuously included in these processes. Furthermore, our employees are involved in numerous environmental and climate action initiatives.

Unless otherwise stated, we engage with people from our workforce on both an ongoing and an ad hoc basis.

ESRS S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns

To provide or contribute to remediation of negative impacts on people in our own workforce, we set up a complaints mechanism incorporated in our risk management system. As soon as a due diligence breach is identified in the recurring risk analysis, our processes provide for taking immediate remedial action, as outlined in the section "ESRS S1-1." The effectiveness of these actions is reviewed annually or on an ad hoc basis. If necessary, adjustments are made to the complaints mechanism or the action taken.

Company employees can report violations and risks anonymously over Deutsche Telekom's TellMe whistleblower portal and the T-Mobile US Integrity Line. Reports about human rights or environment-related risks can also be shared.

Risks of physical or mental violence among employees, in contact with customers, or in a private context can also be reported to the Threat Management unit. In addition, employees at our Germany sites can report grievances/complaints to the works council or to designated representatives. Other local channels are also available to our own workforce so that employees can raise their concerns or needs directly to Deutsche Telekom and have them addressed. A digital portal is available in Germany for reporting accidents and near misses, and we are currently evaluating whether this channel could be deployed throughout the entire Group. We diligently investigate all grievances/complaints and instigate suitable actions based on our findings.

The public can access the TellMe whistleblower portal through our website and via the websites of the Group companies. The Integrity Line can be reached via the T-Mobile US website and offers toll-free international calling. This channel is accessible worldwide. The rules of procedure for the TellMe portal are currently available in twelve languages. To ensure that not only our employees but also business partners and third parties are able to access the complaints mechanism, we accept reports both by phone via a toll-free, international service number as well as via email, post, or online submission through the relevant portal. Employees can find information about the availability and use of the above-mentioned channels on the intranet.

Incoming tip-offs and grievances/complaints that relate to people from our own workforce are recorded dividing them into the topic areas “human rights” (including the right to freedom of association), “occupational health and safety,” and “discrimination.” The effectiveness of TellMe is reviewed once a year in line with the requirements of the LkSG. We also perform ad hoc reviews if the Company is expecting a significant change in or expansion of the risk situation in its own business area or at direct suppliers. This may be necessary, for example, when launching new products, projects, or a new business area. The effectiveness assessment includes the continuous evaluation of feedback from whistleblowers, the review of the implementation and accessibility of the complaints mechanism, and the risk-based evaluation of stakeholder engagement, e.g., through employee surveys. We also involve employees’ representatives and works councils when necessary in relation to our own business operations.

> For further information on the way we track and monitor the grievances/complaints that have been raised and addressed, please refer to the section “ESRS G1-1.” There, we also discuss how we inform individuals in our own workforce about the procedure if they wish to report concerns or needs and have them investigated. We also describe the strategy we have in place regarding the protection of individuals that report them against retaliation in this section.

ESRS S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Working conditions (social dialogue, freedom of association, the existence of works councils and the information, consultation, and participation rights of workers). We rely on close cooperation with employees’ representatives regardless of whether they are organized at a company level or unionized. Getting the social partners involved at the different levels ensures that employees’ interests are integrated into the decision-making processes. An important consideration here is that the right of employees to freedom of association is not restricted by the employer. Participation serves to balance the interests of both employer and employees.

We make our human rights training available in different languages to raise employee awareness of the right to freedom of association and collective bargaining, health and safety, and other matters. This training also addresses aspects of diversity, equity, and inclusion. The training sessions were also carried out in the reporting year. The human rights training is designed to do more than just impart basic knowledge to our employees. It enables them to apply their new knowledge in practical decision-making scenarios directly in the context of Deutsche Telekom. For example, employees are informed as part of their training that grievances, such as an infringement of the right to freedom of association, can be reported through the TellMe whistleblower portal, regardless of circumstances specific to a particular country. The overarching target of the human rights training is to empower employees to actively protect themselves and others in their own working environment. The training is available in fourteen languages on Deutsche Telekom’s online training platform. Employees of T-Mobile US do not have access to the platform. They do receive annual training on the T-Mobile US Code of Business Conduct, including how to report human rights-related complaints.

We monitor the effectiveness of the human rights training by measures such as recording the number of employees who have taken part in the training since it became available on a six-month basis. We also evaluate employee feedback and analyze participation rates, access options, and any language barriers.

As part of the LkSG management system, we (excluding T-Mobile US) carry out annual risk analyses, also for the internal business units in the Group companies included. The analyses are designed to enable us to derive targeted follow-up actions and therefore effectively eradicate or mitigate risks. T-Mobile US conducts a risk assessment using its own methodology.

> For further information on the risk analysis under the LkSG and T-Mobile US’ entity-specific approach, please refer to the section “ESRS S2-4.”

The processes for monitoring our LkSG management system described under “ESRS S2-1” apply to ensure compliance with our due diligence obligations. No specific budget is allocated for managing the material potential impacts on social dialogue and freedom of association. In general, the actions described in this topical standard do not require any significant operating or capital expenditure.

Working conditions (health and safety). Our focus in the area of health and safety is on providing and implementing mitigation and prevention measures. If it is not possible to avoid or eliminate sources of danger, we follow the hierarchy of occupational safety and health measures. This hierarchy is structured as follows:

1. Safety-related actions to ensure physical separation between the source of danger and our workforce (e.g., barriers or covers on machines)
2. Organizational measures (e.g., restricting or prohibiting access to the danger zone)
3. Use of personal protective equipment (e.g., helmets, safety shoes, or hearing protection)
4. Behavior-related actions (e.g., instructions, for example in connection with fire safety or the use of ladders, or operating instructions. In Germany, for example, we use the SOS Connect app, which can also be used to report hazardous situations digitally).

A range of occupational health and safety standards apply across the Group. They govern the safe and ergonomic configuration of buildings and vehicles, among other aspects. In addition to services available to all employees, there are also target group-specific actions for occupational health and safety. These include driver safety training for certain areas of work or special safety training for employees who are deployed to work at cell tower sites. In addition to preventing accidents, these actions aim at promoting the health and productivity of employees.

We also have an extensive range of options available for our employees in offices to counteract lack of movement. For many years, our offices in Germany, for example, have been equipped exclusively with height-adjustable desks to create an ergonomic working environment. In addition, our health program in Germany includes course options for regular exercise. The health promotion program also includes courses on nutrition, stress prevention, and mindfulness. The programs are generally open to all employees. Furthermore, our Employee and Executive Advisory Service provides support in the area of psychosocial health. Offered in different languages, the service extends to advice in cases of discrimination and other misconduct, overwhelming situations in life and extreme events as well as crisis prevention. This offering is available in nearly all countries in which the Group has a presence.

In the reporting year, we continued to advance the digitalization of health products to promote physical and mental health by making app-based solutions to support health and well-being available to all employees across the Group, regardless of location or time. We also tested AI-powered applications in different pilot groups. Our activities to promote health awareness and health literacy among our employees not only help the individual employees and safeguard long-term business success, they also have a positive impact beyond the boundaries of the Company. For example, we also make selected preventive healthcare services available to the families of our employees.

> For further information on our actions to mitigate negative impacts on both our own workforce and the workers in the value chain, please refer to the section on civil engineering work related to network development activities in the section “ESRS S2-4.”

We determine risks to health and safety on a regular basis. To enable a safe working environment, we prepare risk assessments for all types of jobs and derive appropriate measures from them. The PDCA cycle (plan, do, check, act) is a key tool for continuously improving our systematic approach to health and safety. In this spirit, we systematically review and measure the effectiveness of our actions with a view to continually enhancing them. We regularly investigate how occupational health and safety are integrated into management and leadership activities and derive improvement actions as needed. To do so, we review the results of our employee survey, evaluating stress prevention measures under collective agreements, competitor benchmarks, and other relevant indicators. External experts check that mandatory actions such as fire safety instructions or risk assessments are carried out regularly and successfully. In addition, we receive monthly reports from our service providers regarding which and how many occupational health and safety services, products, and programs are being made use of, and we use this information to manage our actions.

In the Group companies, health & safety managers are responsible for specific processes and offerings that take into account legal requirements and conditions at operational level. The budget for occupational health and safety at the individual companies is calculated based on the employees’ working hours. We use this data to predict the minimum amount we expect to need for the coming year. We also provide financial resources for in-depth actions or voluntary services to promote health in the workplace. However, the actions described above do not require significant operating or capital expenditure.

Equal treatment and opportunities for all (diversity; gender equality and equal pay for work of equal value). We provide our employees with competitive, performance-related remuneration that is aligned with the overall conditions of the relevant national labor markets. With our Global Compensation Guideline for executives, collective agreements, and other provisions under collective and works agreements, we aim to ensure a transparent and gender-neutral pay structure and remuneration at Deutsche Telekom (excluding T-Mobile US). These arrangements are designed to ensure that remuneration at Deutsche Telekom is based on the type and scope of the work performed and the requirements of the relevant position, irrespective of the diversity characteristics described in the section "ESRS S1-1."

This aims to counteract the potential material negative impacts on our own workforce in connection with the gender-specific pay gap in the ICT industry. T-Mobile US is implementing the following measures, among others, to ensure gender-neutral remuneration: equitable pay for performance (irrespective of gender or origin), regular review of salary packages, and legal salary transparency through disclosure in job advertisements.

We compiled a report on equal pay and equality for the first time for 2016 in order to comply with the legal requirements of the Act to Promote Transparency of Wage Structures among Women and Men in Germany. The report is updated every five years. The most recent report was annexed to the management report for the 2021 financial year and has been published in the Company Register. We have agreed action plans with our segment heads to increase the proportion of women in management positions, with the aim of supporting the work-life balance by means such as flexible working hours, hybrid working models, or part-time employment. We also want to support the cultural transformation with regard to work-life balance through training and workshops, to improve chances for equal participation of women in the labor market.

> We describe our goal of increasing the proportion of women in management positions in the section "ESRS S1-5."

We constantly monitor the increasing demand for skilled workers, particularly IT and tech experts, and compete for the best talents. We continuously evaluate experience reports and feedback to obtain a better understanding of the well-being of our talents and to assess how they rate us as a company. To prevent potential staff shortages in the ICT industry, we (excluding T-Mobile US) respond to rising expectations for equal treatment and diversity by organizing targeted recruitment initiatives emphasizing diversity, equity, and inclusion. We use partnerships and events to specifically address female talent. We promote generational change between male managers who will soon be retiring and female junior managers (mentoring), and increasingly fill management positions with female talents. We also work closely with universities and service providers to find joint ways of providing even more support for women in technical professions. We evaluate the quality of our programs in feedback sessions and on the basis of the results of our employee survey, and we regularly review how we can further advance diversity, equity, and inclusion in dialogue with our partners. T-Mobile US did not carry out comparable recruitment initiatives in the reporting year. In the reporting year, we examined the recruitment process in Germany together with members of the Neurodiversity Employee Network and used the feedback they provided to develop actions for inclusive talent recruitment. The increasing demands of employees on employers are identified by operational risk management and considered by the competent HR department: To address these challenges, we are continuously strengthening Deutsche Telekom and T-Mobile US as attractive employer brands and proactively seeking out new specialist staff and talent worldwide. All aspects outlined above are part of operational risk management.

By offering a wide variety of training options, we also aim to promote a common understanding of diversity, equity, and inclusion and to raise awareness for unconscious bias among employees of Deutsche Telekom (excluding T-Mobile US). We also endeavor to break down barriers that exist in the use of products and technology. In 2024, we rolled out our first entirely barrier-free training, the "DE&I Baseline" e-learning. We developed the training program together with external experts and our employee networks. It includes personal stories of employees linked to all relevant diversity dimensions and is available to all employees in eleven languages on Deutsche Telekom's online training platform. In addition, we developed an additional barrier-free training course for our managers in the reporting year. This addresses unconscious bias in key management decisions and discusses possible measures for overcoming it. A diversity glossary comprising over 100 terms related to diversity, equity, and inclusion, published both internally and externally, complements the training. T-Mobile US employees do not have access to Deutsche Telekom's training platform, but they are given learning opportunities that integrate equity and inclusion.

In the reporting year, we (excluding T-Mobile US) additionally continued to place a special focus on promoting multipliers for diversity, equity, and inclusion within our own workforce. To do so, we increased the involvement of our employee networks, among other aspects. They play an important role in raising awareness among our employees of the diversity dimensions referred to in the section "ESRS S1-1." Among other things, we teamed up with an international working group in the reporting year to develop a Neurodiversity Awareness Guide for managers and made this available internally. This Guide is intended to support neurodivergent employees and their managers. T-Mobile US did not pursue this focus in the reporting year.

We measure the effectiveness of our initiatives to advance material positive impacts on diversity, equity, and inclusion within our own workforce using the employee surveys described in the section "ESRS S1-2" and other resources.

We use the processes of risk analysis under the LkSG to determine which actions are necessary and appropriate to manage certain actual or potential negative impacts on our own workforce.

> For further information on our LkSG management system, please refer to the section "ESRS S2-4."

The central diversity team of Deutsche Telekom (excluding T-Mobile US) is responsible for managing the material impacts relating to our work to advance diversity, equity, and inclusion. Area-specific contact persons were also appointed for the individual segments and countries. A central budget for Group-wide actions and local budgets for country-specific actions are available to implement the individual actions. The Human Resources Management (HRM) department is responsible for implementing actions to manage material negative impacts in connection with gender equality and equal pay. The actions described above do not require additional significant operating or capital expenditure. Unless specified otherwise, all actions described in connection with this standard to mitigate negative impacts and advance positive impacts are ongoing and have no defined end date.

Targets

ESRS S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

We carry out actions designed to steadily increase the proportion of women in management positions at Deutsche Telekom. In this way, we address the main impacts and risks that arise for us in connection with gender equality within our workforce. In 2021, the Board of Management of Deutsche Telekom AG had set itself the goal of increasing the proportion of women in management positions to 30 % by 2025.

> We map the percentages for the current reporting year and the prior year in the section "ESRS S1-9."

The target was not reached by the stated deadline. Our internal analyses show that this is primarily due to persistent structural challenges in the ICT industry, which are hampering faster development. The deadline for achieving the target has been extended until the end of 2027. The actions described above will be continued.

We did not directly take the interests and views of our workforce into account when setting the targets and when identifying findings or potential improvements arising from the analysis of the metrics.

We have not set any further specific time-bound or outcome-oriented targets for mitigating the negative and advancing the positive impacts on our employees. We review the effectiveness of our policies and actions related to our own workforce in the context of the LkSG risk process and regularly report the results to the Board of Management of Deutsche Telekom AG.

Metrics

Beginning with the number of employees, which we map in the section "Results of operations of the Group" and in the section "ESRS 2 SBM-1," the following data covers all consolidated Group companies. Unless specified otherwise, we use full-time equivalent (FTE) as the unit of measurement for the number of employees. FTE indicates the notional number of full-time equivalents. All figures are based on more precise data. Since some values are rounded, totals may differ slightly. We use annual averages to calculate some of the ratios. The metrics reported here cover nearly the entire workforce and are based in part on estimates and projections relating to the last two months of the reporting year at most. The metrics in this topical standard are not additionally validated externally.

ESRS S1-6 – Characteristics of the undertaking's employees

Number of employees by gender

	Dec. 31, 2025		Dec. 31, 2024	
	Number of employees (FTEs)	Number of employees (headcount)	Number of employees (FTEs)	Number of employees (headcount)
Male	128,546	131,984	128,880	132,306
Female	69,502	73,849	69,302	73,705
Other	32	36	12	15
Not reported				
Total number of employees	**198,079**	**205,869**	**198,194**	**206,026**

Number of employees in countries where the Company has at least 50 employees representing at least 10 % of its total number of employees

	Dec. 31, 2025		Dec. 31, 2024	
	Number of employees (FTEs)	Number of employees (headcount)	Number of employees (FTEs)	Number of employees (headcount)
Germany	70,740	72,983	74,550	76,837
United States	70,208	74,701	65,355	69,840

Referring to regular workplace.

Number of employees by contract type, broken down by gender

FTEs

	Dec. 31, 2025					Dec. 31, 2024				
	Female	Male	Other [a]	Not reported	Total	Female	Male	Other [a]	Not reported	Total
Total number of employees	**69,502**	**128,546**	**32**		**198,079**	**69,302**	**128,880**	**12**		**198,194**
of which: permanent employees	68,344	126,906	32		195,282	68,139	127,201	12		195,352
of which: temporary employees	1,157	1,640	0		2,797	1,164	1,679	0		2,842
of which: non-guaranteed hours employees	0	0	0		0	0	0	0		0

[a] Gender as specified by the employees themselves.

The figures in the "Other" and "Not reported" categories are identical because our HR master data system currently cannot distinguish between these two categories. To ensure that the totals are added up correctly, the corresponding figure is therefore only shown in the "Other" column.

A total of 23,757 employees left the Company during the reporting period (2024: 26,617). Employee turnover was at 12.5 % (2024: 13.3 %).

> For further information on the development of personnel costs and the average headcount, please refer to note 25 "Average number of employees and personnel costs" in the notes to the consolidated financial statements.

ESRS S1-8 – Collective bargaining coverage and social dialogue

The Group-wide coverage rate in 2025 was 41.2 % (2024: 45.8 %). We have collective agreements in place in the European Economic Area (EEA).

Collective bargaining coverage and social dialogue

	Collective bargaining coverage		Social dialogue
Coverage rate	Employees – EEA (for countries with >50 empl. representing >10 % total empl.)	Employees – Non-EEA (estimation for regions with >50 empl. representing >10 % total empl.)	Workplace representation (EEA only) (for countries with >50 empl. representing >10 % total empl.)
0–19 %		North America: 0.0 % (2024: 0.0 %)	
20–39 %			
40–59 %			
60–79 %	Germany: 75.4 % (2024: 75.6 %)		
80–100 %			Germany: 95.2 % (2024: 95.4 %)

In 2004, an agreement was concluded for the first time on the establishment of the European Works Council (last amended in 2019). It represents the interests of our employees within the countries of the EU and the EEA.

ESRS S1-9 – Diversity metrics

Number of employees in upper management, by gender

	Dec. 31, 2025		Dec. 31, 2024	
	Headcount	%	Headcount	%
Male	1,635	71.3	1,684	72.0
Female	657	28.7	655	28.0
Total	**2,292**	**100.0**	**2,340**	**100.0**

The combined categories “Other” and “Not reported” were also included in the query, but are not relevant to determine the composition of upper management.

Employee headcount by age group

	Dec. 31, 2025		Dec. 31, 2024	
	Headcount	%	Headcount	%
Under 30	37,456	18.3	38,323	18.7
30 to 50	110,040	53.8	108,542	53.1
Over 50	56,854	27.8	57,549	28.2
Total	**204,350**	**100.0**	**204,414**	**100.0**

ESRS S1-14 – Health and safety metrics

99.6 % of Deutsche Telekom employees are covered by health and safety management systems (2024: 96.7 %). In 2025, there was one fatality attributable to work-related injuries (2024: 0). The number and rate of recordable work-related injuries was 877 (2024: 890) and 2.5 % (2024: 2.5 %), respectively. The number of days lost to work-related injuries and fatalities from work-related accidents was 9,968 (2024: 13,944).

ESRS S1-16 – Remuneration metrics (pay gap and total remuneration)

The average unadjusted gender pay gap between female and male employees in 2025 was 15.7 % (2024: 14.5 %). The average adjusted gender pay gap was 8.1 % (2024: 7.7 %). We determined the average unadjusted gender pay gap as the weighted average of the unadjusted pay gap of the Group companies included in this report. For the average adjusted gender pay gap, we first determined the pay gap for each pay group for each Group company (as per the applicable definition in the company concerned) and then calculated the weighted average.

The annual total remuneration ratio of the highest-paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual) is 589 to 1 (2024: 491 to 1).

In addition to their total remuneration, the highest-paid individual received one-time payments and shares from the early maturity of stock option plans under a severance agreement concluded in 2025. Including this additional income, the annual total remuneration ratio of the highest-paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual) is 1,821 to 1.

For these remuneration metrics, we calculated the individual total remuneration of the employees as the sum of the fixed and variable (short- and long-term) gross cash remuneration received in the reporting period. To calculate the gender pay gap, it was converted into hourly pay, and for the total annual remuneration ratio, it was converted into a full-time annual equivalent.

In addition to the gross cash remuneration, we included all and any relevant remuneration in kind, share-based payments, and pension commitments in the total remuneration of the highest-paid individual. By contrast, the total remuneration of the other employees does not include remuneration in kind, share-based payments, or pension commitments. This simplification does not materially impact the reportable remuneration metrics.

ESRS S1-17 – Incidents, complaints, and severe human rights impacts

In the reporting year, 36 incidents of discrimination, including harassment, within our own workforce were reported through the TellMe and Integrity Line channels described in the section "ESRS S1-3" (2024: 15). In addition, 131 complaints related to other social factors or aspects were received through these channels from our own employees (2024: 7). As in the prior year, we have not paid any fines, penalties or damages in connection with the aforementioned incidents and complaints. Likewise, no severe human rights incidents connected to our own workforce (e.g., forced labor, human trafficking, or child labor) were reported in 2025.

ESRS S2 – Workers in the value chain

Our perception of ourselves as a company that acts sustainably includes assuming responsibility along our entire value chain. We have made a commitment to respect and promote human rights and we also expect our business partners and suppliers to do the same.

The following index shows the disclosure requirements relating to the topical standard "Workers in the value chain" identified by the materiality assessment.

ESRS index under ESRS 2 IRO-2

Disclosure requirement	Name with reference
ESRS S2 – Workers in the value chain	
ESRS 2 SBM-2 S2	Interests and views of stakeholders
ESRS 2 SBM-3 S2	Material impacts, risks, and opportunities and their interaction with strategy and business model (use of phase-in option for ESRS 2 SBM-3 para. 48e)
ESRS S2-1	Policies related to value chain workers
ESRS S2-2	Processes for engaging with value chain workers about impacts
ESRS S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns
ESRS S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions
ESRS S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Strategy

ESRS 2 SBM-3 S2 – Material impacts, risks, and opportunities and their interaction with strategy and business model

In our double materiality assessment, we considered possible impacts, risks, and opportunities related to workers in the value chain. The table below shows the material **impacts** of our business activities on society and the environment that we identified in the process.

The insights provided by our regular risk analysis in accordance with the German Act on Corporate Due Diligence in Supply Chains (Lieferkettensorgfaltspflichtengesetz – LkSG), which we last carried out in 2025, form the basis for the review of our material impacts (excluding T-Mobile US). So that due regard could be given to T-Mobile US, the company was specifically involved in this review. In two cases, the impacts were assessed differently depending on whether they were classified as actual or potential.

> We provide overarching information on how material impacts, risks, and opportunities interact with our strategy and business model in the section "ESRS 2 SBM-3."

Value chain/ Reference to business model/strategy	Nature of impacts	Description
Working conditions		
Upstream/ Impacts connected with the business model	Negative (actual and potential/ short-term: <1 year)	Manufacturing of electronic devices and network infrastructure, plus their components, and civil engineering work have negative impacts on the **health and safety** of workers in the value chain at Deutsche Telekom (excluding T-Mobile US) in some cases. Moreover, the extraction of raw materials associated with the manufacture of electronic devices and network infrastructure can have negative impacts on the health and safety of workers. For the affected workers in the upstream value chain, these impacts may be caused, for example, by non-compliance with statutory working time regulations, a lack of protective clothing or equipment, or lack of knowledge about handling harmful chemicals.
Upstream/ Impacts connected with the business model	Negative (actual and potential/ short-term: <1 year)	Manufacturing of electronic devices and network infrastructure, plus their components, and civil engineering work have negative impacts in the value chain of Deutsche Telekom (excluding T-Mobile US) in some cases with regard to the payment of **adequate wages**, such as when applicable minimum wage requirements are not met or overtime is not adequately compensated. Furthermore, the extraction of raw materials can adversely affect employees' working conditions. For example, non-compliance with minimum wage standards jeopardizes the right of employees to receive a living wage.
Upstream/ Impacts connected with the business model	Negative (potential/short-term: <1 year)	The manufacture of electronic devices and network infrastructure, plus their components, can have adverse impacts on the **freedom of association** of workers at the production facilities. Particularly in countries with weak public enforcement and restrictive national regulations, employees' freedom of association and right to form and join trade unions, as well as to engage in **collective bargaining**, is curtailed or suppressed entirely.
Equal treatment and opportunities for all		
Upstream/ Impacts connected with the business model	Negative (potential/short-term: <1 year)	In connection with the manufacture of electronic devices and network infrastructure, plus their components, certain groups of employees at production facilities may be discriminated against. This can manifest itself in different aspects of **diversity** such as gender, ethnic origin, religion or belief, sexual orientation or disability. Discrimination at production facilities can in turn have a negative impact on equal treatment and equal opportunities for all employees.
Other work-related rights		
Upstream/ Impacts connected with the business model	Negative (potential/short-term: <1 year)	The manufacture of electronic devices and network infrastructure, plus their components, and the associated extraction of raw materials can have adverse impacts on employees through **forced labor**. The extraction of raw materials and production may take place under conditions that infringe internationally recognized labor and human rights standards.

Workers in our value chain who are affected by material impacts include the following:

- All workers working for direct and indirect suppliers in the upstream value chain
- Workers who are particularly vulnerable to adverse impacts whether due to their inherent characteristics or to the particular context, such as trade unionists, migrant workers (particularly in civil engineering), home workers, women, or young workers; migrant workers are particularly prevalent in civil engineering

They do not include:

- Workers who work at Deutsche Telekom locations but are not members of our own workforce; these include self-employed workers and workers provided by third-party entities primarily engaged in 'employment activities'
- Workers working for entities in our downstream value chain (e.g., those involved in the activities of logistics or distribution providers, franchisees, retailers)
- Workers working in the operations of a joint venture or special purpose vehicle in which Deutsche Telekom holds investments

For many years, Deutsche Telekom has had processes and structures in place to ensure compliance with its human rights and environment-related due diligence. These are aligned with international benchmarks. Part of our work involves identifying groups of individuals that may be positively or adversely impacted by our business activities. They include employees in our Group companies, employees at our direct and indirect suppliers, customers, children and young people, as well as people in affected communities. We consulted external and internal experts to identify these groups of individuals. When carrying out our due diligence processes, we pay special attention to the interests of vulnerable groups such as children, young people, women, migrant workers, and members of national or ethnic, religious, or linguistic minorities. At least once per year, we review whether our identification of vulnerable groups within the upstream value chain and in our own operations is still valid. We regularly perform this review after conducting our annual human rights and environment-related risk analysis under the LkSG.

Impacts, risks and opportunities management

ESRS S2-1 – Policies related to value chain workers

We assess all material negative impacts on society and the environment related to value chain workers. Management of these impacts and the resulting requirements are embedded in our procurement practices, which we explain in the following.

Deutsche Telekom (excluding T-Mobile US) has put the Supplier Code of Conduct in place so that its ethical, social, and environmental principles and values can be observed along the entire upstream value chain. The principles are set out in the Code of Conduct (see section "ESRS G1-1") and in the Code of Human Rights (see section "ESRS S1-1").

The Supplier Code of Conduct includes:

- Promotion of occupational health and safety at work
- Payment of adequate living wage
- Protection of freedom of association and the right to collective bargaining
- Prohibition of unequal treatment in employment
- Prohibition of child labor, forced labor and all forms of slavery such as trafficking in human beings
- Prohibition of the use of raw materials that are the subject of conflict

Both the Code of Human Rights and the Supplier Code of Conduct are based on the requirements of the LkSG. T-Mobile US does not fall within the scope of the LkSG and has its own Code of Business Conduct, Human Rights Statement, and Supplier Code of Conduct. The Supplier Code of Conduct addresses the above-mentioned principles and expectations as well. In addition, the T-Mobile US Responsible Sourcing Policy applies to the procurement of goods that include raw materials that are potentially mined in conflict-affected or high-risk regions.

Deutsche Telekom's Supplier Code of Conduct is a component of its general purchasing terms and conditions of purchase, but is not intended to replace the laws and regulations in force in any country where our suppliers operate. It seeks to encourage and respect these laws and regulations and ensure that they are faithfully and effectively enforced. We expect our suppliers to respect internationally accepted human rights by accepting the Supplier Code of Conduct and, where necessary, to take effective actions to remedy human rights abuse of any kind and fair labor violations. They are also expected to disclose any such incidents, including potential violations, and to cooperate in investigations into such actual or alleged violations.

With Deutsche Telekom AG's Code of Human Rights and Supplier Code of Conduct, we have also made a commitment to ensure compliance with the following internationally recognized standards:

- Core labor standards of the International Labour Organization (ILO) and the Guidelines for Multinational Enterprises of the Organization for Economic Co-operation and Development (OECD)
- The United Nations' Universal Declaration of Human Rights (UN)
- Principles of the UN Global Compact
- ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNU Declaration)
- United Nations Guiding Principles on Business and Human Rights (Ruggie Principles)

These benchmarks also provide the basis for the minimum social safeguards in line with the provisions of the EU Taxonomy, which we adhere to using a risk-based management system to monitor compliance. This covers both our Group (excluding T-Mobile US) and our supply chain and is used, among other things, to record and evaluate reports of possible violations of the above principles. In the reporting year, isolated reports of possible violations were submitted through the established complaints channels. In upholding our human rights policy commitments to our own workforce, we maintain trust-based dialogue with employees' representatives and trade unions.

Anyone who identifies human rights violations in connection with Deutsche Telekom along our supply chain can report their observations using the channels described in the section "ESRS S2-3" (complaints mechanism). Our risk incident process in place in accordance with the LkSG is also described there. This is triggered if we become aware of a violation of the requirements laid down in Deutsche Telekom's Code of Human Rights and Supplier Code of Conduct. The information received is incorporated into the regular LkSG risk analysis. This analysis is part of risk management and serves to identify human rights and environmental risks in our own business areas and at our direct suppliers. If, on the basis of our performed risk analysis, we establish that a violation of our human rights obligations has already occurred or is imminent, our processes provide for taking or facilitating immediate remedial action. These aim to prevent or end the violation or to minimize its extent. T-Mobile US performs a risk assessment using a proprietary methodology, which is described in more detail in the section "ESRS S2-4."

Responsibility for sustainability in procurement lies with the Board of Management department for Finance and the Group's procurement functions. Other functional units and sustainability management provide topic-specific support.

Deutsche Telekom created the roles of human rights officer and LkSG officer and established an LkSG Risk Board in order to monitor the effectiveness of the LkSG management system. Where required to under national regulations, Group companies have appointed monitoring roles in the same form for their business areas. In accordance with the provisions of the LkSG, our own business areas encompass all Group companies over which Deutsche Telekom AG exercises a decisive influence. They comprise all activities required for the manufacture and use of products and the provision of services.

ESRS S2-2 – Processes for engaging with value chain workers about impacts

Deutsche Telekom (excluding T-Mobile US) regularly reviews the working conditions at its suppliers' production sites within the scope of audit programs. To do this, we ask workers in the upstream value chain, for example, to incorporate their perspectives into our due diligence processes as part of the mobile workers' surveys. The suppliers at which we carry out these surveys are chosen based on set criteria such as new products, critical media reports or reports by non-governmental organizations (NGOs). This gives our suppliers' employees an opportunity to provide anonymous information about the social and ecological situation at their company, including on any cases of discrimination. The surveys are primarily used to gain an impression of the local working conditions in order to then initiate further actions as needed, such as specific on-site reviews (social audits). The social audits are conducted by external auditors. While formal procedures to include the perspectives of workers in the upstream value chain are not currently in place, T-Mobile US conducts supplier audits as needed to assess compliance with relevant requirements.

We focus our audit activities on strategically important and particularly risky suppliers. They are audited regularly, for example in relation to labor and social standards. This is how we obtain transparency about the risks in our supply chain. If production facilities are outsourced, these indirect suppliers are also audited.

The social audits are conducted within the framework of our cooperation with the Joint Alliance for CSR industry initiative (JAC), which comprises 31 globally active telecommunications companies (Deutsche Telekom excluding T-Mobile US). This alliance enables us to cover a larger number of relevant suppliers in our supply chain.

ESRS S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns

If it is known that suppliers have violated specific human rights or environmental regulations, the risk incident process in place at Deutsche Telekom (excluding T-Mobile US) provides for the following: In the first step, the central procurement organization verifies the plausibility of the suspected case as part of an ad hoc risk analysis and, if the result is positive, forwards it to an expert committee. This committee comprises representatives from GCR, Law & Integrity, and Procurement and is coordinated by the corporate procurement organization. If the committee decides to obtain a statement from the supplier concerned, contact is then established with the supplier without delay. Where the violation of a human right or environmental obligation is confirmed, we may, if necessary, require the supplier concerned to define mitigation measures and agree deadlines for their implementation with us. If the steps taken prove to be insufficient or no action is instigated, the expert committee escalates the case to the LkSG Risk Board. If there is a risk that the supplier will not meet the requirements, the expert committee can recommend the temporary suspension of business relations. If the violation is severe or cannot be ended, then termination of the business relationship may be considered as a last resort.

Where indirect suppliers infringe the rules, we seek contact with our direct suppliers that have a business relationship with the indirect suppliers, as we ourselves do not have a contractual relationship with them. We are committed to working with all parties involved to create an approach for preventing, eliminating or minimizing human rights violations, including for indirect suppliers, and to implement this in a spirit of partnership.

T-Mobile US expects its suppliers to monitor compliance with the Supplier Code of Conduct themselves. They are requested to use T-Mobile US' Integrity Line to inform them of any concerns or suspected violations of the requirements of the Supplier Code of Conduct and to remedy any violations found in a timely manner. T-Mobile US reserves the right to audit suppliers to confirm that they comply with supplier requirements. Violations of the requirements of the Supplier Code of Conduct can jeopardize the business relationship with T-Mobile US, up to and including termination of this relationship.

In accordance with the supplier codes, suppliers to Deutsche Telekom and T-Mobile US are expected to provide their employees with effective procedures and a safe environment for any complaints and feedback in an appropriate manner. We expect our suppliers to regularly inform their employees about the grievance mechanisms, train them how to use them, and regularly review the reporting procedures. The grievance mechanisms must be accessible and include an option to report anonymously where reasonable or possible. Workers and/or their representatives must be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination or retaliation.

> We outline our policy for protecting individuals against retaliation in the section "ESRS G1-1."

Furthermore, our suppliers are required to inform their workers about how to use Deutsche Telekom's TellMe whistleblower portal or T-Mobile US's Integrity Line, both of which are publicly available. If a supplier does not have its own complaints mechanism, it is sufficient to notify employees of the existence of TellMe or Integrity Line.

The contracts entered into with our suppliers and the supplier codes of conduct make explicit reference to TellMe and Integrity Line and provide a link to these channels, which means that through the supplier codes of conduct our suppliers are aware of and have access to the relevant grievance mechanism.

> For further information on how the availability of the channels is supported, please refer to the sections "ESRS S1-3" and "ESRS G1-1."

Deutsche Telekom (excluding T-Mobile US) also receives information about potential grievances in the upstream value chain through the audits described in the section "ESRS S2-2" as part of the multi-sector JAC initiative or through reports in the media.

No specific severe human rights incidents connected to workers in the upstream value chain (e.g., forced labor, human trafficking, or child labor) were reported through the aforementioned channels in the reporting year.

We describe how the grievances raised are tracked and monitored in the section "ESRS G1-3." We provide information on the effectiveness of our grievance mechanism related to reports from workers in the upstream value chain in the section "ESRS S1-3."

ESRS S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

As part of the LkSG management system, we conduct regular risk analyses for the own business operations of the consolidated Group companies (Deutsche Telekom excluding T-Mobile US) and their direct suppliers. We also perform ad hoc risk analyses of suppliers about whom we have substantiated knowledge of misconduct, as described above.

The LkSG risk analyses include information from internal and external sources. These include publicly available reports on country and industry risks, information from our existing management processes, grievance mechanisms, employee surveys, or audits. In addition, we make use of the knowledge of internal and external human rights experts. The information is checked for plausibility and prioritized. Thus, we have been preparing an annual risk matrix for our own business areas and for suppliers. The results of the risk analyses are acknowledged by the Board of Management. They form the basis for deriving further actions. When deriving actions for suppliers, we take into account three industry risks in addition to the prioritized objects of protection under the LkSG: "manufacture of electronic devices and network infrastructure, plus their components" (direct and indirect suppliers) as well as "extraction of raw materials" and "civil engineering" (indirect suppliers).

In the case of selected high-risk, strategically relevant suppliers, we perform additional supplier assessments over and above this risk analysis. We use a platform developed by an external supplier throughout the Group for this purpose. This platform enables us to assess the environmental, social and governance practices of companies.

As a U.S.-listed company, T-Mobile US conducts enterprise-wide risk assessments according to its own methodology that consider a range of factors, including, supply chain, operations and social risks that impact its own workforce. The results are regularly reported to the relevant governing bodies, which include representatives of Deutsche Telekom AG. Additionally, before T-Mobile US selects suppliers, it utilizes a centralized third-party risk management process to screen potential suppliers for anti-corruption, global sanctions, human rights violations, as well as financial, security, and environmental risks, among other things. T-Mobile US also continuously subjects its suppliers to supplier risk assessments adapted to their risk profile and reserves the right to audit suppliers to confirm compliance with its Supplier Code of Conduct.

In the reporting year, Deutsche Telekom (excluding T-Mobile US) took fundamental prevention and mitigation measures aimed at addressing the risks identified and prioritized in our recurring LkSG risk analysis and therefore our potentially negative impact on workers in our upstream value chain. In the case of relevant risk factors, we contacted the particularly at-risk direct suppliers in the reporting year to inform them about our human rights and environment-related expectations. This serves to raise awareness and may prevent risks and human rights violations.

In addition, we focused in particular on areas that we can influence or that are directly related to our core business, such as manufacturing products for our own brands, e.g., T Phone and T Tablet. To reduce the risk of raw materials from conflict and high-risk regions being used, we analyze these products once a year, for example, to determine whether they contain raw materials from conflict regions and the proportion of raw materials from certified smelters. The intention here is to prevent or mitigate adverse impacts on the working conditions and other work-related rights of workers in the extraction of raw materials and at the production facilities of direct suppliers. Regardless of whether they are our own or third-party brand products, our technical requirements for mobile devices stipulate that conflict minerals must not be used. If this is not possible for technical reasons, we require our suppliers to make the mineral supply chain transparent by using the Conflict Minerals Reporting Template (CMRT) developed by the Responsible Minerals Initiative (RMI). We also expect them to furnish on request all supporting documents evidencing due diligence actions on their part.

As part of our regular quality audits at production facilities, we have also been assessing LkSG-related aspects since early 2025. Any identified violations of the LkSG are included in the audit report and eliminated through corrective action, similar to quality deficiencies. The objective is to reinforce quality assurance at suppliers and effectively minimize work-related health and safety risks.

The annual audits conducted as part of the JAC initiative are also designed to minimize and prevent negative impacts on working conditions at the production facilities of suppliers from our industry. We also include suppliers at lower levels of the supply chain that produce or offer hardware for information and communication technology (ICT). As many of the suppliers audited have their production facilities in Asia, the audits primarily happen there.

In the reporting year, we continued to concentrate on developing and implementing specific risk mitigation measures in a JAC working group, particularly in connection with working conditions at the locations of ICT suppliers. These actions include measures such as close collaboration with suppliers and the creation of greater transparency in the ICT supply chain. Through our involvement in networks and associations, such as the UN Global Compact, econsense, and the Global enabling Sustainability Initiative (GeSI), we also want to help ensure that the ICT industry does a better job of implementing sustainability requirements in the global supply chain over the long term. That is why we exchange information on best practices and pool resources for improving labor standards as part of the initiatives.

U.S. law requires companies to conduct due diligence on the source of conflict minerals necessary to the functionality or production of products that they manufacture or contract to manufacture. The T-Mobile US Responsible Sourcing Policy outlines that suppliers must source conflict minerals responsibly, either from recycled or scrap sources or from smelters or refiners that have completed, or have demonstrated progress toward, completing an audit by a recognized third-party verification program. Suppliers are required to conduct their own due diligence into the source and chain of custody of any conflict mineral used in products or components supplied to T-Mobile US. They must provide full transparency of the mineral supply chain, using a verifiable traceability system such as the RMI Conflict Minerals Reporting Template (CMRT). Additionally, suppliers are expected to adopt a conflict minerals policy and supplier due diligence practices.

The actions we take in the field of civil engineering works in Germany are geared towards construction site employees and their managers in the upstream value chain and also towards our own workforce on the construction sites.

To mitigate negative impacts on workers in this connection in the fiber-optic build-out in Germany, we have defined special contractual terms for our business partners in this industry. These include, for example, the stipulation that as a rule work may not be subcontracted from subcontractor to sub-subcontractor. This clause helps to avoid complex subcontracting chains that can increase the risk of human rights violations. In addition, safety and health inspectors monitor mandatory compliance with occupational safety and environmental protection regulations during construction site inspections, using a set of guidelines that has been aligned with the LkSG requirements since 2024. Moreover, we audit civil engineering suppliers and have also been factoring the LkSG requirements into these audits since 2024.

We address our direct German-speaking civil engineering suppliers through an informational bulletin published on our website in 2024. In this we draw their attention to their obligation to contractually ensure that employment contracts are drawn up and that workers in the upstream value chain, especially migrant workers, are able to understand the text of the contract. In addition, when subcontracting, we expect compliance with fundamental labor law standards, such as fair pay, occupational safety, and decent working conditions. T-Mobile US addresses potential negative impacts on workers in the upstream value chain through a comprehensive Vendor Safety Program. This formulates requirements for external service providers in high-risk areas such as construction and installation and has their safety practices and performance assessed by independent third parties. In this way, the company contributes to the consideration of human rights and occupational health and safety standards in the supply chain.

Deutsche Telekom (excluding T-Mobile US) also directly addresses its own civil engineering employees and aims to raise their awareness of human rights-related risks in civil engineering, for example with a web-based training course introduced in 2024, which was again offered in the reporting year. This specifically increased our employees' ability to identify human rights-related risks at construction site visits early on and report them over the established reporting channels.

In the reporting year, Deutsche Telekom excluding T-Mobile US identified isolated cases of actual negative impacts on working conditions at suppliers' production facilities and in the area of civil engineering in Germany. Specifically, we identified violations of regulations concerning the health and safety of workers and the payment of an adequate living wage. To counteract these grievances, we instigated targeted awareness-raising measures between general contractors and subcontractors, clarifying responsibilities and human rights standards. Furthermore, when suspicions are confirmed, we endeavor to seek remediation from the supplier concerned to the best of our ability and as far as the law allows.

As an overarching action in connection with our own practices, we have incorporated, e.g., the LkSG obligations into the procurement policy and the general purchasing terms and conditions for suppliers of Deutsche Telekom. The procurement policy also emphasizes the importance of sustainability in procurement. Furthermore, our procurement employees are continuously informed about the LkSG requirements through mandatory training courses so that they can comply with them. Where possible, we track the attendance rate to monitor the effectiveness of this action. We have also published a web-based training course for suppliers on Deutsche Telekom's website.

When selecting suppliers, we attach great importance to ensuring that our suppliers are familiar with our sustainability requirements as set out in the Supplier Code of Conduct. As part of the selection process, we also review the risk status of selected suppliers, including by using external data. An excessively high risk status may result in no order being placed or no contract being entered into. In the course of tenders, we also weight sustainability criteria alongside quality and cost criteria, wherever possible. These include our suppliers' carbon emissions and respect for human rights. This additionally creates a strong incentive for suppliers to give sustainability matters greater consideration in business activities, products and services.

We review the effectiveness of the above-mentioned actions once a year or on an ad hoc basis as part of the LkSG risk process. We do this by evaluating predefined metrics that we developed when we drafted the individual actions. The results of the effectiveness assessment of the actions are presented to the LkSG Risk Board.

It is not possible to allocate human and financial resources for the management of the described measures with any degree of accuracy due to the complexity of our activities. As a rule, all actions are implemented using the budgets of the individual units and normally do not require significant operating or capital expenditure. We provide information on the monitoring of our LkSG management system in the section "ESRS S2-1."

Targets

ESRS S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

We monitor the effectiveness of our policies and actions related to the improvement of working conditions, equal treatment and equal opportunities, and other work-related rights in the upstream value chain through the LkSG risk process described in this topical standard. Processes have been established to continuously monitor compliance with T-Mobile US's Human Rights Statement and Supplier Code of Conduct. TellMe and Integrity Line are used to record violations of supplier requirements. Over and above this, we have not defined any specific time-bound or outcome-based targets that apply to the entire Group.

ESRS S4 – Consumers and end-users

The internet has evolved into an indispensable part of our daily social lives. Despite the numerous advantages that digitalization brings, there are still people who face challenges in fully participating in the digital world. We are committed to ensuring that everyone has an opportunity to take part in the digital world. For us, this also includes protecting the rights of consumers and end-users – especially children and young people – as well as enabling assistance in emergency situations as part of the ongoing network build-out. We also address the protection of our customers' data and health concerns related to the mobile network build-out. We always align our actions with the challenges and requirements of the countries where we operate. The topics are therefore mainly managed locally.

The following index shows the disclosure requirements relating to the topical standard "Consumers and end-users" identified by the materiality assessment.

ESRS index under ESRS 2 IRO-2

Disclosure requirement	Name with reference
ESRS S4 – Consumers and end-users	
ESRS 2 SBM-2 S4	Interests and views of stakeholders
ESRS 2 SBM-3 S4	Material impacts, risks, and opportunities and their interaction with strategy and business model (use of phase-in option for ESRS 2 SBM-3 para. 48e)
ESRS S4-1	Policies related to consumers and end-users
ESRS S4-2	Processes for engaging with consumers and end-users about impacts
ESRS S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns
ESRS S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions
ESRS S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Strategy

ESRS 2 SBM-3 S4 – Material impacts, risks, and opportunities and their interaction with strategy and business model

In our double materiality assessment, we considered possible impacts, risks, and opportunities related to consumers and end-users. The table below shows the material **impacts** of our business activities on society and the environment that we identified in the process.

> We provide overarching information on how material impacts, risks, and opportunities interact with our strategy and business model in the section "ESRS 2 SBM-3."

Value chain/ Reference to business model/strategy	Nature of impacts	Description
Information-related impacts for consumers and/or end-users		
Downstream/ Impacts based on the business model	Positive (actual/short-term: <1 year)	The ongoing build-out of Deutsche Telekom's network infrastructure facilitates **access to information**. The ability to share opinions with a wider audience has a fundamentally positive impact on the exercise of the right to **freedom of expression**. The network build-out will thus also help to ensure that all people have equal opportunities to be a part of the digital society.
Personal safety of consumers and/or end-users		
Downstream/ Impacts based on the business model	Positive (actual/short-term: <1 year)	The ongoing network build-out is making it easier to provide assistance in emergency situations. Improved positioning options have a positive impact on the **security of persons** – even in remote areas.
Downstream/ Impacts connected with the business model	Negative (actual/short-term: <1 year)	Easier access to the internet also exposes children in particular to risks, making the **protection of children** more difficult.
Social inclusion of consumers and/or end-users		
Downstream/ Impacts based on the business model	Positive (actual/short-term: <1 year)	Through the services it provides and the ongoing network build-out, Deutsche Telekom creates the basis for digital inclusion and actively promotes social inclusion. A variety of complementary measures serve, for example, to increase media literacy and promote accessibility and non-discrimination. These will continue to support equal **access to digital products and services** going forward and allow people from all generations to actively participate in digital society. Company-specific metrics such as the Community Contribution – Digital Society and Beneficiaries – Digital Society ESG KPIs reflect the involvement in these initiatives and the progress made.
Downstream/ Impacts based on the business model	Positive (actual/short-term: <1 year)	Deutsche Telekom reinforces social inclusion among consumers and end-users through **responsible marketing practices** in the digital world. Initiatives such as No Hate Speech and targeted use of marketing budgets for raising awareness of social issues also help to promote nondiscrimination and inclusion.

The following overview illustrates Deutsche Telekom's material **risks** and their financial effects on our financial position, financial performance, and cash flows.

> For further information on risks and opportunities that represent a top risk or top opportunity in the next two years, please refer to the section "Risk and opportunity management."

Value chain	Risk/opportunity	Description
Information-related impacts for consumers and/or end-users		
Downstream	Risk	Despite preventive actions and very well-established data privacy management structures, it is not possible to categorically rule out **data privacy incidents** in the ICT industry because almost all data processing/processes in the Group are relevant for data protection. This results in reputational, cost, and sanction-related risks.
Personal safety of consumers and/or end-users		
Downstream	Risk	Public debate about potential **health risks** posed by electromagnetic fields (EMF) emitted by mobile devices may lead to regulatory intervention, such as in the form of mandatory labeling for devices or the implementation of precautionary measures. This could lead to increased operating and capital expenditure.

Consumers and end-users who may be affected by Deutsche Telekom's material impacts include:

- People who purchase our products or use our services that potentially negatively impact their rights to privacy, to have their personal data protected, to freedom of expression and to non-discrimination
- People who are particularly vulnerable to health or privacy impacts or impacts from marketing and sales strategies, such as children or financially vulnerable individuals

They do not include:

- Consumers or end-users of products that are inherently harmful to people or increase risks for chronic disease
- Consumers or end-users who are dependent on accurate and accessible product- or service-related information, such as manuals and product labels, to avoid potentially damaging use of a product or service

When analyzing the material financial risk in connection with data protection, we also consider the impact on Deutsche Telekom's business customers.

> For information on how we have developed an understanding of how consumers and end-users with particular characteristics may be at greater risk of harm, see the section "ESRS 2 SBM-3 S2."

Impact, risk, and opportunity management

ESRS S4-1 – Policies related to consumers and end-users

Information-related impacts for consumers and/or end-users (freedom of expression and access to (quality) information), personal safety of consumers and/or end-users (personal security), and social inclusion of consumers and/or end-users (non-discrimination and access to products and services, and responsible marketing practices). As a provider of digital infrastructure, we run our operations based on the principle of digital responsibility. As society becomes increasingly digital, we at Deutsche Telekom are making strenuous efforts to ensure everyone can take part in the digital world and lead their lives alongside each other on the basis of democratic principles. To ensure we can achieve these objectives across our Group, we have incorporated digital inclusion as a key topic in our CR strategy. With our approach to digital inclusion (access, affordability, and ability) and digital values, we want to advance our material positive impacts related to access to information, freedom of expression, personal security, and social inclusion, and mitigate negative impacts:

- Access to state-of-the-art information technology is key to participating in the information and knowledge society (Access). That is why we continue to rapidly expand our infrastructure and improve transmission speeds with new, secure technology. This build-out is based on the goals of our Europe-wide integrated network strategy, which we use to help achieve the EU Commission's network build-out targets and the Federal Government's Digital Agenda and broadband strategy. The strategy is founded on the two pillars of building out mobile and fixed networks, with the focus of the former being on 5G coverage – the most powerful technology standard currently available. In the fixed network, we are focusing on rolling out our optical fiber to provide our customers with a reliable connection at gigabit speeds.
- Ensuring that products and services are affordable is also important so that people can participate equitably in the information and knowledge society (Affordability). We offer rate plans and equipment tailored to the financial possibilities of different consumers and end-users.
- We also want to develop their skills and motivation to use digital media (Ability). We view media literacy as the key to safe interactions with digital media and a crucial skill for our work and private lives. Our approach begins with strengthening basic skills in using media and extends all the way to safeguarding privacy and dealing responsibly with hate and disinformation.

In the reporting year, we overhauled our strategic approach for advancing digital inclusion and adapted it to current social and technological developments. Implementation is scheduled for the coming year, with the aim of specifically refining existing actions.

In addition, we aim to promote digital values and hence the social inclusion of consumers and end-users by developing their skills: The internet is supposed to be a space in which everyone can feel safe. That is why we are shaping the transition towards a positive culture of online debate in which we make a stand against hate speech and for civil courage online. We are working closely with NGOs toward that end.

In line with Deutsche Telekom's CR strategy, GCR develops our approach to digital inclusion and digital values. In accordance with the local network build-out strategy, responsibility for network build-out is decentralized and lies with the Board of Management departments of the Germany, Europe, and United States operating segments.

We measure the effectiveness of our activities to advance digital inclusion with metrics such as the Community Contribution – Digital Society and Beneficiaries – Digital Society ESG KPIs. We also measure the reach of selected campaigns. We consider the impact measurement for our network build-out activities in terms of the progress we have made in network build-out.

Personal safety of consumers and/or end-users (protection of children). Protecting our customers' data and ensuring their safety is crucially important for consumer protection at Deutsche Telekom. In this context, we aim to protect children and young people in particular when they use digital media. Our commitment to protecting children and young people in the Germany and Europe operating segments is anchored in our Code of Human Rights. T-Mobile US safeguards children's privacy through data privacy practices and the services and products outlined in the company's Children's Privacy Notice. In line with the different country-specific requirements, we do not have a uniform Group-wide approach for the protection of children because the topic is managed and actions are monitored locally.

We provide an age-appropriate content portfolio for children and offer information for parents and guardians to help them shield their children from harmful content. We implement various actions to ensure that young people acquire media skills and can interact safely with online content. For detailed information, please refer to our approach to digital inclusion and digital values described above.

In addition, we collaborate closely with law enforcement authorities and NGOs as well as other partners from business, politics, and society to ban online content that is harmful to children and young people. In Europe, we have been committed to fighting child pornography on the internet since 2007. GSMA (an association representing the interests of mobile operators worldwide), of which we have been a member since 2008, pursues the same objectives at a global level. In view of the decentralized management and country-specific regulations, we have not defined any specific time-bound or outcome-oriented targets or other targets in the Group that we can use to measure our progress in mitigating the negative impacts associated with the protection of children.

Information-related impacts for consumers and/or end-users (privacy). Data privacy is an important topic for Deutsche Telekom. We practice an active data privacy and compliance culture that we have built up over many years. Data privacy forms the basis for countering material impacts on our customers and for preventing the material risks arising from any data privacy incidents. The Group companies are subject to specific data protection requirements. In the EU, for example, the General Data Protection Regulation (GDPR) in particular applies. These requirements must be implemented and their compliance must be monitored. Our data privacy management system outlines the actions, processes, and audits we use to ensure compliance with laws, regulations, and self-commitments to uphold data privacy. The Board of Management department for Human Resources and Legal Affairs has overarching responsibility for data privacy. The individual Group companies are responsible for implementation and are represented at the highest level by the respective management bodies. Since data privacy regulations differ in the United States, T-Mobile US has adopted its own approach, which is presented at the end of this section.

We aim to ensure lawful processing of personal data, upholding fundamental human rights. We are committed to the fundamental right to data protection and informational self-determination applicable in the EU and promote its global recognition. Particularly when developing and using artificial intelligence (AI) or other algorithm-based applications, we ensure that these comply with data privacy regulations and take human rights-related matters into consideration. At the same time, we work to ensure that every individual retains control over the use of their data. This includes providing information on how data-driven business models work and how, for example, our customers can exert digital sovereignty.

Through our global data privacy organization, we are continually pursuing the objective of a transparent, high level of data protection in all of the Group companies. As far as legally possible, the companies of the Deutsche Telekom Group have additionally committed to complying with the Binding Corporate Rules Privacy policy, which are intended to ensure a uniform high level of data protection for our products and services in accordance with ISO 27701. Similar to the data privacy organization, we have established a security organization to strive for an appropriate and consistent level of security within our Group.

For further information, please refer to the section “G-Company-specific – Policies related to cybersecurity.”

T-Mobile US is subject to U.S. data privacy laws. The company has appointed a Chief Privacy Officer within Legal Affairs to ensure compliance with these laws. Confidential handling of information and personal data is incorporated in various areas of T-Mobile US, including in the T-Mobile US Code of Business Conduct. In addition, T-Mobile US provides its employees with annual data privacy training and offers role-specific training designed to help them comply with data privacy laws.

We publish an annual Group-wide transparency report on the principles of our cooperation with law enforcement authorities. On top of this, we disclose the type and scope of the information we provide to security authorities in the European national companies and at T-Mobile US in individual reports.

Personal safety of consumers and/or end-users (health and safety). There are public debates about potential health impacts of 5G and the electromagnetic fields (EMF) used by mobile communications surrounding the build-out of the 5G network. We have been providing information on the scientific evidence regarding mobile communications and health as well as on the statutory thresholds for more than 20 years now. Our collaboration with local authorities to expand the infrastructure is another focus of our communications.

We want to make our mobile communications infrastructure and our products, as well as the processes on which they are based, as resource-efficient, secure, and safe for health as possible. The EMF principles in force throughout the Group, which we updated in 2023, play a key role in this regard: Our EMF policy contains uniform minimum requirements for mobile communications and health that go far beyond the national legal requirements. It provides a mandatory framework that ensures that the topic of mobile communications and health is addressed in a consistent, responsible way throughout the Group, and it is based on the recommendations of the International Commission on Non-Ionizing Radiation Protection (ICNIRP). This policy is a reflection of our commitment to greater transparency, information, participation, and a focus on scientific facts. All Group companies that operate mobile networks have accepted the EMF policy and implemented most of the required actions.

Ultimate responsibility for mobile communications and health lies with the Board of Management department for Germany; however, the EMF policy is implemented decentrally by the individual Group companies, usually by top management in the technology division. The responsible EMF managers of the Group companies describe the relevant EMF situation in the EMF Core Team working group, thereby promoting the exchange of technical information. We have no other established process for monitoring the effectiveness of the EMF policy. We have also not set any specific time-bound or outcome-oriented or other targets for advancing and measuring progress in the management of material risks relating to the topic of mobile communications and health.

Human rights policy commitments relevant to consumers and/or end-users. We are committed to respecting human rights and enforcing them along our supply chain. Our actions are based on the universally accepted standards and principles that we have defined in Deutsche Telekom's Code of Human Rights.

In relation to end-users and consumers, the Code of Human Rights defines principles and expectations in the context of:

- Privacy and informational self-determination
- Freedom of expression and information
- Protection of children and young people
- Mobile communications and health
- Digital responsibility and participation

T-Mobile US has its own Human Rights Statement, which also covers many of the same key principles and expectations as it relates to consumers and end-users, though does not explicitly address every aspect outlined in the Group Code of Human Rights.

Protecting human rights also plays a key role for us in responsibly shaping technological change and digitalization – because our aspiration is to apply a humanistic value system in the use of our technologies. This is another reason why we include end-users and consumers in the formats outlined in the section "ESRS S4-2."

Both Deutsche Telekom's Code of Human Rights and the Human Rights Statement of T-Mobile US comply with relevant internationally recognized instruments, such as the UN Guiding Principles on Business and Human Rights. However, as our due diligence does not yet extend to the downstream value chain, human rights-related reports related to consumers and end-users are not systematically recorded. For this reason, no remedial action will be taken in the event of potential or actual negative impacts in this area. Participants in the downstream value chain can nevertheless use the Company's complaints channels.

ESRS S4-2 – Processes for engaging with consumers and end-users about impacts

In order to understand and address our material impacts, we engage with the interests and perspectives of end-users and consumers both on an ongoing basis and ad hoc, particularly in the context of the development and use of products and services and our network build-out plans. We do not have a procedure for directly engaging with children. That is why we involve legitimate proxies in the event of negative impacts on the protection of children. Consumer protection associations, NGOs, and public authorities play an important role in this context. Responsibility for engaging with consumers and end-users, or their legitimate representatives as well as legitimate proxies, is organized decentrally. We make a distinction between three inclusion formats: information, dialogue, and participation. One example of how the interests of consumers and end-users are already taken into account in the development process is the user testing of products and services (excluding T-Mobile US). Various stakeholder groups representing different diversity dimensions are specifically incorporated into this process. In the reporting year, greater emphasis was placed – among other things – on persons with disabilities. We want our product development process to take full account of human diversity, including aspects such as different physical and mental abilities, age, gender, ethnic origin, and nationality. In this way, we will be able to make our products and processes more accessible and easier to use.

ESRS S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

A variety of channels is available to consumers and end-users in all the countries where we operate to raise inquiries and complaints about Deutsche Telekom products or services. These include telephone hotlines, email, live-chats, and social media. In addition, consumers and end-users also contact Deutsche Telekom's data protection and data security teams directly via country-specific channels and report cases of data misuse on the internet in connection with Deutsche Telekom's systems. In Germany they can also contact us directly via a free hotline and established mailboxes if they have health-related questions about the electromagnetic compatibility of mobile communications infrastructure or devices, as well as their impact on the environment, or if they wish to express any concerns. There are no comparable channels in the European national companies and at T-Mobile US that can be used explicitly for reporting complaints related to the topic of mobile communications and health. Other complaints channels are available for this. In the reporting year, we introduced the additional "report barrier" channel in Germany. The straightforward process allows users to point out barriers, thus actively helping to improve accessibility. We provide information for consumers and end-users on the required contact information on our website.

We examine the reports received through the various channels mentioned above and forward them to the appropriate internal experts as needed. In connection with protecting our customers' data, we assess whether the supervisory authorities and the persons affected must be notified and take appropriate action. We initiate mitigation measures if necessary and possible. To ensure the effectiveness of the process, we regularly test whether channels can be reached and evaluate customer feedback. We also monitor the number of reports received and use them to measure awareness and acceptance of the contact options.

> For further information on our non-financial performance indicator for customer retention/satisfaction (TRI*M index), please refer to the section "Management of the Group."

> We outline our policy for protecting individuals against retaliation in the section "ESRS G1-1."

ESRS S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

Information-related impacts for consumers and/or end-users (freedom of expression and access to (quality) information), personal safety of consumers and/or end-users (personal security), and social inclusion of consumers and/or end-users (access to products and services). We are continuously building out our network to enable technical access to it. This allows us to provide broad accessibility in emergency situations, improving the personal safety of consumers and end-users. To this end, we also cooperate with partners – especially in more remote areas. The requirements and underlying conditions are different in each of the countries in which we operate; taking appropriate action is the responsibility of the operating national companies.

Our network build-out in Germany is also taking place in collaboration with other companies, for example under network sharing agreements with other German network operators. This is contributing to broader mobile communications coverage. However, use of our network infrastructure by competitors always requires a commercial agreement. In addition, through strategic partnerships we are helping to build out the fixed network more quickly in Germany. Similar agreements in various forms are also in place in the other European countries in which we operate. The US has federal interconnection and roaming agreements to promote broad and accessible mobile coverage across the country.

In emergency situations, it is crucial for networks to function properly, so that emergency calls can be made and responses organized. In emergencies such as floods or large fires, in which network equipment is damaged to the point that mobile communications and fixed-network services cannot be quickly restored, our Disaster Recovery Management (DRM) comes into play. It provides mobile containers with communications technology, emergency power generators, and mobile radio masts to provide a replacement for the disrupted mobile communications and fixed-line networks. The movable masts are connected via radio relay and satellite links to restore mobile communications coverage within a few hours of extreme events. This allows us to quickly provide a connection to the network in an emergency. We also use the relay and satellite connections to quickly put regular mobile network sites (back) into operation if this is urgently needed and the planned or previously existing connection (e.g., in the form of optical fiber) is not yet or no longer available.

The further we advance with the network build-out, the more effectively we can implement the related actions. Monitoring is performed decentrally in the operating segments, for example, by measuring network coverage, evaluating customer satisfaction, using external benchmarks, and recording the build-out obligations in connection with frequency auctions, e.g., by local regulatory authorities.

> For further information on our investments in network build-out, please refer to the section "Group strategy."

In addition, we drove forward the development of technologies and products for a range of target groups in the reporting year to make our products and services as accessible and non-discriminatory as possible. A key factor here was the "Design for All" guideline that we drafted in 2023 which aims to prevent exclusion, stigmatization, and discrimination right from the product development stage. The focus in the reporting period was on implementing legal requirements related to accessibility in the segments. In Germany, for example, we systematically reviewed and specifically adapted products, services, websites, and shop systems to make them more accessible to people with various limitations. In addition, we published information on the accessibility of our services. To build awareness, we continued our "Design for All" training for employees in the reporting year. The course is available on Deutsche Telekom's online training platform. Employees of T-Mobile US do not have access to the platform for legal and other reasons, but the company also supports employees in developing accessible products and services through training.

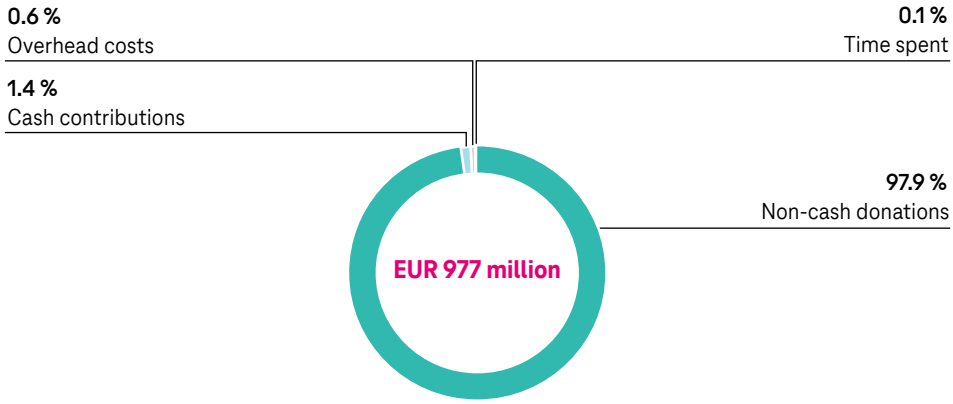
To harness the potential of information technologies for the benefit of society, Deutsche Telekom promotes media literacy among consumers and end-users with a wide range of products and services available throughout the Group – always with the aim of ensuring that everyone can navigate the digital world safely and confidently. The Teachtoday International platform provides an overview of all the Group's media literacy initiatives worldwide. These also include measures that are explicitly designed to raise awareness on how to handle disinformation.

To advance digital access, T-Mobile US established Project 10Million to offer free and reduced rates for internet connectivity and mobile hotspots to up to 10 million eligible student households. Through the end of 2025, T-Mobile US has connected nearly 6.7 million students since program launch (2024: 6.3 million).

We are also looking at how to use AI responsibly in the context of access to information. In the reporting year, we awarded prizes for innovative approaches to AI-powered language generation as part of the T-Challenge. We are continuing our collaboration with Resemble AI. This project demonstrates how AI-based technologies can assist in detecting audio deepfakes and prevent misuse through synthetic voices. Together, we want to help build digital trust and promote secure access to information and communication channels. In addition, we also promoted the use of AI to enhance the quality and trustworthiness of information in the reporting year, for example by refining an application that helps users verify information.

The effectiveness of our activities to advance material positive impacts related to access to information, products and services, and the media literacy offering is assessed using the Community Contribution – Digital Society and Beneficiaries – Digital Society ESG KPIs, among other things. When measuring the two KPIs, we rely on methods employed by the organization Business for Societal Impact (B4SI), which incorporate the aspects "input" and "impact." The Community Contribution – Digital Society ESG KPI represents the "input," while the Beneficiaries – Digital Society ESG KPI represents the "impact." We use the Community Contribution – Digital Society ESG KPI to measure our financial, human, and in-kind contribution to the digital society. In the reporting year, this figure amounted to a total of EUR 977 million (2024: EUR 1,102 million). The Beneficiaries – Digital Society ESG KPI indicates the number of people who have benefited directly or indirectly (based on assumptions) from our commitment to promoting a digital society. These include, for example, people who use our media literacy platforms, attendees at workshops, and users of discounted rates (including household members). The metrics in this topical standard are not additionally validated externally.

Community Contribution – Digital Society ESG KPI



Social inclusion of consumers and/or end-users (non-discrimination and responsible marketing practices). We (excluding T-Mobile US) continued our No Hate Speech initiative, which was launched in Germany in 2020, in the reporting year. Through this campaign, we aim to raise awareness in society and enable people to put into practice and defend fundamental democratic values online. We are advocating for an internet in which everyone can utilize the opportunities of the digital world – without having to fear marginalization or hate speech. In the reporting year, we launched the "Open your eyes" campaign, calling for greater social cohesion and civil courage. Our aim here is also to promote diversity in the digital world. In the reporting year, we either started or continued the No Hate Speech initiative in six European national countries.

We want to avoid our own business activities contributing to negative impacts on consumers and end-users. That is why we are committed to human-centric, values-based digitalization (Corporate Digital Responsibility – CDR) and are striving for the responsible use of AI. Back in 2018, we were one of the first companies worldwide to adopt Digital Ethics Guidelines on AI. They are continuously implemented by means of an integrated governance framework with processes, supporting tools, awareness-raising measures, and organizational anchoring. We set forth our perspectives on digital responsibility in our CDR framework, which we published in 2022. The Digital Ethics interdisciplinary working group, which handles the implementation of the EU AI Act, was founded in the same year. AI is managed through coordinated collaboration of functional, technical and regulatory responsibilities (excluding T-Mobile US). These structures are anchored at Board level and facilitate a timely response to current developments. In the reporting year, we additionally conducted a large number of information sessions and offered many training courses on the functioning, opportunities, and risks of AI. T-Mobile US adopted its AI Principles in 2023, and published its Responsible AI Policy and Guidelines for the enterprise in 2024. A governance council has also been established with senior leaders that oversee the company's responsible use of AI.

Personal safety of consumers and/or end-users (protection of children). Although our business activity is directly connected with negative impacts on the protection of children and young people, we do not cause them. Our focus is therefore on developing and implementing mitigation and prevention measures. To tackle the cross-industry challenge of protecting minors from unsuitable media content, we (excluding T-Mobile US) work together with different organizations for the protection of minors. We participate continuously in coalitions that coordinate the involvement of companies and organizations from the internet and media sector. We are involved in various country-specific initiatives and support national programs to protect children and young people from age-inappropriate content on the internet and to raise awareness for ways to combat disinformation and promote respectful behavior online. One example of this is the online magazine AwareNessi, which is aimed at children and their adult caregivers. The issues are available in several languages.

Another focus of our actions is to raise parents' and legal guardians' awareness for technical solutions. Depending on the operating system, mobile devices in our distribution network have integrated parental controls that can be used to monitor or restrict content, applications, screen time, or location tracking. Our website and social media channels provide comprehensive support for child-proofing devices and user accounts. T-Mobile US, for example, offers customers the option of designating their children's user accounts as Kids' Line accounts. The data from these accounts is used only for basic services such as device operation or network administration, but not for targeted advertising. Kids' Line accounts are automatically excluded from the Group company's online advertising and marketing communications.

In addition, we offer service plans for children and young people at some national companies that provide protection against fraudulent websites and theft of login or bank details through a specific security feature. Our MagentaTV platform combines services such as television, media libraries, and streaming services and is available in selected European countries. It also features a parental control function that allows legal guardians to configure a supervisory function. For example, this allows them to block inappropriate content or to define usage criteria based on information from the content provider (e.g., "suitable for persons aged 18 and over"). We monitor the effectiveness of our actions to mitigate negative impacts on the protection of children by evaluating the usage rates of the above-mentioned products and services, for example, and – in relation to selected initiatives – also in the context of tracking the Beneficiaries – Digital Society ESG KPI.

When we develop actions to mitigate actual or potential negative impacts on consumers and end-users, we align ourselves with the legal requirements of the countries in which we operate. We keep the special protection that needs to be afforded to children in our sights at all times. We also draw on annual trend analyses, the findings of scientific studies, and our dialogue with NGOs. The feedback we receive through the formats for engaging with consumers and end-users about impacts described in the section "ESRS S4-2" is incorporated into the focus of our activities and the development of our products and services. Since we do not implement or directly enable any specific mitigation measures, we have not established any procedures for measuring the effectiveness of such mitigation measures. As part of our No Hate Speech initiative, we inform consumers and end-users about their digital rights. This includes providing information to people that, under the Digital Services Act (DSA), internet platforms are required to enable users to report input containing disinformation and hate speech. We take this risk very seriously, especially with respect to children and young people. Since Deutsche Telekom does not operate a platform itself, we do not fall within the scope of this EU regulation. For incidents related to extremism and child pornography, which may lead to criminal proceedings, we encourage consumers and end-users to contact local law enforcement authorities directly. When designing content that is relevant to the protection of minors, we involve our youth protection officer in Germany; she suggests restrictions or changes, for example. In addition, it is not possible to allocate human and financial resources for managing the measures described above in the Group with any degree of accuracy due to the complexity of our activities. As a rule, all measures are implemented using the budgets of the individual units of the national companies responsible, and normally do not require significant operating or capital expenditure.

Unless specified otherwise, all actions and initiatives described in this standard are ongoing and have no specific time frame.

Information-related impacts for consumers and/or end-users (privacy). Protecting the data of all individuals and organizations that have a relationship with Deutsche Telekom is of the utmost importance to us; that is why our processes for managing material risks related to data protection and security are integrated into our existing data protection risk management process. We implement a range of different actions to mitigate reputation, cost, and sanction risks as well as risks to affected customers arising from data privacy incidents, and to enhance privacy. In doing so, we always keep a close eye on current developments, such as regulatory changes or technical advances, e.g., in the field of AI.

Data protection and security aspects generally play an important role in the development of our products and services. We review the technical and privacy-related security of our systems at every step of development using the Privacy and Security Assessment process (PSA) to update new and existing systems when the technology or method of data processing is modified. PSA is an important part of our risk management process. We regularly verify the effectiveness of the PSA process, both internally and through external, independent bodies, as part of the ISO 27001 and 27701 certifications, for example. We use a standardized procedure to also document the data privacy status of our products throughout their entire life cycle. T-Mobile US does not use the PSA process, but has established its own data privacy impact assessment procedure, which the company uses to identify risks of data processing in new projects as well as initiate engagement with internal Cybersecurity teams to advise on necessary protective measures. T-Mobile US also conducts a comprehensive data inventory of its systems.

In 2021, T-Systems and Google Cloud signed a long-term collaboration agreement to mitigate material data privacy risks in connection with business customers. Available since 2022, the joint T-Systems Sovereign Cloud powered by Google Cloud combines the open-source expertise of both providers, enabling business customers to process their data in the cloud in compliance with German and European data protection and sovereignty requirements (GDPR and Schrems II). This means that companies from regulated industries can also use cloud services.

Telecommunications companies in Europe are required to train their employees on issues related to data privacy law when they begin their employment. To avoid our own business activities contributing to material negative impacts on consumers and end-users, our actions go beyond this legal requirement: In addition to the mandatory training that all Deutsche Telekom employees receive when they join the Group, we provide our employees with training in this area at least every two years and also place them under the obligation to uphold data and telecommunications secrecy. In this context, we also raise our employees' awareness for risks related to privacy and inform them about existing procedures. This aims to ensure that our employees handle customer data confidentially.

Every two years, we (excluding T-Mobile US) perform sample analyses to check the data security awareness of our employees. Based on the results, improvement actions are called for where needed. The effectiveness of data protection training at T-Mobile US is regularly assessed and training content adjusted as needed. Aside from this process, we have not set any specific time-bound or outcome-oriented Group-wide targets for advancing and measuring progress in the management of material risks relating to data privacy.

Personal safety of consumers and/or end-users (health and safety). In the context of our Group-wide risk and opportunity management, we assess the risks that arise for us from the ongoing public, political, and scientific discussions about possible health risks from mobile communications in relation to the build-out of mobile infrastructure and from regulatory interventions. We aim to overcome concerns among the general public by providing objective, scientifically well-founded, and transparent information. One example of our efforts to inform the public about the topics of technology, health, and mobile communications is our ongoing participation in industry initiatives such as the Mobile Telecommunications Information Center in Germany or the Forum Mobilkommunikation (mobile communications forum) in Austria. Their websites provide interested parties with information on topics such as limits, health protection, scientific research, and the development of mobile communications technology. T-Mobile US aligns its processes with national legal requirements and does not currently have initiatives that go beyond that. Since responsibility for this action is spread between different players in the ICT industry, Deutsche Telekom is unable to track the effectiveness in practice.

Targets

ESRS S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

To measure the effectiveness of our actions and initiatives in connection with material impacts on digital inclusion, we report the Beneficiaries – Digital Society ESG KPI described above. Our target is to reach a cumulative total of more than 80 million in Beneficiaries from 2024 to 2027. We reached approximately 40 million people with our digital society actions in the reporting year (2024: approximately 34 million). A cumulative total of around 74 million people were reached between 2024 and 2025. We defined our target based on an analysis of existing and planned initiatives in the individual segments. We then calculated the target value for the period 2024 to 2027. Various stakeholders were engaged to develop the target. We inform consumers and end-users as well as other stakeholder groups about our target achievement through our external communication channels.

Governance

ESRS G1 – Business conduct

Deutsche Telekom is committed to lawful and fair corporate action. Our culture is characterized by mutual trust and respect, entrepreneurial thinking, and collaborative working. We have expressed our Group-wide commitment to complying with ethical principles and both legal and statutory requirements. This commitment has been incorporated into our Guiding Principles and Code of Conduct.

The following index shows the disclosure requirements relating to the topical standard “Business conduct” identified by the materiality assessment.

ESRS index under ESRS 2 IRO-2

Disclosure requirement	Name with reference
ESRS G1 – Business conduct	
ESRS 2 GOV-1	The role of the administrative, management and supervisory bodies
ESRS 2 SBM-3 G1	Material impacts, risks, and opportunities and their interaction with strategy and business model (use of phase-in option for ESRS 2 SBM-3 para. 48e)
ESRS 2 IRO-1 G1	Description of the processes to identify and assess material impacts, risks and opportunities
ESRS G1-1	Business conduct policies and corporate culture
ESRS G1-3	Prevention and detection of corruption and bribery
ESRS G1-4	Incidents of corruption or bribery

Strategy

ESRS 2 SBM-3 G1 – Material impacts, risks, and opportunities and their interaction with strategy and business model

In our double materiality assessment, we considered possible impacts, risks, and opportunities related to governance.

The following overview illustrates Deutsche Telekom's material topic-specific **risks and opportunities** and their financial effects on our financial position, financial performance, and cash flows.

> For further information on risks and opportunities that represent a top risk or top opportunity in the next two years, please refer to the section "Risk and opportunity management."

Value chain	Risk/opportunity	Description
Corporate culture		
Own business activities	Opportunity	Deutsche Telekom's compliance culture is a key component for business governance and engagement based on integrity and respect. Our **corporate culture** is incorporated in the Group's Code of Conduct and Guiding Principles. Regular training, reminder days, and campaigns are designed to keep these Guiding Principles fresh in employees' minds and help to shape our identity. The work environment and team spirit thus created have proven to be an opportunity for Deutsche Telekom in terms of attracting and retaining talents. They also help to prevent misconduct.
Protection of whistleblowers		
All stages of the value chain	Risk	Legislation such as the EU Whistleblower Directive and its transposition into national law creates an obligation for Deutsche Telekom to set up a **system for reporting violations** of different laws and to ensure its effectiveness. Our compliance management system (CMS) is designed to identify any compliance violations and to prompt action on these. There must be a secure process in place for reporting incidents throughout the entire value chain. If not, this complicates, e.g., the handling of compliance violations which may lead to loss of reputation and fines.
Corruption and bribery		
Upstream and own business activities	Risk	Corruption violates national and international law. Deutsche Telekom takes a clear stance against any form of **corruption** in the public and private sector, whether this is active corruption in the form of bribery, or passive corruption in the form of bribe-taking. The CMS is therefore particularly focused on preventing corruption. This is necessary to mitigate any losses caused by possible infringements. Aside from the possible fines, the risk of loss of reputation is high. If this occurs, financial risks could arise due to the possible loss of business partners, but also due to potential revenue losses caused by damage to the brand. The Deutsche Telekom brand is synonymous with high-quality service and security and may therefore suffer a loss of trust in the event of compliance violations.

Impact, risk, and opportunity management

ESRS G1-1 – Business conduct policies and corporate culture

The bedrock of our corporate culture is our values: customer focus, integrity and compliance, teamwork, and entrepreneurship. We have incorporated these in our Guiding Principles. The Guiding Principles are the basis for our internal cooperation, but also for engagement with our customers, shareholders, and the general public. Our employees' familiarity with our Guiding Principles is checked every six months with the pulse survey (Deutsche Telekom excluding T-Mobile US). T-Mobile US ensures its values are consistently demonstrated through structured programs, including the Our Voice employee survey conducted each year, the Code of Business Conduct supported by mandatory i365 (Code) training delivered quarterly, and the annual PEAK Achievement Award. These programs provide accountability, promote ethical conduct, and recognize individuals who set the benchmark for living our values. All managers and employees at Deutsche Telekom have an obligation to fill these values with life. Building on this, the Codes of Conduct of Deutsche Telekom and T-Mobile US serve to make our Guiding Principles even more tangible. They define the rules for our daily work – both internally and externally. In doing so, they bridge the gap between the Guiding Principles and the many different policies in the Group as well as the legal regulations.

The management bodies are responsible for the business conduct of the individual Group companies at the highest level. We use regular employee surveys to evaluate and refine our corporate culture. These include questions on the corporate culture and how our employees perceive this culture in their everyday work. Where employees, business partners, or third parties are concerned that conduct does not comply with laws, our corporate culture, or internal policies, they can report this via our TellMe whistleblower portal (and at T-Mobile US using the Integrity Line) – even anonymously if desired. This also includes tip-offs regarding human rights-related and environmental risks, as well as legal violations in our global supply chain. It can involve the actions of our employees in internal business units of Group companies, as well as those of our suppliers or business partners. For the investigation of internally or externally reported suspicions, we have implemented internal processes in which suspected violations are initially substantiated and, if necessary, further clarified in accordance with legal requirements. We have also defined internal processes for reporting substantiated incidents to internal committees and supervisory bodies, depending on defined relevance thresholds.

We provide information to our employees about the whistleblower portal on the intranet, on the Company's website, as part of compliance training, and in targeted awareness campaigns. We ensure that any reports received are handled by suitably qualified staff.

> For further information on how we measure the impact of our whistleblower portal, please refer to the section "ESRS S1-3."

To protect whistleblowers, we have implemented prevention measures in accordance with the national requirements. Deutsche Telekom has procedures in place to investigate any incidents connected to business conduct – including cases of corruption and bribery – promptly, independently, objectively, and lawfully.

We take a risk-based approach in our anti-corruption training: The frequency and content of the training courses vary depending on employees' degree of exposure to compliance risks, including corruption and bribery. The Basic Knowledge Compliance e-learning, for example, is therefore geared towards Deutsche Telekom's entire workforce (excluding T-Mobile US). The e-learning is reviewed every 24 to 36 months, revised if necessary and rolled out again to ensure it is up to date. In addition, members of the management bodies of staffed operational entities are required to take part in classroom training every three years. Other e-learnings, for example on human rights, supplement the offering. We also communicate the principles of our business conduct and corporate culture in all internal media, including the intranet and mailings, and at townhall meetings. T-Mobile US provides multiple enterprise-wide trainings focused on T-Mobile US' Code of Business Conduct ("the Code") each year. People managers receive additional training on the Code of Business Conduct and their responsibilities in upholding the Code. These trainings are refreshed each year. New employees receive New Employee Orientation training that covers all topics included in the Code. Additionally, deeper dives into certain Code topics are assigned to individuals or specific business units based on potential risk exposure for the roles. These trainings are reviewed and updated on a regular cadence. Specialized Code training is given (either face-to-face or via video) to the executive body.

Deutsche Telekom's anti-corruption and anti-bribery strategies relate in particular to functions within the Group that are most at risk in terms of corruption and bribery. These include primarily the management bodies of staffed operational entities. In addition, each Group company can define further risk areas (e.g., procurement or sales) depending on the specific risk situation.

ESRS G1-3 – Prevention and detection of corruption and bribery

We strive to avoid any risk that could question our integrity and cause harm to others. Deutsche Telekom has implemented a CMS that is particularly focused on preventing corruption. The CMS is implemented with the aim of minimizing risks arising from systematic infringements of legal or ethical standards that could result in regulatory or criminal liability on the part of the Company, its executive body members, or employees, or result in a significant loss of reputation. T-Mobile US has employed a risk-based approach to preventing corruption. T-Mobile US has processes in place to assess its anti-corruption risk and the risk management activities in place to mitigate this risk.

To be able to live up to our responsibility, it is important that we are made aware of any misconduct that could have an impact on compliance. We have set up the above-mentioned TellMe whistleblower portal and the T-Mobile US Integrity Line for reporting violations. In regular compliance training sessions, we inform employees about the particular whistleblower portals. T-Mobile US also uses compliance training to inform employees about its Integrity Line.

Deutsche Telekom also expects its suppliers to comply with applicable law, observe social, ethical, and environmental standards as well as act sustainably. We also expect our suppliers to require the same of their subcontractors. We support our suppliers with a specially developed e-learning to help them act correctly. T-Mobile US has similar expectations as Deutsche Telekom for our suppliers. These expectations are outlined in the Supplier Code of Conduct of T-Mobile US.

The CMS as a whole, its individual elements such as the whistleblower portals, and our training sessions are regularly evaluated, updated, and adjusted as necessary.

The Board of Management takes overall responsibility for compliance as an essential leadership task. Our Chief Compliance Officer is responsible for the design and management of the CMS focusing on the fight against corruption. Compliance officers implement the CMS and our compliance goals locally at the level of our operating segments and national companies. Our compliance work pursues the following targets in particular:

- Promoting a compliance culture and ethical conduct
- Identifying, analyzing, and assessing compliance risk at an early stage
- Integrating preventive actions in business processes early and permanently, to prevent breaches of compliance
- Responding consistently to any breaches of compliance
- Minimizing liability risks for the Company
- Being viewed as a dependable partner by customers and business partners

The Chief Compliance Officer is part of the Law & Integrity department assigned to the Board of Management department for Human Resources and Legal Affairs. This means that Deutsche Telekom's Compliance unit is organized independently from sales units. T-Mobile US' Board of Directors Nominating & Corporate Governance committee has oversight and responsibility for our Compliance and Ethics program. The Chief Compliance Officer of T-Mobile US is responsible for designing and managing the Compliance & Ethics program of T-Mobile US, and the compliance objectives of the program are similar to Deutsche Telekom's.

We inform employees through various channels about strategies and processes of the company with which we prevent, detect, investigate, and prosecute allegations or incidents related to corruption and bribery. These channels include intranet postings, mailings, and compliance training sessions.

Deutsche Telekom's training concept (excluding T-Mobile US) requires that all employees take the Basic Knowledge Compliance e-learning. This addresses the basic principles of compliance, the Code of Conduct, conflicts of interest, and anti-corruption and includes a self-check for decisions in difficult situations. As per our training concept, the management teams of staffed operational entities are deemed functions-at-risk. The Basic Knowledge Compliance e-learning is geared towards all employees and thus all functions-at-risk. In addition, we periodically conduct classroom training sessions on corruption and bribery with the members of the management bodies of staffed operational entities (training duration: 30–60 minutes, every three years). Where a Group company has classified other functions as at risk, they will also be included in the training program. T-Mobile US organizes multiple company-wide trainings on its Code of Business Conduct each year, specifically tailored to different target groups such as new hires, HR managers, and management. They are regularly reviewed and updated as required. Functions-at-risk are thus fully covered (100 %) by the training program.

We do not conduct specific compliance training sessions for Supervisory Board members. Where Deutsche Telekom employees are members of supervisory bodies, they are included in our general compliance training. T-Mobile US provides annual compliance trainings to its executive team and Board of Directors (including directors with supervisory role).

ESRS G1-4 – Incidents of corruption or bribery

In the 2025 financial year, Deutsche Telekom was not convicted of violating anti-corruption or anti-bribery laws.

G-Company-specific: cybersecurity

Geopolitical tensions, growing interconnectedness, and new threats in the digital world are posing complex challenges for cybersecurity. We are responding to these with a holistic Group Security Strategy covering six principal action areas: workers, geopolitics, crime, regulation, technology, and the environment. On this basis we define specific measures to manage a variety of risks, which range from fake news and cyberattacks to power outages and targeted attacks on critical infrastructure.

The following index shows the main disclosure requirements for the company-specific topic of cybersecurity identified in the materiality assessment.

ESRS index under ESRS 2 IRO-2

Disclosure requirement	Name with reference
G-Company-specific: cybersecurity	
ESRS 2 SBM-3 G-Company-specific	Material impacts, risks, and opportunities and their interaction with strategy and business model (use of phase-in option for ESRS 2 SBM-3 para. 48e)
G-Company-specific	Policies related to cybersecurity
G-Company-specific	Actions and resources in relation to cybersecurity
G-Company-specific	Targets related to cybersecurity

Strategy

ESRS 2 SBM-3 G-Company-specific – Material impacts, risks, and opportunities and their interaction with strategy and business model

In our double materiality assessment, we considered possible impacts, risks, and opportunities in relation to cybersecurity.

The following overview illustrates Deutsche Telekom's material **risks** and their financial effects on our financial position, financial performance, and cash flows.

> For further information on risks and opportunities that represent a top risk or top opportunity in the next two years, please refer to the section "Risk and opportunity management."

Value chain	Risk/opportunity	Description
Cybersecurity		
Own business activities and downstream	Risk	The advances in digitalization and the growing sophistication of technological systems pose growing challenges for **data security**. Overcoming these challenges requires not only technical and organizational resources, but also continuous innovation. This in turn can cause costs to rise. At the same time, **cyberattacks** can lead, among other implications, to business disruptions, embezzlement, or unauthorized access to confidential or personal information, and to loss of reputation.

Impact, risk, and opportunity management

G-Company-specific – Policies related to cybersecurity

We put a security organization in place at both corporate headquarters and in all Group units based on our Security Strategy and its six action areas. Our strategy for managing cybersecurity risks is incorporated into the risk management system and the related governance structures, Group rules and regulations, and processes.

To ensure a high level of security for our customers and employees, as well as our products and services, we (excluding T-Mobile US) rolled out the Group Security Policy based on the requirements of ISO 27001. The Policy lays down Deutsche Telekom's essential requirements in relation to the following security dimensions: people; information; technology and products; buildings and infrastructure; property and assets; and business continuity. It also describes the following ten security principles:

- Lawful conduct
- Protection of personal data
- Customer trust
- Security culture
- Transparent and active responsibility
- Protect and share
- Leading security
- Appropriateness and profitability
- Value creation from integrated security
- International security standards

The Group Security Policy is communicated to all employees and is additionally available to all units in the policy databases. The management team from each business unit formally introduces the requirements set out in the Policy and makes compliance with these obligatory. Corporate headquarters oversees the mandatory introduction and communication of these requirements and reviews the status of implementation in the units. As ultimate responsibility for cybersecurity rests with the Product and Technology Board of Management department, the Group Security Policy is also within its remit. The Policy includes a set of controls in which the

requirements are fleshed out and control levels are defined. The Security Policy and the control set are regularly reviewed and updated as required.

T-Mobile US has its own security policy, which is regularly reviewed to adapt to the evolving risks and strengthen overall security. At T-Mobile US the cybersecurity approach is also integrated into the risk management system and the corresponding processes. At T-Mobile US, risks related to T-Mobile US' information security programs, including cybersecurity, are overseen at Board level of the company by the Nominating, Corporate Governance, and Compliance Committee.

G-Company-specific – Actions and resources in relation to cybersecurity

To fend off cyberattacks and protect our infrastructure as well as our customers' data, we are constantly developing new processes and continuously improving our sensor technology. Our Cyber Defense Center monitors the security of the Group worldwide (excluding T-Mobile US) with the help of internationally oriented Cyber Security Incident Management and also offers services for business customers. In our Security Operations Centers (SOCs), we keep an eye on the security situation for ourselves and our customers 24 hours a day. With the help of artificial intelligence (AI), our security specialists evaluate security-related data in real time, detect attacks straight away, and avert them. All alerts registered at these centers are handled in a multi-stage process and escalated, if necessary, all the way to our Cyber Emergency Response Team (CERT). CERT also develops mechanisms to detect attacks on internally and externally accessible systems at an early stage. At the same time, our threat intelligence team analyzes how the perpetrators proceeded and exchanges the latest scientific findings. T-Mobile US has established a similar process with their Cyber Incident Response Team (CIRT). CIRT is continuously working to investigate and respond to confirmed, suspected, or potentially serious cybersecurity incidents.

As an additional tool, Deutsche Telekom offers rewards to external security experts who identify vulnerabilities and report them to us. This "bug bounty program" helps to identify potential risks at an early stage and to prevent security incidents.

In software development, we (excluding T-Mobile US) use the Privacy and Security Assessment (PSA) process to incorporate data protection and IT security requirements from the outset. The PSA testing process, which is now completely digital, is designed to ensure a uniformly high level of security and data privacy. T-Mobile US has also incorporated controls throughout its product development pipeline to improve security as it enhances new products and brings them to market.

We provide our employees with a variety of context-specific tools to protect our systems and data. For example, we specifically developed innovative smart cards for the all-important topic of multi-factor authentication. As carriers of electronic identities through the encryption and signing of information in the form of certificates and associated key material, these cards enable electronic access to our buildings via a wireless interface in addition to contact-based login on company devices. For other areas, modern authentication apps are installed on employees' smartphones. Our goal is to gradually implement a zero-trust model that requires authentication, authorization, and validation any time company resources are accessed.

Our employees are required to take part in regular cybersecurity training, supplemented by short courses and awareness campaigns tailored to specific target groups. Content ranges from identifying phishing attempts and deepfakes to safe use of digital technologies. To raise awareness, we also use innovative learning formats that are periodically refined and promoted in internal communication campaigns throughout the Group.

Adopting a hybrid zero trust model has been key to implementing T-Mobile US's cybersecurity strategy. Across the workforce, T-Mobile US rolled out enhanced multi-factor authentication to better verify user identities and help prevent unauthorized credential use by bad actors. T-Mobile US also deployed role-based controls to provide secure and direct access to applications and resources. Taking it one step further, T-Mobile US partners with CLEAR, a company specializing in identity verification and certified by the U.S. Department of Homeland Security, to transition to "passwordless" authentication so employees can more easily verify their identities to gain access to resources while also reducing phishing attempts.

Deutsche Telekom continuously invests in enhancing its cybersecurity program. In so doing, we adhere to public standards and share best practices with industry and government representatives in order to jointly combat cyber threats.

All actions described in this topical standard for mitigating cybersecurity risks are ongoing and have no fixed end date.

Targets

G-Company-specific – Targets related to cybersecurity

We review the effectiveness of our policies and actions related to cybersecurity through the security systems and features described in detail in this topical standard. We aim to manage cybersecurity risks appropriately by continuously honing our skills and technologies. Over and above this, we have not defined any specific time-bound or outcome-based targets that apply to the entire Group.

Forecast [a]

Statement by the Board of Management on the expected development of the Group

We remain on course in a challenging market environment and continue to consistently execute on our strategy, which is geared toward sustainable growth, in a challenging geopolitical and macroeconomic climate. Our results for the 2025 financial year, alongside our medium-term strategy and financial outlook presented at the 2024 Capital Markets Day, underline our approach. Strategically, we made strides in key areas over the year just ended, including the successful completion of the acquisitions in the United States, targeted investments in networks and future technologies, and the wide-ranging use of AI. Our customers are already reaping the rewards of our successful corporate policy in the form of multiple award-winning network quality and best-in-class service. Our shareholders benefit from our sustainable and attractive dividend policy alongside further shareholder remuneration measures. Going forward, we want to underpin this success with solid financial growth rates, further extend our technology leadership with the best state-of-the-art networks, and thereby contribute to realizing our Leading Digital Telco vision.

This ties in with our financial targets for the period through 2027, which we communicated at our 2024 Capital Markets Day. From 2024 through 2027, we aim to achieve the following compound annual growth rates (CAGR) or targets for our key financial performance indicators (based on a U.S. dollar exchange rate of USD 1.08):

- Both **revenue** and **service revenue** are expected to grow on average by around 4 %.
- **Adjusted EBITDA AL** is expected to increase on average by 4 to 6 %.
- **Free cash flow AL** (before dividend payments and spectrum investment) is expected to increase steadily, to around EUR 21 billion in 2027.
- **Earnings per share** (adjusted for special factors) is expected to amount to around EUR 2.5 in 2027.

[a] The forecasts contain forward-looking statements that reflect management's current views with respect to future events. Words such as "assume," "anticipate," "believe," "estimate," "expect," "intend," "may," "could," "plan," "project," "should," "want," and similar expressions identify forward-looking statements. These forward-looking statements include statements on the expected development of revenue, service revenue, adjusted EBITDA after leases, EBIT, ROCE, cash capex, free cash flow after leases, rating, and adjusted earnings per share, as well as non-financial performance indicators such as customer retention/satisfaction and employee satisfaction, energy consumption, and CO_2 emissions. Such statements are subject to risks and uncertainties, such as an economic downturn in Europe or North America, changes in exchange and interest rates, the outcome of disputes in which Deutsche Telekom is involved, and competitive and regulatory developments. Some uncertainties or other imponderables that might influence Deutsche Telekom's ability to achieve its objectives, are described in the "Risk and opportunities management" section of the combined management report and in the "Disclaimer" at the end of the Annual Report. Should these or other uncertainties and imponderables materialize, or the assumptions underlying any of these statements prove incorrect, the actual results may be materially different from those expressed or implied by such statements. We do not guarantee that our forward-looking statements will prove correct. The forward-looking statements presented here are based on the future structure of the Group, without regard to significant acquisitions, disposals, business combinations, or joint ventures that may arise at a later date. These statements are made with respect to conditions as of the date of this document's publication. Without prejudice to existing obligations under capital market law, we do not intend, or assume any obligation, to update forward-looking statements.

For 2026, we expect to post the following year-on-year trends, assuming a comparable consolidated group and constant exchange rates (based on a U.S. dollar exchange rate of USD 1.13 in the 2025 financial year):

- **Revenue** is likely to increase in 2026. We also expect **service revenue** to increase.
- **Adjusted EBITDA AL** is expected to be around EUR 47.4 billion in 2026. In the reporting year, adjusted EBITDA AL came in at EUR 44.2 billion; on a like-for-like basis, i.e., adjusted for comparability with the adjusted EBITDA AL forecast for 2026, adjusted EBITDA AL stood at EUR 44.7 billion.
- **Free cash flow AL** is expected to amount to around EUR 19.8 billion in 2026. Free cash flow AL in 2025 was EUR 19.5 billion; on a like-for-like basis, i.e., adjusted for comparability with the free cash flow AL forecast for 2026, free cash flow AL stood at EUR 19.3 billion.
- We are anticipating **earnings per share** (adjusted for special factors) of around EUR 2.20 in 2026.

Economic outlook

In its economic forecast from January 2026, the International Monetary Fund (IMF) predicts global economic growth of 3.3 % in 2026 and 3.2 % in 2027. This is below the historical long-term average of 3.7 % between 2000 and 2019. In the United States, growth was mostly buoyed by investments in digital infrastructure and technological innovations, while in Europe high energy prices, structural weaknesses in industry, and modest confidence among consumers and businesses are weighing on the economic outlook.

The following table shows the expected GDP growth rate trends and the change in harmonized consumer prices in our most important markets for 2026 and 2027.

%

	GDP for 2026 compared with 2025	GDP for 2027 compared with 2026	Consumer prices for 2026 compared with 2025	Consumer prices for 2027 compared with 2026
Germany	1.1	1.5	1.8	2.0
United States	2.4	2.0	2.4	2.2
Greece	2.0	1.5	2.5	2.6
Hungary	2.1	2.3	3.5	3.0
Poland	3.5	2.7	2.8	2.7
Czech Republic	2.0	2.0	2.3	2.3
Croatia	2.7	2.6	2.8	2.4
Slovakia	1.7	2.5	3.3	2.2
Austria	0.8	1.6	2.3	2.2

Source: International Monetary Fund; last revised: January 2026.

Expectations for the Group

Expectations up to 2027. We expect profitable growth to continue over the next two years. This will provide a sound basis for achieving our financial ambitions – as communicated at our Capital Markets Day in October 2024.

We expect our **financial performance indicators** to develop as follows in 2026 and 2027 on an organic basis, i.e., on a like-for-like basis with the prior year:

- We expect **revenue** to increase both in 2026 and in 2027 on the back of the positive development of service revenue. The primary driver of this trend will be the United States operating segment, where we likewise expect revenue to grow in both 2026 and 2027. We expect revenue in the Germany and Europe operating segments to increase slightly in both 2026 and 2027.
- **Service revenue** is projected to increase in both 2026 and 2027. This trend will be influenced by the growth expected in the United States operating segment for 2026 and 2027. In the Germany and Europe operating segments, we expect a slight increase in both 2026 and in 2027.
- **Adjusted EBITDA AL** is expected to increase substantially in 2026 to around EUR 47.4 billion and to rise sharply again in 2027. In particular, the favorable revenue trend and the realization of efficiency measures will have a positive impact.
- We anticipate an increase in **profit/loss from operations (EBIT)** in 2026 followed by a sharp increase in 2027. Expected EBIT will benefit overall from the trend in adjusted EBITDA AL. Nevertheless, the 2026 financial year will be adversely affected in particular by integration costs recognized as special factors in connection with the UScellular Acquisition.

- We expect a moderate decline in **ROCE** in 2026, followed by a strong increase in 2027. The initial moderate decrease is due to non-recurring positive effects from 2025, such as the reversals of impairment losses on the carrying amounts of the investments in GD Towers and GlasfaserPlus. The integration costs recognized as special factors in connection with the UScellular Acquisition will also have a negative impact in 2026. We expect to achieve our target for ROCE to be higher than the expected weighted average cost of capital (WACC) for future years.
- Our investments – measured in terms of **cash capex** (before spectrum investment) – are expected to amount to around EUR 17.0 billion in 2026. Cash capex (before spectrum investment) is anticipated to decline in 2027 as we come to the end of a heightened investment phase, mainly in connection with the integration of UScellular. We want to continue investing heavily in building out our network infrastructure in Germany, the United States, and Europe in order to safeguard our technology leadership in the long term.
- **Free cash flow AL** (before dividend payments and spectrum investment) is expected to reach around EUR 19.8 billion in 2026. We anticipate a sharp rise in free cash flow AL in 2027, due to sound operational development and the decline in cash capex (before spectrum investment).
- At the end of 2025, we had the following **ratings**: BBB+ with a positive outlook (Standard & Poor's); BBB+ with a stable outlook (Fitch); and A3 with a stable outlook (Moody's). Maintaining an investment grade rating within the A- to BBB range will enable us to retain undisputed access to the international capital markets and is thus a key component of our finance strategy.
- We are anticipating **earnings per share** (adjusted for special factors) of around EUR 2.20 in 2026, based on the sound expected business development. We expect to see adjusted earnings per share increase sharply in 2027.

Our debt issuance program puts us in a position to place issues in the international capital markets at short notice. T-Mobile US is being refinanced primarily in the form of senior unsecured notes. We can also issue short-term papers in the money market through our Deutsche Telekom and T-Mobile US commercial paper programs.

Bonds and other financial liabilities in the total amount of EUR 6.6 billion and EUR 8.3 billion will fall due for repayment in 2026 and 2027, respectively, of which around EUR 4.4 billion and EUR 4.8 billion, respectively, relate to T-Mobile US. A number of T-Mobile US bonds include issuer termination rights. If the premature termination and refinancing of these bonds result in economic gains, this could give rise to further refinancing requirements. We plan to issue new bonds in various currencies. The exact financing transactions will depend on developments in the international finance markets. We also intend to cover part of our liquidity requirements by issuing commercial paper. In order to cover part of the refinancing needs in 2026, T-Mobile US issued bonds in January 2026 with a volume of USD 2.0 billion.

We want to continue leveraging economies of scale and synergies through suitable partnerships or appropriate acquisitions in our footprint markets. There are no plans, however, to expand into emerging markets. We will continue to subject our existing partnerships and equity investments to regular strategic reassessments with a view to maximizing the value of our Company.

If the economic situation should deteriorate or any unforeseen state or regulatory interventions arise, the expectations expressed here may change accordingly. Given the level of macroeconomic uncertainty, we also cannot rule out the possibility of deviations.

> For further information on the business risks, please refer to the section "Risk and opportunity management."

The following tables summarize the forecasts for our financial and non-financial performance indicators up to 2027. They assume a comparable consolidated group and constant exchange rates, i.e., an organic basis. In order to create a comparable basis with the forecast period, the results of the 2025 financial year have been adjusted for significant changes in the composition of the Group which have been included in the planning, and for changes in the organizational structure in the pro forma presentation. Thus, the expectations for 2026 are based on the pro forma figures for 2025; expectations for 2027 are based on expectations for 2026. To indicate the intensity and trends of our qualified comparative forecasts, we apply the following aspects: strong decrease, decrease, slight decrease, stable trend, slight increase, increase, strong increase.

Financial performance indicators

		Results in 2025	Pro forma in 2025 [a]	Expectations for 2026 [b]	Expectations for 2027 [b]
Revenue					
Group	billions of €	119.1	120.9	increase	increase
Germany	billions of €	25.6	25.6	slight increase	slight increase
United States (in local currency)	billions of $	88.2	90.3	increase	increase
Europe	billions of €	12.7	12.5	slight increase	slight increase
Systems Solutions	billions of €	4.1	4.1	increase	increase
Service revenue					
Group	billions of €	99.4	101.1	increase	increase
Germany	billions of €	22.7	22.7	slight increase	slight increase
United States (in local currency)	billions of $	71.3	73.3	increase	increase
Europe	billions of €	10.6	10.5	slight increase	slight increase
Systems Solutions	billions of €	4.1	4.1	increase	increase
EBITDA AL (adjusted for special factors)					
Group	billions of €	44.2	44.7	47.4	strong increase
Germany	billions of €	10.7	10.7	11.0	increase
United States (in local currency)	billions of $	33.0	33.5	36.2	strong increase
Europe	billions of €	4.7	4.7	4.8	increase
Systems Solutions	billions of €	0.4	0.4	0.4	increase
Profit (loss) from operations (EBIT)	billions of €	24.8		increase	strong increase
ROCE	%	7.5		slight decrease	strong increase
Cash capex (before spectrum investment) [c, d]					
Group	billions of €	(16.9)	(17.4)	(17.0)	decrease
Germany	billions of €	(4.9)	(4.9)	slight increase	slight increase
United States (in local currency)	billions of $	(10.1)	(10.7)	decrease	decrease
Europe	billions of €	(2.0)	(2.0)	stable trend	stable trend
Systems Solutions	billions of €	(0.2)	(0.2)	stable trend	stable trend
Free cash flow AL (before dividend payments and spectrum investment) [c, d]	billions of €	19.5	19.3	19.8	strong increase
Rating					
Standard & Poor's, Fitch		BBB+		from A- to BBB	from A- to BBB
Moody's		A3		from A3 to Baa2	from A3 to Baa2
Other					
Dividend per share [e, f]	€	1.00		Dividend payout ratio of 40 to 60 % of EPS (adjusted for special factors)	Dividend payout ratio of 40 to 60 % of EPS (adjusted for special factors)
Earnings per share (adjusted for special factors)	€	2.00		2.20	strong increase
Equity ratio	%	31.8		25 to 35	25 to 35
Relative debt		2.62x		≤ 2.75x	≤ 2.75x

[a] Significant changes in the organizational structure and in the composition of the Group (including the acquisitions of UScellular and Metronet and the sale of Telekom Romania Mobile Communications) included.
[b] On a comparable basis.
[c] Excluding cash outflows for investments made by T-Mobile US to acquire customer bases.
[d] Excluding proceeds from the disposal of spectrum due to the sale of spectrum licenses by T-Mobile US.
[e] The indicated expectation regarding the dividend per share refers to the respective financial year indicated.
[f] Subject to approval by the relevant bodies and the fulfillment of other legal requirements.

For further information on the expected development of the financial performance indicators of our operating segments, please refer to the section "Market expectations and expectations for the operating segments."

Non-financial performance indicators

		Results in 2025	Pro forma in 2025 [a]	Expectations for 2026	Expectations for 2027
Sustainability					
Customer retention/satisfaction (TRI *M index) [b]		81.3		stable trend	stable trend
Employee satisfaction (engagement score) [b]		77		stable trend	stable trend
Energy consumption [c]	GWh	11,957	11,957	slight increase	slight increase
Of which: Deutsche Telekom excluding T-Mobile US	GWh	4,432	4,432	stable trend	stable trend
CO_2 emissions (Scope 1 and 2) [d]	kt CO_2e	240	240	decrease	decrease
Of which: Deutsche Telekom excluding T-Mobile US	kt CO_2e	154	154	decrease	decrease
Fixed-network and mobile customers					
Germany					
Mobile customers	millions	74.5	74.5	increase	increase
Fixed-network lines	millions	16.8	16.8	slight decrease	stable trend
Retail broadband lines	millions	15.1	15.1	stable trend	slight increase
Television (IPTV, satellite)	millions	4.7	4.7	stable trend	slight increase
United States					
Postpaid accounts [e]	millions	34.2	34.2	increase	increase
Europe					
Mobile customers	millions	47.2	47.2	slight increase	slight increase
Fixed-network lines	millions	8.0	8.0	stable trend	stable trend
Broadband customers	millions	7.4	7.4	increase	increase
Television (IPTV, satellite, cable)	millions	4.5	4.5	increase	increase
Systems Solutions					
Order entry	billions of €	4.2	4.2	increase	increase

[a] Significant changes in the organizational structure and in the composition of the Group included.
[b] Deutsche Telekom excluding T-Mobile US.
[c] Energy consumption, mainly: electricity, fuel, other fossil fuels, district heating for buildings.
[d] Calculated according to the market-based method of the Greenhouse Gas Protocol.
[e] Starting in the first quarter of 2026, the United States operating segment will report postpaid accounts instead of postpaid and prepaid customers. For more information, please refer to the section "Market expectations and expectations of operating segments – United States."

> For further information on the expected development of the non-financial performance indicators of our operating segments, please refer to the section "Market expectations and expectations for the operating segments."

Our **customer satisfaction/retention** – which is expressed using the **TRI*M index** performance indicator – is expected to remain stable in 2026 against the baseline that is already at a very high level in the benchmark and has been recalculated for 2026. The values achieved in particular for our Germany and Systems Solutions operating segments, as well as across most of the Europe operating segment, put us in a leading position relative to the respective benchmarks. With the exception of the Europe operating segment, where our goal is to post slight improvements in isolated areas, we plan to maintain these leading positions in the benchmark for 2026.

Based on the high **engagement score** of 77 points in 2025, we expect the positive response of our employees regarding satisfaction with our Company to remain stable in the next surveys both in 2026 and 2027.

We expect our **energy consumption** to increase slightly at Group level in both 2026 and 2027, and to remain stable in the same period for Deutsche Telekom excluding T-Mobile US. In both 2026 and 2027, we expect **CO_2 emissions** (Scope 1 and 2) to decline both at Group level and excluding T-Mobile US. Since 2021, 100 % of the electricity requirements for all Group units have been met from renewable sources. As such, the majority of emissions have been eliminated.

> For further information on our ESG KPIs, please refer to the section "Combined sustainability statement."

Our planning is based on the following exchange rates:

Currency		Exchange rate
Polish zloty	PLN	4.24
Czech koruna	CZK	24.68
Hungarian forint	HUF	397.48
U.S. dollar	USD	1.13

Expectations for Deutsche Telekom AG

The development of business at Deutsche Telekom AG, the Group's parent company, is reflected particularly in the profits/losses from profit transfer agreements with domestic Group companies, other income from subsidiaries, and from associated and related companies, and through its supplier, service, and financial relationships with the Group companies. In other words, the course of business of our Group companies and their results from operations are key factors shaping the future development of Deutsche Telekom AG's figures.

The underlying expectations concerning the operating segments' expected revenue and earnings have an impact on the development of Deutsche Telekom AG's future net income. Factors such as strong competition, ongoing technological developments, regulatory intervention, and market and economic expectations have a major influence on these expectations. Furthermore, net income can be affected by the use of hidden reserves in the course of making changes to the investment structure or as a result of dividends and capital repayments by Group companies.

As in 2024, from the 2025 financial year – subject to approval by the relevant bodies and the fulfillment of other legal requirements – the amount of the dividend is based on a dividend payout ratio of 40 to 60 % of adjusted earnings per share, with a lower limit fixed at EUR 0.60 per dividend-bearing share. This approach is in line with our finance strategy. For the 2025 financial year, we propose a dividend of EUR 1.00 (prior year: EUR 0.90) for each dividend-bearing share.

Deutsche Telekom AG's unappropriated net income declined in the financial year to EUR 28.0 billion (prior year: EUR 29.1 billion) in line with the forecast made in the prior year. Taking into account the proposed dividend payments totaling EUR 4.8 billion (prior year: EUR 4.4 billion) in 2026 for the 2025 financial year and assuming no significant changes to the contributions of Group companies to earnings as the basis for Deutsche Telekom AG's net income, we expect a decline in unappropriated net income in 2026, mainly due to unappropriated net income carried forward of EUR 23.1 billion. For the 2026 financial year, we expect an unappropriated net income that will allow the distribution of a dividend of 40 to 60 % of adjusted earnings per share, which is in line with our finance strategy through 2027.

Market expectations and expectations for the operating segments

Below, we explain the market expectations and the expectations for the financial and non-financial performance indicators of our operating segments. We assume a comparable consolidated group and constant exchange rates for the development of our performance indicators.

> We presented more information on the expected development of the operating segments up to and including the 2027 financial year at our 2024 Capital Markets Day.

Our Group Development operating segment no longer makes a significant contribution to the expectations of the Group's significant performance indicators. For this reason our forecast does not provide a separate presentation of the figures for this segment or a corresponding explanation.

Germany

Revenues increased further in the German market for telecommunications services in 2025. Independent market studies expect growth to continue in 2026, driven by rising demand for mobile internet, higher data volumes, and the growing demand for fiber-optic-based broadband lines.

We are witnessing a shift among customers towards the use of more data-centric applications, video streaming, and cloud-based services, which is offsetting revenue declines in traditional voice services. Network quality and reliable data coverage continue to be crucial in this context, especially for data-intensive applications, working from home, streaming, or digitalized business processes. At the same time, the competitive pressure remains high in an environment shaped by dynamic price trends in mobile communications and strong competition from cable and fiber providers in the fixed network.

In 2025 the mobile market was dominated by the increasing availability of data flat rate offerings and further growth in demand for mobile data communication. Retail revenue increased by 1.4 % in 2025 and is predicted to grow by 1.0 % in 2026 (Analysys Mason). The network build-out in Germany is making headway, and by October 2025 the Bundesnetzagentur put 5G coverage from at least one provider at 95.0 % of Germany, and total nationwide broadband mobile coverage at around 98.0 %. The providers are likely to continue expanding their 5G networks in 2026, with competitive momentum remaining high.

The market for fixed-network broadband hosts a large number of providers with differing infrastructures. We are assuming that cable network operators and providers with their own fiber-optic networks will keep competition high. But also providers without their own fixed-network infrastructure further contribute to the intensity of competition. We continued to roll out FTTH in the reporting year, giving 2.5 million households access to fiber through our own build-out efforts and through partnerships – and intend to maintain a similar pace in 2026. In addition to single-family homes, our focus is increasingly also on connecting multi-dwelling units. Cooperation models with regional operators and wholesale partnerships are core elements of our rollout and monetization strategy. At the same time, the number of homes connected is lagging across the industry as a whole.

The abolition of the "Nebenkostenprivileg" as of July 1, 2024 has fundamentally changed the TV reception options available to tenants, with demand shifting clearly in favor of internet-based TV offerings (IPTV/streaming). Our TV customer base grew to 4.8 million in the year just ended, although competition in this segment remains high. We use product differentiation (partner ecosystems, exclusive content, a better user experience) and bundled offerings to garner customer retention.

We expect our mobile customer base to continue growing through 2026 and 2027, and our retail broadband lines to remain stable in 2026 before returning to moderate growth in 2027 driven by an increase in the fiber customer base. Alongside pure connections, our focus is on monetization through upselling (speed, value-added services, as well as IT, security, and cloud offerings geared predominantly to business customers). We aim to realize efficiency gains and improve conversion rates through the use of digitalization and automation in sales and service.

In our Germany operating segment, we expect a slight increase in revenue and service revenue in both 2026 and 2027, primarily due to growth in mobile revenues and the fiber customer base. We expect customer numbers to grow in both business areas through 2027.

In each of the next two years, we expect to post year-on-year increases in earnings in our Germany operating segment. For 2026, we expect adjusted EBITDA AL of around EUR 11.0 billion, driven in particular by revenue growth and an improved cost item, mainly through digitalization and automation. We expect adjusted EBITDA AL to increase again in 2027. We expect our cash capex (before spectrum investments) to increase slightly in 2026 and again in 2027.

United States

The United States ICT market size reached USD 1.50 trillion in 2025 and is forecast to reach USD 2.15 trillion by 2030. Investments in hyperscale data centers and enterprise spending on cloud computing and edge IT are key drivers, as are IT services and IT security spending.

According to 6WResearch, over 570+ colocation and hyperscale self-built data center projects in the United States are expected to add over 100 Gigawatt of capacity. By geography, markets in Virginia, Texas, Arizona, Illinois, Nevada, Georgia and Ohio are the primary beneficiaries of the capacity buildout.

One estimate expects the U.S. Cloud Computing market to grow at a Compound Annual Growth Rate (CAGR) of 9.8 % between 2025 and 2031. This growth is propelled by the use of multi-cloud and hybrid deployment models, the growing need for scalable and reasonably priced IT infrastructure, increasing adoption of cloud-based analytics, Artificial Intelligence (AI), and machine learning tools. Growing deployment of cloud-based edge computing and Internet of Things applications as well as rising expenditures on cloud-based compliance and cybersecurity solutions are additional factors for the growth of the cloud computing market.

Midband spectrum auctions scheduled by the Federal Communications Commission for 2026 and expected for 2027 are expected to stimulate further demand for telecommunications network inputs as carriers use the acquired spectrum to continue to build out wireless networks.

Federal broadband support via the USD 42.45 billion Broadband Equity Access and Deployment (BEAD) program is providing additional spending on network equipment and managed services as network providers expand high-speed connectivity in un- and underserved regions in the United States.

Starting in the first quarter of 2026, T-Mobile US will report the total number of postpaid accounts instead of the total number of postpaid and prepaid customers. From T-Mobile US' perspective, this better reflects the focus of its business, which is aimed at increasing valuable customer relationships to enhance the company's value. Accordingly, as part of this transition, we will forecast the total number of postpaid accounts for the United States operating segment.

A postpaid account is generally defined as a billing account number that generates revenue. Postpaid accounts generally consist of customers that are qualified for postpaid service utilizing phones, 5G broadband gateways, fiber connections, mobile internet devices (including tablets and hotspots), wearables, DIGITS and other connected devices (including SyncUP and IoT), where they generally pay after receiving service.

T-Mobile US expects a continued increase in postpaid accounts in 2026 and 2027. Postpaid account growth is based on further expansion in underpenetrated growth sectors, such as smaller markets and rural areas, network seekers everywhere, including those in Top 100 markets, continued opportunity in Small and Medium-sized Businesses, enterprise and government, broadband growth and new businesses. All of these drivers have helped fuel industry leading customer and financial growth over the last few years.

T-Mobile US expects an increase in service revenues and total revenues in 2026 and 2027, driven by ongoing profitable share taking, postpaid account and ARPA growth, broadband growth, and expansion into new businesses.

For 2026, T-Mobile US expects adjusted EBITDA AL of USD 36.2 billion, which is based upon the midpoint of US GAAP guidance of USD 37.0 to 37.5 billion Core Adjusted EBITDA minus around USD 1.0 billion accounting bridge between US GAAP and IFRS, and a strong increase in adjusted EBITDA AL in 2027 as it focuses on delivering profitable account growth and driving further operating efficiencies in the business through the company's digital, AI, technology, and network transformation.

In 2025, the company accelerated greenfield network deployment builds and network optimization efforts. The company expects cash capex in 2026 of approximately USD 10.1 billion to fund continued network leadership and ongoing investment in core business growth, including network optimization efforts as part of UScellular integration.

Europe

Economic activity saw a slight recovery in the countries of our Europe operating segment in the reporting year. The European Commission expects growth in the EU will continue in 2026. Despite the rapidly changing geopolitical and geoeconomic environment, as well as continuing market uncertainties – including weaknesses in the industrial sector and restrained business and consumer behavior – economic activity will be buoyed by a robust labor market, falling inflation, and easing financing conditions. Analysys Mason forecasts a slight rise in both total and mobile revenues for 2026 and 2027. In the fixed network, fast, reliable broadband connections remain a key growth driver with revenue predicted to rise by around 3 %. The trend towards increased data usage continues, especially in households that have not previously had sufficiently fast broadband lines. Analysys Mason similarly expects the pay TV business as a whole (including OTT providers) to grow by around 5 % annually over the next two years, driven by streaming services, which overtook traditional TV business for the first time in 2025. In parallel, demand is rising for AI-powered productivity enhancement and personalization solutions. Companies of all sizes are ramping up investments in cybersecurity and data protection to safeguard their competitiveness and strategic independence.

We aspire to continue developing into the Leading Digital Telco in the coming years. All national companies in the Europe operating segment are integrated providers of telecommunications services, have high brand recognition levels, and are very significant players in their respective home markets.

Digital interaction with our customers remains a key factor in meeting customer needs in a more personalized and efficient way, and positioning products and digital services in our European markets more quickly. Our service app (OneApp) is already used by more than two thirds of our customers and is establishing itself as the central digital interface. Whether digital or in person, we want to continue offering a standout customer experience and retain and further build on our customer satisfaction leadership in the European markets, based on the empirically researched TRI*M index.

We continue striving to give our network quality an emotional component through the TV business, which is key for our FMC business, alongside excellent content and a better product experience. In our nine pay TV markets we will continue to offer a comprehensive portfolio of different content partners, whether linear or on-demand. Due to the market heterogeneity in this segment, we pursue local strategies which address the divergent competitive situations in each country. We are also working to standardize the TV product.

We intelligently use our network infrastructure – fast fiber-optic networks and the accelerated rollout of 5G – to make our contribution to digitalization. Having reframed the spectrum used for 3G to increase LTE and 5G capacity in all our footprint countries, we are now working intensively on plans to decommission the 2G networks. We successfully began operating 5G Standalone in Austria, following rollout to Greece and Hungary in the prior year. All other countries are set to follow by 2027 to give all customers the opportunity to benefit from this state-of-the-art technology. Automation and AI are used, e.g., to support fiber-optic planning or to reduce energy consumption in our mobile communications networks. The build-out of fiber-optic technology is progressing further. By the end of 2027, we aim to increase our fiber-optic coverage (homes passed) from 11.3 million at present to around 13.5 million households, connecting around 5.2 million households (homes connected) by the end of 2027 to achieve a utilization rate of 39 %.

In our Europe operating segment, we expect a positive trend in customer numbers in the next two years, primarily thanks to the focus on delivering the best network experience, the best customer experience in interaction with us ("Win the hearts of our customers"), and the best FMC experience for consumers and business customers alike. We expect the number of mobile customers to increase slightly in both 2026 and 2027. We expect the number of fixed-network lines to remain stable in both 2026 and 2027. We expect the number of broadband as well as TV customers to grow in both 2026 and 2027.

We expect revenues for our Europe operating segment to increase slightly in 2026 and again in 2027, measured on a comparable basis, i.e., at constant exchange rates and given an unchanged organizational structure, and comparable market conditions as well as decisions by regulators. We also expect service revenues to increase slightly in both years.

We expect adjusted EBITDA AL to increase to EUR 4.8 billion in 2026, followed by a further increase in 2027. We assume that the trend on the energy market will remain challenging. In order to be better prepared for rising energy prices, we continue to conclude long-term power purchase agreements with local suppliers in the respective European countries. In addition, highly intense competition in the markets of our operating segment could potentially put pressure on our margins. In order to realize cost-cutting potential, we intend to increase our productivity by also using AI and exploit the benefits of digitalization, for instance by automating processes.

To maintain our technology leadership, we continue to invest in fiber-optic and 5G technologies of our integrated networks and plan to maintain the high overall level of investments over the next few years. We expect cash capex (before spectrum investment) to continue at this level in 2026 and 2027.

Systems Solutions

Overall, we expect growth rates in the IT market to remain fairly unchanged in the coming years, while pressure from the high pace of innovation, costs, and intense competition is likely to persist. At the same time, we expect ongoing digitalization to drive further growth in demand for solutions from the areas of cloud services, big data, and automation of business processes using artificial intelligence (AI), as well as cybersecurity.

The market is undergoing a radical structural transformation that opens up numerous opportunities, driven mostly by increased standardization and automation, growing demand for smart services, and the evolution of the outsourcing business towards flexible, cloud-based models. The ongoing digital transformation is additionally increasing the importance of innovative topics such as cybersecurity and the widespread use of artificial intelligence, unlocking attractive growth potential. While traditional IT business may decline further, we expect cloud services and cybersecurity to continue to achieve double-digit growth rates.

Against this backdrop, our aim is to achieve a significant shift in the revenue mix towards our growth areas by systematically driving forward expansion of our growth business – e.g., in the areas of digitalization, sovereign cloud, industrial AI cloud, future cloud infrastructure, Open Telekom Cloud, private generative AI, and cloud professional services. At the same time, we are working to stabilize and realize further efficiency gains in established IT business (e.g., infrastructure solutions). In line with this, our plan is to continue focusing our investments in growth markets, especially in AI and data intelligence, multi- and hybrid cloud services, and cybersecurity. Given the growing strategic relevance of defense, going forward we will manage our activities in this area as an independent focal sector, to enhance our existing focal sector portfolio of automotive, healthcare, and public, as well as intragroup business.

In terms of revenue and market share, we are among the top providers in the European IT service market – in particular in Germany. Our high levels of customer satisfaction – with a TRI*M score of 99 – are a core element in maintaining this position and in playing a leading role in digitalization.

Overall, we forecast growth in order entry for the Systems Solutions operating segment in 2026 and again in 2027. We also expect revenue and service revenue to increase in 2026 and 2027. Adjusted EBITDA AL is expected to increase slightly in 2026, reaching around EUR 0.4 billion. We expect adjusted EBITDA AL to increase in 2027, and cash capex (before spectrum investment) to remain stable in both 2026 and 2027.

Group Headquarters & Group Services

In Group Headquarters & Group Services, we are reaffirming our efficiency ambitions and continuing our efforts to pass on the envisaged cost reductions to the operating segments in the coming years. Specifically, this means reducing intragroup cost allocations by providing our services more cost-effectively, to support a positive contribution to earnings in the operating segments. We are addressing the major challenges posed by the standardization of Group processes and are intently focused on the transformation of the Group entities concerned, in particular through the increased use of digital tools, which promise to unlock significant efficiency gains for our business. Our commitment to a sustainable future is reflected in the continued electrification of our vehicle fleet and the optimization of our real estate portfolio in terms of energy efficiency. We additionally plan to make greater use of environmentally friendly synthetic diesel fuels both for our vehicles and for the heating systems in our real estate portfolio.

The strategy of the Product and Technology Board of management department in the coming years systematically focuses on four key areas: global economies of scale, technological sovereignty, autonomous networks, and data-driven artificial intelligence (AI).

The goal is to scale technology and product platforms Group-wide to sustainably enhance speed, efficiency, and the customer experience. With the organizational realignment of the Networks and IT areas, we are creating clear, crosscutting responsibilities. This will leverage global synergies and accelerate the development and scaling of technology and product innovations – including such new growth topics as B2B solutions and security offerings.

A further focus is on unifying and further developing central platforms, with measures including a common operating system for routers and the expansion of digital customer interfaces, such as the MeinMagenta app. These activities enable us to deliver a consistent user experience across all countries and segments. We are strengthening our technological independence with the ongoing deployment of Open RAN technology. Open RAN is a shift towards open interfaces and greater variety of providers in the Radio Access Network (RAN). We are also developing our own RAN management system to better monitor our costs and the customer experience.

In parallel, we systematically modernize and automate our networks in pursuit of our vision to create AI-assisted autonomous networks that are able to run with minimal human intervention. AI is used throughout the entire value chain in areas ranging from network management to customer service to software development, through the use of AI-powered chatbots and more. AI is also enhancing energy efficiency, in particular in the access network – based on a powerful, modern IT organization delivered by Deutsche Telekom. Cloud-based solutions, standardized software platforms, and the targeted use of AI create a future-proof technological basis and capture efficiencies which are used to power future innovations.

Overall, the activities of the Product and Technology Board department contribute to safeguarding Deutsche Telekom's network and technology leadership and enhancing the customer experience in the Germany, Europe, and United States operating segments.

Risk and opportunity management

Board of Management's assessment of the aggregate risk and opportunity position

The assessment of the aggregate risk position is the outcome of the consolidated analysis of all material risk categories or individual risks. The aggregate risk position deteriorated in 2025 compared with 2024 due to the increasingly tense market environment in Germany and growing geopolitical uncertainty, particularly amid the introduction of trade tariffs. Our major challenges continue to include geopolitical and economic uncertainties, regulatory factors, and intense competition and the associated pressure on profitability in the telecommunications business, as well as the pressure to change arising from new technologies and strategic transformation. At the time of preparing this report, neither our risk management system nor our management could identify any material risks or developments that threaten the continued existence of Deutsche Telekom AG or a significant Group company as a going concern.

We are convinced that we will also be able to master challenges and exploit opportunities in the future without having to take on any unacceptably high risks for our business or for society and the environment. We strive to achieve a good overall balance between opportunities and risks, with the aim of increasing added value for our stakeholders by analyzing and seizing new market opportunities.

For further information on sustainability, please refer to the section "Combined sustainability statement."

Risk and opportunity management system

As one of the world's leading providers in the telecommunications and information technology industry, we are subject to all kinds of uncertainties and change. In order to operate successfully in this ongoing volatile environment, we anticipate potential developments at an early stage and systematically identify, assess, and manage the resulting risks and opportunities. We therefore consider a functioning risk and opportunity management system to be a central element of value-oriented corporate governance.

A risk and opportunity management system of this kind is not only necessary from a business point of view; it is also required by laws and regulations, in particular § 91 (2) and (3) of the German Stock Corporation Act (Aktiengesetz – AktG). The Audit and Finance Committee of the Supervisory Board of Deutsche Telekom AG monitors the effectiveness of the internal control system and the risk management system as required by § 107 (3) sentence 2 AktG.

Our risk and opportunity management system is based on the globally applicable risk management standard of the International Standards Organization (ISO). ISO standard 31000 "Risk management – Principles and guidelines" is regarded as a guideline for internationally recognized risk management systems.

Our Internal Audit unit reviews the functionality and effectiveness of elements of our risk and opportunity management system at regular intervals. Under § 317 (4) of the German Commercial Code (Handelsgesetzbuch – HGB), the auditor of listed companies should assess whether the board of management has taken the measures incumbent upon it under § 91 (2) AktG in a suitable form, and whether the monitoring system stipulated by this paragraph is calculated to meet its objectives, including the early detection of developments that could put the continued existence of the company at risk. Our system complies with the statutory requirements for a risk early detection system. Its key points are set out in the Group Policy on Risk Management.

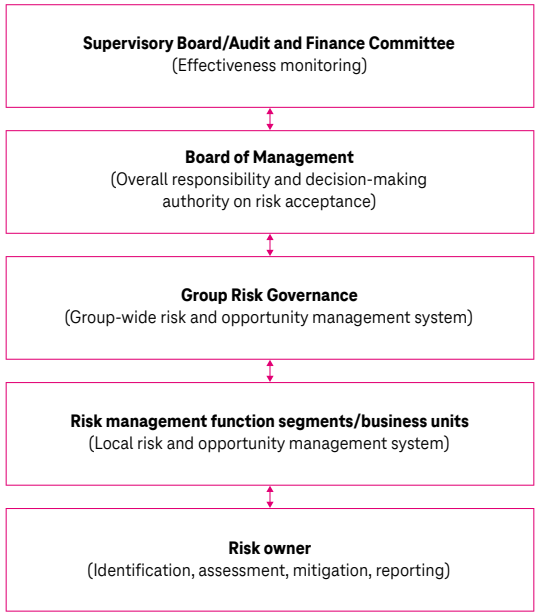
In addition, our Group Controlling unit specifies a series of Group guidelines and processes for the planning, budgeting, financial management, and reporting of investments and projects. These guidelines and processes are intended to guarantee both the necessary transparency during the investment process and the consistency of investment planning and decisions in our Group and operating segments. They also provide the Board of Management with support in reaching its decisions. This process also includes the systematic identification of strategic risks and opportunities.

Organization of the risk and opportunity management system [a]

The Supervisory Board and/or the Audit and Finance Committee of Deutsche Telekom AG ensures the monitoring of the effectiveness of the risk and opportunity management system. The Board of Management bears overall responsibility for the risk and opportunity management system by ensuring that all relevant risks and opportunities are comprehensively and systematically managed. It also has the decision-making authority on the acceptance of risks. The Group Risk Governance unit defines the requirements for the risk and opportunity management system that is applied Group-wide, e.g., the methods and tools, as well as the associated reporting system, in particular the Group risk report. All segments are connected to the Group's central risk and opportunity management system via their own risk management function. The risk management functions in the segments and business units implement the central requirements and operate the local risk and opportunity management system. Risk owners manage risks and opportunities from identification through to reporting.

[a] The disclosures in this section additionally comply with the requirements of ESRS 2 GOV-5 para. 36a, b, d and e for sustainability reporting.

Simplified overview of the risk and opportunity management system



Our Group-wide risk and opportunity management system covers strategic, operational, regulatory, legal, compliance, and financial risks and opportunities for our consolidated and major non-consolidated entities. Risks and opportunities in relation to sustainability reporting are also covered by our risk and opportunity management system. The standard process described below provides a framework. The starting point for the identification of risks and opportunities is the deviation from a planned value or company target. We see an opportunity as a positive and a risk as a negative deviation from the planned value. Once risks and opportunities have been identified, we move on to analyze and assess them in more detail. We then decide on the specific course of action to be taken, for example, in order to reduce risks or seize opportunities. The respective risk owner evaluates, implements, and monitors the associated measures. After taking mitigating measures into account, these risks are summarized in the risk reporting, which is submitted to the decision-makers in the company and/or the relevant supervisory body. This also enables transparent monitoring of the development of individual risks and opportunities, as well as of the overall risk situation, including the mitigation measures taken. Our risk culture, the manner in which we deal with risks and opportunities, is a key component and embedded in all parts of the Company.

The risk and opportunity management process is described below using five elements.

The risk and opportunity management system



Risk culture

Our risk culture includes the basic attitudes in relation to risks and forms the basis and the framework for everyday business, for being able to make risk-oriented decisions. The risk culture is closely interlinked with Deutsche Telekom's corporate culture, which requires risks to be dealt with in a positive and transparent way. At the core of our risk culture is the motto "Everyone is a risk manager," which means that, in principle, every employee should take responsibility for their risks and handle them in accordance with the defined process.

Corporate targets

The corporate targets (or targets for the relevant individual unit derived from these) serve as the starting point for the identification of risks and opportunities as deviations from planned values. These include both quantitative and qualitative targets. In order to assess the threat to the continued existence of the Company, we implemented the concept of risk-bearing capacity. Risk-bearing capacity encompasses the assets for covering possible losses. These assets are defined through equity and liquidity.

Analysis of risks and opportunities

Identification of risks and opportunities. Each segment and the central Group functions produce a quarterly risk notification or risk report in accordance with the standards laid down by the central Group Risk Governance unit and based on specific materiality thresholds. These reports or notifications assess risks and opportunities, taking into account their extent in terms of impact on results of operations or financial position, as well as their probability of occurrence, and they identify action to be taken and suggest or initiate measures. Qualitative factors affecting our strategic positioning and reputation are taken into account. We base our assessment of risks and opportunities on a period of two years. This is also the length of our forecast period. If significant risks and opportunities exist beyond the forecast period, these are monitored and documented on an ongoing basis. In addition, on an annual basis, we consider "emerging risks," which are primarily derived from external studies. These are risks and opportunities that are developing at considerable pace, and in some cases are difficult to assess. These risks and opportunities are either new or becoming substantially more significant for our Company over time. Risks and opportunities like these are triggered primarily by technological developments (e.g., digitalization), environment (e.g., climate change), geopolitical tensions (e.g., wars or trade disputes), macroeconomic factors (e.g., shortages of skilled labor or economic developments), or threats (e.g., cyberattacks).

Assessment of risks and opportunities. Individual risks and opportunities are assessed on the basis of "probability of occurrence" and "risk extent/opportunity extent." The following assessment yardsticks apply:

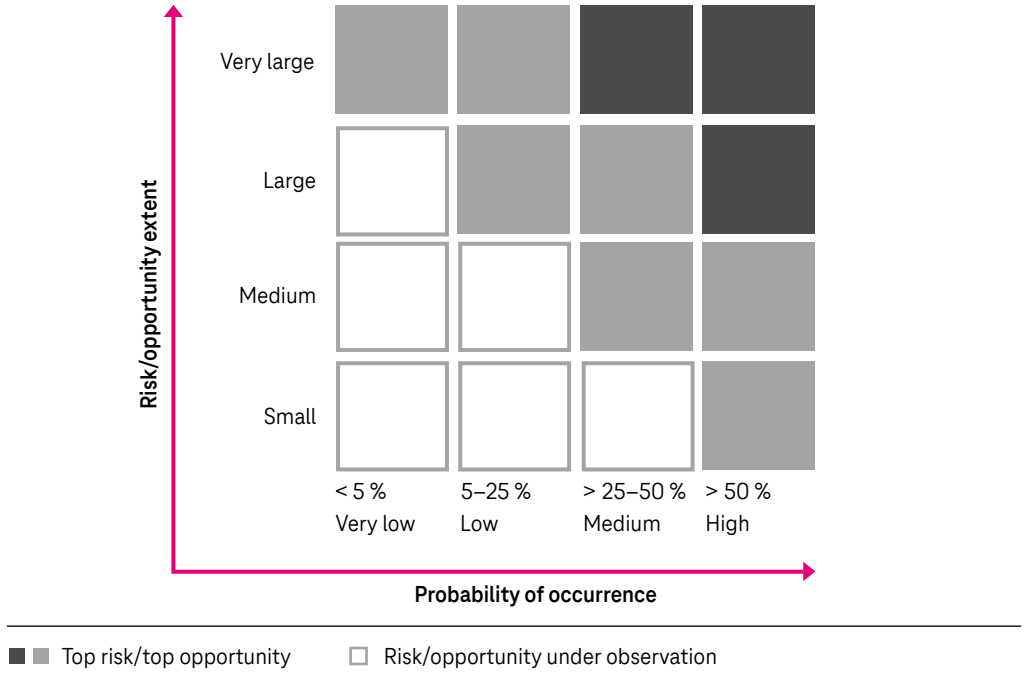
Probability of occurrence	Description
< 5 %	Very low
5 to 25 %	Low
> 25 to 50 %	Medium
> 50 %	High

Risk extent (opportunity extent)	Description
Small	Limited negative (positive) effects on business activities, results of operations, financial position, and reputation, individual EBITDA AL risk (opportunity) < € 200 million
Medium	Negative (positive) effects on business activities, results of operations, financial position, and reputation, individual EBITDA AL risk (opportunity) ≥ € 200 million
Large	Significant effects on business activities, results of operations, financial position, and reputation, individual EBITDA AL risk (opportunity) ≥ € 500 million, and/or affects more than one Group entity
Very large	Significant negative (positive) effects on business activities, results of operations, financial position, and reputation, individual EBITDA AL risk (opportunity) ≥ € 1.0 billion, and/or affects more than one Group entity

In addition, the appropriate distribution function (e.g., PERT function) is used to quantify the risk/opportunity. This also flows into the risk aggregation. The risk/opportunity extent is primarily assessed in terms of impact on EBITDA AL. If relevant, other indicators are to be used for the assessment, e.g., financial risks/opportunities related to cash flow or accounting risks/opportunities related to depreciation, amortization and impairment losses, which can also be used to assess the categories of risk.

On the basis of our assessment using the criteria described above, we categorize the individual risks and opportunities in our risk and opportunity management process as top risks/opportunities or risks/opportunities under observation, as shown in the graphic below. Top risks are managed with priority.

Risk portfolio/opportunity portfolio



We generally report the top risks/top opportunities (gray and dark gray shading). Exceptions are possible, for example, risks and opportunities from prior years that we continue to list for the sake of reporting continuity although they are classified as "risks/opportunities under observation" (white shading) in the current reporting period. Risks and opportunities are recognized in separate portfolios.

For the aggregate disclosure of an overall risk position, Group Risk Governance performs an "EBITDA AL at risk" and a "cash flow at risk" calculation for Deutsche Telekom. This states that, with a particular probability of occurrence, the risk extent ascertained using the simulation will not be exceeded. The risk aggregations are carried out using a technique that has become known as Monte Carlo simulation, in which a large number of risk-related potential future scenarios is considered. The overall risk positions are set in relation to the assets for covering possible losses, so as to enable the early identification of any development that could jeopardize the continued existence of the company. The risk-bearing capacity analysis is carried out once a quarter as part of risk reporting. In addition to shareholders' equity and liquidity, it also takes into consideration the fair value of listed subsidiaries and equity investments, liabilities, as well as loan and bond conditions.

The risk analysis described also covers the identification and assessment of risks and opportunities in relation to sustainability reporting.

Opportunities and risks in the annual planning process. The identification of opportunities and risks and their strategic and financial assessment is an essential part of our annual planning process. They thus become part of our forecast statements for the financial and non-financial performance indicators.

The short-term monitoring of results and the medium-term planning process help our operating segments and Group Headquarters identify and act on the opportunities and risks in our business throughout the year. While short-term monitoring of results mainly targets opportunities and risks for the current financial year, the medium-term planning process focuses on opportunities and risks that are strategically important for our Group.

In our planning process, the preliminary plans of our operating segments form the basis for a concentrated planning phase during which members of the Board of Management, business leaders, executives, and experts from all business areas intensively discuss the strategic and financial focus of the Group and its operating segments, and from all of which they ultimately produce an overall picture. In this process, opportunities relating to innovations are identified and assessed in strategic and financial terms. Such brainstorming exercises may result in opportunities being included in planning and transferred to the organization, and measures to mitigate risks being integrated in the planning. Risks and opportunities from the risk and opportunity management process that have a probability of occurrence of more than 50 % are included in the planning.

Risk and opportunity management

Group insurance management. To the extent possible and economically viable, we take out adequate Group-wide insurance cover for insurable risks. DeTeAssekuranz – a subsidiary of Deutsche Telekom AG – acts as an insurance broker for group insurance management. It develops and implements solutions for the Group's operational risks using insurance and insurance-related tools and places them on the national and international insurance markets.

Taking out insurance cover is an essential option for our external risk transfer. The coverage of risks in our Group insurance programs requires the transfer of risk for the purpose of protecting the Group's financial position. That means that the possible extent of the risk must have reached a volume "relevant for the Group" or the risks have to be bundled and managed at Group level to protect the Group's interests (opportune reasons/cost optimization/risk reduction).

Business continuity management (BCM). BCM is a process within operational security and risk management that helps protect business processes from the consequences of damaging incidents and disruptions. It ensures the continuation of business processes through ongoing analysis, assessment, and management of relevant risks for people, technology, infrastructure, supply and service relationships, and information. The aim is to identify potential threats at an early stage and to keep the impact and duration of disruptions to critical business processes to an acceptable minimum by means of corresponding BCM measures and regular monitoring of the BCM plans, by ensuring appropriate resilience in the organization plus the ability to effectively cope with threats.

To this end, BCM identifies critical business processes and business processes requiring protection, including any supporting processes, process steps, and assets (people, technology, infrastructure, information, and supply and service relationships). Appropriate precautionary measures are also defined. In particular, Security Management works in coordination with the relevant units and process owners to analyze the possible consequences of external and internal threats with relevance for security, such as natural disasters, vandalism, or sabotage. Once the extent of potential losses and probability of occurrence have been assessed, preventive measures can be put in place and continuity, contingency, and crisis plans developed.

Risk containment measures. The risk owners initiate and execute further measures to mitigate the risks. A wide range of measures are available, depending on the risk type. A few examples of these measures are:

- We tackle risks from the market environment with comprehensive sales controlling and intensive customer management.
- We deal with risks arising from brand and reputation by continuously analyzing the market and communications.
- We also take a whole array of measures to deal with operational risks: for example, we constantly implement operational and infrastructural measures in order to improve our networks, and offer our employees systematic training and development programs.
- We deal with risks from the political and regulatory environment through an intensive, constructive dialogue with policymakers and the authorities.
- We minimize legal risks by ensuring suitable support for proceedings and by designing contracts appropriately in the first place.
- We manage interest and currency risks by means of systematic risk management and hedge them using derivative and non-derivative financial instruments.
- The Group Tax unit identifies potential tax-related risks at an early stage and systematically records, assesses, and monitors them. It takes any measures necessary to minimize tax-related risks and coordinates them with the Group companies affected. The unit also draws up and communicates policies for avoiding tax risks.

Our risk handling activities also involve incorporating the findings from the risk assessment and internal controls in relation to sustainability reporting into internal processes.

Risk and opportunity monitoring

The Group risk report, which presents the major risks and opportunities, is prepared for the Board of Management on a quarterly basis. The Audit and Finance Committee of the Supervisory Board of Deutsche Telekom AG also examines this report at its meetings. Furthermore, the Board of Management informs the Supervisory Board. In addition, the emerging risks are presented once a year as part of the risk report. The findings from the risk assessment and the internal controls in relation to the sustainability reporting process are also covered. Among other benefits, the risk report ensures transparent monitoring of the development of individual risks and opportunities, as well as of the overall risk and opportunity situation. This is supported by the Group-wide risk management tool. If any unforeseen risks or opportunities arise, they are reported ad hoc (including outside of regular quarterly reporting). We inform the Audit and Finance Committee about all of the latest developments and/or changes in the risk management system at a special meeting held annually.

Risks and opportunities

In the following section, we present all risks and opportunities of significance to the Group – including emerging risks – that could affect the results of operations, financial position, and/or reputation of Deutsche Telekom and, via the subsidiaries' results, the results of operations, financial position, and/or reputation of Deutsche Telekom AG. We only consider risks and opportunities after the mitigation measures taken (net assessment). If risks and opportunities can be clearly allocated to an operating segment, this is presented accordingly in the following.

In order to make it easier to understand and see their effects, we have assigned the individually assessed risks and opportunities to the following categories. Where multiple individual risks and opportunities are assigned to one risk category, we calculate the risk significance on the basis of risk aggregation carried out using a Monte Carlo simulation, as multiple risks/opportunities cannot simply be added up. In this simulation, we consider the individual risks and opportunities along with their individual extent and probability of occurrence. The outcome, or risk significance, is the "value at risk." This states that, with a particular probability of occurrence, the risk extent ascertained using the simulation will not be exceeded. An expert assessment is used for risk categories that have not been quantified.

The resulting risk significance for the risk categories is broken down into four levels:

Risk significance	Description
Low	< € 200 million value at risk
Medium	≥ € 200 million value at risk
High	≥ € 500 million value at risk
Very high	≥ € 1.0 billion value at risk

Corporate risks and opportunities

	Risk significance	Change against prior year (2024)
Strategic risks and opportunities		
Macroeconomic environment, Germany	Medium	Unchanged
Macroeconomic environment, United States	Medium	Unchanged
Macroeconomic environment, Europe	Medium	Unchanged
Market environment, Germany	Medium	Deteriorated
Market environment, United States	Very high	Unchanged
Market environment, Europe	Low	Unchanged
Strategic implementation and integration	High	Unchanged
Brand and reputation	Low	Unchanged
Sustainability and social responsibility	Medium	Unchanged
Health	Low	Unchanged
Operational risks and opportunities		
Technology, Germany	Low	Unchanged
Technology, United States	Medium	Unchanged
Technology, Europe	Low	Unchanged
Procurement and suppliers	High	Deteriorated
Data privacy and data security	Very high	Unchanged
Other operational risks and opportunities	Medium	Unchanged
Regulatory risks and opportunities	Medium	Unchanged
Litigation and anti-trust proceedings	See "Litigation and anti-trust proceedings"	
Compliance risks	See "Compliance risks"	
Financial risks and opportunities	Medium	Unchanged

Strategic risks and opportunities

Risks and opportunities relating to the macroeconomic environment

Uncertainty over the global economic outlook remains high. In particular, ongoing high geopolitical tensions constitute a significant risk factor. A renewed escalation of the conflicts in the Middle East could push up energy prices and disrupt supply chains, which would affect our Germany and Europe operating segments in particular. Also, an escalation of the war in Ukraine could have a negative impact on economic growth in Europe and the financial markets. The increasingly hybrid nature of warfare also brings critical infrastructure into greater focus, such that it could become necessary to increase defenses and business disruptions could occur. Other geopolitical conflicts, such as between China and Taiwan, North and South Korea, or in the South China Sea, as well as uncertainties in international trade constitute additional risk factors.

Uncertainty in trade policy has risen further in the context of increasing import restrictions in major economies. An expansion of trade barriers, such as higher tariffs or export controls on critical intermediate products like rare earth elements, battery technologies, or semiconductor components, could have a significant adverse effect on global supply chains, push up production costs, and lead to price increases. Such measures would further restrict economic conditions, especially for export-oriented countries like Germany, and could push up inflation, especially in the United States. Furthermore, changes in the political and institutional environment of individual countries could affect the predictability of economic conditions.

There are also still financial risks resulting from high debt levels and asset valuations, as well as the declining credit quality of some debtors. A rise in company insolvencies could have a negative impact on our business customer segment. The rising cost of living and decreases in disposable household income could trigger migration to lower-cost rate plans in the consumer segment, or larger numbers of customers defaulting on payments.

Furthermore, extreme risks with a high impact of loss and a very low probability of occurrence could have a substantial impact on the global economy and our business. Examples of these are extensive extreme weather events (e.g., tsunamis or solar storms), disruptive new technologies, further armed conflicts, or new pandemics.

These risks are counterbalanced by opportunities. In particular, the economy could perform better than expected if consumer restraint among private households eases. A potential settlement of geopolitical conflicts or lower energy prices could also strengthen consumer confidence and improve the general business climate. In addition, stronger fiscal stimulus through higher public investment – for instance in infrastructure, digitalization, or defense – could give a boost to economic momentum and create a more favorable macroeconomic environment. Deregulation and reduced bureaucracy could also promote growth in the medium term.

Risks from the market environment

The main market risks we face include the steadily falling profitability of fixed-network and mobile services. In addition to price reductions imposed by regulatory authorities, this is primarily attributable to ongoing intense competition in the telecommunications industry.

In the fixed network, competitive pressure is expected to remain high. In the broadband market, competition is growing from providers with their own fiber-optic networks. What's more, there is still strong price competition with high introductory discounts from cable network operators and providers without their own fixed-network infrastructure. These factors could have a direct impact on connection rates and indirectly lead to longer payback periods for market participants.

We also expect ongoing price pressure in mobile communications, which could negatively affect our mobile service revenues. The main reason for this price pressure is data-centric, aggressively priced offers. There is also the risk that smaller competitors will take unforeseen, aggressive pricing measures. Technological innovations could put further pressure on prices by increasing the willingness of customers to switch providers.

Another competitive risk lies in the fact that, both in the fixed network and in mobile communications, we are increasingly faced with competitors who are not part of the telecommunications sector as such, but are increasingly moving into the traditional telecommunications markets. This mainly relates to major players in the internet and consumer electronics industries. As a result, we are exposed to the risk of a further loss of share of value added and falling margins due to increasingly losing direct customer contact to competitors.

Our Germany operating segment is facing market risks in the Consumers, Business Customers, and Wholesale segments due to an increasingly strained market environment (particularly with competition) and uncertain economic trends amid geopolitical challenges. This trend could continue in the medium term, such that we have raised the risk significance of the risk category "Market environment, Germany" from low to medium.

It is difficult for companies to take a stance on sociopolitical topics. With regard to many sociopolitical questions, a company's reaction or the lack of a reaction represents a risk to reputation, revenue, and employee satisfaction. Meeting the requirements of government institutions, customers, and investors is becoming ever more challenging.

T-Mobile US is active in a market environment that is characterized by intensive competition. Alongside traditional telecommunications providers that deliver bundled offerings including content and mobile video services, there is additional competition, as mobile, fixed-networks, and satellite industries increasingly converge. Additionally, potential market saturation in the United States may cause the wireless industry's customer growth rate to decline in comparison with previous years. The industry is also highly competitive in spectrum positions, which are crucial to improving existing offerings and introducing new services. T-Mobile US, through its strategic acquisition of spectrum, enabled the capabilities to offer 5G broadband. 5G broadband allows our U.S. subsidiary to offer its own access product and provide a basis on which to continue the business with bundled offerings. Furthermore, T-Mobile US continues to develop and maintain strategic partnerships and MVNO relationships. T-Mobile US must continue to successfully refine and implement its market strategy as Value Leader, Customer Service Leader and 5G Network Leader to attract and maintain private and business customers. Increasing competitive pressure due to attractive bundle offers and device promotions could lead to difficulty in achieving targets in terms of business, financial and operating results in the future.

Innovation cycles are getting shorter and shorter. This confronts the telecommunications sector with the challenge of bringing out new products and services at shorter and shorter intervals. New technologies are superseding existing technologies, products, or services in part, in some cases even completely. This could lead to lower prices and revenues in relation to the services offered, such as telephony, internet access, or television – right through to full substitution by new, global providers. These substitution risks could impact our revenue and earnings. We deal with substitution risks by, for example, offering integrated, in some cases AI-based solutions with hyper-personalization, contextualization, and consistent interoperability of our products, in order to "turn customers into fans" and thereby secure their loyalty. The geopolitical dynamics between the three economic areas of the United States, Europe, and China could pose the risk of increasing fragmentation in the global technology landscape, in part due to different regulatory requirements and diverging technology policies. This could result in heightened strategic uncertainties in investment and technology decisions as well as higher compliance costs. The AI era is also characterized by high regulatory and technological complexity.

Our Systems Solutions operating segment also faces challenges. Continued intense competition and persistent cost pressure are adversely affecting traditional IT business. In addition, the technological shift toward cloud solutions and digitalization in the IT sector is prompting strongly capitalized competitors to enter the market – including in the field of sovereign cloud offers. This might lead to revenue losses and declining margins at T-Systems.

Opportunities from the market environment

The telecommunications and IT market is extremely dynamic and highly competitive. The economic and competition conditions as well as customers' changing wants and needs affect our actions and impact on our Company indicators. We generally expect the situation to develop as described in the section "Forecast."

Apart from the risks described, there is the possibility that our customers could move to higher-value combined rate plans, motivated by the leading customer experience in the "best network." Likewise, further growth could be generated by tapping into new customer segments, especially in the United States (e.g., for business customers and small and medium-sized enterprises). In the United States, the changing fixed-network market with the increased use of fiber-to-the-home (FTTH) and fixed wireless access (FWA), along with the corresponding fixed-network/mobile bundled products, offers additional opportunities. In addition, ever-shorter innovation cycles could enable us to drive the digital transformation of our society and to provide our consumers and business customers with innovative products and solutions. The use of artificial intelligence (AI) also opens up the possibility of digitalizing more processes or implementing them faster and in higher quality. We are already on track for autonomous networks that increasingly monitor, manage, and configure themselves, leading to fewer outages and at the same time, ensuring higher quality and better energy efficiency. That is why, with the growing convergence of networks, IT, and products, our innovation and technology activities are decisive when it comes to identifying opportunities and making the most of them in an increasingly competitive environment. Hence, our Product and Technology Board of Management department has joined all relevant functions under a common leadership to ensure a close integration of technology, products, IT, and security. This is how we are shaping the future of telecommunications in the AI era with innovative technology and trustworthy products that delight our customers, and once again won awards in the reporting year, among other things, for the best network, our Frag Magenta chatbot, the MagentaTV television product, and for the newly launched AI phone (T Phone 3).

For further information, please refer to the section "Group strategy."

The substantial increase in capacity, bandwidth, and availability, and the lower latencies provided by the 5G mobile standard we have rolled out, especially in the standalone variant, offer greater reliability, security, and guaranteed service quality, for example for industrial use cases. 5G enables increased requirements for existing business models to be managed more cost-efficiently. In addition, it offers opportunities for further business models, by marketing improved network capabilities (e.g., network access, localization, security, identity, storage location, temporary storage) to relevant partners. We have already implemented many use cases with 5G, such as 5G campus networks, mobile gaming, and support for autonomous driving. Together with other technologies like the NarrowBand Internet of Things (NB-IoT) and AI, 5G provides an important basis for the further digital transformation of society. In addition, we launched new digital offers in the reporting year, which could open up new revenue potential: For example, with our network programming interfaces (Magenta API Capability Exposure), we are giving software developers and companies digital access to certain network services, so as to improve the user experience and security of individual third-party applications like autonomous driving. We will further extend this offering. Looking ahead to the next generation telecommunications networks (6G), we are working with industry and research to drive new standards that strengthen the connectivity of all people, the orchestration of heterogeneous access networks, sustainability (including carbon neutrality), as well as data privacy, trust, and security – while at the same time enabling AI-powered, highly automated network operation with falling operating costs, ever increasing capacities and performance, greater resilience of the networks operated as critical infrastructure, and integrated features for new products and business models.

Furthermore, opportunities for new project business are emerging in our systems solutions business from data sovereignty, multi-cloud transformation and optimization, and innovation areas such as AI, and industrial metaverse projects. The increased demand for sovereign cloud offers, in particular for GPU infrastructures (graphics processing units) for sovereign AI development, offer potential for business development.

Risks relating to strategic implementation and integration

We are in a continuous process of strategic adjustments and cost-cutting initiatives. If we are unable to implement these projects as planned, we will be exposed to certain risks. In other words, the benefit of the measures could be less than originally estimated, take effect later than expected, or not at all. Each of these factors, individually or in combination, could have a negative impact on our business situation, financial position, and results of operations.

As a part of the business combination of T-Mobile US and Sprint, numerous commitments were made to secure approvals. Most commitments have been accomplished. Nevertheless, should any remaining commitments not be achieved, litigation or financial consequences could be a result. In the United States, growth opportunities in the wireless business are becoming more difficult and expensive due to market saturation. Non-core and emerging businesses may be relied on to continue subscriber growth. T-Mobile US is also engaged in complex digital transformation efforts intended to streamline operations, enhance customer experience, and improve its overall competitiveness. These initiatives involve emerging technologies, advanced analytics, and AI-driven tools, which carry significant uncertainties such as integration challenges, data security and privacy risks, regulatory compliance, and the need for specialized skills. Failure to effectively execute these initiatives – or secure robust adoption – could diminish the expected benefits and adversely affect T-Mobile US's competitiveness, financial performance, and reputation.

Opportunities relating to strategic implementation and integration

We are tapping into strategic growth areas outside of our core business by working with partners to develop new digital business models on the basis of our assets or capabilities so as to create new customer experiences. These partnerships open up opportunities for us to increase revenue and strengthen long-term customer loyalty. Since 2022, we have offered our customers exclusive products, services, and benefits as part of our Magenta Moments loyalty program integrated in the MeinMagenta app. Cooperations with partner firms like Rituals, Lindt, Disney, and Perplexity are a key component of our activities and will play an even more crucial role in light of the pan-European expansion of our loyalty measures in Europe. In this growth area, we are piloting a number of partnerships involving artificial intelligence applications and capabilities, which include knowledge transfer, creative image processing, generation of podcasts and much more, for example with Perplexity, OpenAI, ElevenLabs, or Black Forest Labs. AI applications are either integrated in our MeinMagenta app for a seamless customer experience, or natively bundled in our AI phone or AI tablet.

The strategically driven disaggregation of access networks (in mobile communications, Open Radio Access Network, Open RAN; in the fixed network, Access 4.0) and core networks (such as the 5G core network) will lead to an expansion of our supplier ecosystem and as such to opportunities through increased competition, greater flexibility, and additional innovations. The promotion of (also AI-based) automation of network management and global scaling of technical platforms will also lead, in the medium term, to a reduction in overall costs and increased agility and speed in the provision of new services and features. By rigorously implementing regulatory requirements and strategic targets on network resilience and data privacy, we can expand our market position as a reliable partner. The integration of satellite networks also contributes to this, allowing for network coverage and availability in previously undeveloped geographies. Together with partners, Deutsche Telekom has brought the first products to the market in the United States and Europe.

We are driving forward the transformation of our IT by working with state-of-the-art technology, integrating AI solutions, and developing in an agile manner. In this process, we consistently focus on measurable business results, reduce complexity, and gradually replace outdated systems. Our IT solutions are scaled globally instead of being developed repeatedly. This approach increases efficiency, strengthens the consistency and resilience of our systems, and creates the basis for end-to-end digital customer experiences. Our global IT strategy is rigorously focused on digital product organization. It is based on a cloud-native, scalable infrastructure and robust architecture that accelerates innovation and enables seamless customer experiences.

Risks and opportunities arising from brand and reputation

An unforeseeable negative media report on our products and services or our corporate activities and responsibilities may have a huge impact on the reputation of our Company and our brand image. This can also be intensified through increasing regulation and the expectation that Deutsche Telekom take a position with regard to political and social topics. Social media may make it possible that such information and opinions can spread much faster and more widely. This may also include misinformation or disinformation concerning Deutsche Telekom produced by AI. Ultimately, negative reports may impact on our revenue and our brand value. In order to avoid this, we engage in a constant, intensive, and constructive dialogue with our stakeholders, in particular with our customers, the media, and the financial world. For us, the top priority is to take as balanced a view as possible of the interests of all stakeholder groups and thereby uphold our reputation as a reliable partner.

Risks and opportunities relating to sustainability and social responsibility

For us, comprehensive risk and opportunity management also means considering the opportunities and risks arising from ecological or social aspects or from corporate management and control. The Board of Management has implemented systems for risk identification and mitigation, in particular the risk and opportunity management system and the internal control system, including the compliance management system. Sustainability topics are integrated into both the risk and opportunity management system and the internal control system. Both systems incorporate sustainability aspects, which remain of great importance as regulatory requirements continue to evolve. We again used our materiality assessment as a starting point for identifying and evaluating financial risks and opportunities that may arise from our sustainability topics. Risks and opportunities in the Group are essentially assessed through the risk and opportunity management process. As a result, topics are covered that are also highly relevant from a sustainability perspective. The complementary analysis of risks and opportunities in the context of the materiality assessment also helps us take the impact of our business activities on society and the environment, as well as financial impacts on our Company, into account. If new findings arise in this process, they are incorporated into the risk and opportunity management process. To this end, we actively and systematically involve all relevant stakeholders in the process so as to identify current and potential risks and opportunities along our entire value chain. In parallel with our ongoing monitoring of ecological, social, and governance issues, we systematically determine our stakeholders' positions on these issues. The key tools we use here are: an AI-based trend analysis, a document analysis, covering legal texts, studies, and media publications, among other things; our involvement in working groups and committees of (inter)national business associations and social organizations, e.g., GeSI, Connect Europe, BDI, Bitkom, econsense, UN Global Compact, and BAGSO; dialogue formats organized by us; our various publications, such as the press review and newsletters; and workshops with experts from our Company, thereby recording the associated positioning and development of measures in the various business areas.

For further information on sustainability, please refer to the section "Combined sustainability statement."

We have identified the following as the most financially significant issues for our sustainability management:

Reputation. How we deal with sustainability issues also entails both opportunities and risks for our reputation. A high level of service quality is one of the most important factors for improving customer perception. Customer retention/satisfaction has been embedded in our Group management as a non-financial performance indicator to underline the importance of this issue. Transparency and reporting help to promote the trust of other external stakeholders in our Group. Our annual and CR reports also serve this purpose. However, issues such as business practices, data privacy and security and work standards among suppliers, conduct in relation to human rights, and ethical conduct in relation to and use of AI also entail reputational risks: if our brands, products, or services are connected with such issues in negative media reports, this may cause substantial damage to our reputation. We continuously review such potential risks and take mitigation measures to minimize them. This includes determining the relevance of the risks in relation to sustainability issues and their effect on reputation across units. We also ascertain how our products and services make a positive contribution to sustainability in order to enhance our reputation. Potential reputational risks are incorporated into our compliance risk assessment.

Climate protection. We pursue an integrated climate strategy, which means focusing not only on the risks that climate change poses for us and our stakeholders, but also on the opportunities it presents. By 2030, ICT products and services will have the potential to save up to nine times as much in CO_2 emissions in other industries as the growth in the ICT sector itself will generate, even taking into account the expected rebound effects (according to a Bitkom study on the climate effects of digitalization). The savings potential of digital technologies hence far outweighs the generated CO_2 emissions. Taking an optimistic view, this could mean a 9 % reduction in global CO_2 emissions by 2030. In addition, investments of around USD 3 trillion in innovative solutions are expected by 2030, which will not only expand the business, but will also support the SDGs. We are supporting this trend by evaluating our product portfolio to identify sustainability benefits. In addition, we want to continuously improve the ratio of the emissions that our products and services save to those generated in our own value chain.

Climate change risks are already visible in the form of increasingly extreme weather conditions. Such storm events could damage our infrastructure and disrupt network operation. This would have a direct effect on our stakeholders, e.g., our customers, suppliers, and employees, and could result in revenue losses or lower customer satisfaction. The risk is assessed in relation to the continuation of operations as part of risk management and is managed at an operational level in the business units. Deutsche Telekom welcomes the targets behind the Task Force on Climate-related Financial Disclosures (TCFD) and is actively working to implement them. Based on a gap analysis on the coverage of TCFD recommendations, we defined Deutsche Telekom AG's material climate-related opportunities and risks and gave them a weighting in a number of workshops with relevant players from technology, procurement, strategy, and risk management. As a next step, we conducted a location analysis, with the example of Germany, of the physical climate risks in various climate scenarios (business as usual and four-degree scenario), which have been internationalized as part of a transnational project involving our companies in Germany, Hungary, Croatia, Greece, Slovakia, the Czech Republic, Poland, Austria, and the United States, which represent around 97 % of the Group's net revenue. In addition to the physical risks, transitory risks (threats arising from sudden adaptations to climate change made by economic sectors) were also analyzed in detail by means of a workshop.

For further information on this, please refer to the section "Combined sustainability statement."

We can take further preventive action in this area by also reducing our own CO_2 emissions. For this reason, in 2021 we had set ourselves the ambitious target of cutting our CO_2 emissions across the Group (Scope 1 and 2) to net zero by 2025. And we reached our target of achieving net zero emissions in our own business operations by the end of 2025. To achieve this, we reduced emissions from our own operations globally by more than 94 % against the 2017 level. We offset the remaining emissions of our CO_2e footprint through high-quality projects to remove CO_2 from the atmosphere, for example, through reforestation. By 2040 at the latest, we want to achieve net zero emissions along the entire value chain – across Scope 1, 2 and 3 emissions. Regardless of this, climate protection also carries financial risks, whether from the introduction of levies on CO_2 emissions or increased energy costs, as well as stricter requirements for products, for example in relation to energy efficiency. The mitigation measures we are taking to counter these risks include measuring our own energy efficiency and finding ways to improve it. Our sustainability-related targets agreed for Board of Management remuneration with regard to the respective annual energy consumption and the annual CO_2 emissions for Scope 1 and 2 also contribute to achieving the climate targets and energy efficiency measures. We have a Group-wide program to specifically address our supply chain and we are working to optimize our products and their packaging. 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.

For further information on this, please refer to the section "Combined sustainability statement."

Due diligence obligations in the Group (German Act on Corporate Due Diligence in Supply Chains (Lieferkettensorgfaltspflichtengesetz – LkSG)). As part of our global procurement activities in particular, we could be exposed to country- and supplier-specific risks. These include, for example, inadequate local working and safety conditions. Violations could cause severe damage to those affected and could result in reputational damage and negative financial consequences for companies. Our LkSG management system includes due diligence processes directed at identifying risks or also violations related to human rights and environmental concerns and, building on this, taking appropriate preventive and/or corrective measures. It encompasses our own business areas, i.e., all Group companies over which Deutsche Telekom exercises a decisive influence (which in particular does not apply to T-Mobile US), and our direct and indirect suppliers. The LkSG management system is linked with various established risk processes in the Group, e.g., with the compliance risk assessment of our compliance management system. A central component of the LkSG management system is the regular risk analyses for the own business operations of the consolidated Group companies (Deutsche Telekom excluding T-Mobile US) and their direct suppliers. In addition, ad hoc risk assessments are carried out for the entire value chain, for example, before acquisitions. In order to monitor the effective functioning of the LkSG management system, Deutsche Telekom AG has defined the roles of human rights officer and LkSG officer, which will be exercised by the Vice President for Group Corporate Responsibility. This person reports directly to the Chair of the Board of Management of Deutsche Telekom AG and has further supporting functions. Where required to under national regulations (e.g., under the German Act on Corporate Due Diligence in Supply Chains (LkSG)), Group companies have appointed monitoring roles in the same form for their business areas.

> For further information about the results of the annual risk analysis, please refer to the section "Combined sustainability statement" and our annual LkSG report.

Health

Mobile communications, or the electromagnetic fields used in mobile communications, regularly give rise to concerns among the general population about potential health risks. This issue continues to be the subject of public, political, and scientific debate. Acceptance problems among the general public mostly concern mobile communications networks and occasionally the use of mobile terminals such as smartphones, tablets, and laptops. The discussion has repercussions for the build-out of the mobile infrastructure. There is a risk of regulatory interventions, such as raised thresholds for electromagnetic fields or the implementation of precautionary measures in mobile communications, e.g., amendments to building law.

Over the past few years, recognized expert organizations such as the World Health Organization (WHO) and the International Commission on Non-Ionizing Radiation Protection (ICNIRP) have repeatedly reviewed the current thresholds for mobile communications and confirmed that – if these values are complied with – the use of mobile technology is safe based on current scientific knowledge. (Inter)national expert organizations will continue to regularly review the recommended thresholds.

We are convinced that mobile communications technology is safe if specific threshold values are complied with. We are supported in this conviction by the assessment of the recognized bodies. Our responsible approach to this issue finds expression in our Group-wide EMF Policy, with which we commit ourselves to more transparency, information, participation, and to a focus on scientific facts, far beyond that which is stipulated by legal requirements. We aim to overcome concerns among the general public by providing objective, scientifically well-founded, and transparent information. We thus continue to see it as our duty to continue our trust-based dialogue with local authorities and to ensure its successful progress. This particularly applies since our collaboration with municipalities to expand the mobile network was incorporated in law.

Operational risks and opportunities

Risks arising from technology

We have increasingly complex information technology/network infrastructure (IT/NT), which we constantly expand and upgrade to ensure the best customer experience and consolidate our technology leadership. Outages in the technical infrastructure cannot be completely ruled out and could in certain circumstances result in revenue losses or increased costs. What's more, our IT/NT resources and structures are the main organizational and technical platform for our operations. The growing dependence on IT and the general increase in complexity harbors risks. In order to counter these holistically, our technology, product, innovation, IT, and security activities are combined under the Board of Management department for Product and Technology.

Risks could arise in this area relating to all IT/NT systems and products that require internet access. For instance, faults between newly developed and existing IT/NT systems could cause interruptions to business processes, products, and services, such as smartphones and MagentaTV, or to connectivity for business customers. In order to avoid the risk of outages, e.g., due to natural disasters or fires, we use technical early warning systems, redundant IT/NT systems, and available emergency infrastructure. The Computer Emergency Response Team (CERT) at Deutsche Telekom Security is in charge of protecting our business customers' IT infrastructure and applications. In cloud computing, all data and applications are stored at a data center. Our European data centers have security certification and meet strict data protection provisions and the EU regulations. All data relating to companies and private persons is protected from external access. Constant maintenance and automatic updates keep the security precautions up to date at all times. On the basis of a standardized Group-wide business continuity management (BCM) process, we also take organizational and technical measures to prevent damage from occurring or, if we cannot, to mitigate the subsequent effects. We also have insurance cover for insurable risks.

T-Mobile US relies upon its systems and networks and the systems and networks of other providers and suppliers, to provide and support services. T-Mobile US' business, like that of most retailers and wireless companies, involves the receipt, storage, and transmission of customers' confidential information, including sensitive personal information, payment card information, and confidential information about their employees and suppliers, as well as other sensitive information about T-Mobile US, such as business plans, transactions, and intellectual property. Cyberattacks, such as denial of service and other malicious attacks, or other systems and IT failures, such as hardware or software failures, could disrupt T-Mobile US' internal systems, networks, and applications, impair its ability to provide services to customers, and have other adverse effects on its business.

In order to grow and remain competitive with new and evolving network technologies in the industry, T-Mobile US will need to adapt to future changes in network technology, such as 6G or AI RAN. While T-Mobile US currently leads in 5G, if it fails to anticipate market trends, efficiently integrate innovative solutions, or maintain network quality and reliability, its competitiveness could erode, adversely affecting business and operating results. New technological developments such as artificial intelligence or machine learning require a flexible adaptation of corporate strategy and processes to remain competitive and seize opportunities for innovation and growth.

Efficient processes and coordination are necessary when developing new business requirements. Complex structures and unclear responsibilities, especially between departments and IT, could hinder effective planning and resource allocation resulting in project delays, cost overruns, and failure to achieve goals.

Opportunities arising from technology

The analysis of extensive technical data from our networks using artificial intelligence (AI) and machine learning (ML) increases transparency in network operation and enables more informed, faster, and automated decisions – from the early detection and clearing of faults to networks that operate autonomously. It does so by shifting the basis for decisions from hypotheses to facts and, for example, enabling correlations to be recognized. In this way, AI/ML can be used, for example, to manage the energy consumption of our technology in a forward-looking way based on the analysis of network data. Overall, this creates the basis for more efficient network operation while at the same time increasing stability and service quality. We are conducting research projects to test the extent to which quantum technology can be used to improve the protection of our networks against unauthorized access and manipulation.

Our Systems Solutions operating segment covers innovative business areas in the digital transformation of business processes, such as cloud computing, AI, automation, and cybersecurity. These business areas could develop faster than expected. As a pioneer of the digital transformation, we have an opportunity to actively shape market trends through a variety of projects in the fields of healthcare, public administration, the automotive sector, and mobility solutions. Under these data-based digital business models, our partner-oriented approach is a highly promising way of contributing our core competencies – in advisory services, added value services for hybrid IT landscapes, and cybersecurity – to various projects. In addition, we have references regarding strategic engagements in our focal sectors automotive, healthcare, and public. We also see potential for development in the sovereign cloud, sovereign AI, professional services, and managed services environment for multi-cloud services.

As a technology and development partner for toll collection business in Europe, we already have a strong competitive position. By operating a European Electronic Toll System (EETS) as the majority shareholder and IT provider for Toll4Europe, we have earned valuable references that will help to give us an edge over our competitors.

Procurement and supply risks

Deutsche Telekom cooperates with a large number of suppliers of technical (information and communication technology) and non-technical products and services. Products and services that might involve a higher risk include software and hardware, network technology components, and all products and services provided directly to end customers.

Deutsche Telekom's supply chain could be disrupted, for example, by geopolitical tensions, component or raw material shortages, as well as by cyberattacks. Furthermore, additional risks may result from the dependence on individual suppliers or technology products. We employ logistical, organizational, contractual, and procurement strategy measures to counteract these challenges. At T-Mobile US, in certain areas such as terminal equipment, there are few suppliers who can provide adequate support, which may lead to unfavorable contract terms and decreased flexibility to switch to alternative third parties. Unexpected termination or difficulties in renewing the commercial arrangements with the suppliers, or any business disruptions at the suppliers could have a material adverse effect on T-Mobile US. The U.S. administration has imposed import tariffs on all countries set at varying rates. Suppliers could pass on the increased costs to T-Mobile US. We have therefore raised the risk significance of the risk category "Procurement and suppliers" from medium to high.

Risks and opportunities arising from data privacy and data security

Data privacy. All Group companies are subject to specific data privacy regulations (in the EU especially the General Data Protection Regulation (GDPR)). These requirements must be implemented and their compliance must be monitored. Data privacy incidents could be sanctioned with very high administrative fines (up to between 2 and 4 % of the total worldwide annual revenue of an undertaking). The European supervisory authorities' concept for administrative fines would apply. It stipulates high fines even for violations with a low criticality. The supervisory authorities' practice with respect to fines demonstrates that more and higher fines are being imposed. Despite implementing mitigation measures and well-established data privacy management structures, it is not possible to fundamentally rule out data privacy incidents, including at partners, as almost all procedures/processes in the Group are relevant in terms of data protection. Errors might occur that are linked to reputation, cost, and sanction risks.

Since the introduction of the GDPR, data privacy law has been largely harmonized in Europe. Deutsche Telekom benefits from this as a Group, since the majority of special national data privacy regulations no longer apply and no longer have to be implemented in the individual entities in the European Union (EU). This has somewhat reduced the need for coordination. An appropriate level of security is also ensured when transmitting personal data to countries outside of the EU. Deutsche Telekom's Binding Corporate Rules on Privacy (BCRP), in the current Version 3.0, form the Group-wide internal data privacy regulations. All participating companies have committed themselves to this Group Policy, thus ensuring an appropriate level of data privacy for the transmission of data to third countries. Under the Schrems II ruling by the European Court of Justice (ECJ) from 2020, companies are subject to stricter requirements for the transmission of data to third countries without the adequacy decision of the EU Commission, compliance with which entails a substantial workload for companies. Deutsche Telekom therefore welcomes the EU-U.S. Data Privacy Framework agreed between the EU and the United States in 2023, which provides greater legal certainty for collaborations with U.S. companies. A number of actions are pending against this agreement at the European Court of Justice (ECJ) and more cannot be ruled out. By way of mitigation, Deutsche Telekom additionally safeguards the transmission of personal data to companies in the United States, regardless of final legal clarification, by means of standard contractual clauses of the European Commission.

In the United States, the telecommunications industry is also examined closely by the Federal Communications Commission (FCC) and Federal Trade Commission (FTC) with regards to the state data privacy laws. Non-compliance with data privacy laws could result in high fines. The growing demand for data means the challenges with respect to the collection, usage, transfer, and management of customers' personal data are also growing.

Deutsche Telekom carefully examines technical developments and digital transformation projects on an ongoing basis to verify if they are in line with the Group strategy. For example, the use of IT systems with AI within the Group always complies with the applicable data privacy laws and provisions. The Privacy and Security Assessment (PSA) must be carried out as soon as a new AI solution is to be introduced in the Group. This fully digital process meets the requirements of the GDPR with regard to carrying out a Privacy Impact Assessment for evaluating and documenting the risks posed by data processing. In the PSA process all data privacy and security requirements relevant to the system or project are automatically assigned and then worked through by the functionally responsible units. This also includes a separate AI data privacy requirement and the Digital Ethics Assessment, which help to develop systems based on or using AI in a way that is data privacy-compliant. This takes account not only of general data privacy principles (legality, transparency, limitation of use, etc.), but also specific application scenarios, such as generative AI and profiling.

The ePrivacy Regulation and the corresponding national implementation acts are yet another sector-specific regulatory challenge for the telecommunications sector in the EU. As telecommunications providers' data processing options are substantially restricted compared with what is possible under the GDPR, innovative big data and AI applications in the field of telecommunications cannot realize the same kind of potential as those of companies that are only subject to the GDPR.

One example of a major initiative with relevance for data privacy is the long-term partnership between T-Systems and Google Cloud, which began in 2021. Since 2022, the jointly operated T-Systems Sovereign Cloud powered by Google Cloud combines the open-source expertise of both providers, enabling business customers to manage workloads in compliance with German and European regulatory requirements (GDPR and Schrems II). This joint offering means that even companies from regulated industries can process their data in the cloud in line with sovereign requirements.

T-Systems had already signed the EU Cloud Code of Conduct (EU Cloud CoC) in 2021. After all, the EU Cloud is synonymous with the digital sovereignty of Europe in cloud services. This refers to the complete control of stored and processed data and independent decision-making on who can access the data. This requires clear rules and requirements, which the EU Cloud CoC offers. The European data protection authorities approved this Code of Conduct. By becoming a signatory, the Company and hence also T-Systems undertakes to continue to increase the data protection level for cloud services in the interests of customers and European data protection. In this way they provide proof that data is processed in accordance with the requirements of the GDPR. Compliance with the rules is reviewed by an independent body.

Data security. IT security continues to pose major challenges. In addition to preventive measures such as integrated security in business processes and measures to raise security awareness among employees, we counter these challenges with increased focus on the analysis of threats and cyber risks. This is where our early warning system comes in: It detects new sources and types of cyberattack, analyzes the behavior of the attackers while maintaining strict data privacy, and identifies new trends in the field of security. Along with the honeypot systems, which simulate vulnerabilities in IT systems, our early warning system includes alerts and analytical tools for spam mails, viruses, and Trojans. We exchange the information we obtain from all these systems with public and private bodies to detect new attack patterns and develop new protection systems. In the event of corresponding irregularities or cases of abuse among our customers, we inform them without delay and point out options for protection. We are currently continuing to see new developments in the increased and fast-growing use of generative AI, both on the part of criminal attackers and in terms of options for protection. Here, too, we are working to exploit the opportunities offered by the development and use of AI and to counter the potential new risks arising from this technology.

Cybercrime and industrial espionage continue to be on the rise, and they are becoming ever more complex due to rapidly advancing technologies and attack methods. There is also the risk that geopolitical conflicts such as the war in Ukraine will have a negative impact on the cybersecurity situation in Germany and the countries of our subsidiaries. As a result, we face constant challenges and adjustments to protect our customer and business partner data, as well as our networks, technologies, products, and services against these attacks. Such incidents can lead, among other implications, to business disruptions, embezzlement, or unauthorized access to confidential or personal information, and to loss of reputation. We address these issues with comprehensive risk-based countermeasures in accordance with the all risks approach, which includes, for example, security concepts based on internationally recognized security standards (in particular ISO standards), active cyberdefense measures along the chain of prevention, detection, and response, automated testing and approval processes, and regular training and awareness-raising measures. In order to also create greater transparency and thus be in a stronger position to tackle these threats, we are relying more and more on partnerships, e.g., with public and private organizations. By means of the Security by Design principle, we have made security an integral part of our development process for new products and information systems and follow the Zero Trust principle in our network security. Furthermore, we carry out intensive and obligatory digital security tests.

We are continually striving to accelerate our growth through IT security solutions. To this end, we have combined our security units within Deutsche Telekom Security. Whether intelligent data analysis, secure networks, or effective cyber security, we want to leverage this end-to-end security portfolio to secure market shares and, as part of our digitalization strategy, score points with security concepts on the back of megatrends like security, connected business, sustainability, and future of work. We are also continuing to gradually expand our partner ecosystem in the area of cybersecurity.

We provide regular updates on the latest developments in data protection and data security on our website.

Other operational risks and opportunities

Employees. Our employees play a crucial role in the transformation of Deutsche Telekom. Their skills are a key factor in our business success. Both this success and our service provision are dependent on the ability to acquire, retain, and develop specialist staff and talents. The growing competition for these resources, especially from the fields of technology and IT (war for talents), and the growing desire for flexibility, e.g., through mobile work, are increasing the risk of losing important employees while demand continues to grow. Rising salaries intensify the situation and push up costs. Nearshore and offshore locations are also of huge strategic significance for Deutsche Telekom, since they hold not only operational but also strategically important profiles. The availability of experts with the appropriate qualifications at these locations is essential to delivering services on time, with the right skills profiles, and on budget. The demands of the talents with regard to potential employers have also increased. Apart from remuneration, they care about flexible working, ESG, diversity, and innovations. We systematically work to address these challenges head on, for example, by strengthening Deutsche Telekom and T-Mobile US as an attractive employer brand and by proactively seeking out new specialist staff and talents worldwide.

In 2025, we once again used socially responsible measures to restructure the workforce in our Group. Early retirement models such as phased and dedicated retirement, and severance payments have been largely taken up, but also the training and placement of civil servants and employees in the public sector by the next.JOB unit has proved very popular. The transformation with the associated staff restructuring is extremely important for achieving the Group's goals. Nevertheless, it is essential the restructuring is managed in a targeted way. That is why, for each request by an employee to take up a staff reduction instrument, it must be ensured on principle that the arrangement is voluntary on both sides (agreed by employee and manager), so as to avoid, for example, the loss of high performers.

The Company still employs numerous civil servants, who originally belonged to Group units of Deutsche Telekom that have since been sold. Where requested, these civil servants have been granted temporary leave from their civil servant status. However, there is a risk that they may return to us from a sold entity, for instance after the end of their temporary leave from civil servant status, without the Company being able to offer them jobs. Currently, 784 civil servants are entitled to return from outside the Group in this way (as of December 31, 2025), thus posing a risk.

Regulatory risks and opportunities

In the following section, we describe the main regulatory risks and opportunities that, as things currently stand, could affect our results of operations and financial position, and our reputation.

Regulatory risks arise from telecommunications-specific statutory regulations at the national, European, and U.S. level, and from the consequent powers of national authorities to regulate or intervene in the market and limit our freedom as regards product design and pricing. Deregulation can give rise to regulatory opportunities. Regulatory intervention, which we can only anticipate to a limited extent, may exacerbate existing price and competitive pressure. There are concerns that regulation in the United States, Germany, and other European countries may also impact revenue and earnings trends in the medium to long term.

Changes in regulatory policy and legislation

European legislation constantly influences our pricing and product design. The main legal frameworks are the European Electronic Communications Code (EECC), the EU Gigabit Infrastructure Act (GIA), as well as the EU Roaming Regulation. Since 2021, termination rates have been determined directly by the European Commission by way of a delegated act.

In February 2024, the European Commission presented its white paper containing a set of proposals aimed at expanding digital networks, managing the transition to new technologies and business models, covering the future need for connectivity, and safeguarding economic competitiveness and secure, resilient infrastructure in the EU. On the basis of this white paper, the proposed Digital Networks Act and proposed amendments to the Cybersecurity Act were published on January 21, 2026.

> For further information on the European Commissions' legislative proposals (Digital Networks Act and Cybersecurity Act), please refer to the section "The economic environment – Major regulatory decisions."

Political decisions can bring opportunities and risks with them. In Germany and our European core markets, regulatory developments and measures to support the infrastructure build-out could have a substantial impact on the framework conditions and investment incentives. The coalition agreement of the new German Federal Government provides for measures to support network build-out and digitalization. Targets include nationwide FTTH coverage as well as a strengthening of Germany's digital sovereignty. One amendment to the Telecommunications Act (TKG), under which the laying and changing of telecommunications lines for the expansion of telecommunications networks is in the overriding public interest until the end of 2030, came into force in July 2025. This priority for network expansion aims to accelerate approval processes for the mobile and fixed network.

> For further information on the TKG amending act in Germany, please refer to the section "The economic environment – Major regulatory decisions."

In view of the highly topical debates regarding the security of critical infrastructure, the German legislature has made adjustments that expand the powers of the Federal Ministry of the Interior and Community (BMI) and strengthen its powers of intervention. Furthermore, security legislation as a whole was tightened. The Bundesnetzagentur is also currently revising the catalog of security requirements, which are expected to increase as a result. It is not yet possible to estimate the associated implementation costs for Deutsche Telekom.

In the United States, too, new or amended wireless-related provisions and laws can increase the complexity of processes and lead to higher costs for T-Mobile US.

Awarding of spectrum

Risks could arise from the fact that inappropriate auction rules or the conditions for extending awards, frequency usage requirements, excessive reserve prices, and disproportionately high annual spectrum fees could jeopardize our planned acquisition of spectrum or give rise to adverse effects from the conditions for the allocation of spectrum. Inappropriate conditions for the awarding of spectrum can include, for example, extensive build-out requirements and, in some cases, requirements to grant network access (national roaming, service provider access). The specific details are down to the national regulatory authorities. By contrast, we see an opportunity in particular in the fact that such spectrum award procedures enable us to obtain the optimum amount of spectrum for our future business. We would thus be equipped for further growth and innovation. Changes to award procedures generally entail opportunities and risks. The upcoming award procedures relate to awards in all mobile frequency ranges between 900 MHz and 4.2 GHz, as well as 26 GHz. Major award procedures are currently being prepared, primarily in Austria and Hungary.

In Germany, the Cologne Administrative Court, in its ruling dated August 26, 2024, declared the conditions of award of the 2019 auction to be unlawful. Following the decision of the Federal Administrative Court on October 16, 2025 to reject the Bundesnetzagentur's complaint against non-allowance of appeal, the ruling is now legally binding. Furthermore, the Federal Administrative Court has instructed the Bundesnetzagentur to revoke and reassess the award and auction rules. For the time being, our spectrum usage rights in the 2.1 GHz and 3.6 GHz bands continue unchanged.

> For further information, please refer to the section "The economic environment – Major regulatory decisions."

> For further information on spectrum auctions that were completed in 2025 or are still ongoing, please refer to the section "The economic environment – Major regulatory decisions."

Areas in which national regulators may intervene

European and national laws and regulations grant national regulators extensive powers of intervention.

Wholesale products. Our Group companies in Germany and Europe continue to be subject to extensive regulation of wholesale products, obligating us to make our network and services available to our competitors wherever we are deemed to have significant market power as an operator. The national regulators regularly check and determine the corresponding terms, conditions, and prices of these wholesale offerings. The key wholesale products subject to regulation are unbundled local loop lines, bitstream products, leased lines, and the associated services.

Network access. In July 2022, the Bundesnetzagentur published its decision on the future regulation of access to Deutsche Telekom's copper and fiber-optic network. With this decision, rules for FTTB/H networks are laid down, the previous regulation for Layer2 (VDSL) is discontinued, and access to ducts and poles is also imposed. The precise access conditions will be set down in the subsequent procedures, by means of which the authority will influence Deutsche Telekom's pricing and product design.

> For further information on access regulation including FTTB/H network access by the Bundesnetzagentur, please refer to the section "The economic environment – Major regulatory decisions."

Regulatory requirements for mobile communications could arise from conditions imposed in connection with the allocation of frequencies. In Germany, a negotiation obligation for wholesale access has been in place since 2018, for which the Bundesnetzagentur can be called upon in cases of dispute. This can give rise to restrictions on our freedom of contract when concluding wholesale agreements with regards to wholesale customers, as well as in terms of scope of services and prices.

Open access in development areas. Within the scope of the subsidized network build-out, companies have an obligation to ensure access to the subsidized network. In addition, all operators of public supply networks have an obligation, among others, to ensure shared use of passive network infrastructure. The Bundesnetzagentur can be called on to settle disputes. To this end, it can impose, for example, product and price requirements on operators.

In addition, European and national consumer protection regulations apply.

Media law. In addition to the requirements of telecommunications and competition law, our media products are also subject to special European and national regulations under media law, as well as non-sector specific regulations such as copyright, data, and consumer protection. These include, in the broader sense, regulations concerning the responsibility/liability for published content, requirements in relation to ensuring the protection of minors in the media, accessibility, and requirements in relation to the content design of user interfaces, including by users themselves. Assuming the ongoing relevance of the Federal Republic and KfW as major shareholders on the one hand, and barring any changes in the legal situation, or the prevailing opinions of media regulators on the other, it is unlikely that Telekom Deutschland will be granted a license to broadcast radio and TV programs. Compliance with the relevant stipulations can be relevant for the design of the TV products, or require adjustments in relationships with licensors, suppliers, and customers. Breaches of obligations can result in the responsible regulatory authorities issuing complaints, orders or injunctions, or even imposing fines.

Litigation and anti-trust proceedings

Major ongoing legal proceedings

Deutsche Telekom is party to proceedings both in and out of court with government agencies, competitors, and other parties. The proceedings listed below are of particular importance from our perspective. If, in extremely rare cases, required disclosures on individual legal proceedings are not made, we concluded that these disclosures may seriously undermine the outcome of the relevant proceedings.

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 an 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 we may have to pay license fees and/or compensation; we are 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.

Further, Deutsche Telekom intends to defend itself vigorously in each of these proceedings.

Major ongoing anti-trust proceedings

Like all companies, our Group is subject to anti-trust law. In recent years, we have notably stepped up our compliance efforts in this area too. Nevertheless, Deutsche Telekom and its subsidiaries are from time to time subject to proceedings under anti-trust law or follow-on damage actions under civil law. In the following, we describe material anti-trust proceedings and resulting claims for damages. If, in extremely rare cases, required disclosures on individual anti-trust proceedings are not made, we concluded that these disclosures may seriously undermine the outcome of the relevant proceedings.

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.

Proceedings concluded

Claims for damages against Deutsche Telekom AG, including due to insolvency of Phones4U. Phones4U was an independent British mobile retailer, which had declared insolvency in 2014. The insolvency administrator had pursued claims before the High Court of Justice in London against the mobile providers active on the UK market at that time and their parent companies on the grounds of alleged collusion in violation of anti-trust law and breach of contract. On November 10, 2023, the High Court of Justice in London rejected all claims made by Phones4U against all defendants. The appeal lodged against this by Phones4U was dismissed in full on July 11, 2025. The proceedings are thus completed and will no longer be reported.

Compliance risks

Compliance risks are risks arising from systematic infringements of legal or ethical standards that could result in regulatory or criminal liability on the part of the company, its executive body members, or employees, or result in a significant loss of reputation. In order to minimize these risks, we have set up a compliance management system.

For further information on the compliance management system, please refer to the section "Combined sustainability statement."

Financial risks and opportunities

Liquidity, credit, currency, interest rate risks

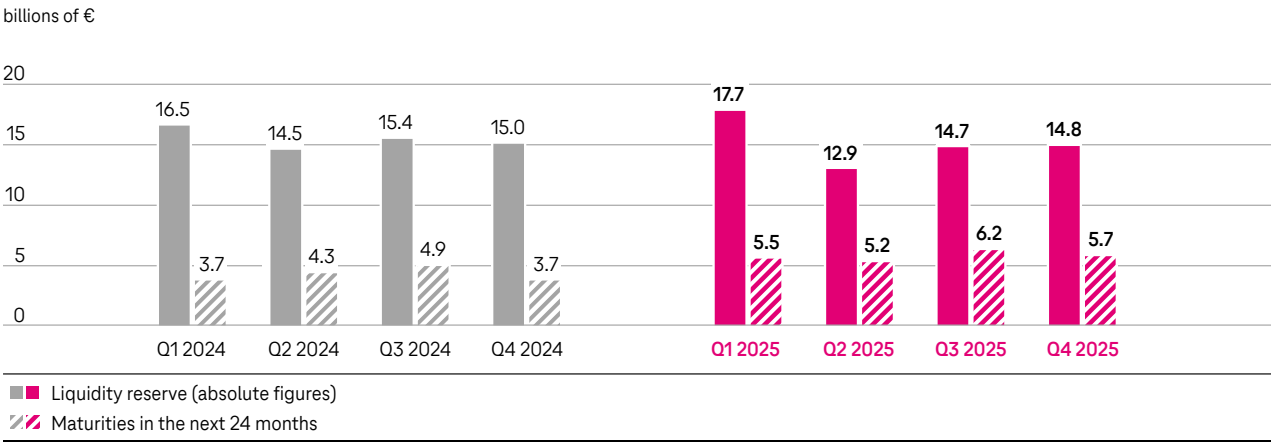
With regard to its assets, liabilities, and planned transactions, our Group is particularly exposed to liquidity risks, credit risks, and the risk of changes in exchange rates and interest rates. We want to contain these risks. Risks with an impact on cash flows are monitored in a standard process and hedged selectively using derivative and non-derivative hedges. Derivative financial instruments are used solely for hedging and never for speculative purposes. The following risk areas – liquidity, credit, currency, and interest rate risks – are evaluated taking into account all hedges.

For further information on the risk assessment, please refer to the "Corporate risks" table above.

Liquidity risk. To ensure the Group's and Deutsche Telekom AG's solvency and financial flexibility at all times, we maintain a liquidity reserve in the form of credit lines and cash as part of our liquidity management. T-Mobile US has pursued its own separate financing and liquidity strategy.

Deutsche Telekom excluding T-Mobile US had access to primarily bilateral credit agreements with 20 banks with an aggregate total volume of EUR 12.0 billion as of December 31, 2025, which were not utilized. Our liquidity reserve covered maturing bonds and long-term loans at all times for at least the next 24 months (see graphic below). Furthermore, cash on hand of EUR 2.8 billion was available.

Development of the liquidity reserve (Deutsche Telekom excluding T-Mobile US), maturities in 2024/2025



Bilateral credit lines with an aggregate total volume of USD 7.5 billion (EUR 6.4 billion) plus a cash balance of USD 5.6 billion (EUR 4.8 billion) were available to T-Mobile US as of December 31, 2025.

On January 5, 2026, T-Mobile US concluded a revised credit agreement with certain financial institutions. The credit agreement raises the previous bilateral credit lines to USD 10.0 billion and extends the term until January 5, 2031.

Credit risks. In our operating business and certain banking activities, we are exposed to a credit risk, i.e., the risk that a counterparty will not fulfill its contractual obligations. To keep this credit risk to a minimum, we conclude transactions with regard to financing activities only with counterparties that have at least a credit rating of BBB+/Baa1; we also actively manage limits. 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.

Currency risks. Currency risks result from dividend payments received, investments, financing measures, and operations. Risks with an impact on cash flows (transaction risks) resulting from foreign currency fluctuations will be hedged selectively. However, foreign-currency risks that do not influence the Group's cash flows, for example, risks resulting from the translation of assets and liabilities of foreign operations into euros (translation risks) are generally not hedged. Deutsche Telekom may nevertheless also hedge these foreign-currency risks under certain circumstances.

Interest rate risks and opportunities. Our interest rate risks mainly result from Group financing: On the one hand, we have an interest rate risk relating to the issue of new liabilities, and on the other, we have an interest rate risk arising from variable-interest liabilities. The interest rate position is actively managed as part of our interest rate management activities. Each year, a maximum is set for the percentage of variable-interest liabilities, taking into account the planned finance costs. For new issues and variable-interest liabilities, an opportunity arises at the same time from potential interest rate declines.

> For further information, please refer to Note 43 "Financial instruments and risk management" in the notes to the consolidated financial statements.

Tax risks and opportunities

We are subject to the applicable tax laws in many different countries. Risks and opportunities can arise from changes in local taxation laws or case law and different interpretations of existing provisions. These risks can impact both our tax expense and benefit as well as tax receivables and liabilities.

Other financial risks and opportunities

This section contains information on other financial risks that we consider to be immaterial at present or cannot evaluate based on current knowledge.

Rating risk. Deutsche Telekom's credit rating affects our access to the capital markets, to the international finance markets, and our refinancing costs. A lower rating could impede access to the capital market and, over time, would lead to an increase in the cost of debt financing. We intend to maintain our rating in a corridor from A- to BBB and thereby safeguard undisputed access to the capital market. As of December 31, 2025, Deutsche Telekom AG's credit rating with Moody's was A3 with a stable outlook, while Standard & Poor's rated us BBB+ with a positive outlook, and Fitch BBB+ with a stable outlook. From today's perspective, access to the international debt capital markets for both Deutsche Telekom AG and T-Mobile US is not jeopardized.

Control environment. Compliance with business and regulatory requirements, in particular for the internal control system, requires high efforts. Not meeting these demands could lead to difficulties or weaknesses in Deutsche Telekom's overall control environment and with regard to financial reporting.

Sales of shares by the Federal Republic or KfW. As of December 31, 2025, the Federal Republic of Germany and KfW jointly held 28.3 % in Deutsche Telekom AG. It is possible that the Federal Republic will continue its policy of privatization and sell further equity interests in a manner designed not to disrupt the capital markets and with the involvement of KfW. There is a risk that the sale of a significant volume of shares by the Federal Republic or KfW, or any speculation to this effect, could have a negative impact on the price of the T-Share.

Subsidiaries and equity investments. Subsidiaries and equity investments of Deutsche Telekom could face difficult market conditions, e.g., increased competition, in particular price pressure, and economic fluctuations. Additional fundings may be needed to safeguard these business activities.

Impairment of Deutsche Telekom AG's assets. The value of the assets of Deutsche Telekom AG and its subsidiaries is reviewed periodically. In addition to the regular annual measurements that are also performed for the carrying amounts of investments in the annual financial statements of Deutsche Telekom AG prepared in accordance with German GAAP, specific impairment tests may be carried out, for example, where changes in the economic, regulatory, business, or political environment suggest that the value of goodwill, intangible assets, property, plant and equipment, investments accounted for using the equity method, or other financial assets might have changed. These tests may lead to the recognition or reversal of impairment losses that do not, however, result in cash outflows or inflows. This could impact to a considerable extent on our results, which in turn may negatively or positively affect the T-Share price.

> For further information, please refer to the section "Summary of accounting policies – Judgments and estimates" in the notes to the consolidated financial statements.

Governance and other disclosures

Governance

As of December 31, 2025, **Board of Management** responsibilities were distributed across eight Board departments.

Four of these cover the cross-functional management areas:

- Chair of the Board of Management
- Finance
- Human Resources and Legal Affairs
- Product and Technology (formerly "Technology and Innovation")

In addition, there are four segment-based Board of Management departments:

- Germany
- Europe
- T-Systems
- USA and Group Development

Composition of the Board of Management as of December 31, 2025

Members of the Board of Management	Department
Tim Höttges	Chair of the Board of Management (CEO)
Dr. Ferri Abolhassan	T-Systems
Birgit Bohle	Human Resources and Legal Affairs
Rodrigo Diehl (since March 1, 2025)	Germany
Dr. Christian P. Illek	Finance (CFO)
Thorsten Langheim	USA and Group Development
Dominique Leroy	Europe
Dr. Abdu Mudesir (since October 1, 2025)	Product and Technology (formerly "Technology and Innovation")

On January 27, 2025, the Supervisory Board resolved to cancel the current appointment of Tim Höttges. He was reappointed to the Board of Management prematurely for the period from February 1, 2025 until midnight on December 31, 2028, and was reassigned the department of the **Chair of the Board of Management**.

The Supervisory Board additionally resolved on January 27, 2025 to terminate Srini Gopalan's position as the Board member responsible for the **Germany Board department** and to approve his termination agreement effective midnight on February 28, 2025. Srini Gopalan initially assumed the function of Chief Operating Officer at T-Mobile US effective March 1, 2025, before becoming Chief Executive Officer effective November 1, 2025.

In the same meeting, the Supervisory Board approved the appointment of Rodrigo Diehl to the Board of Management for the period from March 1, 2025 to midnight on February 29, 2028. He was assigned the Germany Board department.

The Supervisory Board resolved on May 22, 2025 to terminate Claudia Nemat's position as the Board member responsible for the **Technology and Innovation Board department** and to approve her termination agreement effective midnight on September 30, 2025.

In the same meeting, the Supervisory Board approved the appointment of Dr. Abdu Mudesir to the Board of Management for the period from October 1, 2025 to midnight on September 30, 2028. He was assigned the Technology and Innovation Board department. By resolution of December 11, 2025, the Supervisory Board approved the renaming of this Board department from "Technology and Innovation" to "Product and Technology."

The members of the Board of Management are appointed and discharged in accordance with § 84 and § 85 of the German Stock Corporation Act (Aktiengesetz – AktG) and § 31 of the German Codetermination Act (Mitbestimmungsgesetz – MitbestG).

The **Supervisory Board** of Deutsche Telekom AG advises the Board of Management and oversees its management of business. It is composed of 20 members: 10 represent the shareholders and 10 the employees. The employees' representatives were most recently appointed at the delegates' assembly on November 7, 2023.

Amendments to the Articles of Incorporation are made pursuant to § 179 and § 133 AktG and § 18 and § 21 of the Articles of Incorporation. According to § 21 of the Articles of Incorporation, the Supervisory Board is authorized, without a resolution by the Shareholders' Meeting, to adjust the Articles of Incorporation to comply with new legal provisions that become binding for the Company and to amend the wording of the Articles of Incorporation.

The **remuneration system** for the Board of Management provides incentives to successfully implement the corporate strategy, to ensure a sustainable development of the Company, and is also focused on creating long-term value for our shareholders. The remuneration received by the members of the Supervisory Board is specified under § 13 of the Articles of Incorporation of Deutsche Telekom AG. Under the remuneration system, members of the Supervisory Board received fixed annual remuneration. The recommendations of the German Corporate Governance Code (GCGC), as published in the Federal Gazette on June 27, 2022, on "Remuneration of the Management Board and the Supervisory Board" (Section G) were complied with in the reporting year. [a]

> For the Declaration of Conformity pursuant to § 161 of the German Stock Corporation Act dated December 30, 2025, please refer to the section "Governance – Corporate Governance Statement in accordance with §§ 289f, 315d HGB."

On April 9, 2025, the Shareholders' Meeting of Deutsche Telekom AG passed a resolution on a retroactive adjustment to the Board of Management remuneration system from the 2025 financial year.

> Detailed information on the remuneration of the Board of Management and the Supervisory Board is published in the separate Remuneration Report. For further information on the Board of Management remuneration system, please refer to Deutsche Telekom AG's website.

Members of the Board of Management and Supervisory Board of Deutsche Telekom AG were reported to have purchased and received 329,283 shares (2024: 451,757) and sold 332,021 shares (2024: 246,755) inter alia under the Share Matching Plan or as personal investments in the course of 2025. Total direct or indirect **shareholdings** in the Company or associated financial instruments by members of the Board of Management and the Supervisory Board do not exceed 1 % of the shares issued by the Company.

> For further information on corporate governance, please refer to the section "Combined sustainability statement – Governance."

Events after the reporting period

For information on events after the reporting period, please refer to Note 49 "Events after the reporting period" in the notes to the consolidated financial statements and to the notes to the annual financial statements of Deutsche Telekom AG as of December 31, 2025.

Integrated control and monitoring system [b]

Sound corporate governance based on sustainable value creation is particularly important for an international group such as Deutsche Telekom, with its many subsidiaries and associates. The Supervisory Board and the Board of Management are convinced that such corporate governance, taking both company- and industry-specific issues equally into account, is an important building block for the future success of Deutsche Telekom AG. Responsibility for compliance with the principles of sound corporate governance is vested in senior management, accordingly.

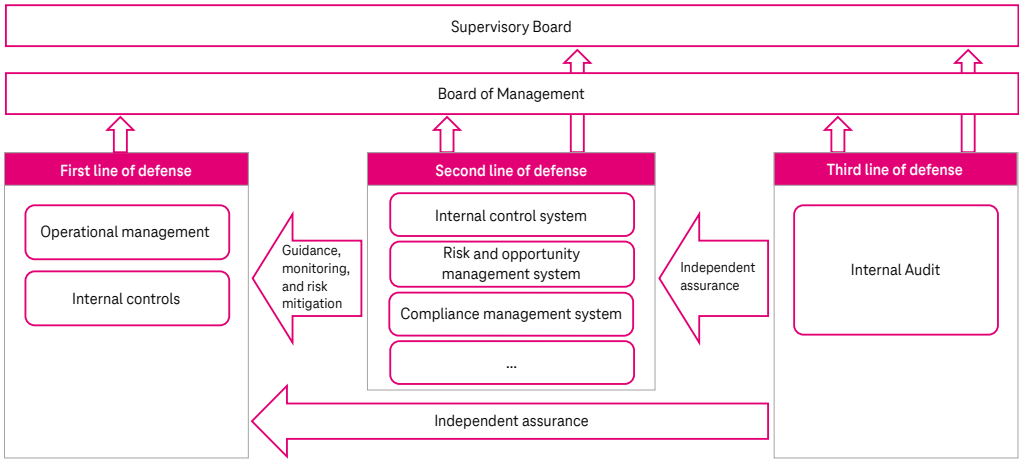
Responsible, risk-appropriate handling of risks and opportunities is a core component of our corporate governance. The various systems implemented by the Board of Management (in particular the internal control system and the risk and opportunity management system including the compliance management system) to record and mitigate risks work together as part of a mutually complementary control and monitoring system and are subject to review by Internal Audit.

With this integrated system, Deutsche Telekom follows the Three lines of defense model. The operational units and their operational management, i.e., the risk owners, form the first line of defense. They are responsible for identifying, assessing, and continuously monitoring risks. The second line of defense primarily comprises the internal control system, the risk and opportunity management system, and the compliance management system, and it serves to manage and monitor the first line of defense. This includes defining requirements, guidelines, and processes, monitoring risks, and reporting to the Board of Management and to the Supervisory Board of Deutsche Telekom AG and its Audit and Finance Committee. The third line of defense is Internal Audit, which ensures the first and second lines of defense are audited and advised objectively and independently.

[a] Information in this section, as well as the associated reference below the text, is information extraneous to the management report as explained in the section "Introductory remarks."

[b] Information in this section, as well as the associated references below the text, is information extraneous to the management report as explained in the section "Introductory remarks."

Three lines of defense model



The most important features of the internal control system and the risk and opportunity management system including the compliance management system are described below.

Internal control system

Deutsche Telekom AG's internal control system (ICS) is based on the internationally recognized COSO (Committee of Sponsoring Organizations of the Treadway Commission) Internal Control – Integrated Framework, COSO I, as amended on May 14, 2013. The ICS is an integral component of the functional management of the Group.

The Board of Management is responsible for defining the scope and structure of the ICS at its discretion in accordance with § 91 (3) AktG. The ICS supports the organizational implementation of the Board of Management's decisions. This includes achieving the business targets, proper and reliable accounting, and compliance with significant legal requirements and regulations. Sustainability aspects, which are continuously developed on the basis of regulatory requirements, are also taken into consideration. The Audit and Finance Committee of the Supervisory Board of Deutsche Telekom AG monitors the effectiveness of the ICS as required by § 107 (3) sentence 2 AktG in conjunction with § 107 (4) sentence 1 AktG.

Internal Audit is responsible for independently reviewing the appropriateness and effectiveness of the ICS in the Group and at Deutsche Telekom AG, and, to comply with this task, has comprehensive information, audit, and inspection rights and is involved across all levels of the ICS process.

In addition to protecting against financial reporting risks, the ICS also ensures general management of operational risks and compliance. Its functional and process-related focus is adapted to the Group's current risk situation on an annual basis. The ICS organization bundles and integrates the internal control processes and supports the Board of Management in designing, implementing, and maintaining an appropriate and effective control system. It comprises ICS Management at Group Headquarters and the local ICS management of each entity. Central ICS Management is responsible for managing and coordinating the ICS processes in their entirety.

The entities to be included in the ICS are also reviewed and identified annually on the basis of Deutsche Telekom's statement of investment holdings. All material entities are fully integrated in the ICS process. Consistent Group-wide minimum requirements for the entities' control systems are defined based on the key Group functions. These include, for example, accounting, IT, procurement, HR, security, data privacy, taxes, compliance, and also corporate responsibility. The corresponding controls are documented in a Group-wide IT system and are reviewed for their appropriateness and effectiveness at least once a year.

Effectiveness is regularly reviewed applying the dual-checking principle and, depending on the risk exposure of the controls within the functional unit, across departments or (additionally) by Internal Audit. The aim is to identify control gaps and non-effective controls, in particular to analyze the impact on financial reporting and to initiate and monitor suitable countermeasures.

The ICS process is completed with a cascaded approval process, starting with the function owners in the entities and the local finance and managing directors, through to Group level. The ICS Steering Committee, with the involvement of the Group's most important function owners, then evaluates the results and makes recommendations to the Board of Management. Based on this, the Board of Management decides on the appropriateness and effectiveness of the ICS twice a year. The Audit and Finance Committee is informed in detail on the status and results of the ICS process at least three times a year and discusses the alignment of the ICS with management and the external auditors. Nevertheless, there are inherent limitations in every ICS. No control system – even if it is

deemed to be appropriate and effective – can ensure that all relevant control risks are identified and are being completely and effectively addressed by means of controls.

All non-material entities exposed to risks with an extent that is deemed to be low from a Group perspective, are included in the Group-wide ICS as part of a simplified and standardized process. These entities must submit an annual self-declaration, based on a control risk catalog, on the maturity of the implemented controls and a statement on the effectiveness of the ICS in their entity. Internal Audit regularly reviews these self-declarations in a risk-oriented way. The ICS Steering Committee, the Board of Management, and the Audit and Finance Committee are informed at least once a year about the results of the self-assessments.

> For information on the accounting-related internal control system, please refer to the section "Accounting-related internal control system."

Risk and opportunity management system

Our risk and opportunity management system is based on the globally applicable risk management standard ISO 31000 "Risk management – Principles and guidelines." It serves as a guide for internationally recognized risk management systems. A risk and opportunity management system is necessary from both a business point of view and on the basis of laws and regulations, in particular § 91 (2) and (3) of the German Stock Corporation Act (Aktiengesetz – AktG). Our risk and opportunity management system is organized on a decentralized basis. The Group Risk Governance unit defines the Group-wide methods, including the associated reporting system, and the segments are integrated via their own risk and opportunity management. The relevant owners in each of the segments are responsible for identifying, assessing, and continuously monitoring risks. This is also at the core of our risk culture, which includes the motto "Everyone is a risk manager." In other words, every individual takes responsibility for their risks.

> For further information on the risk and opportunity management system, please refer to the section "Risk and opportunity management."

Compliance management system

Compliance involves the observance of legal requirements and internal Group rules. We have expressed our Group-wide commitment to complying with ethical principles and both legal and statutory requirements. We have incorporated this pledge in our Guiding Principles and our Code of Conduct.

We implemented a compliance management system with the aim of minimizing risks arising from systematic infringements of legal or ethical standards that could result in regulatory or criminal liability on the part of the Company, its executive body members, or employees, or result in a significant loss of reputation. In particular, when we established the compliance management system to prevent corruption, we used the Principles for the Proper Performance of Reasonable Assurance Engagements Relating to Compliance Management Systems laid down in IDW Assurance Standard 980 as a basis. The Board of Management considers its overall responsibility for compliance as a key leadership task. Our Chief Compliance Officer is responsible for the design and management of the compliance management system focusing on the fight against corruption. Compliance officers implement the compliance management system and our compliance goals locally at the level of our operating segments and national companies.

> For further information on the compliance management system, please refer to the section "Combined sustainability statement."

Statement of effectiveness

Based on regular discussions about the internal control system and the risk and opportunity management system, including the Group risk report and the ICS report, the Board of Management is not aware of any circumstances as of the date of preparation of the combined management report which contradict the appropriateness and effectiveness of these systems in their entirety.

Accounting-related internal control system

The accounting-related ICS comprises the principles, methods, and measures used to ensure appropriate accounting. It is continuously being refined and aims to ensure the consolidated financial statements of Deutsche Telekom are prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union, as well as with the regulations under commercial law as set forth in § 315e (1) HGB. Another objective of the accounting-related ICS is the preparation of the annual financial statements of Deutsche Telekom AG and the combined management report in accordance with German GAAP.

It is generally true of any ICS that regardless of how it is specifically structured there can be no absolute guarantee that it will achieve its objectives. Therefore, as regards the accounting-related ICS, there can only ever be relative, but no absolute, certainty that material accounting misstatements can be prevented or detected.

Group Accounting manages the processes of Group accounting and management reporting. Legal provisions, accounting standards, and other pronouncements are continuously analyzed as to whether and to what extent they are relevant and how they impact on financial reporting. The relevant requirements are defined in the Group Accounting Manual, for example, communicated to the relevant units and, together with the financial reporting calendar that is binding throughout the Group, form the basis of the financial reporting process. In addition, supplementary process directives such as the Intercompany Policy, standardized reporting formats, IT systems, as well as IT-based reporting and consolidation processes, support the process of uniform and compliant Group accounting. Where necessary, we also draw on the services of external experts, for example, to measure pension obligations or in connection with purchase price allocations. Group Accounting ensures that these requirements are complied with consistently throughout the Group. The staff involved in the accounting process receive regular training. Deutsche Telekom AG and the Group companies are responsible for ensuring that Group-wide policies, regulations, and procedures are complied with. The Group companies ensure the compliance and timeliness of their accounting-related processes and systems and, in doing so, are supported and monitored by Group Accounting.

Operational accounting processes at the national and international level are increasingly managed by our shared service centers. Harmonizing the processes enhances their efficiency and quality and, in turn, improves the reliability of the internal ICS. The ICS thus safeguards both the quality of internal processes at the shared service centers and the interfaces to the Group companies by means of adequate controls and an internal certification process.

Internal controls are embedded in the accounting process depending on risk levels. The accounting-related ICS comprises both preventive and detective controls, which include

- IT-based and manual matching
- The segregation of functions
- The dual-checking principle
- Monitoring controls
- General IT checks such as access management in IT systems, and change management

Central and local ICS management continuously develop the ICS further in line with the operational processes, responding to new technologies and ways of working. These include the use of software robots, real-time alarms, artificial intelligence, and agile working.

We have implemented a standardized process throughout the Group for monitoring the effectiveness of the accounting-related ICS. This process systematically focuses on risks of possible misstatements in the consolidated financial statements. At the beginning of the year, specific accounts and accounting-related process steps are selected based on risk factors. They are then reviewed for effectiveness in the course of the year. If control weaknesses are found, they are analyzed and assessed, particularly in terms of their impact on the consolidated financial statements and the combined management report. Material control weaknesses, the action plans for eradicating them, and ongoing progress are reported to the Board of Management and additionally to the Audit and Finance Committee of the Supervisory Board of Deutsche Telekom AG. In order to ensure a high-quality accounting-related ICS, Internal Audit is closely involved in all stages of the process.

Corporate Governance Statement in accordance with §§ 289f, 315d HGB [a]

Sound systematic corporate governance based on sustainable value creation is particularly important for an international group such as Deutsche Telekom, with its many subsidiaries and associates. The Supervisory Board and the Board of Management of Deutsche Telekom AG are convinced that corporate governance of this nature, taking both company- and industry-specific issues into account, is an important building block for the future success of Deutsche Telekom AG. Responsibility for compliance with the principles of sound corporate governance is vested in senior management, accordingly.

In the 2025 financial year, the Board of Management and Supervisory Board once again carefully examined the corporate governance of Deutsche Telekom AG and the Deutsche Telekom Group as well as the contents of the German Corporate Governance Code. During the reporting period just ended, Deutsche Telekom AG fulfilled all of the Code's recommendations with the exception of recommendation B.4, for which a deviation was declared as a mere precaution on January 27, 2025. On December 30, 2025, the Supervisory Board and Board of Management of Deutsche Telekom AG issued a Declaration of Conformity with the German Corporate Governance Code. No deviations were declared for the 2026 financial year.

Deutsche Telekom AG additionally voluntarily complies with the suggestions promulgated by the Code, with the following exception in respect of suggestion A.8: A.8 suggests that the Board of Management convene an extraordinary shareholders' meeting in the event of a takeover offer at which shareholders will discuss the offer and may decide on corporate actions. However, even utilizing the option of a virtual meeting and applying the rules on shorter notice periods for convocation provided for in such instances by the Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz – WpÜG), holding an extraordinary shareholders' meeting poses a sizable organizational challenge for listed companies, especially in the case of a takeover. In view of this, the Board of Management will decide on a case-by-case basis either to electively call an extraordinary shareholders' meeting or to set up an online forum to provide shareholders with an adequate alternative platform for dialogue on the takeover offer.

Declaration of Conformity pursuant to § 161 of the German Stock Corporation Act (Aktiengesetz – AktG) from December 30, 2025

I. The Board of Management and the Supervisory Board of Deutsche Telekom AG hereby declare that in the period since submission of the most recent declaration of conformity pursuant to § 161 AktG on December 30, 2024, Deutsche Telekom AG has complied with the recommendations of the Government Commission on the German Corporate Governance Code announced by the Federal Ministry of Justice on June 27, 2022, in the official section of the Federal Gazette (Bundesanzeiger), with the exception of a precautionarily declared deviation from recommendation B.4 (early re-appointment under special circumstances).

   Reason for the as a mere precaution declared deviation from recommendation B.4 in the past:

   According to recommendation B.4, any re-appointment of a member of the management board before the end of one year prior to the end of the term of appointment with concurrent termination of the current appointment shall only happen if special circumstances apply. On January 27, 2025, Mr. Timotheus Höttges was re-appointed as Chairman of the Board of Management of Deutsche Telekom AG by the Supervisory Board of Deutsche Telekom AG for the period from February 1, 2025 until December 31, 2028. At the same time the current appointment for the period until December 31, 2026 was terminated with effect as of the end of January 31, 2025.

   Deutsche Telekom AG believes that there were special circumstances for the earlier re-appointment. In particular, strategic reasons required to safeguard continuity in the person of the Chairman of the Board of Management beyond December 31, 2026 for the company.

   Deutsche Telekom AG nonetheless declared, as a matter of precaution, that it deviates from recommendation B.4 with the early re-appointment of Mr. Timotheus Höttges as member of the Board of Management. This declaration was made to avoid any legal uncertainty. Deutsche Telekom AG intends to comply with the recommendation B.4 again for future re-appointments of members of the Board of Management.

II. The Board of Management and the Supervisory Board of Deutsche Telekom AG further declare that as of today Deutsche Telekom AG will fully comply with the recommendations of the Government Commission on the German Corporate Governance Code announced by the Federal Ministry of Justice on June 27, 2022, in the official section of the Federal Gazette (Bundesanzeiger).

This Declaration of Conformity can be found on the Deutsche Telekom AG website. It also provides access to the declarations of conformity from previous years.

[a] Information in this section, as well as the associated reference below the text, is information extraneous to the management report as explained in the section "Introductory remarks."

Remuneration Report/remuneration system

The remuneration system applicable to members of the Board of Management pursuant to § 87a (1) and (2), sentence 1 AktG, as approved by the Shareholders' Meeting on April 9, 2025, and the resolution of the Shareholders' Meeting on April 10, 2024 pursuant to § 113 (3) AktG on remuneration for the members of the Supervisory Board, are available to the public on the Deutsche Telekom AG website. The Remuneration Report and the related independent auditor's report pursuant to § 162 AktG are also published on the same website.

Additional corporate governance practices

Compliance and internal Group rules

Compliance involves the observance of legal requirements and internal Group rules. Deutsche Telekom has expressed a Group-wide commitment to complying with ethical principles and both legal and statutory requirements. The Group has anchored this commitment in its Guiding Principles and its Code of Conduct.

Deutsche Telekom implemented a compliance management system with the aim of minimizing risks arising from systematic infringements of legal or ethical standards that could result in regulatory or criminal liability on the part of the company, its executive body members, or employees, or result in a significant loss of reputation. The Board of Management considers its overall responsibility for compliance as a key leadership task. The Chief Compliance Officer is responsible for the design and management of the compliance management system focusing on the fight against corruption. Compliance officers implement the compliance management system and the compliance goals locally at the level of operating segments and national companies.

Deutsche Telekom's compliance management system is based on the Compliance Risk Assessment (CRA), which can be used to identify and assess compliance risks and introduce suitable preventative measures. To this end, Deutsche Telekom has introduced a process to be carried out at regular intervals. The companies that take part in the CRA are selected using a risk-based approach of their compliance management system.

Group Compliance assists at a central level with local implementation and provides a standardized methodology.

In the reporting year, the CRA was performed at 51 domestic and international subsidiaries, focusing on the German Act on Corporate Due Diligence in Supply Chains (Lieferkettensorgfaltspflichtengesetz – LkSG). The broader-based standard CRA was performed most recently in 2024 at Deutsche Telekom AG along with 101 further domestic and international subsidiaries. The next risk assessment is scheduled for 2026.

As a company listed on the United States stock exchange, T-Mobile US uses its own methodology to carry out risk assessments; the company reports regularly on these risk assessments to the relevant bodies, which include representatives of Deutsche Telekom AG.

Deutsche Telekom regularly engages external auditors to audit its compliance management system in accordance with Auditing Standard 980 laid down by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer in Deutschland e.V. – IDW) focusing on the fight against corruption. Following an IDW AS 980 audit of Deutsche Telekom AG plus eight further domestic subsidiaries in 2024, twelve international subsidiaries underwent IDW AS 980 audits in the reporting year. Alongside compliance processes, the audits focused in particular on processes that are exposed to an increased risk of corruption, for example, in procurement, sales, events, donations, sponsorships, mergers and acquisitions, and human resources. As in the earlier audits, the effectiveness of the compliance management system, particularly in respect of anti-corruption, was once again confirmed for all audited entities.

> For further information on the compliance management system and the Code of Conduct, please refer to the Deutsche Telekom AG website.

Guiding Principles

Culture is part of the corporate DNA and, as such, influences not only the ways of working, but also the success of a company. Deutsche Telekom AG has therefore laid down a set of Guiding Principles to reflect its company values.

> Further information on the Guiding Principles can be found on the Deutsche Telekom AG website.

Corporate responsibility

Corporate responsibility forms the basis for all of our business relationships and activities along our entire value chain. As an integral part of the Group's strategy, sustainability is systematically anchored in our organization. The purpose of sustainability management is to analyze and assess not only the impact the Company and its activities have on the environment and society, but also the effects of the environment and society on the Company, with the goal of working constructively to improve this interplay.

> For further information on corporate responsibility, please refer to the "Combined sustainability statement" in the 2025 Annual Report; we will also publish the 2025 CR Report in May 2026.

Working methods of the Board of Management and the Supervisory Board as well as composition and working methods of committees

Cooperation between the Board of Management and the Supervisory Board

The Board of Management and the Supervisory Board work closely together for the good of the Company and maintain regular contact. The Board of Management agrees the Company's strategic alignment with the Supervisory Board and discusses the status of strategy implementation with the Supervisory Board at regular intervals. The Supervisory Board of Deutsche Telekom AG holds a minimum of four meetings a year. In the 2025 financial year, there were six Supervisory Board meetings and one off-site conference on the strategic alignment of the Company. In addition to the long-term financial goals, environmental and social goals are also given due consideration in the corporate strategy. In the lead-up to the Supervisory Board meetings, separate preparatory meetings of the shareholders' and employees' representatives are held on a regular basis. The Supervisory Board also convenes meetings without the Board of Management in attendance as and when it deems necessary. Every member of the Supervisory Board is required to declare any conflicts of interest to the Chair of the Supervisory Board. The Supervisory Board's report to the Shareholders' Meeting contains disclosures of any conflicts of interest and action taken in this regard.

> For further information on conflicts of interest, please refer to the section "Supervisory Board's report to the 2026 Shareholders' Meeting" in the 2025 Annual Report and on the Deutsche Telekom AG website.

In addition, in the 2025 financial year, 29 meetings of the Supervisory Board committees were held. The Board of Management keeps the Supervisory Board fully and regularly informed in good time, in particular of corporate strategy, planning, business development, sustainability, regulation, the risk situation, the risk and opportunity management system, compliance, innovation focuses, and any deviations in the business developments from original plans, as well as significant business transactions involving the Company and major Group companies. The Board of Management regularly submits written and oral reports. Between meetings, the Board of Management also informs the Supervisory Board of the current business development of the Group and its segments on a monthly basis. The Board of Management reports to the Supervisory Board on individual issues in writing or in discussions. The reporting obligations of the Board of Management specified by the Supervisory Board go beyond statutory requirements. The activities of the Board of Management and the Supervisory Board, as well as the Audit and Finance Committee of the Supervisory Board, are specified in separate Rules of Procedure. Those governing the Board of Management also stipulate, in particular, the schedule of responsibilities and the majorities required for resolutions. The members of the Board of Management, in particular the Chair, exchange information regularly in person with the Chair of the Supervisory Board.

> For further information on cooperation between the Board of Management and the Supervisory Board, please refer to the section "Supervisory Board's report to the 2026 Shareholders' Meeting" in the 2025 Annual Report and on the Deutsche Telekom AG website. This is where you can also find the current Rules of Procedure of the executive bodies.

Working methods and schedule of responsibilities of the Board of Management

The Board of Management normally meets on a weekly basis. As a rule, its resolutions are adopted by simple majority and within the scope of its meetings. The Board of Management's Schedule of Responsibilities states that there are eight Board departments: the department of the Chair of the Board of Management; Finance; Human Resources and Legal Affairs; Product and Technology (formerly "Technology and Innovation"); Germany; Europe; T-Systems; and USA and Group Development. The members of the Board of Management jointly bear responsibility for the management of the entire Company. They work together in a cooperative manner and continually inform one another of important measures and activities in their departments.

Irrespective of the joint responsibility of all members of the Board of Management, each individual member of the Board of Management is authorized to manage the spheres of responsibility allocated to them in the Schedule of Responsibilities, which is anchored in the Rules of Procedure for the Board of Management. Certain matters, particularly those where the law, the Articles of Incorporation, or the Rules of Procedure for the Board of Management require the involvement of the entire Board of Management, are subject to approval by the full Board of Management.

The Chair of the Board of Management leads the work of the Board of Management and regulates the cooperation of the members of the Board of Management, particularly in the event of any overlap in the areas of responsibility. They represent the Company and its corporate policy to the public, unless special matters have been assigned to another Board of Management member by the Schedule of Responsibilities or based on any special Board of Management resolution. They are also responsible for directing the cooperation with the Supervisory Board.

Composition and working methods of the Board of Management committees

To further the efficient performance of its duties, the Board of Management has established two permanent committees that include people who are not members of the Board of Management. These committees do not have the authority to take decisions that are by law matters to be dealt with by the full Board of Management.

The Asset Committee advises the entire Board of Management on matters concerning the economically and strategically optimum allocation of resources, on investment projects, and on measures with key economic significance.

The Mergers and Acquisitions (M&A) Committee decides on the implementation of certain M&A transactions of low strategic relevance and which are within defined value thresholds.

Board of Management committees

Committee	Members	Committee	Members
Asset Committee		**M&A Committee**	
	Member of the Board of Management, Finance (committee chair)		Chairman of the Board of Management (committee chair)
	Member of the Board of Management, Product and Technology		Member of the Board of Management, Finance
	Head of the Corporate Operating Office		Member of the Board of Management, Human Resources and Legal Affairs
	Chief Information Officer		Senior Vice President, Mergers & Acquisitions
	Senior Vice President, Group Controlling		Head of Group Strategy and Transformation
	Head of Group Strategy and Transformation		
	Senior Vice President, Group Procurement		
	Financial Directors of the segments Germany, Europe, and GHS-PT		
	Chief Technology Officer, Germany		
	Senior Vice President, Consumers, Germany		
	Chief Network Officer		
	Head of B2C Growth Europe		

For the current composition of the Board of Management committees, please refer to the Deutsche Telekom AG website.

Working methods of the Supervisory Board

The Supervisory Board appoints the members of the Board of Management and regularly supervises its management of the Company. The Supervisory Board is directly involved in all decisions of strategic importance to the Company. This involvement is guaranteed through the specification of approval provisos for the Supervisory Board and through the agreement of the strategic alignment of the Company. The work of the Supervisory Board is specified in Rules of Procedure. To clarify the reporting obligations on the part of the Board of Management, the Supervisory Board has drawn up a list of transactions and actions subject to approval. This list forms an integral part of the Rules of Procedure for the Supervisory Board and the Board of Management, respectively.

For the current Rules of Procedure, please refer to the Deutsche Telekom AG website.

The Supervisory Board and Audit and Finance Committee each self-assess their work every two years, to regularly review how effectively the full Supervisory Board and its committees fulfill their mandates, and to provide fresh impetus for the Supervisory Board's work. The internal self-assessment carried out to this end is based on a comprehensive questionnaire followed by intense discussion and consultation on the results by the entire Supervisory Board and the Audit Committee. The questionnaire covers aspects that have a material effect on the Supervisory Board's performance of its duties, such as key agenda topics, culture, the flow of information, committee structure, the Supervisory Board Chair's leadership, the quality of consultations and strategic discussions, as well as the working relationship between the Supervisory Board and the Board of Management. The evaluation of the questionnaire provides a detailed self-assessment from which action areas are derived. The Supervisory Board carried out its last self-assessment in the 2025 financial year. As well as the work of the Supervisory Board as a whole, it also considered the work of all of the Board's

committees. The self-assessment was extended to include a survey of the members of the Board of Management to obtain their assessments of the Supervisory Board's work, the results of which were included in the evaluation. A further, separate survey of the Audit and Finance Committee was carried out most recently in the 2024 financial year. The survey was carried out without external support.

An onboarding process for new Supervisory Board members is in place. The Company offers new Supervisory Board members a customized program to introduce them to the industry and the situation of the Company. This includes discussions with all Board of Management members; an introduction to the corporate strategy, current trends, and challenges; and opportunities to learn about specific technology-related topics.

The members of the Supervisory Board generally take on the necessary training and further education measures required for their tasks on their own initiative. Deutsche Telekom offers supporting information events and workshops – in 2025 the main focus was on digitalization in risk management and the use of AI in internal audit – delivered by experts from within the Company. Company visits and presentations of the latest product innovations are additionally arranged and offered to the Supervisory Board members to enhance their understanding of the Company. They also inform themselves and undergo continued training on current topics both within and outside of the Supervisory Board's meetings.

The Chair of the Supervisory Board coordinates the work of the Supervisory Board and presides over its meetings. In addition to the organizational tasks relating to the Supervisory Board, they maintain regular contact with the Board of Management, particularly the Chair, to discuss issues relating to the Company's strategy, planning, business development, sustainability, regulation, the risk situation, the risk and opportunity management system, and compliance, and are informed of the general business situation and significant events. In this context, the Chair of the Board of Management in particular informs the Chair of the Supervisory Board of all events that are significant to the situation, development, and governance of the Company.

Composition and working methods of the Supervisory Board's committees

In order to perform its tasks effectively, in the 2025 financial year the Supervisory Board had six committees with the following responsibilities: The General Committee deals with personnel matters relating to the Board of Management (including Board of Management remuneration matters) and prepares the meetings of the Supervisory Board. The Audit and Finance Committee performs the tasks required by law and recommended by the German Corporate Governance Code. These include, in particular, the monitoring of accounting and the accounting process, the effectiveness of the internal control system, the risk and opportunity management system, the internal auditing system, the auditing of financial statements, compliance, including the compliance management system, and data privacy and data security. The Audit and Finance Committee deals with legal disputes as well as cybersecurity and the resulting risks for the Group, and prepares the audit of the combined sustainability statement. It prepares the resolution on key points of the budget and the annual financing plan for the Supervisory Board, and deals with medium-term planning. Lastly, the Audit and Finance Committee deals with complex corporate financial and business activities passed on to it by the Supervisory Board Chair or by the Supervisory Board for examination and discussion. The Staff Committee deals with general personnel matters not relating to the Board of Management, as well as human resources development and quantitative and qualitative staff planning. The Strategy, ESG, and Innovation Committee periodically deals with the Group strategy, the strategy for the operating segments (Germany, United States, Europe, Systems Solutions), ESG topics, and preparations and decision-making in connection with M&A transactions. It also supports innovation and technological developments at infrastructure and product level and supports the Board of Management with advice on how to tap new growth areas. Furthermore, the Supervisory Board has formed a Nomination Committee, which consists exclusively of shareholders' representatives. The Nomination Committee is responsible in particular for proposing to the Supervisory Board suitable candidates for the latter to subsequently recommend to the shareholders' meeting for election. The Nomination Committee does this in compliance with legal requirements, the German Corporate Governance Code, and the Rules of Procedure of the Supervisory Board, and taking into account the targets adopted by the Supervisory Board as regards its composition, as well as the profile of skills and expertise developed by the Supervisory Board for the overall Board and its qualification matrix. Moreover, the Nomination Committee defines the requirements for the specific position to be filled. It creates a requirements profile, identifies and assesses potential candidates, and submits proposals for election for the shareholders' meeting to the Supervisory Board. In addition, there is a Mediation Committee, which was formed in accordance with § 27 (3) of the Codetermination Act. The Supervisory Board may also establish temporary committees to serve needs as they arise. In the 2025 financial year, there were no such temporary committees.

> For the current composition and new structure of the Supervisory Board committees, please refer to the Deutsche Telekom AG website.

The committees' chairs each report to the Supervisory Board on a regular basis on the work of the committees.

The Chair of the Audit and Finance Committee, Dagmar P. Kollmann, due to her many years of experience in investment banking as a Board member and as CEO of Morgan Stanley Bank AG, Frankfurt/Main, and her numerous memberships lasting for many years on a range of audit committees and risk committees of the supervisory boards of listed and non-listed multinational companies, in some cases also as chairwoman, has considerable expertise in the fields of accounting and the audit of financial statements, including sustainability reporting and its auditing. Her expertise in regard to accounting consists in particular of specific knowledge and experience in the application of accounting standards and internal control and risk management systems, and in regard to the audit of financial statements, of specific knowledge and experience in that area. Dagmar Kollmann undergoes regular training on the topics listed above from both internal and external providers. In her recent training, she has focused in particular on national and international legislation governing sustainability reporting.

Ms. Kollmann is independent from the Company and the Board of Management, and is not a former member of the Board of Management of Deutsche Telekom AG.

As a member of the Audit and Finance Committee since April 9, 2025, Rachel Empey, due to her training as a Qualified Chartered Accountant (England and Wales), her duties as audit executive at Ernst & Young Ltd., Bristol, her wide-ranging responsibilities in the Finance department at the Telefonica Group, Slough, and as CFO of Telefónica Deutschland Holding AG, Munich, and Fresenius Management SE, Bad Homburg vor der Höhe, as well as her memberships of the audit committees of Inchcape plc, London and ZF Friedrichshafen AG, Friedrichshafen, has considerable expertise in the areas of accounting and the auditing of financial statements, including sustainability reporting and its auditing. Her expertise in regard to accounting consists in particular of specific knowledge and experience in the application of accounting standards and internal control and risk management systems, and in regard to the audit of financial statements, of specific knowledge and experience in that area. Rachel Empey undergoes regular training on the topics listed above from both internal and external providers. In her recent training, she has focused in particular on financial and sustainability reporting.

As a member of the Audit and Finance Committee until April 9, 2025, Dr. Helga Jung, due to her diverse responsibilities in the Finance department at the Allianz Group and her years of experience as a member of the Board of Management of Allianz SE, Munich, as well as her long-term membership of the Audit Committee of Allianz Deutschland AG, Munich, also had considerable expertise in the fields of accounting and the auditing of financial statements. Her expertise in regard to accounting consists in particular of specific knowledge and experience in the application of accounting standards and internal control and risk management systems, and in regard to the audit of financial statements, of specific knowledge and experience in that area.

As a member of the Audit and Finance Committee, Petra Steffi Kreusel, due to her responsibilities in Group Controlling and Group Accounting at Grundig AG, Fürth, Philips GmbH, Hamburg, and at the Deutsche Telekom Group, as well as her long-term membership of the Audit Committee of the Supervisory Board of Deutsche Telekom AG, Bonn, has considerable expertise in the fields of accounting and the auditing of financial statements, including sustainability reporting and its auditing. Her expertise in regard to accounting consists in particular of specific knowledge and experience in the application of accounting standards and internal control and risk management systems, and in regard to the audit of financial statements, of specific knowledge and experience in that area.
Ms. Kreusel undergoes regular training on the topics listed above from both internal and external providers. In her recent training, she has focused in particular on national and international legislation governing sustainability reporting.

Supervisory Board committees

Committee	Supervisory Board member
General Committee	
	Dr. Frank Appel (Chair)
	Harald Krüger
	Kerstin Marx
	Stefan Ramge, since January 14, 2025
	Frank Sauerland
	Christoph Schmitz-Dethlefsen
Audit and Finance Committee	
	Dagmar P. Kollmann (Chair)
	Rachel Empey, since April 9, 2025
	Dr. Helga Jung, until April 9, 2025
	Petra Steffi Kreusel
	Kerstin Marx
	Susanne Schöttke
	Karl-Heinz Streibich
	Karin Topel
	Stefan B. Wintels
Strategy, ESG, and Innovation Committee	
	Dr. Frank Appel (Chair)
	Odysseus D. Chatzidis
	Eric Daum
	Constantin Greve
	Lars Hinrichs, until April 9, 2025
	Dr. Reinhard Ploss, since April 9, 2025
	Stefan Ramge, since January 14, 2025
	Frank Sauerland
	Margret Suckale

Committee	Supervisory Board member
Staff Committee	
	Frank Sauerland (Chair)
	Dr. Frank Appel
	Odysseus D. Chatzidis
	Harald Krüger
	Kerstin Marx
	Dr. Reinhard Ploss
	Nicole Seelemann-Wandtke
	Margret Suckale
Nomination Committee	
	Dr. Frank Appel (Chair)
	Dagmar P. Kollmann
	Stefan Ramge, since January 14, 2025
Mediation Committee	
	Dr. Frank Appel (Chair)
	Kerstin Marx
	Stefan Ramge, since January 14, 2025
	Christoph Schmitz-Dethlefsen

Transparent shareholder communication

To provide our shareholders with a high level of transparency and equality of information, we are committed to providing institutional investors, retail shareholders, financial analysts, and the general public with regular, comprehensive, transparent, and up-to-date information about the Company's position at the same time and on an equal basis. Significant information, such as press releases, ad hoc notifications, presentations from analyst conferences, financial reports, and the financial calendar, is made available on the Company's websites. Dr. Appel, Chair of the Supervisory Board, is additionally in constant dialogue with investors on Supervisory Board-specific topics.

Disclosures on compliance with the representation requirements for the composition of the Board of Management; targets for the percentages of women at the two management levels directly below the Board of Management; compliance with minimum percentages for Supervisory Board members

Representation requirements for the composition of the Board of Management

Deutsche Telekom AG exceeded the minimum representation requirements (at least one woman and one man on the Board of Management) in the 2025 financial year and strives to maintain this level going forward. The consideration of women above and beyond the legal minimum plays a key role in long-term succession planning for the Board of Management.

Composition targets for the two management levels directly below Board of Management level

For the period January 1, 2021 through December 31, 2025, the Board of Management set a target of 30 % of women in each case for the two management levels directly below the Board of Management level. As of December 31, 2025, women accounted for 23.1 % at the first management level directly below the Board of Management level and for 26.5 % at the second management level. The number of women at both these management levels was therefore below the target of 30 %. The failure to meet this target is due in part to the smaller number of women overall in some areas, resulting in fewer potential female candidates for management positions. Low employee turnover levels in individual areas further reduce the number of opportunities to fill new vacancies with women. Furthermore, there is intense demand for female talent both within and outside of the Group. Ultimately, it takes time for skilled women to progress from the lower expert and leadership levels into high-level management positions.

For the period January 1, 2026 until December 31, 2030, the Board of Management has set a target of 12 women for the first management level below the Deutsche Telekom AG Board of Management, based on the assumption that this level will continue to comprise 40 individuals as of December 31, 2030. This corresponds to a share of 30 %.

For the period January 1, 2026 until December 31, 2030, the Board of Management has set a target of 38 women for the second management level below the Deutsche Telekom AG Board of Management, based on the assumption that this level will continue to comprise 125 individuals as of December 31, 2030. This corresponds to a share of 30.4 %.

Minimum percentages for Supervisory Board members

In accordance with the law, the Supervisory Board of Deutsche Telekom AG must consist of a minimum of 30 % women and a minimum of 30 % men. Deutsche Telekom AG is required by law (§ 96 (2) AktG) to comply with these minimum percentages when appointing members to the Supervisory Board. The composition of the Supervisory Board exceeded the minimum requirements in the 2025 financial year.

Information on the diversity concept

The aim of the diversity concept for the Supervisory Board and the Board of Management is to ensure in each case that the composition of these bodies takes into account the criteria of background, gender, origin, and age (diversity criteria), making them more diverse so that different experience and backgrounds are represented on the Supervisory Board and the Board of Management and to contribute to good corporate governance with the help of diversity of opinion and knowledge. The aim of taking the selected diversity criteria into account in the composition of these bodies is to work towards creating diversity of expertise and opinions in the bodies in question. The diversity of expertise in the bodies is to promote the members' understanding of the current business situation of the Company, while diversity of points of view within the bodies enables the members to consider other perspectives than their own and to better recognize opportunities and risks when making decisions.

Diversity concept for the Board of Management

Taking into account the stipulations of the German Corporate Governance Code, the diversity concept encompasses the following objectives for the composition of the Board of Management:

As a whole, the Board of Management is in particular to have many years of experience in the telecommunications sector, technology, innovation, finance, digitalization, artificial intelligence, human resources management, and legal and compliance affairs.

From January 27, 2025, as a rule, members of the Board of Management should not be older than 67 years of age.

In view of the Company's international focus, at least one member of the Board of Management is to have an international background.

Long-term succession planning for the Board of Management

Together with the Board of Management and supported by the General Committee, the Supervisory Board ensures that there is long-term succession planning for the Board of Management. Long-term succession planning gives due consideration not only to the requirements of the Stock Corporation Act (Aktiengesetz), the German Corporate Governance Code, and the Rules of Procedure of the Supervisory Board, but also to the requirements laid down in the diversity concept adopted by the Supervisory Board regarding the composition of the Board of Management. Regular discussions are held with regard to internal and external candidates for each Board of Management department. In these discussions, the candidates' experience and qualifications are matched to the specific requirements profile of the respective Board of Management department. Potential succession candidates are then grouped into the categories "immediate," "medium term," and "long term." In addition, the Supervisory Board monitors an internal talent pool filled with high-potential candidates as a further category. Wherever development or training needs arise for individual candidates, specific development measures are agreed with them in person. A structured process is put in motion that is designed to provide the candidates in question with the requisite skills to assume responsibility for a Board of Management department. Where necessary, the Supervisory Board/General Committee is assisted by external advisors.

Implementation of the diversity concept for the Board of Management

The diversity concept for the Board of Management is brought to bear during the process of appointing new Board members. When selecting candidates or proposing individuals for appointment to the Board of Management, the Supervisory Board/General Committee of the Supervisory Board takes into account the requirements adopted in the diversity concept for the Board of Management.

The members of the Board of Management cover a broad spectrum of knowledge and experience, and have strong educational and professional backgrounds, extensive international experience, and diverse international origins. The Board of Management members as a group are in possession of all of the knowledge and experience considered essential to Deutsche Telekom AG's activities. The experience of the Board of Management as a whole spans all business areas of importance to Deutsche Telekom AG, in particular in the field of telecommunications and infrastructure, as well as extensive experience in the areas of information technology, innovation, digitalization and artificial intelligence, corporate development, finance, as well as legal affairs and human resources.

Ensuring the adequate representation of women is of paramount importance in long-term succession planning for the Board of Management. Various age groups are represented on the Board of Management.

Targets for the composition, profile of skills and expertise, and diversity concept for the Supervisory Board

Taking into account the stipulations of the German Corporate Governance Code, the diversity concept encompasses the following objectives for the composition of the Supervisory Board:

- Taking into account the Company's specific situation, the Supervisory Board resolves to consider the aspect of diversity in addition to the requisite expertise of a candidate when issuing recommendations for future appointments to the Supervisory Board to the competent election bodies.
- The Supervisory Board has to be composed in such a way that its members as a group possess the knowledge, ability, and expert experience required to properly perform its tasks.
- The Supervisory Board supports an appropriate representation of women on the Supervisory Board. A minimum of 30 % of members of the Supervisory Board shall be women.
- In view of the Company's international focus, candidates with an international background are to be given appropriate consideration in future appointments to the Supervisory Board.
- Conflicts of interest are to be avoided in appointments to the Supervisory Board.
- The term of office for members of the Supervisory Board shall end no later than the close of the shareholders' meeting after the Supervisory Board member reaches the age of 75 (standard age limit) unless there are special reasons for this not to be the case.
- A regular limit of three terms of office applies for membership of the Supervisory Board. Appointments by court order that are limited until the next shareholders' meeting, however, are not considered a term of office.
- Supervisory Board members representing the shareholders' side are proposed to the shareholders' meeting for appointment as a rule for a four-year term of office.
- The Supervisory Board shall include what the shareholders' representatives consider to be an appropriate number of independent members in line with recommendation C.6 of the German Corporate Governance Code. As such, the shareholders' representatives side considers that more than half of the shareholders' representatives shall be independent from the Company and its Board of Management within the meaning of recommendation C.7 of the German Corporate Governance Code. At least two shareholders' representatives must be independent from any controlling shareholder.

Profile of skills and expertise

The Supervisory Board considers the following skills, expertise, and knowledge to be essential for it to exercise its role:

1. Strategic skills and expertise

- TC/IT industry, related industries
- Market (competition and customers), sales and customer business, marketing
- Products
- Market participants
- Regulated industries
- M&A processes

2. Financial skills and expertise

- Accounting processes, risk management, audit of financial statements
- Financial KPIs and systems
- Capital and financial markets
- Corporate financing
- Control and risk management systems

3. Control skills and expertise

- Management/CEO
- Supervisory board
- International management experience
- Co-determination
- Legal affairs/compliance
- Data privacy/data security
- Corporate governance
- Regulatory and competition law
- Control and risk management systems

4. Innovation skills and expertise

- New technologies
- Digitalization
- Artificial intelligence
- IT/NT/telecommunications

5. ESG (Environmental, Social, Governance) skills and expertise

- Environmental sustainability
- Social sustainability
- Sustainability management

6. HR skills and expertise

- Human resources
- Change management
- Human resources development
- Organizational and cultural change
- Diversity
- Sustainability

Implementation of the composition targets including the profile of skills and expertise, the qualification matrix, and the diversity concept for the Supervisory Board; independence of Supervisory Board members

Both the Supervisory Board and the Nomination Committee of the Supervisory Board take account of the composition targets and the requirements laid down in the diversity concept for the process of selecting and nominating candidates for appointment to the Supervisory Board. The proposals to the shareholders' meeting regarding candidates for election took account of the targets, including the profile of skills and expertise, the qualification matrix, and the diversity concept.

In the Supervisory Board's opinion, the Supervisory Board in its current composition meets the composition targets and rounds out both the profile of skills and expertise and the diversity concept. The members of the Supervisory Board possess the professional and personal skills considered essential for the task. As a whole, they are familiar with the telecommunications sector and have the knowledge, abilities, and experience required to advise and monitor the Board of Management of Deutsche Telekom AG. A significant proportion of Supervisory Board members are active internationally or have extensive international experience. Diversity is given due consideration in the Supervisory Board. In the 2025 financial year, nine members of the Supervisory Board were women. As such, women accounted for 45 % of the Supervisory Board in the reporting year.

Qualification matrix

Name	Strategic skills and expertise	Financial skills and expertise	Control skills and expertise	Innovation skills and expertise	ESG skills and expertise	HR skills and expertise
Dr. Frank Appel	✔	✔	✔	✔	✔	✔
Odysseus D. Chatzidis	✔	–	✔	✔	✔	✔
Eric Daum	–	✔	✔	✔	✔	✔
Rachel Empey	✔	✔	✔	✔	✔	✔
Constantin Greve	✔	✔	✔	✔	✔	✔
Natalie Knight	✔	✔	✔	✔	✔	✔
Dagmar P. Kollmann	✔	✔	✔	✔	✔	✔
Petra Steffi Kreusel	✔	✔	✔	✔	✔	✔
Harald Krüger	✔	✔	✔	✔	✔	✔
Kerstin Marx	✔	✔	✔	–	✔	✔
Dr. Reinhard Ploss	✔	✔	✔	✔	✔	✔
Stefan Ramge	✔	✔	✔	✔	✔	✔
Frank Sauerland	✔	✔	✔	–	✔	✔
Susanne Schöttke	✔	✔	✔	–	✔	✔
Christoph Schmitz-Dethlefsen	✔	✔	✔	✔	✔	✔
Nicole Seelemann-Wandtke	✔	–	✔	✔	–	✔
Karl-Heinz Streibich	✔	✔	✔	✔	✔	✔
Margret Suckale	✔	✔	✔	✔	✔	✔
Karin Topel	✔	✔	✔	✔	✔	✔
Stefan B. Wintels	✔	✔	✔	✔	✔	✔

Based on self-assessment by the Supervisory Board members. In order to respond in the affirmative to one of the six skills and expertise areas, it is not necessary for the members of the Supervisory Board to offer every individual skill in the skills and expertise area in question.

The avoidance of conflicts of interest and compliance with the standard age limit and the regular limit on terms of office were taken into consideration in the appointments to the Supervisory Board.

With her proven experience and expertise in environmental, social, and governance (ESG) criteria, Margret Suckale has been appointed as the Supervisory Board's ESG expert.

In particular, Rachel Empey (since April 9, 2025), Dr. Helga Jung (until April 9, 2025), Natalie Knight (since April 9, 2025), Dagmar P. Kollmann, and Petra Steffi Kreusel possess proven financial expertise and were therefore appointed by the Supervisory Board as members with particular knowledge and experience in accounting and the auditing of financial statements, within the meaning of § 100 (5) AktG.

According to the assessment of the shareholders' representatives on the Supervisory Board, in the reporting year all members on the shareholders' side were independent within the meaning of the German Corporate Governance Code. These were: Dr. Frank Appel, Rachel Empey (since April 9, 2025), Lars Hinrichs (until April 9, 2025), Dr. Helga Jung (until April 9, 2025), Natalie Knight (until April 9, 2025), Dagmar P. Kollmann, Harald Krüger, Dr. Reinhard Ploss, Stefan Ramge, Karl-Heinz Streibich, Margret Suckale, and Stefan B. Wintels.

In their assessment of the independence of Dagmar P. Kollmann and Karl-Heinz Streibich, the shareholders' representatives took into consideration that they have been members of the Supervisory Board for more than twelve years. According to the German Corporate Governance Code, this is an indicator for a lack of independence. Based on their professional judgment, the shareholders' representatives concluded that the indicator does not contradict their opinion that Ms. Kollmann and Mr. Streibich are independent from the Company and its Board of Management. In their work on the Supervisory Board and its committees, as well as in the execution of their duties, Ms. Kollmann and Mr. Streibich continue to demonstrate the necessary critical distance to the Company and its Board of Management along with the capacity for objective judgment. Moreover, Ms. Kollmann and Mr. Streibich confirmed in personal statements that they consider themselves to be independent from the Company and its Board of Management.

As of December 31, 2025, the Federal Republic of Germany and KfW jointly held a direct stake in Deutsche Telekom AG of 28.3 %, making them the largest shareholders. The Federal Republic of Germany and KfW neither individually nor jointly hold a controlling majority. It was therefore not necessary to consider the existence of a controlling shareholder in the assessment of the independence of the shareholders' representatives on the Supervisory Board.

Legal structure of the Group

Deutsche Telekom AG, Bonn, is the parent of the Deutsche Telekom Group. Its shares are traded on the Frankfurt/Main Stock Exchange as well as on other stock exchanges.

> For information on the composition of capital stock in accordance with § 289a (1) HGB and § 315a HGB of direct and indirect equity investments, please refer to Note 19 "Shareholders' equity" in the notes to the consolidated financial statements and to the notes to the annual financial statements of Deutsche Telekom AG as of December 31, 2025.

Shareholders' equity

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).

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

> For information on the treasury shares in accordance with § 160 (1) No. 2 AktG, please refer to Note 8 in the annual financial statements of Deutsche Telekom AG as of December 31, 2025 and to Note 19 "Shareholders' equity" in the notes to the consolidated financial statements.

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 cancel 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 Jan. 1, 2025	Purchase of own shares	Reclassification of shares	Of which: Employee share program	Of which: Share Matching Plan	Cancellation of treasury shares	As of Dec. 31, 2025
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 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.

Authorized capital. The Shareholders' Meeting on April 7, 2022 authorized the Board of Management to increase the share capital with the approval of the Supervisory Board by up to EUR 3,829,600,199.68 by issuing up to 1,495,937,578 no par value registered shares against cash and/or contribution in kind in the period ending April 6, 2027. The authorization may be exercised in full or on one or more occasions in partial amounts. The Board of Management is authorized, subject to the approval of the Supervisory Board, to exclude residual amounts from shareholders' subscription rights. Furthermore, the Board of Management is authorized, subject to the approval of the Supervisory Board, to disapply shareholders' subscription rights in the event of capital increases against contribution in kind when issuing new shares for business combinations or acquisitions of companies, parts thereof, or interests in companies, including increasing existing investment holdings, or other assets eligible for contribution for such acquisitions, including receivables from the Company. However, the value of the new shares for which shareholders' subscription rights have been disapplied on the basis of this authorization – together with the value of the shares or conversion and/or option rights or obligations under bonds issued or sold since April 7, 2022 subject to the disapplication of subscription rights – must not exceed 10 % of the total share capital; the latter is defined as the amount existing as of April 7, 2022, upon entry of the authorization, or upon the issue of the new shares, whichever amount is lowest. If the issue or sale is carried out in analogous or mutatis mutandis application of § 186 (3) sentence 4 AktG, this shall also constitute the disapplication of subscription rights. The Board of Management is also authorized, subject to the approval of the Supervisory Board, to determine the rights accruing to the shares in the future and the conditions for issuing shares **(2022 Authorized Capital)**.

As of December 31, 2025, the share capital was contingently increased by up to EUR 1,200,000,000, comprising up to 468,750,000 no par value shares **(2024 Contingent Capital)**. The contingent capital increase will be implemented only to the extent that

a. the holders or creditors of bonds with warrants, convertible bonds, profit participation rights, and/or participating bonds (or combinations of these instruments) with option or conversion rights, which are issued or guaranteed by Deutsche Telekom AG or its direct or indirect majority holdings by April 9, 2029, on the basis of the authorization resolution granted by the Shareholders' Meeting on April 10, 2024, make use of their option and/or conversion rights or
b. those obligated as a result of bonds with warrants, convertible bonds, profit participation rights, and/or participating bonds (or combinations of these instruments), which are issued or guaranteed by Deutsche Telekom AG or its direct or indirect majority holdings by April 9, 2029, on the basis of the authorization resolution granted by the Shareholders' Meeting on April 10, 2024, fulfill their option or conversion obligations (including in the event that, in exercising a repayment option when the final due date of the bond is reached, Deutsche Telekom AG grants shares in Deutsche Telekom AG completely or partially in lieu of payment of the amount due)

and other forms of fulfillment are not used. The new shares shall participate in profits starting at the beginning of the financial year in which they are issued as the result of the exercise of any option or conversion rights or the fulfillment of any option or conversion obligations.

Main agreements including a change of control clause

The main agreements entered into by Deutsche Telekom AG that include a clause in the event of a change of control principally relate to bilateral credit lines and several loan agreements. In the event of a change of control, the individual lenders have the right to terminate the credit line and, if necessary, serve notice or demand repayment of the loans. A change of control is assumed when a third party, which can also be a group acting jointly, acquires control over Deutsche Telekom AG.

On November 2, 2016, Deutsche Telekom AG signed a change agreement to the shareholder agreement with the Greek government from May 14, 2008 on Hellenic Telecommunications Organization S.A (OTE), Marousi, Athens, Greece; the change agreement concerned the accession of the Hellenic Republic Asset Development Fund (HRADF) as a party to the contract. Under this agreement, the Greek government is, under certain circumstances, entitled to acquire all shares in OTE from Deutsche Telekom AG as soon as one (or more) person(s), with the exception of the Federal Republic of Germany, either directly or indirectly acquire(s) 35 % of the voting rights of Deutsche Telekom AG.

In the master agreement establishing the procurement joint venture BuyIn in Belgium, Deutsche Telekom AG and Orange S.A. (formerly France Télécom S.A.)/Atlas Services Belgium S.A. (a subsidiary of Orange S.A.) agreed that if Deutsche Telekom or Orange comes under the controlling influence of a third party or if a third party that is not wholly owned by the Orange group of companies acquires shares in Atlas Services Belgium, the respective other party (Orange and Atlas Services Belgium only jointly) may terminate the master agreement with immediate effect.

Changes in the composition of the Group

59 German and 267 foreign subsidiaries are fully consolidated in Deutsche Telekom's consolidated financial statements (December 31, 2024: 57 and 235). 18 associates (December 31, 2024: 17) and 29 joint ventures (December 31, 2024: 21) are also included using the equity method.

> The principal subsidiaries of Deutsche Telekom AG are listed in the section "Summary of accounting policies – Principal subsidiaries" in the notes to the consolidated financial statements.

Business combinations/disposals

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 business combinations, please refer to the section "Group organization" or the section "Summary of accounting policies – Changes in the composition of the Group and other transactions" in the notes to the 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 shareholders' equity
	Equity contributed				Consolidated shareholders' equity generated		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 shareholders' equity
	Equity contributed				Consolidated shareholders' equity generated		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, 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.

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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 €	Share-holders' 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 CO_2 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 CO_2 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:

	Deutsche Telekom share		Percentage of voting rights		Assigned to segment
Name and registered office	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.

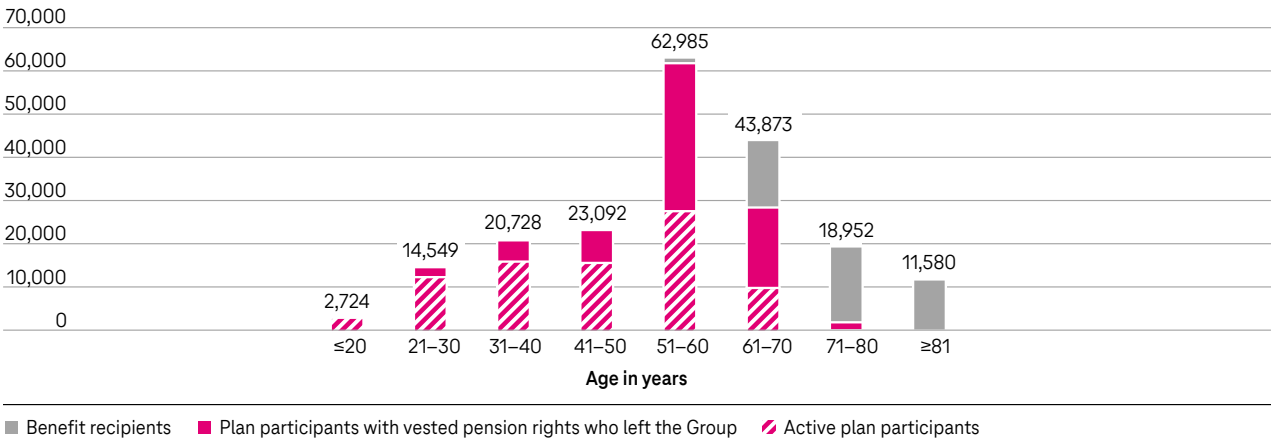
Distribution of obligations relating to Deutsche Telekom's most significant plans

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 Jan. 1, 2025	Purchase of own shares	Reclassification of shares	Of which: Employee share program	Of which: Share Matching Plan	Cancellation of treasury shares	As of Dec. 31, 2025
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

Satellic 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. Satellic 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, Satellic 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	millions of €	16,286	15,724	15,787
Of which: social security contributions and pension benefit costs	millions of €	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						
	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]	As of Dec. 31, 2025
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 €

		Net revenue	Inter-segment revenue	Total revenue	Cost of materials	Personnel costs	Profit (loss) from operations (EBIT)	Depreciation and amortization	Impairment 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 investments	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 € Maturity	Dec. 31, 2025	Dec. 31, 2024
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]	Fair value Dec. 31, 2025 [b]
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	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	7
Derivative financial assets		**1,399**					
Derivatives without a hedging relationship	FVTPL	573				573	573
Of which: termination rights embedded in bonds issued	FVTPL	278				278	278
Of which: energy forward agreements	FVTPL	184				184	184
Derivatives with a hedging relationship	n.a.	826			795	31	826
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	371
Of which: energy forward agreements	FVTPL	20				20	20
Derivatives with a hedging relationship	n.a.	2,098			347	1,751	2,098
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 €

	Measurement category in accordance with IFRS 9	Carrying amount Dec. 31, 2024	Amounts recognized in the statement of financial position in accordance with IFRS 9: 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	At fair value [a]		
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					
	Nominal amount of the hedging instruments		Carrying amount of the hedging instruments			Nominal amount of the hedging instruments		Carrying amount of the hedging instruments			
	in foreign currencies	in euros	Financial assets	Financial liabilities	Change in value of the hedging instruments in the reporting period for determining ineffectiveness	in foreign currencies	in euros	Financial assets	Financial liabilities	Change in value of the hedging instruments in the reporting period for determining ineffectiveness	Disclosure of the hedging instruments in the statement of financial position
Fair value hedges											
Interest rate risk		11,220		(1,387)	110		12,612		(1,499)	7	Other financial assets/ financial liabilities
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											
Currency risk		7,367	394	(28)	123		4,989	410	(100)	36	Other financial assets/ financial liabilities
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											
Currency risk		0	0	0	119		1,234	0	(13)	(101)	Other financial assets/ financial liabilities
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								Financial liabilities
Interest rate risk	**2025**	10,048	(1,419)	(100)	135	n.a.	n.a.	
	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								n.a.
Currency risk	**2025**	n.a.	n.a.	(127)	n.a.	(40)	3	
	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								n.a.
Currency risk	**2025**	n.a.	n.a.	(119)	n.a.	890	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.	Other financial income (expense)
Interest rate risk	**2025**	9	n.a.	n.a.	n.a.	n.a.		
	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							Other financial income (expense)	
Currency risk	**2025**	0	119	0	0	119		
	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)					
	Cash flow hedges		Net investment hedges	Total designated risk components	Hedging costs [b]	Total other comprehensive income
	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 ≤ 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 / EBITDA (adjusted for special factors)		**2.62x**	2.78x	2.82x
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.

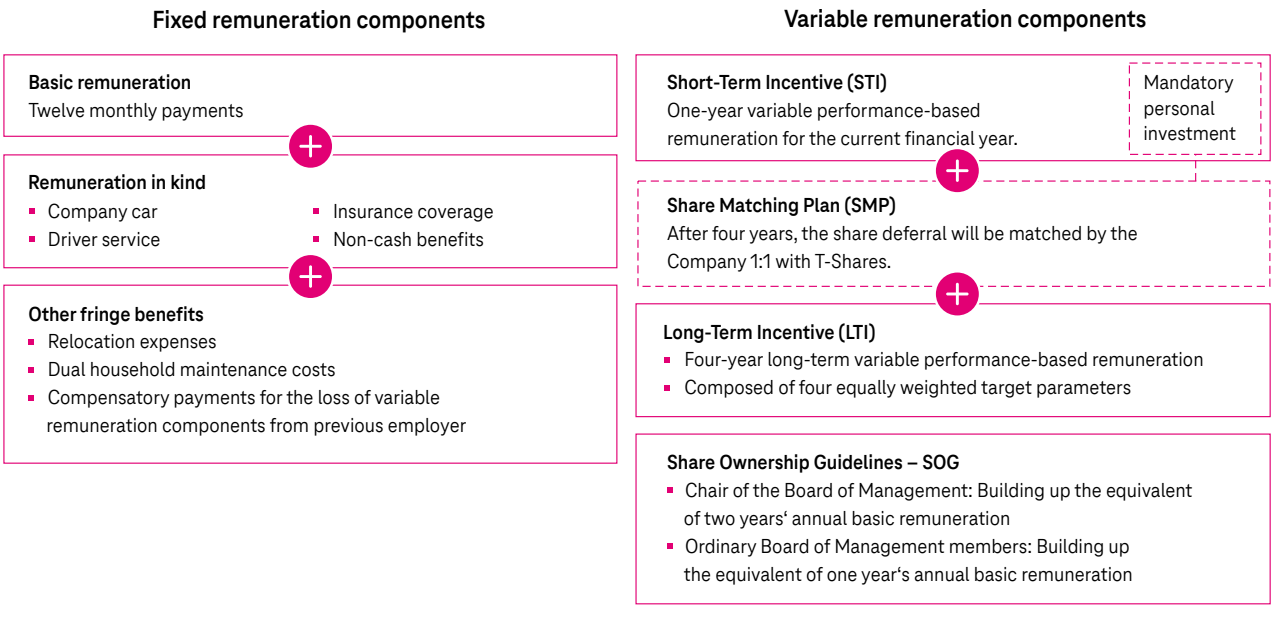
Related individuals

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

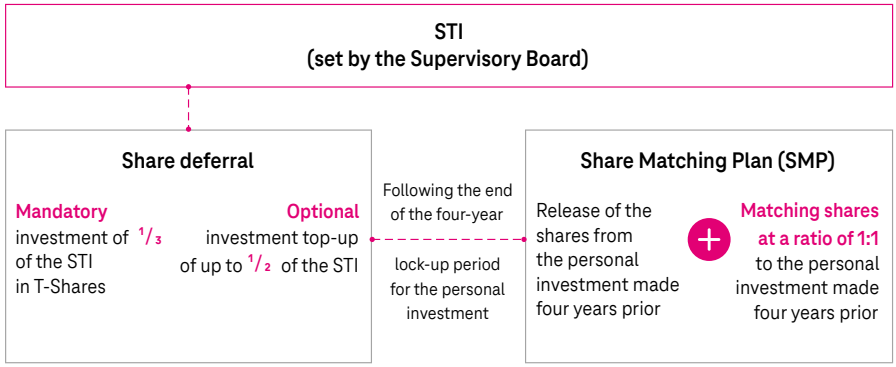
Members of the Board of Management have a contractual obligation to invest one third of the Short-Term Incentive (STI) set by the Supervisory Board in shares of Deutsche Telekom AG. There is an option to voluntarily increase the investment volume to up to 50 % of the STI. Deutsche Telekom AG will transfer 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

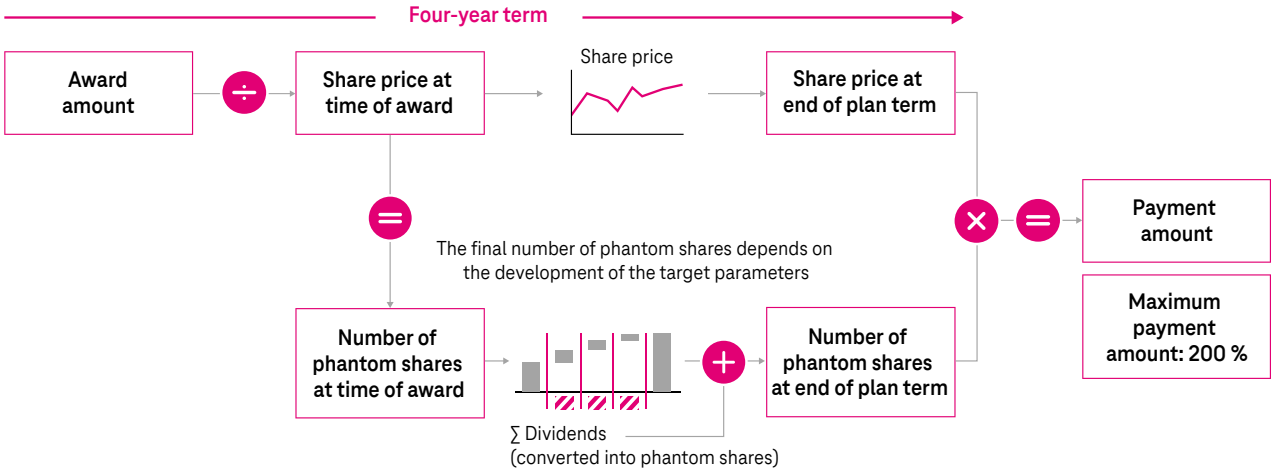
Since 2021, Board of Management members also participate in the Group's existing Long-Term Incentive Plan (LTI). The amount of the annual participation is contractually defined individually for each Board of Management member.

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 CO_2 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
Thorsten Langheim	Dominique Leroy	Dr. Abdurazak Mudesir	

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 CO_2e 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)

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Reconciliation for the organic development in the 2025 financial year

For the organic presentation of figures, prior-period comparatives are adjusted for the effects of changes in the composition of the Group, exchange rate effects, and other effects. This improves the informative value of the prior-year comparatives by taking account of changes to the Company's structure or exchange rates.

millions of €

					Reconciliation to organic figures		Organic change		
	2025	2024	Change	Change %	Reconciliation 2024	Of which: exchange rate effects	Organic 2024	Change	Change %
Revenue	**119,081**	**115,769**	**3,312**	**2.9**	**(1,463)**	**(3,237)**	**114,306**	**4,776**	**4.2**
Germany	25,610	25,711	(101)	(0.4)	(5)	(5)	25,706	(96)	(0.4)
United States	78,097	75,046	3,050	4.1	(1,396)	(3,255)	73,651	4,446	6.0
Europe	12,652	12,347	305	2.5	(50)	38	12,297	355	2.9
Systems Solutions	4,103	4,004	99	2.5	(21)	(18)	3,983	120	3.0
Group Development	9	10	(1)	(6.5)	0	0	10	(1)	(6.5)
Group Headquarters & Group Services	2,163	2,226	(63)	(2.8)	(1)	(1)	2,225	(62)	(2.8)
Service revenue	**99,363**	**96,537**	**2,826**	**2.9**	**(817)**	**(2,618)**	**95,720**	**3,643**	**3.8**
Germany	22,710	22,480	231	1.0	(18)	(5)	22,461	249	1.1
United States	63,176	61,143	2,033	3.3	(871)	(2,627)	60,271	2,905	4.8
Europe	10,602	10,239	363	3.5	(31)	30	10,207	395	3.9
Systems Solutions	4,100	3,883	217	5.6	97	(18)	3,980	121	3.0
Group Development	0	0	0	n.a.	0	0	0	0	n.a.
Group Headquarters & Group Services	982	972	10	1.0	(1)	(1)	971	11	1.1
EBITDA AL	**42,452**	**43,815**	**(1,363)**	**(3.1)**	**(1,036)**	**(1,442)**	**42,779**	**(327)**	**(0.8)**
Germany	10,228	9,459	769	8.1	0	0	9,459	769	8.1
United States	28,336	30,890	(2,554)	(8.3)	(1,049)	(1,460)	29,841	(1,506)	(5.0)
Europe	4,553	4,360	193	4.4	5	11	4,365	188	4.3
Systems Solutions	252	251	2	0.6	4	6	255	(3)	(1.2)
Group Development	1	(36)	37	n.a.	0	0	(36)	37	n.a.
Group Headquarters & Group Services	(914)	(1,103)	189	17.1	5	4	(1,098)	184	16.8
EBITDA AL (adjusted for special factors)	**44,244**	**43,021**	**1,223**	**2.8**	**(763)**	**(1,169)**	**42,258**	**1,986**	**4.7**
Germany	10,694	10,516	178	1.7	0	0	10,515	178	1.7
United States	29,252	28,545	708	2.5	(776)	(1,187)	27,769	1,483	5.3
Europe	4,677	4,431	246	5.6	5	11	4,436	241	5.4
Systems Solutions	427	369	58	15.7	4	5	373	54	14.4
Group Development	(34)	(32)	(3)	(8.7)	0	0	(32)	(3)	(8.7)
Group Headquarters & Group Services	(768)	(801)	33	4.1	5	4	(797)	28	3.6

Glossary

4G. Refers to the fourth-generation mobile communications standard (see LTE).

5G. Refers to the mobile communications standard launched in 2020, which offers data rates in the gigabit range, mainly over the 3.6 GHz and 2.1 GHz bands, converges fixed-network and mobile communications, and supports the Internet of Things.

5G SA – 5G Standalone. 5G SA is a mobile communications infrastructure built specifically for 5G services by implementing 5G standards and protocols in the radio network and controller core. 5G is usually provided in a hybrid mode known as 5G non-standalone (5G NSA). 5G NSA uses 5G mobile communications equipment that is overlaid on the existing 4G LTE core. 5G SA, by contrast, is an end-to-end 5G network that offers all the advantages of 5G and is not subject to the limitations of 4G LTE.

6G. The next-generation mobile communications standard, likely to use terahertz spectrum (0.11 THz to 0.17 THz) to offer increased capacities and lower latency. 6G is expected to launch commercially in 2030 and is being developed as a response to the increasingly distributed Radio Access Network (RAN).

AI – Artificial Intelligence. Artificial intelligence (AI) describes the ability of a machine or software to imitate human capabilities, such as logical thinking, learning, and planning. Generative Artificial Intelligence (also known as GenAI) – as a branch of artificial intelligence – is used to generate new content, such as text, images, music, or videos.

AL – After Leases. Since the start of the 2019 financial year, Deutsche Telekom has taken the effects of the first-time application of IFRS 16 "Leases" into account when determining financial performance indicators. "EBITDA after leases" (EBITDA AL) is calculated by adjusting EBITDA for depreciation of the right-of-use assets and for interest expenses on recognized lease liabilities. When determining "free cash flow after leases" (free cash flow AL), free cash flow is adjusted for the repayment of lease liabilities.

API – Application Programming Interface. A program component which is made available by a software system for other programs to connect with it.

B4SI – Business for Societal Impact. The B4SI framework enables companies to measure and assess their community investment and its social impact. B4SI provides a standardized methodology for measuring and reporting inputs, outputs, and impacts of business activities on society.

CAR – Climate Action Reserve. This certificate is awarded by Climate Action Reserve, a leading North American organization that specializes in developing protocols to quantify and verify greenhouse gas emissions, with a strong focus on projects in the United States and Mexico. The certificate is awarded to projects that comply with CAR's strict protocols and standards, and that verifiably reduce greenhouse gas emissions.

Carbon Standards International. This certificate is a quality standard that focuses on certifying projects for reducing greenhouse gas emissions. It ensures that reductions in emissions are real, measurable, permanent, and verifiable.

Carrier. A telecommunications network operator.

CDP. CDP is an initiative by institutional investors that aims to promote dialog between investors and companies on climate change issues. Participating companies disclose data on their greenhouse gas emissions and climate protection strategies. The CDP collects and publishes the data on an annual basis.

Cloud computing. Dynamic provision of infrastructure, software, or platform services online. Apart from a high level of automation and virtualization, the services provided have to be multi-tenant-capable and include standardized hardware and software. Customers source these services on demand and pay based on actual usage. The communication infrastructure may be the internet (public cloud), a corporate network (private cloud), or a mix of the two (hybrid cloud). Dynamic Services is a T-Systems product for the flexible procurement of ICT resources and services.

CO_2e – Carbon dioxide equivalents. CO_2e indicate the greenhouse gas potential of various climate-damaging gases and clarify how much a specific quantity of a greenhouse gas contributes to the greenhouse effect. The reference value used here is carbon dioxide (CO_2).

Cybersecurity. Cybersecurity refers to security against internet crime.

DOOH – Digital-out-of-Home. DOOH providers are companies that market digital advertising in public spaces like train stations or shopping malls.

E2E – End-to-End. End-to-end means from beginning to end, e.g., from the customer through systems, to the organization, and back to the customer. An action on the part of the customer must result in a response (to the customer).

Ecoinvent database. A database maintained by the ecoinvent Association providing life cycle inventory (LCI) data for various products and processes. This comprehensive database contains detailed information on the environmental impacts of products and services throughout their entire life cycle.

Fixed-network lines. In the combined management report, these include lines in operation, excluding internal use and public telecommunications, including IP-based lines. The totals and the changes in percent were calculated on the basis of precise figures and rounded to millions or thousands.

FMC – Fixed-Mobile Convergence. The merging of fixed-network and mobile rate plans for customers that have both fixed-network and mobile contracts with Deutsche Telekom.

FTTB – Fiber to the Building or **Fiber to the Basement.** In telecommunications, FTTB means that the fiber-optic cable is terminated in the user's house (basement).

FTTC – Fiber to the Curb. In the FTTC architecture, the fiber-optic cable is not terminated inside users' homes (see FTTH) but in a cable distribution box (gray street cabinet). Existing copper technology is used for the last section of the connection to the user.

FTTH – Fiber to the Home. In telecommunications, FTTH means that the fiber-optic cable is terminated right in the user's home or apartment.

FTTx. This includes the different options for fiber-optic rollout: FTTB, FTTC, and FTTH.

GHG Protocol. The Greenhouse Gas Protocol divides emissions of greenhouse gases into the categories of Scope 1, Scope 2, and Scope 3, depending on their source.

- **Scope 1** includes all emissions directly generated in the Company, e.g., as a result of the consumption of fuel or fuel oil.
- **Scope 2** covers all indirect emissions associated with the generation of energy purchased by the Company from external sources, e.g., electricity and district heating.
- **Scope 3** applies to all other emissions generated along the corporate value chain. This comprises both indirect emissions in the company itself (e.g., business trips, commuting), and emissions from upstream value chain stages (e.g., procurement, logistics) and downstream stages (e.g., during customer use of products and services, during disposal).

Fiber-optic lines. Sum of all FTTx access lines (e.g., FTTC/VDSL, vectoring, and FTTH).

GeSI – Global enabling Sustainability Initiative. GeSI is a joint initiative established by the world's leading ICT organizations with the objective of improving sustainability in the ICT sector.

Gold Standard. The certificate is a prestigious distinction for projects that reduce greenhouse gas emissions and, at the same time, promote sustainable development. The Gold Standard was founded in 2003 by a group of leading NGOs, including the WWF, to ensure that climate change mitigation projects not only contribute to reducing emissions but also deliver a positive social and environmental impact.

Hyper-personalization. Hyper-personalization is the use of real-time data and artificial intelligence to offer products, services, and content targeted to the specific needs of the customer, with the data transmitted by smartphones, laptops or tablets used by the customer.

ICT – Information and Communication Technology.

IoT – Internet of Things. The Internet of Things enables the intelligent networking of things like sensors, devices, machines, vehicles, etc., with the aim of automating applications and decision-making processes. Deutsche Telekom's IoT portfolio ranges from SIM cards and flexible data rate plans to IoT platforms in the cloud and complete solutions from a single source.

IP – Internet Protocol. Non-proprietary transport protocol in layer 3 of the OSI reference model for inter-network communications.

IPCC – Intergovernmental Panel on Climate Change. The IPCC is the United Nations (UN) body for assessing the science related to climate change. It gathers and analyzes scientific, technical, and socioeconomic information on climate change, its potential impact, and possible adaptation and mitigation strategies.

IPTV – Internet Protocol Television. IPTV refers to the digital transfer of television programs and films over a digital data network using the Internet Protocol (IP).

JAC – Joint Alliance for CSR. An association of telecom operators dedicated to examining and improving the labor and social standards at suppliers. Deutsche Telekom is a founding member of this initiative. Joint audits and shared assessments are intended to identify risks in the supply chain so that action can be taken to improve working conditions.

L4S – Low Latency, Low Loss, Scalable Throughput. L4S is basically a technical function that ensures that data in the mobile network is transmitted faster, more stably, and without interruptions.

Latency. Latency, or response time, describes the time period between the occurrence of an event and the appearance of a visible reaction to it. In telecommunications, latency limits are governed by the laws of physics – as a function of the length of the pathway that the data need to travel through the networks. One example of this is mobile virtual-reality experiences. Anyone experiencing a virtual world while wearing VR goggles will need to receive something back from a remote server: namely an image that corresponds to the virtual explorer's expectations. The rule of thumb is simple: The shorter the delay, the more realistic the user's experience of the virtual worlds is likely to feel. The same goes for online gaming.

LkSG – Act on Corporate Due Diligence in Supply Chains (Lieferkettensorgfaltspflichtengesetz). A German act requiring companies to implement human rights and environmental due diligence in their supply chains.

LTE – Long-Term Evolution. 4G mobile communications technology that uses, for example, wireless spectrum on the 800 MHz band freed up by the digitalization of television. Powerful TV frequencies enable large areas to be covered with far fewer radio masts. LTE supports speeds of over 100 Mbit/s downstream and 50 Mbit/s upstream.

M2M – Machine-to-Machine. M2M refers to communication between machines. The information is automatically sent to the recipient. For example, in an emergency, alarm systems automatically send a signal to security or the police.

Mobile customers. In the combined management report, one mobile communications card corresponds to one customer (see also SIM card). The totals and the changes in percent were calculated on the basis of precise figures and rounded to millions or thousands.

MPLS – Multiprotocol Label Switching. Refers to a protocol-agnostic routing technique designed to speed up and control the traffic flow across wide area networks (WANs). Various labels are assigned to IP data packages that enable routers to forward packages through the network very quickly using the best possible route.

MVNO – Mobile Virtual Network Operator. A Mobile Virtual Network Operator is a company that offers mobile minutes at relatively low prices without subsidized handsets. A mobile virtual network operator does not have its own wireless network, but uses the infrastructure of another mobile operator to provide its services.

Network slicing. Network slicing is the division of shared physical network infrastructure into multiple virtual independent segments or slices, which are individually configured (data rate, latency, security, capacity) to serve different use cases. This is a key 5G technology that enables reliable, specialized end-to-end networks.

Net zero emissions. Net zero refers to the point at which anthropogenic greenhouse gas emissions are no longer accumulating in the atmosphere. To achieve this balance, greenhouse gas emissions must be reduced to a minimum and any remaining emissions must be offset through measures that remove carbon from the atmosphere.

Offshore. Offshoring describes collaboration with partners in other countries. A company outsources activities to other countries. The term nearshore (or nearshoring) refers to a special kind of offshoring. From a European perspective, it generally means outsourcing to countries further to the east.

Optical fiber. Channel for optical data transmission.

OTT – Over-The-Top. IP-based, platform-independent services, e.g., messaging (text) or streaming (TV).

Postpaid. Customers who pay for communication services after receiving them (usually on a monthly basis).

PPA – Power purchase agreement. PPAs are individually negotiated, long-term electricity supply contracts between producer and consumer. Contracts may be concluded for electricity generated both from fossil fuels or from renewable sources. However, this term is more commonly used for agreements to purchase electricity generated from renewable sources. A more precise term in this case is green PPAs. By entering into long-term PPAs, energy-intensive companies in particular can protect their operations against volatility on the electricity markets and achieve competitive advantages through long-term price stability. Green PPAs also help companies to align their electricity requirements with their climate-related targets.

Prepaid. In contrast to postpaid contracts, prepaid communication services are services for which credit has been purchased in advance with no fixed-term contractual obligations.

PSA – Privacy and Security Assessment process. A PSA process safeguards compliance with security and data privacy requirements in development projects. The process provides for support and advice from experts and serves to ensure approval of systems from a security and data privacy law perspective.

PUE – Power Usage Effectiveness. PUE is the ratio of the entire electrical energy consumed in a data center or network node to the energy delivered to the computing equipment.

Puro Earth. This certificate is awarded by Puro.earth, a leading platform for CO_2 removal. The certificate is awarded to projects that verifiably apply CO_2 removal methods, such as biochar, wood building materials, and terrestrial carbon storage.

RECs – Renewable energy certificates. RECs are tradable certificates that represent proof that a certain amount of electricity has been generated from renewable energy sources such as wind, solar, or biomass. RECs are used to document and market the environmental benefits of renewable energy generation.

Retail. The sale of goods and services to end users. By contrast, the business with wholesale services for other telecommunications companies is referred to as wholesale business

Roaming. Refers to the use of a communication device or just a subscriber identity in a visited network rather than one's home network. This requires the operators of both networks to have reached a roaming agreement and switched the necessary signaling and data connections between their networks. Roaming comes into play, for example, when cell phones and smartphones are used across national boundaries.

Router. A coupling element that connects two or more sub-networks. Routers can also extend the boundaries of a network, monitor data traffic, and block any faulty data packets.

SBTi – Science Based Targets initiative. SBTi helps companies to set climate goals that comply with emissions budgets determined based on scientific data. Companies can forward their goals to the initiative for review. The initiative was set up jointly by several organizations: CDP, United Nations Global Compact (UNGC), World Resources Institute (WRI), and the World Wide Fund for Nature (WWF).

SDG – Sustainable Development Goal. SDGs form the core of the 2030 Agenda, which the member states of the United Nations adopted in 2015 to ensure sustainable global development. The aim is to enable economic development and prosperity – in line with social justice and taking account of the ecological limits of global growth. The Agenda applies equally to all nations of the world. The 17 SDGs define goals to reduce poverty and hunger, promote healthcare and education, enable equality, protect the environment and climate, and make consumption sustainable.

SD-WAN – Software-Defined Wide Area Network. SD-WAN simplifies the management and operation of a WAN by decoupling the network hardware from its control mechanism. This concept is similar to the way in which software-defined networking implements virtualization technology in order to improve the management and operation of data centers. A key application of SD-WAN is to allow companies to build higher-performance WANs using lower-cost and commercially available internet access. This would enable companies to partially or wholly replace private WAN connection technologies.

SIM card – Subscriber Identification Module card. A SIM card is a chip card that is inserted into a cell phone to identify it in the mobile network. Deutsche Telekom counts its customers by the number of SIM cards activated and not churned. Customer totals also include the SIM cards with which machines can communicate automatically with one another (M2M cards). The churn rate is determined and reported based on the local market.

Sovereign Cloud. Data sovereignty is the central goal of the European initiative Gaia-X. With a European concept, companies of all sizes should be able to take advantage of the flexibility and innovative power of the complete cloud stack, while at the same time having the security of always remaining the master of their data. The Sovereign Cloud from Gaia-X relies on an open software ecosystem for its technical implementation, which on the one hand enables digital solutions and on the other hand can be operated on a wide range of infrastructures.

Spatial computing. This technology is focused on enabling advanced user interaction at higher standards for various customer segments by using next-generation extended reality technologies and human-computer interfaces.

Termination rates. Termination refers to the transportation of a call, for example, from the competitor's network to the Deutsche Telekom network. When a call is transported to the mobile communications network, this is referred to as mobile termination. If the call is transported to the fixed network, this is called fixed-network termination, or often also interconnection (IC). Termination rates are the fee a telephone company must pay for network interconnection when a call is terminated in a third-party network.

TSR – Total Shareholder Return. Total shareholder return measures the development in the value of a shareholding over a specific period. It takes into account dividends paid during the investment period along with any changes in share price. It is calculated as the difference between the price of a share at the end of the plan minus the price of the share at the start of the plan plus the dividend, divided by the price of the share at the start of the plan.

ULL – Unbundled Local Loop. Competitors whose own networks do not reach into customers' premises can rent unbundled local loop lines from Deutsche Telekom. Their networks end at the local exchanges. The ULL bridges the distance between the local exchange and the termination point on the customer's premises or in their home, so it is also known as the "last mile."

Verra. This certificate is awarded by Verra, a leading non-profit organization that operates standards in environmental and social markets. Verra's best-known standard is the Verified Carbon Standard (VCS), the world's most widely used crediting program for emission reduction projects.

Wholesale. Refers to the business of selling services to telecommunications companies which sell them to their own retail customers either directly or after further processing.

Zero Trust Model. The Zero Trust Model is a security approach based on the principle of not trusting any user, device, or connection by default. Every access to applications and data is continuously verified for identity, authorization, and security status, regardless of location, so that only authorized access is permitted, minimizing potential risks to the corporate network.

Disclaimer

This Report (particularly the section "Forecast") contains forward-looking statements that reflect the current views of Deutsche Telekom's management with respect to future events. They are generally identified by words like "expect," "anticipate," "believe," "intend," "estimate," "aim," "goal," "plan," "will," "seek," "outlook," or similar expressions and include generally any information that relates to expectations or targets for revenue, adjusted EBITDA AL, or other performance measures.

Forward-looking statements are based on current plans, estimates, and projections. You should consider them with caution. Such statements are subject to risks and uncertainties, most of which are difficult to predict and are generally beyond Deutsche Telekom's control. They include, for instance, the progress of Deutsche Telekom's staff-related restructuring measures and the impact of other significant strategic or business initiatives, including acquisitions, dispositions, and business combinations.

In addition, movements in exchange rates and interest rates, regulatory rulings, stronger than expected competition, technological change, litigation, and regulatory developments, among other factors, may have a material adverse effect on costs and revenue development.

If these or other risks and uncertainties materialize, or if the assumptions underlying any of these statements prove incorrect, Deutsche Telekom's actual results may be materially different from those expressed or implied by such statements. Deutsche Telekom can offer no assurance that its expectations or targets will be achieved.

Without prejudice to existing obligations under capital market law, Deutsche Telekom does not assume any obligation to update forward-looking statements to account for new information or future events or anything else.

In addition to figures prepared in accordance with IFRS, Deutsche Telekom presents alternative non-GAAP performance measures, e.g., service revenue, EBITDA, EBITDA AL, adjusted EBITDA, adjusted EBITDA AL, adjusted EBITDA AL margin, EBIT margin, adjusted net profit/loss, adjusted earnings per share, free cash flow, free cash flow AL, gross and net debt, and net debt AL. These measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with IFRS. Alternative performance measures are not subject to IFRS or any other generally accepted accounting principles. Other companies may define these terms in different ways.

> For further information on alternative performance measures, please refer to the section "Management of the Group" in the combined management report and our Investor Relations website.

The figures shown in this report were rounded in accordance with standard business rounding principles. As a result, the total indicated may not be equal to the precise sum of the individual figures.

Our Annual Report (PDF and online) includes references and links to websites with additional information not contained in the Annual Report. These references and links are purely of a supplementary nature and are only intended to simplify access to this information. Please note that this information is not part of the Annual Report.

Financial calendar

February 26, 2026	April 1, 2026	May 13, 2026
Press conference on the 2025 financial year and publication of the 2025 Annual Report	2026 Shareholders' Meeting	Publication of the Interim Group Report as of March 31, 2026

August 6, 2026	November 5, 2026	February 25, 2027
Publication of the Interim Group Report as of June 30, 2026	Publication of the Interim Group Report as of September 30, 2026	Press conference on the 2026 financial year and publication of the 2026 Annual Report

All dates are subject to change.

For more dates, an updated schedule, and information on webcasts, please visit our Investor Relations website.

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This 2025 Annual Report is a publication of Deutsche Telekom AG and a translation of the German version of the report. The German version is legally binding.

This Annual Report is available online.

Concept: Deutsche Telekom AG

Design & technical implementation:
nexxar GmbH, Vienna – online annual and sustainability reports