Combined management report

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

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.

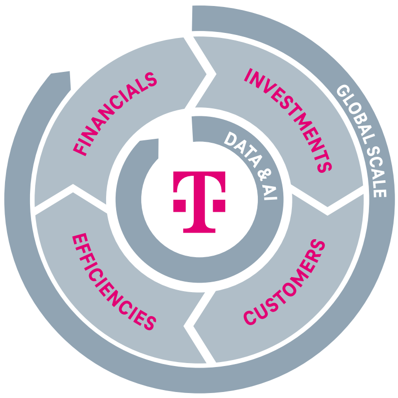
We are already well positioned to reach our **goals** on our journey to realizing our Leading Digital Telco vision: Our key performance indicators at the end of the 2025 financial year confirm that Deutsche Telekom remains Europe's leading telecommunications company. No other telecommunications company 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.

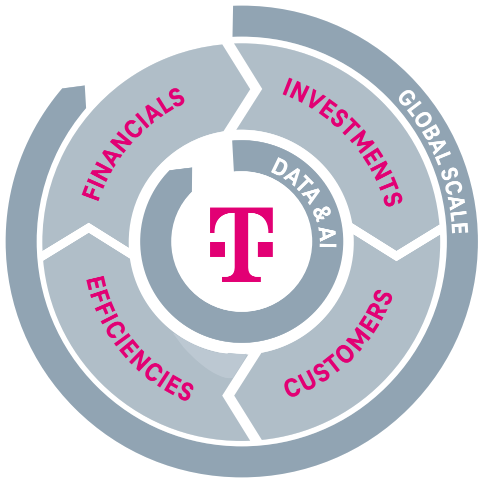
Our finance strategy through 2027

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

[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**

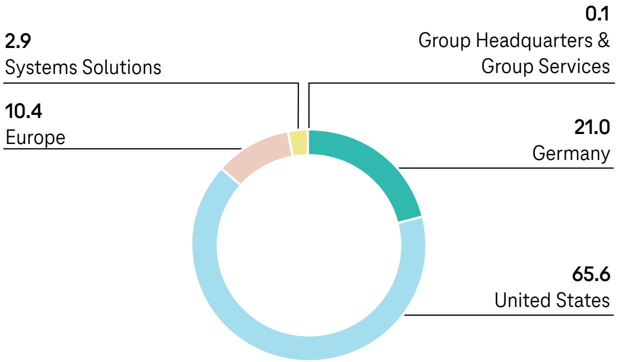
The disclosures in this table additionally comply with the requirements of ESRS 2 SBM-1 para. 40b for sustainability reporting.

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."

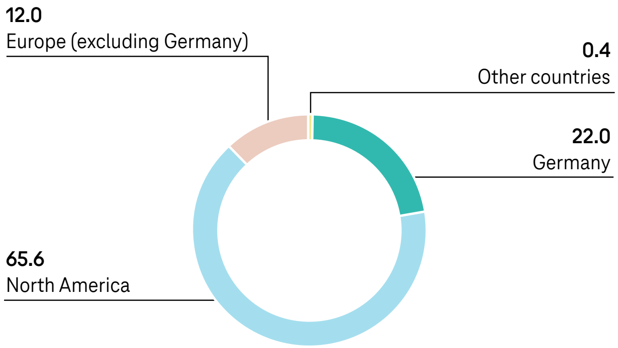
Contribution of the segments to net revenue [a, b]

%



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

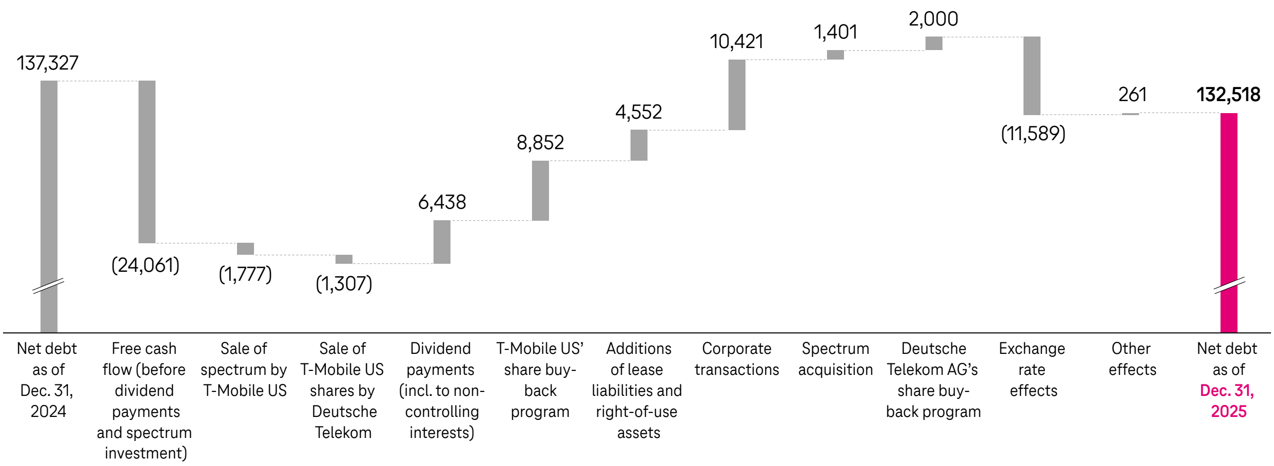
millions of €

	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:

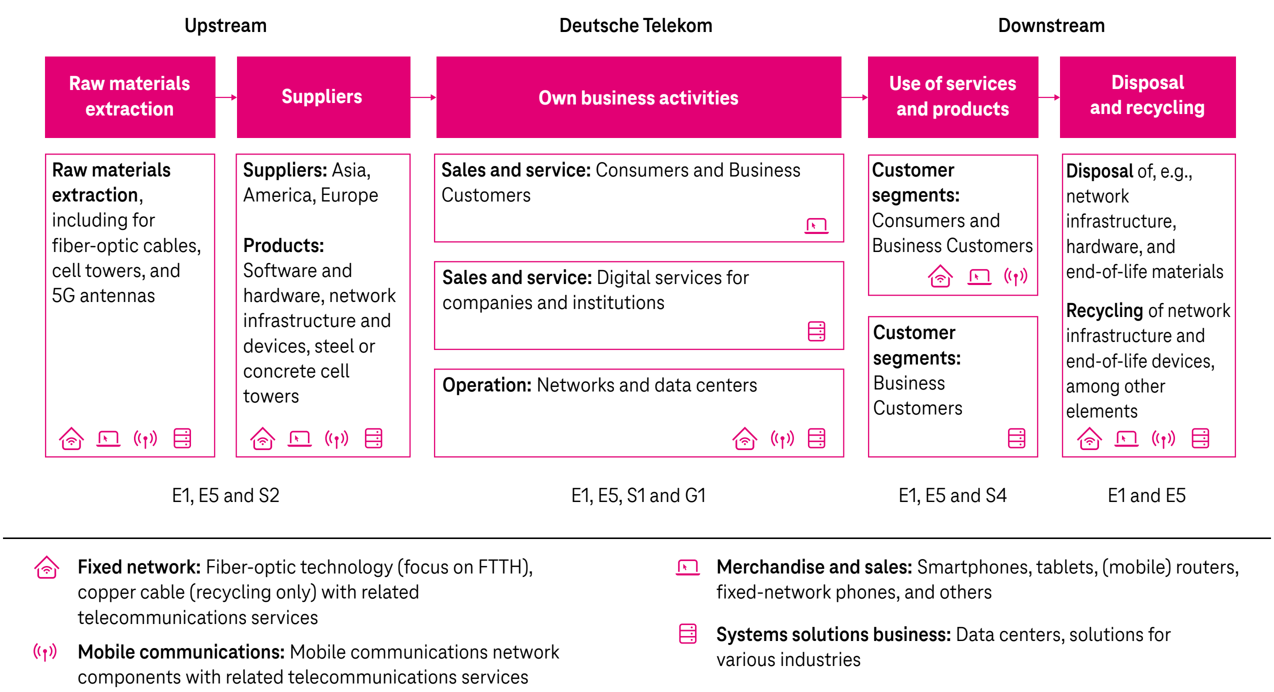
- integrated ESG management in the Group's value chain, e.g., through a project on supplier management with regard to Scope 3 emissions or by implementing a management system to meet the requirements of the German Act on Corporate Due Diligence in Supply Chains (Lieferkettensorgfaltspflichtengesetz – 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



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

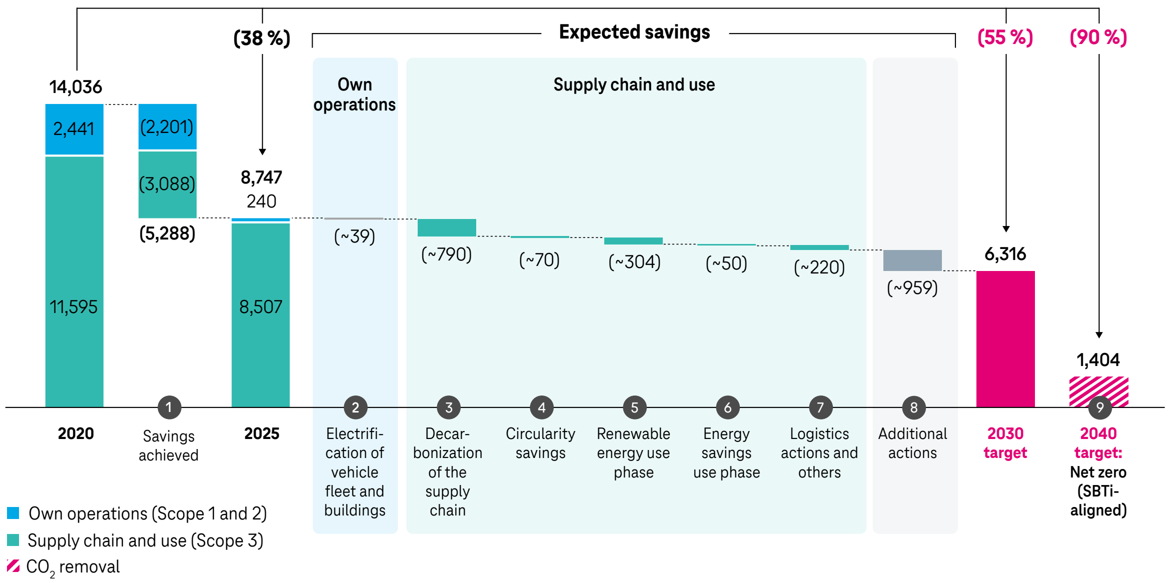
ESRS E1-1 – Transition plan for climate change mitigation

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

Energy consumption
millions of kWh
11,957

―――――――― =

251
IP data volume
millions of terabytes

48
ENERGY INTENSITY
kWh/terabyte

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.

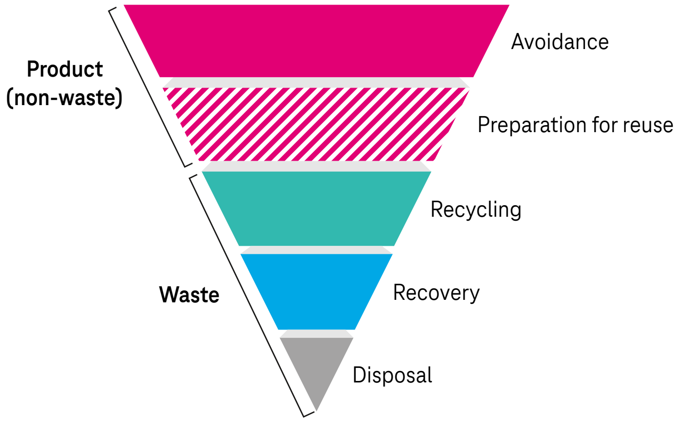
We also place particular emphasis on environmentally sustainable features when designing our products. Our holistic approach (excluding T-Mobile US) comprises our telecommunications services, the related terminal equipment, including plastic-free packaging, and shipping to customers that emits a minimum 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.

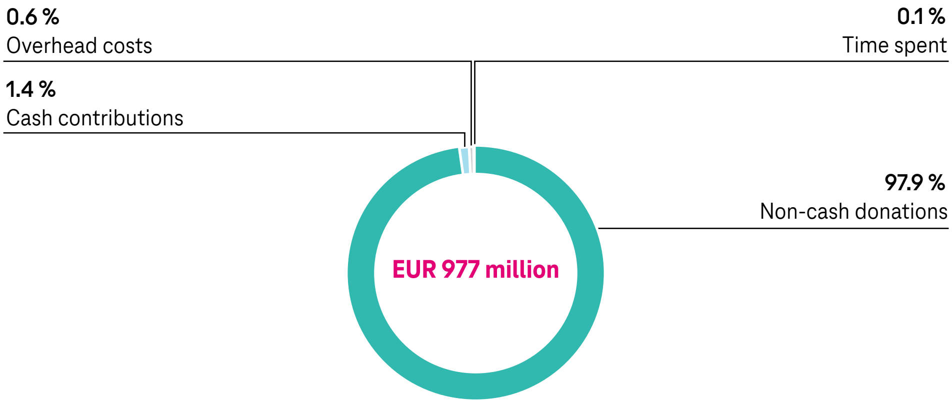
To harness the potential of information technologies for the benefit of society, Deutsche Telekom promotes media literacy among consumers and end-users with a wide range of products and services available throughout the Group – always with the aim of ensuring that everyone can navigate the digital world 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 CO2 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.

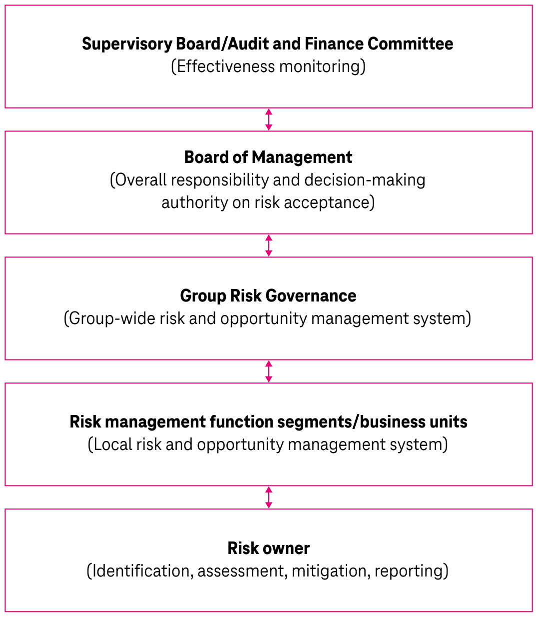
In addition, our Group Controlling unit specifies a series of Group guidelines and processes for the planning, budgeting, financial management, and reporting of investments and projects. These guidelines and processes are intended to guarantee both the necessary transparency during the investment process 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:

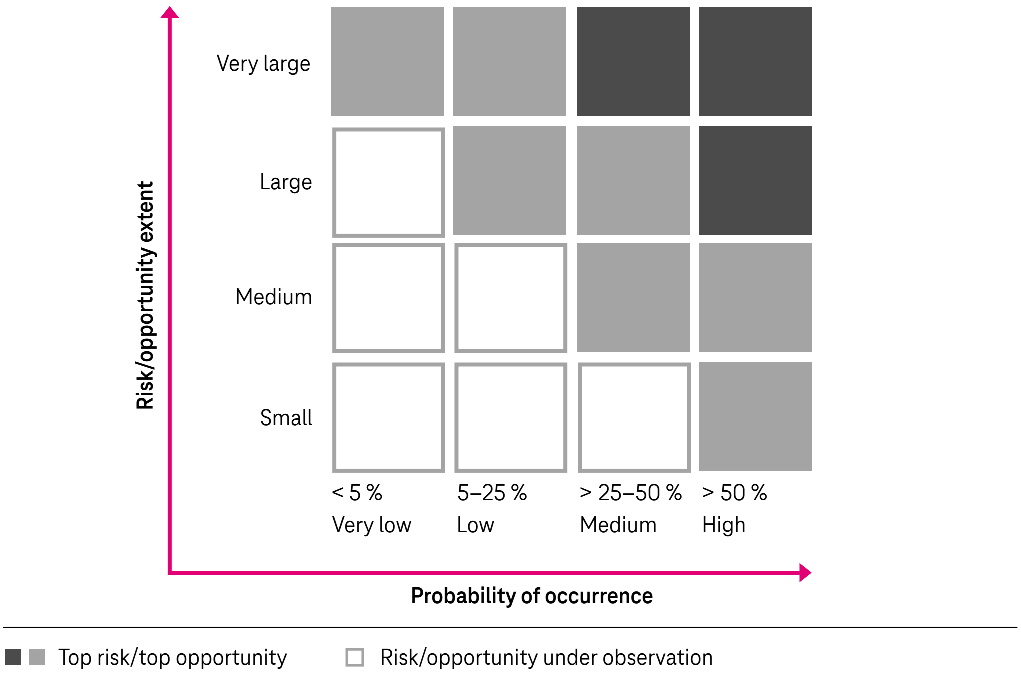
Probability of occurrence	Description
< 5 %	Very low
5 to 25 %	Low
> 25 to 50 %	Medium
> 50 %	High

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.

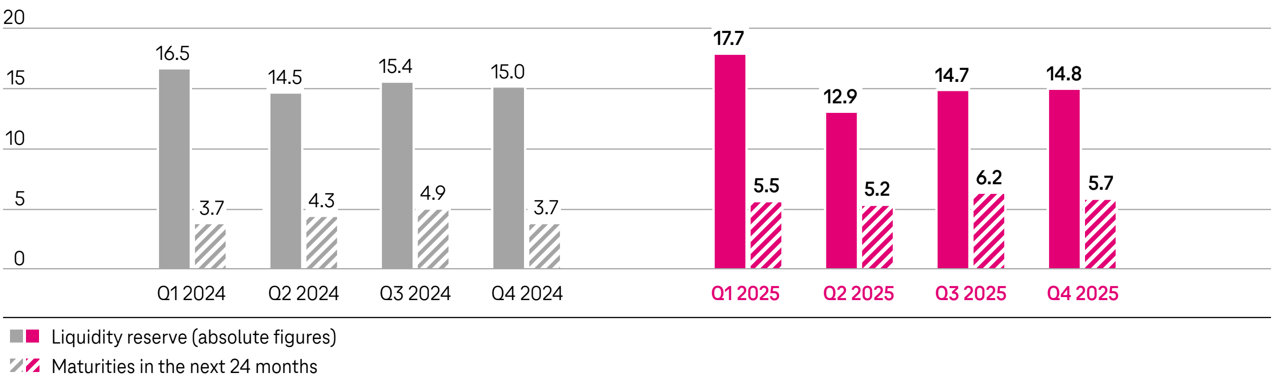
For further information on the risk assessment, please refer to the "Corporate risks" table above.

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

billions of €



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.

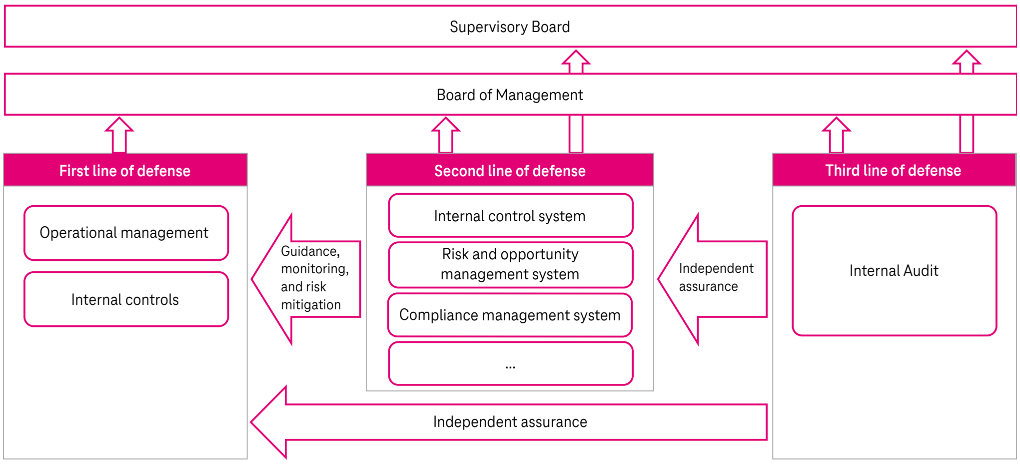
Responsible, risk-appropriate handling of risks and opportunities is a core component of our corporate governance. The various systems implemented by the Board of Management (in particular the internal control system and the risk and opportunity management system including the compliance management system) 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
Asset Committee	
	Member of the Board of Management, Finance (committee chair)
	Member of the Board of Management, Product and Technology
	Head of the Corporate Operating Office
	Chief Information Officer
	Senior Vice President, Group Controlling
	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

Committee	Members
M&A Committee	
	Chairman of the Board of Management (committee chair)
	Member of the Board of Management, Finance
	Member of the Board of Management, Human Resources and Legal Affairs
	Senior Vice President, Mergers & Acquisitions
	Head of Group Strategy and Transformation

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

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.