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The Telefónica Deutschland Equity Story: Why should you invest?

**GERMAN MARKET**
An attractive & dynamic telco market
- Excellent macro
- Rational market
- Data growth
- Soft convergent environment
- 3 integrated players

**ESTABLISHED PLAYER**
Leveraging economies of scale
- Largest owned customer base
- Multi-brand
- Multi-channel
- Customer-centric convergence play
- Fixed-mobile-substitution

**OPERATIONAL EXCELLENCE**
Digital transformation drives growth
- All-infrastructure set-up
- Successful integration track record
- Transformation with Digital4Growth: SIMPLER FASTER BETTER

**VALUE PROPOSITION**
Attractive shareholder return on strong fundamentals
- Clear growth path
- Strong FCF trajectory
- High pay-out ratio to FCF aL
- Conservative financial profile
We steer our sustainability commitments with our Responsible Business Plan 2020

MANAGING RESPONSIBLY

Consistently good to very good results and ratings by external assessments

STRENGTHENING DIGITAL LIFE

People are benefitting from our products in their digital lifestyle

PROTECTING ENVIRONMENT

Ambition to reduce direct & indirect CO₂ emissions by -11% vs 2017
Telefónica Deutschland's way forward

**BUILD 1998-2008**
- Business set-up
- Introduction of O₂ brand
- Start of 4th network

**SCALE 2009-2019**
- Acquisition & integration of HanseNet & E-Plus
- Consumer mobile leadership
- Established fixed player

**GROW 2020 & beyond**
- Mobile growth in rural & reinforcement in urban
- Smart bundling
- B2B push

**MARKET ENTRANCE** — **INTEGRATION** — **BENEFITS FROM SCALE & TRANSFORMATION**
Reiterating key priorities of strategic plan for the ‘new 20s’

- **Accelerating growth trajectory**
- **Boost rural coverage, accelerate urban capacity**
- **Smart bundling to improve loyalty**
- **Technology-agnostic internet solutions; FMS to improve profitability**
- **Leverage B2B strategy to gain fair market share in SME**

Commitment to deliver attractive shareholder remuneration
Germany a safe harbour; 5G and exclusive cable access as game changers for Telefónica Deutschland

### Stable Macro-Environment

<table>
<thead>
<tr>
<th>Year</th>
<th>Unemployment Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>5.2</td>
</tr>
<tr>
<td>2019</td>
<td>5.0</td>
</tr>
<tr>
<td>2020</td>
<td>5.9</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Consumer Spend (EUR bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>1.755</td>
</tr>
<tr>
<td>2019</td>
<td>1.807</td>
</tr>
<tr>
<td>2020</td>
<td>1.702</td>
</tr>
</tbody>
</table>

### Current Trends
- **Dynamic yet rational mobile market**
- **Data growth** continued CAGR of >50%
- **Soft convergent** market environment
- **3 strong mobile networks**

### Future Trends
- **5G use cases & demand** to accelerate
- **Fixed-Mobile-Substitution (FMS)** becoming increasingly **relevant**
- **Potential 4th urban MNO**
- **3 integrated (mobile + fixed) players**
Competitive environment

RATIONAL & BALANCED MARKET

- Rational market following 4 to 3 consolidation
- Tiered mobile data portfolios enabling data monetisation

MARKET DEVELOPMENT

Mobile service revenues
EUR bn

- 2017: 17.1 (32%)
- 2018: 17.7 (38%)
- 2019: 18.0 (30%)

Fixed broadband retail revenues
EUR bn

- 2017: 8.3 (1.5 Fiber, 6.7 Cable, 0.1 DSL)
- 2018: 8.7 (1.7 Fiber, 6.8 Cable, 0.2 DSL)
- 2019: 8.9 (1.8 Fiber, 6.8 Cable, 0.3 DSL)

Notes:
1 Market share of MSR (IFRS 15) based on reported financials by MNOs for Q2 2020
2 Source: Analysys Mason "Western Europe telecoms market trends and forecasts 2019–2024", 28.02.2020
The right time to invest to accelerate future growth for Telefónica Deutschland

COMPETITIVE SPECTRUM POSITION

3x ‘GOOD’ IN ALL NETWORK TESTS

3x ‘GOOD’ IN ALL NETWORK TESTS

LARGEST INFRASTRUCTURE FOOTPRINT
WITH EXCLUSIVE CABLE WHOLESALE ACCESS

CUSTOMER EXPERIENCE

Significantly improved network performance for ~44m customers

Premium customer service & access to all sales channels
## Future-proof spectrum set-up to enable best customer experience

### Balanced Position in Coverage and Capacity Spectrum Until 2025

<table>
<thead>
<tr>
<th>Potential future utilisation</th>
<th>4G</th>
<th>5G</th>
<th>4G</th>
<th>5G</th>
<th>4G</th>
<th>5G</th>
<th>4G</th>
<th>5G</th>
<th>4G</th>
<th>5G</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total availability</td>
<td>2x 30 MHz</td>
<td>2x 30 MHz</td>
<td>2x 35 MHz</td>
<td>1x 40 MHz</td>
<td>2x 75 MHz</td>
<td>2x 60 MHz</td>
<td>2x 70 MHz</td>
<td>1x 50 MHz</td>
<td>1x 300 MHz</td>
<td></td>
</tr>
</tbody>
</table>

### Total Spectrum Holding

- **31%** T-Mobile
- **32%** O₂
- **32%** Telefónica Deutschland

### 1&1 Drillisch

- **2x10** 700 MHz
- **2x10** 800 MHz
- **2x10** 900 MHz
- **1x20** 1,800 MHz
- **2x10** 2,100 MHz
- **2x10** 2,600 MHz
- **2x10** 3,500 MHz

### Telefónica Deutschland

- **2x10** 800 MHz
- **2x10** 900 MHz
- **2x15** 1,500 MHz SDL
- **2x15** 1,800 MHz
- **2x15** 2,100 MHz
- **2x20** 2,600 MHz TDD
- **2x20** 3,500 MHz TDD

### Deutsche Telekom

- **2x10** 2,100 MHz
- **2x10** 2,600 MHz TDD

### Vodafone

- **2x10** 800 MHz
- **2x10** 900 MHz
- **1x20** 1,800 MHz
- **2x15** 2,100 MHz
- **2x10** 2,600 MHz TDD

---

1 In addition: 2x2 MHz @2.1 GHz TDD, ab 2021 19.2 MHz
As of 1 January 2026: DRI: 2x10 MHz, TEF: D: 2x10 MHz, Vod: 2x20 MHz, DT: 2x20 MHz
The expansion of our mobile network allows Telefónica Deutschland to accelerate our growth trajectory.

**OPPORTUNITY:**
Mobile Customer distribution

**Step change in network quality from ACCELERATED 4G/5G ROLL-OUT**

1. **Boost rural coverage via 4G**
2. **Accelerate urban capacity via 5G**

**BOOST REVENUES**
to outperform market

- **Mobile growth in rural** — reinforcement in urban
- **Smart bundling** to capture value and reduce churn
- **Attack in B2B** to reach fair market share in SME
Revenue growth driven by a step-up in 4G network quality and 5G boost

**MOBILE CUSTOMER SHARE**
- >50% urban
- <25% rural

**Sustained focus on OWNED CUSTOMER BASE**
- ~20% service providers & MVNO
- >80% owned customers

**MOBILE SERVICE REVENUE UP**
- **Rural** market share
  - Fair share
  - 2019: [Bar chart]
  - 2022: [Bar chart]
- **Urban** market share
  - Maintain share
  - 2019: [Bar chart]
  - 2022: [Bar chart]

Gradual transition of wholesale revenue streams
All-infrastructure play as unique positioning

MOBILE INFRASTRUCTURE

- Fixed-Mobile-Substitution (FMS)

FIXED NET INFRASTRUCTURE

- FTTx / VDSL + CABLE

Smart bundling to capture value and reduce churn

Technology-agnostic Internet@Home solutions with focus on customer experience

Fixed-mobile-substitution increases profitability
Improve loyalty and convergence positioning by pushing smart bundling approach

Fixed-mobile bundling
Mobile-mobile bundling

Impact on churn reduction
~50%
~30%
~50%

Share of wallet increase

Household penetration higher

Mobile customers with > 1 O₂ product

~60% ~70%
2019 2022

Bundling with TV

Mobile Connect

Telefónica Deutschland
B2B strategy drives growth by positioning Telefónica Deutschland as price/value leader for SMEs

- **Pull Strategy (2019/2020):**
  - Go-to-Market strategy
  - Price/value leader for SME
  - Personalised customer service
  - Unique service proposition with dedicated contact

- **Push Strategy (2021):**
  - Improved sales approach
  - Push via Tele-sales
  - Portfolio for digitalisation
  - IoT, cloud, cyber security, private 5G network
Improved business dynamics – 9M 20 fully absorbing COVID-19 impacts

GROWTH & PROFITABILITY

+1.5% REVENUE y-o-y
-1.0% 9M 20
+1.8% OIBDA\(^1\) y-o-y
+4.8% Q3 20
13.2% CAPEX/SALES

CUSTOMER EXPERIENCE & DIGITALISATION

+608k Postpaid net adds\(^3\)
13.5% Own brand annualised churn rate
+0.3% Own brand PO ARPU (ex roaming) y-o-y

FOUNDATION

• 5G network operational in 15 cities – targeting >30% pop YE21
• 4G network densification – on track to achieve FY20 coverage target
• Climate neutral by 2025 – accelerated by 5 years
Operational trends intact – COVID-19 travel restrictions limit int’l roaming revenue

**O₂ GROSS ADDS AT PRE COVID-19 LEVELS**

**O₂ CHURN AT HISTORIC LOWS**

**PREPAID TOP UP BOOKINGS AT PRE COVID-19 LEVELS**

**INT’L ROAMING REVENUE (OUTBOUND) AS EXPECTED BELOW PRIOR YEAR**

- 2019
- 2020
5G launched while enhancing 4G network quality and coverage

**NETWORK ROLL-OUT STRATEGY**

- **Boost rural coverage**
  - **4G coverage** 50 Mbit/s
    - 99%
  - **4G/5G coverage** 100 Mbit/s
    - 98%

- **Accelerate urban capacity**
  - **4G capacity** Re-farm 2.1 GHz to 4G
  - **5G roll-out in cities**
    - Top 5 cities
    - Top 30 cities

**STEADY PROGRESS WITH NETWORK ROLL-OUT STRATEGY**

- **4G** - on track for FY20 target of +7.6k sites
  - ~95% pop coverage
  - 100% household coverage in Berlin, Hamburg, Bremen
  - 97% household coverage in NRW
  - ~75% of FY20 LTE target achieved, YTD covering 7m people (4G)

- **5G network launched in 15 German cities**
  - Ericsson to build 5G core network
  - 5G deployment using high performance 3.6 GHz spectrum
  - Optimised utilization of spectrum assets (DSS)
  - Aiming for >30% pop coverage by the end of 2021, ~50% by 2022 and full coverage 2025
Revenue growth – operational trends intact

Revenue growth despite C-19 int'l roaming drag

Operational MSR growth

Sustained demand for high-value devices

Improved customer mix drives fixed revenue growth

1 Excl. COVID-19 impacts of EUR-30m in Q3 20 / EUR-38m in Q2 20
2 Excl. COVID-19 impacts of EUR-27m in Q3 20 / EUR-36m in Q2 20
Positive trading momentum & continued ARPU recovery

Historic low churn supports profitable growth in mobile
Net Adds (k)

<table>
<thead>
<tr>
<th></th>
<th>Q3'19</th>
<th>Q4'19</th>
<th>Q1 '20</th>
<th>Q2 '20</th>
<th>Q3 '20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Postpaid (ex M2M)</td>
<td>367</td>
<td>392</td>
<td>227</td>
<td>236</td>
<td>308</td>
</tr>
<tr>
<td>M2M</td>
<td>75</td>
<td>13</td>
<td>39</td>
<td>78</td>
<td>47</td>
</tr>
</tbody>
</table>

O₂ Free continues to underpin ARPU growth
ARPU EUR

<table>
<thead>
<tr>
<th></th>
<th>Q3'19</th>
<th>Q4'19</th>
<th>Q1 '20</th>
<th>Q2 '20</th>
<th>Q3 '20</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARPU postpaid (ex M2M)</td>
<td>14.4</td>
<td>14.0</td>
<td>13.7</td>
<td>13.3</td>
<td>13.9</td>
</tr>
<tr>
<td>Own brand postpaid ARPU</td>
<td>14.0</td>
<td>14.0</td>
<td>13.7</td>
<td>13.3</td>
<td>13.9</td>
</tr>
</tbody>
</table>

Own brand ARPU (ex. roaming) +1.6%

O₂ PO churn

<table>
<thead>
<tr>
<th></th>
<th>Q3'19</th>
<th>Q4'19</th>
<th>Q1 '20</th>
<th>Q2 '20</th>
<th>Q3 '20</th>
</tr>
</thead>
<tbody>
<tr>
<td>O₂ PO churn</td>
<td>1.4%</td>
<td>1.2%</td>
<td>1.3%</td>
<td>1.1%</td>
<td>1.0%</td>
</tr>
</tbody>
</table>

Reduced willingness to churn in fixed
Net Adds (k)

<table>
<thead>
<tr>
<th></th>
<th>Q3'19</th>
<th>Q4'19</th>
<th>Q1 '20</th>
<th>Q2 '20</th>
<th>Q3 '20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>31</td>
<td>13</td>
<td>25</td>
<td>13</td>
<td>6</td>
</tr>
</tbody>
</table>

2.3m DSL base

Higher VDSL share drives fixed ARPU
ARPU EUR

<table>
<thead>
<tr>
<th></th>
<th>Q3'19</th>
<th>Q4'19</th>
<th>Q1 '20</th>
<th>Q2 '20</th>
<th>Q3 '20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>23.2</td>
<td>23.1</td>
<td>23.7</td>
<td>23.8</td>
<td>23.7</td>
</tr>
</tbody>
</table>

+2.4%
Q3 20 OIBDA\(^1\) back to growth on improved margin

**Q3 20 OIBDA\(^1\) reflecting revenue mix and cost efficiencies**

**EUR m**

<table>
<thead>
<tr>
<th>Component</th>
<th>Value (EUR m)</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1,873</td>
<td></td>
</tr>
<tr>
<td>Other Income(^6)</td>
<td>-591</td>
<td>-168</td>
</tr>
<tr>
<td>Supplies</td>
<td>-577</td>
<td></td>
</tr>
<tr>
<td>Personnel expenses</td>
<td>-26</td>
<td></td>
</tr>
<tr>
<td>Other expenses(^3)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exceptional effects(^5)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OIBDA adj. for exceptional effects(^2)</td>
<td>595</td>
<td></td>
</tr>
</tbody>
</table>

**Operational\(^1,2\)**

+0.8% y-o-y
31.8% / +0.1 p.p.
32.5% / +0.8 p.p.

**OIBDA margin**

**9M 20 OIBDA\(^1\) absorbing full COVID-19 impacts**

**EUR m**

<table>
<thead>
<tr>
<th>Component</th>
<th>Value (EUR m)</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>5,509</td>
<td></td>
</tr>
<tr>
<td>Other Income(^6)</td>
<td>-85</td>
<td>-1,762</td>
</tr>
<tr>
<td>Supplies</td>
<td>-461</td>
<td></td>
</tr>
<tr>
<td>Personnel expenses</td>
<td>-1,727</td>
<td></td>
</tr>
<tr>
<td>Other expenses(^3)</td>
<td></td>
<td></td>
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<tr>
<td>Exceptional effects(^5)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OIBDA adj. for exceptional effects(^2)</td>
<td>1,680</td>
<td></td>
</tr>
</tbody>
</table>

**Operational\(^1,2\)**

+1.8% y-o-y
30.5% / -0.8 p.p.
31.0% / -0.3 p.p.

**OIBDA margin**

---

\(^1\) Adjusted for exceptional effects in Q2 20, exceptional effects amounted to EUR +380m (EUR +375m in 9M 20), of which EUR +407m capital gain related with the sale of the operations of the first tranche of ~6,000 mobile sites to Telxius and EUR -26m restructuring costs

\(^2\) Excluding COVID-19 impacts of EUR -23m in Q3 20 (EUR -47m in 9M 20)

\(^3\) Adjusted for capital gains/losses related with the sale of assets

\(^4\) Includes exceptional effects, Group fees and impairment losses in accordance with IFRS 9

\(^5\) Mainly restructuring expenses
Free Cash Flow dynamics reflect usual seasonal movements

**Evolution of 9M 20 FCF**

<table>
<thead>
<tr>
<th>EUR m</th>
<th>OIBDA</th>
<th>Net effect from sale of assets</th>
<th>CapEx ex spectrum</th>
<th>WC movements &amp; adjustments: EUR -221 m</th>
<th>FCF pre dividends &amp; spectrum payments</th>
<th>Lease payments</th>
<th>FCF aL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2.055</td>
<td>-401</td>
<td>-726</td>
<td>-61</td>
<td>13</td>
<td>10</td>
<td>-184</td>
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<td>695</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>267</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Net debt³ – leverage well in-line with target**

<table>
<thead>
<tr>
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<th></th>
<th></th>
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<tbody>
<tr>
<td></td>
<td>3.860</td>
<td>-267</td>
<td>453</td>
<td>-927</td>
<td>18</td>
<td>506</td>
<td>3.643</td>
</tr>
</tbody>
</table>

**Notes:**
1. Excluding additions from capitalised right-of-use assets and investments in spectrum
2. FCF pre dividends & spectrum payments is defined as the sum of cash flow from operating activities & cash flow from investing activities
3. Net financial debt includes current and non-current interest-bearing financial assets and interest-bearing liabilities as well as cash and cash equivalents and excludes payables for spectrum
4. Leverage ratio is defined as net financial debt divided by the OIBDA for the last twelve months adjusted for exceptional effects
Strong liquidity position - smooth debt maturity profile and well diversified financing mix

**Maturity profile**

<table>
<thead>
<tr>
<th>Year</th>
<th>SSD</th>
<th>EIB 2016</th>
<th>Synd.LOan</th>
<th>Money Market</th>
<th>Bonds</th>
<th>Telfisa undrawn</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>160</td>
<td></td>
<td></td>
<td>3</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>1075</td>
<td></td>
<td>704</td>
<td>2026</td>
<td>2027</td>
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<tr>
<td>2022</td>
<td>75</td>
<td></td>
<td>214</td>
<td>2029</td>
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<tr>
<td>2031</td>
<td>2030</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2032</td>
<td>2031</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2033</td>
<td>2032</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Financing and interest mix**

- **Money Market**
  - EUR 118.5m
- ** Synd. Loan**
  - EUR 750m
- **Bilateral RCFs**
  - EUR 660m
- **SSD**
  - EUR 722.5m
- **EIB**
  - EUR 825m
- **Telfisa**
  - EUR 450m

**Liquidity position**

<table>
<thead>
<tr>
<th>EUR m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
</tr>
<tr>
<td>Undrawn RCFs/Loans, Ext. Overdraft</td>
</tr>
<tr>
<td>Liquiditiy</td>
</tr>
</tbody>
</table>

**Comments**

- Ample liquidity of c. EUR 2.7bn provides significant financial stamina, including EUR 450m undrawn EIB Loan
- Well balanced and diversified maturity profile
- Low exposure to interest rates changes, high percentage of debt at fixed rates

---

1. Maturity profile excludes bilateral facilities and undrawn EIB loan of EUR 450m
2. Interest mix excludes undrawn facilities
Strong confidence in mid-term FCF generation ability and remain committed to attractive shareholder remuneration

- Temporary investment programme to drive future growth & profitability
- Strong confidence in mid-term FCF generation ability
- No material cash tax during investment period; minimum taxation of 12-13% thereafter (due to tax losses carried forward of EUR 14.7 bn for corporate income tax and EUR 14.3 bn for trade tax)

- Maintaining Fitch BBB investment grade rating
- Strong B/S with low indebtedness; leverage a 1.9x (IFRS 16) as of 30.06.2020
- IFRS 16 leverage target: At or below 2.5x; solid headroom under current rating
- Deferred spectrum payments lead to increased financial flexibility

- Continuity since the IPO
- High pay-out ratio to FCF aL
- Dividend of EUR 0.17/share, which will be a floor during our investment programme in 2020/21

1 Leverage ratio is defined as net financial debt divided by the OIBDA for the last twelve months adjusted for exceptional effects
Confirming FY20 guidance while continuously monitoring COVID-19 developments

<table>
<thead>
<tr>
<th></th>
<th>Outlook FY20</th>
<th>9M 20</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>Flat to slightly positive (incl. reg. impacts of ~EUR 20-30m)</td>
<td><img src="image" alt="Graph" /></td>
</tr>
<tr>
<td><strong>OIBDA(^2)</strong></td>
<td>Broadly stable to slightly positive (incl. reg. impacts of less than ~EUR 10m)</td>
<td><img src="image" alt="Graph" /></td>
</tr>
<tr>
<td><strong>C/S</strong></td>
<td>&lt; 17-18%</td>
<td><img src="image" alt="Graph" /></td>
</tr>
</tbody>
</table>

\(^1\) Excl. COVID-19 impacts
\(^2\) Adjusted for exceptional effects
O2D factsheet

Share price development as of 30 October 2020

Telefónica Deutschland at a glance

<table>
<thead>
<tr>
<th>Market segment</th>
<th>Prime Standard</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry</td>
<td>Telecommunications</td>
</tr>
<tr>
<td>Shares outstanding</td>
<td>2,974,554,993 shares</td>
</tr>
<tr>
<td>Share capital</td>
<td>EUR 2,974.6 m</td>
</tr>
<tr>
<td>Market cap</td>
<td>EUR 6,445.9 m</td>
</tr>
<tr>
<td>Share price</td>
<td>EUR 2.167</td>
</tr>
</tbody>
</table>

Shareholder structure

- Telefónica Germany Holdings Ltd: 30.8%
- Freefloat: 69.2%

Regional split of shareholder structure

- UK & Ireland: 14.7%
- North America: 12.8%
- France: 16.4%
- Germany: 5.1%
- Continental Europe: 14.1%
- Scandinavia: 5.7%
- Rest of World: 31.3%

---

1 Status: 30 October 2020
2 Telefónica Germany Holdings Limited is an indirect wholly owned subsidiary of Telefónica S.A.
3 Source: NASDAQ, Shareholder ID as of September 2020
Any further questions? Please reach out to us!

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+49 89 2442 1010

@ IR-Deutschland@telefonica.com
Mobile KPIs

**Postpay net adds**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q3 19</th>
<th>Q4 19</th>
<th>Q1 20</th>
<th>Q2 20</th>
<th>Q3 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additions</td>
<td>367</td>
<td>443</td>
<td>188</td>
<td>158</td>
<td>261</td>
</tr>
</tbody>
</table>

**Prepay net adds**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q3 19</th>
<th>Q4 19</th>
<th>Q1 20</th>
<th>Q2 20</th>
<th>Q3 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additions</td>
<td>-3</td>
<td>-236</td>
<td>-407</td>
<td>-366</td>
<td>208</td>
</tr>
</tbody>
</table>

**Mobile customer base**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q3 19</th>
<th>Q4 19</th>
<th>Q1 20</th>
<th>Q2 20</th>
<th>Q3 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>43,607</td>
<td>43,827</td>
<td>43,647</td>
<td>43,517</td>
<td>44,032</td>
</tr>
<tr>
<td>Postpay</td>
<td>22,096</td>
<td>22,539</td>
<td>22,727</td>
<td>22,885</td>
<td>23,146</td>
</tr>
<tr>
<td>Prepay</td>
<td>20,332</td>
<td>20,096</td>
<td>19,689</td>
<td>19,323</td>
<td>19,531</td>
</tr>
<tr>
<td>M2M</td>
<td>1,179</td>
<td>1,192</td>
<td>1,230</td>
<td>1,308</td>
<td>1,355</td>
</tr>
</tbody>
</table>

**LTE customer base**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q3 19</th>
<th>Q4 19</th>
<th>Q1 20</th>
<th>Q2 20</th>
<th>Q3 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base</td>
<td>20.9</td>
<td>24.6</td>
<td>25.2</td>
<td>25.3</td>
<td>26.6</td>
</tr>
</tbody>
</table>

1 excluding M2M
Mobile KPIs

Postpay ARPU [EUR]
- Q3 19: 14.4
- Q4 19: 14.0
- Q1 20: 13.7
- Q2 20: 13.3
- Q3 20: 13.9

Prepay ARPU [EUR]
- Q3 19: 6.2
- Q4 19: 6.1
- Q1 20: 5.9
- Q2 20: 5.8
- Q3 20: 6.4

Churn rate [%]
- O2 postpaid
- Total postpaid (ex M2M)

- Q3 19: -1.5%
- Q4 19: -1.5%
- Q1 20: -1.5%
- Q2 20: -1.4%
- Q3 20: -1.4%

Smartphone penetration [%]\(^1\)
- O2 consumer postpay
- O2 consumer prepay

- Q3 19: 84.1
- Q4 19: 87.9
- Q1 20: 89.6
- Q2 20: 90.8
- Q3 20: 92.1

\(^1\) Smartphone penetration is based on the number of customers with a small screen tariff (e.g., for smartphones) divided by the total mobile customer base less M2M, less customers with a big screen tariff.
<table>
<thead>
<tr>
<th>Plan</th>
<th>Max. Speed</th>
<th>Network</th>
<th>Voice/SMS flat</th>
<th>EU Roaming</th>
<th>Monthly fee (24/m contract)</th>
</tr>
</thead>
<tbody>
<tr>
<td>O₂ Free Unlimited Basic</td>
<td>2 MBit/s</td>
<td>4G LTE</td>
<td>✔️</td>
<td>✔️</td>
<td>29.99</td>
</tr>
<tr>
<td>O₂ Free Unlimited Smart</td>
<td>10 MBit/s</td>
<td>4G LTE 5G READY</td>
<td>✔️</td>
<td>✔️</td>
<td>39.99</td>
</tr>
<tr>
<td>O₂ Free Unlimited Max</td>
<td>225 Mbit/s</td>
<td>4G LTE 5G READY</td>
<td>✔️</td>
<td>✔️</td>
<td>49.99</td>
</tr>
</tbody>
</table>

- Unlimited usage
- Flexible contract duration: monthly contract termination
- Best-fit by speed-classes
- 5G Future ready by 5G-READY
O₂ Free Volume based portfolio with Boost-option

<table>
<thead>
<tr>
<th></th>
<th>O₂ Free S</th>
<th>O₂ Free M</th>
<th>O₂ Free L</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data volume</td>
<td>3 GB</td>
<td>20 GB</td>
<td>60 GB</td>
</tr>
<tr>
<td>Max. Speed</td>
<td>225 Mbit/s</td>
<td>225 Mbit/s</td>
<td>225 Mbit/s</td>
</tr>
<tr>
<td>Network</td>
<td>4G LTE</td>
<td>4G LTE</td>
<td>4G LTE</td>
</tr>
<tr>
<td>VOICE/SMS flat</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>EU Roaming</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Monthly fee 24/m contract</td>
<td><strong>19.99</strong></td>
<td><strong>29.99</strong></td>
<td><strong>39.99</strong></td>
</tr>
</tbody>
</table>
Fixed KPIs

Retail broadband net adds ['000]

<table>
<thead>
<tr>
<th></th>
<th>Therof DSL</th>
<th>Therof VDSL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 19</td>
<td>53</td>
<td>-22</td>
</tr>
<tr>
<td>Q4 19</td>
<td>33</td>
<td>-20</td>
</tr>
<tr>
<td>Q1 20</td>
<td>36</td>
<td>-11</td>
</tr>
<tr>
<td>Q2 20</td>
<td>41</td>
<td>-28</td>
</tr>
<tr>
<td>Q3 20</td>
<td>34</td>
<td>-27</td>
</tr>
</tbody>
</table>

Fixed accesses ['000]

<table>
<thead>
<tr>
<th></th>
<th>Retail DSL</th>
<th>thereof VDSL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 19</td>
<td>2,193</td>
<td>1,619</td>
</tr>
<tr>
<td>Q4 19</td>
<td>2,207</td>
<td>1,652</td>
</tr>
<tr>
<td>Q1 20</td>
<td>2,232</td>
<td>1,688</td>
</tr>
<tr>
<td>Q2 20</td>
<td>2,245</td>
<td>1,729</td>
</tr>
<tr>
<td>Q3 20</td>
<td>2,252</td>
<td>1,762</td>
</tr>
</tbody>
</table>

Fixed retail ARPU [EUR]

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 19</td>
<td>23.2</td>
<td>23.1</td>
<td>23.7</td>
<td>23.8</td>
</tr>
<tr>
<td>Q4 19</td>
<td>23.1</td>
<td>23.7</td>
<td>23.8</td>
<td>23.7</td>
</tr>
<tr>
<td>Q1 20</td>
<td>23.7</td>
<td>23.8</td>
<td>23.7</td>
<td></td>
</tr>
<tr>
<td>Q2 20</td>
<td>23.8</td>
<td>23.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3 20</td>
<td>23.7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plan</td>
<td>Max. Speed</td>
<td>Technology</td>
<td>Voice flat to German mobile &amp; fixed networks</td>
<td>Optional Router</td>
</tr>
<tr>
<td>-----------------</td>
<td>----------------</td>
<td>-----------------------------</td>
<td>---------------------------------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>O₂ my Home S</td>
<td>10 MBit/s</td>
<td>VDSL or LTE / 5G</td>
<td>From 2.99/m</td>
<td>From 2.99/m</td>
</tr>
<tr>
<td>O₂ my Home M</td>
<td>50 MBit/s</td>
<td>VDSL, Cable or LTE / 5G</td>
<td>From 2.99/m</td>
<td>From 2.99/m</td>
</tr>
<tr>
<td>O₂ my Home L</td>
<td>100 MBit/s</td>
<td>VDSL, Cable or LTE / 5G</td>
<td>From 2.99/m</td>
<td>From 5.99/m</td>
</tr>
<tr>
<td>O₂ my Home XL</td>
<td>250 MBit/s</td>
<td>VDSL or Cable</td>
<td>From 5.99/m</td>
<td>From 5.99/m</td>
</tr>
<tr>
<td>O₂ my Home XXL</td>
<td>1 GBit/s</td>
<td>Fibre</td>
<td>From 5.99/m</td>
<td></td>
</tr>
</tbody>
</table>