

Telefónica Deutschland
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ANNUAL FINANCIAL STATEMENTS

Telefónica Deutschland Holding AG
for Reporting Year 2024



Contents

02	REFERENCE TO THE COMBINED MANAGEMENT REPORT OF TELEFÓNICA DEUTSCHLAND HOLDING AG
04	BALANCE SHEET
05	INCOME STATEMENT
06	NOTES
06	1. GENERAL INFORMATION ON THE ANNUAL FINANCIAL STATEMENTS
08	2. ACCOUNTING POLICIES
09	3. NOTES TO THE BALANCE SHEET
12	4. NOTES TO THE INCOME STATEMENT
14	5. OTHER MANDATORY DISCLOSURES
18	IMPRINT

Editorial note:
The figures in the following have been rounded in accordance with established commercial practice. Therefore, recalculations may differ slightly from the totals shown in the tables.

Reference to the Combined Management Report of Telefónica Deutschland Holding AG

The Management Report of Telefónica Deutschland Holding AG and the Group Management Report are published in the Telefónica Deutschland Annual Report 2024 in accordance with section 315 (5) of the German Commercial Code (HGB). The Annual Financial Statements and the Management Report of Telefónica Deutschland Holding AG for financial year 2024, which is combined with the Group Management Report, will be submitted to the operator of the Company Register and published in the Company Register. The Annual Financial Statements of Telefónica Deutschland Holding AG and the Annual Report of the Group for financial year 2024 are also available online at:

<http://www.telefonica.de/investor-relations-en/publications/financial-publications>

ANNUAL FINANCIAL STATEMENTS

for Financial Year 2024

Balance Sheet

Assets (in EUR)	As of 31 December 2024	As of 31 December 2023
A) Fixed assets		
Financial assets		
Shares in affiliated companies	5,774,887,478.68	6,360,307,377.42
	5,774,887,478.68	6,360,307,377.42
B) Current assets		
I. Receivables and other assets		
1. Receivables from affiliated companies	112,918,685.15	144,864,502.60
2. Other assets	18,726,410.77	10,963,156.02
	131,645,095.92	155,827,658.62
C) Prepaid expenses	331,211.31	458,125.04
Total assets	5,906,863,785.91	6,516,593,161.08

Equity and liabilities (in EUR)	Zum 31. Dezember 2024	Zum 31. Dezember 2023
A) Equity		
I. Subscribed capital	2,974,554,993.00	2,974,554,993.00
II. Additional paid-in capital	2,868,450,739.26	2,868,450,739.26
III. Retained earnings	14,083.91	14,083.91
Legal reserve	14,083.91	14,083.91
IV. Balance sheet profit	(1,573,410.52)	545,419,898.74
	5,841,446,405.65	6,388,439,714.91
B) Provisions		
1. Provisions for pensions and similar obligations	4,029,391.00	4,119,251.00
2. Tax provisions	182,104.60	0.00
3. Other provisions	10,541,943.67	15,779,701.05
	14,753,439.27	19,898,952.05
C) Liabilities		
1. Trade payables	176,134.98	0.00
– thereof with a remaining term of up to one year EUR 176,134.98 (previous year EUR 0.00)		
2. Liabilities to affiliated companies	4,587,048.76	24,351,224.94
– thereof with a remaining term of up to one year EUR 3,925,221.15 (previous year EUR 23,736,055.67)		
– thereof with a remaining term of more than one year EUR 661,827.61 (previous year EUR 615,169.27)		
3. Other liabilities	45,900,757.25	83,903,269.18
– thereof with a remaining term of up to one year EUR 45,900,757.25 (previous year EUR 83,903,269.18)		
– thereof from taxes EUR 45,900,757.25 (previous year EUR 83,903,269.18)		
	50,663,940.99	108,254,494.12
Total equity and liabilities	5,906,863,785.91	6,516,593,161.08

Income Statement**1 January to 31 December****(in EUR)**

	2024	2023
1. Revenues	9,838,147.27	11,319,935.08
2. Other operating income	1,903,875.29	73,572.22
– thereof from currency conversion EUR 15.92 (previous year EUR 201.82)		
3. Personnel expenses		
a) Salaries and wages	(7,823,825.83)	(9,093,349.70)
b) Social security contributions and expenses for pensions and other benefits	(650,543.82)	(596,239.10)
– thereof for retirement pensions EUR -595,484.66 (previous year EUR -529,300.43)		
	(8,474,369.65)	(9,689,588.80)
4. Other operating expenses	(4,681,915.84)	(9,076,146.04)
– thereof from currency conversion EUR -977.89 (previous year EUR -439.22)		
– thereof from other taxes EUR -8,986.98*		
5. Other interest and similar income	751,622.65	448,067.80
– thereof from affiliated companies EUR 751,622.65 (previous year EUR 448,067.80)		
6. Interest and similar expenses	(1,008,961.56)	(639,198.66)
– thereof to affiliated companies EUR -481,615.56 (previous year EUR -586,576.66)		
– thereof from compounding EUR -14,109.00 (previous year EUR -52,622.00)		
7. Income taxes	(9,901,808.68)	(760,186.03)
8. Loss after tax	(11,573,410.52)	(8,323,544.43)
9. Other taxes*	0.00	504.68
10. Loss for the period	(11,573,410.52)	(8,323,039.75)
11. Profit carried forward from the previous year	10,000,000.00	16,089,188.09
12. Withdrawal from additional paid-in capital	0.00	537,653,750.40
13. Balance sheet loss/profit	(1,573,410.52)	545,419,898.74

* In a change from the previous year, other taxes will be reported under other operating expenses from financial year 2024 onwards. These amounted to EUR -8,986.98 in 2024.

Notes

for Financial Year 2024

1. General Information on the Annual Financial Statements

The Annual Financial Statements of Telefónica Deutschland Holding AG, Munich (hereinafter also Telefónica Deutschland), for financial year 2024 have been prepared in accordance with the regulations of the German Stock Corporation Act (AktG) and the German Commercial Code (HGB).

The financial year is the calendar year (1 January to 31 December).

Telefónica Deutschland Holding AG is a stock corporation (AG) under German law. The company is registered with the local court in Munich under HRB (Commercial Register B) 201055. The listing on the regulated market of the Frankfurt Stock Exchange ended at midnight on 18 April 2024. The share capital of Telefónica Deutschland Holding AG as of 31 December 2024 is unchanged from the previous year at EUR 2,974,554,993. It is divided into 2,974,554,993 non-par value registered shares, each with a proportionate interest in the share capital of EUR 1.00. Each non-par value share grants one vote at the Annual General Meeting.

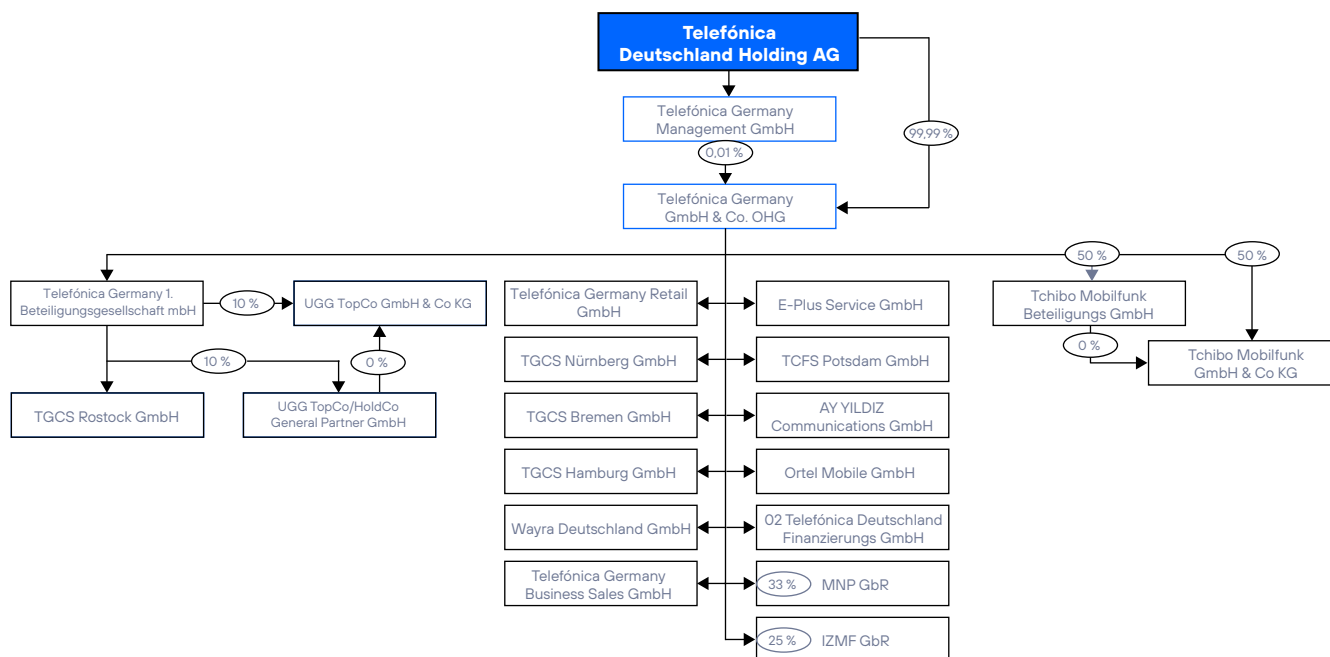
As of 31 December 2024, approximately 3.15% of the shares were in free float. 69.22% were held by Telefónica Germany Holdings Limited, Slough, United Kingdom (Telefónica Germany Holdings Limited), an indirect wholly owned subsidiary of Telefónica, S.A., Madrid, Spain (Telefónica, S.A.). In addition, approximately 27.63% was held by Telefónica Local Services GmbH, Ismaning, Germany, a direct wholly owned subsidiary of Telefónica, S.A.

Consolidated Financial Statements

Telefónica Deutschland Holding AG is the parent company of Telefónica Deutschland Group. Telefónica Deutschland Group comprises Telefónica Deutschland, its subsidiaries, joint operations and associated companies (together hereinafter also referred to as Telefónica Deutschland Group).

It is included in the Consolidated Financial Statements of the ultimate parent company, Telefónica, S.A., Madrid, Spain (Telefónica, S.A.; its group: Telefónica, S.A. Group). The direct parent company of Telefónica Deutschland Group is Telefónica Germany Holdings Limited, a wholly owned subsidiary of O2 (Europe) Limited, Slough, United Kingdom (O2 (Europe) Limited), and an indirect subsidiary of Telefónica, S.A., as well as Telefónica Local Services GmbH, Ismaning, Germany, a direct wholly owned subsidiary of Telefónica, S.A., Madrid, Spain. The companies of Telefónica, S.A. Group are related parties because Telefónica, S.A. controls the Telefónica Deutschland Group.

As of 31 December 2024, the companies of Telefónica Deutschland Group were organised as shown in the following organisation chart:



Unless stated otherwise, the ownership interests amount to 100%.

As of the reporting date, Telefónica Deutschland is classified as a small corporation in accordance with section 267 (1) HGB.

The income statement was prepared in accordance with section 275 (2) HGB using the total cost method.

Telefónica Deutschland Holding AG has been the controlling company for an extended group of controlled companies of the Telefónica Deutschland Holding AG fiscal unity for value-added tax (VAT) purposes.

As a shareholder of Telefónica Germany GmbH & Co. OHG, Telefónica Deutschland Holding AG is the taxable entity for corporate income tax purposes.

The figures in the following have been rounded in accordance with established commercial practice. Therefore, recalculations may differ slightly from the totals shown in the tables.

Annual General Meeting and dividend payment

The Annual General Meeting for financial year 2023 was held on 18 June 2024. In addition to the presentation of the Annual Financial Statements and Consolidated Financial Statements of Telefónica Deutschland, a dividend payment of EUR 0.18 per entitled share, totalling EUR 535,419,898.74, was approved. The dividend for financial year 2023 was paid to shareholders in June 2024.

Agreement on the remuneration of management services

Telefónica Deutschland Holding AG has an existing agreement with Telefónica Germany GmbH & Co. OHG, Munich, (hereinafter also referred to as OHG). This agreement includes the obligation to provide management services for Telefónica Germany GmbH & Co. OHG. Telefónica Germany GmbH & Co. OHG reimburses the cost of remuneration of the members of the Management Board as well as other administrative expenses. In addition, Telefónica Germany GmbH & Co. OHG reimburses Telefónica Deutschland Holding AG a flat fee of EUR 43.5 thousand (previous year EUR 43.5 thousand) per quarter.

Telefónica Deutschland Holding AG also has an existing agreement with Telefónica Germany Management GmbH, Munich. The agreement includes the obligation to provide management services for Telefónica Germany Management GmbH. Telefónica Germany Management GmbH reimburses Telefónica Deutschland Holding AG a flat fee of EUR 30 thousand (previous year EUR 30 thousand) per quarter.

The total reimbursement amount is included in the company's revenues.

Partnership agreement of Telefónica Germany GmbH & Co. OHG

Based on the partnership agreement of Telefónica Germany GmbH & Co. OHG, the profits and losses of Telefónica Germany GmbH & Co. OHG are credited to the joint reserve account. If the losses exceed the reserve accounts, they reduce the fixed capital account of the partners. Resolutions of the partners are required for profit distributions.

2. Accounting Policies

The accounting policies applied in the preparation of the Annual Financial Statements as of 31 December 2024 are in accordance with the regulations of sections 242 to 256a and 264 to 288 HGB and the relevant regulations of the German Stock Corporation Act (AktG). The accounting policies are unchanged compared to the previous year.

Financial assets are measured at historical acquisition cost less the required impairment losses for anticipated permanent impairment in value in order to be recognised at the lower fair value as of the reporting date. If the reasons for the impairment losses no longer exist, impairment losses are reversed in accordance with section 253 (5) sentence 1 HGB. Withdrawals from reserve accounts of shareholdings in partnerships reduce the respective carrying amount of the shareholding in the same amount to the extent that the withdrawn reserves already existed at the time of the acquisition of the shareholding or can be documented as having been formed from injections of funds by the company.

Receivables and other assets are recognised at the lower of nominal value or fair value at the reporting date. Foreign currency receivables are recorded at the average mean spot exchange rate at the time of the transaction. Items billed in currencies of countries outside the European Monetary Union are converted at the average mean spot exchange rate as of the reporting date in accordance with section 256a HGB. In the case of a remaining term of one year or less, section 253 (1) sentence 1 HGB and section 252 (1) no. 4 HS 2 HGB do not apply (section 256a sentence 2 HGB). In the case of receivables collectability of which is subject to recognisable risks, appropriate value reductions in the form of individual and general value adjustments are made based on the age structure; irrecoverable receivables are written off.

Cash and cash equivalents are recognised at the lower of nominal value or fair value at the reporting date.

Prepaid expenses are expenses prior to the reporting date which represent expenses for a specific period after this date.

Provisions for pensions are measured on the basis of actuarial calculations using the projected unit credit method, taking into account the 2018 G mortality tables of Prof. Dr Heubeck. Provisions for pensions and similar obligations are discounted at a flat rate using the average market interest rate of the past ten years published by the Deutsche Bundesbank, which is based on an assumed remaining term of 15 years (section 253 (2) sentence 2 HGB). This interest rate is 1.90% (2023: 1.83%). The provisions for pensions and similar obligations are calculated on the basis of annual pension increases of 2.00% (2023: 2.20%)

and a fluctuation rate of 17.00% (2023: 17.00%) is assumed. Wage and salary increases did not have to be considered.

The assets serving solely to meet the pension obligations, which are excluded from access by all other creditors (plan assets within the meaning of section 246 (2) sentence 2 HGB), are offset against the provisions at their fair value. As there is no active market on the basis of which the market price can be determined, the amortised costs are amortised in accordance with the strict lower of cost or market principle pursuant to section 253 (4) HGB (section 255 (4) sentence 3 HGB). The amortised acquisition cost from reinsurance claims and thus the fair value within the meaning of section 255 (4) sentence 4 HGB correspond to the so-called cover capital as per the business plan of the insurance contract plus any credit balance from premium refunds (so-called irrevocably granted surplus participation).

In accordance with section 246 (2) HGB, expenses and income from discounting and from assets are shown set off within the financial result.

In order to satisfy the indirect pension obligations, funds are invested and managed by the provident fund ProFund Unabhängige Gruppen-Unterstützungskasse e.V. These plan assets are measured at fair value. Telefónica Deutschland Holding AG makes use of the option granted in Art. 28 (1) sentence 2 of the Introductory Act to the German Commercial Code (EGHGB) not to recognise indirect pension obligations.

Tax provisions are recognised at the settlement amount that is required according to reasonable commercial judgement. Discounting in accordance with section 253 (2) HGB is not necessary.

Other provisions take into account all recognisable risks and contingent obligations and are recognised in the amount required according to reasonable commercial judgement. Discounting in accordance with section 253 (2) HGB is not necessary.

Liabilities are recognised at their settlement amount. Foreign currency liabilities are recorded at the average mean spot exchange rate at the time of the transaction. Liability items billed in the currencies of countries outside the European Monetary Union are converted at the average mean spot exchange rate as of the reporting date in accordance with section 256a HGB. In the case of a remaining term of one year or less, section 253 (1) sentence 1 HGB and section 252 (1) no. 4 HS 2 HGB do not apply (section 256a sentence 2 HGB).

Deferred taxes are calculated on the basis of temporary or quasi-permanent differences between the carrying amounts of assets, liabilities and prepaid expenses under commercial law and their tax recognition, or on the basis of tax loss carry forwards, using the tax rates applicable to the individual companies at the time the differences are reduced, rather than discounting them. Deferred tax assets are not capitalised due to the exercise of the recognition option available in section 274 (1) sentence 2 HGB.

Gains from foreign currency conversion are shown in the income statement in other operating income, losses from foreign currency conversion are shown in other operating expenses.

Expenses for income tax include the directly payable taxes on income.

3. Notes to the Balance Sheet

Financial assets

Investments in affiliated companies in the amount of EUR 5,774,887 thousand (2023: EUR 6,360,307 thousand) relate in the amount of EUR 5,759,457 thousand (2023: EUR 6,344,877 thousand) to the shares in Telefónica Germany GmbH & Co. OHG, Munich, of which the Company is the personally liable shareholder. The decrease in the carrying amount of the shares in Telefónica Germany GmbH & Co. OHG results from the withdrawal of a total of EUR 585,420 thousand from the reserve accounts of Telefónica Deutschland on the basis of a shareholders' resolution dated 8 May 2024 in

accordance with section 4 (3) of the shareholders' agreement. The amount withdrawn from the reserves was taken from previous paid-in capital contributions.

In addition, a carrying amount of EUR 15,430 thousand (2023: EUR 15,430 thousand) relates to the shares in Telefónica Germany Management GmbH, Munich.

For further information, please refer to the enclosed statement of changes in fixed assets.

(in EUR thousand)	Historical acquisition costs			
	As of 1 January 2024	Additions	Disposals	As of 31 December 2024
Financial assets				
Shares in affiliated companies	6,360,307	–	(585,420)	5,774,887
	6,360,307	–	(585,420)	5,774,887

(in EUR thousand)	Accumulated depreciation			
	As of 1 January 2024	Additions	Disposals	As of 31 December 2024
Financial assets				
Shares in affiliated companies	–	–	–	–
	–	–	–	–

(in EUR thousand)	Carrying amount	
	As of 1 January 2024	As of 31 December 2024
Financial assets		
Shares in affiliated companies	6,360,307	5,774,887
	6,360,307	5,774,887

List of shareholdings in accordance with section 285 no. 11, no. 11a, and no. 11b HGB

Name, legal form, registered office	Country	Share capital in %	Equity as of 31 December 2023 in EUR thousand ⁽⁴⁾	Result in financial year 2023 in EUR thousand ⁽⁴⁾
AY YILDIZ Communications GmbH, Düsseldorf ^{(3) (5)}	Germany	100	5,025	0 *
E-Plus Service GmbH, Düsseldorf ^{(3) (5)}	Germany	100	78,244	0 *
MNP Deutschland GbR, Düsseldorf ⁽⁵⁾	Germany	33	678	118
O2 Telefónica Deutschland Finanzierungs GmbH, München ⁽⁵⁾	Germany	100	175	0 *
Ortel Mobile GmbH, Düsseldorf ^{(3) (5)}	Germany	100	5,441	0 *
TCHIBO Mobilfunk Beteiligungs-GmbH, Hamburg ⁽⁵⁾	Germany	50	48	2
TCHIBO Mobilfunk GmbH & Co. KG, Hamburg ⁽⁵⁾	Germany	50	7,000	573
Telefónica Germany 1. Beteiligungsgesellschaft mbH, München ^{(3) (5)}	Germany	100	85,778	0 *
Telefónica Germany GmbH & Co. OHG, München ^{(1) (2)}	Germany	100	5,086,816	210,057
Telefónica Germany Management GmbH, München ⁽³⁾	Germany	100	18,275	2,338
Telefónica Germany Business Sales GmbH, Düsseldorf ⁽⁵⁾	Germany	100	5,038	406
Telefónica Germany Retail GmbH, Düsseldorf ^{(3) (5)}	Germany	100	107,386	0 *
TCFS Potsdam GmbH, Potsdam ^{(3) (5)}	Germany	100	325	0 *
TGCS Bremen GmbH, München ^{(3) (5)}	Germany	100	1,525	0 *
TGCS Hamburg GmbH, München ^{(3) (5)}	Germany	100	1,775	0 *
TGCS Nürnberg GmbH, München ^{(3) (5)}	Germany	100	3,775	0 *
TGCS Rostock GmbH, München ^{(3) (5)}	Germany	100	15,342	0 *
Wayra Deutschland GmbH, München ^{(3) (5)}	Germany	100	2,393	0 *
UGG TopCo/HoldCo General Partner GmbH, Ismaning ⁽⁵⁾	Germany	10	25	-22
UGG TopCo GmbH & Co. KG, Ismaning ⁽⁵⁾	Germany	10	305,867	-173
IZMF GbR, Bonn ⁽⁵⁾	Germany	25	-	-

¹⁾ 99.99% Telefónica Deutschland Holding AG, as personally liable shareholder; 0.01% Telefónica Germany Management GmbH

²⁾ Utilisation of exemption in accordance with section 264 b HGB

³⁾ Utilisation of exemption in accordance with section 264 (3) HGB

⁴⁾ Equity and result of the last financial year for which Annual Financial Statements are available

⁵⁾ Indirect investment by Telefónica Deutschland Holding AG

* After profit and loss transfer

For further information on the nature of the shareholdings, see the organisation chart in the section "General information on the Annual Financial Statements".

Receivables

Receivables from affiliated companies amounted to EUR 112,919 thousand (2023: EUR 144,865 thousand). Receivables from affiliated companies in financial year 2024 mainly comprised receivables from affiliated companies from the VAT Group in the amount of EUR 96,776 thousand (2023: EUR 129,534 thousand), as well as receivables from cash pooling from Telfisa Global B.V., Amsterdam, Netherlands in the amount of EUR 15,395 thousand (2023: EUR 13,100 thousand).

In addition, there were receivables of EUR 748 thousand (2023: EUR 2,230 thousand) against Telefónica Germany GmbH & Co. OHG for management services.

Other assets

Other assets in the amount of EUR 18,726 thousand (2023: EUR 10,963 thousand) resulted almost exclusively from tax refund claims in the amount of EUR 18,565 thousand (2023: EUR 10,963 thousand) in connection with tax prepayments.

Deferred taxes

In exercising the recognition option, no deferred tax assets were recognised as of 31 December 2024. Deferred tax assets result mainly from existing corporate and trade tax loss carry forwards and from temporary differences at the level of Telefónica Germany GmbH & Co. OHG. As a shareholder of Telefónica Germany GmbH & Co. OHG, Telefónica Deutschland Holding AG, in addition to the 0.01% share held by Telefónica Germany Management GmbH, is the taxable entity for corporate income tax purposes. The tax rate for deferred tax assets for corporate income tax and solidarity surcharge was unchanged at 15.825%, and 17.15% for trade tax.

Equity

Subscribed capital

The registered share capital of Telefónica Deutschland Holding AG as of 31 December 2024 amounted to EUR 2,974,555 thousand (2023: EUR 2,974,555 thousand). The share capital was divided into non-par value registered shares, each with a proportionate interest in the share capital of EUR 1.00 (shares). The share capital was fully paid.

As of 31 December 2024, Telefónica Deutschland Holding AG did not hold any of its own shares.

In accordance with section 6 (2) of the Articles of Association, the shareholders do not have the right to securitise shares. Each non-par value share grants one vote at the Annual General Meeting. The shares are freely transferable.

Authorised capital

Telefónica Deutschland Holding AG had authorised capital 2021/I of EUR 1,487,277,496 as of 31 December 2024.

Conditional capital

The share capital of Telefónica Deutschland Holding AG was conditionally increased by up to EUR 558,472,700 by issuing up to 558,472,700 new non-par value registered shares (Conditional Capital 2019/I). Conditional Capital 2019/I was resolved by resolution of the Annual General Meeting on 21 May 2019 – with Conditional Capital 2014/I being cancelled.

Authorisation of the Management Board to buy back own shares

The authorisation of the Management Board to buy back own shares is governed by section 57 (1) sentence 2 and sections 71 et seqq. AktG. The Annual General Meeting on 19 May 2022 resolved a new authorisation in accordance with section 71 (1) no. 8 of the German Stock Corporation Act (Aktiengesetz – AktG) to buy back own shares of up to a total of 10% of the share capital as of the resolution date or, if lower, on the date on which the authorisation is exercised.

Additional paid-in capital

As of 31 December 2024 additional paid-in capital amounted to EUR 2,868,451 thousand (2023: EUR 2,868,451 thousand).

With entry in the commercial register on 4 June 2018, EUR 4,535,097,828.00 of the tied additional paid-in capital was converted into free additional paid-in capital (section 272 (2) no. 4 HGB).

No withdrawals were made from the (free) additional paid-in capital to the balance sheet profit in the financial year (2023: EUR 537,654 thousand).

Retained earnings

Retained earnings contained a legal reserve in accordance with section 150 (2) of the German Stock Corporation Act (Aktiengesetz – AktG) of EUR 14 thousand (2023: EUR 14 thousand).

Appropriation of profits

The Annual General Meeting for financial year 2023 was held on 18 June 2024. In addition to the presentation of the Annual Financial Statements and Consolidated Financial Statements of Telefónica Deutschland, a dividend payment of EUR 0.18 per entitled share, totalling EUR 535,419,898.74, was approved. For this purpose, EUR 537,653,750.40 were withdrawn from the (free) additional paid-in capital and transferred to balance sheet profit in 2023. The dividend was paid to shareholders in June 2024.

Pension provisions

The provision for pensions related to pension obligations in the amount of EUR 4,029 thousand (2023: EUR 4,119 thousand). These pension obligations included EUR 2,378 thousand (2023: EUR 2,422 thousand) pensions obligations to former members of the Management Board.

Based on a valuation as of 31 December 2024 in accordance with section 253 (1) sentence 2 and (2) sentence 2 HGB, the settlement amount of the liability was EUR 6,214 thousand (2023: EUR 6,184 thousand), of which EUR 3,439 thousand (2023: EUR 3,463 thousand) related to former members of the Management Board. After offsetting against plan assets of EUR 2,185 thousand (2023: EUR 2,064 thousand), of which EUR 1,061 thousand (2023: EUR 1,041 thousand) related to former members of the Management Board, in accordance with section 246 (2) sentence 2 HGB, the total present value of the offset pension obligations amounted to EUR 4,029 thousand (2023: EUR 4,119 thousand). The difference in accordance with section 253 (6) sentence 1 HGB amounted to EUR -61 thousand (2023: EUR 87 thousand). The difference from the previous year was blocked from distribution.

The plan assets consisted of exclusive, pledged and insolvency-protected reinsurance policies. The fair value of the netted reinsurance claims corresponded to the amortised cost (actuarial reserve plus profit participation) in accordance with actuarial reports and communications from insurers.

Telefónica Deutschland Holding AG made use of the option granted in section 28 (1) and (2) EGHGB not to recognise indirect pension obligations in the amount of EUR 4,283 thousand (2023: EUR 4,246 thousand), which were secured by the Unterstützungskasse ProFund Unabhängige Gruppen- und Unterstützungskasse e.V. provident fund. To cover this liability, on 31 December 2024, EUR 4,649 thousand (2023: EUR 3,784 thousand) was held in trust for Telefónica Deutschland Holding AG.

Interest income from plan assets in the amount of EUR 28 thousand (2023: EUR 13 thousand) was set off against interest expenses from the liability in the amount of EUR 113 thousand (2023: EUR 109 thousand) and against interest expenses from the change in the discounting rate of pension provisions in the amount of EUR 72 thousand (2023: EUR 43 thousand).

Tax provisions

As a shareholder of Telefónica Germany GmbH & Co. OHG, Telefónica Deutschland Holding AG is a taxable entity for corporate income tax and solidarity surcharge purposes. The tax provisions consisted of provisions for corporate income tax, including solidarity surcharge, which have been recorded in connection with the results of Telefónica Germany GmbH & Co. OHG and its controlled companies. In the reporting year, provisions for corporate income tax, including solidarity surcharge, had to be taken into account in the amount of EUR 182 thousand (2023: EUR 0 thousand).

Other provisions

Other provisions in the amount of EUR 10,542 thousand (2023: EUR 15,780 thousand) included provisions for income tax risks in the amount of EUR 4,680 thousand (2023: EUR 3,700 thousand) and obligations arising from the remuneration of the Management Board in the amount of EUR 4,400 thousand (2023: EUR 5,748 thousand). In addition, EUR 1,462 thousand (2023: EUR 6,332 thousand) related to outstanding invoices.

The other provisions also took into account the share-based employee compensation Bonus II of affiliated companies. The other provisions therefore include the long-term obligations at the settlement amount of the remuneration commitments. Each affiliated company was contractually obligated to cover the expenses for payment commitments to its employees. In this relation, Telefónica Deutschland Holding AG had reimbursement rights against affiliated companies in the amount of EUR 470 thousand at the end of financial year 2024 (2023: EUR 918 thousand), which were taken into account in

the valuation of and reduced other provisions for long-term obligations in the amount of the settlement amount of the remuneration commitment of EUR 470 thousand (2023: EUR 918 thousand) as of 31 December 2024.

Liabilities

In the reporting year, there were trade payables of EUR 176 thousand (2023: EUR 0 thousand). These primarily relate to liabilities for consultancy services.

Liabilities to affiliated companies amount to EUR 4,587 thousand (2023: EUR 24,351 thousand) and mainly included liabilities to affiliated companies from the VAT group in the amount of EUR 3,065 thousand (2023: EUR 2,949 thousand) as of the balance sheet date. In addition, obligations in connection with the remuneration of the Management Board amounting to EUR 1,304 thousand (2023: EUR 1,385 thousand) were included. In the previous year, there was also a loan granted by Telefónica Germany GmbH & Co. OHG at a nominal amount of EUR 20,000 thousand.

Other liabilities amounting to EUR 45,901 thousand (2023: EUR 83,903 thousand) included almost exclusively EUR 45,766 thousand (2023: EUR 83,772 thousand) in VAT liabilities which the Company is required to pay to the tax authority as the controlling company of the VAT group.

As of the reporting date of 31 December 2024, as in the previous year, there were no liabilities with a remaining term of more than 5 years.

4. Notes to the Income Statement

International conflicts

International conflicts continued to have a negative impact on the global economy in 2024, and Telefónica Deutschland Group was unable to completely escape the effects of this. Political tensions between various countries led to fluctuating or higher energy prices and recognisable influences on supply chains, particularly for grid technology and radio towers. This led to a critical risk categorisation of the geopolitical risk.

To counter these risks, Telefónica Deutschland Group strives to avoid possible dependencies on individual suppliers and to maintain appropriate inventories. The management team continues to monitor, analyse and assess the potential impact of international conflicts on our business activities.

Climate change

There was no significant impact on Telefónica Deutschland Group's financials from climate change in financial year 2024. However, we are monitoring potential climate risks and do not currently expect any direct damage from climate change.

Revenues

Revenues amounted to EUR 9,838 thousand (2023: EUR 11,320 thousand) and included in the reporting year EUR 9,544 thousand (2023: EUR 11,026 thousand) for further charging on the costs for the remuneration of Management Board members, as well as additional administration costs that were assumed by Telefónica Germany GmbH & Co. OHG (as stated in "1. General information on the Annual Financial Statements – Agreement on the remuneration of management services") in accordance with the compensation agreements for management services.

Furthermore, invoiced management services were included in the amount of EUR 294 thousand (2023: EUR 294 thousand), which Telefónica Deutschland Holding AG provided for Telefónica Germany GmbH & Co. OHG and Telefónica Germany Management GmbH.

Other operating income

Other operating income in the amount of EUR 1,904 thousand (2023: EUR 74 thousand) resulted mainly from the release of provisions amounting to EUR 1,900 thousand (2023: EUR 74 thousand).

Personnel expenses

Personnel expenses in the amount of EUR -8,474 thousand (2023: EUR -9,690 thousand) included expenses for the remuneration of the Management Board, including social security contributions.

Other operating expenses

Other operating expenses in the financial year in the amount of EUR -4,682 thousand (2023: EUR -9,076 thousand) mainly included legal and consultancy expenses from external service providers.

Other interest and similar income

Other interest and similar income in the amount of EUR 752 thousand (2023: EUR 448 thousand) related to interest income from cash pooling in the financial year.

Interest and similar expenses

Interest and similar expenses in the amount of EUR -1,009 thousand (2023: EUR -639 thousand) included in particular interest expenses of EUR -482 thousand (2023: EUR -587 thousand) from a loan granted by Telefónica Germany GmbH & Co. OHG. The loan was repaid in full in the financial year.

In addition, after offsetting interest income from plan assets in the amount of EUR 28 thousand (2023: EUR 13 thousand) was set off against interest expenses from pension obligations in the amount of EUR -113 thousand (2023: EUR -109 thousand) and against interest income from the change in the discounting rate of pension obligations in the amount of EUR 72 thousand (2023: EUR 43 thousand) an amount of EUR -14 thousand was reported (2023: EUR -53 thousand).

Income taxes

Income tax expenses of EUR -9,902 thousand (2023: EUR -760 thousand) consisted of current corporate income tax expense including solidarity surcharge of EUR -13,088 thousand (2023: EUR -10,651 thousand) and, offsetting this, income from

tax refund claims of EUR 3,186 thousand (2023: EUR 6,903 thousand). In the previous year, there was also income from the reversal of tax provisions in the amount of EUR 2,988 thousand.

Telefónica Deutschland falls within the scope of the German Minimum Tax Act (MinStG), which is based on the OECD Pillar Two model rules. The Act has been in force in Germany since 1 January 2024. Telefónica Deutschland makes use of the exception from recognising differences in connection with the Minimum Tax Act in accordance with section 274 (3) HGB.

The Company falls within the scope of the OECD Pillar Two model rules, which provide for a minimum level of taxation for multinational groups. The Federal Republic of Germany has committed itself to transposing the Pillar Two rules into national law. Consequently, the introduction of a "Law transposing Council Directive (EU) 2022/2523 on ensuring a global minimum level of taxation and other accompanying measures" was passed by the Bundestag on 15 December 2023. This includes the introduction of a "Law ensuring a global minimum level of taxation for enterprise groups" ("Minimum Tax Act"), which was announced in the Federal Law Gazette on 27 December 2023. The provisions of the Minimum Tax Act are to be applied for the first time for financial years beginning after 30 December 2023.

The Company also applies the provisions of Section 274 (3) HGB, which provide for an exception to the recognition of deferred taxes arising in connection with Pillar Two legislation. Accordingly, the Company neither reports nor discloses information about deferred taxes in connection with the Pillar Two rules.

According to the Company's calculations, there are no tax burdens in relation to Pillar Two legislation.

Out-of-period income

In total, financial year 2024 included out-of-period income in the amount of EUR 5,086 thousand (2023: EUR 9,964 thousand).

These related to tax refund claims of EUR 3,186 thousand included in income tax expenses. Other out-of-period income from the release of provisions in the amount of EUR 1,900 thousand was included in other operating income.

Out-of-period expenses

In total, financial year 2024 included out-of-period expenses in the amount of EUR -9 thousand (2023: EUR -590 thousand). These related to other taxes within other operating expenses.

5. Other Mandatory Disclosures

Remuneration of the Management Board pursuant to section 285 no. 9 HGB

Total remuneration of the members of the Management Board for the financial year ending on 31 December 2024 amounted to EUR 7,479 thousand (2023: EUR 7,596 thousand).

In financial year 2024, the total remuneration expense for the members of the former management and their surviving dependants amounted to EUR 543 thousand (2023: EUR 1,083 thousand).

Telefónica Deutschland Holding AG did not grant the members of its Management Board any collateral or loans in the financial year and did not assume any guarantees for them.

In the reporting year, the total remuneration included share-based compensation with a fair value of EUR 1,182 thousand (2023: EUR 1,927 thousand) for the number of 385,239 shares (2023: 333,745).

Management Board

The members of the Management Board of Telefónica Deutschland Holding AG as of 31 December 2024 are listed below:

Name	Role	Membership of Supervisory Boards
Markus Haas	Chief Executive Officer (CEO) Chairman of the Management Board	
Markus Rolle	Chief Financial Officer (CFO) Management Board member	Telefónica Germany Retail GmbH, Düsseldorf (Chairman) TGCS Nürnberg GmbH, Munich (Chairman) TCFS Potsdam GmbH, Potsdam (Chairman)
Valentina Daiber	Chief Officer for Legal and Corporate Affairs Management Board member	Telefónica Germany Retail GmbH, Düsseldorf TGCS Nürnberg GmbH, Munich TCFS Potsdam GmbH, Potsdam
Nicole Gerhardt	Chief Organisational Development & People Management Board member	Telefónica Germany Retail GmbH, Düsseldorf TGCS Nürnberg GmbH, Munich TCFS Potsdam GmbH, Potsdam
Alfons Lösing	Chief Partner & Wholesale Officer Management Board member	Telefónica Germany Retail GmbH, Düsseldorf TGCS Nürnberg GmbH, Munich TCFS Potsdam GmbH, Potsdam
Andreas Laukenmann	Chief Consumer Officer Management Board member	
Mallik Rao (Yelamate Mallikarjuna Rao)	Chief Technology & Enterprise Officer Management Board member	Advisory Council of UGG TopCo GmbH & Co. KG (Unsere Grüne Glasfaser), Ismaning

The Supervisory Board of Telefónica Deutschland Holding AG has already extended the contract with Management Board member Mallik Rao (Chief Technology & Enterprise Officer

Remuneration of the Supervisory Board pursuant to section 285 no. 9 HGB

The members of the Supervisory Board received remuneration for their work on the Supervisory Board of Telefónica Deutschland Holding AG amounting to EUR 638 thousand in 2024 following EUR 638 thousand in 2023.

Telefónica Deutschland Holding AG has not currently granted the members of its Supervisory Board any collateral or loans and has not assumed any guarantees for them.

[CTEO]), which originally expired on 31 December 2025, until 4 November 2028.

Supervisory Board

The members of the Supervisory Board of Telefónica Deutschland Holding AG as of 31 December 2024 are listed below:

Name	Role
Peter Löscher	Chairman of the Supervisory Board Occupation: Entrepreneur Mandate: Independent, non-executive member of the Board of Directors, Telefónica, S.A., Madrid, Spain Independent non-executive member of the Board of Directors, CaixaBank, Valencia, Spain Member of the Supervisory Board, Koninklijke Philips N.V., Amsterdam, Netherlands Non-executive Member of the Board of Directors of Thyssen-Bornemisza Group AG, Zurich, Switzerland Non-executive Director of Doha Venture Capital LLC, Doha, Qatar
Martin Butz*	Member of the Supervisory Board Occupation: Director Carrier Management & Roaming, Telefónica Germany GmbH & Co. OHG
Pablo de Carvajal González	Member of the Supervisory Board Occupation: General Counsel & Global Head Regulatory Affairs, Telefónica, S.A.
Yasmin Fahimi*	Member of the Supervisory Board Occupation: Chairwoman of the German Trade Union Confederation (DGB) Mandate: Member of the Supervisory Board, Bayer AG
María García-Legaz Ponce	Member of the Supervisory Board Occupation: Chief of Staff, Telefónica, S.A.
Ernesto Gardelliano	Member of the Supervisory Board Occupation: Group Controller & Planning Director, Telefónica, S.A.
Cansever Heil*	Member of the Supervisory Board Occupation: Shop Manager, part-time member of the General Works Council, Telefónica Germany Retail GmbH
Christoph Heil*	Member of the Supervisory Board Occupation: Representative, Vereinte Dienstleistungsgewerkschaft ver.di Mandate: Member of the Supervisory Board, Capgemini Deutschland GmbH
Michael Hoffmann**	Member of the Supervisory Board Chairman of the Audit Committee, Telefónica Deutschland Holding AG Occupation: Master's degree in Business Administration, self-employed Mandate: Member of the Supervisory Board and Chairman of the Audit Committee of Westwing Group SE
Julio Linares López**	Member of the Supervisory Board Mandate: Member of the Board of Directors (Trustee), Fundación Telefónica

Name	Role
Stefanie Oeschger	Member of the Supervisory Board Occupation: Head People & Change a.i., CEMBRA Money Bank, Zurich
Thomas Pfeil*	Deputy Chairman of the Supervisory Board Occupation: Full-time member of the Works Council of Telefónica Germany GmbH & Co. OHG Chairman of the Works Council Munich, Telefónica Germany GmbH & Co. OHG
Joachim Rieger*	Member of the Supervisory Board Occupation: Full-time member of the Works Council of TCFS Potsdam GmbH Deputy Chairman of the Works Council, TCFS Potsdam GmbH Mandate: Deputy Chairman of the Supervisory Board of TCFS Potsdam GmbH
Barbara Rothfuß*	Member of the Supervisory Board Occupation: Full-time member of the Works Council of Telefónica Germany GmbH & Co. OHG Chairwoman of the Works Council Düsseldorf, Telefónica Germany GmbH & Co. OHG
Jaime Smith Basterra	Member of the Supervisory Board Occupation: (Executive) Chairman of the Board of Directors, Moldava Consulting SL. Mandate: Independent non-executive member of the Board of Directors and Chairman of the Audit and Control Committee, Cetin Group N.V., Amsterdam, Netherlands
Dr. Jan-Erik Walter*	Member of the Supervisory Board Occupation: Full-time member of the Works Council of Telefónica Germany GmbH & Co. OHG Member of the Works Council, Munich, Telefónica Germany GmbH & Co. OHG

* Employee representative

** Michael Hoffmann and Julio Linares López were re-elected to the Supervisory Board as shareholder representatives by the Annual General Meeting from 18 June 2024 until the Annual General Meeting at which discharge is granted for financial year 2026

Auditor's fee

Disclosure of the total fees of the auditors of Telefónica Deutschland Holding AG is omitted pursuant to section 285 no. 17 HGB, as the Company prepares the Consolidated Financial Statements of Telefónica Deutschland Holding AG ("Telefónica Deutschland Group") and the corresponding information is contained in these Consolidated Financial Statements.

Number of employees

As in 2023, the Company had no employees in financial year 2024.

Contingent liabilities and other financial obligations

Contingent liabilities

In its capacity as the parent company of Telefónica Deutschland Group, Telefónica Deutschland Holding AG assumes warranty obligations for its subsidiaries. Under the terms of the bond issued by O2 Telefónica Deutschland Finanzierungs GmbH, Munich, in July 2018, Telefónica Deutschland unconditionally

and irrevocably guaranteed to each holder of the bond issued in the amount of EUR 600 million the proper and timely payment of all amounts owing by the issuer on the bond under the terms of the same.

The risk of claims arising from contingent liabilities is considered to be extremely low. This assessment is based on the fact that O2 Telefónica Deutschland Finanzierungs GmbH is an indirect subsidiary of Telefónica Deutschland Holding AG and is fully controlled by Telefónica Germany GmbH & Co. OHG. The creditworthiness of O2 Telefónica Deutschland Finanzierungs GmbH is therefore determined by the operational business of Telefónica Deutschland Group itself.

Telefónica Deutschland Holding AG issued a letter of comfort, respectively, to Telefónica Germany GmbH & Co. OHG and Telefónica Germany Management GmbH in financial year 2016. In the event that a beneficiary company of the letter of comfort is unable to meet its liabilities falling due and other obligations towards creditors by the prescribed deadline, Telefónica Deutschland Holding AG will provide the beneficiary company with the financial means necessary to meet its liabilities that are due. The letters of comfort continue to be valid and may be terminated at the end of a financial year of the companies, subject to a notice period of six months.

On 21 January 2019, Telefónica Deutschland Holding AG also issued a letter of comfort for Telefónica Germany GmbH & Co. OHG with a term until 31 December 2040. In this letter of comfort, Telefónica Deutschland Holding AG undertakes to ensure, without restriction and until 31 December 2040, that Telefónica Germany GmbH & Co. OHG has access to all financial resources required to fulfil a bid submitted for the acquisition of mobile frequencies as part of an auction procedure, as well as for the expansion of the network and the ongoing operation of the network.

The letters of comfort do not significantly change the economic substance of the opportunities and risks. The Management Board considers the risk of claims arising from contingent liabilities as low on the basis of the good creditworthiness of Telefónica Deutschland Group, including Telefónica Germany GmbH & Co. OHG, which is also confirmed by external rating agencies.

Munich, 18 February 2025

Telefónica Deutschland Holding AG

The Management Board



Markus Haas



Valentina Daiber



Andreas Laukenmann



Mallik Rao

Parent company/Consolidated Financial Statements

Telefónica Deutschland Holding AG, Munich, prepares Consolidated Financial Statements for the smallest group of companies in accordance with IFRS as adopted by the EU. These Consolidated Financial Statements are published in the Register of Companies. The Consolidated Financial Statements of Telefónica Deutschland Holding AG are included in the Consolidated Financial Statements of the Spanish parent company Telefónica, S.A. (Madrid, Spain). The latter is the company that prepares the Consolidated Financial Statements for the largest group of companies and these are published online at www.telefonica.com.

Subsequent events

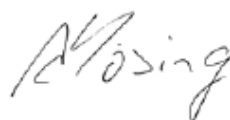
No events subject to disclosure requirements occurred after the end of the reporting period.



Markus Rolle



Nicole Gerhardt



Alfons Lösing

Imprint

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The Annual Report is available online at
<https://www.telefonica.de/investor-relations-en/annual-report.html>

Concept and Design

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