

Telefónica Deutschland
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ANNUAL FINANCIAL STATEMENTS

Telefónica Deutschland Holding AG
for Reporting Year 2025



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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 2025 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 2025, which is combined with the Group Management Report, will be submitted to the operator of the Register of Companies and published in the Register of Companies. The Annual Financial Statements of Telefónica Deutschland Holding AG and the Annual Report of the Group for financial year 2025 are also available online at:

www.telefonica.de/investor-relations-en/publications/financial-publications.html

ANNUAL FINANCIAL STATEMENTS

for Financial Year 2025

Balance Sheet

Assets (in EUR)	As of 31 December 2025	As of 31 December 2024
A) Fixed assets		
Financial assets		
Shares in affiliated companies	5,794,887,478.68	5,774,887,478.68
	5,794,887,478.68	5,774,887,478.68
B) Current assets		
I. Receivables and other assets		
1. Receivables from affiliated companies	122,880,381.88	112,918,685.15
2. Other assets	29,439,022.49	18,726,410.77
	152,319,404.37	131,645,095.92
C) Prepaid expenses	239,340.78	331,211.31
Total assets	5,947,446,223.83	5,906,863,785.91

Equity and liabilities (in EUR)	As of 31 December 2025	As of 31 December 2024
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 loss	(3,110,105.58)	(1,573,410.52)
	5,839,909,710.59	5,841,446,405.65
B) Provisions		
1. Provisions for pensions and similar obligations	3,935,146.00	4,029,391.00
2. Tax provisions	182,104.60	182,104.60
3. Other provisions	17,088,310.34	10,541,943.67
	21,205,560.94	14,753,439.27
C) Liabilities		
1. Trade payables	352,468.08	176,134.98
– thereof with a remaining term of up to one year EUR 352,468.08 (previous year EUR 176,134.98)		
2. Liabilities to affiliated companies	34,123,854.32	4,587,048.76
– thereof with a remaining term of up to one year EUR 33,365,689.70 (previous year EUR 3,925,221.15)		
– thereof with a remaining term of more than one year EUR 758,164.62 (previous year EUR 661,827.61)		
3. Other liabilities	51,854,629.90	45,900,757.25
– thereof with a remaining term of up to one year EUR 51,854,629.90 (previous year EUR 45,900,757.25)		
– thereof from taxes EUR 51,854,629.90 (previous year EUR 45,900,757.25)		
	86,330,952.30	50,663,940.99
Total equity and liabilities	5,947,446,223.83	5,906,863,785.91

Income Statement

(in EUR)	1 January to 31 December	
	2025	2024
1. Revenues	18,659,801.16	9,838,147.27
2. Other operating income	425,233.19	1,903,875.29
– thereof from currency conversion EUR 216.03 (previous year EUR 15.92)		
3. Personnel expenses		
a) Salaries and wages	(14,359,603.21)	(7,823,825.83)
b) Social security contributions and expenses for pensions and other benefits	(739,640.80)	(650,543.82)
– thereof for retirement pensions EUR -682,149.83 (previous year EUR -595,484.66)		
	(15,099,244.01)	(8,474,369.65)
4. Other operating expenses	(5,469,785.88)	(4,681,915.84)
– thereof from currency conversion EUR -204.10 (previous year EUR -977.89)		
– thereof from other taxes EUR -1,601,986.95 (previous year EUR -8,986.98)		
5. Other interest and similar income	328,717.27	751,622.65
– thereof from affiliated companies EUR 226,363.27 (previous year EUR 751,622.65)		
– thereof from discounting EUR 70,688.00 (previous year EUR 0.00)		
6. Interest and similar expenses	(207,903.44)	(1,008,961.56)
– thereof to affiliated companies EUR -89,936.95 (previous year EUR -481,615.56)		
– thereof from compounding EUR -348.00 (previous year EUR -14,109.00)		
7. Income taxes	(173,513.35)	(9,901,808.68)
8. Loss after tax	(1,536,695.06)	(11,573,410.52)
9. Loss for the period	(1,536,695.06)	(11,573,410.52)
10. Loss/profit carried forward from the previous year	(1,573,410.52)	10,000,000.00
11. Balance sheet loss	(3,110,105.58)	(1,573,410.52)

Notes

for Financial Year 2025

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 2025 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 2025 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.

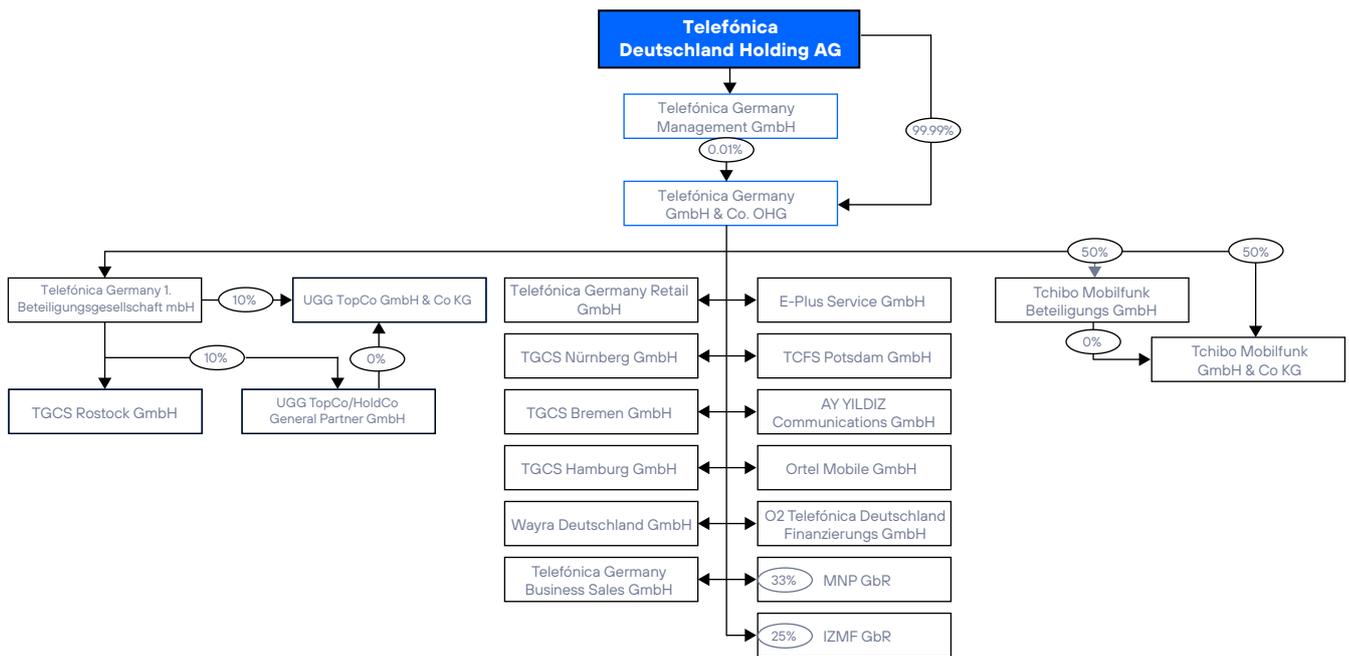
As of 31 December 2025, approximately 3.15% of the shares were in free float. 69.22% were held by Telefónica Germany Holdings Limited, Slough, United Kingdom (Telefónica Germany Holdings Limited), an indirect wholly owned subsidiary of Telefónica, S.A., Madrid, Spain (Telefónica, S.A.). In addition, 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, as Telefónica, S.A. controls Telefónica Deutschland Group.

As of 31 December 2025, 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.

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 2025 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 2.06% (2024: 1.90%). The provisions for pensions and similar obligations are calculated on the basis of annual pension increases of 2.00% (2024: 2.00%) and a fluctuation rate of 17.00% (2024: 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 in accordance with 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 5,794,887 thousand (2024: EUR 5,774,887 thousand) relate in the amount of EUR 5,759,457 thousand (2024: EUR 5,759,457 thousand) to the shares in Telefónica Germany GmbH & Co. OHG, Munich, of which the Company is the personally liable shareholder.

In addition, a carrying amount of EUR 35,430 thousand (2024: EUR 15,430 thousand) relates to the shares in Telefónica Germany Management GmbH, Munich. The increase in

the carrying amount of the shares in Telefónica Germany Management GmbH is based on the shareholders' resolution of 9 December 2025, in which the shareholder undertakes to pay an amount of EUR 20,000 thousand to the company as another additional payment to the additional paid-in capital of the company pursuant to section 272 (2) no. 4 HGB.

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

(in EUR thousand)	Historical acquisition costs			
	As of 1 January 2025	Additions	Disposals	As of 31 December 2025
Financial assets				
Shares in affiliated companies	5,774,887	20,000	–	5,794,887
	5,774,887	20,000	–	5,794,887

(in EUR thousand)	Accumulated depreciation			
	As of 1 January 2025	Additions	Disposals	As of 31 December 2025
Financial assets				
Shares in affiliated companies	–	–	–	–
	–	–	–	–

(in EUR thousand)	Carrying amount	
	As of 1 January 2025	As of 31 December 2025
Financial assets		
Shares in affiliated companies	5,774,887	5,794,887
	5,774,887	5,794,887

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 2024 in EUR thousand ⁽⁴⁾	Result in financial year 2024 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	775	119
O2 Telefónica Deutschland Finanzierungs GmbH, Munich ^{(3), (5)}	Germany	100	175	0 *
Ortel Mobile GmbH, Düsseldorf ^{(3), (5)}	Germany	100	5,441	0 *
TCHIBO Mobilfunk Beteiligungs-GmbH, Hamburg ⁽⁵⁾	Germany	50	49	1
TCHIBO Mobilfunk GmbH & Co. KG, Hamburg ⁽⁵⁾	Germany	50	7,000	533
Telefónica Germany 1. Beteiligungsgesellschaft mbH, Munich ^{(3), (5)}	Germany	100	85,778	0 *
Telefónica Germany GmbH & Co. OHG, Munich ^{(1), (2)}	Germany	100	4,874,368	372,971
Telefónica Germany Management GmbH, Munich ⁽³⁾	Germany	100	27,337	9,062
Telefónica Germany Business Sales GmbH, Düsseldorf ⁽⁵⁾	Germany	100	5,390	352
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, Munich ^{(3), (5)}	Germany	100	1,525	0 *
TGCS Hamburg GmbH, Munich ^{(3), (5)}	Germany	100	1,775	0 *
TGCS Nürnberg GmbH, Munich ^{(3), (5)}	Germany	100	3,775	0 *
TGCS Rostock GmbH, Munich ^{(3), (5)}	Germany	100	15,342	0 *
Wayra Deutschland GmbH, Munich ^{(3), (5)}	Germany	100	2,393	0 *
UGG TopCo/HoldCo General Partner GmbH, Ismaning ⁽⁵⁾	Germany	10	28	3
UGG TopCo GmbH & Co. KG, Ismaning ⁽⁵⁾	Germany	10	487,741	-167
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 122,880 thousand (2024: EUR 112,919 thousand). Receivables from affiliated companies in financial year 2025 mainly comprised receivables from affiliated companies from the VAT Group in the amount of EUR 101,591 thousand (2024: EUR 96,776 thousand) as well as receivables from cash pooling from Telfisa Global B.V., Amsterdam, Netherlands in the amount of EUR 10,962 thousand (2024: EUR 15,395 thousand).

In addition, there were receivables of EUR 10,317 thousand (2024: EUR 748 thousand) against Telefónica Germany GmbH & Co. OHG for management services.

Other assets

Other assets in the amount of EUR 29,439 thousand (2024: EUR 18,726 thousand) resulted almost exclusively from tax refund claims in the amount of EUR 29,413 thousand (2024: EUR 18,565 thousand) in connection with tax prepayments.

Deferred taxes

In exercising the recognition option, no deferred tax assets were recognised as of 31 December 2025. 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 share capital of Telefónica Deutschland Holding AG amounted to EUR 2,974,555 thousand as of 31 December 2025 (2024: 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 2025, 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 have shares certificated. 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 2025.

Conditional capital

Conditional Capital 2019/I in the amount of up to EUR 558,472,700 was cancelled in financial year 2025 on the basis of the resolution of the Supervisory Board and the subsequent entry in the commercial register. As of the reporting date of 31 December 2025, there is no longer any conditional capital.

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

Additional paid-in capital

The additional paid-in capital as of 31 December 2025 amounted to EUR 2,868,451 thousand (2024: 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).

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 (2024: EUR 14 thousand).

Appropriation of profits

As in the previous year, the balance sheet loss reported in the Annual Financial Statements of Telefónica Deutschland Holding AG as of 31 December 2025 was carried forward to new account.

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 of EUR 0.18 per dividend-entitled non-par value 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 3,935 thousand (2024: EUR 4,029 thousand). These pension provisions included EUR 2,342 thousand (2024: EUR 2,378 thousand) in pension obligations to former members of the Management Board.

Based on a valuation as of 31 December 2025 in accordance with section 253 (1) sentence 2 and (2) sentence 2 HGB, the settlement amount of the liability was EUR 6,245 thousand (2024: EUR 6,214 thousand) of which EUR 3,424 thousand (2024: EUR 3,439 thousand) related to former members of the Management Board. After offsetting against plan assets of EUR 2,310 thousand (2024: EUR 2,185 thousand) of which EUR 1,082 thousand (2024: EUR 1,061 thousand) related to former members of the Management Board, the total present value of the offset pension obligations amounted to EUR 3,935 thousand (2024: EUR 4,029 thousand) in accordance with section 246 (2) sentence 2 HGB. The difference in accordance with section 253 (6) sentence 1 HGB amounted to EUR -140 thousand (2024: EUR -61 thousand).

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 5,470 thousand (2024: EUR 4,283 thousand) which were secured by the Unterstützungskasse ProFund Unabhängige Gruppen- und Unterstützungskasse e.V. provident fund. To cover this liability, on 31 December 2025 EUR 5,373 thousand (2024: EUR 4,649 thousand) was held in trust for Telefónica Deutschland Holding AG.

Interest income from plan assets in the amount of EUR 34 thousand (2024: EUR 28 thousand) was set off against interest expenses from the liability in the amount of EUR 118 thousand (2024: EUR 113 thousand) and against interest income from the change in the discounting rate of pension provisions in the amount of EUR 155 thousand (2024: EUR 72 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, EUR 182 thousand in provisions for corporate income tax, including solidarity surcharge, had to be taken into account (2024: EUR 182 thousand).

Other provisions

Other provisions in the amount of EUR 17,088 thousand (2024: EUR 10,542 thousand) included obligations in the amount of EUR 10,398 thousand (2024: EUR 4,400 thousand) arising from the remuneration of the Management Board, reflecting the early departure of a Management Board member, plus provisions in the amount of EUR 5,380 thousand (2024: EUR 4,680 thousand) for income tax risks. In addition, EUR 1,311 thousand (2024: EUR 1,462 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 488 thousand at the end of financial year 2025 (2024: EUR 470 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 488 thousand (2024: EUR 470 thousand) as at 31 December 2025.

4. Notes to the Income Statement

International conflicts

International conflicts continued to have a negative impact on the global economy in 2025, and Telefónica Deutschland Group was unable to completely escape the effects of this. Political tensions between various countries led to noticeable impacts 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 2025. However, we are monitoring potential climate risks and do not currently expect any direct damage from climate change.

Revenues

Revenues amounted to EUR 18,660 thousand (2024: EUR 9,838 thousand) and included in the reporting year EUR 18,366 thousand (2024: EUR 9,544 thousand) for further charging on the costs for the remuneration of Management Board members, reflecting the early departure of a Management Board member, as well as additional administration costs that were assumed by Telefónica Germany GmbH & Co. OHG

Liabilities

In the reporting year, there were trade payables of EUR 352 thousand (2024: EUR 176 thousand). These primarily relate to liabilities for consultancy services.

Liabilities to affiliated companies amounted to EUR 34,124 thousand (2024: EUR 4,587 thousand) and, as of the reporting date, mainly comprised a loan from Telefónica Germany GmbH & Co. OHG in the amount of EUR 30,038 thousand (2024: EUR 0 thousand) as well as liabilities to affiliated companies from the VAT Group amounting to EUR 2,672 thousand (2024: EUR 3,065 thousand). In addition, obligations in connection with the remuneration of the Management Board amounting to EUR 1,387 thousand (2024: EUR 1,304 thousand) were included.

Other liabilities amounting to EUR 51,855 thousand (2024: EUR 45,901 thousand) included almost exclusively EUR 51,689 thousand (2024: EUR 45,766 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 2025, as in the previous year, there were no liabilities with a remaining term of more than 5 years.

(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 (2024: 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 425 thousand (2024: EUR 1,904 thousand) resulted mainly from the release of provisions in the amount of EUR 353 thousand (2024: EUR 1,900 thousand).

Personnel expenses

Personnel expenses of EUR 15,099 thousand (2024: EUR 8,474 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 5,470 thousand (2024: EUR 4,682 thousand) mainly included indirect tax expenses plus legal and consultancy expenses from external service providers.

Other interest and similar income

Other interest and similar income in the amount of EUR 329 thousand (2024: EUR 752 thousand) included EUR 258 thousand (2024: EUR 752 thousand) in interest income from cash pooling.

In addition, after offsetting interest income from plan assets in the amount of EUR 34 thousand (2024: EUR 28 thousand) against interest expenses from pension obligations in the amount of EUR 118 thousand (2024: EUR 113 thousand) and against interest income from the change in the discounting rate of pension obligations in the amount of EUR 155 thousand (2024: EUR 72 thousand) interest income in the amount of EUR 71 thousand was reported (2024: interest expense of EUR 14 thousand).

Interest and similar expenses

Other interest and similar expenses in the amount of EUR 208 thousand (2024: EUR 1,009 thousand) included in particular interest expenses in the amount of EUR 90 thousand (2024: EUR 482 thousand) from a loan granted by Telefónica Germany GmbH & Co. OHG.

Income taxes

Income tax expenses of EUR 174 thousand (2024: EUR 9,902 thousand) consisted of current corporate income tax expense including solidarity surcharge of EUR 700 thousand (2024: EUR 13,088 thousand) and, offsetting this, income from tax refund claims of EUR 526 thousand (2024: EUR 3,186 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 2025 included out-of-period income in the amount of EUR 1,832 thousand (2024: EUR 5,086 thousand) were included.

EUR 526 thousand of this related to tax refund claims, which are included in income taxes. Other out-of-period income resulting from the reversal of provisions in the amount of EUR 353 thousand was included in other operating income.

Out-of-period expenses

In total, financial year 2025 included out-of-period expenses in the amount of EUR 112 thousand (2024: EUR 9 thousand) were included. These related to other operating expenses.

5. Other Mandatory Disclosures

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

Markus Haas resigned from the Management Board on 31 December 2025. His employment contract, which was originally dated until 31 December 2028, will end prematurely on 31 December 2026. He is released from his duties for 2026 subject to continued payment of the contractually agreed remuneration, whereby the variable remuneration for 2026 is settled in full. Existing claims arising from ongoing tranches of the long-term variable remuneration will be fully retained. In addition, Markus Haas will receive a severance payment. The associated future obligations are fully recognised in the financial year.

Total remuneration of the members of the Management Board for the financial year ending on 31 December 2025 amounted to EUR 6,949 thousand (2024: EUR 7,479 thousand).

In financial year 2025, the total remuneration expense for the members of the former management and their surviving dependants amounted to EUR 6,679 thousand (2024: EUR 543 thousand).

Management Board

The members of the Management Board of Telefónica Deutschland Holding AG as of 31 December 2025 are listed below:

Name	Role
Markus Haas	Chief Executive Officer (CEO) Chairman of the Management Board
Markus Rolle	Chief Financial Officer (CFO) Management Board member
Valentina Daiber	Chief Officer for Legal and Corporate Affairs Management Board member
Nicole Gerhardt	Chief Organisational Development & People Officer Management Board member
Alfons Lösing	Chief Partner & Wholesale Officer Management Board member
Andreas Laukenmann	Chief Consumer Officer Management Board member
Mallik Rao (Yelamate Mallikarjuna Rao)	Chief Technology & Enterprise Officer Management Board member

On 7 November 2025, the Supervisory Board of Telefónica Deutschland Holding AG appointed Santiago Argelich Hesse as the new CEO of the Company with effect from 1 January 2026. He has taken over the role of CEO from Markus Haas, who agreed with the Supervisory Board on the early termination of his contract as of 31 December 2026. Markus Haas is released from his duties as of 1 January 2026.

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 1,014 thousand at the grant date (2024: EUR 1,182 thousand) for the number of 381,761 shares (2024: 385,239).

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 667 thousand in 2025, following EUR 638 thousand in 2024.

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.

On 28 October 2025, the Supervisory Board passed a resolution on the successor to the role of Chief Partner & Wholesale Officer. Jörg Kablitz will be appointed to the Management Board of Telefónica Deutschland Holding AG as Chief Partner & Wholesale Officer no later than 1 April 2026, taking over from Alfons Lösing, whose contract will end as scheduled on 31 March 2026.

Supervisory Board

The members of the Supervisory Board of Telefónica Deutschland Holding AG in financial year 2025 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
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
Ángel Vilá Boix***	Member of the Supervisory Board (since 26 March 2025) Mandate: Member of the Board of Directors of VMED O2 UK Limited, Reading, United Kingdom Member of the Board of Directors of Mediobanca SpA, Milan, Italy
Martin Butz****	Member of the Supervisory Board (until 31 October 2025) Occupation: Director Carrier Management & Roaming, Telefónica Germany GmbH & Co. OHG
Yasmin Fahimi*	Member of the Supervisory Board Occupation: Chairwoman of the German Trade Union Confederation (DGB) Mandate: Member of the Supervisory Board, Bayer AG
Pablo de Carvajal González**	Member of the Supervisory Board (until 13 March 2025) Occupation: General Counsel & Global Head Regulatory Affairs, Telefónica, S.A.
Ernesto Gardelliano	Member of the Supervisory Board Occupation: Chief Strategy & Control Officer, Telefónica, S.A.
María García-Legaz Ponce	Member of the Supervisory Board Occupation: Chief of Staff, Telefónica, S.A.
Albert Graf*****	Member of the Supervisory Board (since 1 November 2025) Occupation: Director Corporate Finance & Tax, Telefónica Germany GmbH & Co. OHG Mandate: Managing Director, WAYRA Deutschland GmbH Managing Director, O2 Telefónica Deutschland Finanzierungs GmbH
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

Name	Role
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
Stefanie Oeschger	Member of the Supervisory Board Occupation: Economist (lic. oec. HSG), self-employed
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
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 Member of the Group Works Council, Telefónica Deutschland Holding AG

* Employee representative.

** Pablo de Carvajal González resigned on 13 March 2025 as a member of the Supervisory Board, the Related Party Transactions Committee and the Nomination Committee.

*** Ángel Vilá Boix was appointed a member of the Supervisory Board with effect from 26 March 2025 following the resignation of Pablo de Carvajal González. He was confirmed by the Annual General Meeting on 1 July 2025 as a shareholder representative on the Supervisory Board until the Annual General Meeting at which discharge is granted for financial year 2026. The Supervisory Board elected Ángel Vilá Boix as a member of the Related Party Transactions Committee and the Nomination Committee on 6 May 2025.

**** Martin Butz resigned as of the end of 31 October 2025 as a member of the Supervisory Board and the Audit Committee.

***** Albert Graf succeeded Martin Butz as an elected substitute member on 1 November 2025 as a member of the Supervisory Board. On 7 November 2025, he was elected by the Supervisory Board as a member of the Audit Committee.

Barbara Rothfuß resigned from her position as a member of the Supervisory Board with effect from 31 December 2025. Oliver Ibsen succeeded her as a substitute member elected by the employee representatives with effect from 1 January 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

In financial year 2025, the Company had 0 employees. The Company had no employees in 2024.

Contingent liabilities and other financial obligations

Contingent liabilities

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 2026

Telefónica Deutschland Holding AG

The Management Board



Santiago Argelich Hesse



Markus Rolle



Valentina Daiber



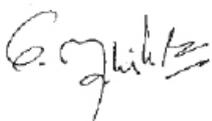
Nicole Gerhardt



Andreas Laukenmann



Alfons Lösing



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.

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Publisher

Telefónica Deutschland Holding AG
Georg-Brauchle-Ring 50
80992 Munich
Phone: +49 89 2442 0
www.telefonica.de

Investor Relations

Telefónica Deutschland Holding AG
Investor Relations
Georg-Brauchle-Ring 50
80992 Munich
Phone: +49 89 2442 1010
E-mail for private investors: shareholder-deutschland@telefonica.com
E-mail for institutional investors: ir-deutschland@telefonica.com

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The Annual Financial Statements are available online at
www.telefonica.de

Concept and Design

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