

Supervisory Board Report for the Financial Year 2025

Dear Shareholders,

We look back on a financial year 2025, in which the geopolitical situation further intensified and the economic development following a prolonged period of economic weakness stabilised only moderately. Concerns about the future and rising costs are weighing on consumer spending.

In this challenging environment, Telefónica Deutschland performed solidly, gaining market share among mobile contract customers, achieving record growth in SIM cards for the Internet of Things, and increasing revenue in fixed-line communications. The core business is intact and is supported by the traditionally strong residential customer business with the O₂ brand, customer gains in the business customer market, and innovative new and expanded partnerships with wholesale customers. Despite significant efficiency gains and cost savings, this positive development is not yet directly translating into positive growth in revenues and EBITDA. In a highly competitive market, this reflects in particular the impact of the change of a major wholesale customer, which was completed at the end of the year.

Telefónica Deutschland also used the year 2025 to further advance the expansion of its mobile network. By the end of 2025, the 5G network already reached 99 percent of the German population. More than 8,000 expansion measures represent a further increase over previous years and improve the user experience for millions of people and businesses in the country. To this end, the company invested around one billion euros in its network and services. As a result, Telefónica in Germany achieved second place for the first time in the most important independent network test conducted by Connect magazine and received a "very good"* rating for the sixth time in a row.



Peter Löscher

*Chairman of the Supervisory Board
of Telefónica Deutschland Holding AG*

As part of the internationally active Telefónica Group, Telefónica Deutschland is focusing on sustainable business growth with its „Transform & Grow“ strategy plan. A core element of this is a first-class customer experience as the basis for continued success in all customer segments. In concrete terms, this means, among other things, convergent products from mobile and fixed-line marketing for residential customers, scaling for business customers, and strengthening the partner business. New business and the expansion of existing activities are paired with efficiency improvements at all levels. The quality of the mobile network remains central to our success.

* connect mobile phone and 5G network test, issue 01/2026: „very good“ (937 points) and shared 2nd place for O₂; overall 1 x „outstanding“ (975 points) and 2 x „very good“ (937 points) were awarded. Further information is available at o2.de/netz

Composition of the Supervisory Board

The company's **Supervisory Board** consists of 16 members, of which eight are shareholder representatives and eight are employee representatives.

At the beginning of the financial year 2025, the Supervisory Board consisted of the following members: Peter Löscher (Chairman), Martin Butz**, Pablo de Carvajal González, Yasmin Fahimi**, María García-Legaz Ponce, Ernesto Gardelliano, Cansever Heil**, Christoph Heil**, Michael Hoffmann, Julio Linares López, Stefanie Oeschger, Thomas Pfeil** (Vice Chairman), Joachim Rieger**, Barbara Rothfuß**, Jaime Smith Basterra and Dr. Jan-Erik Walter**. On 13 March 2025, Pablo de Carvajal González resigned from his positions, with effect from 26 March 2025, Ángel Vilá Boix was appointed to the Supervisory Board by the court as a member of the Supervisory Board and shareholder representative and was confirmed in office by the Annual General Meeting on 1 July 2025. Martin Butz resigned from his positions with effect from the end of 31 October 2025 and Albert Graf** succeeded him on 1 November 2025 as a substitute member elected by the employees.

Barbara Rothfuß resigned from her positions with effect from the end of 31 December 2025 and Oliver Ibsen** succeeded her with effect from 1 January 2026 as a substitute member elected by the employees.

Further information, including the CVs of the members of the Supervisory Board, can be found on the company's website at www.telefonica.de/aufsichtsrat.

Michael Hoffmann, who is independent of the controlling shareholder as well as of the company and the Management Board, is the Chairman of the Audit Committee.

The Supervisory Board included at least one member with expertise in the field of accounting and auditing, Ernesto Gardelliano, in the reporting period. In addition, Thomas Pfeil, Stefanie Oeschger, Jaime Smith Basterra, Ángel Vilá Boix and Albert Graf also have corresponding expertise. The members of the Supervisory Board as a whole were familiar with the sector in which the company operates.

Composition of the Management Board

In the financial year 2025, the Management Board of Telefónica Deutschland Holding AG consisted of seven members: Markus Haas, Chief Executive Officer, Markus Rolle, Chief Financial Officer, Valentina Daiber (Chief Officer Legal & Corporate Affairs), Nicole Gerhardt (Chief Organisational Development & People Officer and Labour Director ("Arbeitsdirektorin")), Andreas Laukenmann (Chief Consumer

Officer), Alfons Lösing (Chief Partner & Wholesale Officer) und Mallik Rao (Chief Technology & Enterprise Officer).

Markus Haas resigned from his position as member of the Management Board and Chief Executive Officer (CEO) with effect from the end of 31 December 2025. At its meeting on 7 November 2025, the Supervisory Board appointed Santiago Argelich Hesse as a new member of the Management Board and CEO of the company with effect from 1 January 2026.

Cooperation between the Management Board and Supervisory Board

The Management Board and Supervisory Board cooperate in a trusting manner in all relevant matters within and outside of Supervisory Board meetings and in the best interest of the company.

In the reporting period, the Supervisory Board advised and monitored the Management Board in accordance with legal requirements.

The Management Board involved the Supervisory Board in all material decisions in a timely manner, submitted reports to the Supervisory Board in oral and written form and provided additional information when required. Where approval by the Supervisory Board was required by law, the articles of association or the by-laws, resolutions were taken after intensive consultation, evaluation and discussion in the Supervisory Board and – where relevant – in the committees set up by the Supervisory Board for this purpose.

In addition, the Management Board provided the Supervisory Board monthly with a written report, which covered in particular relevant financial key performance indicators (KPIs).

During the reporting period, the Chairman of the Supervisory Board regularly exchanged information with the Management Board, in particular with the CEO. Regular alignment meetings took place between the Chairperson of the Supervisory Board and the CEO. The Chairman of the Supervisory Board informed the other members of the Supervisory Board about important topics discussed.

In addition to the meeting activities, pre-alignment meetings for the respective meetings and other information provided to the Supervisory Board by the Management Board during the year, an annual strategy workshop was again held. Here the strategy of the company was analysed in the light of current developments and for each Management Board department and discussed and coordinated in an informal setting.

Supervisory Board Meetings

In 2025, five regular meetings were held on 21 February, 6 May, 22 July, 28 October und 15 December 2025. The Supervisory Board's regular meetings focused in particular on the presentation of Telefónica Deutschland Group's current situation, including in the individual business areas, as well as key strategic issues such as regulation, digitalisation, and transformation, but also the impact of current geopolitical developments on the company. In addition to regular and event-driven information on these topics, there were annual in-depth presentations on internal audit and the risk management systems such as compliance, data protection, and security (business resilience), including business continuity management. Internal Supervisory Board topics and Management Board topics were regularly discussed without the participation of the Management Board. These also included governance issues and the annual effectivity survey of the Supervisory Board. The Supervisory Board also dealt intensively with succession planning for the Management Board.

The following key topics are to be highlighted:

The first regular meeting of the Supervisory Board in the financial year 2025 was the balance sheet meeting (Bilanzsitzung) for the financial year 2024 which took place on 21 February 2025. This meeting focused on the review and approval of the annual and consolidated financial statements and the combined management report and combined group management report for financial year 2024. The Group sustainability report, which was prepared for the first time on a voluntary basis and the dependency report were also discussed. The Supervisory Board also approved the change in dividend policy. In addition, the extension of contract and appointment of CEO Markus Haas to the Management Board was resolved.

At its meeting on 28 October 2025, the Supervisory Board passed a resolution on the succession of Alfons Lösing, whose term of office is scheduled to end on 31 March 2026, due to a retirement policy. Jörg Kablitz was appointed as a member of the Management Board with effect from 1 April 2026, at the meeting on 15 December 2025.

At the Supervisory Board meeting on 15 December 2025 the main focus was on the Long Term Business Plan presented during the strategy day on 23 July and in the meeting on 28 October 2025 as well as the budget 2026, and the resolution on the budget 2026.

In addition, there were two extraordinary meetings of the Supervisory Board. Immediately after the Annual General Meeting, a Supervisory Board meeting was held on 1 July 2025, at which Ángel Vilá Boix was re-elected as a member of the shareholders to the Related Party Transactions Committee and the Nomination Committee. At the meeting on 7 November 2025 the agreement to terminate Markus Haas's Board Member Service Agreement was approved and Santiago Argelich Hesse was appointed to the Management Board as Markus Haas's successor and as Chief Executive Officer (CEO) with effect from 1 January 2026.

There has been one regular Supervisory Board meeting so far in 2026. On 23 February 2026, the balance sheet meeting for the financial year 2025 took place. At the balance sheet meeting, the annual financial statements and consolidated financial statements, together with the combined management report, were discussed in particular, and the Supervisory Board adopted its report to the Management Board.

Insofar as members could not attend meetings of the Supervisory Board or relevant committee meetings in isolated cases, they were excused. They participated then in the passing of resolutions by written vote.

Where necessary, the Supervisory Board also passed resolutions outside of meetings.

Committees of the Supervisory Board

As of 31 December 2025, the Supervisory Board had formed five regular committees: an Audit Committee, a Remuneration Committee, a Nomination Committee, a Related Party Transactions Committee and a Mediation Committee. The Audit Committee, the Remuneration Committee, and the Related Party Transactions Committee met regularly during the reporting year, while the Nomination Committee met once to propose the court appointment of Ángel Vilá Boix to the Supervisory Board. The Mediation Committee only meets when necessary and did not meet during the reporting year.

The **Audit Committee** is inter alia responsible for preparing the resolution of the Supervisory Board regarding the approval of the financial statements and the group sustainability report, discusses the quarterly information and monitors the accounting processes and the audit of the financial statements, compliance (including data protection and information security) and the effectivity of the internal control system, the risk management system and internal audit systems. It furthermore is responsible for the coordination with and selection of the auditor as well as assessing its independence and evaluation of the quality of the audit work.

During the reporting year, the **Audit Committee** consisted of the following members:

- Michael Hoffmann (Chairman; independent financial expert)
- Ernesto Gardelliano (financial expert)
- Albert Graf (from 7 November 2025) (financial expert)
- Stefanie Oeschger (independent financial expert)
- Thomas Pfeil (financial expert) and
- Dr. Jan-Erik Walter.

At its meeting on 7 November 2025, the Supervisory Board elected Albert Graf as a member of the Audit Committee with immediate effect, replacing Martin Butz, who stepped down with effect from 31 October 2025.

In 2025, the Audit Committee met four times, on 21 February, 6 May, 21 July and 28 October 2025. The topics discussed included, among other things, financial and non-financial reporting including sustainability topics (ESG), the financial results, other finance topics, internal audit including the internal control systems, risk management, compliance, data protection, cyber security und business continuity management, as well as the assessment of quality of the auditor's work. Furthermore, the Supervisory Board's meeting on financial statements and corresponding recommendations to the full board were prepared.

If necessary, the Audit Committee also took resolutions outside meetings by e-mail during the reporting period.

In 2026, the Audit Committee met once, on 23 February 2026.

During the reporting year, the Chairman of the Audit Committee maintained close contact with the auditors and internal (especially finance) departments as well as the Management Board also outside of meetings and informed the other members of the Audit Committee about important topics arising from this exchange. Furthermore, the Chairman of the Audit Committee regularly reports to the Supervisory Board on the activities of the Audit Committee.

During the reporting year, the **Remuneration Committee** consisted of the following members:

- Peter Löscher (Chairman; independent)
- María García-Legaz Ponce
- Cansever Heil and
- Dr Jan-Erik Walter.

The **Remuneration Committee** is responsible for the preparation of topics relating to the remuneration of the Management Board and Supervisory Board. The Remuneration Committee makes recommendations to the full Supervisory Board in this regard.

The Remuneration Committee met five times in 2025. The Remuneration Committee dealt intensively, among other things, with preparations for resolutions of the Supervisory Board on Management Board compensation issues, including Board Member service agreements.

The Remuneration Committee also passed resolutions by e-mail outside of meetings during the reporting period.

The Chairman of the Remuneration Committee reported regularly on the activities of the Remuneration Committee to the full Supervisory Board.

The **Nomination Committee** proposes suitable candidates to the Supervisory Board for election proposals to the Annual General Meeting.

As of 31 December 2025, the **Nomination Committee** consisted of the following members:

- Peter Löscher (Chairman; independent)
- Ángel Vilá Boix (from 6 May 2025)
- Ernesto Gardelliano and
- Jaime Smith Basterra (independent).

At its meeting on 6 May 2025, the Supervisory Board elected Ángel Vilá Boix as a member of the Nomination Committee with immediate effect, replacing Pablo de Carvajal González, who resigned with effect from 13 March 2025.

The Nomination Committee met once in the reporting year 2025 and decided to propose to the Supervisory Board to support the court appointment of Ángel Vilá Boix. It also drew up the election proposal for the Annual General Meeting on 1 July 2025.

The Chairman of the Nomination Committee reports on the activities of the Nomination Committee to the full Supervisory Board.

The **Related Party Transactions Committee** monitors and resolves on certain transactions with affiliated companies on behalf of the full Supervisory Board. Even after the company is delisted at the end of 18 April 2024, an arm's length comparison will continue to be carried out when reviewing relevant transactions. The majority of its members have in principle no conflicts of interest with regard to the controlling shareholder.

The **Related Party Transactions Committee** consists of the following five members:

- Peter Löscher (Chairman)
- Ángel Vilá Boix (from 6 May 2025)
- Michael Hoffmann
- Christoph Heil and
- Barbara Rothfuß.

At its meeting on 6 May 2025, the Supervisory Board elected Ángel Vilá Boix as a member of the Related Party Transactions Committee with immediate effect, replacing Pablo de Carvajal González, who resigned with effect from 13 March 2025.

The Related Party Transactions Committee met five times in 2025. At these meetings, the Related Party Transactions Committee dealt with the quarterly monitoring of transactions with affiliated companies.

The Chairman of the Related Party Transactions Committee reports regularly on the activities of the Committee at the meetings of the Supervisory Board.

As of 31 December 2025, the **Mediation Committee** with the responsibilities as defined in section 31 Co-Determination Act (Mitbestimmungsgesetz) consisted of the following members:

- Peter Löscher (Chairman)
- Julio Linares López
- Thomas Pfeil and
- Barbara Rothfuß.

There was no need for the Mediation Committee to convene in the reporting year.

Corporate Governance

Good corporate governance is essential for corporate success and is therefore in the interest of the company's shareholders.

Five of the 16 members of the Supervisory Board in the reporting year held positions in the administrative, management or supervisory bodies of the majority shareholder or its affiliated companies or were closely related to the major shareholder. Both the Supervisory Board members and the Management Board members disclose potential conflicts of interest promptly to the Supervisory Board.

In the reporting period, no conflicts of interest arose.

Diversity

As of 31 December 2025, the Supervisory Board comprised five female and eleven male members. Thus, the Supervisory Board continued to fulfill the gender quota adopted by the Supervisory Board for itself in accordance with the requirements of section 96 para. 2 German Stock Corporation Act (AktG), stipulating a minimum proportion of five female members out of 16 members throughout the entire financial year.

Following the revocation of the stock exchange listing, which rendered section 76 para. 3a AktG inapplicable, the Supervisory Board set a target for the proportion of women on the Management Board in accordance with section 111 para. 5 AktG of two out of seven, to be achieved by 31 July 2026. The quota was met throughout the entire reporting period.

Support of Members of the Supervisory Board

The members of the Supervisory Board are adequately supported when taking up their duties. In particular, an introduction to the activities of the Supervisory Board at Telefónica Deutschland takes place upon taking office. As part of this introduction, the Supervisory Board office with

legal advisors explain the practical and legal principles and also highlight specific issues relating to stock corporation law. Training and further development requirements of the Supervisory Board are regularly assessed during the course of its work and training measures are offered, for example, on new topics relevant to the company's activities.

Review of the Financial Statements 2025

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft has audited the annual financial statements and consolidated financial statements as well as the combined management report for Telefónica Deutschland Holding AG and the Group as of 31 December 2025 and provided each with an unqualified audit opinion. The annual financial statements of Telefónica Deutschland Holding AG and the combined management report for Telefónica Deutschland Holding AG and the Telefónica Deutschland Group were prepared in accordance with German commercial law. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as they are applied in the European Union (EU) and the additional requirements which have to be applied in accordance with section 315e para. 1 German Commercial Code (HGB). The auditor carried out the audit in accordance with section 317 HGB considering German principles of proper auditing set by the Institute of Public Auditors in Germany (IDW). Since Telefónica Deutschland Holding AG is a small corporation following the discontinuation of its stock market listing, an audit of the annual financial statements is no longer legally required. The audit of the annual financial statements was therefore voluntary.

The financial statements documentation of Telefónica Deutschland Holding AG and the Group, as well as the respective auditor's reports were submitted to the Supervisory Board in good time prior to the meeting on 23 February 2026 ("Bilanzsitzung"). The Audit Committee and the full Supervisory Board thoroughly reviewed the annual financial statements ("Jahresabschluss"), the consolidated financial statements, the combined management report for Telefónica Deutschland Holding AG and the Group, and the respective auditor's reports and discussed the documents in detail together with the auditor on 23 February 2026. The auditor also reported on the scope, focus, and results of his audit. The Supervisory Board approved the auditor's findings in the audit reports and had no objections after its own assessment.

At its meeting on 23 February 2026, the Supervisory Board approved the annual financial statements of Telefónica Deutschland Holding AG and the consolidated financial statements together with the combined management report for the financial year 2025; the financial statements of Telefónica Deutschland Holding AG are thereby adopted.

Relations to affiliated companies

The report on relations to affiliated companies (dependency report) as prepared by the Management Board pursuant to section 312 AktG was also audited by the auditor. With respect thereto, the auditor issued the following unqualified audit opinion ("Uneingeschränkter Bestätigungsvermerk"):

"Based on our due diligence and assessment, we confirm that

1. the factual disclosures provided in the report are correct,
2. the company's consideration concerning legal transactions referred to in the report was not unduly high,
3. there are no circumstances indicating a materially different assessment of the measures referred to in the report than the assessment reached by the Management Board."

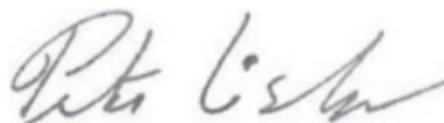
The dependency report as prepared by the Management Board and audited by the auditor as well as the audit report on the dependency report were submitted to the Supervisory Board in a timely manner and discussed in detail at the meeting on 23 February 2026 also with the auditor. Having reviewed the dependency report and the corresponding audit report, the Supervisory Board approved the results of the audit of the dependency report and as the result of its own assessment had no objections against the dependency report and the Management Board's declaration contained therein.

The Supervisory Board would like to thank the entire Management Board for their outstanding performance in the once again challenging 2025 financial year and for their cooperation, which has always been based on trust.

Furthermore, the Supervisory Board would also like to thank all Telefónica Deutschland Group employees, who once again demonstrated outstanding commitment during this special period and made a very significant contribution to the success of the company. We would also like to express our particular gratitude to Markus Haas, who served as CEO for many years, for his extraordinary commitment to Telefónica Deutschland. The Supervisory Board is delighted that Santiago Argelich Hesse could be secured as CEO of Telefónica Deutschland and will be shaping the company's transformation and growth strategy. The Supervisory Board would also like to thank the departing Supervisory Board members Pablo de Carvajal González, Martin Butz and Barbara Rothfuß for their longstanding and trusting cooperation.

Munich, 23 February 2026

On behalf of the Supervisory Board



Peter Löscher

Chairman of the Supervisory Board of
Telefónica Deutschland Holding AG