

Telefónica Deutschland  
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# ANNUAL FINANCIAL STATEMENTS

Telefónica Deutschland Holding AG  
for reporting year 2023



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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 2023 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 2023, 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 2023 are also available online at:

[www.telefonica.de/investor-relations-en/publications/financial-publications](http://www.telefonica.de/investor-relations-en/publications/financial-publications)

# ANNUAL FINANCIAL STATEMENTS

for Financial Year 2023

## Balance Sheet

Assets (in EUR)	As of 31 December 2023	As of 31 December 2022
<b>A) Fixed assets</b>		
Financial Assets		
Shares in affiliated companies	6,360,307,377.42	6,910,727,276.16
	<b>6,360,307,377.42</b>	<b>6,910,727,276.16</b>
<b>B) Current assets</b>		
I. Receivables and other assets		
1. Receivables from affiliated companies	144,864,502.60	114,660,700.84
2. Other assets	10,963,156.02	0.00
	<b>155,827,658.62</b>	<b>114,660,700.84</b>
<b>C) Prepaid expenses</b>	<b>458,125.04</b>	<b>246,106.89</b>
<b>Total assets</b>	<b>6,516,593,161.08</b>	<b>7,025,634,083.89</b>

Equity and liabilities (in EUR)	As of 31 December 2023	As of 31 December 2022
<b>A) Equity</b>		
I. Subscribed capital	2,974,554,993.00	2,974,554,993.00
II. Additional paid-in capital	2,868,450,739.26	3,406,104,489.66
III. Retained earnings	14,083.91	14,083.91
Legal reserve	14,083.91	14,083.91
IV. Balance sheet profit	545,419,898.74	551,509,086.83
	<b>6,388,439,714.91</b>	<b>6,932,182,653.40</b>
<b>B) Provisions</b>		
1. Provisions for pensions and similar obligations	4,119,251.00	4,113,961.00
2. Tax provisions	0.00	2,987,556.30
3. Other provisions	15,779,701.05	9,309,598.85
	<b>19,898,952.05</b>	<b>16,411,116.15</b>
<b>C) Liabilities</b>		
1. Trade payables	0.00	78,196.10
– thereof with a remaining term of up to one year EUR 0.00 (previous year EUR 78,196.10)		
2. Liabilities to affiliated companies	24,351,224.94	23,863,921.40
– thereof with a remaining term of up to one year EUR 23,736,055.67 (previous year EUR 23,192,511.03)		
– thereof with a remaining term of more than one year EUR 615,169.27 (previous year EUR 671,410.37)		
3. Other liabilities	83,903,269.18	53,098,196.84
– thereof with a remaining term of up to one year EUR 83,903,269.18 (previous year EUR 53,098,196.84)		
– thereof from taxes EUR 83,903,269.18 (previous year EUR 53,064,954.85)		
	108,254,494.12	77,040,314.34
<b>Total equity and liabilities</b>	<b>6,516,593,161.08</b>	<b>7,025,634,083.89</b>

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

	<b>2023</b>	<b>2022</b>
1. Revenues	11,319,935.08	10,376,840.91
2. Other operating income	73,572.22	431,588.65
– thereof from currency conversion EUR 201.82 (previous year EUR 427.35)		
3. Personnel expenses		
a) Salaries and wages	(9,093,349.70)	(8,585,920.07)
b) Social security contributions and expenses for pensions and other benefits	(596,239.10)	(796,064.52)
– thereof for retirement pensions EUR -529,300.43 (previous year EUR -738,497.99)		
	<b>(9,689,588.80)</b>	<b>(9,381,984.59)</b>
4. Other operating expenses	(9,076,146.04)	(3,052,917.72)
– thereof from currency conversion EUR -439.22 (previous year EUR -721.08)		
5. Other interest and similar income	448,067.80	128,315.95
– thereof from affiliated companies EUR 448,067.80 (previous year EUR 116,735.95)		
6. Interest and similar expenses	(639,198.66)	(194,088.44)
– thereof to affiliated companies EUR -586,576.66 (previous year EUR -12,509.44)		
– thereof from compounding EUR -52,622.00 (previous year EUR -175,246.00)		
7. Income taxes	(760,186.03)	(12,581,237.80)
<b>8. Loss after tax</b>	<b>(8,323,544.43)</b>	<b>(14,273,483.04)</b>
9. Other taxes	504.68	544.94
<b>10. Loss for the period</b>	<b>(8,323,039.75)</b>	<b>(14,272,938.10)</b>
11. Profit carried forward from the previous year	16,089,188.09	10,000,000.00
12. Withdrawal from additional paid-in capital	537,653,750.40	555,782,024.93
<b>13. Balance sheet profit</b>	<b>545,419,898.74</b>	<b>551,509,086.83</b>

# Notes

## for Financial Year 2023

### 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 2023 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).

The Company is registered with the Munich Local Court under HRB 201055 and is listed on the regulated market of the Frankfurt Stock Exchange. The German Securities Identification Number (WKN) is A1J5RX and the International Securities Identification Number (ISIN) is DE000A1J5RX9. The share capital of Telefónica Deutschland Holding AG as of 31 December 2023 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.

According to the announcement of Telefónica Local Services GmbH, Ismaning, Germany pursuant to section 23 (1) no. 1 of the German Securities Acquisition and Takeover Act (WpÜG) of 2 January 2024, as of 29 December 2023, approximately 69.22% of the shares of Telefónica Deutschland 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.) and approximately 13.22% (plus 1.32% in accordance with section 38 (1) sentence 1 no. 1b) of the German Securities Trading Act (WpHG) of shares of voting rights to be announced) were held by Telefónica, S.A. On 7 November 2023 Telefónica, S.A. decided and announced that it would make a voluntary public tender offer in the form of a partial offer to the

shareholders of Telefónica Deutschland Holding AG through its wholly owned subsidiary Telefónica Local Services GmbH to acquire those Telefónica Deutschland shares not already held (directly or indirectly) by Telefónica, S.A. When the voluntary public tender offer was published on 5 December 2023, the shares not already held by Telefónica, S.A. comprised 18.52% of the share capital. The offer provided for a cash payment of EUR 2.35 per Telefónica Deutschland share. The acceptance period ended on 17 January 2024. Further information for the period after the end of financial year 2023 can be found in

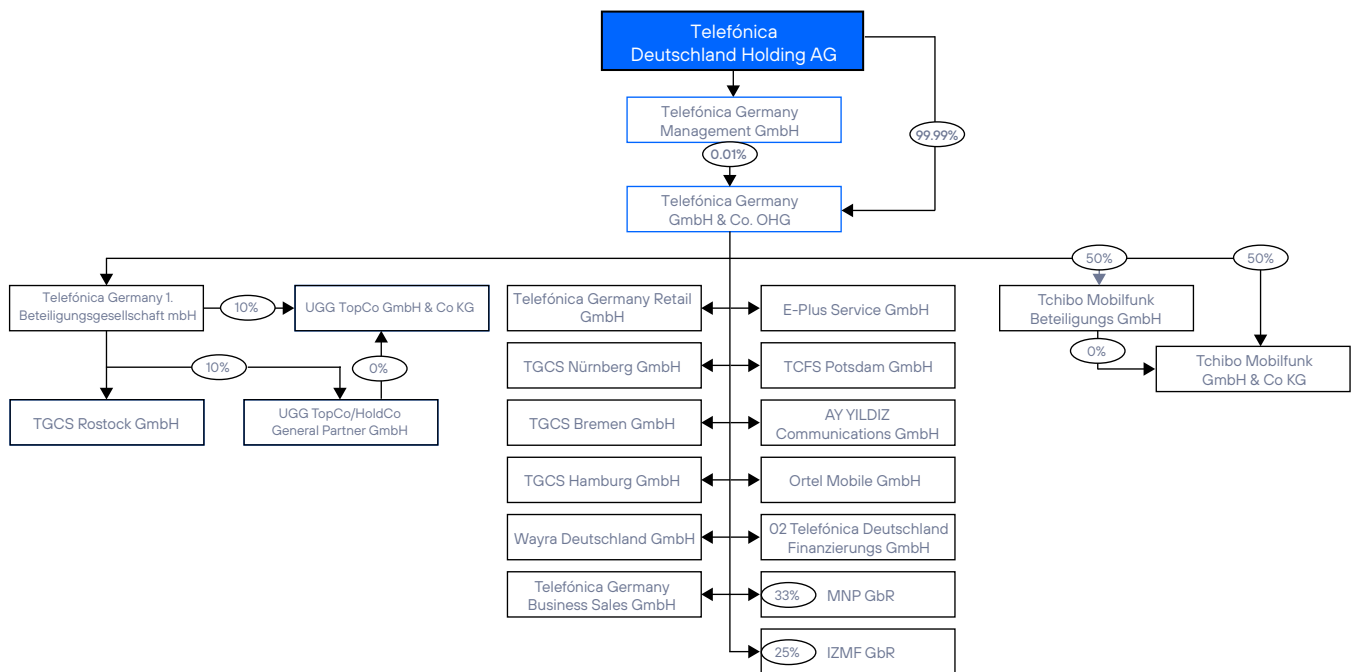
->Note 5 OTHER MANDATORY DISCLOSURES.

#### 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. The companies of Telefónica, S.A. Group are related parties, as Telefónica, S.A. controls Telefónica Deutschland Group.

As of 31 December 2023, 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 a large corporation in accordance with section 267 (3) sentence 2 HGB.

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

Telefónica Deutschland Holding AG is the controlling company for a 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 2022 was held on 17 May 2023. 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. The dividend for financial year 2022 was paid to shareholders in May 2023.

In addition, the adjustment to the remuneration system of the Management Board members was approved.

## 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 2023 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 1.83% (2022: 1.79%). The provisions for pensions and similar obligations are calculated on the basis of annual pension increases of 2.20% (2022: 2.20%) and a fluctuation rate of 17.00% (2022: 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 acquisition 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 actuarial reserve 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 exercises 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

Shares in affiliated companies in the amount of EUR 6,360,307 thousand (2022: EUR 6,910,727 thousand) relate in the amount of EUR 6,344,877 thousand (2022: EUR 6,900,297 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 555,420 thousand from the reserve accounts of Telefónica Deutschland on the basis of a shareholders' resolution dated 10 May 2023 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 (2022: EUR 10,430 thousand) relates to the shares in Telefónica Germany Management GmbH, Munich. In financial year 2023, an additional payment of EUR 5,000 thousand was made to the additional paid-in capital of Telefónica Germany Management GmbH, Munich, in accordance with section 272 (2) no. 4 HGB.

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

(in EUR thousand)	As of 1 January 2023	Additions	Disposals	Historical acquisition costs	
				As of 31 December 2023	
<b>Financial assets</b>					
Shares in affiliated companies	6,910,727	5,000	555,420		6,360,307
	<b>6,910,727</b>	<b>5,000</b>	<b>555,420</b>		<b>6,360,307</b>

(in EUR thousand)	As of 1 January 2023	Additions	Disposals	Accumulated depreciation	
				As of 31 December 2023	
<b>Financial assets</b>					
Shares in affiliated companies	-	-	-		-
	-	-	-		-

(in EUR thousand)	Carrying amount	
	As of 1 January 2023	As of 31 December 2023
<b>Financial assets</b>		
Shares in affiliated companies	6,910,727	6,360,307
	<b>6,910,727</b>	<b>6,360,307</b>

## 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 31/12/2022 in EUR thousand <sup>(4)</sup>	Result in FY 2022 in EUR thousand <sup>(4)</sup>
AY YILDIZ Communications GmbH, Düsseldorf <sup>(3), (5)</sup>	Germany	100	5,025	0 *
E-Plus Service GmbH, Düsseldorf <sup>(3), (5)</sup>	Germany	100	78,244	0 *
MNP Deutschland GbR, Düsseldorf <sup>(5)</sup>	Germany	33	581	119
O2 Telefónica Deutschland Finanzierungs GmbH, Munich <sup>(5)</sup>	Germany	100	175	0 *
Ortel Mobile GmbH, Düsseldorf <sup>(3), (5)</sup>	Germany	100	5,441	0 *
TCHIBO Mobilfunk Beteiligungs-GmbH, Hamburg <sup>(5)</sup>	Germany	50	46	1
TCHIBO Mobilfunk GmbH & Co. KG, Hamburg <sup>(5)</sup>	Germany	50	13,200	503
Telefónica Germany 1. Beteiligungsgesellschaft mbH, Munich <sup>(3), (5)</sup>	Germany	100	85,778	0 *
Telefónica Germany GmbH & Co. OHG, Munich <sup>(1), (2)</sup>	Germany	100	5,432,180	-59,774
Telefónica Germany Management GmbH, Munich <sup>(3)</sup>	Germany	100	10,936	128
Telefónica Germany Business Sales GmbH, Düsseldorf <sup>(5)</sup>	Germany	100	4,631	238
Telefónica Germany Retail GmbH, Düsseldorf <sup>(3), (5)</sup>	Germany	100	107,386	0 *
TCFS Potsdam GmbH, Potsdam <sup>(3), (5)</sup>	Germany	100	325	0 *
TGCS Bremen GmbH, Munich <sup>(3), (5)</sup>	Germany	100	1,525	0 *
TGCS Hamburg GmbH, Munich <sup>(3), (5)</sup>	Germany	100	1,775	0 *
TGCS Nürnberg GmbH, Munich <sup>(3), (5)</sup>	Germany	100	3,775	0 *
TGCS Rostock GmbH, Munich <sup>(3), (5)</sup>	Germany	100	15,342	0 *
Wayra Deutschland GmbH, Munich <sup>(3), (5)</sup>	Germany	100	2,393	0 *
UGG TopCo/HoldCo General Partner GmbH, Ismaning <sup>(5)</sup>	Germany	10	-3	-20
UGG TopCo GmbH & Co. KG, Ismaning <sup>(5)</sup>	Germany	10	159,490	2,550
IZMF GbR, Bonn <sup>(5)</sup>	Germany	25	-	-

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

<sup>2)</sup> Utilisation of exemption in accordance with section 264 b HGB

<sup>3)</sup> Utilisation of exemption in accordance with section 264 (3) HGB

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

<sup>5)</sup> Indirect investment by Telefónica Deutschland Holding AG

<sup>\*)</sup> 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 amount to EUR 144,865 thousand (2022: EUR 114,661 thousand). Receivables from affiliated companies in financial year 2023 mainly comprise receivables from affiliated companies from the VAT Group in the amount of EUR 129,534 thousand (2022: EUR 92,899 thousand) as well as receivables from cash pooling from Telfisa Global B.V., Amsterdam, Netherlands in the amount of EUR 13,100 thousand (2022: EUR 19,586 thousand).

In addition, there are receivables in the amount of EUR 2,230 thousand (2022: EUR 2,034 thousand) against Telefónica Germany GmbH & Co. OHG for management services.

### Other assets

Other assets in the amount of EUR 10,963 thousand (2022: EUR 0 thousand) are fully attributable to tax refund claims in connection with advance tax payments made.

### Deferred taxes

In exercising the recognition option, no deferred tax assets were recognised as of 31 December 2023. 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 is unchanged at 15.825%, and 17.15% for trade tax.

### Equity

#### Subscribed capital

The share capital of Telefónica Deutschland Holding AG as of 31 December 2023 amounts to EUR 2,974,555 thousand (2022: EUR 2,974,555 thousand). The share capital is divided into non-par value registered shares, each with a proportionate interest in the share capital of EUR 1.00 (shares). The share capital is fully paid.

As of 31 December 2023, 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 2023.

#### **Conditional capital**

The share capital of Telefónica Deutschland Holding AG is 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 AktG to buy back own shares representing 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 2023 is EUR 2,868,451 thousand (2022: EUR 3,406,104 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).

In the financial year, a withdrawal of EUR 537,654 thousand was made from the (free) additional paid-in capital to the balance sheet profit.

#### **Retained earnings**

Retained earnings contain a legal reserve in accordance with section 150 (2) AktG of EUR 14 thousand (2022: EUR 14 thousand).

#### **Balance sheet profit**

The balance sheet profit of EUR 545,420 thousand includes a profit carried forward of EUR 16,089 thousand, which results from the previous year's balance sheet profit less the dividend payment in 2023.

#### **Appropriation of profits**

The Annual General Meeting for financial year 2022 was held on 17 May 2023. 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 555,782,024.93 were

withdrawn from the (free) additional paid-in capital and transferred to balance sheet profit in 2022. The dividend was paid to shareholders in May 2023.

### **Pension provisions**

The provision for pensions relates to pension obligations in the amount of EUR 4,119 thousand (2022: EUR 4,114 thousand). These pension provisions include EUR 2,422 thousand pensions provisions relating to former members of the Management Board.

Based on a valuation as of 31 December 2023 in accordance with section 253 (1) sentence 2 and (2) sentence 2 HGB, the settlement amount of the liability is EUR 6,184 thousand (2022: EUR 6,063 thousand). After offsetting against plan assets of EUR 2,064 thousand (2022: EUR 1,949 thousand) in accordance with section 246 (2) sentence 2 HGB, the total present value of the offset pension obligations amounts to EUR 4,119 thousand (2022: EUR 4,114 thousand). The difference in accordance with section 253 (6) sentence 1 HGB amounts to EUR 87 thousand (2022: EUR 397 thousand) and is blocked from distribution.

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

Telefónica Deutschland Holding AG exercises the option granted in section 28 (1) and (2) EGHGB not to recognise indirect pension obligations in the amount of EUR 4,246 thousand (2022: EUR 3,730 thousand) which are secured by the Unterstutzungskasse ProFund Unabhängige Gruppen- und Unterstutzungskasse e.V. provident fund. To cover this liability, on 31 December 2023 EUR 3,784 thousand (2022: EUR 3,397 thousand) was held in trust for Telefónica Deutschland Holding AG.

Interest income from plan assets in the amount of EUR 13 thousand (2022: EUR 20 thousand) is set off against interest expenses from the liability in the amount of EUR 109 thousand (2022: EUR 106 thousand) and against interest income (previous year: interest expenses) from the change in the discounting rate of pension provisions in the amount of EUR 43 thousand (2022: EUR 89 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 consist 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. No provisions for corporate income tax, including solidarity surcharge, had to be taken into account in the reporting year (2022: EUR 2,988 thousand).

## Other provisions

Other provisions in the amount of EUR 15,780 thousand (2022: EUR 9,310 thousand) primarily relate in an amount of EUR 6,332 thousand (2022: EUR 1,322 thousand) to outstanding invoices for consulting services, and of EUR 5,748 thousand (2022: EUR 5,114 thousand) to obligations arising from the remuneration of the Management Board.

In the previous year, the share-based employee remuneration Bonus II was extended to employees of affiliated companies. Other provisions therefore take into account long-term obligations at the settlement amount of the remuneration commitments. Each affiliated company is contractually obligated to cover the expenses for payment commitments to its employees. In this relation, Telefónica Deutschland Holding AG has reimbursement rights against affiliated companies in the amount of EUR 918 thousand at the end of financial year 2023 (2022: EUR 121 thousand) which were taken into account in the valuation of the other provisions for long-term obligations with the effect of reducing the same in the amount of the settlement amount of the remuneration commitment of EUR 918 thousand (2022: EUR 121 thousand) as at 31 December 2023.

## 4. Notes to the Income Statement

### International conflicts

The war in Ukraine and the conflict in the Middle East had a negative impact on the global economy in 2023. However, this had no significant impact on the financial figures of Telefónica Deutschland Holding AG.

Since the beginning of the conflicts, the management team has continuously been monitoring, analysing and assessing their development and impact on Telefónica Deutschland Holding AG.

### Climate change

Climate change had no significant impact on Telefónica Deutschland Holding AG's financials.

### Revenues

Revenues total EUR 11,320 thousand (2022: EUR 10,377 thousand) and include in the reporting year EUR 11,026 thousand (2022: EUR 10,083 thousand) for charging on the costs for the remuneration of Management Board members, as well as additional administration costs, which are 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").

Furthermore, invoiced management services are included in the amount of EUR 294 thousand, (2022: EUR 294 thousand) which Telefónica Deutschland Holding AG provides for Telefónica Germany GmbH & Co. OHG and Telefónica Germany Management GmbH.

## Liabilities

There were no trade payables in the reporting year (2022: EUR 78 thousand). In the previous year, these mainly related to liabilities from consultancy services.

Liabilities to affiliated companies amount to EUR 24,351 thousand (2022: EUR 23,864 thousand) and mainly comprise liabilities from a loan granted by Telefónica Germany GmbH & Co. OHG for a nominal amount of EUR 20,000 thousand (2022: EUR 20,000 thousand). In addition, there are liabilities to affiliated companies from the VAT Group amounting to EUR 2,949 thousand (2022: EUR 2,885 thousand).

Other liabilities amounting to EUR 83,903 thousand (2022: EUR 53,098 thousand) comprise mainly VAT liabilities in the amount of EUR 83,772 thousand (2022: EUR 52,612 thousand) which the Company is required to pay to the tax authority as the controlling company of the VAT group.

As at the reporting date of 31 December 2023, as in the previous year, there were no liabilities with a remaining term of more than 5 years.

### Other operating income

Other operating income in the amount of EUR 74 thousand (2022: EUR 432 thousand) mainly results with EUR 74 thousand (2022: EUR 431 thousand) from the release of provisions.

### Personnel expenses

Personnel expenses in the amount of EUR 9,690 thousand (2022: EUR 9,382 thousand) include 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 9,076 thousand (2022: EUR 3,053 thousand) include mainly legal and consulting fees from external service providers. This includes mainly consulting fees in connection with the public tender offer to shareholders published by Telefónica, S.A. on 7 November 2023. On 7 November 2023 Telefónica, S.A. decided and announced that it would make a voluntary public tender offer in the form of a partial offer to the shareholders of Telefónica Deutschland Holding AG through its wholly owned subsidiary Telefónica Local Services GmbH to acquire those Telefónica Deutschland shares not already held (directly or indirectly) by Telefónica, S.A.

## Other interest and similar income

Other interest and similar income in the amount of EUR 448 thousand (2022: EUR 128 thousand) relates to interest income from cash pooling in the financial year (2022: 117 thousand).

## Interest and similar expenses

Other interest and similar expenses in the amount of EUR 639 thousand (2022: EUR 194 thousand) mainly comprises interest expenses in the amount of EUR 587 thousand (2022: EUR 13 thousand) from a loan granted by Telefónica Germany GmbH & Co. OHG.

In addition, after offsetting interest income from plan assets in the amount of EUR 13 thousand (2022: EUR 20 thousand) with interest expenses from pension obligations in the amount of EUR 109 thousand (2022: EUR 106 thousand) and interest income (previous year: interest expenses) from the change in the discounting rate of pension provisions in the amount of EUR 43 thousand (2022: EUR 89 thousand), an amount of EUR 53 thousand (2022: EUR 175 thousand) is presented.

## Income taxes

Income tax expenses of EUR 760 thousand (2022: EUR 12,581 thousand) comprise corporate income tax expenses, including solidarity surcharge, in the amount of EUR 10,651 thousand (2022: EUR 12,581 thousand) as well as income from tax refund claims in the amount of EUR 6,903 thousand in the financial year and income from the release of provisions in the amount of EUR 2,988 thousand for previous years.

# 5. Other Mandatory Disclosures

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

The total remuneration of the members of the Management Board for the financial year ending on 31 December 2023 amounts to EUR 7,596 thousand (2022: EUR 7,797 thousand).

In financial year 2023, the total remuneration expense for the members of the former management and their surviving dependants amounts to EUR 1,083 thousand (2022: EUR 1,041 thousand).

Telefónica Deutschland Holding AG has not currently provided any collateral for the members of its Management Board nor granted any loans or assumed any guarantees for them.

In the reporting year, the total remuneration includes share-based compensation with a fair value of EUR 1,927 thousand (2022: EUR 1,561 thousand) representing 333,745 shares (2022: 244,477).

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.

With the support of the ultimate Spanish parent company (Telefónica, S.A. Group), Telefónica Deutschland is currently in the process of assessing the impact of Pillar Two following the legislation's entry into force. Due to the complexity involved in applying the legislation and calculating GloBE income, the quantitative effects of the legislation that has come into force cannot be reliably estimated yet. To facilitate the application of Pillar Two legislation, the Spanish parent company is currently working with tax specialists for all countries concerned.

## Out-of-period income

In total, financial year 2023 includes out-of-period income in the amount of EUR 9,964 thousand (2022: EUR 431 thousand).

This relates to EUR 6,903 thousand for tax refund claims and EUR 2,988 thousand for the release of provisions for previous years, which are included in income taxes. Further income of EUR 73 thousand from the release of provisions is included in other operating income.

## Out-of-period expenses

In total, financial year 2023 includes out-of-period expenses of EUR 590 thousand (2022: EUR 195 thousand). These expenses relate to the remuneration of the Management Board.

## 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 2023 following EUR 629 thousand in 2022.

Telefónica Deutschland Holding AG has not currently provided any collateral for the members of its Supervisory Board nor granted any loans or assumed any guarantees for them.

## Management Board

The members of the Management Board of Telefónica Deutschland Holding AG as of 31 December 2023 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, München 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 (since 1 September 2023)	
Mallik Rao (Yelamate Mallikarjuna Rao)	Chief Technology & Information Officer (CTIO) Management Board member	Advisory Council of UGG TopCo GmbH & Co. KG (Unsere Grüne Glasfaser), Ismaning

## Supervisory Board

Christoph Braun (Deputy Chairman) and Claudia Weber were members of the Supervisory Board from the beginning of the financial year until the end of their term of office at the end of the company's Annual General Meeting on 17 May 2023. The other employee representatives were re-elected to the Supervisory Board in the elections for employee representatives on the Supervisory Board. To replace the departing members, Yasmin Fahimi and Barbara Rothfuß were elected as employee

representatives to the Supervisory Board, effective from the end of the company's Annual General Meeting on 17 May 2023. Thomas Pfeil was elected Deputy Chairman at a Supervisory Board meeting on the same day.

The members of the Supervisory Board of Telefónica Deutschland Holding AG as of 31 December 2023 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 Member of the Board of Directors, CaixaBank, S.A., Valencia, Spain (since 31 March 2023) 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
Christoph Braun*	Deputy Chairman of the Supervisory Board (until 17 May 2023)  Occupation: Full-time member of the Works Council of Telefónica Germany GmbH & Co. OHG Chairman of the European Works Council of Telefónica Europe Deputy Chairman of the General Works Council of Telefónica Germany GmbH & Co. OHG Chairman of the Works Council Region North-East of Telefónica Germany GmbH & Co. OHG
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.

<b>Name</b>	<b>Role</b>
Yasmin Fahimi*	Member of the Supervisory Board (since 17 May 2023)  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  Mandates: Member of the Board of Directors (Trustee), Fundación Telefónica
Stefanie Oeschger	Member of the Supervisory Board  Occupation: Head People & Change a.i., CEMBRA Money Bank, Zurich
Thomas Pfeil*	Member of the Supervisory Board Deputy Chair Person of the Supervisory Board (since 17 May 2023)  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 of TCFS Potsdam GmbH  Mandate: Deputy Chairman of the Supervisory Board of TCFS Potsdam GmbH
Barbara Rothfuß*	Member of the Supervisory Board (since 17 May 2023)  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



Name	Role
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
Claudia Weber*	Member of the Supervisory Board (until 17 May 2023)  Occupation: Deputy Managing Director, ver.di Munich district  Mandate: Member of the Supervisory Board, SWM Services GmbH Member of the Supervisory Board, Stadtwerke München GmbH

\* Employee representatives

## 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 2022, the Company had no employees in financial year 2023.

## 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.

### 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](http://www.telefonica.com).

## Notifications of voting rights pursuant to section 40 (1) WpHG:

On 14 November 2023, Telefónica S.A., Madrid, Spain, notified us pursuant to section 33 (1) WpHG that its share of the voting rights in Telefónica Deutschland Holding AG, Munich, Germany, exceeded the threshold of 75% of the voting rights on 10 November 2023 and amounted to 75.46% on this date. 6.24% of the voting rights are held directly by Telefónica, S.A.. Attributed voting rights are held by the following companies under its control, whose share of the voting rights in Telefónica Deutschland Holding AG amounts to 3% or more: Telefónica Germany Holdings Limited. 69.22% of the voting rights are attributable to the company in accordance with section 34 (1) sentence 1 no. 1 WpHG in conjunction with sentence 2.

On 28 February 2020, BlackRock Inc., Wilmington, Delaware, United States of America notified us in accordance with section 33 (1) WpHG that its share of voting rights in Telefónica Deutschland Holding AG, Munich, Germany, amounted to 2.99% of the voting rights on 25 February 2020.

On 22 May 2019, T. Rowe Price Group, Inc., Baltimore, Maryland, United States of America, notified us in accordance with section 33 (1) WpHG that its share of voting rights in Telefónica Deutschland Holding AG, Munich, Germany, fell below the threshold of 3% of the voting rights on 17 May 2019 and amounted to 2.99% on this date.

On 15 May 2019, Koninklijke KPN N.V., The Hague, Netherlands, notified us in accordance with section 33 (1) WpHG that its share of voting rights in Telefónica Deutschland Holding AG, Munich, Germany, fell below the threshold of 3% of the voting rights on 14 May 2019 and amounted to 2.98% on this date.

On 7 October 2014, O2 (Europe) Limited, Slough, United Kingdom, notified us in accordance with section 21 (1) WpHG that its share of voting rights in Telefónica Deutschland Holding AG, Munich, Germany, fell below the threshold of 75% of the voting rights on 7 October 2014 and amounted to 62.10% (corresponding to 1,847,271,219 voting rights) on this date. 57.70% of the voting rights (corresponding to 1,716,390,800 voting rights) are attributable to the Company in accordance with section 22 (1) sentence 1 no. 1 WpHG. Attributed voting rights are held via the following companies controlled by it, whose share of voting rights in Telefónica Deutschland Holding AG amounts to 3% or more in each case: Telefónica Germany Holdings Limited. 4.40% of the voting rights (corresponding to 130,880,419 voting rights) are attributable to the Company in accordance with section 22 (1) sentence 1 no. 2 WpHG in conjunction with sentence 2 WpHG. Attributed voting rights are held by the following shareholders, whose share of voting rights in Telefónica Deutschland Holding AG amounts to 3% or more, respectively: KPN Mobile Germany GmbH & Co. KG.

An overview of all voting rights notifications can also be found at [www.telefonica.de/voting-rights-announcement](http://www.telefonica.de/voting-rights-announcement).

## Declaration in accordance with section 161 AktG on the Corporate Governance Code

The Management Board and the Supervisory Board last submitted a Compliance Declaration in accordance with section 161 of the German Stock Corporation Act (AktG) on 25 and 27 October 2023. The complete wording of the Compliance Declaration is available on Telefónica Deutschland's website at [www.telefonica.de/investor-relations-en/corporate-governance/declarations-reports-and-articles](http://www.telefonica.de/investor-relations-en/corporate-governance/declarations-reports-and-articles).

## Subsequent events

### Dividend proposal

The Management Board of Telefónica Deutschland decided on 8 February 2024 that a total cash dividend in the amount of approximately EUR 535 million or EUR 0.18 per share will be proposed at the next Annual General Meeting.

### Voluntary public tender offer by Telefónica Local Services GmbH to the shareholders of Telefónica Deutschland Holding AG

The voluntary public tender offer by Telefónica Local Services GmbH to the shareholders of Telefónica Deutschland Holding AG, which was announced on 7 November 2023 and started on 5 December 2023, ended on 17 January 2024 (see <sup>>Note 1</sup> GENERAL INFORMATION ON THE ANNUAL FINANCIAL STATEMENTS). The offer was accepted for 7.86% of Telefónica Deutschland shares. Furthermore, following the announcement of the offer, Telefónica, S.A. acquired approximately 13.43% of the share capital and voting rights in Telefónica Deutschland Holding AG outside the offer. As a result, the proportion of shares in Telefónica Deutschland Holding AG held indirectly and directly by Telefónica, S.A. increased to approximately 93.10%. After the tender offer ended, Telefónica, S.A. continued with the acquisition of shares.

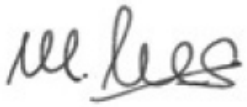
On 31 January 2024, Telefónica, S.A., Madrid, Spain, notified us pursuant to section 33 (1) WpHG that the share of voting rights of Telefónica Local Services GmbH in Telefónica Deutschland Holding AG, Munich, Germany, exceeded the threshold of 3% of the voting rights on 26 January 2024 and amounted to 7.86% on this date. The voting rights of Telefónica, S.A., Madrid, Spain, amounted to 94.12%. 17.04% of the voting rights are held directly by Telefónica, S.A.. Attributed voting rights are held by the following companies under its control, whose share of the voting rights in Telefónica Deutschland Holding AG amounts to 3% or more: Telefónica Germany Holdings Limited: 69.22% of the voting rights are attributable to the company pursuant to section 34 (1) sentence 1 no. 1 WpHG in conjunction with sentence 2; Telefónica Local Services GmbH: 7.86% of the voting rights are attributable to the company pursuant to section 34 (1) sentence 1 no. 1 WpHG in conjunction with sentence 2.

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

Munich, 15 February 2024

Telefónica Deutschland Holding AG

The Management Board



Markus Haas



Markus Rolle



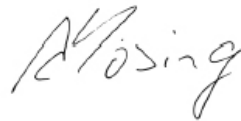
Valentina Daiber



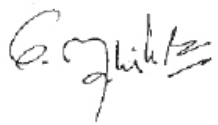
Nicole Gerhardt



Andreas Laukenmann



Alfons Lösing



Mallik Rao

# Telefónica Deutschland Holding AG

## Declaration of the Statutory Representatives

To the best of our knowledge, and in accordance with the applicable accounting principles, the Annual Financial Statements give a true and fair view of the net assets, financial position and results of operations of the Company, and the Management Report of Telefónica Deutschland Holding AG,

which is combined with the Group Management Report, includes a fair review of the development and performance of the business and the position of the Company, together with a description of the material opportunities and risks associated with the expected development of the Company.

Munich, 15 February 2024

Telefónica Deutschland Holding AG

The Management Board



Markus Haas



Markus Rolle




Valentina Daiber



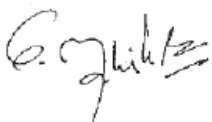
Nicole Gerhardt



Andreas Laukenmann



Alfons Lösing



Mallik Rao

# INDEPENDENT AUDITOR'S REPORT

To Telefónica Deutschland Holding AG, Munich

## **REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE MANAGEMENT REPORT**

### *Audit Opinions*

We have audited the annual financial statements of Telefónica Deutschland Holding AG, Munich, which comprise the balance sheet as at 31 December 2023, and the statement of profit and loss for the financial year from 1 January to 31 December 2023 and notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of Telefónica Deutschland Holding AG, which is combined with the group management report, for the financial year from 1 January to 31 December 2023. In accordance with the German legal requirements, we have not audited the content of those parts of the management report listed in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2023 and of its financial performance for the financial year from 1 January to 31 December 2023 in compliance with German Legally Required Accounting Principles and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the management report does not cover the content of those parts of the management report listed in the "Other Information" section of our auditor's report.

Pursuant to § [Article] 322 Abs. [paragraph] 3 Satz [sentence] 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

### *Basis for the Audit Opinions*

We conducted our audit of the annual financial statements and of the management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance

with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

#### *Key Audit Matters in the Audit of the Annual Financial Statements*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from 1 January to 31 December 2023. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matter of most significance in our audit was as follows:

- ① Recoverability of the shareholding in Telefónica Germany GmbH & Co. OHG

Our presentation of this key audit matter has been structured as follows:

- ① Matter and issue
- ② Audit approach and findings
- ③ Reference to further information

Hereinafter we present the key audit matter:

- ① Recoverability of the shareholding in Telefónica Germany GmbH & Co. OHG
  - ① In the Company's annual financial statements shares in affiliated companies amounting to € 6.4 billion (98 % of total assets) are reported under the "Financial assets" balance sheet item. The shares in affiliated companies principally comprise the shareholding in Telefónica Germany GmbH & Co. OHG, Munich which holds further shareholdings in turn. Shares in affiliated companies are measured in accordance with German commercial law at the lower of cost and fair value. The impairment test performed in relation to the value of the shares in Telefónica Germany GmbH & Co. OHG takes into account the operations of Telefónica Germany GmbH & Co. OHG as well as the fair values of its direct and indirect shareholdings, as these may have a significant influence on the fair value of the shares in Telefónica Germany GmbH & Co. OHG. In financial year 2023, the fair value of Telefónica Germany GmbH & Co. OHG and its significant shareholdings were calculated using a discounted cash flow model as the present value of the expected future cash flows resulting from the financial projections prepared. Expectations relating to future market developments and assumptions about the development of macroeconomic factors as well as the expected effects of the current geopolitical and economic distortions on the business activities of the affiliated companies were also taken into account. The discount rate used was the individually determined cost of capital. With respect to Telefónica Deutschland Holding AG's other indirect and direct shareholdings, testing focused on whether there were indications that result in an impairment of the shareholding in Telefónica Germany GmbH & Co. OHG that could be expected to be permanent. Based on the values calculated and other documentation, there was no need for Telefónica Germany GmbH & Co. OHG to recognize impairment losses in the financial year. The result of the impairment test depends particularly on the assessments of the Company's executive directors regarding the future cash flows, growth rates, the discount rate used as well as the future development of the operations of Telefónica Germany GmbH & Co. OHG and its direct and indirect shareholdings. Due to the assessment relating to the numerous valuation parameters, the impairment test is subject to considerable uncertainty. Against this background and in view of its material significance for the net assets and results of operations of the Company, this matter was of particular importance for our audit.

- ② As part of our audit, we evaluated the recoverability of the shareholding of Telefónica Deutschland Holding AG in Telefónica Germany GmbH & Co. OHG also under consideration of the recoverability of the significant shareholdings of Telefónica Germany GmbH & Co. OHG. In this context, we assessed the methodology employed for the purposes of the valuations, among other things. We assessed whether the fair value of this material shareholdings had been properly determined using a discounted cash flow model in compliance with the relevant measurement standards. We based our assessment, among other things, on a comparison with general and sector-specific market expectations as well as on the executive directors' detailed explanations regarding the key planning value drivers underlying the expected cash flows. In addition, we have evaluated the assessment of the executive directors with regard to the effects of the current geopolitical and economic distortions on the business activities of Telefónica Germany GmbH & Co. OHG and its significant investments and examined how they were taken into account in the determination of future cash flows. In the knowledge that even relatively small changes in the discount rates applied and the growth rates can have a material impact on the values of the entities calculated in this way, we focused our testing in particular on the parameters used to determine the discount rates applied, and evaluated the measurement models. Furthermore, on the basis of financial information and other documentation we evaluated the executive directors' conclusion that there were no indications that the shareholding in Telefónica Germany GmbH & Co. OHG was impaired, also taking into account the market capitalization of Telefónica Deutschland Holding AG for this purpose. In this context, we assessed the expected future income from the operating business activities in the light of the business plan of Telefónica Germany GmbH & Co. OHG prepared by the executive directors. For this purpose, we assessed the appropriateness of the assumptions and expectations underlying the business plan, including with respect to the further implementation of planned measures and the anticipated growth rate, and considered whether the business plan was drawn up properly on this basis. In our view, the assumptions and expectations underlying the executive directors' impairment testing of the shareholding in Telefónica Germany GmbH & Co. OHG have been properly derived and are within reasonable ranges.
- ③ The Company's disclosures relating to the shareholdings are contained in the "Notes to the balance sheet / Financial assets" section of the notes to the financial statements.

### *Other Information*

The executive directors are responsible for the other information. The other information comprises the following non-audited parts of the management report:

- the statement on corporate governance pursuant to § 289f HGB and § 315d HGB
- the section "Internal control system" of the management report.

Our audit opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

*Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Management Report*

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

*Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report*

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.



- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

#### **OTHER LEGAL AND REGULATORY REQUIREMENTS**

#### ***Report on the Assurance on the Electronic Rendering of the Annual Financial Statements and the Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB***

##### *Assurance Opinion*

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the annual financial statements and the management report (hereinafter the "ESEF

documents”) contained in the electronic file TDH\_AG\_JAP+LB\_ESEF-2023-12-31.xhtml and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format (“ESEF format”). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the annual financial statements and the management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the annual financial statements and the management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying annual financial statements and the accompanying management report for the financial year from 1 January to 31 December 2023 contained in the “Report on the Audit of the Annual Financial Statements and on the Management Report” above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

#### *Basis for the Assurance Opinion*

We conducted our assurance work on the rendering of the annual financial statements and the management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering, of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the “Auditor’s Responsibilities for the Assurance Work on the ESEF Documents” section. Our audit firm applies the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

#### *Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents*

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the annual financial statements and the management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF-documents as part of the financial reporting process.

#### *Auditor's Responsibilities for the Assurance Work on the ESEF Documents*

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the annual financial statements on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited annual financial statements and to the audited management report.

#### ***Further Information pursuant to Article 10 of the EU Audit Regulation***

We were elected as auditor by the annual general meeting on 17 May 2023. We were engaged by the supervisory board on 17 July 2023. We have been the auditor of the Telefónica Deutschland Holding AG, Munich, without interruption since the financial year 2017.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

#### ***REFERENCE TO AN OTHER MATTER– USE OF THE AUDITOR'S REPORT***

Our auditor's report must always be read together with the audited annual financial statements and the audited management report as well as the assured ESEF documents. The annual financial statements and the management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited annual financial statements and the audited management report and do not take their place. In particular, the “Report on the Assurance on the Electronic Rendering of the Annual Financial Statements and the Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB” and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

#### ***GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT***

The German Public Auditor responsible for the engagement is Holger Lutz.

Munich, February 15, 2024

PricewaterhouseCoopers GmbH  
Wirtschaftsprüfungsgesellschaft

(sgd. Holger Lutz)	(sgd. ppa. Annika Sicking)
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

# Glossary

The glossary also contains abbreviations as used in the Combined Management Report.

<b>AI</b>	Artificial Intelligence
<b>AktG</b>	Aktengesetz (German Stock Corporation Act)
<b>ARPU</b>	Average Revenue per User
<b>Augmented Reality (AR)</b>	Computer-aided augmentation of reality
<b>Bitkom</b>	Bundesverband Informationswirtschaft, Telekommunikation und neue Medien e. V., Berlin (German Federal Association for Information Technology, Telecommunications and New Media, Berlin)
<b>BMI</b>	Bundesministerium des Innern und für Heimat (German Federal Ministry of the Interior)
<b>BNetzA</b>	Bundesnetzagentur (German Federal Network Agency)
<b>bp</b>	Basis point
<b>Broadband</b>	Refers to telecommunication in which a wide band of frequencies is available to transmit information
<b>Cap</b>	Capping limit
<b>CapEx</b>	Capital Expenditure: investments in property, plant and equipment and intangible assets excluding investments in mobile frequency licences and business combinations
<b>CapEx/Sales ratio</b>	Investment ratio: reflects the percentage share of investments in revenues
<b>CDS</b>	Credit Default Swap
<b>Churn</b>	Loss of customers
<b>Cloud services</b>	Dynamic infrastructures, software and platform services, which are available online
<b>DBO</b>	Defined Benefit Obligation
<b>DSL</b>	Digital Subscriber Line: technology to transmit data in the local loop to private end customers
<b>EBITDA</b>	Earnings before Interest, Tax, Depreciation and Amortisation
<b>EIB</b>	European Investment Bank
<b>ESG</b>	Environmental, Social, Governance
<b>EU</b>	European Union
<b>Euribor</b>	Euro Interbank Offered Rate
<b>FCF</b>	Free cash flow
<b>FCF aL</b>	Free cash flow after lease
<b>FMS</b>	Fixed-Mobile Substitution: replacing fixed-network services with mobile telephony services
<b>FTE</b>	Full-time equivalent
<b>FTTB</b>	FTTB – Fibre to the Building or Fibre to the Basement: in telecommunications, FTTB means that the fibre-optic cable is terminated in the user's house (basement)
<b>FTTH</b>	FTTH – Fibre to the Home: in telecommunications, FTTH means that the fibre-optic cable is terminated right in the user's home or apartment
<b>GB</b>	Gigabyte
<b>Gbit</b>	Gigabit
<b>GCGC</b>	German Corporate Governance Code
<b>GDP</b>	Gross domestic product
<b>GHz</b>	Gigahertz
<b>HGB</b>	Handelsgesetzbuch (German Commercial Code)
<b>IAS</b>	International Accounting Standards
<b>IASB</b>	International Accounting Standards Board
<b>ICS</b>	Internal Control System
<b>IDW</b>	Institut der Wirtschaftsprüfer in Deutschland e. V. (Institute of Public Auditors in Germany), Düsseldorf
<b>IFRS</b>	International Financial Reporting Standards
<b>IoT</b>	Internet of Things

<b>ISIN</b>	International Securities Identification Number
<b>IT</b>	Information Technology
<b>IZMF</b>	Informationszentrum Mobilfunk (Mobile Telecommunications Information Centre)
<b>Joint venture</b>	A joint agreement under which the parties having joint control have rights to the net assets of the agreement
<b>KPI</b>	Key Performance Indicator
<b>KRITIS</b>	Kritische Infrastruktur (Critical infrastructure)
<b>LGD</b>	Loss Given Default
<b>LTE</b>	Long-Term Evolution: further development of the UMTS/HSPA mobile communications standard
<b>M2M</b>	Machine-to-Machine communication: automatic exchange of information between machines
<b>MBA</b>	Mobile Bitstream Access
<b>Mbit</b>	Megabit
<b>MHz</b>	Megahertz
<b>MitbestG</b>	Mitbestimmungsgesetz (German Co-Determination Act)
<b>MTR</b>	Mobile network termination rate
<b>MVNO</b>	Mobile Virtual Network Operator
<b>NRA</b>	National Roaming Agreement
<b>O2 (Europe) Limited</b>	O2 (Europe) Limited, Slough, United Kingdom
<b>O<sub>2</sub> Mobile</b>	O <sub>2</sub> Mobile refers to the mobile tariffs of the O <sub>2</sub> Telefónica core brand O <sub>2</sub> with postpaid payment methods; our customers are able to choose between different contract terms and data volumes from several gigabytes per month up to real data flat rates
<b>O<sub>2</sub> My Handy</b>	Monthly payment model for mobile phones and other hardware
<b>OIBDA</b>	Operating Income before Depreciation and Amortisation
<b>OpCF aL</b>	Operating cash flow after lease: EBITDA aL minus CapEx
<b>OTT</b>	Over-the-top: IP-based and platform-independent services and applications (WhatsApp, Facebook etc.)
<b>Postpaid/Prepaid</b>	In contrast to postpaid contracts, prepaid contracts purchase the credit balance in advance without a fixed contractual commitment
<b>PPA</b>	Power Purchase Agreement
<b>RCF</b>	Revolving Credit Facility
<b>Roaming</b>	Using a communication device or subscriber identity in a different network other than one's home network
<b>s</b>	Second
<b>SIM</b>	Subscriber Identity Module: a chip card to insert into a mobile phone which identifies the user within the network
<b>Smartphone</b>	Mobile phone with extensive computer and internet capabilities
<b>Smartwatch</b>	A mobile device which consists of an electronic watch ("wearable") with additional computer functions, attached to a bracelet
<b>SME</b>	Small and medium-sized enterprises
<b>SMS</b>	Short Message Service
<b>SoHo</b>	Small offices/Home offices
<b>SOX</b>	Sarbanes-Oxley-Act: US law on improving the reliability of reporting
<b>Spectrum</b>	Frequency rights of use or mobile frequency licences
<b>TDD</b>	Time Division Duplex
<b>Telefónica Deutschland</b>	Telefónica Deutschland Holding AG, Munich, Germany
<b>Telefónica Deutschland Group</b>	The companies included in the Consolidated Financial Statements of Telefónica Deutschland
<b>Telefónica, S.A.</b>	Telefónica, S.A., Madrid, Spain
<b>TKG</b>	Telekommunikationsgesetz (German Telecommunications Act)
<b>TKMV</b>	Telekommunikationsmindestversorgungsverordnung (German Telecommunications Minimum Supply Ordinance)
<b>Translation risk</b>	The risk arising from the translation of accounting items at a later reporting date
<b>TSR</b>	Total Shareholder Return (return on shares)
<b>UGG</b>	Unsere Grüne Glasfaser
<b>VATM</b>	Verband der Anbieter von Telekommunikations- und Mehrwertdiensten e. V. (Association of Telecommunications and Value-Added Service Providers), Berlin
<b>VDSL</b>	Very High Data Rate Digital Subscriber Line: DSL technology with significantly higher data transfer rates (see also DSL)
<b>Vectoring</b>	Vectoring is a noise-cancelling technology that removes the electro-magnetic interference between lines, enabling higher bit rates
<b>Virtual Reality (VR)</b>	Computer-generated representation of a world (in real time)
<b>Wholesale</b>	Selling services to third parties who sell them to their own end customers either directly or after further processing

# Imprint

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## **Concept and Design**

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