

Board of Management's report on item 8 on the agenda

Board of Management report in accordance with §§ 203 (2) sentence 2, 186 (4) sentence 2 of the German Stock Corporation Act (Aktiengesetz – AktG) regarding the authorization of the Board of Management to increase capital stock by issuing new shares against cash and/or non-cash contributions with the option to disapply subscription rights

Shareholders' Meeting of Deutsche Telekom AG on April 1, 2026

The Board of Management is submitting the following written report detailing the reasons behind the proposed authorization in item 8 on the agenda of the Shareholders' Meeting convened for April 1, 2026, to increase capital stock by issuing new shares against cash and/or non-cash contributions with the option to disapply subscription rights.

The authorized capital 2022 in §5 (2) of the Articles of Incorporation is due to expire on April 6, 2027. The Board of Management has not made use of the option. Since it is not certain whether the 2027 Shareholder's Meeting will take place before the expiry of the existing authorization, a new authorization should be granted now to increase capital stock in the period up to March 31, 2031 with the approval of the Supervisory Board (authorized capital 2026) in order to ensure that the new authorization resolution is adopted in good time.

The proposed new authorized capital for 2026 totaling EUR 3,767,186,081.28 constitutes approx. 30 percent of the current capital stock of EUR 12,557,286,945.28. The authorized capital 2026 will give the Board of Management the authority to increase capital stock, subject to the approval of the Supervisory Board, by issuing up to 1,471,557,063 no par value registered shares for cash and/or non-cash contributions in the period up to March 31, 2031. The authorization may be exercised in full or on one or more occasions in partial amounts.

In the event of capital increases against non-cash contributions, the Board of Management will be authorized, subject to the approval of the Supervisory Board, to disapply shareholders' subscription rights when issuing new shares for business mergers or spin-offs to the Company as the acquiring entity, or for acquisitions of companies, parts of companies or interests in companies, including increases in existing investment holdings, or other contributable assets in conjunction with such acquisitions, including receivables from the Company.

The Company is engaged in national and global competition. It must therefore always be in a position to act swiftly and flexibly on national and international markets. In particular, this includes the opportunity to improve its competitive position through mergers with other companies or the acquisition of companies, parts of companies and interests in companies. In particular, this also includes increasing investments in Group companies. In selected cases, the best use of this opportunity in the interest of shareholders and the Company may entail mergers or acquisitions of companies, parts of companies or interests in companies by offering shares in the Company.

Mergers and acquisitions of companies, parts of companies or interests in companies frequently involve large units, requiring the provision of substantial considerations. In many cases, these considerations cannot or should not be paid in cash. In fact, to ensure that the liquidity of the Company is not endangered, it may be more beneficial to provide the consideration wholly or partially in company shares. Furthermore, it is common practice both on international and national markets to request the acquiring company's shares as consideration for attractive acquisitions. The Company must therefore have the option of granting new shares as consideration. The non-cash contributions to be made in return for the new shares are therefore companies, parts of companies or interests in companies.

In the interest of clarity, we have tended to avoid using a combination of pronouns such as "he/she/they," etc. with regard to gender. All references to individuals refer equally to all genders.



In addition, the resolution proposal makes express provisions for the disapplication of shareholders' subscription rights in order to offer and/or grant its repurchased own shares within the context of acquiring contributable assets in conjunction with one of the aforementioned intended acquisitions. With an intended acquisition, it may make financial sense to acquire other assets in addition to the actual object acquired, for example those which serve the economic purposes of the acquired object or could serve them in the future. This applies in particular if the company being acquired does not own the current or potential future industrial or intangible property rights relating to its operations. In such and similar cases, the Company must be in a position to acquire such assets and to this end – whether to protect liquidity or because the seller demands it – to grant contributable shares as consideration. In this respect, the Company should therefore also have the option of increasing its capital stock against non-cash contributions while disapplying shareholders' subscription rights. In particular, the disapplication of subscription rights should also be possible in order to grant shares in the Company to the owners of receivables from the Company – whether securitized or not – wholly or partially in place of cash payments. In cases where, for example, the Company has initially agreed to pay in cash to acquire a company or an interest in a company, this may give the Company the added flexibility of subsequently offering shares in lieu of cash, thus protecting its liquidity. The proposed authorization will give the Company the leeway it requires to flexibly exploit opportunities for mergers or the acquisition of companies, parts of companies or interests in companies or to acquire other contributable assets in conjunction with such plans. Such a decision by the Board of Management shall be contingent on the Supervisory Board's approval. If subscription rights were to be granted, the aforementioned benefits would not be achievable for the Company and its shareholders.

At present, the Company does not have any concrete merger or acquisition plans for using authorized capital 2026 and the opportunity for a non-cash capital increase with the disapplication of shareholders' subscription rights that such capital entails. If such opportunities arise, the Board of Management shall consider on a case-by-case basis whether to utilize the option of a capital increase against a non-cash contribution with the disapplication of shareholders' subscription rights. It will only make use of the authorization if it is convinced after careful scrutiny that the acquisition in return for the issue of new company shares is in the best interests of the Company and the value of the non-cash contribution is commensurate with the value of the shares.

The Board of Management should also be authorized, subject to the approval of the Supervisory Board, to exclude residual amounts from shareholders' subscription rights. This serves the purpose of enabling the Company to use rounded amounts for authorized capital 2026 in order to establish a practicable subscription ratio and to facilitate technical implementation of the capital increase. Shares that become free as a result of the disapplication of shareholders' subscription rights are realized by selling them on the stock exchange or in some other way at the best price obtainable for the Company. By limiting this to residual amounts, the potential dilution effect as a result of the disapplication of shareholders' rights is minimal.

In the interest of shareholders, an appropriate clause should guarantee that the aforementioned authorizations to disapply subscription rights, including all other authorizations to disapply subscription rights, are limited to a share volume equivalent to a total of 10 percent of the Company's capital stock.

Considering all the above-mentioned facts and circumstances, the Board of Management, in agreement with the Supervisory Board, regards the authorizations to disapply subscription rights, also making allowance for the potential dilution effect arising from the exercising of these authorizations to the disadvantage of the shareholders, as justified and reasonable for the reasons given. The Board of Management will report to the Shareholders' Meeting on each use of authorized capital 2026.

Bonn, February 2026

Deutsche Telekom AG
Board of Management

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