Explanatory report on the disclosures pursuant to § 289a (1) and § 315a (1) of the German Commercial Code (Handelsgesetzbuch – HGB)

1. Composition of capital stock

As of December 31, 2021, the capital stock of Deutsche Telekom AG totaled €12,765,334,005.76. The capital stock is divided into 4,986,458,596 registered no par value shares. Each share entitles the holder to one vote.

2. Restrictions on voting rights and transfer of shares

14,517,728 treasury shares were held as of December 31, 2021. Deutsche Telekom AG has no voting rights in connection with treasury shares.

3. Direct or indirect equity interests exceeding 10 percent of voting rights

The shares of Deutsche Telekom AG are traded on several stock exchanges, including that in Frankfurt/Main, Germany. As of December 31, 2021, 69.5 percent of the shares were in free float (December 31, 2020: 68.1 percent), 13.8 percent were held by the Federal Republic of Germany (December 31, 2020: 14.5 percent), and 16.7 percent were held by KfW Bankengruppe (December 31, 2020: 17.4 percent). Accordingly, the shareholding attributable to the Federal Republic amounted to 30.5 percent (December 31, 2020: 31.9 percent). In previous years, this resulted in the Federal Republic of Germany representing a solid majority at the shareholders’ meetings of Deutsche Telekom AG due to its level of attendance, giving it control over Deutsche Telekom. Thanks to higher levels of attendance, the Federal Republic has not had a majority of the voting rights at the shareholders’ meetings of Deutsche Telekom AG since 2016. As such, it is no longer deemed to have had control over Deutsche Telekom since the 2019 financial year, but rather only a significant influence.

4. Owners of shares with special rights conferring powers of control

There are no company shares with special rights conferring powers of control.

5. Type of voting control if employees hold an equity interest and do not directly exercise their voting rights

There is no indirect voting rights control in accordance with § 289a (1) No. 5 and § 315a (1) No. 5 HGB by employees holding an equity interest.

6. Legal provisions and provisions in the Articles of Incorporation on the appointment and discharge of members of the Board of Management and on amendments to the Articles of Incorporation

Appointment and discharge of members of the Board of Management are carried out in accordance with § 84 and § 85 AktG, and § 31 of the German Co-Determination Act (Mitbestimmungsgesetz – MitbestG), with members of the Board of Management being appointed by the Supervisory Board for a maximum of five years. Such appointments may be renewed, or the term of office extended, provided that the term of each such renewal or extension does not exceed five years. A majority of two-thirds of the votes in the Supervisory Board is generally required to appoint members of the Board of Management. If an appointment cannot

In the interest of readability, no distinction has been made between male, female and diverse (m/f/d). All personal designations apply equally to all genders.
be made in this way, the special appointment process described in § 31 (3) and (4) MitbestG applies. These rules apply mutatis mutandis to revocation of a Board of Management appointment. The appointment by the Supervisory Board may be revoked for good cause.

In accordance with § 6 (1) of the Articles of Incorporation, the Board of Management shall comprise at least two members. After a due assessment of the circumstances, the Supervisory Board is free to decide whether additional members are appointed to the Board of Management. If a required member of the Board of Management is lacking, § 85 (1) AktG states that, in urgent cases, an appointment may be made by order of court at the request of one of the parties involved.

Amendments to the Articles of Incorporation are made pursuant to §§ 179 and 133 AktG and § 18 of the Articles of Incorporation. In accordance with § 179 (1) sentence 1 AktG any amendment to the Articles of Incorporation requires a resolution of the shareholders’ meeting. However, under § 179 (1) sentence 2 AktG and § 21 of the Articles of Incorporation, the Supervisory Board is authorized, without a resolution by the shareholders’ meeting, to adjust the Articles of Incorporation to comply with new legal provisions that become binding for the Company and to amend the wording of the Articles of Incorporation. In line with § 179 (2) sentence 2 AktG, § 18 (2) of the Articles of Incorporation envisages that – if no mandatory legal provisions exist to the contrary – a shareholders’ meeting resolution that amends the Articles of Incorporation shall be adopted by means of a simple majority of the votes cast and of the capital stock represented in the resolution. In some cases, the law prescribes a larger majority shareholding of three-quarters of the capital stock represented, for example if the purpose of the Company is amended (§ 179 (2) sentence 2 AktG), certain capital measures taken or subscription rights excluded.

7. Authority of the Board of Management to issue and buy back shares

Authorized capital and contingent capital.

The shareholders’ meeting on May 31, 2017 authorized the Board of Management to increase the capital stock with the approval of the Supervisory Board by up to € 3,600,000,000 by issuing up to 1,406,250,000 no par value registered shares against cash and/or contributions in kind in the period ending May 30, 2022. This authorization may be exercised in full or on one or more occasions in partial amounts. The Board of Management is authorized, subject to the approval of the Supervisory Board, to exclude fractional amounts from shareholders’ subscription rights. Furthermore, the Board of Management is authorized, subject to the approval of the Supervisory Board, to disapply shareholders’ subscription rights in the event of capital increases against non-cash contributions when issuing new shares for business mergers or acquisitions of companies, parts of companies or company shareholdings, including increasing existing investment holdings, or other contributable assets associated with such acquisitions, including receivables from the Company. However, the general pro rata value of the new shares for which shareholders’ subscription rights have been disappplied on the basis of this authorization – together with the pro rata value of the shares or conversion and/or option rights or obligations under bonds issued or sold since Wednesday, May 31, 2017 subject to the disapplication of subscription rights – must not exceed 20 percent of the total capital stock; the latter is defined as either the capital stock available on Wednesday, May 31, 2017, the capital stock available at the time of registering the authorization, or the capital stock available at the time of issuing the new shares, whichever of these three amounts is lowest. If the issue or sale is carried out in analogous or mutatis mutandis application of § 186 (3) sentence 4 AktG, this shall also constitute the disapplication of subscription rights. Further, the Board of Management is authorized, subject to the approval of the Supervisory Board, to determine the further content of share rights and the conditions under which shares are issued (authorized capital 2017).

Following the capital increase against contribution in kind, the 2017 authorized capital was reduced to € 3,024,000,000. The remaining 2017 authorized capital was entered into the commercial register on September 28, 2021.

The Company’s capital stock was contingently increased by up to € 1,200,000,000 as of December 31, 2021, comprising up to 468,750,000 no par value shares (2018 contingent capital). The contingent capital increase shall be implemented only to the extent that

a) the holders or creditors of bonds with warrants, convertible bonds, profit participation rights, and/or participating bonds (or combinations of these instruments) with option or conversion rights, which are issued or guaranteed by Deutsche Telekom AG or its direct or indirect majority holdings by Tuesday, May 16, 2023, on the basis of the authorization resolution granted by the shareholders’ meeting on Thursday, May 17, 2018, make use of their option and/or conversion rights or

b) those obligated as a result of bonds with warrants, convertible bonds, profit participation rights, and/or participating bonds (or combinations of these instruments), which are issued or guaranteed by Deutsche Telekom AG or its direct or indirect majority holdings by May 16, 2023, on the basis of the authorization resolution granted by the shareholders’ meeting on May 17, 2018, fulfill their option or conversion obligations (including in the event that, in exercising a repayment option when the final due date of the bond is reached, Deutsche Telekom AG grants shares in Deutsche Telekom AG completely or partially in lieu of payment of the amount due)
Under the resolution of the shareholders’ meeting on April 1, 2021, the Board of Management is also authorized to acquire the shares through the use of equity derivatives.

No treasury shares were acquired in the reporting period or in the prior year. Currently, the treasury shares for participants of the Share Matching Plan and of the employee share program Shares2You are issued from the pool of shares previously held in a trust deposit.

As part of the acquisition of VoiceStream Wireless Corp., Bellevue, and Powertel, Inc., Bellevue, in 2001, Deutsche Telekom issued new shares from authorized capital to a trustee, for the benefit of holders of warrants, options, and conversion rights, among others. These options and conversion rights fully expired in the 2013 financial year. As a result, the trustee no longer had any obligation to fulfill any claims in accordance with the purpose of the deposit. The trust relationship was terminated at the start of 2016 and the deposited shares were transferred free of charge to a custody account of Deutsche Telekom AG. The previously deposited shares are accounted for in the same way as treasury shares in accordance with § 272 (1a) HGB. On the basis of authorization by the shareholders’ meetings on May 25, 2016 and April 1, 2021, the treasury shares acquired free of charge may be used for the same purposes as the treasury shares acquired for a consideration. In the reporting year, 3,462 thousand previously deposited shares were reclassified for issue to eligible participants of the Share Matching Plan (prior year: 558 thousand shares).

For matching shares from the Share Matching Plan and for free shares from the employee share program Shares2You, treasury shares are transferred free of charge to the custody accounts of employees of Deutsche Telekom. In cases where treasury shares are transferred to the custody accounts of employees of other Group companies, the costs have been billed to the respective Group company at fair value since the 2016 financial year. Where treasury shares were transferred to the custody accounts of employees that were bought by way of the personal investment as part of the employee share program Shares2You, a conversion rate of € 16.72 per share was used. The conversion is determined using the lowest price at which a trade actually took place on an official German exchange on the date of conversion.

In all months of the reporting year, except for October, treasury shares (3,485 thousand in total) were reallocated and transferred to the custody accounts of eligible participants (prior year: 523 thousand treasury shares). As of December 31, 2021, disposals of treasury shares resulting from the transfers in the reporting period accounted for 0.07%, or € 8,921 thousand, of capital stock. Gains on disposal arising from transfers of treasury shares amounted to € 57,717 thousand. The transfers of treasury shares increased additional paid-in capital by € 48,796 thousand. In the reporting year, 1,042 thousand treasury shares with a fair value of € 17,585 thousand were billed to other Group companies.
8. Main agreements of the company subject to a change of control as a result of a takeover bid

The main agreements entered into by Deutsche Telekom AG, which include a clause in the event of a change of control, principally relate to bilateral credit lines and several loan agreements. In the event of a change of control, the individual lenders have the right to terminate the line of credit and, if necessary, serve notice or demand repayment of the loans. A change of control is assumed when a third party, which can also be a group acting jointly, acquires control over Deutsche Telekom AG.

On November 2, 2016, Deutsche Telekom AG signed a change agreement to the shareholder agreement with the Greek government from May 14, 2008 on Hellenic Telecommunications Organization S.A., Athens, Greece (OTE); the change agreement concerned the accession of the Hellenic Republic Asset Development Fund (HRADF) as a party to the contract. Under this agreement, the Greek government, together with HRADF, is, under certain circumstances, entitled to acquire all shares in OTE from Deutsche Telekom AG as soon as one (or more) person(s), with the exception of the Federal Republic of Germany, either directly or indirectly acquire(s) 35 percent of the voting rights of Deutsche Telekom AG.

In the master agreement establishing the procurement joint venture BuyIn in Belgium, Deutsche Telekom AG and France Télécom S.A./Atlas Services Belgium S.A. (a subsidiary of France Télécom S.A.) agreed that if Deutsche Telekom or France Télécom comes under the controlling influence of a third party or if a third party that is not wholly owned by the France Télécom group of companies acquires shares in Atlas Services Belgium S.A., the respective other party (France Télécom and Atlas Services Belgium only jointly) may terminate the master agreement with immediate effect.

9. Remuneration agreements of the Company made with the members of the Board of Management in the event of a takeover bid

There are no remuneration agreements in accordance with § 289a (1) no. 9 and § 315a (1) no. 9 HGB in the event of a takeover bid.
Erläuternder Bericht § 289a Abs. 1 sowie § 315a Abs. 1 HGB

Bonn, February 15, 2022
Deutsche Telekom AG
The Board of Management

Timotheus Höttges

Adel Al-Saleh  Birgit Bohle  Srinivasa Gopalan  Dr. Christian P. Illek
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