

Supervisory Board Report for the 2021 financial year

Dear Shareholders,

Telefónica Deutschland can look back on a very successful financial year 2021 despite the many challenges posed by the ongoing global covid pandemic. The „Investment for Growth“ strategy program was implemented consistently and successfully in its second year. The investments are paying off and translating into very good operational and financial performance. In terms of revenue and operating profit OIBDA, Telefónica Deutschland is fully on track to achieve its ambitious targets. The company was able to confirm its strong momentum in financial year 2021, adding approximately 1.5 million new mobile contract customers and expanding market share. The network expansion continued to be driven forward. Telefónica Deutschland covers more than 99% of the German population with 4G and has also reached important milestones in the rollout of the 5G network. 30% of the German population was provided with the new mobile technology by the end of the year, as announced.

Telefónica Deutschland's mobile network is on a par with the competition. The trade magazine „connect“ confirmed its „very good“ rating.¹ In addition to customer growth, this is also reflected in customer satisfaction. The recommendation rate improved once again and the churn rate is at a historic low. With Lebara, another major partner company could be acquired for the Telefónica Deutschland network. The Business Customer segment is also developing sustained momentum with the acquisition of new customers, the expansion of existing business relationships and the opening up of new markets with future technologies. At the same time, the company is taking responsibility for its employees in terms of digital training and has implemented programs for the digital working world of tomorrow and hybrid working models. With the Responsible Business Plan 2025 presented in financial year 2021, the company has set itself ambitious sustainability goals and more than doubled the number of measures in it.



Peter Löscher

Chairman of the Supervisory Board
of Telefónica Deutschland Holding AG

In the spirit of good corporate governance, the Supervisory Board collaborated well with the Management Board with regard to all significant topics on the basis of trustful cooperation, advised it in managing the company and fulfilled its controlling responsibilities in the reporting period.

It thus consistently and responsibly performed its duties as set out by law, the Articles of Association and the bylaws.

¹ Connect mobile communications network test, issue 1/2022: "very good" (874 points); in total, three "very good" ratings (944, 913 and 874 points) were awarded

Composition of the Supervisory Board

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

During the 2021 financial year, the Supervisory Board consisted of the following members: Peter Löscher (Chairman), Christoph Braun (Deputy Chairperson) as well as the Supervisory Board members Martin Butz, Pablo de Carvajal González, Peter Erskine, María García-Legaz Ponce, Ernesto Gardelliano, Cansever Heil, Christoph Heil, Michael Hoffmann, Julio Linares López, Stefanie Oeschger, Thomas Pfeil, Joachim Rieger, Dr. Jan-Erik Walter and Claudia Weber.

There were no changes to the Supervisory Board members during the reporting period.

Peter Erskine resigned from his role as Supervisory Board member with effect from end of 31 December 2021; by court order dated 30 December 2021, with effect from 4 January 2022, Jaime Smith Basterra was appointed by the court as a shareholder representative as a member of the Supervisory Board. He has expertise in the fields of accounting and auditing and is independent of the Company and its Management Board as well as of the controlling shareholder.

Composition of the Management Board

In the financial year 2021, the **Management Board** of Telefónica Deutschland Holding AG consisted of seven members: Markus Haas, Chief Executive Officer (CEO), Markus Rolle, Chief Financial Officer (CFO), Valentina Daiber (Chief Officer Legal and Corporate Affairs), Nicole Gerhardt (Chief Human Resources Officer and Labour Director ("Arbeitsdirektorin")), Alfons Lösing (Chief Partner & Wholesale Officer), Wolfgang Metzke (Chief Consumer Officer) and Mallik Rao (Yelamate Mallikarjuna Rao; Chief Technology & Information Officer).

Cooperation between the Management Board and Supervisory Board

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

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

Further information, including curricula vitae of the members of the Supervisory Board, can be found on the Company's website at www.telefonica.de/supervisory-board.

In accordance with the recommendation of C.10 of the German Corporate Governance Code, the member Michael Hoffmann, who is independent of the controlling shareholder as well as of the Company and the Executive Board, is the Chairman of the Audit Committee and an independent financial expert on the Supervisory Board.

In accordance with Section 100 para. (5) of the German Stock Corporation Act (AktG), the Supervisory Board already included at least one member with expertise in the field of accounting and auditing, Michael Hoffmann, and at least one further member with expertise in the field of accounting and auditing, Ernesto Gardelliano, in the reporting period. In addition, Thomas Pfeil as a longstanding member of the Audit Committee also has corresponding expertise. The members of the Supervisory Board as a whole were familiar with the sector in which the Company operates.

There were no changes in the composition of the Management Board during the reporting period.

The Management Board involved the Supervisory Board in all material decisions in a timely manner, submitted reports to the Supervisory Board in oral and written form and provided additional information when required, if necessary also by means of an expert opinion from external advisors. Where approval by the Supervisory Board was required by law, the articles of association or the by-laws, this was given after intensive consultation, examination and

discussion in the Supervisory Board and – where relevant – in the committees set up by the Supervisory Board for this purpose.

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

During the reporting period, the Chairman of the Supervisory Board regularly exchanged information with the Management Board, in particular with the CEO. Thus, regular alignment meetings took place between the Chairperson of the Supervisory Board and the CEO. They discussed the current status and future development of the company, as well as the progress of ongoing important projects, strategy, business policy, corporate planning, risks and opportunities and its management, as well as compliance and governance topics. Furthermore, there is a lively

Meetings of the Supervisory Board

In 2021, five regular meetings of the Supervisory Board were held, namely on 22 February (meeting on the financial statements for the 2020 financial year; "Bilanzsitzung"), 26 April, 26 July, 25 October and 16 December 2021.

Furthermore, there were five internal meetings of the Supervisory Board in which internal Supervisory Board topics such as the effectivity survey and further training of the Supervisory Board, the composition and composition of its committees as well as Management Board remuneration topics were dealt with. The internal meetings were held on 22 February, 26 April, 26 July, 25 October and 16 December 2021.

In addition, there was an extraordinary Supervisory Board meeting on 18 January 2021 to discuss the budget for the 2021 financial year and issues relating to future shareholder remuneration.

Material topics dealt with by the Supervisory Board

The first meeting of the Supervisory Board in the financial year 2021 was an extraordinary meeting, which took place on 18 January 2021. Among other things, the 2021 budget, shareholder remuneration and midterm guidance were discussed in this meeting.

The first regular meeting of the Supervisory Board in the financial year 2021 was then the balance sheet meeting on financial year 2020. It took place on 22 February 2021. The focus of this meeting was the review and approval of the annual and consolidated financial statements and the combined

exchange between the Chairperson of the Supervisory Board and the CEO outside of regular meetings. The Chairman of the Supervisory Board informed the other members of the Supervisory Board about important topics discussed.

In addition to the meeting activities, pre-alignment meetings for the respective meetings and other information provided to the Supervisory Board by the Management Board during the year, an annual strategy workshop was again held in which the strategy of the company was analysed in the light of current developments and for each Management Board department and discussed in an informal setting. In that context, the Supervisory Board also discussed the ways corporate sustainability and ESG (Environment, Social, Governance) are included in corporate business and strategy. All members of the Supervisory Board and Management Board participated in the strategy workshop.

There have been two Supervisory Board meetings so far in 2021. An extraordinary meeting of the Supervisory Board was held on the evening of 18 January 2021 in anticipation of an IR Capital Market Update on the following day.

In 2022, there has been one Supervisory Board meeting and one internal meeting of the Supervisory Board so far.

The meeting on the financial statements for the 2021 financial year was held on 21 February 2022. In addition to financial topics, the meeting on the financial statements also dealt with corporate governance topics and preparations of the 2022 Annual General Meeting, as well as the remuneration report for the financial year 2021. The internal meeting of the Supervisory Board dealt, among other things, with the Supervisory Board's report on the 2021 financial year. Moreover, following respective recommendation of the Remuneration Committee, the prolongation of the management board service agreement and the appointment of Markus Haas until 31 December 2025 was resolved.

management report for the 2020 financial year as well as the treatment of the dependency report and the non-financial statement and consideration of profitability. In addition to these topics, the Supervisory Board dealt in particular with the strategic priorities for 2021 in general and in particular in the areas of Legal & Corporate Affairs, B2C, CTIO and business partner business. Furthermore, the agenda of the Annual General Meeting on 20 May 2021 and its proposed resolutions, including the distribution of the balance sheet profit, proposal for the appointment of the auditor for the financial year 2021 and corporate governance topics were discussed.

In an internal meeting on the same day, the Supervisory Board dealt in particular with compensation issues, including the compensation systems. Furthermore, the Supervisory Board dealt with the Supervisory Board's report on the 2020 financial year.

The Supervisory Board meeting on 26 April 2021 dealt in particular with the development of the B2B area, financial topics (in particular Q 1 results and the annual financial statements of the direct subsidiaries), an update on network topics and the partner business. The Supervisory Board furthermore dealt with the topics of audit and risk management, including the audit plan for 2021, compliance, and the Corporate Responsibility Report, as well as the upcoming (virtual) Annual General Meeting 2021. Furthermore, the Supervisory Board addressed its strategy workshop.

At its internal meeting, also held on 26 April 2021, one of the items on the agenda was succession planning. Furthermore, the Supervisory Board dealt with compensation and governance topics.

At the meeting on 26 July 2021 Management Board reported on the flood disaster and the exemplary relief efforts of employees, among other things. Meeting topics also included the ongoing Corona pandemic, opportunities in the Business area, Q2 results, and guidance options given the successful financial year. Furthermore, CTIO topics (in particular the network expansion plan) and HR topics were discussed.

In the internal meeting of the Supervisory Board on the same day, the Supervisory Board dealt in particular with remuneration and corporate governance issues and the upcoming annual effectivity survey of the Supervisory Board and, among other things, the dates of the Annual General Meetings in 2022 and 2023.

In a meeting on 25 October 2021, in addition to the usual CTIO update, the Supervisory Board dealt in particular with the Q3 results and the long-term business plan. Furthermore, the

Corporate & Legal Affairs Update dealt with the consultation on the spectrum award procedure and the main topics of non-financial reporting.

An internal meeting of the Supervisory Board was also held on 25 October 2021, in which, among other things, the Compliance Declaration and the results of the effectivity survey of the Supervisory Board were discussed and measures were derived.

At the Supervisory Board meeting on 16 December 2021, the topics discussed included among other things a review of the very successful year 2021 for the company, the priorities for 2022, the agenda for the 2022 Annual General Meeting and financial topics. The meeting focused on the Long Term Business Plan 2022-2024 and the resolution on the 2022 budget. Furthermore, an update was given on the CTIO – including on the very good network test results and rollout commitments – and business partner areas of the Management Board, and on the agenda for the 2022 Annual General Meeting and resolutions on the meeting dates for 2022. The subsequent internal meeting of the Supervisory Board dealt with Management Board succession planning and Management Board remuneration topics and presented the main features of the separate Remuneration Report 2022 to be prepared for the first time for the Annual General Meeting in 2022.

Where necessary, the Supervisory Board also passed resolutions outside of meetings, in particular by e-mail. For example, the Compliance Declaration from March 2021 and the final agenda for the 2021 Annual General Meeting and its implementation were passed in this way, taking into account the facilitations resulting from the Act on Measures in Company, Cooperative, Association, Foundation and Condominium Law to Combat the Effects of the COVID 19 Pandemic ("Gesetz über Maßnahmen im Gesellschafts-, Genossenschafts-, Vereins-, Stiftungs- und Wohnungseigentumsrecht zur Bekämpfung der Auswirkungen der COVID-19-Pandemie") after respective predealing in meetings held in person and in committees (where relevant).

Committees of the Supervisory Board

As of 31 December 2021, the Supervisory Board has installed five committees: an Audit Committee, a Remuneration Committee, a Nomination Committee, a Related Party Transactions Committee and a Mediation Committee. The Audit Committee, the Remuneration Committee, the Related Party Transactions Committee and the Nomination Committee meet regularly, the Mediation Committee meets only as required.

The Audit Committee is inter alia responsible for preparing the resolution of the Supervisory Board regarding the approval of the financial statements, discusses the quarterly and half-year reports with the Management Board, monitors the accounting processes and auditing, compliance and the effectivity of internal control systems (including risk management and internal audit systems) and the auditor's review of the financial statements. It furthermore is responsible for the coordination with and selection of the auditor as well as evaluation of the quality of the audit.

During the reporting year, the audit committee consisted of the following members:

- Michael Hoffmann (chairman; independent financial expert)
- Martin Butz
- Ernesto Gardelliano (financial expert) (interrupted from the end of the Annual General Meeting of 20 May 2021 until his reelection to the committee on 6 July 2021) and
- Thomas Pfeil (financial expert).

In 2021, the Audit Committee met four times, on 22 February, 26 April, 26 July and 25 October 2021, to discuss, among other things, the financial results, audit, risk management and integrity services including compliance, data protection and cyber security, and the assessment of quality of the auditor's work. Furthermore, the Supervisory Board's meeting on financial statements and corresponding recommendations to the full board were prepared.

In 2022, the Audit Committee met once, on 21 February 2022, with the focus on preparing the Supervisory Board's balance sheet meeting and recommending the auditor for resolution by the Annual General Meeting, which is scheduled for 19 May 2022.

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

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

- Michael Hoffmann (chairman; independent)
- María García-Legaz Ponce
- Dr. Jan-Erik Walter and
- Claudia Weber.

The Remuneration Committee is entrusted with the preparation of topics relating to the remuneration of the Management Board and Supervisory Board. Insofar as Supervisory Board compensation is concerned, this applies only to the extent that it falls within the remit of the Supervisory Board, particularly in the context of the new "say on pay" requirements. The Remuneration Committee makes recommendations to the full Supervisory Board in this regard.

The Remuneration Committee met five times in 2021, on 1 February, 26 March, 19 July, 17 September and 24 November 2021. Among other things, it dealt intensively with the remuneration systems of the Supervisory Board and Management Board and with the implementation of the elements of the remuneration

systems in remuneration components, including the proposal of concrete targets and review of the respective target achievement. The Remuneration Committee dealt in detail with the remuneration-related recommendations of the German Corporate Governance Code 2020 before respective resolution passing by the Supervisory Board.

In 2022, one meeting of the Remuneration Committee took place on 28 January 2022 in preparation for the Supervisory Board's resolution on Management Board remuneration topics and the amendment of the Remuneration System for the Supervisory Board, which will be presented to the Annual General Meeting 2022 for resolution.

The members of the Remuneration Committee also participated in a preparatory meeting outside the meetings of the Remuneration Committee (informal Q&A session on the topic of Say on Pay). Furthermore, the Remuneration Committee also passed by e-mail outside of meetings during the reporting period resolutions.

The Chairman of the Remuneration Committee reports regularly on the activities of the Remuneration Committee at the internal meetings of the Supervisory Board.

The Nomination Committee proposes suitable candidates to the Supervisory Board for election proposals to the Annual General Meeting. As of 31 December 2021, the Nomination Committee consisted of the following members:

- Peter Löscher (Chairman; independent)
- Pablo de Carvajal González and
- Ernesto Gardelliano (interrupted from the end of the Annual General Meeting on 20 May 2021 until his re-election to the committee on 6 July 2021).

In the reporting year, the Nomination Committee dealt with the succession topics of the Supervisory Board 2021 and, in particular in advance of the Annual General Meeting on 20 May 2021, proposed Stefanie Oeschger and Ernesto Gardelliano to the full Supervisory Board as suitable candidates for succession to the Supervisory Board to the Annual General Meeting. There was one meeting of the Nomination Committee on 12 November 2021, at which the composition criteria and requirements for members of the Supervisory Board were also discussed in the context of the new election of all shareholder representatives due to take place at the Annual General Meeting in 2022. Furthermore, the members of the Nomination Committee dealt with succession topics of the Supervisory Board outside meetings and, after appropriate informal preliminary treatment, made their recommendations to the Supervisory Board by way of e-mail resolutions.

The Chairman of the Nomination Committee reports regularly on the activities of the Nomination Committee at the internal meetings of the Supervisory Board.

The Chairman of the Nomination Committee reports regularly on the activities of the Nomination Committee at the internal meetings of the Supervisory Board.

The Related Party Transactions Committee monitors and resolves on certain transactions with affiliated companies, in particular transactions with affiliated companies pursuant to sec. 111a, b German Stock Corporation Act (AktG), instead of the full Supervisory Board. The majority of its members have no conflicts of interest with regard to the controlling shareholder.

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

- Peter Löscher (Chairman)
- Christoph Braun
- Pablo de Carvajal González
- Michael Hoffmann and
- Thomas Pfeil.

The Related Party Transactions Committee met two times in 2021, on 22 February 2021 and 28 September 2021. At

these meetings and in the context of e-mail resolutions, the Related Party Transactions Committee dealt with the quarterly monitoring of transactions with affiliated companies and dealt with transactions with affiliated companies that did not trigger any disclosure obligations under section 111c of the German Stock Corporation Act (AktG).

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

As of 31 December 2021, the Mediation Committee with the responsibilities as defined in section 31 Co-Determination Act (Mitbestimmungsgesetz) consisted of the following members:

- Peter Löscher (Chairman)
- Christoph Braun
- Christoph Heil and
- Julio Linares López.

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

Attendance at Meetings

Insofar as members could not attend meetings of the Supervisory Board or relevant committee meetings in isolated

cases, they were excused. They participated then in the passing of resolutions by written vote.

The individual meeting attendance during the financial year 2021 was as follows:

Member of the Supervisory Board	Number of Meetings*	Attendance	Non-Attendance	Attendance Quota
Peter Löscher	14	14	0	100%
Christoph Braun	13	13	0	100%
Martin Butz	15	15	0	100%
Pablo de Carvajal González	14	14	0	100%
Peter Erskine	11	11	0	100%
María García-Legaz Ponce	15	15	0	100%
Ernesto Gardelliano	16	16	0	100%
Cansever Heil	11	11	0	100%
Christoph Heil	11	11	0	100%
Michael Hoffmann	21	19	2	90%
Julio Linares López	11	11	0	100%
Stefanie Oeschger	11	11	0	100%

Member of the Supervisory Board	Number of Meetings*	Attendance	Non-Attendance	Attendance Quota
Thomas Pfeil	17	17	0	100%
Joachim Rieger	11	11	0	100%
Dr. Jan-Erik Walter	15	15	0	100%
Claudia Weber	15	15	0	100%
Total	221	219	2	99%

* This includes the number of Supervisory Board and respective committee meetings. The work of the Supervisory Board which took place outside of meetings, is not reflected herein.

** The member was excused for personal reason on one day on which two meetings were held. The member participated in the passing of resolutions by submitting a written vote.

The overview on the individual meeting attendance is also available on the Company's website at <https://www.telefonica.de/investor-relations-en/company/supervisory-board/members-attendance-at-meetings.html>.

Corporate Governance

Good corporate governance is essential for corporate success and is therefore in the interest of the company's shareholders. Further details on the corporate governance of Telefónica Deutschland Holding AG can be found in the Management Declaration pursuant to section 289f in connection with 315d German Commercial Code (HGB) in the Annual Report and on the company's website at <https://www.telefonica.de/management-declaration-2021>.

On 25/27 October 2021, the Management Board and the Supervisory Board approved a new Declaration of Compliance pursuant to section 161 German Stock Corporation Act (AktG). The Declaration of Compliance was published on the company's website at <https://www.telefonica.de/compliance-declaration-october-2021>. Previous versions of the Declaration of Compliance can be also found at the website.

Six of the 16 members of the Supervisory Board in the reporting year held positions in the administrative, management and supervisory bodies of the majority shareholder or its affiliated companies. Both the Supervisory Board members and the

Management Board members disclose potential conflicts of interest promptly to the Supervisory Board. In the reporting period, no conflicts of interest within the meaning of the German Corporate Governance Code arose.

As of 31 December 2021, the Supervisory Board comprised four female and twelve male members. Thus the Supervisory Board continues to fulfil the requirements of sec. 96 para. 2 German Stock Corporation Act (AktG) which the Supervisory Board also adopted for itself (a gender diversity quota of at least 30%), which shall be fulfilled separately by shareholder and employee representatives side following a shareholder representative resolution. This quota was fulfilled during the entire financial year with two female members on the employee representative side and two female members on the shareholder representative side.

The minimum gender diversity quota for the Management Board is 25%. It was met throughout the whole financial year 2021 (two of seven members are female).

Support of Members of the Supervisory Board

The members of the Supervisory Board are adequately supported when taking up their duties. In particular, an introduction to the activities of the Supervisory Board at Telefónica Deutschland takes place upon taking office. As part of this introduction, the Supervisory Board office with legal advisors explain the practical and legal principles and also highlight specific issues relating to stock corporation law. Training and further development requirements of the Supervisory Board are regularly assessed during the course of its work. In the reporting year, general and legal training courses were held, in particular on corporate governance issues and new legal framework. In conjunction with the strategy workshop, the company organized training sessions on new topics related to

the Company's strategy, which were attended by all members of the Supervisory Board, in particular on new requirements for corporate sustainability and ESG (Environment, Social, Governance) sustainability reporting. Furthermore, the Supervisory Board was informed interactively about new types of technical developments (future technologies), particularly in the network and cloud areas. Furthermore, noting papers were prepared on individual topics (e.g., the provisions of the Financial Market Integrity Strengthening Act (Gesetz zur Stärkung der Finanzmarktintegrität, FISG) and the Second Management Positions Act (Zweites Führungspositionen-Gesetz, FÜPoG II)).

Review of the Financial Statements 2021

Pricewaterhouse Coopers GmbH Wirtschaftsprüfungsgesellschaft audited the annual financial statements and the consolidated financial statements as well as the combined management report of Telefónica Deutschland Holding AG and the Group as of 31 December 2021 and provided each with an unqualified audit opinion. The annual financial statement of Telefónica Deutschland Holding AG and the combined management report for Telefónica Deutschland Holding AG and the Telefónica Deutschland Group were prepared in accordance with German commercial law. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as they are applied in the European Union (EU) and the additional requirements which have to be applied in accordance with section 315e para 1 German Commercial Code (HGB). The auditor carried out the audit in accordance with section 317 German Commercial Code (HGB) considering German principles of proper auditing set by the Institute of Public Auditors in Germany (IDW).

The financial statement documentation of Telefónica Deutschland Holding AG and the Group, the separate non-financial declaration for Telefónica Deutschland Holding AG for the financial year 2021 as well as the respective auditor's reports and the Management Board's proposal for the distribution of profit were submitted to the Supervisory Board prior to the meeting on 21 February 2022

("Bilanzsitzung"). The Audit Committee and the full Supervisory Board thoroughly reviewed the Annual Financial Statement ("Jahresabschluss"), the Group financial statements, the combined Management Report for Telefónica Deutschland Holding AG and the Group, the separate combined non-financial declaration, the respective auditor's reports and the Management Board proposal for the distribution of profit and discussed the documents in detail together with the auditor on 21 February 2022. The auditor also reported on scope, material aspects and results of his audit. There was no report on material weaknesses of the internal control system and the risk management system. Management Board explained in this meeting the risk management system besides the annual financial statement of Telefónica Deutschland Holding AG and the Group, the combined management report and the separate non-financial declaration. The Supervisory Board approved the auditor's findings in the audit reports and had no objections after its own assessment.

At its meeting on 21 February 2022, the Supervisory Board approved the annual financial statements of Telefónica Deutschland Holding AG and the consolidated financial statements together with the combined management report for the 2021 financial year; the financial statement of Telefónica Deutschland Holding AG is thereby adopted.

Relations to affiliated companies

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

"Based on our audit and assessment, which were carried out in accordance with professional standards, we confirm that

1. the factual statements made in the report are correct, and
2. the payments made by the company in connection with legal transactions detailed in the report were not unreasonably high."

The dependency report as prepared by the management board and audited by the auditor as well as the audit report on the dependency report were submitted to the Supervisory Board and discussed in detail in the meeting on 21 February 2022 also

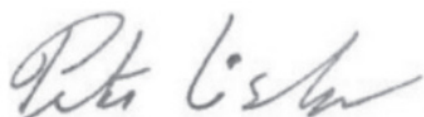
with the auditor. Having reviewed the dependency report and the corresponding audit report, the Supervisory Board agreed with the results of the audit of the dependency report and as the result of its own assessment had no objections against the dependency report and the Management Board's declaration contained therein.

The Supervisory Board once again thanks the Supervisory Board member Peter Erskine, who retired effective 31 December 2021, for many years of good and trusted cooperation.

The Supervisory Board thanks the whole Management Board for the excellent management in the challenging financial year 2021 and for the always trustful collaboration. Furthermore, the Supervisory Board thanks also all employees of Telefónica Deutschland who during this special period, which was again marked by the pandemic and natural disasters, once again showed an outstanding commitment and contributed materially to the success of the Company.

Munich, 21 February 2022

On behalf of the Supervisory Board



Peter Löscher
Chairman of the Supervisory Board of
Telefónica Deutschland Holding AG