

## Supervisory Board's report to the 2021 shareholders' meeting

The 2020 financial year was characterized by the systematic implementation of the Group strategy and the Group's ongoing transformation in an age of digitalization and technological change. The approval of the business combination of T-Mobile US and Sprint was – and is – one of the most important successes in Deutsche Telekom's history. In the 2020 financial year, business developed well overall, despite the coronavirus pandemic. Deutsche Telekom has managed the coronavirus crisis with the requisite discipline. Its networks remained secure and stable in spite of the huge rise in demand. The network build-out continued on schedule and the Company underscored its ability to perform at the top level throughout the pandemic with special offerings for customers and its strong commitment to service. Deutsche Telekom once again faced intense competitive and regulatory pressure in 2020. The Group held its own in the challenging environment in the telecommunications industry. Strong results brought the 2020 financial year to a successful close. The Group remains on course for growth. The Supervisory Board exercised its functions as an advisory and supervisory body and gave the Board of Management its full support.

### Supervisory Board activities in the 2020 financial year

We continually monitored the Board of Management's activities in managing the business and the Group as a whole. Specifically, this supervisory role consisted of ensuring that these activities were lawful, compliant, appropriate, strategically relevant, sustainable, and efficient.

The primary prerequisites for fulfilling this role were the Board of Management's written and oral reports. The Board of Management kept us regularly informed in good time on corporate strategy, planning, business development of the Group and its different segments, the risk situation, risk management, compliance, innovation focuses, and any deviations in the business development from original plans, as well as significant business transactions involving the Company and its significant subsidiaries and associates.

The Board of Management fulfilled its duties to inform quickly and in full. The Board of Management's reports met all statutory requirements, the standards of good corporate governance, and the criteria imposed on them by us with regard to both content and scope. In addition to the reports, we requested and received supplementary information. We reviewed, critically analyzed, and verified the plausibility of these reports and other information.

The Rules of Procedure of the Board of Management and Supervisory Board include a list of transactions and measures for which the Board of Management has to obtain approval from the Supervisory Board. We met with the Board of Management to discuss and thoroughly review the business transactions and measures presented to us in the 2020 financial year for approval in line with this document. We approved the transactions and measures submitted for resolution.

The frequency of plenary and committee meetings mean that we are in close contact with the Board of Management. The Board of Management also reports on individual issues in writing or in discussions between the meetings. In addition, the Chairman of the Supervisory Board is in contact with the Chairman of the Board of Management at regular appointments at which current business transactions, strategy issues, planning, business development, regulation, the risk situation, risk management, and compliance, as well as other significant events, are discussed.

In the 2020 financial year, twelve Supervisory Board meetings, a one-day off-site conference, and 34 meetings of the Supervisory Board committees took place. The overall attendance rate was around 98 %. Each of the Supervisory Board members attended more than three quarters of the meetings of the Supervisory Board and the respective committees on which they sit. Given the coronavirus-induced situation, most members participated virtually. Members unable to attend the meeting usually participated in resolutions by submitting their voting instructions in writing.

Resolutions were also adopted by way of a written voting procedure.

In the meeting on February 18, 2020, in the presence of the external auditor, we primarily dealt with the Company's 2019 annual financial statements and consolidated financial statements, as well as the Group management report, which is combined with the management report of Deutsche Telekom AG (combined management report), and the combined non-financial statement contained in the combined management report as a separate section. Our approval of the 2019 annual financial statements was based on the recommendation of the Audit Committee. The same applies to the review of the combined non-financial statement. We agreed to the Board of Management's proposal on the appropriation of net income. We approved the agenda for the 2020 shareholders' meeting and dealt with a number of topics including remuneration. The Board of Management reported comprehensively on the current situation and the most important financial and operational KPIs for the Company and its segments. We adopted a resolution on the transfer of the Security and Internet of Things (IoT) units from T-Systems to Deutsche Telekom AG and on a spin-off agreement relating to the Deutsche Telekom Global Carrier business area. The Supervisory Board also discussed the rules on related-party transactions. In addition, we discussed the findings of the Supervisory Board's efficiency audit from 2019.

In the meeting on March 25, 2020, the Board of Management reported in-depth on the status of the Sprint transaction in the United States and we approved the closing effective April 1, 2020. The Supervisory Board was reconstituted at the same meeting: Frank Sauerland was elected as Deputy Chairman of the Supervisory Board effective March 27, 2020 and in some cases new members were appointed to the committees. The Board of Management reported extensively on the steps it was taking to deal with the coronavirus crisis and the impact of the crisis on the Company.

In the meeting on May 19, 2020, the Board of Management reported comprehensively on the current situation and the financial and operational KPIs for the Company and its segments in the first quarter of 2020. We discussed the 5G build-out in Germany. The Board of Management once again reported on its coronavirus crisis management activities in response to coronavirus and the effects of the pandemic on the business. Furthermore, we dealt with both the implementation of the Sprint integration and the quarterly Group risk report. In view of current geopolitical discussions, we looked at the global resilience of Deutsche Telekom's supply chains. We debated the recommendations contained in the new German Corporate Governance Code.

In the meeting on June 18, 2020, we approved the appointment of Srinu Gopalan as the Board of Management member for Germany and Dr. Wössner's resignation from his position on the Board of Management. A resolution was passed on an agreement between Deutsche Telekom AG and SoftBank (call options on T-Mobile US shares).

In the meeting on July 27, 2020, we approved the updated 2020 budget and the Board of Management's targets following the first-time consolidation of Sprint.

In the meeting on August 19, 2020, we approved the purchase of wireless assets of Shenandoah Telecommunication Company by T-Mobile US (call option).

In the meeting on September 1, 2020, the Board of Management reported on the current situation and the financial and operational KPIs for the Company and its segments in the second quarter of 2020. We also discussed the filling of the position of the Board of Management member for Europe. We also dealt with the implementation of the Act Implementing the Second Shareholder Rights Directive (ARUG II) and the 2020 German Corporate Governance Code (GCGC) and the ensuing adjustments to the Board of Management's compensation system. Furthermore we resolved on the split-off of the Austrian cell tower portfolio into a separate entity and approved the exercise of a call option to acquire the Dutch MVNO and SIM provider Simpel.

At the joint off-site conference with the Board of Management on the following day, we dealt mainly with Deutsche Telekom's strategy and the major trends affecting its business. We debated the status of the strategy and progression with its implementation, and discussed individual strategic focal topics. This involved an in-depth look at the fiber-optic build-out in Germany, Deutsche Telekom's investment portfolio, T-Systems, and T-Mobile US.

In our meeting on September 7, 2020, we approved the appointment of Dominique Leroy to the Board of Management as the Board member for Europe.

In our meeting on October 13, 2020, we discussed – and subsequently approved by means of a written voting procedure – the sale of the Dutch cell tower company T-Mobile Infra B.V. and the planned investment in an infrastructure fund.

In our meeting on October 26, 2020, we approved the sale of Telekom Romania Communications S.A.

In our meeting on November 27, 2020, we discussed the spectrum portfolio held by T-Mobile US. We also decided to increase the number of Staff Committee members by two.

In our meeting on December 16, 2020, we adopted resolutions on a variety of Board of Management compensation topics, such as the adjustment of the Board of Management compensation system. We also reviewed and partly revised the targets for the composition of the Supervisory Board. We also reappointed Claudia Nemat as Board of Management member, responsible for the Technology and Innovation department, for a further term of office (starting on October 1, 2021). The Board of Management reported on the current situation and the financial and operational KPIs in the Company and its segments in the third quarter of 2020. In addition, the Supervisory Board looked at the current situation at T-Systems and approved the transfer of the Road Charging portfolio unit from T-Systems International GmbH to a subsidiary of T-Systems International GmbH. A further focus of the meeting was the resolution on the budget and on the annual financing plan for the 2021 financial year. In addition, we acknowledged the medium-term planning for 2021 through 2024.

In our plenary meetings and in the Audit Committee in particular, we also regularly supervised the management of the Company by the Board of Management. As part of this, we made sure that the Board of Management ensured compliance with legal provisions and internal standards and policies supported by the Group-wide compliance organization. We also regularly met with the Board of Management to discuss the Group-wide risk management system that it had introduced. Based on our own reviews and on the audit reports submitted by the external auditor, we came to the conclusion that the internal compliance system and the internal control and risk management system are effective. In its plenary meetings, the Supervisory Board also regularly dealt with diverse organizational matters.

Outside of its meetings, the Supervisory Board attended information events to keep up to date on the latest topics and developments.

### Organization of the Supervisory Board's activities

To increase the efficiency of our work, and in consideration of the specific requirements we have to fulfill, we have set up the committees listed below, all of which have an equal number of shareholders' and employees' representatives, with the exception of the Nomination Committee. In regard to committee membership, our aim is to achieve regular rotation among the Supervisory Board members. Our objective is also to ensure that the chairperson roles on the committees are occupied by different members. The committees' chairpersons regularly reported to us at our plenary meetings on the content and results of committee meetings.

### Supervisory Board committees

Committee	Supervisory Board member	Committee	Supervisory Board member
<b>General Committee</b>	Prof. Dr. Ulrich Lehner (Chairman)	<b>Nomination Committee</b>	Prof. Dr. Ulrich Lehner (Chairman)
	Josef Bednarski until April 30, 2020		Dr. Rolf Bösing
	Dr. Rolf Bösing		Dagmar P. Kollmann
	Kerstin Marx since May 15, 2020		
	Lothar Schröder until March 26, 2020		
	Frank Sauerland since March 27, 2020		
<b>Finance Committee</b>		<b>Special Committee for U.S. Business (until December 31, 2020)</b>	
	Karl-Heinz Streibich (Chairman)		Prof. Dr. Ulrich Lehner (Chairman)
	Dr. Günther Bräunig		Dr. Günther Bräunig
	Constantin Greve since March 27, 2020		Constantin Greve
	Nicole Koch		Dr. Helga Jung
	Dagmar P. Kollmann		Lothar Schröder until March 26, 2020
	Frank Sauerland until March 27, 2020		Nicole Seelemann-Wandtke since March 27, 2020
	Karin Topel		Sibylle Spoo
<b>Audit Committee</b>		<b>Technology and Innovation Committee</b>	
	Dagmar P. Kollmann (Chairwoman)		Lothar Schröder (Chairman)
	Josef Bednarski until April 30, 2020		Odysseus D. Chatzidis
	Dr. Rolf Bösing		Lars Hinrichs
	Prof. Dr. Michael Kaschke		Nicole Seelemann-Wandtke
	Petra Steffi Kreusel		Karl-Heinz Streibich
	Kerstin Marx since May 15, 2020		Margret Suckale
	Sibylle Spoo		
<b>Staff Committee</b>		<b>Mediation Committee</b>	
	Lothar Schröder (Chairman) until March 26, 2020		Prof. Dr. Ulrich Lehner (Chairman)
	Frank Sauerland (Chairman) since March 27, 2020		Josef Bednarski until April 30, 2020
	Josef Bednarski until April 30, 2020		Dr. Rolf Bösing
	Odysseus D. Chatzidis since November 27, 2020		Kerstin Marx since May 15, 2020
	Harald Krüger since November 27, 2020		Frank Sauerland since March 27, 2020
	Prof. Dr. Ulrich Lehner		Lothar Schröder until March 26, 2020
	Kerstin Marx since May 15, 2020		
	Margret Suckale		

The **General Committee** met fifteen times in 2020, one meeting of which was held jointly with the Finance Committee. The committee focused mainly on preparing the recommendations for decision for the plenary meetings in regard to all of the decisions on Board of Management and Supervisory Board matters. The Board of Management compensation system was one key point of debate. The committee reviewed the appropriateness of the Board of Management compensation as scheduled. Another focus was on the selection and appointment of two new Board of Management members. Long-term succession planning for the Board of Management was also discussed in the meeting. The committee studied candidates from within the Company in respect of their skills and need for further development. In the joint meeting with the Finance Committee, the General Committee dealt in particular with the 2021 budget and the medium-term planning for 2021 to 2024.

The **Finance Committee** met three times, of which one meeting was together with the General Committee. Investment planning and focuses were the subject of the meetings. The committee also dealt with general topics such as interest and foreign currency management, pension obligations and capital investments, net debt and rating, and a spectrum review. In the joint meeting with the General Committee, the Finance Committee discussed the 2021 annual financing plan in particular.

The **Audit Committee** met six times in 2020. The external auditor was present at five of the six meetings. The Audit Committee's area of responsibility is defined by German legislation, the German Corporate Governance Code, and its own Rules of Procedure. It includes, in particular, the review of accounting and the accounting process, the effectiveness of the internal control system, risk management and the internal auditing systems, compliance, and data privacy. The Audit Committee also handled matters relating to the audit of the Company's financial statements, in particular selecting and ensuring the independence of the external auditor, and monitored the additional services provided by the external auditor, the commissioning of the external auditor, the stipulation of the main focuses of the audit, and the agreement on fees. After thorough discussion, the Audit Committee issued a recommendation to the Supervisory Board on its suggestions of the external auditor for the 2020 financial year and the first quarter of 2021 to be nominated by the 2020 shareholders' meeting. Moreover, after conclusion of the tender process for the audit of the annual financial statements and the consolidated financial statements for the 2021 financial year, the Audit Committee continually monitored the designated candidate's compliance with the key criteria required for the recommendation for nomination by the shareholders' meeting. Furthermore, the Audit Committee commissioned PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt/Main, with a limited assurance engagement on the combined non-financial statement contained as a separate section in the combined management report. In the 2020 financial year, the Audit Committee again held one extraordinary meeting on fundamental issues affecting the Group. At this meeting, the committee dealt in particular with the effectiveness of the reporting system on the internal control, risk management and internal auditing systems, and on the compliance management system, including the ongoing development of the reporting structure. When the Audit Committee dealt with the risk management system, this year it focused in particular on the role of the risk manager in the first line of defense using risk management in the All-IP Migration program as an example. At the same meeting, the Audit Committee dealt with the topic of data privacy and data security and the members discussed and familiarized themselves with new requirements and developments regarding German and EU law as well as financial accounting standards. This year, the Audit Committee also dealt extensively with the principles and processes applied by the Board of Management when evaluating the coronavirus-induced effects on Deutsche Telekom's business as well as the integration of Sprint following the business combination with T-Mobile US. Outside of its meetings, the Audit Committee members attended a deep dive workshop on the risk management system and its ongoing improvement. Moreover, at an additional meeting the Audit Committee prepared a Supervisory Board resolution on the approval of a transaction, where it looked in depth at liability and indemnity issues in this context.

Dagmar P. Kollmann, Chairwoman of the Audit Committee, has expert knowledge of accounting and auditing. She is also particularly knowledgeable and experienced in the application of accounting standards and internal control procedures. She is independent, and is not a former member of the Board of Management of Deutsche Telekom AG. Like the members of the full Supervisory Board, the members of the Audit Committee overall are very familiar with the sector in which Deutsche Telekom AG is active.

The **Staff Committee** held two meetings in 2020 and mainly discussed matters relating to headcount planning and qualitative and quantitative staff-requirements planning for the purpose of preparing Supervisory Board resolutions on the 2021 budget. In addition, the committee dealt with topics such as the HR strategy, the women's quota, the company pension scheme, and talent management. The committee also looked at health management activities, with particular regard to coronavirus crisis management, and the results of the survey on customer satisfaction.

The **Nomination Committee** met four times in 2020. It dealt in its meetings with succession planning for the Supervisory Board, with a particular focus this year on the matter of a successor to the position of Supervisory Board Chair from 2022.

The **Mediation Committee** to be formed in accordance with § 27 (3) of the Codetermination Act did not meet in 2020.

The **Technology and Innovation Committee** held three meetings in 2020 and dealt with a very broad range of topics from a variety of areas. For example, the committee discussed trends and strategic approaches, the 5G build-out, 5G campus networks, AI in fiber planning and provisioning, the data strategy, and the topic of the connected customer experience. The committee also dealt with the current trend radar. The committee supports and promotes innovation and technological developments at infrastructure and product level; it supports the Board of Management with advice on how to tap new growth areas.

The **Special Committee for U.S. Business** met once in 2020 and prepared the Supervisory Board resolution in connection with the closing of the T-Mobile US business combination with Sprint in the United States as of April 1, 2020.

**Number of meetings attended by the individual members**

Supervisory Board member	Meeting	Attendance	Attendance rate %
<b>Prof. Dr. Lehner, Ulrich</b>	Supervisory Board plenary meeting/off-site conference	13/13	100 %
	General Committee	15/15	100 %
	Staff Committee	2/2	100 %
	Nomination Committee	4/4	100 %
	Special Committee for U.S. Business	1/1	100 %
	Audit Committee	1/1	100 %
	<b>Total</b>	<b>36/36</b>	<b>100 %</b>
<b>Sauerland, Frank</b>	Supervisory Board plenary meeting/off-site conference	13/13	100 %
	General Committee since March 27, 2020	13/13	100 %
	Staff Committee since March 27, 2020	2/2	100 %
	<b>Total</b>	<b>28/28</b>	<b>100 %</b>
<b>Schröder, Lothar</b>	Supervisory Board plenary meeting/off-site conference	13/13	100 %
	General Committee until March 26, 2020	2/2	100 %
	Technology and Innovation Committee	3/3	100 %
	Special Committee for U.S. Business until March 26, 2020	1/1	100 %
	<b>Total</b>	<b>19/19</b>	<b>100 %</b>
<b>Bednarski, Josef until April 30, 2020</b>	Supervisory Board plenary meeting/off-site conference	2/2	100 %
	General Committee	2/2	100 %
	Audit Committee	1/1	100 %
	<b>Total</b>	<b>5/5</b>	<b>100 %</b>
<b>Dr. Bössinger, Rolf</b>	Supervisory Board plenary meeting/off-site conference	11/13	85 %
	General Committee	14/15	93 %
	Audit Committee	6/6	100 %
	Nomination Committee	4/4	100 %
	<b>Total</b>	<b>35/38</b>	<b>92 %</b>
<b>Dr. Bräunig, Günther</b>	Supervisory Board plenary meeting/off-site conference	13/13	100 %
	Finance Committee	3/3	100 %
	Special Committee for U.S. Business	1/1	100 %
	<b>Total</b>	<b>17/17</b>	<b>100 %</b>
<b>Chatzidis, Odysseus D.</b>	Supervisory Board plenary meeting/off-site conference	13/13	100 %
	Staff Committee since November 27, 2020	1/1	100 %
	Technology and Innovation Committee	3/3	100 %
	<b>Total</b>	<b>17/17</b>	<b>100 %</b>
<b>Greve, Constantin</b>	Supervisory Board plenary meeting/off-site conference	13/13	100 %
	Finance Committee since March 27, 2020	3/3	100 %
	Special Committee for U.S. Business	1/1	100 %
	<b>Total</b>	<b>17/17</b>	<b>100 %</b>
<b>Hinrichs, Lars</b>	Supervisory Board plenary meeting/off-site conference	13/13	100 %
	Technology and Innovation Committee	3/3	100 %
	<b>Total</b>	<b>16/16</b>	<b>100 %</b>
<b>Dr. Jung, Helga</b>	Supervisory Board plenary meeting/off-site conference	13/13	100 %
	Special Committee for U.S. Business	1/1	100 %
	<b>Total</b>	<b>14/14</b>	<b>100 %</b>
<b>Prof. Dr. Kaschke, Michael</b>	Supervisory Board plenary meeting/off-site conference	11/13	85 %
	Audit Committee	6/6	100 %
	<b>Total</b>	<b>17/19</b>	<b>88 %</b>

Supervisory Board member	Meeting	Attendance	Attendance rate %
<b>Koch, Nicole</b>	Supervisory Board plenary meeting/off-site conference	13/13	100 %
	Finance Committee	3/3	100 %
	<b>Total</b>	<b>16/16</b>	<b>100 %</b>
<b>Kollmann, Dagmar P.</b>	Supervisory Board plenary meeting/off-site conference	12/13	92 %
	Audit Committee	6/6	100 %
	Finance Committee	3/3	100 %
	Nomination Committee	4/4	100 %
	<b>Total</b>	<b>25/26</b>	<b>96 %</b>
<b>Kreusel, Petra Steffi</b>	Supervisory Board plenary meeting/off-site conference	12/13	92 %
	Audit Committee	6/6	100 %
	<b>Total</b>	<b>18/19</b>	<b>95 %</b>
<b>Krüger, Harald</b>	Supervisory Board plenary meeting/off-site conference	13/13	100 %
	Staff Committee since November 27, 2020	1/1	100 %
	<b>Total</b>	<b>14/14</b>	<b>100 %</b>
<b>Marx, Kerstin since May 1, 2020</b>	Supervisory Board plenary meeting/off-site conference	11/11	100 %
	General Committee	13/13	100 %
	Audit Committee	5/5	100 %
	Staff Committee	2/2	100 %
	<b>Total</b>	<b>31/31</b>	<b>100 %</b>
<b>Seelemann-Wandtke, Nicole</b>	Supervisory Board plenary meeting/off-site conference	13/13	100 %
	Technology and Innovation Committee	3/3	100 %
	General Committee	3/3	100 %
	<b>Total</b>	<b>19/19</b>	<b>100 %</b>
<b>Spoo, Sibylle</b>	Supervisory Board plenary meeting/off-site conference	11/13	85 %
	Audit Committee	5/6	83 %
	Special Committee for U.S. Business	1/1	100 %
	<b>Total</b>	<b>17/20</b>	<b>85 %</b>
<b>Streibich, Karl-Heinz</b>	Supervisory Board plenary meeting/off-site conference	13/13	100 %
	Finance Committee	3/3	100 %
	Technology and Innovation Committee	3/3	100 %
	<b>Total</b>	<b>19/19</b>	<b>100 %</b>
<b>Suckale, Margret</b>	Supervisory Board plenary meeting/off-site conference	13/13	100 %
	Staff Committee	2/2	100 %
	Technology and Innovation Committee	3/3	100 %
	General Committee	3/3	100 %
	<b>Total</b>	<b>21/21</b>	<b>100 %</b>
<b>Topel, Karin</b>	Supervisory Board plenary meeting/off-site conference	13/13	100 %
	Finance Committee	3/3	100 %
	<b>Total</b>	<b>16/16</b>	<b>100 %</b>

### Conflicts of interest

Dr. Rolf Bösinger is a member of the Supervisory Board of Deutsche Telekom AG and, at the same time, State Secretary at the Federal Ministry of Finance. Dr. Günther Bräunig is a member of the Supervisory Board of Deutsche Telekom AG and is also CEO of the Executive Board at Kreditanstalt für Wiederaufbau (KfW). We are aware that Deutsche Telekom AG is currently involved in legal disputes in which the Federal Republic of Germany is the opposing party. There were no conflicts of interest requiring action with any of the aforementioned members of the Supervisory Board. Should a conflict of interest arise, the Supervisory Board members will discuss how to proceed with the Chairman of the Supervisory Board.

### Corporate governance

The Supervisory Board and Board of Management are aware that good corporate governance is an important foundation for corporate success. The provisions of the German Corporate Governance Code are hence reflected in the Company's statutes.

The Board of Management and the Supervisory Board last issued their Declaration of Conformity with the German Corporate Governance Code on December 30, 2020.

### **Training and development**

The members of the Supervisory Board take on the necessary training and development measures required for their tasks on their own and are supported by Deutsche Telekom AG in doing so with a range of options including information events and workshops – this year with a special focus on Board of Management compensation systems, risk management, and finance instruments – with internal and external experts. The Company offers new Supervisory Board members a customized program to introduce them to the industry and the situation of the Company. Furthermore, an annual special meeting is held to inform the members of the Audit Committee about the latest changes in the law, new accounting and auditing standards and any changes in corporate governance issues. The members of the Supervisory Board are also kept up to date about any new requirements for work on the Supervisory Board at the regular Board and committee meetings.

### **Changes in the composition of the Board of Management**

Birgit Bohle has headed up the extended Human Resources and Legal Affairs Board of Management department since January 1, 2020. Dr. Thomas Kremer, the Board of Management member for Data Privacy, Legal Affairs and Compliance, left the Group for reasons of age effective March 31, 2020. Until his departure, Dr. Kremer supported the transition to the new structures as part of a designated mandate.

Dr. Dirk Wössner, the Board of Management member for Germany, informed the Supervisory Board of Deutsche Telekom AG in early 2020 of his intention to leave the Group upon expiry of his service contract as of December 31, 2020. On June 18, 2020, the Supervisory Board of Deutsche Telekom AG appointed the former Board of Management member for Europe, Srinivasa Gopalan, as the new Board of Management member for Germany effective November 1, 2020. Dr. Wössner resigned from his position effective midnight on October 31, 2020. On September 7, 2020, the Supervisory Board of Deutsche Telekom AG appointed Dominique Leroy to succeed Srinivasa Gopalan as the Board of Management member for Europe effective November 1, 2020.

### **Changes in the composition of the Supervisory Board**

#### **Shareholders' representatives**

At the shareholders' meeting on June 19, 2020, Prof. Michael Kaschke was elected for a further term of office as a member of the Supervisory Board of Deutsche Telekom AG until the end of the 2025 shareholders' meeting.

#### **Employees' representatives**

Josef Bednarski resigned from his position as Supervisory Board member effective May 1, 2020 to coincide with his departure from Deutsche Telekom. Kerstin Marx was court-appointed to the Supervisory Board as his successor effective May 1, 2020.

Lothar Schröder resigned from his mandate as Deputy Chairman of the Supervisory Board effective March 27, 2020. The Supervisory Board elected Frank Sauerland as the new Deputy Chairman of the Supervisory Board effective March 27, 2020.

### **Review of the annual financial statements of the parent company and consolidated financial statements for the 2020 financial year**

The Board of Management submitted the annual financial statements, the consolidated financial statements, and the Group management report, which is combined with the management report of Deutsche Telekom AG (combined management report), together with its proposal for the appropriation of net income and the Corporate Governance Statement, to us in good time. The combined management report also included a separate section containing the combined non-financial statement for Deutsche Telekom AG and for the Group (combined non-financial statement) for the 2020 financial year.

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt/Main (PwC GmbH), which was appointed as auditor of the single-entity financial statements and auditor of the consolidated financial statements (external auditor) for the 2020 financial year by the shareholders' meeting on the recommendation of the Audit Committee and proposed for appointment by the entire Supervisory Board, audited the annual financial statements as of December 31, 2020, which were prepared by the Board of Management in accordance with the provisions of the German Commercial Code (Handelsgesetzbuch – HGB), and the combined management report, as well as the consolidated financial statements as of December 31, 2020, which were prepared in accordance with IFRS as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e (1) HGB, and the combined management report, and issued an unqualified audit opinion for each document. Moreover, PwC GmbH performed a limited assurance engagement on the combined non-financial statement for the 2020 financial year prepared by the Board of Management in respect of the disclosures required by law and issued an unqualified opinion in accordance with ISAE 3000.

The external auditor also confirmed to the Audit Committee and the Supervisory Board in their financial statement review meetings on February 24 and February 25, 2021, respectively, that there are no circumstances that may give rise to doubts about the external auditor's impartiality. In this context, the auditor also reported on any services rendered in addition to auditing services. In the Supervisory Board meeting on February 25, 2021, the Audit Committee informed us about its monitoring of the external auditor's independence while taking account of the non-audit services provided, and of its conclusion that the auditor continues to be independent as necessary.

The external auditor submitted its reports on the nature and extent as well as the result of its audits (audit report) to us. The documentation on the aforementioned financial statements, the external auditor's audit reports, and the Board of Management's proposal for the appropriation of net income were made available to the members of the Supervisory Board in good time. The same applies to the combined non-financial statement and the Corporate Governance Statement.

We conducted our own in-depth review of the documents submitted by the Board of Management and the external auditor's audit reports. In preparation, the Audit Committee had conducted a thorough review of the aforementioned documents. The annual financial statements, the consolidated financial statements, and the combined management report, as well as the Board of Management's proposal for the appropriation of net income were explained in detail by the Board of Management to the members of the Audit Committee at its meeting on February 24, 2021. The members of the Board of Management also answered the committee members' questions. Moreover, the external auditor also attended this meeting and reported on its audit, in particular the key audit areas defined in agreement with the Audit Committee and the Supervisory Board, and the main findings of its audit, and explained its audit report. The external auditor did not identify any material weaknesses in the internal control system at Group level, in the risk management system, or in the accounting process. The members of the Audit Committee acknowledged and critically reviewed the audit report and audit opinion, and discussed them, as well as the audit itself, with the external auditor. The review included questions about the nature and extent of the audit and about the audit findings. The Audit Committee satisfied itself that the audit and the audit reports were compliant. In particular, its members had assured themselves that the audit reports and the audit conducted by the external auditor met the legal requirements. The Audit Committee agrees with the external auditor that there were no material weaknesses, in particular with regard to the accounting process, in the internal control or risk management systems at Group level. The Audit Committee followed the same procedure for the report and the opinion on the combined non-financial statement. The Audit Committee recommended that we approve the results of the audit conducted by the external auditor and, since it had no objections to the documents submitted by the Board of Management, that we approve the annual financial statements and the consolidated financial statements; it also recommended that we not raise any objections against the combined management report or the combined non-financial statement, and that we support the Board of Management's proposal for the appropriation of net income.

We performed the final review of the annual financial statements, the consolidated financial statements, and the combined management report, as well as the Board of Management's proposal for the appropriation of net income, on February 25, 2021, taking into account the report and recommendations of the Audit Committee and the external auditor's audit reports. The Board of Management attended this meeting, explained the documents they had submitted, and answered our questions. The external auditor also attended this meeting and reported on its audit and the main findings of its audit, explained its audit reports, and answered our questions, in particular relating to the nature and extent of the audit and the audit findings. Based on this and the report presented by the Audit Committee, we were satisfied that the audit and the audit report were compliant. Hence, we approved the findings of the audit by the external auditor. The same applies to the combined non-financial statement contained in the combined management report.

Based on the final outcome of our review of the annual financial statements, the consolidated financial statements, the combined management report, and the combined non-financial statement, as well as the Board of Management's proposal for the appropriation of net income, no objections need be raised. The same applies to the Corporate Governance Statement even insofar as it is not to be audited by the external auditor. We followed the Audit Committee's recommendation and approved the annual financial statements and the consolidated financial statements.

The approval of the Supervisory Board constitutes formal adoption of the annual financial statements.

The Supervisory Board's assessment of the position of the Company and the Group is the same as that which the Board of Management presented in its combined management report. It followed the Audit Committee's recommendation and approved these documents. The same applies to the combined non-financial statement.

When dealing with the budget and medium-term planning on December 16, 2020, we conducted an in-depth examination of financial and investment plans, discussing in particular the development of earnings, free cash flow, the equity ratio, and balance sheet ratios. The Board of Management's proposal concerning the appropriation of net income was examined by the Audit Committee on February 24, 2021, and by the Supervisory Board on February 25, 2021. The external auditor was present at both meetings. We approved and supported the Board of Management's proposal to pay out shareholder remuneration of around EUR 2,846 million and to carry forward EUR 2,283 million to unappropriated net income.

We would like to thank the members of the Board of Management, all employees and the works committees for their commitment and dedication in the 2020 financial year.

Bonn, February 25, 2021  
The Supervisory Board

Prof. Dr. Ulrich Lehner  
Chairman