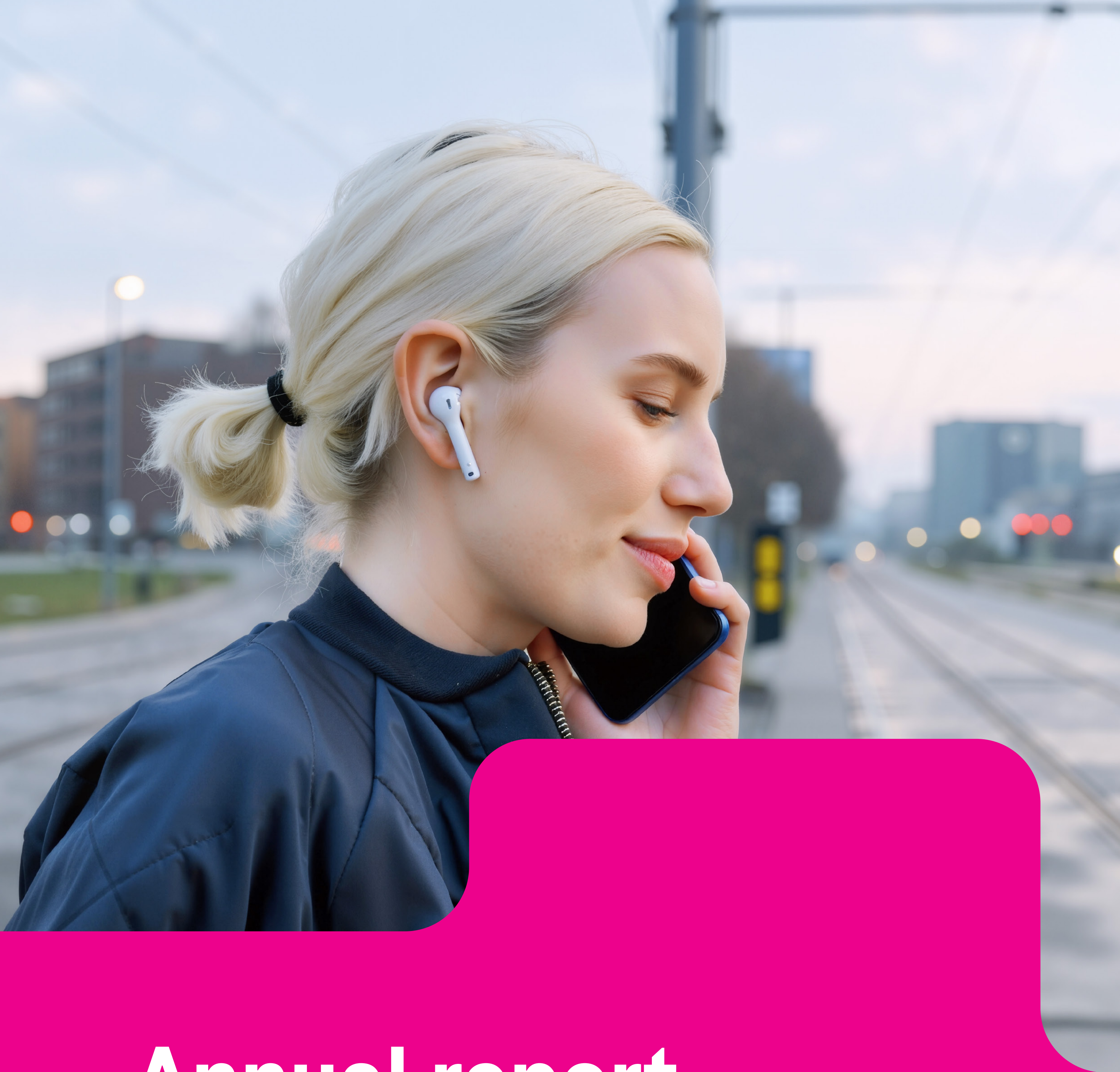
Slovak Telekom, a.s.

INDEPENDENT AUDITOR'S REPORT
ON THE AUDIT OF THE SEPARATE FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED IN THE EUROPEAN UNION
AS AT 31 DECEMBER 2025

AND

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

This is a translation of the original auditor's report issued in the Slovak language to the accompanying financial statements translated into the English language.



Annual report 2025

Slovak Telekom

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A foreword to the Annual Report 2025

What a remarkable year it has been! Put simply, 2025 was outstanding for Slovak Telekom: confirmed by all of our key financial performance indicators hand in hand with customer satisfaction as well as employees satisfaction.

Our performance and our relentless focus on customers have been translated into a trust in our brand. I am very proud on our contribution to our “T”brand - which has solidified its position as Europe’s most valuable corporate brand and the world's most valuable telecommunications brand.

Our continued success rests on the systematic implementation of our strategy. It gives us the necessary boost for realizing our vision of becoming the Leading Digital Telco. At the heart of our strategy are our approximately 2.3 million customer relationships. Without these customers, we cannot be successful. That is why we continue to forge ahead with our network build-out, and enable the best connections over our infrastructure for customers across entire Slovakia.

At the center of our strategy is the flywheel which we keep constantly spinning. We have done this by continuing to invest into our network more than our competitors - both in terms of fixed line as well as mobile.

In Slovakia, we play a pivotal role in digitization – for the households and businesses. We proved this yet again in 2025, meeting our expectations for this year in terms of the **fiber-optic build-out:** we give over 1.37 million households and businesses the option to subscribe to our fiber-optic lines. We are the growth engine for optical fiber in Slovakia.

Last year represented a milestone for our mobile network – with immediate impact hand in hand with a future commitment. Firstly, Slovak Telekom as the only telecommunications operator acquired all spectrum frequencies in the frequencies auction in summer 2025 with total investment of €164,84 million. This builds a strong foundation for our future success in providing innovative products and services to our customers – with a clear commitment to provide the best customer experience as the leading telecommunications provider in the country.

Second, we have completed a massive building of our 5G network which we started five years ago. We have concluded its biggest mobile network modernization and completed the mobile network sharing project with one of the operators. And then, in December, 2025 a historic milestone was been reached – and 99.1% of the population of Slovakia can access our high-speed mobile network. I am very proud that the superior quality of our mobile network has been confirmed by Telekom receiving several awards, and furthermore that Telekom has been named as the Best and the Fastest Mobile Network in Slovakia.

In this way – i.e., with such a superior infrastructure, Slovak Telekom can win over more and more people, and turn customers into fans by offering them the best products and the best services on the best network.

But it must never stop - which is why we are increasing momentum through **continued innovation.** We are making good progress with amplifying digitalization through the use of artificial intelligence (AI) – another element of our flywheel. AI opens up new access to knowledge and helps us to better use our resources in services, for example - and to improve our productivity. We believe that everybody should have access to the new technologies – we were the first operator in Slovakia to introduce Magenta AI, and the first AI Phone - the T Phone 3 and the T Tablet 2 in summer last year. We are the voice of democratising AI.

We take our brand promise of "Connecting your world" seriously. With new products and services, bringing new experiences and more important benefits to our customers – such as Magenta 1, bringing Netflix, Connect My Watch, the renewed EASY card. With our unique customer platform Magenta Moments with more than 770,000 users enjoying its wide portfolio of hundreds of offers across the year. With unique solutions for our business customers and the milestone of introduction of 5G SA for businesses last December. With bringing superior network experience to events which make difference – such as being a sponsor of UEFA U21 EURO or the popular Telekom Night Run.

With our ESG activities focusing on environment and circularity, with the successful 2nd year of the EKO coupon helping to collect used devices, as well as building digital society where more than 100,000 children have already passed our ENTER program covered within our Telekom Endowment Fund. With the focus on making digital space safe - for our customers thanks our new Click Security service, for young people and our efforts to combat online hate speech, as well as seniors through our five-year-long Ripe for Digital Age grant program. All of these elements are pivotal to our brand's reputation.

But for all of the success, we must not lose sight of what is important. That is why we stand by our convictions. Our more than 2 300 employees in Slovakia carry the responsibility for all of the people who place their trust in us. We are aware of this. We draw strength from this. And it gives us momentum.

I would like to finish on a personal note by saying how proud I am for having had the chance to lead such an exceptional team which discharge its duties with energy, passion building on our company values and respect for over a year.

Our commitment for the upcoming period remains - to be a leader in the Slovak telecommunication market, and to be a reliable partner for communities, too. With our management team and with our people across Slovakia, we will achieve this.

Melinda Szabó
CEO

2025 milestones

JANUARY
Telekom added the Slovak version of DVTV EXTRA to its TV offering and expanded the Magio Kino video library with local content, whilst also announcing price adjustments for Voyo and Max services.

FEBRUARY
Slovak Telekom received an Ookla award for the best and fastest mobile network in Slovakia, and launched the Supernetwork campaign with Jozef Murgaš. The iPhone 16e was added to the range. Magenta 1 was expanded to include the Connect my watch benefit - which allows customers to use one mobile number simultaneously in a Smartphone and a Smartwatch (Samsung Galaxy Watch7, Apple Series 10 and others). Sales of the highly-anticipated new products of the Samsung Galaxy S25 series commenced.

MARCH
Telekom launched the new JOJ Šport 2 and Jojko TV channels on all platforms, and received the **Ookla Speedtest Awards for the best and fastest mobile network in Slovakia** at the Mobile World Congress in Barcelona. At the same time, Telekom expanded Magenta 1 to include new benefits such as the Hungarian Extra Premium Package and Travel Insurance, and included the **Netflix** streaming platform. At the end of the month, Telekom announced that it had become the national partner of the **UEFA European Under-21 Championship** which was to take place in Slovakia in June. Telekom expanded the availability of optical internet thanks to another partnership with the Stredoslovenská distribučná electricity distributor.

APRIL
Magio TV added the premium World package with almost 30 international stations and 5G network coverage that reached 73% of the population. Telekom expanded its hardware range with new models from Xiaomi, Honor, and Google. The offer includes refurbished models from Apple and Samsung, new tablets, a deep fryer, a coffee maker and the Lenovo Legion Go S game console. Telekom also launched a new B2B campaign, which focuses on the increased need for awareness of cyber threats that Slovak companies and entrepreneurs face every day.

MAY
In May 2025, Telekom launched the "**Bullying Graduates" („Absolventi šikany“)** initiative, which drew attention to cyberbullying among young people. The project brought a website with professional assistance and a creative campaign with the song "Naked" by Richard Müller, in cooperation with IVO, Accenture and IPčko. During the Forbes Business Fest event, Telekom presented innovative solutions for mobile coverage with a drone signal in areas without the available infrastructure. In addition, at a joint press conference with the organisers of UEFA U21 EURO 2025, Telekom announced the strengthening of the infrastructure at football stadiums and pilot testing of a 5G campus network which will ensure the creation of a special band for the purpose of broadcasting television images via special transmission backpacks. At the same time, Telekom reported on the new 5G network coverage which reached 75.2%.

JUNE
To mark the occasion of the partnership with UEFA U21 EURO 2025, Magio TV added the ability to share images from a mobile phone to TV screens via the Google Cast / Chrome cast function to its mobile application. Slovak Telekom - as the national partner of UEFA U21 EURO 2025 - provided top-notch stable network infrastructure, including a 5G SA network in the stadiums.

The Cyber Game cyber security competition- for which Telekom was this year's partner - was officially judged at Slovak Telekom.

5G network coverage reached 77% of the population.

Telekom continued to support sustainability and ecological recycling, and once again introduced EKO coupons - thanks to which customers can return old mobile devices. A new feature is the possibility of convenient handing over of devices through Packeta's collection points.

Telekom - along with DT IT Solutions - introduced and tested the cutting-edge Drone@Onsite **drone detection system** which can be used for commercial purposes during the championship.

JULY

The auction results confirmed Slovak Telekom's position as a leader in network quality and digital innovation. The company invested 164.84 million Euros and secured blocks in all available bands - thereby strengthening its technological lead. This step will enable the further development of modern services, support smart solutions, and strengthen the digital transformation of Slovakia. Telekom modernised the Magio Internet air portfolio with significantly higher data volumes and launched a campaign for recycling devices with EKO coupons. New Smartphones from the Motorola and TCL brands, a TV, a Xiaomi fan, and Garmin sports accessories were added to the device range. Among the new products were this year's summer firsts of folding and unfolding models - including the latest Samsung smart watches. Telekom also considered customers who use smart watches in addition to their mobile phones - namely by expanding the Connect my watch service to include the possibility of using Samsung watches when travelling abroad in the form of phone calls and data.

AUGUST

Telekom launched a new service - Click Security - to protect against cyber threats, and introduced the **modernised iconic Easy prepaid card. At the same time, Telekom launched the next generation of its own devices: T Phone 3 and T Tablet 2, equipped with artificial intelligence. Further innovations included the launch of the Magenta AI assistant for all customers who use the Telekom application.** Magio TV expanded its sports offer with exclusive content from the Saudi Pro League thanks to the Strike TV channel.

SEPTEMBER

Telekom extended its cooperation on broadcasting the Premier League, and added women's tennis WTA to its range. Telekom **started pre-sales of Apple's new products** - including the iPhone Air model which works only on eSIM. On this occasion, it pointed out that it is the only operator in Slovakia that allows customers to switch from a plastic SIM to an eSIM directly via the iPhone interface - without the need to scan a QR code, visit a store or contact customer support, thanks to which customers can switch from their older Apple mobile phones to the latest iPhone Air model completely seamlessly. Telekom has also launched the long-awaited support for RCS and RBM messages for iPhones with iOS26.

OCTOBER

Slovak Telekom and O2 successfully completed the process of sharing mobile networks - which brings significant improvements in quality, coverage and technological capabilities for both operators. At the same time, **Slovak Telekom achieved a historical milestone in building a 5G network – with its coverage reaching 96.7% of the Slovak population.** The range of Telekom's own devices was expanded to include another model - the T Phone 3 Pro - which has advanced AI functions. At the end of the month, Telekom presented its richest Christmas special to date - which included thousands of gifts, discounts, competitions, and raffles through the Magenta Moments customer program. Autumn firsts also included the launch of a redesigned Telekom application with an inclusive design.

NOVEMBER

Telekom launched its most generous Christmas special in the Magenta Moments customer program full of benefits, experiences, and games which customers can find directly in the Telekom app. Contestants could participate in competitions and raffles for attractive prizes - including a new Volvo EX30 electric car.

The Magio TV television platform brought further improvements - expanding by two new sections: Radio and Children, thus expanding its multimedia range again. Telekom delighted a multitude of customers at the end of the year by expanding the Connect my Watch service to include roaming support for Apple Watch. Telekom also announced important personnel changes in the position of Director of Technology and IT - effective from January 1, 2026. Vladan Peković moved to the Deutsche Telekom Group and the original division will be divided into the Technology Division and the IT Division, which will be led by **Abbishek Goel and António Carlos Correia Fernandes.**

DECEMBER

Telekom ended the year in a technological way by **expanding the eSIM transfer service, and was the first operator in Slovakia to enable eSIM transfer directly in the settings of Android phones.** At the same time, Telekom demonstrated its technological leadership in the form of the first successful European testing of a **50G-PON connection** of mobile base stations. Telekom ended 2025 by achieving **99.1% 5G network coverage of the Slovak population and making a 5G Standalone network** available in the same area.

The Slovak Telekom Group profile

Slovak Telekom group is part of the worldwide Deutsche Telekom group of companies. The unmisstakeable graphic symbol of the associated companies is the magenta "T", which also represents the international values recognized by the employees of all the companies.

Identical values for all Deutsche Telekom Group companies:

- Customer satisfaction and enthusiasm are our driving force.
- We act responsibly and with respect.
- Together or separately - we are one team.
- The best place for performance and growth.
- I am T - count on me.

Composition of the group

The Slovak Telekom Group consists of the Slovak Telekom, a.s. parent company (hereinafter Slovak Telekom) and its subsidiaries - Telekom Sec, s.r.o. (hereinafter Telekom Sec), and DIGI SLOVAKIA, s.r.o. (hereinafter referred to as DIGI SLOVAKIA). As a provider of complex telecommunications services, the Slovak Telekom Group provides its customers with fixed network services, internet connections, digital and cable television services, data services, end-user equipment sales, call centre services, mobile communications, and security services (Telekom Sec).

The sole shareholder of Slovak Telekom (Demerged Company) decided in accordance with the Transformations Act on demerger by spin-off by merger whereby, as part of the implementation of the transformation process, the Demerged Company was divided by spin off a selected part of the assets of the Demerged Company and merged with Slovak Telekom Infra, a.s. (Successor Company), on the effective date as at 1 June 2024. The Group has assessed the demerger by spin-off by merger and concluded that the demerger by spin-off by merger does not lead to the loss of control by Demerged Company over Successor Company. As the result, Slovak Telekom consolidates Slovak Telekom Infra, a.s.

All information in this annual report which is presented in connection with the Slovak Telekom group concerns all the companies that make up the group.

The accounting Slovak Telekom unit does not have an organizational component abroad.

A member of Deutsche Telekom

Slovak Telekom is part of the multinational Deutsche Telekom Group. Deutsche Telekom is the world's leading telecommunications company, providing services to more than 250 million customers in 50 countries. The majority shareholder of Slovak Telekom is Deutsche Telekom Europe B.V. with a 100% share. The ultimate parent company of Slovak Telekom is Deutsche Telekom AG.

All required financial and non-financial information - including the requirements of EU Regulation 2020/852 establishing a framework to facilitate sustainable investments that are not included in this annual report will be included in Deutsche Telekom's annual report.

Governing bodies

Executive management

Melinda Szabó
Chief Executive Office and Vice-Chair of the Board of Directors
Melinda Szabó has more than 25 years of experience in the telecommunications business, and has spent a significant part of her professional career at Magyar Telekom, and several years at Vodafone and other companies. In July 2018, Melinda was appointed to the position of Chief Commercial Officer for Residential Services at Magyar Telekom, and in January 2020 became the Commercial Director of Magyar Telekom - with her scope of responsibilities expanded to the SoHo and SMB segments. From September 2022, she worked in the position of Senior Vice President for B2C Growth Europe at Deutsche Telekom and reported directly to Dominique Leroy, member of Deutsche Telekom's board of directors for the European segment. As of June 1, 2024, Melinda is the CEO of Slovak Telekom and T-Mobile Czech Republic.

Pavel Hadrbolec
Chief Financial Officer
Pavel Hadrbolec has a wealth of experience in the telecommunications industry. In 2000, Pavel joined the then Oskar (now Vodafone) - where he took care of long-term planning and cash flow in various analytical and project positions, thereby helping to bring a third operator to the Czech market. From 2004, Pavel worked at T-Mobile Czech Republic, where he held several professional and managerial positions in the financial division and played an important role in the integration of T-Systems and GTS. Between 2016 and 2019, Hadrbolec served as vice president of performance management for Europe at parent company Deutsche Telekom. Since April 1, 2019, Pavel has been CFO at Slovak Telekom and T-Mobile Czech Republic.

Jitka Adámková
Chief People, Law and Integrity Officer
Jitka Adámková is a Doctor of Law (Masaryk University, Brno) and holds an MBA. Jitka started her professional career as a labour law specialist in Zbrojovka Brno, and since 2002 she has combined her professional development with the energy industry – first working as HR director at Jihomoravská plynárenská, and later for the entire RWE group in the Czech Republic - where she participated in restructuring projects to a significant extent. Up until 2014, coordinated HR CEE activities within innogy, then for three years she worked as an executive & COO at innogy Customer Services in the Czech Republic. She eventually moved to the position of Senior Vice President for Applied Excellence & Change in the Essen headquarters of the innogy group. Jitka Adámková brings extensive management experience from the international environment to the Deutsche Telekom Group.

Vladan Peković
Chief Technology and IT Officer
Vladan Pekovič studied electronics at the University of Podgorica and gradually completed courses at ESMT Berlin, ESSEC Business School, and Duke University. Between 2000 and 2004, gained a wealth of experience in technological positions at Ericsson in the USA, Mexico, and Algeria. He worked as the director of the technology division at M:Tel for two years, and in July 2009 joined the Deutsche Telekom group. He first held a post in Montenegro as program director, and subsequently as Director of Network and Operations. He leater worked in Poland for a year, and in 2014 became director of IT and Technology in Montenegro. In November 2017, joined Telekom Romania as IT and Technology Director. After three years, he became the CEO of Telekom Romania, and after a further year gained the position of technology and IT director at Slovak Telekom and T-Mobile Czech Republic.

Martina Kandera
Chief Commercial Officer B2C SK
Martina Kandera worked for Slovak Telekom for almost 20 years and gradually gained a wealth of experience in the field of sales and customer channel management, was responsible for the VSE and SME segments, and led several programs in the retail sector. In January 2022, Martina moved to a new position directly at Deutsche Telekom headquarters where she managed the Channel Strategy Europe segment in which she developed and implemented a new sustainable and forward-looking channel strategy alongside all countries across the many subsidiaries of the DT parent group. At the same time, Martina successfully managed the One Call Center project and the international Winners Circle reward program. At Slovak Telekom, Martina has held the new position of Director of the Commercial Mass Market Division since June 17, 2024.

Peter Laco
Chief Commercial Officer B2B SK
Peter Laco graduated from the Bratislava University of Economics, and a few years later received an MBA degree at Nottingham Trent University in Great Britain. Between 2002 and 2011, Peter gained extensive management experience at KPMG Slovakia. Between 2012 and 2018, he worked at IBM, where he was initially the director of the software division, then later sales director and head of the Slovak branch. Peter came to Slovak Telekom from KPMG - where he gained further experience in the field of management, sales and consulting services. From September 2020, he worked in the position of head of sales to corporate customers, and in June 2021 he became director of the Enterprise segment.

Members of the Statutory Boards at 31 December 2025

Board of Directors

Chair:
- Armin Sumesgutner (since 29. 04. 2020) – re-elected for another 5 years since 29. 04. 2025

Vice-chair:
- Melinda Szabó (since 1. 6. 2024)

Member:
- Danijela Bujic (since 1. 10. 2021)

Supervisory Board

Chair:
- Mirela Seserko (since 1. 3. 2024)

Members:
- Peter Vražda (since 20. 03. 2023)
- Martin Švec (since 02. 10. 2020) – re-elected for another 5 years since 02. 10. 2025

Audit Committee

Members:
- Yasmin Riaz (since 01. 05. 2025)
- Vladimir Lucev (since 01. 03. 2024 till 30. 04. 2025)
- Danijela Bujic (member since 11. 10. 2021, chair since 11. 03. 2022)
- Martin Švec (since 20. 03. 2023)

02 **Business activity report**

Technologies, services, and products

In developing and improving its services and products, Slovak Telekom consistently focuses on delivering an outstanding customer experience and addressing customer needs. The company systematically invests in the modernization and expansion of its connectivity portfolio, with optical networks and 5G technology playing a key role.

Telekom operates in both the B2C and B2B segments, introducing innovative technological solutions and modern services that contribute to the advancement of digitalization in Slovakia. In 2025, the Group achieved consolidated revenues of EUR 886.244 million.

TOP connectivity: record coverage, modernisation and European innovations

Mobile network quality awards and measures
Slovak Telekom has achieved extraordinary successes that confirm its position as a technological leader in Slovakia. Prestigious awards from Ookla for the best and fastest mobile network for the second half of 2024 are proof of the top quality of Slovak Telekom's services.

The official Speedtest Awards ceremony took place on March 4, 2025 at the Mobile World Congress in Barcelona, where Slovak Telekom representatives accepted awards. These achievements reflect long-term investments and the ability to provide customers with an exceptional experience - from making phone calls, watching high-definition videos, to stable connections during video calls. The awards also demonstrate that Telekom's network stands up to international comparisons and is among the best in Europe.

Investments and modernisation of the mobile network
Slovak Telekom is the largest investor in the Slovak telecommunications market - investing an average of more than EUR 150 million in infrastructure and technology annually. In 2024–2025, Slovak Telekom implemented the most extensive modernization of the mobile network in the company's history. The modernisation included the deployment of new radio parts, antennas, expansion of the transport network capacity, and the connection of transmitters to optics. The result is a modern Supernetwork with higher density, better coverage inside buildings, and readiness for future generations of networks. This project improves connection consistency, reduces energy consumption and responds to the growing demands of customers who transfer increasingly large volumes of data. More than 60.3 PB of data was transferred in the 5G network and reached 33.5% of total data traffic at the end of December 2025. Compared to the previous year, 2.4 times more data was transferred over 5G year-on-year. At the same time, up to 80% of all calls today are transmitted via the modern VoLTE voice standard.

Expansion of optical infrastructure
Telekom is making intensive progress in enabling access to optical services and covering other areas with its optical network. This is being achieved primarily thanks to Telekom's own infrastructure construction, as well as the fact that it is the only operator on the market to have an agreement with all three major electricity distributors on access to their optical networks. Cooperation with Západoslovenská distribucná started in June 2023, followed by the commencement of cooperation with Východoslovenská distribucná at the beginning of 2024, and Stredoslovenská distribucná joined in the first quarter of 2025. Since the beginning of the year, more than 139 thousand households have gained access to optical internet through all distribution companies. The total number of available optical connections (FTTH) has reached 1,374 million households. This growth was achieved thanks to a combination of Telekom's own investments and cooperation with energy companies.

Support for major events
Slovak Telekom once again confirmed its technological dominance during the UEFA U21 EURO 2025 football championship which took place from June the 11th to the 28th at eight stadiums across Slovakia - including the National Football Stadium in Bratislava. Slovak Telekom significantly strengthened its network infrastructure to ensure seamless connectivity for tens of thousands of fans who could fully enjoy the atmosphere of the matches and share their experiences in real time.

Telekom built a completely new infrastructure at the stadiums in Prešov and Žilina, while the existing network was modernized in Trencín, Košice, and Dunajská Streda. Thanks to these steps, the network was able to serve thousands of devices without any outages during the busiest matches. During the Slovakia - Spain opening match in Bratislava alone, more than 644 GB of data was transferred - which is three times the usual daily volume over a standard transmitter. The average download speed reached more than 55 Mbps, which allowed fans to share photos, videos, and streams without restrictions. In total, 8.5 TB of data was transferred during the championship and customers made over 77,000 minutes of calls.

More than 92,000 Slovak Telekom mobile customers connected to all matches, with the highest number being at the Slovakia vs. Italy match - with over 8,000 fans. Foreign visitors were not left behind: more than 16,500 roamers connected to the Telekom network, enjoying the best moments right in the stands. Slovak Telekom as once again showed that reliable connectivity and top-notch technological preparation are the basis for an unforgettable experience for fans even during the biggest sporting events.

Frequency spectrum Auction: Investing in the future
The auction results confirmed Slovak Telekom's position as a leader in network quality and digital innovation. Slovak Telekom invested the most among all participants in the spectrum auction - EUR 164,84 million - and obtained blocks in all available bands. As the only operator in Slovakia to do so, Slovak Telekom covers the entire spectrum - which will allow it to maintain a technological lead and provide the best mobile network.

The new frequencies are the basis for the further development of the high-capacity 5G network and future technologies - strengthening capacity, improving coverage, and enabling innovations that will support the digital transformation of Slovakia. This step confirms Slovak Telekom's long-term commitment to investing in infrastructure and being a reliable partner for customers, companies, and public institutions.

European technological innovation
In 2025, Slovak Telekom became the first operator in Europe to implement 50G-PON technology for connecting mobile base stations. This innovation brings speeds of up to 25 Gbps for BTS stations and prepares the infrastructure for future generations of mobile networks.

50G-PON is the latest optical network standard that allows data to be transmitted at speeds of up to 50 gigabits per second while using the existing infrastructure without the need to build completely new networks. Thanks to this, Telekom reduces costs, increases capacity, and ensures stable connectivity even in places with a high concentration of people. This step puts Slovak Telekom at the forefront of technological innovation and furthermore confirms its leading position in the field of digital development.

Mobile Network Consolidation: Stronger Coverage and Faster Innovation
In 2025, Slovak Telekom and O2 successfully completed the consolidation of mobile networks, which followed on from the historic technology sharing agreement of 2023. This unique project brought fundamental improvements - faster deployment of network innovations, higher mobile network quality, and more efficient use of resources.

The result is a denser and more powerful network for both operators, expanded coverage, and higher capacity - which directly improves the customer experience. The consolidation additionally creates space for faster development of 5G technology in Slovakia and brings a positive environmental impact through infrastructure optimization.

5G coverage: milestones and expansion
Telekom has reached historic milestones in 5G network coverage - starting the year with 70.1% and gradually expanding to reach a record 99.1% of the population of Slovakia by 31.12.2025. The latest network is available for 2,826 municipalities and 141 cities. In addition to the intensive expansion, several interesting and iconic locations where 5G is currently available were also added – Lomnický štít, Zelené pleso, the football stadium in Žilina, the Duchonka recreation area, and Chata Vrátna. In parallel, separate 5G Standalone (SA) architecture was launched which will bring higher performance, lower latency, and new options in the first stage for corporate customers. Later, the network will also be intended for residential customers. This success means that Slovakia is among the countries with the best mobile coverage in Europe and is ready for future digital services.

TOP services: From Magenta 1 to the return of Easy, from the launch of Magenta AI artificial intelligence to the most generous Christmas special thanks to Magenta Moments

Magenta 1: More benefits, more options
2025 saw the expansion of the Magenta 1 benefit portfolio with the **Connect my watch** service, which allows you to use one number on both your Smartphone and your Smartwatch. Slovak Telekom was the **first operator in Slovakia** to launch this service for both the **Apple Watch** and the **Samsung Galaxy Watch**, thus once again confirming its technological leadership. Customers can use the latest generations of devices - including the Apple Series 10 and Samsung Galaxy Watch7. The service brings maximum flexibility - and is also available as a benefit in Magenta 1 and can furthermore be used repeatedly for multiple devices in the group. In addition, Telekom was the first in Slovakia to introduce roaming support - thanks to which customers can make calls in more than 75 countries around the world and also use data within the EU+, without having to carry a phone with them.

Mobile freedom and simplicity
Significant changes have also occurred in the No Commitments program, which has become an ideal choice for seniors. The basic package already includes unlimited calls within the Telekom network for a monthly fee of 5 Euros. All additional packages are available without commitment, which brings greater flexibility and clarity.

Airborne internet: More data, greater flexibility
Telekom has modernised the Magio wireless Internet portfolio. The new Start, Ideal, and Max packages offer up to 1500 GB of data - which is a threefold increase compared to the original deal - and simplified selection according to customer needs. The improvements also include access to more modern technical equipment which ensures an even more stable connection.

Digital security and sustainability
Telekom has not forgotten about digital security and sustainability. The new **Click Security** service protects customers from fraudulent websites and cyber threats directly at the network level.Telekom continued to support sustainability last year, and expanded its ecological initiative. **From July 1, 2025, customers could receive EKO coupons worth up to €90 for handing over old and non-functional devices** - Smartphones, push-button phones, laptops, mobile routers, tablets, and smart watches. **A new feature is the possibility of conveniently handing over devices through Packeta's distribution points - of which there are more than 3,000 in Slovakia.**

Artificial intelligence for everyone
Telekom was the first operator in Slovakia to launch **Magenta AI** – a free AI assistant in the Telekom app that helps with planning, translations, texts, and everyday tasks. Alongside **Magenta AI**, Telekom introduced the **most affordable AI devices on the market – T Phone 3, T Phone 3 Pro and T Tablet 2** - opening the door to a world of artificial intelligence available to everyone.

Easy card: The return of a legend with endless possibilities
Telekom's prepaid services have undergone a major innovation. 2025 brought a **great comeback for the Easy brand** which had been an integral part of the Slovak market for more than two decades. Telekom revived this iconic prepaid card and enriched it with modern features that reflect today's customer needs. The Easy card introduced Daily Infinity - an automatically activated service that starts whenever a customer spends 2 Euros during the day. From that moment on, they have unlimited data (25 GB at full speed, then 1 Mbps), unlimited calls and SMSes within Telekom, as well as calls and messages to other networks with a fair monthly limit until midnight. Daily Infinity is activated automatically, but the customer can also turn it on separately as a package, gaining complete control over their spending. The Easy card also offers 7-day and 30-day packages, with members of the Magenta 1 group receiving double the amount of data, minutes, and messages without additional fees.

A Generous Christmas Offering: Gifts, Experiences and Magenta Moments
Telekom prepared the richest Christmas offer in its history. From October 30, customers could choose gifts according to their needs – from premium Smartphones, TVs, and home appliances to game consoles and laptops. The offer included popular twins and triplets with the Samsung, Xiaomi and Honor brands, which brought combinations of devices for the whole family. The **Magenta Moments Christmas calendar** from November 3 to December 24 revealed new surprises every day - from bonus data, special offers, and instant gifts to raffle games for extremely valuable prizes - including a Volvo EX30 electric car, luxury holidays, and game consoles. Customers also received exclusive benefits - 15 GB of free data, a day of infinite data, Magio TV for half price for six months, and HBO Max for two months free of charge. The festive atmosphere was ensured by the Magio TV Christmas channel with ad-free content which offered more than 80 films and fairy tale classics.

This Christmas campaign also included the launch of the new **Easy Kids** which expanded the range of prepaid services with a package designed for children. Easy Kids offers 5 GB of data and 50 units for calls or SMS for a bargain price of 10 Euros for 30 days, along with unlimited calls to two numbers within Slovakia. Magenta 1 members automatically receive double the volume - 10 GB of data and 100 units. During Christmas, Easy Kids also brought a special collection of LEGO® gifts that customers could pick up at Telekom stores - combining digital fun with playful surprises.

Technological leader
Slovak Telekom became the first operator in Slovakia to launch **RCS messaging** support for Apple devices - opening a new era of communication between iOS and Android. Slovak Telekom also brought technological leadership in the field of **eSIMs - enabling eSIM transfer directly in the iPhone settings and later Android** without the need to visit a store or scan QR codes. These innovations significantly simplify the lives of customers and confirm the company's technological leadership.

Telekom also launched a **redesign of its mobile application** which brought an inclusive design, easier operation, and better accessibility. The new version of the application became the centre of the digital customer experience - from service management to Magenta Moments which offered a calendar full of surprises and exclusive benefits during Christmas.

The vision for the future
Slovak Telekom delivered a multimedia experience that combines global trends with local values - from technological innovations, to secure and sustainable solutions. Slovak Telekom will continue to expand its service portfolio and bring innovations that change the way Slovak customers live their digital lives.

From sports to Netflix: A year full of firsts in the television segment

In 2025, Slovak Telekom reaffirmed its position as a leader in digital television entertainment. The company significantly expanded its Magio TV range and brought customers new options that combine high-quality content, technological innovations, and local relevance.

Television content expansion
Telekom enriched its range with attractive new products that respond to the changing preferences of viewers. The Slovak version of DVTV EXTRA was added to the program structure - a news channel that brings current social topics, interviews, and podcasts from renowned Czech and Slovak creators. Magio TV customers also gained access to exclusive content in the Magio Kino video library via the internet - including works from creators such as Silné reči, MrPyco, and PPPíter.

Sports and family fun
Telekom expanded its sports range with the new channel - JOJ Šport 2 - which brings attractive broadcasts of hockey, football, basketball, and winter sports. At the same time, the children's segment was enhanced with the Jojko channel which offers safe and entertaining content for the youngest viewers. Football fans were thrilled with the inclusion of the Saudi Pro League and the continuation of cooperation in broadcasting the Premier League, supplemented by WTA women's tennis.

Global brands and premium packages
Slovak Telekom added one of the most sought-after benefits to its Magenta 1 range - Netflix, thereby strengthening the attractiveness of its portfolio. Customers additionally received a new premium package - Svet - with more than 30 international TV stations that expand the cultural and linguistic experience.

Magio TV once again with Christmas content full of comfort
During the Christmas holidays, Magio TV brought its customers a special Christmas video playlist with exclusively prepared ad-free content which was already among the most popular during previous Christmases, and achieved the highest viewership. From December 1st until mid-January 2026, viewers could enjoy a festive mix of fairy tales, family films, comedies, and legendary titles such as **Pelíšky, Perinbaba, Kolja, Noc na Karlštejně, Anjel Pána 2, S čerty nejsou žerty, Veselé Vianoce prajú chobotnice, Pacho, hybský zbojník, Matka, Šťastný nový rok 2, Daddy Cool,** a **Je prostě báječná.** The special channel offered more than 80 films and was available as the third roster channel on Magio TV via the internet.

Telekom expanded its holiday offer from December 9th with a special film collection with current movie hits which customers could activate simply by obtaining a unique code in the application. After redeeming the code, a collection of films became available which included titles such as: **Maria, Karate Kid: Legends, European Grand Prix: Paws on the Pedals!, Stolen Girl, Dracula**, and many other movie hits.

Technological innovations for a better experience
Magio TV introduced a **Google Cast/Chromecast image sharing feature** which allows the transfer of content from your mobile to the big screen without additional hardware. Another new feature is the Radio section with almost 30 Slovak stations and a **special CHILDREN'S category** which offers hundreds of hours of fairy tales and animated series in a safe environment.

Flexibility and transparency
Telekom responded to price changes for Voyo and Max streaming services, providing customers with clear information and maintaining benefits for bundled services - thereby confirming its commitment to fairness and transparency.

Television entertainment in a new dimension
Slovak Telekom significantly expanded and innovated its television portfolio in 2025 to bring customers a viewing

experience that goes beyond traditional boundaries. Our strategy is based on three pillars: richer content, technological innovation, and a multi-platform approach.

Expansion of the device portfolio and technological innovation in 2025

2025 was an exceptionally dynamic year for Slovak Telekom in the area of hardware, bringing customers a wide range of new products - **from premium Smartphones through Smartwatches to Smarthome applications.**

Spring premium Smartphones and iconic brands
In February, the new **iPhone 16e** was added to the range and available on pre-order. In the Android device segment, **Samsung** expanded its portfolio with the **Galaxy A56** and **A36** - building on the success of previous generations.

The spring also saw the launch of the latest **Samsung Galaxy S25** collection which brought higher performance, a top-notch camera, and new AI features. Other news were the **Ultrahuman** and **Samsung smart rings** designed to monitor vital signs.

New products from Google and refurbished models
In April, the **Google Pixel 9 Pro** was added - strengthening the range of premium devices. At the same time, Telekom continued its circular economy strategy - the range was expanded with refurbished **iPhone 14 Samsung Galaxy S23** and later **iPhone 13 Pro** models. This supported ecological solutions and the availability of premium devices at more affordable prices. This year's news also included the **Krups Nespresso Essenza Mini capsule coffee machine**, designed for coffee lovers.

Just before the start of the school holidays, a new design was added - the **Xiaomi Tower Fan**

Summer news from Samsung and Deutsche Telekom's own models
July belonged to Samsung - which launched the foldable **Galaxy Z Fold 7** and **Z Flip 7** Smartphones, as well as the **Galaxy Watch 8** Smartwatch with LTE connectivity and built-in Google Gemini AI. These devices brought higher performance, a more durable design and new AI features. Customers could choose from several handy household helpers this summer, as the **Xiaomi Robot Vacuum X20+** and the **Xiaomi Smart Air Fryer** went on sale.

In August, the long-awaited **T Phone 3** and **T Tablet 2** models were launched with the natively integrated Magenta AI assistant, offering features ranging from a personal assistant to creative AI tools in the camera. In October, the **T Phone 3 Pro** was added with higher performance, a triple camera with AI optimization, and a #GreenMagenta ecological rating.

A September of Apple innovations
In the autumn, Telekom launched the latest **iPhone 17** model line which brought several innovations in performance and design. The generation also included the **iPhone Air** - the thinnest model in the brand's history with its impressive premium workmanship and low weight. The September portfolio also included the flagship **Google Pixel 10 Pro.**

A year end packed with devices and gaming news
The biggest Christmas special attraction was the opportunity to choose devices according to one's own preferences. Customers could choose a gift for their flat rate, internet or TV service – a **Single** device (**Single**), a pair (**Twins**) or three devices (**Triplet**). The selection included **premium Smartphones, home electronics** and unconventional hardware for business customers, such as the **HP Colour LaserJet Pro MFP 4302dw printer.** Up to eight attractive combinations were available, while customers received an additional €20 bonus when ordering **Samsung** and **Xiaomi** "twins" online.

The offer included the LG QNED evo MiniLED and the **Philips 4K UHD** TVs, the Samsung Bespoke AI Jet Life Pet stick vacuum cleaner, the KRUPS Intuition Experience+ automatic coffee machine, game consoles including **PlayStation 5 PRO Nintendo Switch 2, Lenovo Legion Go S** and the **Lenovo LOQ Essential 15IRX11** gaming laptop. Also new was the **LEGO® Friends** Apartments building set and limited edition LEGO® Friends and **LEGO® Minecraft®** figures available with the new EASY Kids package. Just before Christmas, Telekom pleased cooking lovers by including the top-of-the-line **Tefal Dual Easy Fry Flex 9l** fryer in which customers can easily prepare food for up to 8 people.

Wearable electronics and audio devices
Throughout the year, new products in the field of wearable electronics were also added. In addition to the already mentioned **Galaxy Watch 8** Smartwatch, the range also included the **Apple Watch SE 3 Apple Watch Series 11** - including the **Apple Watch Ultra 3.** Telekom also included the latest wireless **AirPods Pro 3** headphones and the very popular **Garmin Venu 4** model in its portfolio – a device which hides cutting-edge technologies for sports and outdoor use in its steel body, including solar charging and a built-in LED flashlight. New products included the Garmin HRM 600 chest strap which fully complemented the product range for active customers.

Brands such as **Xiaomi**, **Honor** and **Motorola** have enriched the range with a number of devices that have regularly ranked among the best-selling in the monthly rankings. It is also worth mentioning the special edition of the Motorola Edge 70 mobile phone, with which customers received 4 additional devices in the form of a **Moto Watch Fit** a special **Moto Tag** locator, and two wireless headphones - **Moto Buds Loop Swarovski**, and **Moto Buds Loop Green.**

ECO coupons on sale again

Last year, Telekom continued its campaign to encourage customers to return old mobile phones often left unused in households. After collection, these devices are sent for professional recycling, thanks to which the precious metals are reused in the production of microchips. For each phone returned, customers received an **ECO coupon** of up to €90 which they could use when purchasing a new device.

T-Business

In 2025, Slovak Telekom significantly expanded its offerings for corporate customers in line with the “beyond connectivity” strategy. The most significant innovations included the All4Business Communication service - a managed virtual switchboard that integrates corporate communication (landline and mobile calls, call centre, chatbots/voicebots, and conferences) into a single solution. This innovation brings customers more modern communication without the need to invest in their own switchboard, and increases the efficiency of customer care.

Telekom further strengthened its **Telekom Cloud** services by adding GAD disk (concurrent data storage at two geographically separated storage facilities) and **Immutable Backup** resistant to deletion), thus increasing the availability and security of data for companies.

In the IoT area, Telekom introduced a standardized **Business Asset** solution for the real-time tracking of corporate assets (e.g. vehicles and equipment) via the NarrowBand-IoT network. Customers can effectively monitor the location and status of their assets online and prevent losses. In response to market needs in the cyber area, the **Cyber Security Manager** services (an outsourced expert for overseeing corporate security), and the one-time **Security Scan** audit (an in-depth vulnerability analysis with recommendations) were added.

RCS Messaging for Apple devices has made rich, interactive communication available – Telekom became the first operator in Slovakia with RCS messaging for iPhone - which elevates traditional SMS to the level of modern digital marketing. Thanks to RCS, companies can reach customers in a more attractive way (messages with buttons, images) regardless of the platform. These innovations demonstrate Slovak Telekom's ability to deliver comprehensive ICT solutions and value beyond connectivity.

Digitalization and customer experience

2025 also brought several initiatives aimed at simplifying and digitizing the customer experience for corporate clients. Telekom modernized and simplified the Magenta Business Rewards loyalty program for the SME segment - since February 2025, a new generation has been operating that motivates companies to use a wider portfolio of services (mobile, fixed, and ICT) in exchange for attractive discounts and rewards.

Telekom additionally improved its digital care channels – the Moja Firma self-service portal received new functions (ordering devices and licenses online, managing shared data, detailed reports) which allow customers to manage services conveniently via the Internet. These improvements - along with the redesign of websites for business clients - contributed to higher satisfaction and an increase in the number of active users of digital self-service.In July 2025, Slovak Telekom also completed the rebranding of the competence for corporate customers – the local name **T-Biznis** was replaced by the unified group name **T Business.** The unification of the brand across the entire DT group helps to communicate the portfolio for companies in a consistent and modern way.

Technology leadership and partnerships

Telekom consolidated its **technological leadership** in the domestic B2B market in 2025. In the third quarter, Telekom further strengthened its leading position in the field of **SD-WAN network solutions** and remained the leader in the Slovak market - gaining the trust of large customers with several new projects - for example, the deployment of SD-WAN connectivity for **customers with hundreds of branches**.

As part of the expansion of its connectivity portfolio, Telekom launched **satellite internet** (in cooperation with Starlink) – a new broadband connection for businesses in remote locations. This service additionally serves as a backup connection for critical operations, and ensures almost 100% coverage of the territory - which significantly increases the resilience of corporate networks.

Telekom furthermore supported significant technological projects: during the **UEFA U21 EURO 2025** tournament, Telekom was the first in Slovakia to deploy a 5G Standalone campus network for live television broadcasting. Thanks to 5G transmission “backpacks”, it was possible to stream matches in real time wirelessly - which was an innovative first in the sports environment. In June, Telekom successfully tested the **Drone@Onsite** system for drone detection – a pilot project in Bratislava demonstrated the functionality of a sensor network capable of monitoring and protecting airspace from unauthorized drones.

These partnerships and pilots (with leaders like SpaceX, and with the subsidiary DT IT Solutions) demonstrate that Slovak Telekom brings cutting-edge technologies into practice and sets the trend in innovation.

Marketing and communication with the business community

In 2025, Slovak Telekom was intensively involved in the business community through several events and campaigns. In May, Telekom was the main technology partner for **Forbes Business Fest 2025**, the largest business festival in Slovakia. Telekom provided top-notch connectivity for thousands of participants and presented innovative solutions - such as drones for crisis situations in the 5G network.

The successful series of **Vertical Events** for corporate customers continued in the fall. During these workshops focused on sectors such as manufacturing, retail and hospitality, Telekom presented specific innovations and successful case studies – for example, digitalization solutions for hotels and restaurants (visitor analytics, targeted marketing via RCS messages, kitchen IoT sensors) in cooperation with the AHRS industry association.

In terms of communication, the long-term emphasis on security continued: the "**Don't let data leak**" campaign continued, drawing attention to the risks of corporate data leaks and promoting the **Magenta Security and Backup** protection service package.

In the area of image marketing, Telekom launched the new "**T Business - Your partner for digitalization and growth**" brand campaign which ran simultaneously across the entire Deutsche Telekom group. The campaign reflected the challenges of digital transformation across industries and emphasized T Business's competence in providing companies with comprehensive, tailor-made ICT solutions. Slovak Telekom also supported it locally by publishing new customer references and testimonials on the web platform, demonstrating successful digitalization projects in practice.

Overall, these activities have strengthened the perception of Slovak Telekom as an **innovative leader** and a reliable partner that understands the needs of entrepreneurs, and actively contributes to the development of digital business in Slovakia.

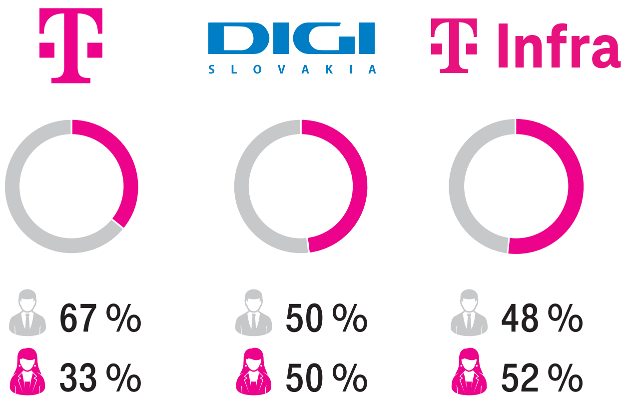
Human resources and employees

The group in numbers

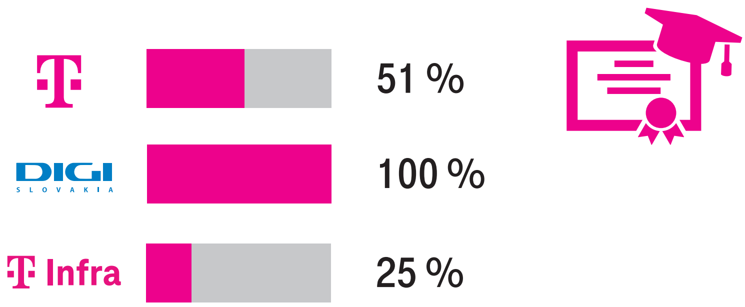
In 2025, Slovak Telekom employed 2,333 internal employees. During the same period, the DIGI Slovakia subsidiary employed 111 internal employees, and sister company ST Infra employed 6 employees.

The average age of Slovak Telekom and DIGI Slovakia employees in 2025:

Percentage distribution of men and women in Slovak Telekom and its subsidiaries in 2025:



Percentage of employees of Slovak Telekom and companies in the ST Group with university education:



*The remaining employees completed secondary education.

Diversity, inclusion, and employee equality

As part of the internal and external employer branding campaign #SamiSebou (be yourself), Slovak Telekom systematically focused on several areas with the aim of fulfilling its values and message in the long term, regardless of age, gender, gender identity, sexual orientation, physical and mental abilities, nationality, social and ethnic origin, political opinions, religion and other differences and expressions of uniqueness.

In 2025, Telekom introduced an introductory welcome day for new colleagues who do not speak Slovak or Czech, with the aim of facilitating their integration into the company.

Telekom continued to support the **LGBTQ+ community** - particularly internally - and clearly declared zero tolerance for any form of discrimination and bullying. Telekom systematically communicated these values through internal platforms and company activities - including induction days for new colleagues. These activities also included workshops focused on the topic of unconscious bias.

Telekom continued to communicate regularly with employees on maternity and parental leave through a newsletter which provided information on internal events, organizational changes, campaigns and news, including opportunities for further development. Telekom continued to support the **Parents Hub program** which contributes to a gradual return to the work environment through flexible forms of work.

Telekom was involved in activities supporting research and changing the social perceptions of people with disabilities. In the area of intergenerational cooperation, Telekom continued systematic activities aimed at connecting different generations and supporting effective cooperation within teams.

Healthy society

Slovak Telekom is aware that people are its greatest asset. Therefore, it cares not only about their working conditions, but also about their overall well-being - both physical and mental. Telekom believes that a satisfied employee is the basis for success, and therefore creates an environment in which everyone feels safe, respected and motivated.

Telekom cares about health and balance and supports activities that help prevent stress, improve fitness, and bring joy to everyday life. Wellbeing programs are diverse and tailored to the needs of employees: from sports and relaxation activities and educational workshops through to mental health initiatives.

During 2025, Telekom focused on special events aimed at supporting the psychological well-being of employees, with the aim of raising awareness of the importance of mental health, offering practical tools for managing stress, and creating a space for open discussion. Telekom offered employees a wide range of workshops, lectures, individual consultations, and practical activities - as well as the opportunity to use the relaxation zone for rest, meditation, yoga, and massage.

During **physical health month**, Telekom focused on promoting physical fitness, preventing health problems, and educating employees on good habits. The goal was to help people feel better, prevent pain and improve overall well-being. Employees welcomed the opportunity to consult a physiotherapist directly at the workplace, as well as demonstrations and mini-workshops for back, neck and shoulder relaxation exercises that they could perform during the working day.

Every year in the spring and autumn, Telekom organizes a **step challenge** to motivate employees to exercise and lead a healthy lifestyle. In 2025, 951 employees participated in both challenges and walked a total of 186,256,182 steps. This project also has a charitable dimension - for each goal achieved, it supports selected non-profit organisations.

Telekom supports the values of solidarity and helping others. Therefore, it regularly organizes **in-house blood donations** to facilitate the opportunity for employees to contribute to saving lives. In addition, Telekom provides space for registration in the **National Bone Marrow Donor Registry** which helps increase the chances of patients with serious illnesses finding a suitable donor.

Telekom's regular **Health Days** are very popular - bringing employees comprehensive care for both physical and mental health directly to the workplace. Their goal is to raise awareness of prevention, support a healthy lifestyle and provide practical tools to improve well-being. **Health Days** are organised in several locations and were visited by approximately 1,000 employees in 2025. They included health measurements, consultations with experts, prevention of oncological diseases, vision measurements, and dermatological checks.

Throughout the year, Telekom also provides superior healthcare - which includes quick access to specialists, preventive check-ups and consultations without unnecessary waiting. In addition, Telekom uses modern solutions such as the uLekara.sk service, which enables online consultations with doctors, quick appointments for examinations, and advice on prevention and treatment available at any time.

During the year, Telekom provided employees with wellbeing grants that they could use for activities that promote health, exercise, and team spirit. The aim of these grants is to enable teams to spend time together actively and meaningfully. Employees predominantly used them for renting sports fields or entry fees for races - running, cycling, and other sporting challenges.

At the end of the year, Telekom provided pharmacy vouchers that employees could use to purchase vitamins, dietary supplements, and immunity-boosting products.

Knowledge sharing

In addition to individual professional development plans for specific positions, employees also have access to the **T-University** development platform which offers free lessons. Any employee who wants to invest time and energy in their personal growth can voluntarily participate in activities at T-University.

In the period from 1 January to 31 December 2025, 613 employees participated in activities at T-University, with a total of 2,916 participations at T-University. The total number of participations in all development activities reached 9,527. The highest participation was recorded in courses focused primarily on digital skills.

In the spring and autumn, T-University held **Personal Growth Days** - the aim of which was to raise awareness of development opportunities. These days were attended by 628 employees with a total of 1,968 participants who had the opportunity to try out various activities - such as participating in an interview, an assessment centre and participating in development workshops.

The greatest interest was in the following topics:
- Foreign language development with the help of AI
- PlutoAI – a personalized AI studio for all employees
- Gallup – personality talent analysis & Hogan - personality diagnostics
- Memory hacks for life
- Annuities in practice: How to secure a decent retirement

For the second year, Telekom provided **career counselling** - available to all employees who want to work on themselves, develop themselves, or are considering a career change. Career counselling also serves employees who are leaving the company and need help with orientation in the external labour market. 135 employees are currently involved in the program, and thanks to this service, 16 employees have already changed their job position within the company.

Employer branding activities

In 2025, Telekom continued to strengthen its corporate identity built on authenticity, respect, and inclusion - shifting it into a modern and dynamic form under the new common #SamiSebou label. This framework was used both in internal and external communication, while its essence remained the effort to create an environment in which employees can naturally express their uniqueness.

A key pillar in the first half of the year was a new employer branding campaign that presented life in Telekom in an unconventional way. It chose the "**employer branding entertainment**" approach - linking information with entertaining formats created by the employees themselves. It showed everyday life in the company with humour and humanity, which significantly increased the interest of target groups in the company's culture.

A significant milestone in 2025 was the launch of new **Czechoslovak profiles** on social networks aimed at building the employer image for both countries. The content of the profiles consisted of a series of short, funny, and topical videos that offered employees and the general public a glimpse into what Telekom is all about - from development and educational activities to internal events and seasonal moments. Telekom's ambition is to show everyday life in a Telekom in a way that is current, open, and close to the real experiences of employees.

In addition to building the employer brand externally, Telekom also focused intensively on developing the employee experience directly within the company in 2025. Through numerous events and meetings, Telekom supported relationships, belonging, and daily contact with employees. From proven formats, such as the farewell to the summer, through to the party of the year associated with the presentation of the CX Heroes awards, to smaller informal meetings in the form of morning coffee and joint refreshments. These moments created space for informal networking, sharing and strengthening a culture that is built on proximity and mutual respect.

Telekom also continued to strengthen its relationships with secondary schools and universities. Telekom organized **Girls Day** and prepared a **general knowledge-social quiz for partner universities**, thereby deepening its presence among young talents and allowing them to better understand the technological and cultural aspects of working in the company.

Through all these activities, Slovak Telekom continued to systematically build the image of a modern, inclusive, and attractive employer in 2025 focusing on presenting an environment where naturalness is welcomed, development is supported, and where everyone can be themselves.

Talent development

Slovak Telekom believes that the greatest strength of a company lies in its people. That is why it is proud of the **Talent Pool** and **T-Challengers** development programs, which systematically identify, develop, and support employees with high potential. The goal of these programs is to prepare future leaders and key experts who will be the engine of innovation and help successfully face the challenges of the future. Investing in their growth is a direct investment in shared prosperity and sustainability.
A total of 63 talents participated in last year's program, representing a cross-section of the entire society. Their composition shows diversity and collective strength:

- Women: 42 %
- Men: 58 %

The Talent Pool includes an intensive development program called **T-Challengers** (21 people), designed for those with the ambition and potential to take on the most demanding challenges. These participants are involved in strategic projects across the company, and undergo intensive development.

To best tailor the program to the needs of participants, Telekom surveyed which areas they wanted to focus on most. The data clearly shows a strong interest in leadership, digital skills, and personal diagnostics.

Talents have access to a wide range of workshops, training sessions, and other activities throughout the year focused on three main pillars::

- Digital skills
- Leadership
- Health/Well-being
- Job visits

The main measure of success is the real impact on the careers of talents. 17% of participants advanced to a new position during the program. The Talent Pool and T-Challengers programs are proven to help employees grow and move into new, more responsible positions.

Communication

Marketing communication

In 2025, Slovak Telekom continued to focus on customers and their needs. In communication, Telekom continued the trend from the past and focused on services and benefits that bring customers a better experience and make life easier. As part of its communication activities, Telekom continued the successfully established #respect platform.

The Mobile Supernetwork
At the beginning of the year, Slovak Telekom won awards for the best and fastest mobile network in Slovakia in an independent test by OOKLA

The first above-the-line campaign reflected this success with the communication message "The Best Mobile Super Network", through various formats on television, online, on social networks, and through influencers. The creative part of the campaign paid tribute to one of the most important Slovak inventors - Jozef Murgaš. The commercial transported viewers to 1905, when Murgaš carried out the first wireless voice transmission in Pennsylvania, USA. Slovak Telekom is endeavouring to continue his legacy by constantly building and innovating its mobile network.

EKO coupon
Telekom has long supported the collection and recycling of old mobile phones. Up to 90% of old devices can be recycled, saving thousands of litres of drinking water and reducing emissions. CO_2.

Customers are motivated to be responsible by being rewarded for recycling – for handing in their old device, they receive a discount on the purchase of a new one. Recycling and the reward in the form of an ECO coupon became the theme of the summer campaign, which was handled with humour. The ad presented a family that takes recycling very seriously.

Click Security
One of the novelties of 2025 was the additional **Click Security** service which customers can easily activate free of charge in the Telekom application for flat-rate, mobile, and home internet. The service reduces the risk of accessing malicious websites after clicking on fraudulent links from SMS, WhatsApp messages, notifications, and emails.

The image-product campaign showed cyber threats with an overview and above-the-line advertising. The ad warned of the risks of clicking on fraudulent sites and emphasized that caution is important - and that the Click Security service can help with this. The TV campaign was supported online and on social networks.

UEFA U21
June was all about football. Slovakia hosted the UEFA European Under-21 Championship which took place in eight cities. Slovak Telekom became a proud local partner of the championship, following on from Deutsche Telekom's successful partnership with EURO 2024 in Germany. The brand positioning was translated into the message: "The super network connects, football too."

Before the championship, Telekom covered all 8 stadiums with a 5G Supernetwork and was the first in Slovakia to deploy a 5G standalone campus network at the National Football Stadium in Bratislava. The opening match broke a data record - 644 GB of transferred data.

In addition to technology, Telekom also emphasised the value of respect. Throughout the championship, it encouraged fans to cheer with respect. The most popular activity was the magenta drummers who created an atmosphere in fan zones and stadiums.

Telekom Night Run
For running enthusiasts, Telekom brought a series of three Telekom night runs – in Štrbské Pleso, Donovaly, and in Bratislava where Telekom was the general partner. Each event included a #REŠPEKT run - the proceeds of which went to non-profit organisations.

2025 Christmas campaign
This year's Christmas campaign continued the theme of breaking down barriers and focused on rebuilding broken relationships. The central theme was the message: "**If nothing stands between us - what is actually holding us back?**"

The main ad showed a young woman burdened by an unsent message to her mother, symbolised by a heavy backpack. Only after sending the message did the burden fall - emphasising that real connection is created by our own steps.The emotional line was complemented by a special activation in a Bratislava cinema, where actress Táňa Pauhofová gave viewers “time” to reach out to their loved ones. Customers could also activate free data in Magenta Moments to send long-put off messages..

In addition to image communication, Telekom presented a rich product offering through playful ads that communicated advantageous device twins, Magenta Moments benefits, and the Easy Kids package.

Awards
In 2025, many of Telekom's communication campaigns won awards for creativity, effectiveness, and original use of media. Here is an overview of them:

- **German Spotlight Festival Creativity Competition - 2025**
  - 1x Gold:
    - Bubliny (Bubbles), Animation & VFX category
  - 2x Silver:
    - Bubliny, Web & Mobile category
    - Bubliny, Web & Mobile category
  - 1x Bronze:
    - Bubliny, TV & Cinema category

- **PHNX Awards International Creativity Competition - 2025**
  - 4× Gold:
    - Bubliny, Film Direction & Cinematography category
    - Bubliny, Film Post production & VFX category
    - Bubliny, Online Films category
    - Bubliny, Strategy & Technique – Copywriting & Storytelling category
  - 2 × Silver:
    - SWIPE, Film – Best use of music category
    - SWIPE, Strategy & Technique – Integrated category
  - 1 × Bronze:
    - SWIPE, Film Direction & Cinematography category

- **Clios 2025 International Creativity Competition**
  - 2 × Bronze:
    - Bubliny, Cinematography category
    - Bubliny, Film Craft category

- **ADC Germany Creativity Competition 2025**
  - 3 × Bronze:
    - Bubliny, Craft for Audio - Music Adaptation category
    - Bubliny, Craft for Film & Video category
    - Bubliny, TV spot category

- Deutscher Digital Award 2025 German National Competition for Digital Creativity and Innovation
  - 1 × Silver:
    - Bubliny, Online film category

- Digital Pie 2025 Digital Marketing Competition
  - 1 × grand prix:
    - SWIPE campaign
  - 8 × Gold:
    - Bubliny, Execution Art direction/design category
    - Bubliny, Execution Video category
    - Bubliny, Idea Video category
    - SWIPE, Execution Video category
    - SWIPE, Idea Branded Contet category
    - SWIPE, Idea Campaign category
    - SWIPE, Influencer category
    - SWIPE, campaign category

- 4 × Silver:
  - Bubliny, Idea campaign category
  - SWIPE, Execution Art direction/design category
  - SWIPE, Social Media category
  - Správy, ktoré nikto nechce čítať, Copywriting Execution category
- 2 × Bronze:
  - Bubliny, Campaign Execution category
  - Správy, ktoré nikto nechce čítať, Campaign Idea category

- Súťaž kreativity Zlatý klinec 2025
  - 1 × grand prix:
    - Bubliny campaign
  - 9 × Gold:
    - Bubliny, Craft – Best art direction category
    - Bubliny, Craft – Best film craft category
    - Bubliny, Craft – Best sound craft category
    - Bubliny, Film – TV and Cinema Advert category
    - Bubliny, campaign – Integrated Campaign category
    - Absolventi šikany, Craft – Best sound craft category
    - Radary pre obce, Out of home category
    - Volanie o pomoc, Audio advertising – Other audio formats category
    - Zvaľte to na nás, Film – TV and Cinema Advert category
  - 7 × Silver:
    - Absolventi šikany, Out of home category
    - Absolventi šikany, Craft – Best film craft category
    - Absolventi šikany, Film – Online video nad 1 min category
    - Absolventi šikany, campaign – Digitálna kampaň category
    - Absolventi šikany, ESG – Social category
    - Rešpekt lekárom, Vizuál – Online vizuál category
    - Vysávače, Film – Online video category
  - 1 × Bronze:
    - Vysávače, Craft – Humor v reklama category
  - Klient večera
    - Telekom

- NEW YORK FESTIVALS 2025 International Creativity Competition
  - 2 × Silver:
    - Správy, ktoré nikto nechce čítať, Small Agency category – Best use – Pushing culture
    - SWIPE, Small agency Catagory – Best use – Branded content/entertainment
  - 3 × Bronze:
    - Bubliny, Film – Best use – Casting category
    - SWIPE, Small agency – Best use – Activation & Engagement category
    - Správy, ktoré nikto nechce čítať, Small Agency – Best use – Work with purpose category
  - 9 × finalist:
    - Bubliny, Film Craft – Production Accomplishment category
    - Bubliny, Film Craft – Art direction/production design category
    - Bubliny, Film craft – Best use of music category
    - Bubliny, Film Product & Services – Utilities category
    - Bubliny, Film – Best use – Made for TV & CINEMA category
    - Bublina, Film – Best use – Social/environmental goods category
    - SWIPE, Film Craft – New director category
    - SWIPE, Social media & Influencer category
    - Správy, ktoré nikto nechce čítať, Small Agency – Product & Services utilities category

- Gerety Awards 2025 International Creativity Competition
  - 1 × Gold:
    - Bubliny, Production design category
  - 1 × Silver:
    - Bubliny, Music count category

- LIA AWARDS 2025 International Creativity Competition
  - 2 × Bronze:
    - Bubliny, Cinematography category
    - Bubliny, Music adaptation category
  - 1 × finalista:
    - Bubliny, Production design category

- Golden Drum 2025 International Creativity Competition
  - 1 × grand prix:
    - Bubliny, Craft Drum direction category
  - 1 × Gold:
    - Bubliny, One Channel Drum TV, cinema, film category
  - 3 × Silver:
    - Bubliny, Craft Drum casting category
    - Bubliny, Craft Drum cinematography category
    - Bubliny, Craft Drum production design/art direction category
  - 1 × Bronze:
    - Absolventi šikany, Creative Media Excellence Drum – Creative use of media category

- ADC*E 2025 International Creativity Competition
  - 6 × Bronze:
    - Bubliny, Film & Audio: Craft category
    - Bubliny, Film & Audio: TV/Cinema Commercials
    - Absolventi šikany, Film & Audio: Craft category
    - Absolventi šikany, Brand Experience: New use of Media category
    - Absolventi šikany, Print & Outdoor: Special Outdoor category

- EPICA 2025 International Creativity Competition
  - 3 × Gold
    - Bubliny, Comunication services category
    - Bubliny, Online & Viral films category
    - Bubliny, Festival & Holiday category
  - 2 × Silver
    - Bubliny, Cinematography & Production design category
    - Bubliny, Post-production & Visual effects category

- EFFIE Advertising effectiveness competition
  - 1 × Gold
    - SWIPE – Klip podľa teba; Brand Purpose/Brand building category
  - 1 × Bronze
    - Keď Telekom volá o pomoc; Brands/ESG commercial brand projects category

External Communication

Throughout 2025, the external communication team ensured consistent, transparent, and professional communication on behalf of Slovak Telekom toward the public, media, and external stakeholders. The team's role extended beyond communicating key corporate decisions and announcements — it also coordinated all activities to ensure that Telekom's messages were clear, coherent across channels, and aligned with the company's strategic priorities.

The year began with intensified communication about network infrastructure. The team organized the first major press conference of the year, where Slovak Telekom introduced its new communication platform, Supersieť, and shared results from independent Ookla measurements. The launch also included a creative concept inspired by Jozef Murgaš, the pioneer of wireless telegraphy.

The external communication team played a key role in presenting several of the company's strategic initiatives — from expanding benefits within Magenta 1 to strengthening sports partnerships and communicating with the business segment. In March, the team managed the media announcement of the new national partnership with UEFA U21 EURO 2025, supported by a series of activities that explained how Telekom's technology enhanced the visitor experience at the tournament.

Throughout the year, the team continuously supported communication related to technological innovations — whether it involved strengthening 5G infrastructure in stadiums, introducing an airborne base station for crisis scenarios, or presenting the Drone@Onsite detection system. The team also steered expert topics and ensured smooth media servicing for technological partners.

The first summer month brought one of the most significant announcements of the year — the results of the frequency spectrum auction. The external communication team prepared comprehensive outputs for the media, stakeholders, and the professional community. Given the strategic importance of the topic, the team ensured precise explanation of the context, customer benefits, and long-term implications for the company.

Toward the end of summer, the team focused on introducing Telekom's own devices — T Phone and T Tablet — equipped with integrated Magenta AI. Communication also included important digital safety services designed to protect customers online. To mark the return of the iconic prepaid card EASY, the team prepared a themed media event that helped effectively highlight the key attributes of the renewed product.

Entering the autumn season, the team emphasized digital safety and user convenience — from communicating the seamless transition from physical SIM to eSIM, to announcing the launch of RCS messaging for iPhone. Autumn also included the preparation and execution of the year's largest press event: the unveiling of the Christmas portfolio and the richest Magenta Moments calendar to date.

In December, the external communication team accompanied the announcement of a historic milestone in mobile network coverage, followed by a dedicated media event where the winner of the main Magenta Moments prize — a Volvo EX30 — was revealed.

Through expert execution, clarity, and a strong focus on transparency, the external communication department ensured credible and effective communication throughout 2025. By actively managing media output and professionally shaping key narratives, the team contributed significantly to strengthening Slovak Telekom's reputation as a technological leader and a reliable partner that openly shares its achievements and innovative solutions with the public.

Social responsibility

For **Slovak Telekom** - as part of the **Deutsche Telekom Group** - sustainability is an integral part of business activities. The Deutsche Telekom Group reports its progress in environmental, social, and governance (ESG) aspects annually through a consolidated sustainability report and consolidated management report. In accordance with the requirements of the European Corporate Sustainability Reporting Directive (CSRD), the group report is prepared in accordance with the European Sustainability Reporting Standards (ESRS), which are fully implemented and based on the principle of dual materiality. The Sustainability and Social Responsibility Report is published on the Group's website at www.telekom.com.

Voluntary commitment beyond legislation
Slovak Telekom does not perceive social responsibility solely as a legislative obligation arising from the CSRD and ESG directives, but applies the broader principle of a voluntary commitment to help build a digital and sustainable society.

Promoting digital literacy
In 2025, Telekom continued to systematically support digital literacy - which is one of the main areas of social responsibility. After five years of operation, the **ENTER program** has helped increase the digital skills of more than 100,000 students, involved 2,700 teachers and more than 700 schools across Slovakia.

Cyberbullying prevention
According to a survey by the Slovak Institute of Higher Education, every third high school student in Slovakia has experienced cyberbullying. The **Cyberbullying Graduates** program was created in response to the need to raise awareness about this topic and focuses on preventing cyberbullying and supporting the mental well-being of children and young people.

Protecting seniors from digital threats
Key topics include protecting seniors from digital threats. In 2025, Telekom launched the fifth year of the **Mature for the Digital Age** grant program. In the autumn - when the number of online frauds increases and seniors are a frequent target of fraudsters - a campaign was implemented with expert advice on how to protect oneself from them. Over the five years of the program's operation, 72 projects worth a total of 287 thousand Euros were supported across Slovakia.

Electronic waste education
Part of building a sustainable Slovakia requires educating children about responsible management of electronic waste. In cooperation with the **CEEV Živica** organization, Slovak Telekom continued this initiative in 2025.

Employee social engagement
Technology helps to stay in touch, but the most important connection is created when people find time for each other. That is why Telekom considers it important to increase the social engagement of its employees. **A Day for a Good Deed** is a working day that they can dedicate to volunteering in their community. Through the **We Help with Stories** employee grant program, Slovak Telekom supports those who are active in their communities or implement their own projects. At Christmas, employees participated in the **How Much Love Fits in a Shoebox** project and donated €60 worth of coupons for purchases at the pharmacy to families living in generational poverty.

DIGI SLOVAKIA, s.r.o.

Almost 20 years on the market: DIGI SLOVAKIA brings flexibility and technological innovations
DIGI SLOVAKIA, s.r.o. (hereinafter referred to as "DIGI SLOVAKIA"), during its 19th year of operation on the market, continued to fulfil its long-term strategy aimed at providing high-quality, reliable and affordable services. In 2025, DIGI SLOVAKIA systematically increased value for customers through expanding content, technological innovations, and improving the customer experience.

Service portfolio and pricing policy
DIGI SLOVAKIA continued to provide its no-commitment services - providing customers with a high level of flexibility. Installation or activation bonuses - as well as the option of self-installation - were made available for customers who wanted to avoid the initial fees for setting up the service.

The new version of DIGI GO pay-TV
In 2025, DIGI SLOVAKIA launched a new improved version of the DIGI GO service. Customers gained the opportunity to watch TV content anytime, anywhere via smart TVs, mobile phones, and tablets. This service is available in four basic program packages that reflect the diverse needs of customers.

Sports content as a key pillar of the portfolio
DIGI SLOVAKIA maintained a strong position in sports broadcasting in 2025. Customers had access to hundreds of football broadcasts from the world's most prestigious leagues - including the UEFA Champions League, the English Premier League, the Spanish La Liga, the German Bundesliga, and the Italian Serie A - broadcast on the exclusive CANAL+ Sport and Nova Sport channels. The portfolio was complemented by tennis tournaments, UFC combat sports, cycling, skiing, NFL, and other major sporting events.

The DIGI TV application for smart TVs
In 2025, DIGI SLOVAKIA made the DIGI TV application available on the most widespread smart TV platforms, including Tizen, Google TV/Android TV, and webOS operating systems - thanks to which customers with compatible devices could use television services without the need for a set-top box, thus saving on equipment rental costs.

The Moja DIGI application
By launching the Moja DIGI (My DIGI) application, DIGI SLOVKIA has significantly strengthened digital communication with customers and customer self-service. The application currently includes all key functionalities of the customer zone, while the next step will be systematic client education to support its active use and effective time saving.

Internet services
In 2025, DIGI SLOVAKIA ensured stable and reliable transmission of internet services with the emphasis on connection quality, availability, and technical support for a wide range of customers.

Social responsibility
In the area of social responsibility, DIGI SLOVAKIA once again supported the Mountains and the City Film Festival in 2025, thereby confirming its commitment to supporting cultural, sports and community activities.

Slovak Telekom Infra, a.s.

Slovak Telekom Infra was established as an independent Deutsche Telekom Group subsidiary on 1 June 2024 with the aim of managing, developing, and building passive telecommunications infrastructure in Slovakia. As part of the Slovak Telekom spin-off, Slovak Telekom Infra's portfolio includes approximately 1,500 transmitters, masts, towers, steel roof structures, and other special infrastructures located throughout Slovakia.

Slovak Telekom Infra provides Slovak Telekom with passive infrastructure services whilst simultaneously leasing free capacity to external interested parties who need to situate their telecommunications technologies. This model enables the efficient use of existing locations, supports infrastructure sharing, and contributes to reducing environmental burden. The allocation of passive assets under direct management by Deutsche Telekom increases their value and follows the established trend in the European telecommunications sector whereby similar models operate - for example in Germany, Austria, and the Czech Republic.

Slovak Telekom Infra focuses on developing modern connectivity throughout Slovakia. In cooperation with operators, Infra builds "invisible bridges" that bring high-speed connectivity to remote areas - thereby creating conditions for the growth of digital services and technological innovations.

Slovak Telekom Infra acts as a stable and reliable partner for all those seeking a suitable location for telecommunications technologies. Infra emphasises building long-term relationships with lessors of premises, and its infrastructure allows operators to provide the highest quality services. When expanding the network, Infra prioritises the use of existing locations - thereby minimising the need for new facilities to be built, and furthermore reducing environmental impacts.

The growth of infrastructure assets and technological capacities allows Infra to flexibly respond to the needs of renters, partners, and lessors. Plans for further coverage expansion aim to make modern telecommunications services available in every location in Slovakia.

The strategic goal of Slovak Telekom Infra is to combine innovation, reliability, and sustainability. Slovak Telekom Infra invests in the latest technologies, adheres to ecological practices, and believes that high-quality infrastructure is an indispensable basis for the digital future of the country. Slovak Telekom Infra's ambition is to be a leader in the field of passive telecommunications infrastructure, and to provide efficient, stable, and modern solutions for all its partners.

03 Financial Statements

Slovak Telekom, a.s.

Consolidated Financial Statements

prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) as adopted by the EU and Independent Auditor's Report

for the period from 1 January 2025 to 31 December 2025

Contents

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Slovak Telekom, a.s.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders, Supervisory Board and Board of Directors of Slovak Telekom, a.s.:

REPORT ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Slovak Telekom, a.s. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) in the wording as adopted by the Slovak Chamber of Auditors (hereinafter the "Code of Ethics for Auditors"), including the ethical requirements of Act No. 423/2015 Coll. on Statutory Audit and on Amendment to and Supplementation of Act No. 431/2002 Coll. on Accounting, as amended, as amended (hereinafter the "Act on Statutory Audit"), as applicable to audits of financial statements in the Slovak Republic. We have also fulfilled our other ethical responsibilities in accordance with the Code of Ethics for Auditors and the ethical requirements under the Act on Statutory Audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 31 to consolidated financial statements describing the uncertainty related to the outcome of the lawsuits filed against the Company. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

This is a translation of the original auditor's report issued in the Slovak language to the accompanying consolidated financial statements translated into the English language.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance about, inter alia, the planned scope and time schedule of the audit and significant audit findings, including all material deficiencies of internal control identified during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on Information Disclosed in the Annual Report

The statutory body is responsible for information disclosed in the annual report prepared under the requirements of Act No. 431/2002 Coll. on Accounting as amended (the "Act on Accounting"). Our opinion on the consolidated financial statements stated above does not apply to other information in the annual report.

In connection with the audit of consolidated financial statements, it is our responsibility to gain an understanding of the information disclosed in the annual report and assess whether such information is materially inconsistent with audited consolidated financial statements or our knowledge of the group and its position obtained in the audit of the consolidated financial statements, or otherwise appears to be materially misstated.

We assessed whether the Group's annual report includes information whose disclosure is required by the Act on Accounting.

Based on procedures performed during the audit of the consolidated financial statements, in our opinion:

- Information disclosed in the annual report prepared for 2025 is consistent with the consolidated financial statements for the relevant year; and
- The annual report includes information pursuant to the Act on Accounting.

Furthermore, based on our understanding of the Group and its position, obtained in the audit of the consolidated financial statements, we are required to disclose whether material misstatements were identified in the annual report, which we received prior to the date of issuance of this auditor's report. There are no findings that should be reported in this regard.

Bratislava, 13 March 2026

Ing. Peter Jaroš, FCCA
Responsible Auditor
Licence UDVA No. 1047

On behalf of
Deloitte Audit s.r.o.
Licence SKAu No. 014

Consolidated Income Statement

for the period from 1 January to 31 December 2025 and for the period from 1 June to 31 December 2024

thousands of EUR	Notes	2025	6–12/2024
Revenue from contracts with customers	4	886,244	519,184
Other operating income	5	28,129	18,254
Staff costs	6	(135,139)	(82,935)
Material and equipment		(126,325)	(81,813)
Depreciation, amortisation and impairment losses	11, 12, 13	(187,642)	(104,547)
Interconnection fees and other telecommunication services		(44,560)	(26,210)
Net impairment losses on financial and contract assets	15, 17	(8,273)	(7,163)
Own work capitalised	6	10,013	5,809
Other operating costs	7	(196,850)	(116,105)
Operating profit		225,597	124,474
Financial income	8	4,373	2,338
Financial expense	9	(6,046)	(3,753)
Net financial result		(1,673)	(1,415)
Profit before tax		223,924	123,059
Income tax expense	10	(73,715)	(47,157)
Profit for the year		150,209	75,902
Profit is attributable to			
Owners of Slovak Telekom, a.s.		152,343	78,051
Non-controlling interests		(2,134)	(2,149)
		150,209	75,902

The financial statements were authorised for issue on behalf of the Board of Directors of the Company on 13 March 2026 and signed on their behalf by:

....

Melinda Szabó
Vice-chair of the Board of Directors
Chief Executive Officer

Consolidated Statement of Comprehensive Income

for the period from 1 January to 31 December 2025 and for the period from 1 June to 31 December 2024

thousands of EUR	Notes	2025	6–12/2024
Profit for the year		150,209	75,902
Other comprehensive income / (expense)			
Fair value (loss) / gain arising on hedging instruments	16	(2,789)	(556)
Deferred tax income / (expense)	10	669	(147)
Other comprehensive (loss) / gain to be reclassified to profit or loss in subsequent years, net of tax		(2,120)	(703)
(Loss) / gain on remeasurement of defined benefit plans	23	(559)	(1,951)
Deferred tax income / (expense)	10	134	475
Other comprehensive (loss) / gain not to be reclassified to profit or loss in subsequent years, net of tax		(425)	(1,476)
Other comprehensive (loss) / gain for the year, net of tax		(2,545)	(2,179)
Total comprehensive income for the year, net of tax		147,664	73,723
Total comprehensive income for the period is attributable to:			
Owners of Slovak Telekom, a.s.		149,798	75,872
Non-controlling interests		(2,134)	(2,149)
		147,664	73,723

The accompanying Notes form an integral part of these Consolidated Financial Statements

Consolidated Statement of Financial Position

thousands of EUR	Notes	31.12.2025	31.12.2024
ASSETS			
Non-current assets			
Intangible assets	11	485,351	330,369
Property and equipment	12	856,396	848,192
Right-of-use assets	13	101,685	102,881
Derivative financial instruments	16	6,012	8,802
Deferred tax		4,151	3,517
Other receivables	15	24,614	21,902
Contract assets	17	7,628	7,723
Contract costs	17	24,672	18,540
Prepaid expenses and other assets	18	23,305	16,998
		1,533,814	1,358,924
Current assets			
Inventories	19	21,490	26,327
Loans	20	29,100	91,900
Trade and other receivables	15	189,846	185,979
Contract assets	17	20,257	21,637
Contract costs	17	17,621	19,285
Current income tax receivable		10,633	5,835
Prepaid expenses and other assets	18	12,992	13,456
Cash and cash equivalents	21	55,862	42,106
		357,801	406,525
TOTAL ASSETS		1,891,615	1,765,449
EQUITY AND LIABILITIES			
Shareholders' equity			
Issued capital	22	864,113	864,113
Statutory reserve fund	22	172,823	172,823
Other		2,562	5,073
Retained earnings and profit for the year		217,614	206,160
Capital and reserves attributable to owners of Slovak Telekom, a.s.		1,257,112	1,248,169
Non-controlling interests		343	2,477
Total equity		1,257,455	1,250,646
Non-current liabilities			
Deferred tax liability	10	76,092	73,960
Lease liabilities	25	85,536	86,059
Provisions	23	38,703	36,364
Other payables	24	68,022	13,072
Contract liabilities	17	32,427	41,602
Other liabilities and deferred income	27	15,421	-
		316,201	251,057
Current liabilities			
Provisions	23	31,898	31,711
Trade and other payables	24	176,303	133,199
Contract liabilities	17	33,275	35,007
Other liabilities and deferred income	27	50,760	44,155
Lease liabilities	25	15,762	17,090
Current income tax liability		9,961	2,584
		317,959	263,746
Total liabilities		634,160	514,803
TOTAL EQUITY AND LIABILITIES		1,891,615	1,765,449

The accompanying Notes form an integral part of these Consolidated Financial Statements

Consolidated Statement of Changes in Equity

for the period from 1 January to 31 December 2025 and for the period from 1 June to 31 December 2024

thousands of EUR	Notes	Issued capital	Statutory reserve fund	Other	Retained earnings	Subtotal Equity	Non-controlling interests	Total equity
Year ended 31 December 2025								
At 1 January 2025		864,113	172,823	5,073	206,160	1,248,169	2,477	1,250,646
Profit for the year		-	-	-	152,343	152,343	(2,134)	150,209
Other comprehensive loss		-	-	(2,545)	-	(2,545)	-	(2,545)
Total comprehensive income		-	-	(2,545)	152,343	149,798	(2,134)	147,664
Transactions with shareholder:								
Other changes in equity		-	-	34	-	34	-	34
Dividends	22	-	-	-	(140,889)	(140,889)	-	(140,889)
At 31 December 2025		864,113	172,823	2,562	217,614	1,257,112	343	1,257,455
Period from 1 June 2024 to 31 December 2024								
At 1 June 2024		864,138	172,825	7,230	132,708	1,176,901	-	1,176,901
Profit for the year		-	-	-	78,051	78,051	(2,149)	75,902
Other comprehensive loss		-	-	(2,179)	-	(2,179)	-	(2,179)
Total comprehensive income		-	-	(2,179)	78,051	75,872	(2,149)	73,723
Transactions with shareholder:								
Other changes in equity		-	-	22	-	22	-	22
Reclassification to non controlling interest		(25)	(2)	-	(4,599)	(4,626)	4,626	-
At 31 December 2024		864,113	172,823	5,073	206,160	1,248,169	2,477	1,250,646

Consolidated Statement of Cash Flows

for the period from 1 January to 31 December 2025 and for the period from 1 June to 31 December 2024

thousands of EUR	Notes	2025	6–12/2024
Operating activities			
Profit before tax		223,924	123,059
Depreciation, amortisation and impairment losses	11,12,13	187,642	104,547
Interest expense, net		590	1,443
(Gain) / loss on disposal of intangible assets and property and equipment	5,7	(6,366)	(6,261)
Other non-cash items		1,437	2,669
Change in provisions	23	(11,078)	274
Change in trade receivables and other assets		(13,487)	(46,317)
Change in inventories		3,428	(5,174)
Change in trade payables and other liabilities		17,998	66,797
Cash from operating activities		404,088	241,037
Income taxes paid		(68,835)	(36,968)
Net cash from operating activities		335,253	204,069
Investing activities			
Purchase of intangible assets and property and equipment	11, 12, 28	(187,207)	(107,907)
Proceeds from disposal of intangible assets and property and equipment		20,431	8,753
Disbursement of loans		(149,300)	(106,900)
Repayment of loans		212,100	25,000
Net cash from cash pooling	15	2,453	(6,954)
Interest received		4,396	2,210
Other cash (paid for) / from investing activities		(105)	84
Net cash used in investing activities		(97,232)	(185,714)
Financing activities			
Dividends paid	22	(140,889)	-
Repayment of financial liabilities	28	(59,985)	(11,582)
Repayment of principal portion of lease liabilities		(19,508)	(8,324)
Interest paid		(3,812)	(3,009)
Other cash from / (paid for) financing activities		-	400
Net cash used in financing activities		(224,194)	(22,515)
Effect of exchange rate changes on cash and cash equivalents		(71)	(24)
Net increase / (decrease) in cash and cash equivalents		13,756	(4,184)
Cash and cash equivalents at 1 January / 1 June	21	42,106	46,290
Cash and cash equivalents as at 31 December		55,862	42,106

Notes to the Consolidated Financial Statements

Index to the notes to the consolidated financial statements

1. General information

These consolidated financial statements have been prepared for Slovak Telekom, a. s. ("the Company"or "Slovak Telekom") and its subsidiaries DIGI SLOVAKIA, s.r.o. ("DIGI") and Telekom Sec, s. r. o. ("Telekom Sec") (together "the Group"). As a result of demerger, Slovak Telekom is consolidating also company Slovak Telekom Infra, a.s. („Slovak Telekom Infra", refer to Note 2.1).

Slovak Telekom is a joint-stock company incorporated on 1 April 1999 in the Slovak Republic. The Company's registered office is located at Bajkalská 28, 817 62 Bratislava. The business registration number (IČO) of the Company is 35 763 469 and the tax identification number (DIČ) is 202 027 3893. The Company is registered with the Business Register of the Municipal Court Bratislava III, section Sa, insert No.: 2081/B. For shareholders overview of the Company refer to Note 22.

Slovak Telekom is the largest Slovak multimedia operator providing its products and services under the Telekom brand via fixed and mobile networks. In terms of fixed networks the Company is the largest optical fibre and metallic cable broadband internet provider in the country (FTTX, ADSL and VDSL), providing digital television through state-of-the-art IPTV and DVB-S2 satellite technology. In the field of mobile communications the Company provides internet connectivity via several high-speed data transmission technologies namely 2G (GPRS/EDGE), 4G (LTE, LTE-CA) and 5G. Slovak Telekom's customers receive roaming services in mobile operator networks in destinations all over the world. Slovak Telekom is considered the leader in the provision of telecommunication services to the most demanding segment of business customers, both in terms of the respective range of services as well as in terms of quality.

Slovak Telekom provides services via authorisations for the strongest Slovak portfolio of radio frequencies: bands 800 MHz, 900, 1500, 2100 and 2600 MHz FDD and TDD, valid until 31 December 2048, 3700–3800 MHz frequency band, valid until 31 December 2045 and 700 and 1800 MHz, which are valid up to 31 December 2040.

Slovak Telekom holds the following investments in fully consolidated direct subsidiaries:

Name and registered office	Activity	Share and voting rights 31 December 2025	Share and voting rights 31 December 2024
DIGI SLOVAKIA, s. r. o. ("DIGI") Bajkalská 28, 821 09 Bratislava - Ružinov	TV services and broadband services	100%	100%
Telekom Sec, s. r. o. ("Telekom Sec") Bajkalská 28, 817 62 Bratislava	Security services	100%	100%
Slovak Telekom Infra, a.s. ("Slovak Telekom Infra") Bajkalská 28, 821 09 Bratislava - Ružinov	Rental of passive telecommunication infrastructure	0%	0%

All subsidiaries are incorporated in the Slovak Republic. Shares in the subsidiaries are not traded on any public market.

On 1 September 2013 the Group acquired 100% share capital and voting rights in DIGI.

For more detail related to Slovak Telekom Infra consolidation refer to note 2.1 Basis of preparation.

Members of the Statutory Boards at 31 December 2025

Board of Directors

Chair:
- Armin Sumesgutner (since 29.04.2020) – re-elected for another 5 years since 29.04.2025

Vice-chair:
- Melinda Szabó (since 01.06.2024)

Member:
- Danijela Bujic (since 01.10.2021)

Supervisory Board

Chair:
- Mirela Seserko (since 01.03.2024)

Members:
- Peter Vražda (since 20.03.2023)
- Martin Švec (since 02.10.2020) – re-elected for another 5 years since 02.10.2025

Audit committee

Members:
- Yasmin Riaz (since 01.05.2025)
- Vladimir Lucev (since 01.03.2024 till 30. 04. 2025)
- Danijela Bujic (member since 11.10.2021, chair since 11.03.2022)
- Martin Švec (since 20.03.2023)

Deutsche Telekom Europe B.V. with registered office at Stationsplein 8 K, Maastricht, the Netherlands is the parent of the Company.

Deutsche Telekom AG ("Deutsche Telekom" or "DTAG"), with its registered office at Friedrich Ebert Allee 140, Bonn, Germany, is the ultimate parent of the group of which the Company is a member and for which the group financial statements are drawn up. The ultimate parent's consolidated financial statements are available at their registered office or at the District Court of Bonn HRB 6794, Germany.

2. Accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Changes to significant accounting policies are described in Note 2.19.

2.1 Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention, except where disclosed otherwise.

The Group companies' functional currency is the Euro ("EUR"), the financial statements are presented in Euros and all values are rounded to the nearest thousands, except where otherwise indicated.

The consolidated financial statements were prepared using the going concern assumption that the Group will continue its operations for the foreseeable future.

The preparation of consolidated financial statements in conformity with International Financial Reporting Standards as adopted by EU requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 2.18.

The financial statements have been prepared for the period from 1 January to 31 December 2025. All profit and loss items in these financial statements represents period from 1 January 2025 to 31 December 2025. All profit and loss items for comparative period represents period from 1 June 2024 to 31 December 2024. Therefore, the amounts presented in the financial statements are not entirely comparable. This is a result of a demerger transaction that took place on the effective date as at 1 June 2024. Such presentation follows Slovak accounting requirements.

The Group has assessed the demerger by spin-off by merger and concluded that according to IFRS 10 (Consolidated financial statements) the demerger by spin-off by merger does not lead to the loss of control by Demerged Company over Successor Company. As the result, Slovak Telekom, a.s. consolidates Slovak Telekom Infra, a.s.. The consolidation of Slovak Telekom Infra, a.s. is considered the significant judgement and it may change in the future if the underlying facts and circumstances change in a way, that would lead to loss of control over Slovak Telekom Infra, a.s. (Note 2.18).

Statement of compliance
These consolidated financial statements are the consolidated financial statements of the Group and have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("EU"). The consolidated financial statements are available at the Company's registered office, on the internet page of the Company and in the public administration information system (the Register) administered by the Ministry of Finance of the Slovak Republic.

Basis of consolidation
The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2025. The financial statements of the subsidiaries are prepared for the same reporting year as the Company, using uniform accounting policies.

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when it has power over the investee defined as existing rights that give it the ability to direct the relevant activities; is exposed, or has rights to variable returns from its involvement with the investee; and has the ability to affect those returns through its power over the investee. In most cases, control involves the Company owning a majority of the ordinary shares in the subsidiary (to which normal voting rights are attached). The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. All subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that control ceases.

The Group recognises non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis.

Business combinations are accounted for using the acquisition method. The consideration paid on an acquisition is measured as the fair value of the assets transferred, shares issued, or liabilities undertaken at the date of acquisition. The excess of the consideration paid on an acquisition over the fair value of the net assets and contingent liabilities of the subsidiary acquired is recorded as goodwill. The consideration payable includes the fair value of any asset or liability resulting from a contingent consideration arrangement. If the amount of contingent consideration (a liability) changes as a result of a post-acquisition event (such as meeting an earnings target), the change is recognised in accordance with IFRS 9 in profit or loss. Put option on share held in subsidiary by minority shareholders is classified as a financial liability. The corresponding amount is reclassified from equity (non-controlling interest). Subsequent measurement of the liability is at fair value profit or loss in accordance with IFRS 9.3.3.3.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Costs directly attributable to the acquisition are expensed.

All intra-group balances, transactions, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

2.2 Property and equipment

Property and equipment is initially measured at acquisition cost, excluding the costs of day-to-day servicing. The cost of property and equipment acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, property and equipment is carried at cost less any accumulated depreciation and provision for impairment, where required. The initial estimate of costs of dismantling and removing the item of property and equipment and restoring the site on which it is located is also included in costs, if the obligation has to be recognised as a provision according to IAS 37.

Acquisition cost includes all costs directly attributable to bringing the asset into working condition for its use as intended by management. In case of network, costs comprise all expenditures, including internal costs directly attributable to network construction, and include contractors' fees, materials and direct labour. Costs of subsequent enhancement are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. Maintenance, repairs and minor renewals are charged to profit or loss as incurred.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included within other operating income or expense in the income statement in the period in which the asset is derecognised. Net disposal proceeds consist of both cash consideration and the fair value of non-cash consideration received.

Depreciation is calculated on a straight-line basis from the time the assets are available for use over their estimated useful lives. Depreciation charge is identified separately for each significant part of an item of property and equipment.

The useful lives assigned to the various categories of property and equipment are:

Buildings, constructions and leasehold improvements	8 to 50 years
Operating equipment:	
Network technology equipment	4 to 33 years
Transport vehicles, hardware and office equipment	2 to 20 years

No depreciation is provided on freehold land or capital work in progress.

Residual values and useful lives of property and equipment are reviewed and adjusted in accordance with IAS 8, where appropriate, at each financial year-end. For further details on groups of assets influenced by the most recent useful life revisions refer to Note 2.18.

Property and equipment are reviewed for impairment whenever events or circumstances indicate that their carrying amounts may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use. Impairment losses are reversed if the reasons for recognizing the original impairment loss no longer apply.

2.3 Intangible assets

Intangible assets acquired separately are recognised when control over them is assumed and are initially measured at acquisition cost. If payment for an intangible asset is deferred beyond normal credit terms, its cost is the cash price equivalent. The difference between this amount and the total payments is recognised as interest expense over the period of credit. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and provision for impairment, where required. Intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. With the exception of goodwill, intangible assets have a finite useful life and are amortised using the straight-line method over their estimated useful lives. The assets' useful lives are reviewed and adjusted in accordance with IAS 8, as appropriate, at each financial year-end. For further details on the groups of assets influenced by the most recent useful life revisions refer to Note 2.18.

The useful lives assigned to the various categories of intangible assets are as follows:

Software	3 to 23 years
Telecommunications licences	5 to 23 years
Content licences	1 to 4 years
Customer relationships	15 years

Any gain or loss on derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is included within other operating income or expense in the income statement in the period in which the asset is derecognised.

Software and licences
Development costs directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

a) it is technically feasible to complete the software product so that it will be available for use;
b) management intends to complete the software product and use or sell it;
c) there is an ability to use or sell the software product;
d) it can be demonstrated how the software product will generate probable future economic benefits;
e) adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
f) the expenditures attributable to the software product during its development can be reliably measured.

Directly attributable costs capitalised as part of a software product include software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet recognition criteria and costs associated with maintaining computer software programs are recognised as an expense as incurred.

Acquired software licences are capitalised on the basis of the costs incurred to acquire and bring to use specific software. Costs comprise all directly attributable costs necessary to create, produce and prepare the software to be capable of operating in a manner intended by the management, including enhancements of applications in use.

Costs associated with the acquisition of long term frequency licences are capitalised. Useful lives of concessions and licences are based on the underlying agreements and are amortised on a straight-line basis over the period from availability of the frequency for commercial use until the end of the initial concession or licence term. No renewal periods are considered in the determination of useful life. Recurring licence fees paid for key telecommunications licences do not have legally enforceable periods and are recognised as other operating costs in the period they relate to. Recurring licence fees are paid during whole period of granted licence.

The Group recognizes the content licences as an intangible assets if it is highly probable that the content will be delivered, contract duration is longer than one year and the cost are determined or determinable. Acquired content licences are recognised at acquisition cost. If there is no fixed price defined in the contract, the Group uses best estimate to assess the fee during the contracted period. The useful lives of content licences are based on the underlying agreements and are amortised on a straight-line basis over the period from availability for commercial use until the end of the licence term which is granted to the Group. Content contracts which do not meet the criteria for capitalization are expensed and presented in 'other operating costs' in income statement.

Goodwill
Goodwill arises on the acquisition of subsidiaries and represents an excess of the consideration transferred and the non-controlling interest in the acquiree (measured either at fair value or at the proportionate share of the of the acquired entity's net identifiable assets) over the net fair value of net identifiable assets acquired, liabilities and contingent liabilities of the acquiree. Following initial recognition, goodwill is carried at cost less any accumulated impairment losses. Goodwill is not amortised, but it is tested for impairment annually or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired (Note 14). Carrying value of the cash generating unit ("CGU") to which goodwill belongs to is compared to its recoverable amount, which is the higher of value in use and fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed. Fair values less costs to sell of CGU's with allocated goodwill tested for impairment are in Level 3 of the fair value hierarchy.

2.4 Leases

2.4.1 Right-of-use assets

Right-of-use assets represent property and equipment which is leased based on a contract containing a lease according to IFRS 16. The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The recognised right-of use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Assessment of the lease term for evergreen leases (i.e. leases with no specified contract maturity, silent prolongation etc.) is mostly affected by the nature and useful live of underlying assets, relocation costs, or the Group's past practice regarding the period over which it has typically used particular types of assets.

The expected lease term for evergreen leases assigned to the various categories of Right-of-use assets are:

Space on telecommunication infrastructure of other parties	5 years
Rooftops	8 years
Land to install own telecommunication equipment	30 years
Exclusive easements	30 years
Shops	20 years
Technical space	33 years
Office space	20 years
Ducts and Pipes	35 years
Vehicles	5 years
Office and other general use equipment	4 years
Leased lines	20 years

2.4.2 Lease liabilities

At the commencement date of a lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date and amounts expected to be paid under residual value guaranties. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments, change in the assessment to purchase the underlying asset or a change in an index or a rate when the adjustment to the lease payments takes effect.

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has an option, under some of its leases, to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

For contracts where no maturity is specified in the contractual agreement (so called evergreen contracts), the assessment of lease term is done for the portfolio as a whole. An estimate is required for the initial lease term as well as any further renewal. Factors, which are considered in determining the lease term for evergreen contracts are: costs associated with an obligation to return the leased asset in a specified condition or to a specified location, existence of significant leasehold improvements that would be lost if the lease were terminated or not extended, non-contractual relocation costs, costs associated with lost service to existing customers, cost associated with sourcing an alternative item etc.

2.4.3 IFRS 16 recognition exemptions

IFRS 16 includes recognition exemptions available to lessees and specifies alternative requirements.

Separation of non-lease components
In accordance with IFRS 16.12 an entity shall account for each lease component within the contract as a lease separately from non-lease components of the contract.

The Group has applied practical expedient and does not separate lease from non-lease components (IFRS 16.15), except for data center contracts, therefore non-lease components which are fixed, e.g. utilities, maintenance costs, etc. are not separated but instead capitalized.

Short-term leases
There is a practical expedient for lessees not to apply the recognition, measurement and presentation requirements of IFRS 16 for short-term leases (IFRS 16.5).

The Group has made the decision not to apply the short-term recognition exemptions to lease contracts, except for some minor and insignificant lease arrangements with a lease term of one month or less. Hence, short-term leases have to be recognised, measured and presented as lease arrangements in the scope of IFRS 16.

Low-value leases
There is a practical expedient for lessees not to apply the recognition, measurement and presentation requirements of IFRS 16 for leases of which the underlying asset is of low value (“low-value leases”; IFRS 16.5). The practical expedient can be taken on a lease-by-lease basis. For leases of low-value items to which this exemption is applied, lease payments are recognised as an expense over the lease term.

The Group has made the decision not to apply this practical expedient. Hence, all low-value leases, have to be recognised, measured and presented as lease arrangements in the scope of IFRS 16.

Leases of intangible assets
The Group elected in accordance with IFRS 16.4 for lessees not to apply IFRS 16 to leases of intangible assets or similar resources. To the extent that these transactions and its related assets fulfil the recognition criteria in IAS 38 Intangible Assets, they should be accounted as such. As a consequence, lessees are not required to perform lease identification procedures for any right to use intangible assets such as mobile radio spectrum, microwave frequencies, software, patents as well as content or data rights.

Separate presentation on the face of the Statement of financial position
The Group decided to present the right-of-use assets as well the lease liabilities as separate line items on the face of the statement of financial position (see IFRS 16.47). As a result, the right-of-use asset and the lease liability is presented (separately from other assets and liabilities) in the statement of financial position.

2.4.4 Subleases

In classifying a sublease, the Group, as the intermediate lessor, should classify the sublease as a finance lease or an operating lease in the same manner as any other lease using the criteria discussed in IFRS 16.61 et seq. with reference to the right-of-use asset (not the underlying asset itself) arising from the head lease. That is, the intermediate lessor treats the right-of-use asset as the underlying asset in the sublease, not the item of property, plant or equipment that it leases from the head lessor. The intermediate lessor only has a right to use the underlying asset for a period of time. If the sublease is for all of the remaining term of the head lease, the intermediate lessor has in effect transferred that right to another party and the sublease is classified as finance lease. Otherwise the sublease is an operating lease.

2.4.5 Lease accounting – the Group as a lessor

Leased out property and equipment where all the substantial benefits and risks usually connected with the ownership were transferred from the Group to lessee is classified as finance lease. The underlying asset is derecognised and the respective short term and long-term lease payments, net of finance charges are recognised as current and non-current financial assets.

Payments received under operating leases are recorded in profit or loss in agreed instalments over the period of the lease.

2.5 Impairment of non-financial assets

An impairment loss is the amount by which the carrying amount of an asset or a cash-generating unit (“CGU”) exceeds its recoverable amount. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or circumstances indicate that their carrying amount may not be recoverable. Assets with indefinite useful life or intangible assets not ready for use are not subject to amortisation and are tested for impairment annually. Impairment losses for each class of assets are presented within depreciation, amortisation and impairment losses in the income statement. Reversals of impairment losses are presented within other operating income in the income statement.

For the purpose of assessing impairment, assets are grouped into CGU’s, representing the smallest groups of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The Group determines the recoverable amount of a CGU primarily on the basis of value in use. The calculation is determined by reference to discounted cash flows calculations. These discounted cash flows calculations are based on financial budgets approved by management, usually covering a four-year period. Cash flows beyond the detailed planning periods are extrapolated using appropriate growth rates. Key assumptions on which management bases the determination of value in use include average revenue per user, customer acquisition and retention costs, churn rates, capital expenditures, market share, growth rates and discount rates. Discount rates reflect risks specific to the CGU. Cash flows reflect management assumptions and are supported by external sources of information. In certain cases, the recoverable amount may be determined based on fair value less costs of disposal, using equity value as a proxy. This impairment test is highly judgmental, which carries the inherent risk of arriving at materially different recoverable amounts if estimates used in the calculations proved to be inappropriate.

If carrying amount of a CGU to which the goodwill is allocated exceeds its recoverable amount, goodwill allocated to this CGU is reduced by the amount of the difference. If an impairment loss recognised for the CGU exceeds the carrying amount of the allocated goodwill, the additional amount of the impairment loss is recognised through pro rata reduction of the carrying amounts of assets allocated to the CGU. Impairment losses on goodwill are not reversed.

In addition to the general impairment testing of CGU, the Group also tests individual assets if their purpose changes from being held and used to being sold or otherwise disposed of. In such circumstances the recoverable amount is determined by reference to fair value less costs to sell.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the CGU’s units that are expected to benefit from synergies of combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is allocated represents the lowest level within the Group at which the goodwill is monitored for internal purposes.

Impairment is determined by assessing the recoverable amount of CGU to which the goodwill relates. For more details on impairment of goodwill refer to Note 14.

2.6 Inventories

Inventories are initially measured at cost that comprises the purchase price and other costs incurred in bringing the inventories to their present location and condition, including customs, transportation and similar costs. Inventories are stated at the lower of cost and net realizable value. Cost of inventory is determined on the weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated selling expenses. An allowance is created against slow-moving, obsolete or damaged inventories.

Phone set inventory write-down allowances are recognised immediately when the phone sets are no longer marketable to secure subscriber contractual commitment or if the resale value on a standalone basis (without the subscriber commitment) is lower than cost.

2.7 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and in hand and short-term deposits with original maturity of three months or less from the date of acquisition.

For the purpose of the statement of cash flows, cash and cash equivalents are net of bank overdrafts. In the statement of financial position, bank overdrafts are included in borrowings in current liabilities.

The Group takes part in cash pooling system of Deutsche Telekom Group. Balances of selected bank accounts of the Group are at the end of the business day transferred to bank accounts of parent company. These balances are not part of cash equivalents and they are presented as receivable from cash pooling in current receivables and within investing activities in the statement of cash flows.

2.8 Financial assets

The Group classifies its financial assets as follows:
- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through profit or loss ("FVTPL")

The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Trade receivables and debt securities issued by a debtor to the Group are initially recognised when they are originated. All other financial assets are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price determined under IFRS 15.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Group has all financial assets classified and measured at amortised cost except for derivative contracts.

Financial assets at amortised cost (debt instruments)
The Group measures financial assets at amortised cost if both of the following conditions are met:
- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets at amortised cost include Trade and other receivables, Cash and cash equivalents, Loans and Cash pooling in the statement of financial position.

These assets are subsequently measured at amortised cost using the effective interest rate method. The amortised cost is reduced by impairment losses via loss allowance account. Interest income, foreign exchange gains and losses and impairment are recognised in income statement. Any gain or loss on derecognition is recognised in income statement.

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

Financial assets at fair value through profit or loss
The Group uses currency forward contracts to economically hedge its estimated cash flows. The Group decided to account for these contracts as "held for trading derivatives". As such, the Group did not apply hedge accounting in 2025 and 6–12/2024 and all currency forward contracts are recognised as held for trading derivatives with changes in fair value being reflected in profit or loss. Furthermore, the Group uses commodity derivative to mitigate exposure to power price volatility for non-speculative purposes and applied hedge accounting in accordance with IFRS 9 requirements. As such, the derivative is measured at fair value with the effective portion from changes in fair value being reflected in comprehensive income and ineffective portion in profit and loss.

Financial assets at fair value through profit or loss are initially recognised at fair value and subsequently carried at fair value. Unrealised gains and losses arising from revaluation of financial assets to the fair value as well as realised gains and losses are recognised in profit or loss.

2.9 Impairment of financial assets

The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost and contract assets. Regarding loss allowances for trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment (e.g. expected GDP growth and expected changes in unemployment rate). For lease receivables, contract assets and trade receivables with a significant financing component, an entity can choose as an accounting policy either to apply the general model for measuring loss allowance or always to measure the loss allowance at an amount equal to the lifetime ECL. The Group has chosen the latter policy.

The Group has applied the general impairment model to loans provided to related parties. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime. Currently the loans are in Stage 1. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. ECLs for loans were assessed but not booked as they are not material.

The loans from DTAG group to not give rise to a significant credit risk. These loans are settled through the group intercompany clearing centre and therefore classified to category A3 for which ECL is calculated.

The expected credit losses of significant assets are measured on an individual basis. The expected credit losses of remaining financial assets are measured by grouping together these assets with similar risk characteristics and applying provision matrix.

An impairment loss is calculated as the difference between an asset's gross amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off.

2.10 Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL (including liability from put option) are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Trade and other payables
Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are initially measured at fair value. After initial recognition trade and other payables are measured at amortised cost using the effective interest rate method.

2.11 Prepaid expenses

The Group has various contracts where the expenses are paid in advance, e.g. quarterly or yearly. Contracts relate to various services, e.g. maintenance.

2.12 Provisions and contingent liabilities

Provisions for asset retirement obligations, restructuring costs and legal and regulatory claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

If the effect of the time-value of money is material, provisions are discounted using a risk-adjusted, pre-tax discount rate. Where discounting is used, the increase in the provision due to the passage of time is recognised as a financial expense.

No provision is recognised for contingent liabilities. A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but that is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Asset retirement obligations
Asset retirement obligations relate to future costs associated with the retirement (dismantling and removal from use) of non-current assets. The obligation is recognised in the period in which it has been incurred and it is considered to be an element of cost of the related non-current asset in accordance with IAS 16. The obligation is measured at present value, and the corresponding increase in the carrying amount of the related non-current asset is depreciated over the estimated useful life of that asset. The value of the liability is recalculated to its present value as at the end of the reporting period and changes in the liability are recognised in the value of the assets or through charges to profit or loss (finance expenses). Upon settlement of the liability, the Group either settles the obligation for its recorded amount or incurs a gain or loss upon settlement.

2.13 Employee benefit obligations

Retirement and other long-term employee benefits
The Group provides retirement and other long-term benefits under both defined contribution and defined benefit plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into separate publicly or privately administered entities on a mandatory, contractual or voluntary basis. Once the contributions have been paid, the Group has no further payment obligations. The contribution is based on gross salary payments. The cost of these payments is charged to the income statement in the same period as the related salary cost.

The Group also provides defined retirement and jubilee benefit plans granting certain amounts of pension or jubilee payments that an employee will receive on retirement, usually dependant on one or more factors such as an age, years of service and compensation. These benefits are unfunded. The liability recognised in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The last calculation was prepared on 31 December 2025. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using discount rate of weighted-average yields for high-quality (Bloomberg Aa*) - non-cancellable, non-putable corporate bonds. The currency and term of the bonds are broadly consistent with the currency and estimated term of the benefit obligations. Past service costs are recognised immediately in consolidated income statement. Remeasurement gains and losses arising from experience-based adjustments and changes in actuarial assumptions are recognised in the period in which they occur within other comprehensive income for retirement benefits and within the consolidated income statement for jubilee benefits. Current service cost, past service cost and curtailment gain are included within wages and salaries under staff costs. Interest costs are included within financial expense.

Termination benefits
Employee termination benefits are recognised in the period in which is the Group demonstrably committed to a termination without possibility of withdrawal, i.e. the management defines and authorises a detailed plan listing the number and structure of employees to be discharged and announces it to the trade unions. Expenses related to termination benefits are presented within staff costs in profit or loss.

Incentive programs

The Group has entered into several incentive programs, both share-based and non-share based and cash and non-cash settled managed by DTAG. The Group recognizes the costs of services received from its members of executive management in a share-based and non-share-based payment transaction when services are received. If these services are received in a cash-settled share-based payment transaction, the Group recognizes the expense against the provision, re-measured at each reporting date. In case of equity-settled share-based payment transaction, the Group recognizes the expense against the equity capital fund, measured at fair value at the grant date.

2.14 Revenue recognition

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to a customer, who obtains control of that asset upon the delivery of services and products and customer's acceptance. Revenue from rendering of services and from sales of equipment is shown net of value added tax and discounts. Revenue is measured at the amount of transaction price that is allocated to the performance obligation.

The Group recognises revenue as follows:

The Group provides customers with narrow and broadband access to its fixed, mobile and TV distribution networks. Service revenue is recognised when the services are provided in accordance with contractual terms and conditions. Airtime revenue is recognised based upon minutes of use and contracted fees less credits and adjustments for discounts, while subscription and flat rate revenue is recognised in the period they relate to.

Revenue from prepaid cards is recognised when credit is used by a customer or after period of limitation when unused credit elapsed.

Interconnect revenue generated from calls and other traffic that originates in other operators' networks is recognised as revenue at the time when the call is received in the Group's network. The Group pays a proportion of the revenue it collects from its customers to other operators for calls and other traffic that originate in the Group's network but use other operators' networks. Revenue from interconnect is recognised gross.

When the Group acts as a reseller of another party's branded digital goods or services with a virtually unlimited supply (e.g. software licenses, cloud services, streaming services), it acts as principal if it has a selling price discretion and is primarily responsible, meaning it is the only party which the customer enters into a contract with and the only party that is responsible towards the customer for providing support and handling complaints and product issues. In this case revenue is recognised on a gross basis, otherwise net revenue is recognised.

In the case of multiple-element arrangements (e.g. mobile contract plus handset) with subsidised products delivered in advance, the transaction price is allocated to the performance obligations in the contract by reference to their relative standalone selling prices. Standalone selling prices of hardware are estimated using price list prices adjusted by margin haircut resulting from comparison of internal price list with external market prices. Standalone selling prices of service are estimated using average transaction prices adjusted by margin haircut. As a result a larger portion of the total consideration is attributable to the component delivered in advance (mobile handset), requiring earlier recognition of revenue. This leads to the recognition of what is known as a contract asset – a receivable arising from a customer contract that has not yet legally come into existence – in the consolidated statement of financial position.

Customer's credit risk is taken into account when accounting for contract assets by applying the expected credit loss model of IFRS 9. Impairments as well as reversals of impairments on contract assets are accounted for in accordance with IFRS 9.

Some one-time fees (mainly activation fees which are generally paid at contract inception) not fulfil definition of a separate performance obligation but represent a prepayment on future services. Such one-time fees and advanced payments for post-paid services lead to recognition of contract liability which is recognised as revenue appropriately to the minimum contract term. When discounts on service fees are granted unevenly for specific months of a contract while monthly service is provided evenly to the customer, service revenues are recognised on a straight-lined basis.

In accordance with IFRS 15, constant monthly revenue amounts shall be recognized in a contract where performance over the months is constant. One or more discounts on service may be given for one or multiple periods. The discount period can start at the beginning or at a later point in time of the contract term. Additionally discounts may also be granted in stages, meaning that the discount size varies over the minimum contract term. In order to guarantee continuity, straightlining of the discount during minimum contract term is required. This takes place by recognizing a contract asset, which is to be set up over the period with smaller payments and amortized over the remaining contract term.

The customer can be granted budgets for purchasing future goods and services either at contract inception or in the future by signing a frame contract which guarantees monthly minimum payment to the entity. The budget can be redeemed for hardware purchases and/or new services within the redemption period of the frame contract. A contract liability is created on a monthly basis until the budget is used. At the point of redemption revenue is realised in the amount of the relative standalone selling price of the material right.

Commission costs are assessed as incremental cost of obtaining a contract and are recognised as Contract costs. Contract costs are amortised during estimated customer retention period within dealers commission under other operating costs (related to indirect sales channel) and within wages and salaries under staff costs (related to direct sales channel).

The Group considers the effects of variable consideration and financing component as insignificant.

The Group typically satisfied its performance obligations at the point in time (mainly sales of equipment) and over time (services). The Group is not aware of any unusual payment terms. Payments are typically due within 14 days.

Revenue from sales of equipment is recognised when control of that equipment is transferred to a customer and when the equipment delivery and installation is completed. Completion of an installation is a prerequisite for transfer of control on such equipment where installation is not simple in nature and functionally constitutes a significant component of the sale.

Revenue from lease contracts (rent of buildings, technical spaces, circuits, dark fiber etc.) is recognised based on the lease classification, either as one-off revenue, i.e. finance lease (if the Group assessed as manufacturer or dealer) or on a straight-line basis over lease period, i.e. operating lease (rental).

System solutions / IT revenue
Contracts on network services, which consist of installations and operations of communication networks for customers, have an average duration of 2 to 3 years. Revenue from voice and data services is recognised under such contracts when voice and data are used by a customer. Revenue from system integration contracts comprising delivery of customised products and/or services is recognised when the control of that customised complex solution is transferred to a customer (solution is delivered to and accepted by a customer). Contracts are usually separated into distinct milestones which indicate completion, delivery and acceptance of a defined project phase. Upon completion of a milestone the Group is entitled to issue an invoice and to a payment. Revenue is recognized over time or at point in time based on contract conditions assessed in line with IFRS 15 criteria.

Revenue from maintenance services (generally a fixed fee per month) is recognised over time (during contractual period) or at point in time (when the services are completed). Revenue from repairs, which are not part of the maintenance contract but are billed on a basis of time and material used, is recognised when the services are rendered.

Revenue from sale of hardware (including terminal equipment) and software is recognised when the control of that asset is transferred to a customer, provided there are no unfulfilled obligations that affect customer's final acceptance of the arrangement.

Interest and dividends
Interest income is recognised using the effective interest rate method. Dividend income is recognised when the right to receive payment is established.

2.15 Operating profit

Operating profit is defined as a result before income taxes and financial income and expenses. For financial income and expenses refer to Notes 8 and 9 respectively.

2.16 Foreign currency translation

Transactions denominated in foreign currencies are translated into functional currency using exchange rates prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into functional currency using the exchange rates prevailing at the statement of financial position date. All foreign exchange differences are recognised within financial income or expense in the period in which they arise.

2.17 Taxes

Tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax
Current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted as of the statement of financial position date. For the year 2025 statutory current income tax rate is 24 % (21 % for prior periods).

Current income tax includes additional levy imposed by the Slovak government on regulated industries effective from 1 September 2012. In 2025, the levy of 18.912 % per annum (31.12.2024: 4.356 % per annum) is applied on the basis calculated as the profit before tax determined in accordance with the Slovak Accounting Standards multiplied by ratio of regulated revenues (according to Act on Electronic Communications Nr. 351/2011) on total revenues.

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities.

Deferred tax
Deferred tax is calculated at the statement of financial position date using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts, multiplied by income tax rate valid for future periods.

Deferred taxes are recognised for all taxable and deductible temporary differences, except for the deferred tax arising from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting nor taxable profit or loss.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and deferred tax liabilities is offsets if, and only if, those relate to income taxes levied by the same taxation authority on the same taxable entity.

2.18 Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent liabilities reported at the end of the period and the reported amounts of revenue and expenses for that period. Actual results may differ from these estimates.

In the process of applying the Group's accounting policies, management has made the following judgements, estimates and assumptions which have the most significant effect on the amounts recognised in the consolidated financial statements:

Useful lives of non-current assets
The estimation of the useful lives of non-current assets is a matter of judgement based on the Group's experience with similar assets. Management reviews the estimated remaining useful lives of non-current assets annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the depreciation or amortisation period, as appropriate, and are treated as changes in accounting estimates. Management's estimates and judgements are inherently prone to inaccuracy, in particular for those assets for which no previous experience exists.

The Group reviewed useful lives of non-current assets during 2025 and changed accounting estimates where appropriate. The table summarizes net increase or (decrease) in depreciation or amortisation charge for total non-current assets for the following periods:

thousands of EUR	2025	2026	2027	2028	2029 and after
Non-current assets	(1,027)	578	(1,132)	800	781

Customer relationships
The Group maintains record of customer relationships obtained during the acquisition of control of DIGI (Note 11) and regularly evaluates appropriateness of useful lives used to amortise these intangible assets on the basis of churn of customers acquired through the business combinations. No changes to useful lives were necessary in 2025 and 6–12/2024.

Assessment of impairment of goodwill
The 2010 legal merger with T-Mobile led to recognition of goodwill. Goodwill is tested annually for impairment as further described in Note 2.5 using estimates detailed in Note 14.

Joint operation
The Group has entered into a networksharing agreement („NSA") with CETIN Networks, s.r.o („CETIN"). The subject of the agreement is the provision of active and passive network services between the parties which is based on the geographic split of the Slovak Republic's territory. The main aim of the agreement is increased quality of the services for end customers and the overall costs reduction for network operation. The consolidation of shared network was finalized as of 30.09.2025.

The Group has assessed rights and obligations arising from the networksharing agreement and determined that the agreement is in the scope of IFRS 11 Joint operations. The contract with CETIN is not concluded through special purpose vehicles and does not provide rights to net assets of the joint arrangement as such the joint arrangement is classified as joint operations. The Group has full control over the active infrastructure used in the joint operations and accounts for those assets as own assets. With regards to the passive infrastructure, despite the fact those assets are legally owned by the individual joint operators, the Group accounts for the passive infrastructure subject to NSA as shared assets (it means 50 % of each of the passive infrastructure asset subject to NSA).

The Group contributes at carrying amount, specifically the Group derecognises 50 % of the net book value of the asset with the impact to income statement. CETIN's contributions to the joint operation are initially measured at fair value, specifically the Group recognizes 50 % of the fair value of the asset contributed by CETIN with impact to income statement.

The Group's contributions represent outflow of economic resources in the form of disposed assets, whereas the counter-party's contributions represent inflow of economic resources from the standpoint of the Group's financial statements and are recognized through other operating income. The net impact of the formation of the joint operations from 1 January till 31 December 2025 is EUR 6,182 thousand.

CETIN and the Group incur income and expenses related to the operation of the network in the geographic territory they are responsible for and subsequently perform mutual recharges. Income and expenses incurred based on the contract are of the same nature. Those transactions are considered to be the transactions of the joint operation rather than transactions between the joint operators. As such, those are presented in net values. In certain cases, residual balances are presented as other operating income and other operating expenses.

The current lease term of the evergreen contracts with 3rd parties, which are in the scope of NSA, were reassessed and prolonged effectively from the date of their contribution to NSA in order to cover at least the average useful live of the active equipment (rooftops) and to cover at least the term of NSA (ground-based towers). The financial effect of the reassessment is the increase in right-of-use assets (Note 13) and corresponding lease liabilities (Note 25) in the total amount of EUR 6,399 thousand.

Consolidation of Slovak Telekom Infra, a.s.
According to IFRS 10 (International Financial Reporting Standards), the decisive factor for a decision of deconsolidation is the loss of control. According to IFRS 10.6 and 10.7, an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. According to IFRS 10.11, power arises from rights. In most cases, assessing power can be straightforward when the control over an investee is directly and solely derived from the voting rights. In complex situations involving contractual arrangements, it is required to refer to IFRS 10.B3 for the assisting guidance on the assessment of the control.

The Group has assessed, based on IFRS 10.B3 assisting guidance, the demerger by spin-off by merger and concluded that according to IFRS 10 (Consolidated financial statements) the demerger by spin-off by merger does not lead to the loss of control by Demerged Company over Successor Company. This conclusion is based on the analysis of the complex contractual arrangements between the companies, which mainly include the master lease agreement ("MLA") and long-term service agreement ("LSA"). The power to affect the key variable returns (revenue, net profit and cash flow) is most significantly directed by the existing contractual provisions in MLA and LSA related, among others, to the rollout of new sites, pricing flexibility and the ability to carry out the deployment of new sites on the revenue side as well as the management of ground leases, maintenance and decommissioning of sites on the cost side. These are considered as relevant activities and are directed to the significant extent by Slovak Telekom a.s.

As such, Slovak Telekom, a.s. controls Slovak Telekom Infra, a.s. through these strong contractual arrangements, despite having no investment share and voting rights after the demerger.

The aforementioned conclusion is considered the significant judgement, and it may change in the future if the underlying facts and circumstances (mainly the contractual provisions in MLA and LSA) change in a way, that would lead to loss of control over Slovak Telekom Infra, a.s.

Content rights
The Group recognizes the content licences as an intangible assets if it is highly probable that the content will be delivered, contract duration is longer than one year and the cost are determined or determinable. Acquired content licences are recognised at acquisition cost. If there is no fixed price defined in the contract, the Group uses best estimate to assess the fee during the contracted period. The useful lives of content licences are based on the underlying agreements and are amortised on a straight-line basis over the period from availability for commercial use until the end of the licence term which is granted to the Group. Content contracts which do not meet the criteria for capitalization are expensed and presented in 'other operating costs' in the income statement.

Asset retirement obligation
The Group enters into lease contracts for land and premises on which mobile communication network masts and other assets are sited. The Group is committed by these contracts to dismantle the masts and restore the land and premises to their original condition. Management anticipates the probable settlement date of the obligation to equal useful life of assets, which is estimated to be from 5 to 33 years. The remaining useful life of assets ranges from 1 to 33 years at 31 December 2025.

Management's determination of the amount of the asset retirement obligation (Note 23) involves the following estimates (in addition to the estimated timing of crystallisation of the obligation):

a) an appropriate risk-adjusted, pre-tax discount rate commensurate with the Group's credit standing;
b) the amounts necessary to settle future obligations;
c) inflation rate.

If probable settlement date of the obligation related to masts was shortened by 10 years it would cause an increase of asset retirement obligation by EUR 2,208 thousand (31.12.2024: increase by EUR 1,527 thousand). If the inflation rate increased by 0.5 %, it would cause an increase of asset retirement obligation by EUR 1,133 thousand (31.12.2024: increase by EUR 1,230 thousand). If the risk-adjusted, pre-tax discount rate increased by 0.5 %, it would cause a decrease of asset retirement obligation by EUR 1,042 thousand (31.12.2024: decrease by EUR 1,130 thousand). If the amounts necessary to settle future obligations increased by 10 %, it would cause an increase of asset retirement obligation by EUR 2,307 thousand (31.12.2024: increase by EUR 2,625 thousand).

Provisions and contingent liabilities
The Group is a participant in several lawsuits and regulatory proceedings. When considering the recognition of a provision, management judges the probability of future outflows of economic resources and its ability to reliably estimate such future outflows. If these recognition criteria are met a provision is recorded in the amount of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Such judgments and estimates are continually reassessed taking into consideration the developments of the legal cases and proceedings and opinion of lawyers and other subject matter experts involved in resolution of the cases and proceedings. The factors considered for individual cases are described in Notes 23 and 31.

Critical judgements in determining lease term
The lease term assessment for evergreen leases (i.e. with no specified contract maturity) is performed on a portfolio basis. The lease term determination is usually linked to the estimated useful life of telecommunication equipment installed on infrastructure, building or land of third parties.

In case of evergreen lease contracts for office space, shops and technical space, lease term has been assessed in different manner, considering all circumstances and facts that create an economic (dis)incentive to terminate the contracts, e. g. location of the asset, existence of significant leasehold improvements that would be lost if the lease were terminated, costs associated with sourcing an alternative place and historical lease durations. Based on that, the Group has come to conclusion that expected lease term is 20 years for office space and shops and 33 years for technical space.

If the expected lease term of office space and shops was shortened by 10 years (from 20 years to 10 years) it would cause a decrease in the lease liability by EUR 6,454 thousand (31.12.2024: EUR 4,668 thousand). If the expected lease term was prolonged by 10 years (from 20 years to 30 years) it would cause an increase in the lease liability by EUR 6,879 thousand (31.12.2024: EUR 5,988 thousand).

If the expected lease term of technical space was shortened by 10 years (from 33 years to 23 years) it would cause a decrease in the lease liability by EUR 7,151 thousand (31.12.2024: EUR 6,850 thousand). If the expected lease term was prolonged by 10 years (from 33 years to 43 years) it would cause an increase in the lease liability by EUR 8,926 thousand (31.12.2024: EUR 6,730 thousand). Assumed calculation is prepared on the basis of the subsequent extension of initial lease term after it's expiry by 10 years.

2.19 Adoption of IFRS Accounting Standards during the year

Standards, interpretations and amendments to published standards effective for the Group's accounting period beginning on 1 January 2025

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2025:

Lack of Exchangeability - Amendments to IAS 21

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New standards and interpretations not yet adopted
The impact on the Group's financial statements of new standards, amendments to the standards and interpretations endorsed by EU which are not yet effective and have not been early adopted is being analysed as of the date of the issuance of these financial statements and the final impact is unknown yet.

3. Financial risk management

The Group is exposed to a variety of financial risks. The Group's risk management policy addresses the unpredictability of financial markets and seeks to minimize potential adverse effects on the performance of the Group.

The Group's financial instruments include cash and cash equivalents, intra-group loans, intra-group funding measures (i.e. cash pooling or additional financing facilities) and derivatives. The main purpose of these instruments is to manage the liquidity of the Group.

The Group also concluded derivate swap contract which is a virtual power purchase agreement to manage cash flow variability. The Group is exposed to variability in the price of power due to the electricity consumption in the mobile network and related administrative building. Risk management strategy is focused on limiting the impacts of commodity price risks to acceptable levels defined in Risk management strategy. The hedging strategy and the extent of hedge coverage are aligned with the DT Strategy Team and have been approved by local management. Hedge accounting practices are conducted in accordance with these established principles. In accordance with the Risk management strategy, the risk management objective is that Group entered into a derivative commodity contract where they pay fixed leg and receive the float leg based on price development on underlying assets represented by hourly national spot price published by short-term electricity market operator OKTE.

The Group has various other financial assets and liabilities such as trade and other receivables and trade and other payables which arise from its operations.

The main risks arising from the Group's financial instruments are market risk, credit risk and liquidity risk. The Treasury is responsible for financial risk management (except for credit risk arising from sales activities which is managed by the Credit Risk Department) in accordance with guidelines approved by the Board of Directors and the Deutsche Telekom Group Treasury. The Group's Treasury Department works in association with the Group's operating units and with the Deutsche Telekom Group Treasury. There are policies in place to cover specific areas, such as market risk, credit risk, liquidity risk and the investment of excess funds.

3.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk.

3.1.1 Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in foreign exchange rates.

The Group is exposed to transactional foreign currency risk arising from international interconnectivity. In addition, the Group is exposed to risks arising from capital and operational expenditures denominated in foreign currencies.

For the year 2025, net foreign currency exposures are hedged at approximately 50%, as during 2024 the hedging transactions were still executed in line with the previous foreign exchange risk management methodology. This methodology stipulated that the Group hedges planned but not yet firmly committed foreign currency cash flows for a rolling period of 12 months. The minimum hedging ratio was set at 50% of the net exposure, and foreign exchange forward contracts with fixed settlement dates were used for this purpose. The Group also prepared short-term cash flow forecasts on an ongoing basis to quantify expected foreign exchange risk more accurately.

Starting from 2025, the Group applies a new foreign exchange risk management methodology, under which natural hedging (e.g., offsetting revenues and expenses in the same currency) is used whenever possible to minimize the number of external transactions within the Group. In addition, a cost-averaging effect is applied as a supplementary risk mitigation tool.

New hedging transactions are no longer concluded for regular recurring payments, such as regular operational payments or regular dividend distributions. Hedging remains mandatory for one-off cash flows denominated in foreign currencies, as well as for foreign currency financing, where the equivalent amount exceeds EUR 2,000 thousand. In exceptional cases, companies within the DT Group may deviate from this approach following prior consultation with Group Treasury. The identification and assessment of foreign exchange risk are also carried out in close cooperation with Group Treasury.

The Group's foreign currency risk relates mainly to the changes in USD and CZK foreign exchange rates, with immaterial risk related to financial assets and financial liabilities denominated in other foreign currencies.

The carrying amounts of the Group's USD and CZK denominated monetary assets and monetary liabilities at the reporting date are as follows:

thousands of EUR	31.12.2025	31.12.2024	31.12.2025	31.12.2024
	USD	USD	CZK	CZK
Monetary assets	443	247	948	549
Liabilities	(1,168)	(1,589)	(3,559)	(5,033)
	(725)	(1,342)	(2,611)	(4,484)

The following table details the sensitivity of the Group's profit after tax to a 10 % increase/decrease in the USD and CZK against EUR, with all other variables held as constant. The 10 % change represents management's assessment of the reasonably possible change in foreign exchange rate and is used when reporting foreign currency risk internally in line with treasury policies.

thousands of EUR		31.12.2025	31.12.2024
Profit after tax	Depreciation of USD by 10%	49	102
	Appreciation of USD by 10%	(49)	(102)

thousands of EUR		31.12.2025	31.12.2024
Profit after tax	Depreciation of CZK by 10%	9	14
	Appreciation of CZK by 10%	(9)	(14)

3.1.2 Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group entered into a Master agreement on Upstream loans with DTAG in October 2008 based on which the Group can provide loans to DTAG. Currently, there is outstanding loan in amount of EUR 29,100 thousand (31.12.2024: EUR 91,900 thousand) at fixed interest rate (Note 20). The Group has no material financial instruments with variable interest rates as at 31 December 2025.

3.1.3 Other price risk

Other price risk arises on financial instruments because of changes in commodity prices. The Group entered into derivative swap to mitigate volatility exposure for energy prices.

The following table details the sensitivity of other components of equity to a 10 % increase/decrease in the reference prices and 5 % increase/decrease in electricity volumes with all other variables held as constant. The 10 % and 5 % change represents management's assessment of the reasonably possible change in the variables.

thousands of EUR		31.12.2025	31.12.2024
Impact on other components of equity	Decrease in reference prices 10%	(4,220)	(4,224)
	Increase in reference prices 10%	4,220	4,224

thousands of EUR		31.12.2025	31.12.2024
Impact on other components of equity	Decrease in electricity volume 5%	(24)	(23)
	Increase in electricity volume 5%	4	4

3.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Group is exposed to credit risk from its operating activities and certain investing activities. The Group's credit risk policy defines products, maturities of products and limits for financial counterparties. The Group limits credit exposure to individual financial institutions on the basis of the credit ratings assigned to these institutions by reputable rating agencies and these limits are reviewed on a regular basis. The Group deposits free cash into financial instruments such as financial investments in the form of loans to DTAG. The Group is exposed to concentration of credit risk from holding loan receivable in the amount of EUR 29,100 thousand (31.12.2024: EUR 91,900 thousand) provided to DTAG (Germany) and trade receivables from DTAG and other entities in DT Group in amount of EUR 33,927 thousand (31.12.2024: EUR 40,394 thousand). The concentration of credit risk for trade receivables other than from entities in DT Group is limited due to the fact that the customer base is large and unrelated.

The Group's cash and cash equivalents are held with major regulated financial institutions; the two largest ones hold approximately 93 % and 5 % (31.12.2024: 76 % and 23 %).

For credit ratings see the following tables:

thousands of EUR	31.12.2025	31.12.2024
Loans (Note 20)		
A3	29,100	91,900
	29,100	91,900

thousands of EUR	31.12.2025	31.12.2024
Cash and cash equivalents (Note 21)		
A1	1	-
A2	52,081	32,100
A3	2,900	9,482
Aa3	831	258
Not rated	49	266
	55,862	42,106

Further, counterparty credit limits and maximum maturity can be decreased based on recommendation by Deutsche Telekom Group Treasury in order to manage bulk risk steering of Deutsche Telekom Group. Group credit risk steering takes into account various risk indicators including, but not limited to CDS (Credit Default Swap) level and rating.

The Group establishes an allowance for impairment that represents its estimate of expected credit losses in respect of trade, other receivables and contract assets. Cash and cash equivalents and intercompany receivables are also subject to the impairment requirements of IFRS 9, however, the identified impairment loss determined based on probability of default would be immaterial. The receivables from the DTAG group do not give rise to a significant credit risk. The Group has considered the financial performance, external debt and future cash flows of the related parties and concluded that the credit risk relating to these receivables is limited and consequently the probability of default relating to these balances is low.

Impairment is recognized both upon initial recognition and at each subsequent reporting date at an amount equal to the lifetime expected credit losses. Objective evidence of impairment for a portfolio of receivables includes the Group's past experience of collecting payments, changes in the internal and external ratings of customers, current conditions and the Group's view of economic conditions over the expected lives of receivables.

In respect of financial assets, which comprise cash and cash equivalents, intra-group loans, trade and other receivables and cash pooling, the Group's exposure to credit risk arises from the potential default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets. The Group considers a financial asset to be in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before contractual payments are 90 days past due. For example, in case of an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

The Group assesses its financial investments at each reporting date for credit losses. Significant financial assets are assessed individually. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. Credit loss in respect of a financial asset is calculated as the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive discounted at the original effective interest rate. Credit losses are recognised in the income statement.

The table summarises the ageing structure of receivables based on IFRS 9:

		Past due					
thousands of EUR	Not past due	< 30 days	31–90 days	91–180 days	181–365 days	> 365 days	Total
As at 31 December 2025							
Trade and other receivables, gross	208,819	11,288	3,803	4,270	7,163	18,656	253,999
Trade and other receivables, net	196,232	10,031	2,203	1,501	2,006	2,487	214,460
Allowance for receivables	(12,587)	(1,257)	(1,600)	(2,769)	(5,157)	(16,169)	(39,539)

		Past due					
thousands of EUR	Not past due	< 30 days	31–90 days	91–180 days	181–365 days	> 365 days	Total
As at 31 December 2024							
Trade and other receivables, gross	207,022	7,513	4,048	3,992	6,498	20,501	249,574
Trade and other receivables, net	193,303	6,513	2,260	1,487	1,680	2,638	207,881
Allowance for receivables	(13,719)	(1,000)	(1,788)	(2,505)	(4,818)	(17,863)	(41,693)

The probabilities of default for individual ageing bands for Core receivables (which represents majority of receivables) are as follows:

		Past due					
	Not past due	< 30 days	31–90 days	91–180 days	181–365 days	> 365 days	> 3600 days
As at 31 December 2025	2 %	13 %	40 %	63 %	74 %	92 %	100 %
As at 31 December 2024	2 %	13 %	40 %	63 %	74 %	92 %	100 %

No significant individually assessed trade receivables were included in the loss allowance in 2025 or 6–12/2024.

Management believes that no additional loss allowance is necessary for trade receivables for which there is a significant increase in credit risk since initial recognition because of the fact that these receivables are from creditworthy customers who have a good track record with the Group. This is also supported by the historical default rates. Management also believes that currently no additional loss allowance is necessary for trade receivables that are either not past due or for which no objective evidence of impairment exists.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 15, 20 and 21. For sensitivity of impairment charge of uncollectible receivables refer to Note 15.

3.3 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risks are monitored using several techniques, such as Maturity Gap Analysis (which compares cash inflows and outflows over various time periods), Cash Flow Forecasting, and examining the Cash Conversion Cycle to evaluate liquidity requirements and challenges.

Short-term highly liquid assets of the Group (such as cash and cash equivalents, cash pooling receivable and intercompany short-term loans) cover considerable part of Group´s payables without Trade and other receivables and other current assets taken into account, therefore liquidity risk of the Group is considered to be low:

thousands of EUR	31.12.2025	31.12.2024
Cash and cash equivalents	55,862	42,106
Cash pooling receivable (included in Trade and other receivables)	20,249	22,702
Loans	29,100	91,900
	105,211	156,708

The Group's liquidity risk mitigation principles define the level of cash and cash equivalents, marketable securities, short-term financial assets and intragroup financing measures in line with DT Group Centralized funding approach available to the Group to allow it to meet its obligations on time and in full. Liquidity needs are to be covered by intragroup funding measures of DT Group, i.e. cash pooling or additional financing facilities, then also cash, cash equivalents and liquid short term financial assets, with the objective of holding predetermined minimum amounts of cash and cash equivalents and credit facilities available on demand.

The table summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

thousands of EUR	On demand	Less than 3 months	3 to 12 months	Over 1 year	Total
As at 31 December 2025					
Trade and other payables	5,351	116,854	54,215	67,905	244,325
As at 31 December 2024					
Trade and other payables	7,951	104,690	20,557	13,073	146,271

For maturity of lease liabilities refer to Note 25.

Trade and other payables, which are past due as at 31 December 2025, are in amount of EUR 1,670 thousand (out of which EUR 1,407 thousand are Trade and other payables past due not more than 30 days). Trade and other payables, which were past due as at 31 December 2024, were in amount of EUR 6,278 thousand (out of which EUR 4,793 thousand were Trade and other payables past due not more than 30 days.)

3.3.1 Offsetting financial assets and liabilities

The following financial assets and liabilities are subject to offsetting:

thousands of EUR	Gross amounts	Offsetting	Net amounts
As at 31 December 2025			
Current financial assets - Trade receivables	1,194	(584)	610
Current financial liabilities - Trade payables	2,340	(584)	1,756
As at 31 December 2024			
Current financial assets - Trade receivables	1,479	(839)	640
Current financial liabilities - Trade payables	2,236	(839)	1,397

For the Group's accounting policy on offsetting refer to Note 2.8. Balances of Trade receivables and Trade payables are presented on a net basis in the consolidated statement of financial position.

3.4 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

The Company's management proposes to the owner of the Company (through the Board of Directors) to approve dividend payments or adopt other changes in the Company's equity capital in order to optimize the capital structure of the Group. This can be achieved primarily by adjusting the amount of dividends paid to the shareholder, or alternatively, by returning capital to the shareholder by capital reductions, issue new shares or sell assets to reduce debt. The Group also takes into consideration any applicable guidelines of the ultimate parent company. No changes were made to the objectives, policies or processes in 2025.

The capital structure of the Group consists of equity attributable to shareholder, comprising issued capital, statutory reserve fund, retained earnings and other components of equity (Note 22). Management of the Group manages capital measured in terms of shareholder's equity amounting to EUR 1,257,455 thousand at 31 December 2025 (31.12.2024: EUR 1,250,646 thousand).

3.5 Fair values

Fair value measurement is analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on observable market data (that is, unobservable inputs). Management applies judgement in categorising financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement. The significance of a valuation input is assessed against the fair value measurement in its entirety.

3.5.1 Recurring fair value measurement

Recurring fair value measurements are those that the accounting standards require or permit in the consolidated statement of financial position at the end of each reporting year.

thousands of EUR	Level 1	Level 2	Level 3
Recurring fair value measurements at 31 December 2025			
Financial assets at FVTPL			
Hedging derivatives – cash flow hedge	-	-	6,012

thousands of EUR	Level 1	Level 2	Level 3
Recurring fair value measurements at 31 December 2024			
Financial assets at FVTPL			
Hedging derivatives – cash flow hedge	-	-	8,802

Development of the carrying amounts of the financial assets and financial liabilities assigned to Level 3

thousands of EUR	Derivative financial assets in cash flow hedges: energy forward agreements	Derivative financial liabilities in cash flow hedges: energy forward agreements
Carrying amount as of December 31, 2024	8,802	-
Additions (including first-time classification as Level 3)	-	-
Decreases in fair value recognized in profit/loss (including losses on disposal)	-	-
Increases in fair value recognized in profit/loss (including gains on disposal)	-	-
Decreases in fair value recognized directly in equity	(2,790)	-
Increases in fair value recognized directly in equity	-	-
Disposals (including last classification as Level 3)	-	-
Currency translation effects recognized directly in equity	-	-
Carrying amount as of December 31, 2025	6,012	-

The amounts are included in line "Derivative financial instruments" of the statement of financial position and in line "Fair value gain arising on hedging instruments "in the statement of comprehensive income.

3.5.2 Non-recurring fair value measurement

Non-recurring fair value measurements are fair value measurements that are required or permitted by other IFRS Accounting Standards to be measured in the statement of financial position in particular circumstances.

thousands of EUR	Level 1	Level 2	Level 3
Non-recurring fair value measurements at 31 December 2025			
Non-financial assets at fair value			
Property, plant and equipment	-	-	8,523
Right-of-use assets	-	-	9,499

thousands of EUR	Level 1	Level 2	Level 3
Non-recurring fair value measurements at 31 December 2024			
Non-financial assets at fair value			
Property, plant and equipment	-	-	7,632
Right-of-use assets	-	-	5,583

The Group accounts for counter-parties' contribution into joint operations at fair value in accordance with IFRS 11. Furthermore, non-financial assets were valued by external valuation service provider using cost approach including own data or other best available information in the circumstances in line with IFRS 13 requirements.

3.5.3 Financial assets and financial liabilities not measured at fair value

The fair value of other financial assets and financial liabilities approximate their carrying amounts at the statement of financial position date. The loans are short-term. For further details on loans refer to Notes 3.2 and 20. Non-current receivables and non-current payables are discounted unless the effect of discounting was inconsiderable.

3.6 Presentation of financial instruments by measurement category

thousands of EUR	31.12.2025	31.12.2024
ASSETS		
Financial assets at amortised cost		
Trade and other receivables (Note 15)	214,460	207,881
Derivative financial instruments (Note 16)	6,012	8,802
Loans (Note 20)	29,100	91,900
Cash and cash equivalents (Note 21)	55,862	42,106
LIABILITIES		
Financial liabilities at amortised cost		
Trade and other payables (Note 24)	244,325	146,271
Lease liabilities (Note 25)	101,298	103,149

4. Revenue from contracts with customers

thousands of EUR	2025	6–12/2024
Fixed network revenue	347,611	200,983
Mobile network revenue	352,375	201,288
Terminal equipment	131,928	84,623
System solutions / IT	45,996	26,820
Other	8,334	5,470
	886,244	519,184

For assets and liabilities related to contracts with customers or cost to obtain a contract with customer refer to Note 17.

5. Other operating income

thousands of EUR	2025	6–12/2024
Gain on disposal of property and equipment and intangible assets, net	6,670	6,222
Gain on disposal of Rights of use assets	-	39
Gain from material sold	319	361
Reversal of impairment of property and equipment (Notes 11, 12, 13)	4,954	786
Income from reinvoicing of services	6,870	5,110
Other	9,316	5,736
	28,129	18,254

For detail related to balance in category Other refer to Note 2.18 Significant accounting judgements, estimates and assumptions.

6. Staff costs

thousands of EUR	2025	6–12/2024
Wages and salaries	100,526	64,546
Defined contribution pension costs	16,489	7,994
Other social security contributions	18,124	10,395
	135,139	82,935

	31.12.2025	31.12.2024
Number of employees at year end	2,450	2,481
Average number of employees during the year	2,465	2,493

Majority of own work capitalized in amount of EUR 10,013 thousand (6–12/2024: EUR 5,809 thousand) represents capitalization of staff costs of internal employees.

For expenses resulting from termination, retirement and jubilee benefits (included in Staff costs) refer to Note 23.

7. Other operating costs

thousands of EUR	2025	6–12/2024
Repairs and maintenance	16,770	10,164
Loss on disposal of Rights of use assets	304	-
Marketing costs	19,040	13,160
Energy	17,345	11,807
Printing and postage	3,864	1,945
Logistics	3,844	2,154
Rentals and leases (not in scope of IFRS 16)	1,899	1,018
IT services	14,091	7,737
Dealer commissions	26,661	14,764
Frequency fees	3,213	1,818
Content fees	35,179	19,173
Legal and regulatory claims (Note 31)	360	(822)
Property related costs	2,470	1,688
Consultancy	2,863	2,565
Customer solutions	23,859	15,432
Fees paid to group companies	8,761	4,685
Other	16,327	8,817
	196,850	116,105

8. Financial income

thousands of EUR	2025	6–12/2024
Interest income	4,317	2,310
Foreign exchange gains, net	56	28
	4,373	2,338

9. Financial expense

thousands of EUR	2025	6–12/2024
Interest expense from lease	3,808	2,211
Other interest expense	2,238	1,542
	6,046	3,753

10. Taxation

The major components of income tax expense for the period from 1 January to 31 December 2025 and for the period from 1 June to 31 December 2024 are:

thousands of EUR	2025	6–12/2024
Current tax expense	49,408	26,269
Current tax expense of prior years	180	-
Deferred tax expenses / (income)	2,301	21,082
Levy on regulated industries	22,154	1,961
Levy on regulated industries of prior years	(328)	(2,155)
Income tax expense reported in the income statement	73,715	47,157

Reconciliation between the reported income tax expense and the theoretical amount that would arise using the statutory tax rate is as follows:

thousands of EUR	2025	6–12/2024
Profit before income tax	223,924	123,059
Income tax calculated at the statutory rate of 24 % (6–12/2024: 21 %)	48,504	25,842
Effect of non-taxable income and tax non-deductible expenses:		
Reversal of impairment of PPE	(1,102)	-
Other tax non-deductible items, net	3,795	665
Tax charge in respect of prior years	180	-
Levy on regulated industries	21,826	(194)
Change in the tax rate - income tax / special levy rate	-	15,766
Adjustment of the deferred tax not affecting P/L	512	5,078
Income tax at the effective tax rate of 33 % (6–12/2024: 38 %)	73,715	47,157

Income tax calculated at the statutory rate of 24% is calculated from profit before income tax adjusted by special levy that is considered as tax deductible item for income tax calculation

In period 6–12/2024, the effective tax rate has increased to 38 % compared to 24 % in period 1–5/2024. This increase is primarily due to the change in the income tax rate (increase in the income tax rate from 21 % to 24 % as of January 1, 2025) and the change in the rate of the special levy in regulated industries (increase in the monthly rate from 0.00363 to 0.01576 as of January 1, 2025). The total impact is an increase in the deferred tax liability of EUR 15,766 thousand.

Deferred tax assets (liabilities) for the years ended 31 December 2025 and 31 December 2024 are attributable to the following items:

thousands of EUR	1 January 2025	Through income statement	Through statement of comprehensive income	31 December 2025
Difference between carrying and tax value of fixed assets	(89,378)	7,259	-	(82,119)
Lease liabilities	20,455	(2,162)	-	18,293
Staff cost accruals	4,836	(2,459)	-	2,377
Allowance for bad debts	7,534	(743)	-	6,791
Termination benefits	1,484	(74)	-	1,410
Retirement benefit obligation	2,758	76	134	2,968
Asset retirement obligation	4,224	(52)	-	4,172
Derivative financial instruments	(2,112)	-	669	(1,443)
Contract assets	(7,793)	398	-	(7,395)
Contract costs	(9,078)	(1,072)	-	(10,150)
Contract liability	1,718	14	-	1,732
Special levy	(9,152)	(699)	-	(9,851)
Other	4,061	(2,787)	-	1,274
Net deferred tax liability	(70,443)	(2,301)	803	(71,941)

thousands of EUR	1 June 2024	Through income statement	Through statement of comprehensive income	31 December 2024
Difference between carrying and tax value of fixed assets	(78,194)	(11,184)	-	(89,378)
Lease liabilities	20,998	(543)	-	20,455
Staff cost accruals	1,883	2,953	-	4,836
Allowance for bad debts	5,794	1,740	-	7,534
Termination benefits	963	521	-	1,484
Retirement benefit obligation	1,969	314	475	2,758
Asset retirement obligation	3,453	771	-	4,224
Derivative financial instruments	(1,965)	-	(147)	(2,112)
Contract assets	(6,288)	(1,505)	-	(7,793)
Contract costs	(7,337)	(1,741)	-	(9,078)
Contract liability	1,559	159	-	1,718
Special levy	(380)	(8,772)	-	(9,152)
Other	7,857	(3,796)	-	4,061
Net deferred tax liability	(49,688)	(21,083)	328	(70,443)

Deferred tax asset of EUR 4,151 thousand (31.12.2024: EUR 3,517 thousand) is recognised in respect of subsidiary DIGI and Slovak Telekom Infra and deferred tax liability of EUR 76,092 thousand (31.12.2024: EUR 73,960 thousand) in respect of Slovak Telekom. The Group offsets deferred tax assets and deferred tax liabilities if, and only if, those relate to income taxes levied by the same taxation authority on the same taxable entity.

thousands of EUR	31.12.2025	31.12.2024
Deferred tax asset to be settled within 12 months	3,413	2,955
Deferred tax asset to be settled after more than 12 months	1,295	958
Deferred tax liability to be settled after more than 12 months	(558)	(396)
Net deferred tax asset	4,151	3,517

thousands of EUR	31.12.2025	31.12.2024
Deferred tax asset to be settled within 12 months	23,763	26,322
Deferred tax asset to be settled after more than 12 months	23,361	25,444
Deferred tax liability to be settled within 12 months	(18,862)	(18,042)
Deferred tax liability to be settled after more than 12 months	(104,353)	(107,684)
Net deferred tax liability	(76,092)	(73,960)

The Slovak Republic has implemented legislation to ensure global minimum taxation in accordance with Pillar II of the OECD and the corresponding EU Directive. The Slovak legislation is applicable from 2024.

The potential tax burden has been estimated based on the information available at the balance sheet date (historical information, planning data, Group reporting as of 31 December 2024 and 31 December 2025, etc.). Based on this assessment, the Group expects that it will not be subject to minimum taxation in 2025, either by demonstrating that it meets the temporary safe harbor criteria (i.e. based on the qualified report the simplified effective tax rate for a jurisdiction is at least 16% for 2025) or by demonstrating minimum taxation based on detailed calculations according to the GLoBE rules. Therefore, no minimum tax is due as of the balance sheet date.

In addition, the Group uses the exemption in IAS 12.4A, according to which no deferred taxes are recognized in connection with the global minimum taxation.

11. Intangible assets

thousands of EUR	Software	Telecommu-nication licences	Other licences and rights	Internally developed intangible assets	Goodwill	Customer relation-ships	Intangibles under con-struction	Total
At 1 January 2025								
Cost	502,479	184,766	40,117	50,981	101,934	29,298	48,838	958,413
Accumulated depreciation	(401,693)	(134,195)	(31,341)	(38,678)	-	(22,136)	-	(628,043)
Net book value	100,786	50,571	8,776	12,303	101,934	7,162	48,838	330,370
Additions	21,909	-	20,296	227	-	-	177,869	220,301
Depreciation charge	(29,718)	(10,324)	(20,978)	(2,212)	-	(1,953)	-	(65,185)
Disposals	-	-	(1)	-	-	-	(134)	(135)
Transfers	13,224	16,000	889	199	-	-	(30,312)	-
At 31 December 2025								
Cost	518,715	200,766	39,541	51,126	101,934	29,298	196,261	1,137,641
Accumulated depreciation	(412,514)	(144,519)	(30,559)	(40,609)	-	(24,089)	-	(652,290)
Net book value	106,201	56,247	8,982	10,517	101,934	5,209	196,261	485,351

Customer relationships were recognised at acquisition of subsidiary DIGI with total net book value at 31 December 2025 of EUR 5,209 thousand (31.12.2024: EUR 7,162 thousand). Intangibles under construction are represented by low valued items of software or licenses acquired in current year, but not yet put in use.

For cost and impairment of goodwill refer to Note 14.

thousands of EUR	Software	Telecommu-nication licences	Other licences and rights	Internally developed intangible assets	Goodwill	Customer relation-ships	Intangibles under con-struction	Total
At 1 June 2024								
Cost	493,165	184,766	37,776	50,636	101,934	29,298	39,241	936,816
Accumulated depreciation	(394,194)	(128,293)	(23,894)	(37,438)	-	(20,997)	-	(604,816)
Net book value	98,971	56,473	13,882	13,198	101,934	8,301	39,241	332,000
Additions	11,726	-	8,346	90	-	-	15,704	35,866
Depreciation charge	(16,085)	(5,902)	(13,128)	(1,240)	-	(1,139)	-	(37,494)
Disposals	(3)	-	-	-	-	-	-	(3)
Transfers	6,177	-	(325)	255	-	-	(6,107)	-
At 31 December 2024								
Cost	502,479	184,766	40,117	50,981	101,934	29,298	48,838	958,413
Accumulated depreciation	(401,693)	(134,195)	(31,342)	(38,678)	-	(22,136)	-	(628,044)
Net book value	100,786	50,571	8,775	12,303	101,934	7,162	48,838	330,369

12. Property and equipment

thousands of EUR	Land, buildings and structures	Telecommu-nications line network	Transmission and switching equipment	Other	Capital work in progress including advances	Total
At 1 January 2025						
Cost	136,249	1,321,694	687,067	199,641	167,967	2,512,618
Accumulated depreciation	(87,166)	(881,243)	(542,424)	(153,593)	-	(1,664,426)
Net book value	49,083	440,451	144,643	46,048	167,967	848,192
Additions	560	25,403	44,127	13,323	39,175	122,588
Depreciation charge	(2,622)	(45,400)	(44,252)	(10,341)	-	(102,615)
Impairment charge	(1,224)	-	(68)	-	-	(1,292)
Reversal of impairment	4,954	-	-	-	-	4,954
Disposals	(10,770)	(223)	(798)	(2,636)	(1,004)	(15,431)
Transfers	1,472	29,272	16,071	2,126	(48,941)	-
At 31 December 2025						
Cost	110,363	1,374,547	635,860	185,035	157,197	2,463,002
Accumulated depreciation	(68,910)	(925,044)	(476,137)	(136,515)	-	(1,606,606)
Net book value	41,453	449,503	159,723	48,520	157,197	856,396

Property and equipment, excluding motor vehicles, is locally insured to a limit of EUR 25,000 thousand (31.12.2024 EUR 25,000 thousand). Any loss exceeding local limit is insured by DTAG Global Insurance Program up to EUR 725,000 thousand (31.12.2024: EUR 725,000 thousand). The Group has the third-party liability insurance for all motor vehicles.

thousands of EUR	Land, buildings and structures	Telecommu-nications line network	Transmission and switching equipment	Other	Capital work in progress including advances	Total
At 1 June 2024						
Cost	138,206	1,300,775	674,881	200,060	156,873	2,470,795
Accumulated depreciation	(88,247)	(855,378)	(546,705)	(158,052)	-	(1,648,382)
Net book value	49,959	445,397	128,176	42,008	156,873	822,413
Additions	193	12,228	31,217	12,197	29,575	85,410
Depreciation charge	(1,608)	(25,918)	(22,472)	(6,268)	-	(56,266)
Reversal of impairment	501	-	-	-	-	501
Disposals	(493)	(267)	(337)	(2,551)	(218)	(3,866)
Transfers	531	9,011	8,059	662	(18,263)	-
At 31 December 2024						
Cost	136,249	1,321,694	687,067	199,641	167,967	2,512,618
Accumulated depreciation	(87,166)	(881,243)	(542,424)	(153,593)	-	(1,664,426)
Net book value	49,083	440,451	144,643	46,048	167,967	848,192

13. Right of use assets

The Group has lease contracts for various items:

a) space on telecommunication infrastructure of third parties, rooftops and land to install own telecommunications equipment – the Group uses the space/area on third party landlords' land to construct its own masts or transmission towers. These masts and towers are used for telecommunications equipment (e.g. antennas) of the Group,

b) exclusive easements - an easement is a legal right to use, access, or cross another's property (such as land or common area in a building) for a specific limited purpose. Easements are granted mainly for the reasons to pass a cable over, under, or through an existing area of land. They are usually parts of buildings acquired within sale and leaseback transactions, when the Group sells a building but has an easement right to use part of that building to access technological equipment. The easement right and selling price are interdependent because they are negotiated as part of the same package. There is no rent charged for the easement right to use the asset as it is already incorporated in the lower selling price, therefore the Group estimates market price of lease payments for this type of lease,

c) shops – retail space in a building or a shopping mall,

d) operations buildings (less frequently in residential buildings) to place and operate technical equipment, e.g. servers, network equipment, etc. and also few operations buildings on third-party land,

e) office space - office space serves the Group's employees with space where they can execute their work,

f) vehicles – passenger cars used by the Group's employees.

Set out below, are the carrying amounts of the Group's right-of-use assets as at 31 December 2025 and at 31 December 2024.

thousands of EUR	Leased land	Leased buildings	Leased technical equipment and machinery	Total
At 1 January 2025				
Cost	52,139	111,495	16,816	180,450
Accumulated depreciation	(16,512)	(55,245)	(5,812)	(77,569)
Net book value	35,627	56,250	11,004	102,881
Additions	(2,542)	20,038	1,206	18,702
Depreciation charge	(4,219)	(11,444)	(2,887)	(18,550)
Disposals	(698)	(449)	(201)	(1,348)
At 31 December 2025				
Cost	45,489	130,253	16,155	191,897
Accumulated depreciation	(17,321)	(65,858)	(7,033)	(90,212)
Net book value	28,168	64,395	9,122	101,685

Disposals arose due to contract terminations or modifications (shortening of lease term or decrease of lease payment).

thousands of EUR	Leased land	Leased buildings	Leased technical equipment and machinery	Total
At 1 June 2024				
Cost	46,053	112,530	13,351	171,934
Accumulated depreciation	(14,382)	(49,851)	(4,620)	(68,853)
Net book value	31,671	62,679	8,731	103,081
Additions	6,722	653	3,906	11,281
Depreciation charge	(2,793)	(6,471)	(1,523)	(10,787)
Reversal of impairment	285	-	-	285
Disposals	(258)	(611)	(110)	(979)
At 31 December 2024				
Cost	52,139	111,495	16,816	180,450
Accumulated depreciation	(16,512)	(55,245)	(5,812)	(77,569)
Net book value	35,627	56,250	11,004	102,881

Pursuant to IFRS 16 single lessee accounting model, the Group recognises a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments (Note 25).

14. Impairment of goodwill

For impairment testing, the goodwill acquired in business combinations has been allocated to individual cash-generating units:

thousands of EUR	31.12.2025	31.12.2024
T-Mobile	73,313	73,313
DIGI	28,621	28,621
	101,934	101,934

T-Mobile (Mobile telecommunication business)
The goodwill was recognised at the acquisition of T-Mobile in December 2004. The recoverable amount of the cash-generating unit was determined using cash flows projections based on the four-year financial plans that present the management's best estimate on market participants' assumptions and expectations. Cash flows beyond the four-year period were extrapolated using 1.00 % growth rate (31.12.2024: 1.00 %). The growth rate does not exceed the long-term average growth rate for the market in which the cash-generating unit operates. The Group used discount rate of 5.38 % (31.12.2024: 5.65 %). Further key assumptions on which management has based its determination of the recoverable amount of the cash-generating unit include the development of revenue, customer acquisition and retention costs, churn rates, capital expenditures and market share, which are based on past performance and management's expectations for the future. Input parameters used to determine the recoverable amount are classified in Level 3 in accordance with IFRS 13. The recoverable amount of the cash-generating unit based on value in use calculation exceeded its carrying value. Management believes that any reasonably possible change in the key assumptions on which the cash-generating unit's recoverable amount is based would not cause its carrying amount to exceed its recoverable amount.

DIGI
The recoverable amounts of the cash-generating units were determined using cash flows projections based on the three-year financial plans that have been approved by management and are also used for internal purposes of the cash-generating units. Cash flows beyond the three-year period were extrapolated using a 0.00 % growth rate (31.12.2024: 1.00 %). The growth rate does not exceed the long-term average growth rate for the market in which the cash-generating units operate.

The Group used following discount rates:

	31.12.2025	6–12/2024
DIGI (TV business)	7.20 %	6.55 %

Further key assumptions on which management has based its determination of the recoverable amounts of the cash-generating units include the development of revenue, customer acquisition and retention costs, capital expenditures and market share, which are based on past performance and management's expectations for the future. Input parameters used to determine the recoverable amount are classified in Level 3 in accordance with IFRS 13. The recoverable amounts of the cash-generating units based on equity value was lower than it's carrying amounts in 2025.

If the Group in 2025 used the growth rate lower by 0.5 % with all other parameters unchanged, the carrying amount of cash-generating unit would decrease below its recoverable amount by EUR 1,395 thousand. If the Group in 2025 used the discount rate higher by 0.5 % with all other parameters unchanged, carrying amount of cash-generating unit would decrease below its recoverable amount by EUR 1,553 thousand. Management believes that any reasonably possible change in the key assumptions in 2025 on which the cash-generating unit's recoverable amounts are based would not cause its carrying amounts to exceed its recoverable amounts.

15. Trade and other receivables

thousands of EUR	31.12.2025	31.12.2024
Non-current		
Receivables from instalment sale	22,658	21,397
Finance lease receivables	1,956	505
	24,614	21,902
Current		
Trade receivables	166,320	158,495
Cash pooling receivable	20,249	22,702
Other receivables	2,232	3,155
Finance lease receivables	1,045	1,627
	189,846	185,979

Trade receivables are net of an allowance of EUR 39,539 thousand (31.12.2024: EUR 41,693 thousand). If the allowance percentage increases by 1 % in each relevant ageing group (except where there is 100 % allowance created), the charge for the year would be by EUR 1,934 thousand higher (31.12.2024: EUR 1,775 thousand).

Movements in the allowance for impaired receivables from third parties were as follows:

thousands of EUR	31.12.2025	31.12.2024
At 1 January	41,694	36,432
Charge for the year, net	6,961	6,498
Utilised	(9,116)	(1,237)
At 31 December	39,539	41,693

16. Derivatives

The Group is committed to reducing their greenhouse gas emissions and meeting sustainability targets. To mitigate exposure to power price volatility, the Group has entered into a Virtual Power Purchase Agreement (VPPA) centered on wind-generated power. This agreement aims to cover approx. 60 % of annual power needs of the Group, which averages to about 40 GWh per year. The agreement utilizes Guarantees of Origin (host contract) to certify the renewable energy sourced. The Group applies own-use exemption and treats GoO as executory contract.

With a carrying amount as of 31 December 2025 equal to EUR 6,012 thousand (31.12.2024: EUR 8,802 thousand), the embedded derivative in a REC (Renewable Energy Ceritificates) with a hedging relationship assigned to Level 3 and carried under derivative financial assets relates to the virtual power purchase agreement entered into by the Group on April 2, 2024. The transaction price at the inception of the VPPA was zero and no day 1 gain or loss was recognized.

Under the virtual power purchase agreement the Group will receive variable amounts based on the facilities' actual energy output and the current energy prices and will pay fixed amounts per unit of energy generated throughout the term of the contract. The virtual power purchase agreement is measured using valuation model because no observable market prices are available. The value of the derivative is significantly influenced by future energy prices on the relevant markets.

In estimating the market prices of electricity, the Group uses a combination of market quotations from established platforms like EEX (European Energy Exchange), and third-party expert input for the parts of the forward curve that are not liquid. This combination of third-party data and unobservable volume estimates triggers the Level 3 fair value hierarchy classification of the VPPA's fair value in line with IFRS 13. The nominal value of the contract is 34,040 thousand EUR for expected 40 GWh/year.

Application of hedge accounting

The Group has designated the VPPA cash flow hedge relationship at its origination. It met the effectiveness requirements in accordance with IFRS 9 with regards to economic relationship, determined through reference prices with economic relationship between the hedging instrument and the hedged item exists as the underlying asset of hedging instrument matches the underlying price component of the power delivery contracts. Furthermore, the designated forecasted volume of the monthly power consumption in MWh matches the VPPA volumes based on the expected annual generated volumes. The credit risk of the Group and the counterparty affect only the changes of the fair value of the hedging instrument. The Group determines hedge ratio as the relationship between the quantity of the hedging instrument and the quantity of the hedged item in terms of their relative weighting (Hedging notional: Hedged power price risk exposure). The incorporated hedge ratio is defined in line with the nature of risk being hedged and the economic relationship of the hedged item and the hedging instrument and is therefore 1:1. In other words, 1 MWh of forecasted purchases is hedged with 1 MWh of VPPA production volume. The actual hedge ratio is monitored monthly at each reporting date and upon a significant change in the circumstances affecting the hedge effectiveness requirements, whichever comes first. Potential sources of ineffectiveness are identified as mismatch between actual VPPA Volume and designated volume of hedged item. Furthermore, hedge ineffectiveness can arise if there is a discrepancy between the actual volume in the VPPA and the electricity consumption. Creditworthiness of VPPA parties in hedge ineffectiveness can occur if the Group or the Seller experiences financial instability or credit rating downgrades and non-linear movement in prices which could be the main source of ineffectiveness in this hedge relationship specifically the difference in the floating price index applied in the calculation of the fair value of hedged item (base-load price) and hedging instrument.

The impact of the hedging instruments on the statement of financial position is, as follows:

thousands of EUR	Notional Amount	Carrying amount of the hedging instrument		Line item in the statement of financial position	Change in fair value used for measuring ineffectiveness for the period
		Assets	Liabilities		
As at 31 December 2025					
Commodity derivative	34,040	6,012	-	Derivative financial instruments	-
As at 31 December 2024					
Commodity derivative	34,040	8,802	-	Derivative financial instruments	-

The impact of the hedged item is as follows:

thousands of EUR	Nominal amount of the hedged item		Change in value used for calculating hedge ineffectiveness	Balance in cash flow reserve for continuing hedges	Balance in cash flow hedge reserve arising from hedging relationships for which hedge accounting is no longer applied
	Assets	Liabilities			
As at 31 December 2025					
Commodity derivative	-	8,357	(3,689)	6,012	-
As at 31 December 2024					
Commodity derivative	-	12,451	(545)	8,802	

The effect of the cash flow hedge in the statement of profit or loss and other comprehensive income is, as follows:

thousands of EUR	Total hedging gain/(loss) recognized in OCI	Ineffectiveness recognised in profit or loss	Line item in the statement of profit or loss	Amount reclassified from OCI to profit or loss	Line item in the statement of profit or loss
As at 31 December 2025					
Highly probable forecast purchases	6,012	-	Fair value gain/(loss) arising on hedging instruments	-	n/a
Electricity purchases	-	-	n/a	-	n/a
As at 31 December 2024					
Highly probable forecast purchases	8,802	-	Fair value gain/(loss) arising on hedging instruments	-	n/a
Electricity purchases	-	-	n/a	-	n/a

17. Assets and liabilities related to contracts with customers

Contract asset is recognised mainly in case of multiple element arrangements (e.g. mobile contract plus handset), when a larger portion of the total consideration is attributable to the component delivered in advance (mobile handset), requiring earlier recognition of revenue.

Contract costs are assessed as incremental cost of obtaining a contract and primarily consists of Dealer commission.

Contract liability is related mainly to one-time fees and advanced payments for post-paid and pre-paid services.

The Group has recognised the following assets and liabilities related to contracts with customers:

thousands of EUR	31.12.2025	31.12.2024
Non-current assets		
Contract assets	9,034	8,901
Loss allowance	(1,406)	(1,178)
	7,628	7,723
Contract costs	24,672	18,540
	24,672	18,540
Current assets		
Contract assets	22,556	23,263
Loss allowance	(2,299)	(1,626)
	20,257	21,637
Contract costs	17,621	19,285
	17,621	19,285
Non-current liabilities		
Contract liabilities	32,427	41,602
	32,427	41,602
Current liabilities		
Contract liabilities	33,275	35,007
	33,275	35,007

The Group incurs income resulted from unilateral services within networksharing agreement with CETIN Networks, s.r.o. In previous year, the deferred part of the income was presented as part of Contract liabilities. The Group has changed this presentation and the balances are presented in Deferred income in 2025 (Note 27). Management of the Group considers impact of this presentation adjustment as immaterial and therefore does not adjust comparative balances.

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period amounted to EUR 29,356 thousand (6–12/2024: EUR 11,161 thousand).

Transaction price allocated to the performance obligations that are unsatisfied as of the end of reporting period amounted to EUR 352,488 thousand (31.12.2024: EUR 367,354 thousand). Management expects that the transaction price allocated to the unsatisfied contracts as of 31 December 2025 will be recognised as revenue as follows: EUR 264,554 thousand during first year; EUR 84,934 thousand during second year and EUR 3,000 thousand during third-sixth year (31.12.2024: EUR 282,235 thousand during first year; EUR 81,739 thousand during second year and EUR 3,380 thousand during third-fifth year).

Wages and salaries include also amortisation of costs to obtain a contract with customer in the amount EUR 1,339 thousand (6–12/2024: EUR 961 thousand) (Note 6).

Dealers commission includes also amortisation of costs to obtain a contract with customer in the amount EUR 20,169 thousand (6–12/2024: EUR 13,044 thousand) (Note 7).

18. Prepaid expenses and other assets

thousands of EUR	31.12.2025	31.12.2024
Non-current		
Other prepaid expenses	23,305	16,998
	23,305	16,998
Current		
Other prepaid expenses	5,368	5,596
Advance payments	7,051	7,293
Other assets	573	567
	12,992	13,456

19. Inventories

thousands of EUR	31.12.2025	31.12.2024
Material and equipment	4,633	7,322
Goods	16,857	19,005
	21,490	26,327

Inventories are net of an allowance of EUR 4,581 thousand (31.12.2024: EUR 3,172 thousand). The write-down of inventories in the amount of EUR 2,221 thousand (6–12/2024: EUR 1,151 thousand) was recognised in cost of material and equipment.

20. Loans

thousands of EUR	31.12.2025	31.12.2024
Loans to Deutsche Telekom AG	29,100	91,900
	29,100	91,900

The loans granted to Deutsche Telekom AG were not secured. Loans outstanding at 31 December 2025 were provided in December 2025 and were repayable in January 2026 (31.12.2024: provided in December 2024, repayable in January 2025). For credit ratings see Note 3.2.

21. Cash and cash equivalents

thousands of EUR	31.12.2025	31.12.2024
Cash and cash equivalents	55,862	42,106
	55,862	42,106

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term investments are made for varying periods between one day and three months and earn interest at the respective rates. For credit ratings see Note 3.2.

22. Shareholders' equity

On 18 June 2015 Deutsche Telekom Europe B.V. became the sole shareholder of Slovak Telekom.

As at 31 December 2025, Slovak Telekom had authorised and issued 86,411,300 ordinary shares (31.12.2024: 86,411,300) with a par value of EUR 10.00 per share (31.12.2024: EUR 10.00 per share). All the shares issued were fully subscribed. All the shares represent the rights of shareholder to participate in the managing of Slovak Telekom, on the profit and liquidation balance upon the winding-up of Slovak Telekom with liquidation.

The statutory reserve fund is set up in accordance with Slovak law and is not distributable. The reserve is created from retained earnings to cover possible future losses.

Category Other in the Consolidated statement of changes in equity covers mainly changes of equity from retirement benefits (Note 23) and the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/losses. There were no reclassifications from the cash flow hedge reserve to profit or loss during the period.

The Financial statements of the Group for the year ended 31 December 2024 were authorised for issue on behalf of the Board of Directors of Slovak Telekom on 21 March 2025.

On 23 April 2025 Deutsche Telekom Europe B.V. while performing competences of the General meeting of Slovak Telekom approved distribution of the prior periods (1–5/2024 and 6–12/2024) profits in the form of dividends. Total dividends of EUR 140,889 thousand were paid in November 2025, which amounted to EUR 1.63 per share. Statutory profit of EUR 156,871 thousand for period 1–12/2023 was paid in the form of dividends in May 2024, which amounted to EUR 1.82 per share.

Approval of the 31 December 2025 profit distribution will take place at the Annual General Meeting scheduled for April 2026.

23. Provisions

thousands of EUR	Legal and regulatory claims (Note 31)	Asset retirement obligation	Termination benefits	Employee benefits	Other	Total
At 1 January 2025	10,633	26,235	6,183	11,698	13,326	68,075
Arising during the year	1,964	1,452	5,876	1,224	4,578	15,094
Utilised	(60)	(725)	(3,349)	(70)	(2,465)	(6,669)
Reversals	(785)	(1,679)	(2,834)	(674)	(1,066)	(7,038)
Interest impact	-	737	-	380	22	1,139
Transfer within provisions	2,417	-	-	-	(2,417)	-
At 31 December 2025	14,169	26,020	5,876	12,558	11,978	70,601
Non-current	-	25,048	-	12,558	1,097	38,703
Current	14,169	972	5,876	-	10,881	31,898
	14,169	26,020	5,876	12,558	11,978	70,601

thousands of EUR	31.12.2025	31.12.2024
Non-current	38,703	36,364
Current	31,898	31,711
	70,601	68,075

Asset retirement obligation
The Group is subject to obligations for dismantlement, removal and restoration of assets associated with its cell site lease agreements (Note 2.18). Cell site lease agreements may contain clauses requiring restoration of the leased site at the end of the lease term, creating an asset retirement obligation.

Termination benefits
The restructuring of the Group operations resulted in headcount reduction of 127 employees in 2025 (6–12/2024: 59 employees). The Company expects a further headcount reduction of 147 employees in year 2026 as a result of an ongoing restructuring program. A detailed formal plan that specifies the number of staff involved and their locations and functions was defined and authorised by management and announced to the trade unions. The amount of compensation to be paid for terminating employment was calculated by reference to the collective agreement. The termination payments are expected to be paid within next 12 months of the statement of financial position date and are recognised in full in the current period.

In period 2025 the Group recognised an expense resulting from termination benefits in amount of EUR 3,156 thousand (6–12/2024: EUR 1,179 thousand) in staff costs.

Retirement and jubilee benefits
The Group provides benefit plans for all its employees. Provisions are created for benefits payable in respect of retirement and jubilee benefits. One-off retirement benefits and their probable settlement date are dependent on employees fulfilling the required conditions to enter retirement. Jubilee benefits and their probable settlement date are dependent on the number of years of service with the Group. The benefit entitlements are determined from the respective employee's monthly remuneration or as a defined particular amount.

thousands of EUR	Retirement benefits	Jubilee	Total
Present value of the defined benefit obligation			
At 1 January 2025	11,489	209	11,698
Current service cost	645	20	665
Interest cost	374	6	380
Benefits paid	(46)	(24)	(70)
Remeasurement of defined benefit plans	559	(20)	539
Curtailment	(654)	-	(654)
As at 31 December 2025	12,367	191	12,558

thousands of EUR	Retirement benefits	Jubilee	Total
Present value of the defined benefit obligation			
At 1 June 2024	9,380	182	9,562
Current service cost	340	12	352
Interest cost	203	4	207
Benefits paid	(53)	(14)	(67)
Remeasurement of defined benefit plans	1,952	25	1,977
Curtailment	(333)	-	(333)
As at 31 December 2024	11,489	209	11,698

Remeasurement of defined benefit plans related to retirement benefits in amount of EUR 559 thousand consists of change in experience adjustments in amount of EUR 1,247 thousand partially netted by change in financial assumptions in amount of EUR 674 thousand and change in demographic assumptions in amount of EUR 14 thousand.

The curtailment gain in amount of EUR 654 thousand as at 31 December 2025 resulted mainly from a reduction in the number of participants covered by the retirement plan that occurred in 2025 or was announced for 2026. There were no special events causing any new past service cost during period ended as at 31 December 2025.

Principal actuarial assumptions used in determining the defined benefit obligation for period ended as at 31 December 2025 include the discount rate of 3.94 % (31.12.2024: 3.37 %). The expected expense for period ended as at 31 December 2025 has been determined based on the discount rate as at the beginning of the accounting period of 3.37 % (31.12.2024: 3.75 %). Average retirement age is 63 years and 2 months (31.12.2024: 63 years and 2 months). The expected growth of nominal wages over the long term is 2.0 % (31.12.2024: 2.0 %). The remaining weighted average duration of the defined benefit obligation is 9.5 years (31.12.2024: 10.0 years). Fluctuation of employees is also considered in determining the defined benefit obligation.

The sensitivity analysis for the significant actuarial assumptions as at 31 December 2025 and 31 December 2024 is as follows:

thousands of EUR	(Decrease) / increase of employee benefits provision	
	31.12.2025	31.12.2024
Change of actuarial assumption:		
Discount rate change +100 bp / -100 bp	(1,058)/1,222	(1,042)/1,211
Salary change +0.50% / -0.50%	597/(560)	587/(550)

24. Trade and other payables

thousands of EUR	31.12.2025	31.12.2024
Non-current		
Financial liabilities for capitalised content licences	151	460
Financial liabilities for frequency licences	67,647	12,456
Other payables	224	156
	68,022	13,072
Current		
Trade payables	61,635	52,862
Uninvoiced deliveries	63,638	56,913
Financial liabilities for capitalised content licences	10,295	12,262
Financial liabilities for frequency licences	37,801	7,614
Other payables	2,934	3,548
	176,303	133,199

25. Lease liabilities

thousands of EUR	31.12.2025	31.12.2024
Up to 1 year	15,762	17,090
1 to 5 years	50,312	50,376
Over 5 years	35,224	35,683
Total other finance lease liabilities	101,298	103,149

thousands of EUR	31.12.2025	31.12.2024
Up to 1 year	19,336	20,340
1 to 5 years	59,462	59,021
Over 5 years	41,847	41,594
Total undiscounted cash flows (lease liability)	120,645	120,955

Pursuant to IFRS 16 single lessee accounting model, the Group recognises a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments (Note 13).

26. Impact from leasing contracts

The following are the amounts recognised from leasing contracts in profit or loss:

thousands of EUR	2025	6–12/2024
Depreciation expense of right-of-use assets (Note 13)	18,549	10,787
Reversal of impairment of right-of-use assets (Note 13)	-	(285)
(Gain) / Loss from disposal of right-of-use assets	304	(39)
Interest cost on lease liabilities (Note 9)	3,808	2,211
At 31 December	22,661	12,674

27. Other liabilities and deferred income

thousands of EUR	31.12.2025	31.12.2024
Non-current		
Deferred income	15,421	-
	15,421	-

Current		
Deferred income	2,304	-
Amounts due to employees	26,974	31,332
Other tax liabilities	10,940	6,553
Other liabilities	10,542	6,270
	50,760	44,155

The Group incurs income resulted from unilateral services within networksharing agreement with CETIN Networks, s.r.o. In previous year, the deferred part of the income was presented as part of Contract liabilities (Note 17). The Group has changed this presentation and the balances are presented in Deferred income in 2025. Management of the Group considers impact of this presentation adjustment as immaterial and therefore does not adjust comparative balances.

Amounts due to employees include social fund liabilities:

thousands of EUR	31.12.2025	31.12.2024
At 1 January / 1 June	883	1,333
Additions	2,279	563
Utilisation	(1,843)	(1,013)
At 31 December	1,319	883

28. Cash flow disclosures

The reconciliation of cash used in financing activities is as follows:

thousands of EUR	Financial liabilities (Note 24)	Lease liabilities (Note 25)
At 1 January 2025	32,792	103,149
Additions	143,087	18,702
Non-cash movements	-	(1,041)
Cash used in financing activities	(59,985)	(23,320)
Accretion of interest	-	3,808
At 31 December 2025	115,894	101,298

thousands of EUR		
At 1 June 2024	36,296	101,202
Additions	8,078	11,282
Non-cash movements	-	(213)
Cash used in financing activities	(11,582)	(11,333)
Accretion of interest	-	2,211
At 31 December 2024	32,792	103,149

Non-cash movements include non-cash release of liabilities from changes in contracts terms or early termination of contracts.

29. Commitments

The Group's purchase commitments were as follows:

thousands of EUR	31.12.2025	31.12.2024
Acquisition of property and equipment	38,485	44,732
Acquisition of intangible assets	8,951	21,778
Purchase of services and inventory	135,233	180,910
	182,669	247,420

30. Related party transactions

thousands of EUR	Receivables		Payables		Commitments	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024
DTAG	49,622	114,840	3,721	3,602	2	44
Other entities in DTAG Group	13,405	17,454	15,067	14,619	11,466	6,044
	63,027	132,294	18,788	18,221	11,468	6,088

The Group conducts business with its ultimate parent, Deutsche Telekom AG and its subsidiaries, associates and joint ventures.

thousands of EUR	DTAG		Other entities in DTAG Group	
	2025	6–12/2024	2025	6–12/2024
Sales and income				
Interconnect / roaming revenues	-	-	9,587	5,894
System solutions / IT revenues	-	-	4,861	2,734
Income from reinvoicing of services	276	96	10,246	6,230
Other income	3,297	2,031	4,728	3,037
	3,573	2,127	29,422	17,895
Purchases				
Interconnect / roaming costs	-	-	11,452	6,722
Customer solutions	-	-	1,501	902
IT services	-	-	6,688	3,856
Expenses from reinvoicing of services	5,876	3,460	8,908	1,238
Other purchases	1,099	477	6,168	4,202
	6,975	3,937	34,717	16,920

Other purchases include data services, management, consultancy, other services and purchases of fixed assets. In 2025 the Group purchased fixed assets in amount of EUR 1,223 thousand (6–12/2024: EUR 1,185 thousand) from related parties.

As at 31 December 2025 the Group granted a short-term loan of EUR 29,100 thousand (31.12.2024: EUR 91,900 thousand) to Deutsche Telekom AG.

In 2016 the Group signed an ICT contract with a duration of 80 months with T-Systems International GmbH ("TSI"). Currently was the contract prolonged until 2026. Within this contract, the Group acts as the main subcontractor for the restructuring of the Allianz communication network in the selected countries. DTAG Group entities in relevant countries are service providers for the Group. In 2025 the Group recognised revenue with TSI in amount of EUR 2,403 thousand (6–12/2024: EUR 1,333 thousand), and expenses with other DTAG Group entities in amount of EUR 1,342 thousand (6–12/2024 EUR 950 thousand).

Deutsche Telekom as the ultimate parent Group controlling Slovak Telekom is a related party to the Federal Republic of Germany. Slovak Telekom had no individually significant transactions with the Federal Republic of Germany or entities that it controls, jointly controls or where Federal Republic of Germany can exercise significant influence in either 2025 or 6–12/2024.

Compensation of key management personnel
The key management personnel as at 31 December 2025, 13 in number (31.12.2024: 13) include members of the Management Board, Board of Directors and Supervisory Board.

Since 1 July 2016 the companies Slovak Telekom, a.s. and T-Mobile Czech Republic a.s. have the joint Management Board. All management members are responsible for business and managerial activities of companies on both Slovak and Czech markets. The number of key management personnel include all members of the Management Board, irrespective if they are employed by Slovak Telekom, a.s. or T-Mobile Czech Republic a.s. Tables below include only benefits earned by the key management personnel in Slovak Telekom, a.s.

thousands of EUR	2025	6–12/2024
Short term employee benefits	3,882	1,164
Defined contribution pension plan benefits	59	20
Share based compensations	1,009	65
	4,950	1,249

thousands of EUR	2025	6–12/2024
Management Board	4,917	1,246
Board of Directors	5	-
Supervisory Board	28	3
	4,950	1,249

The Group offers several long-term incentive plans to its executive management members with a new package being launched each year and with each tranche lasting for 4 years. A total provision of EUR 1,424 thousand has been recognised as at 31 December 2025 (31.12.2024: EUR 1,690 thousand). In 2025 the Company recognised an expense resulting from these long-term incentive plans in amount of EUR 540 thousand (6–12/2024: revenues of EUR 376 thousand) in Staff costs.

31. Contingencies

Legal and regulatory cases
On 17 October 2014 the European Commission sent an infringement decision to the Group in case AT 39.523 (hereinafter “the EC Decision”). EC Decision found the Group (and DTAG, as parent company) liable for breach of competition law (margin squeeze and refusal to deal) in relation to ULL for the period 12 August 2005 – 31 December 2010 and imposed a fine of EUR 38,838 thousand on DTAG and the Group, jointly and severally. The fine was paid by the Group in January 2015. Judicial review was closed by Court of Justice’s judgment of March 2021 confirming the EC Decision in major part, although court did find, that European Commission did not prove that the infringement occurred before 2006 and decreased imposed fine accordingly.

As of 31 December 2025, three cases are pending following the EC Decision. Three competitors of the Group filed action against Slovak Telekom with the civil court in Bratislava in 2015, 2017 and 2022. These claims seek compensation for damages allegedly incurred due to Group's abuse of its dominant market position, as determined by the EC Decision and amount to EUR 218,867 thousand plus interest. Interest is claimed starting from period the alleged damage occurred. Proceeding ongoing at a court of first instance. These financial statements do not include any provisions for potential losses (neither claimed principal nor accrued interest) related to these cases as the Group has assessed that it is more likely than not that there will be no future cash outflows connected with these cases. Final outcome of the cases following the EC Decision is uncertain.

In 2009, the Anti-Monopoly Office of Slovak Republic (“AMO”) imposed on Group a penalty of EUR 17,453 thousand for abusing its dominant position by price squeeze and tying practices on several relevant markets (voice, data and network access services on its fixed network) (the “AMO Decision”). Administrative court confirmed Group’s arguments in major part, however later on rejected those arguments without proper reasoning and judicial review was closed in June 2021 upholding AMO Decision fully. The penalty was paid in October 2017. In 2025, based on Company’s complaint, Constitutional Court cancelled the 2021 judgment of the administrative court, thus reopening judicial review of AMO Decision.

As of 31 December 2025, there are two cases pending, where two competitors filed actions against Group in 2013 and 2015 seeking damages allegedly incurred due to Group’s conduct as determined by the AMO Decision. The claimants contend that they incurred lost profit amounting to EUR 108,610 thousand plus interest. Interest is claimed starting from period the alleged damage occurred. All cases are pending at the first instance court. These financial statements do not include any provisions for potential losses (neither claimed principal nor accrued interest) related to these cases as the Group has assessed that it is more likely than not that there will be no future cash outflows connected with these cases. Final outcome of the cases following the AMO decision is uncertain.

As of 31 December 2025, there is a number of other various cases pending in the cumulative amount of EUR 34,079 thousand. These financial statements do not include any provisions for potential losses (neither claimed principal nor accrued interest) related to these cases as the Group has assessed that it is more likely than not that there will be no future cash outflows connected with these cases. Final outcome of the cases is uncertain.

As of 31 December 2025, the Group recognised provision for all known and quantifiable risks related to proceedings against the Group, which represent the Group’s best estimate of the amounts, which are more likely than not to be paid. The actual amounts of penalties, if any, are dependent on a number of future events the outcome of which is uncertain, and, as a consequence, the amount of provision may change at a future date.

The Group is otherwise involved in legal and regulatory proceedings in the normal course of business.

32. Audit fees and other fees

The Group obtained following services from the audit company Deloitte audit, s.r.o:

thousands of EUR	2025	6–12/2024
Audit services	436	411
Other assurance services	15	-
Other non-audit services	7	17
	458	428

33. Events after reporting year

There were no other events, which have occurred subsequent to the period-end, which would have a material impact on the financial statements at 31 December 2025.

Slovak Telekom, a.s.

Separate Financial Statements

prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) as adopted by the EU and Independent Auditor's Report

for the period from 1 January 2025 to 31 December 2025

Contents

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Register of the City Court Bratislava III
Section Sro, File 4444/B
Company ID: 31 343 414
VAT ID: SK2020325516

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Slovak Telekom, a.s.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders, Supervisory Board and Board of Directors of Slovak Telekom, a.s.:

REPORT ON THE AUDIT OF SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the separate financial statements of Slovak Telekom, a.s. (the "Company"), which comprise the statement of financial position as at 31 December 2025, and the income statement, statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the separate financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying separate financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Separate Financial Statements* section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) in the wording as adopted by the Slovak Chamber of Auditors (hereinafter the "Code of Ethics for Auditors"), including the ethical requirements of Act No. 423/2015 Coll. on Statutory Audit and on Amendment to and Supplementation of Act No. 431/2002 Coll. on Accounting, as amended, as amended (hereinafter the "Act on Statutory Audit"), as applicable to audits of financial statements in the Slovak Republic. We have also fulfilled our other ethical responsibilities in accordance with the Code of Ethics for Auditors and the ethical requirements under the Act on Statutory Audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 32 to separate financial statements describing the uncertainty related to the outcome of the lawsuits filed against the Company. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

This is a translation of the original auditor's report issued in the Slovak language to the accompanying separate financial statements translated into the English language.

Auditor's Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance about, inter alia, the planned scope and time schedule of the audit and significant audit findings, including all material deficiencies of internal control identified during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on Information Disclosed in the Annual Report

The statutory body is responsible for information disclosed in the annual report prepared under the requirements of Act No. 431/2002 Coll. on Accounting as amended (the "Act on Accounting"). Our opinion on the separate financial statements stated above does not apply to other information in the annual report.

In connection with the audit of separate financial statements, it is our responsibility to gain an understanding of the information disclosed in the annual report and assess whether such information is materially inconsistent with the audited separate financial statements or our knowledge of the entity and its position obtained in the audit of the separate financial statements, or otherwise appears to be materially misstated.

We assessed whether the Company's annual report includes information whose disclosure is required by the Act on Accounting.

Based on procedures performed during the audit of the separate financial statements, in our opinion:

- Information disclosed in the annual report prepared for 2025 is consistent with the separate financial statements for the relevant year; and
- The annual report includes information pursuant to the Act on Accounting.

Furthermore, based on our understanding of the Company and its position, obtained in the audit of the separate financial statements, we are required to disclose whether material misstatements were identified in the annual report, which we received prior to the date of issuance of this auditor's report. There are no findings that should be reported in this regard.

Bratislava, 13 March 2026

Ing. Peter Jaroš, FCCA
Responsible Auditor
Licence UDVA No. 1047

On behalf of
Deloitte Audit s.r.o.
Licence SKAu No. 014

Income Statement

for the period from 1 January to 31 December 2025 and for the period from 1 June to 31 December 2024

thousands of EUR	Notes	2025	6–12/2024
Revenue from contracts with customers	4	854,518	499,613
Other operating income	5	24,883	18,382
Staff costs	6	(130,129)	(78,972)
Material and equipment		(124,991)	(83,358)
Depreciation, amortisation and impairment losses	11, 12, 13	(178,537)	(100,714)
Interconnection fees and other telecommunication services		(42,454)	(25,038)
Net impairment losses on financial and contract assets	16, 18	(7,594)	(6,745)
Own work capitalised	6	9,809	5,506
Dividends from subsidiaries	31	2,301	-
Other operating costs	7	(199,753)	(120,054)
Operating profit		208,053	108,620
Financial income	8	3,925	2,233
Financial expense	9	(21,734)	(14,307)
Net financial result		(17,809)	(12,074)
Profit before tax		190,244	96,546
Income tax expense	10	(65,941)	(42,386)
Profit for the year		124,303	54,160

The financial statements were authorised for issue on behalf of the Board of Directors of the Company on 13 March 2026 and signed on their behalf by:

Melinda Szabó
Vice-chair of the Board of Directors
Chief Executive Officer

Statement of Comprehensive Income

for the period from 1 January to 31 December 2025 and for the period from 1 June to 31 December 2024

thousands of EUR	Notes	2025	6–12/2024
Profit for the year		124,303	54,160
Other comprehensive income / (expense)			
Fair value (loss) / gain arising on hedging instruments	17	(2,789)	(556)
Deferred tax income / (expense)	10	669	(147)
Other comprehensive (loss) / gain to be reclassified to profit or loss in subsequent years, net of tax		(2,120)	(703)
(Loss) / gain on remeasurement of defined benefit plans	24	(559)	(1,951)
Deferred tax income / (expense)	10	134	474
Other comprehensive (loss) / gain not to be reclassified to profit or loss in subsequent years, net of tax		(425)	(1,477)
Other comprehensive (loss) / gain for the year, net of tax		(2,545)	(2,180)
Total comprehensive income for the year, net of tax		121,758	51,980

Statement of Financial Position

thousands of EUR	Notes	31.12.2025	31.12.2024
ASSETS			
Non-current assets			
Intangible assets	11	448,921	292,155
Property and equipment	12	840,730	829,418
Right-of-use assets	13	143,250	164,607
Investments in subsidiaries	15	39,036	44,168
Derivative financial instruments	17	6,012	8,802
Other receivables	16	24,614	21,901
Contract assets	18	7,628	7,723
Contract costs	18	24,672	18,540
Prepaid expenses and other assets	19	23,305	16,998
		1,558,168	1,404,312
Current assets			
Inventories	20	21,952	24,496
Loans	21	-	80,000
Trade and other receivables	16	190,903	184,188
Contract assets	18	20,257	21,637
Contract costs	18	17,621	19,284
Current income tax receivable		3,300	5,093
Prepaid expenses and other assets	19	11,040	11,714
Cash and cash equivalents	22	43,089	29,782
		308,162	376,194
TOTAL ASSETS		1,866,330	1,780,506
EQUITY AND LIABILITIES			
Shareholders' equity			
Issued capital	23	864,113	864,113
Statutory reserve fund	23	172,823	172,823
Other		2,561	5,072
Retained earnings and profit for the year		171,841	188,427
Total equity		1,211,338	1,230,435
Non-current liabilities			
Deferred tax liability	10	68,214	69,066
Lease liabilities	26	158,963	162,799
Provisions	24	26,037	23,735
Other payables	25	67,905	12,772
Contract liabilities	18	32,427	41,603
Other liabilities and deferred income	28	15,421	-
		368,967	309,975
Current liabilities			
Provisions	24	26,648	27,227
Trade and other payables	25	165,100	123,115
Contract liabilities	18	30,939	32,283
Other liabilities and deferred income	28	47,617	40,849
Lease liabilities	26	15,721	16,622
		286,025	240,096
Total liabilities		654,992	550,071
TOTAL EQUITY AND LIABILITIES		1,866,330	1,780,506

Statement of Changes in Equity

for the period from 1 January to 31 December 2025 and for the period from 1 June to 31 December 2024

thousands of EUR	Notes	Issued capital	Statutory reserve fund	Other	Retained earnings	Total equity
Year ended 31 December 2025						
At 1 January 2025		864,113	172,823	5,072	188,427	1,230,435
Profit for the year		-	-	-	124,303	124,303
Other comprehensive income		-	-	(2,545)	-	(2,545)
Total comprehensive income		-	-	(2,545)	124,303	121,758
Transactions with shareholder:						
Other changes in equity		-	-	34	-	34
Dividends	23	-	-	-	(140,889)	(140,889)
At 31 December 2025		864,113	172,823	2,561	171,841	1,211,338
Period from 1 June 2024 to 31 December 2024						
At 1 June 2024		864,113	172,823	7,229	138,866	1,183,031
Profit for the year		-	-	-	54,160	54,160
Other comprehensive income		-	-	(2,180)		(2,180)
Total comprehensive income		-	-	(2,180)	54,160	51,980
Transactions with shareholder:						
Other changes in equity		-	-	23	(4,599)	(4,576)
At 31 December 2024		864,113	172,823	5,072	188,427	1,230,435

The accompanying Notes form an integral part of these Separate Financial Statements

Statement of Cash Flows

for the period from 1 January to 31 December 2025 and for the period from 1 June to 31 December 2024

thousands of EUR	Notes	2025	6–12/2024
Operating activities			
Profit before tax		190,244	96,546
Depreciation, amortisation and impairment losses	11,12,13	178,538	100,714
Interest expense, net		11,987	7,784
(Gain) / loss on disposal of intangible assets and property and equipment	5,7	14,782	16,076
Dividend income from subsidiaries	31	(2,301)	-
Other non-cash items		9,346	(3,698)
Change in provisions	24	(10,962)	(29)
Change in trade receivables and other assets		(28,755)	(51,059)
Change in inventories		2,544	(6,310)
Change in trade payables and other liabilities		30,176	84,896
Cash from operating activities		395,599	244,920
Income taxes paid		(64,197)	(35,890)
Dividends received	31	2,301	-
Net cash from operating activities		333,703	209,030
Investing activities			
Purchase of intangible assets and property and equipment	11,12,29	(192,639)	(119,260)
Proceeds from disposal of intangible assets and property and equipment		(5,710)	5,358
Disbursement of loans		(117,000)	(95,000)
Repayment of loans		197,000	25,000
Net cash from cash pooling	16	2,453	(6,954)
Interest received		3,915	2,148
Other cash (paid for) / from investing activities		(105)	9,442
Net cash used in investing activities		(112,086)	(179,266)
Financing activities			
Dividends paid	23	(140,889)	-
Repayment of financial liabilities	29	(55,355)	(7,899)
Repayment of principal portion of lease liabilities		2,757	(15,474)
Interest paid		(14,752)	(9,490)
Other cash from / (paid for) financing activities		-	-
Net cash used in financing activities		(208,239)	(32,863)
Cash and cash equivalents held for distribution to owners		-	200
Net increase / (decrease) in cash and cash equivalents		13,307	(2,899)
Cash and cash equivalents at 1 January / 1 June	22	29,782	32,681
Cash and cash equivalents as at 31 December		43,089	29,782

Notes to the Separate Financial Statements

Index to the notes to the financial statements

1. General information

Slovak Telekom, a.s. ("the Company" or "Slovak Telekom") is a joint-stock company incorporated on 1 April 1999 in the Slovak Republic. The Company's registered office is located at Bajkalská 28, 817 62 Bratislava. The business registration number (IČO) of the Company is 35 763 469 and the tax identification number (DIČ) is 202 027 3893. The Company is registered with the Business Register of the Municipal Court Bratislava III, section Sa, insert No.: 2081/B. For shareholders overview of the Company refer to Note 23.

Slovak Telekom is the largest Slovak multimedia operator providing its products and services under the Telekom brand via fixed and mobile networks. In terms of fixed networks the Company is the largest optical fibre and metallic cable broadband internet provider in the country (FTTX, ADSL and VDSL), providing digital television through state-of-the-art IPTV and DVB-S2 satellite technology. In the field of mobile communications the Company provides internet connectivity via several high-speed data transmission technologies – namely 2G (GPRS/EDGE), 4G (LTE, LTE-CA) and 5G. Slovak Telekom's customers receive roaming services in mobile operator networks in destinations all over the world. Slovak Telekom is considered the leader in the provision of telecommunication services to the most demanding segment of business customers, both in terms of the respective range of services as well as in terms of quality.

Slovak Telekom provides services via authorisations for the strongest Slovak portfolio of radio frequencies: bands 800 MHz, 900, 1500, 2100 and 2600 MHz FDD and TDD, valid until 31 December 2048, 3700–3800 MHz frequency band, valid until 31 December 2045 and 700 and 1800 MHz, which are valid up to 31 December 2040.

Members of the Statutory Boards at 31 December 2025

Board of Directors

Chair:
- Armin Sumesgutner (since 29.04.2020) – re-elected for another 5 years since 29.04.2025

Vice-chair:
- Melinda Szabó (since 01.06.2024)

Member:
- Danijela Bujic (since 01.10.2021)

Supervisory Board

Chair:
- Mirela Seserko (since 01.03.2024)

Members:
- Peter Vražda (since 20.03.2023)
- Martin Švec (since 02.10.2020) – re-elected for another 5 years since 02.10.2025

Audit committee

Members:
- Yasmin Riaz (since 01.05.2025)
- Vladimir Lucev (since 01.03.2024 till 30. 04. 2025)
- Danijela Bujic (member since 11.10.2021, chair since 11.03.2022)
- Martin Švec (since 20.03.2023)

Deutsche Telekom Europe B.V. with registered office at Stationsplein 8 K, Maastricht, the Netherlands is the parent of the Company.

Deutsche Telekom AG ("Deutsche Telekom" or "DTAG"), with its registered office at Friedrich Ebert Allee 140, Bonn, Germany, is the ultimate parent of the group of which the Company is a member and for which the group financial statements are drawn up. The ultimate parent's consolidated financial statements are available at their registered office or at the District Court of Bonn HRB 6794, Germany.

2. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Changes to significant accounting policies are described in Note 2.20.

2.1 Basis of preparation

The financial statements have been prepared under the historical cost convention, except where disclosed otherwise. The Company's functional currency is the Euro ("EUR"), the financial statements are presented in Euros and all values are rounded to the nearest thousands, except where otherwise indicated. The financial statements were prepared using the going concern assumption that the Company will continue its operations for the foreseeable future.

The preparation of financial statements in conformity with International Financial Reporting Standards as adopted by EU requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the separate financial statements are disclosed in Note 2.19.

The financial statements have been prepared for the period from 1 January to 31 December 2025. All profit and loss items in these financial statements represents period from 1 January 2025 to 31 December 2025. All profit and loss items for comparative period represents period from 1 June 2024 to 31 December 2024. Therefore, the amounts presented in the financial statements are not entirely comparable. This is a result of a demerger transaction that took place on the effective date as at 1 June 2024. Such presentation follows Slovak accounting requirements.

Demerger of passive infrastructure and its subsequent lease
The sole shareholder of Slovak Telekom, a.s. (Demerged Company) decided in accordance with the Transformations Act on demerger by spin-off by merger whereby, as part of the implementation of the transformation process, the Demerged Company was divided by spin off a selected part of the assets of the Demerged Company and merged with Slovak Telekom Infra, a.s. (Successor Company), on the effective date as at 1 June 2024. Demerged Company and Successor Company have the same sole shareholder, company Deutsche Telekom Europe B.V. The spinned off assets (and associated liabilities) represent a non-reciprocal distribution of net assets.

The Company continues to use the spinned off assets based on the master lease agreement concluded with Slovak Telekom Infra, a.s. (Successor Company). As a result, the Company has recognised right of use assets and lease liabilities in the amount of EUR 102,871 thousand at 1 June 2024.

Statement of compliance
These financial statements are the separate financial statements of the Company and have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("EU") and it includes also additional information required by local legislation. These financial statements should be read together with the consolidated financial statements in order to obtain full information on the financial position, results of operations and changes in financial position of the Company and its subsidiaries.

The consolidated financial statements for the period from 1 January 2025 to 31 December 2025 have been prepared in compliance with International Financial Reporting Standards as adopted by the European Union ("EU"). The consolidated financial statements are available at the Company's registered office, on the internet page of the Company and in the public administration information system (the Register) administered by the Ministry of Finance of the Slovak Republic.

2.2 Property and equipment

Property and equipment is initially measured at acquisition cost, excluding the costs of day-to-day servicing. Following initial recognition, property and equipment is carried at cost less any accumulated depreciation and provision for impairment, where required. The initial estimate of costs of dismantling and removing the item of property and equipment and restoring the site on which it is located is also included in costs, if the obligation has to be recognised as a provision according to IAS 37.

Acquisition cost includes all costs directly attributable to bringing the asset into working condition for its use as intended by management. In case of network, costs comprise all expenditures, including internal costs directly attributable to network construction, and include contractors' fees, materials and direct labour. Costs of subsequent enhancement are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other maintenance, repairs and minor renewals are charged to profit and loss as incurred.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included within other operating income or costs in the income statement in the period in which the asset is derecognised. Net disposal proceeds consist of both cash consideration and the fair value of non-cash consideration received.

Depreciation is calculated on a straight-line basis from the time the assets are available for use over their estimated useful lives. Depreciation charge is identified separately for each significant part of an item of property and equipment.

The useful lives assigned to the various categories of property and equipment are:

Buildings, constructions and leasehold improvements	8 to 50 years
Operating equipment:	
Network technology equipment	4 to 33 years
Transport vehicles, hardware and office equipment	2 to 20 years

No depreciation is provided on freehold land or capital work in progress.

Residual values and useful lives of property and equipment are reviewed and adjusted in accordance with IAS 8, where appropriate, at each financial year-end. For further details on groups of assets influenced by the most recent useful life revisions refer to Note 2.19.

Property and equipment are reviewed for impairment whenever events or circumstances indicate that their carrying amounts may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use. Impairment losses are reversed if the reasons for recognizing the original impairment loss no longer apply.

2.3 Intangible assets

Intangible assets acquired separately are recognised when control over them is assumed and are initially measured at acquisition cost. If payment for an intangible asset is deferred beyond normal credit terms, its cost is the cash price equivalent. The difference between this amount and the total payments is recognised as interest expense over the period of credit. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and provision for impairment, where required. Intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. With the exception of goodwill, intangible assets have a finite useful life and are amortised using the straight-line method over their estimated useful lives. The assets' useful lives are reviewed and adjusted in accordance with IAS 8, as appropriate, at each financial year-end. For further details on assets influenced by the most recent useful life revisions refer to Note 2.19.

The useful lives assigned to the various categories of intangible assets are as follows:

Software	3 to 23 years
Telecommunications licences	5 to 23 years
Content licences	1 to 4 years

Any gain or loss on derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is included within other operating income or costs in the income statement in the period in which the asset is derecognised.

Software and licences
Development costs directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

a) it is technically feasible to complete the software product so that it will be available for use;
b) management intends to complete the software product and use or sell it;
c) there is an ability to use or sell the software product;
d) it can be demonstrated how the software product will generate probable future economic benefits;
e) adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
f) the expenditures attributable to the software product during its development can be reliably measured.

Directly attributable costs capitalised as part of a software product include software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet recognition criteria and costs associated with maintaining computer software programs are recognised as an expense as incurred.

Acquired software licences are capitalised based on the costs incurred to acquire and bring to use specific software. Costs comprise all directly attributable costs necessary to create, produce and prepare the software to be capable of operating in a manner intended by management, including enhancements of applications in use.

Costs associated with the acquisition of long-term frequency licences are capitalised. Useful lives of concessions and licences are based on the underlying agreements and are amortised on a straight-line basis over the period from availability of the frequency for commercial use until the end of the initial concession or licence term. No renewal periods are considered in the determination of useful life. Recurring licence fees paid for key telecommunications licences do not have legally enforceable periods and are recognised as other operating costs in the period they relate to. Recurring licence fees are paid during whole period of granted licence.

The Company recognizes the content licences as intangible assets if it is highly probable that the content will be delivered, contract duration is longer than one year and the cost are reliably determined or determinable. Acquired content licences are recognised at acquisition cost. If there is no fixed price defined in the contract, the Company uses best estimate to assess the fee during the contracted period. The useful lives of content licences are based on the underlying agreements and are amortised on a straight-line basis over the period from availability for commercial use until the end of the licence term which is granted to the Company. Content contracts which do not meet the criteria for capitalization are expensed and presented in 'other operating costs' in the income statement.

Goodwill
Goodwill previously recognised through the acquisition of the fully owned subsidiary T-Mobile was separately recognised in the statement of financial position of the integrated company Slovak Telekom as at 1 July 2010. Following initial recognition, goodwill is carried at cost less any accumulated impairment losses. Goodwill is not amortised but it is tested for impairment annually or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired (Note 14). Carrying value of the cash generating unit ("CGU") to which goodwill belongs to is compared to its recoverable amount, which is the higher of value in use and fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed. Fair values less costs to sell of CGU's with allocated goodwill tested for impairment are in Level 3 of the fair value hierarchy.

2.4 Leases

2.4.1. Right-of-use assets

Right-of-use assets represent property and equipment which is leased based on a contract containing a lease according to IFRS 16. The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Assessment of the lease term for evergreen leases (i.e. leases with no specified contract maturity, no silent prolongation etc.) is mostly affected by the nature and useful live of underlying assets, relocation costs, or the Company's past practice regarding the period over which it has typically used particular types of assets.

The expected lease term for evergreen leases assigned to the various categories of right-of-use assets are:

Space on telecommunication infrastructure of other parties	5/8/20 years
Rooftops	8 years
Land to install own telecommunication equipment	30 years
Exclusive easements	30 years
Shops	20 years
Technical space	33 years
Office space	20 years
Ducts and Pipes	35 years
Vehicles	5 years
Office and other general use equipment	4 years
Leased lines	20 years

2.4.2. Lease liabilities

At the commencement date of a lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date and amounts expected to be paid under residual value guaranties. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments, change in the assessment to purchase the underlying asset or a change in an index or a rate when the adjustment to the lease payments takes effect.

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has an option, under some of its leases, to lease the assets for additional terms. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g. a change in business strategy).

For contracts where no maturity is specified in the contractual agreement (so called evergreen contracts), the assessment of lease term is done for the portfolio as a whole. An estimate is required for the initial lease term as well as any further renewal. Factors, which are considered in determining the lease term for evergreen contracts are: costs associated with an obligation to return the leased asset in a specified condition or to a specified location, existence of significant leasehold improvements that would be lost if the lease were terminated or not extended, non-contractual relocation costs, costs associated with lost service to existing customers, cost associated with sourcing an alternative item etc.

2.4.3. IFRS 16 recognition exemptions

IFRS 16 includes recognition exemptions available to lessees and specifies alternative requirements.

Separation of non-lease components
In accordance with IFRS 16.12 an entity shall account for each lease component within the contract as a lease separately from non-lease components of the contract.

The Company has applied practical expedient and does not separate lease from non-lease components (IFRS 16.15), except for data center contracts, therefore non-lease components which are fixed, e.g. utilities, maintenance costs, etc. are not separated but instead capitalized.

Short-term leases
There is a practical expedient for lessees not to apply the recognition, measurement and presentation requirements of IFRS 16 for short-term leases (IFRS 16.5).

The Company has made the decision not to apply the short-term recognition exemptions to lease contracts, except for some minor and insignificant lease arrangements with a lease term of one month or less. Hence, short-term leases have to be recognised, measured and presented as lease arrangements in the scope of IFRS 16.

Low-value leases
There is a practical expedient for lessees not to apply the recognition, measurement and presentation requirements of IFRS 16 for leases of which the underlying asset is of low value ("low-value leases"; IFRS 16.5). The practical expedient can be taken on a lease-by-lease basis. For leases of low-value items to which this exemption is applied, lease payments are recognised as an expense over the lease term.

The Company has made the decision not to apply this practical expedient. Hence, all low-value leases, have to be recognised, measured and presented as lease arrangements in the scope of IFRS 16.

Leases of intangible assets
The Company elected in accordance with IFRS 16.4 for lessees not to apply IFRS 16 to leases of intangible assets or similar resources. To the extent that these transactions and its related assets fulfil the recognition criteria in IAS 38 Intangible Assets, they should be accounted as such. As a consequence, lessees are not required to perform lease identification procedures for any right to use intangible assets such as mobile radio spectrum, microwave frequencies, software, patents as well as content or data rights.

Separate presentation on the face of the Statement of financial position
The Company decided to present the right-of-use assets as well the lease liabilities as separate line items on the face of the statement of financial position (see IFRS 16.47). As a result, the right-of-use asset and the lease liability is presented (separately from other assets and liabilities) in the statement of financial position.

2.4.4. Subleases

In classifying a sublease, the Company, as the intermediate lessor, should classify the sublease as a finance lease or an operating lease in the same manner as any other lease using the criteria discussed in IFRS 16.61 et seq. with reference to the right-of-use asset (not the underlying asset itself) arising from the head lease. That is, the intermediate lessor treats the right-of-use asset as the underlying asset in the sublease, not the item of property, plant or equipment that it leases from the head lessor. The intermediate lessor only has a right to use the underlying asset for a period of time. If the sublease is for all of the remaining term of the head lease, the intermediate lessor has in effect transferred that right to another party and the sublease is classified as finance lease. Otherwise the sublease is an operating lease.

2.4.5. Lease accounting – the Company as a lessor

Leased out property and equipment where all the substantial benefits and risks usually connected with the ownership were transferred from the Company to lessee is classified as finance lease. The underlying asset is derecognised and the respective short term and long-term lease payments, net of finance charges are recognised as current and non-current financial assets. Payments received under operating leases are recorded in the income statement on a straight-line basis over the period of the lease.

2.5 Investments in subsidiaries

Investments in subsidiaries are carried at cost less any accumulated impairment losses. Cost of an investment in a subsidiary is based on cost attributed to the acquisition of the investment, representing fair value of the consideration given. Dividends received from subsidiaries are recognised as income when the right to receive dividend is established.

2.6 Impairment of non-financial assets

An impairment loss is the amount by which the carrying amount of an asset or a cash-generating unit ("CGU") exceeds its recoverable amount. Assets that are subject to depreciation or amortisation are reviewed for impairment, whenever events or circumstances indicate that their carrying amount may not be recoverable. Assets with indefinite useful life or intangible assets not ready for use are not subject to amortisation and are tested for impairment annually. Impairment losses for each class of assets are presented within depreciation, amortisation and impairment losses in the income statement. Reversals of impairment losses are presented within other operating income in the income statement.

For the purpose of assessing impairment, assets are grouped into CGU's, representing the smallest groups of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The Company determines the recoverable amount of a CGU primarily on the basis of value in use. The calculation is determined by reference to discounted cash flows calculations. These discounted cash flows calculations are based on financial budgets approved by management, usually covering a four-year period. Cash flows beyond the detailed planning periods are extrapolated using appropriate growth rates. Key assumptions on which management bases the determination of value in use include average revenue per user, customer acquisition and retention costs, churn rates, capital expenditures, market share, growth rates and discount rates. Discount rates used reflect risks specific to the CGU. Cash flows reflect management assumptions and are supported by external sources of information. In certain cases, the recoverable amount may be determined based on fair value less costs of disposal, using equity value as a proxy. This impairment test is highly judgmental, which carries the inherent risk of arriving at materially different recoverable amounts if estimates used in the calculations proved to be inappropriate.

If carrying amount of a CGU to which the goodwill is allocated exceeds its recoverable amount, goodwill allocated to this CGU is reduced by the amount of the difference. If an impairment loss recognised for the CGU exceeds the carrying amount of the allocated goodwill, the additional amount of the impairment loss is recognised through pro rata reduction of the carrying amounts of assets allocated to the CGU. Impairment losses on goodwill are not reversed.

Investments in subsidiaries are tested for impairment if impairment indicators exist. The Company considers, as minimum, the following indicators of impairment: the carrying amount of the investment in the separate financial statements exceeds the carrying amounts of the investee's net assets in the consolidated financial statements, including associated goodwill or; the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared for.

In addition to the general impairment testing of CGU's, the Company also tests individual assets if their purpose changes from being held and used to being sold or otherwise disposed of. In such circumstances the recoverable amount is determined by reference to fair value less costs to sell.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the CGU's units that are expected to benefit from synergies of combination, irrespective of whether other assets or liabilities of the Company are assigned to those units or groups of units. Each unit or group of units, to which the goodwill is allocated, represents the lowest level within the Company at which the goodwill is monitored for internal purposes.

Impairment is determined by assessing the recoverable amount of CGU to which the goodwill relates. For more details on impairment of goodwill refer to Note 14.

2.7 Inventories

Inventories are initially measured at cost that comprises the purchase price and other costs incurred in bringing the inventories to their present location and condition, including customs, transportation and similar costs. Inventories are stated at the lower of cost and net realizable value. Cost of inventory is determined on the weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated selling expenses. An allowance is created against slow-moving, obsolete or damaged inventories.

Phone set inventory write-down allowances are recognised immediately when the phone sets are no longer marketable to secure subscriber contractual commitment or if the resale value on a standalone basis (without the subscriber commitment) is lower than cost.

2.8 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and in hand and short-term deposits with original maturity of three months or less from the date of acquisition.

For the purpose of the statement of cash flows, cash and cash equivalents are net of bank overdrafts. In the statement of financial position, bank overdrafts (if they are relevant) are included in borrowings in current liabilities.

The Company takes part in the cash pooling system of Deutsche Telekom Group. Balances of selected bank accounts of the Company are at the end of the business day transferred to bank accounts of the parent company. These balances are not part of cash equivalents and they are presented as receivable from cash pooling in current receivables and within investing activities in the statement of cash flows.

2.9 Financial assets

The Company classifies its financial assets as follows:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through profit or loss ("FVTPL")

The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Trade receivables and debt securities issued by a debtor to the Company are initially recognised when they are originated. All other financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not measured at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price determined under IFRS 15.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Company has all financial assets classified and measured at amortised cost except for investments in subsidiaries and derivative contracts.

Financial assets at amortised cost (debt instruments)
The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets at amortised cost include Trade and other receivables, Cash and cash equivalents, Loans and Cash pooling in the statement of financial position.

These assets are subsequently measured at amortised cost using the effective interest rate method. The amortised cost is reduced by impairment losses via loss allowance account. Interest income, foreign exchange gains and losses and impairment are recognised in income statement. Any gain or loss on derecognition is recognised in income statement.

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Financial assets at fair value through profit or loss
The Company uses currency forward contracts to economically hedge its estimated cash flows. The Company decided to account for these contracts as "held for trading derivatives". As such, the Company did not apply hedge accounting in periods 2025 and 6–12/2024 and all currency forward contracts are recognised as held for trading derivatives with changes in fair value being reflected in profit or loss. Furthermore, the Company uses commodity derivative to mitigate exposure to power price volatility for non-speculative purposes and applied hedge accounting in accordance with IFRS 9 requirements. As such, the derivative is measured at fair value with the effective portion from changes in fair value being reflected in comprehensive income and ineffective portion in profit and loss.

Financial assets at fair value through profit or loss are initially recognised at fair value and subsequently carried at fair value. Unrealised gains and losses arising from revaluation of financial assets to the fair value as well as realised gains and losses are recognised in profit or loss.

2.10 Impairment of financial assets

The Company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost and contract assets. Regarding loss allowances for trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment (e.g. expected GDP growth and expected changes in unemployment rate). For lease receivables, contract assets and trade receivables with a significant financing component, an entity can choose as an accounting policy either to apply the general model for measuring loss allowance or always to measure the loss allowance at an amount equal to the lifetime ECL. The Company has chosen the latter policy.

The Company has applied the general impairment model to loans provided to related parties. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime. Currently the loans are in Stage 1. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. ECLs for loans were assessed but not booked as they are not material.

The loans from DTAG group to not give rise to a significant credit risk. These loans are settled through the group intercompany clearing centre and therefore classified to category A3 for which ECL is calculated.

The expected credit losses of significant assets are measured on an individual basis. The expected credit losses of remaining financial assets are measured by grouping together these assets with similar risk characteristics and applying provision matrix.

An impairment loss is calculated as the difference between an asset's gross amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off.

2.11 Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as measured at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Trade and other payables
Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are initially measured at fair value. After initial recognition trade and other payables are measured at amortised cost using the effective interest rate method.

2.12 Prepaid expenses

The Company has various contracts where the expenses are paid in advance, e.g. quarterly or yearly. Contracts relate to various services, e.g. maintenance.

2.13 Provisions and contingent liabilities

Provisions for asset retirement obligations, restructuring costs and legal and regulatory claims are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

If the effect of the time-value of money is material, provisions are discounted using a risk-adjusted, pre-tax discount rate. Where discounting is used, the increase in the provision due to the passage of time is recognised as a financial expense.

No provision is recognised for contingent liabilities. A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but that is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Asset retirement obligations
Asset retirement obligations relate to future costs associated with the retirement (dismantling and removal from use) of non-current assets. The obligation is recognised in the period in which it has been incurred and it is considered to be an element of cost of the related non-current asset in accordance with IAS 16. The obligation is measured at present value, and the corresponding increase in the carrying amount of the related non-current asset is depreciated over the estimated useful life of that asset. The value of the liability is recalculated to its present value as at the end of the reporting period and changes in the liability are recognised in the value of the assets or through charges to profit or loss (financial expenses). Upon settlement of the liability, the Company either settles the obligation for its recorded amount or incurs a gain or loss upon settlement.

2.14 Employee benefit obligations

Retirement and other long-term employee benefits
The Company provides retirement and other long-term benefits under both defined contribution and defined benefit plans.

A defined contribution plan is a pension plan under which the Company pays fixed contributions into separate publicly or privately administered entities on a mandatory, contractual or voluntary basis. Once the contributions have been paid, the Company has no further payment obligations. The contribution is based on gross salary payments. The cost of these payments is charged to the income statement in the same period as the related salary cost.

The Company also provides defined retirement and jubilee benefit plans granting certain amounts of pension or jubilee payments that an employee will receive on retirement, usually dependant on one or more factors such as an age, years of service and compensation. These benefits are unfunded. The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The last calculation was prepared on 31 December 2025. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using discount rate of weighted-average yields for high-quality (Bloomberg Aa*) - non-cancellable, non-putable corporate bonds. The currency and term of the bonds are broadly consistent with the currency and estimated term of the benefit obligations. Past service costs are recognised immediately in income statement. Remeasurement gains and losses arising from experience-based adjustments and changes in actuarial assumptions are recognised in the period in which they occur within other comprehensive income for retirement benefits and within the income statement for jubilee benefits. Current service cost, past service cost and curtailment gain are included within wages and salaries under staff costs. Interest costs are included within financial expense.

Termination benefits
Employee termination benefits are recognised in the period in which is the Company demonstrably committed to a termination without possibility of withdrawal, i.e. management defines and authorises a detailed plan listing the number and structure of employees to be discharged and announces it to the trade unions. Expenses related to termination benefits are presented within staff costs in profit or loss.

Incentive programs
The Company has entered into several incentive programs, both share-based and non-share based and cash and non-cash settled managed by DTAG. The Company recognizes the costs of services received from its members of executive management in a share-based and non-share-based payment transaction when services are received. If these services are received in a cash-settled share-based payment transaction, the Company recognizes the expense against the provision, re-measured at each reporting date. In case of equity-settled share-based payment transaction, the Company recognizes the expense against the equity capital fund, measured at fair value at the grant date.

2.15 Revenue recognition

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to a customer, who obtains control of that asset upon the delivery of services and products and customer's acceptance. Revenue from rendering of services and from sales of equipment is shown net of value added tax and discounts. Revenue is measured at the amount of transaction price that is allocated to the performance obligation.

The Company recognises revenue as follows:

The Company provides customers with narrow and broadband access to its fixed, mobile and TV distribution networks. Service revenue is recognised when the services are provided in accordance with contractual terms and conditions. Airtime revenue is recognised based upon minutes of use and contracted fees less credits and adjustments for discounts, while subscription and flat rate revenue is recognised in the period they relate to.

Revenue from prepaid cards is recognised when credit is used by a customer or after period of limitation when unused credit elapsed.

Interconnect revenue generated from calls and other traffic that originates in other operators' networks is recognised as revenue at the time when the call is received in the Company's network. The Company pays a proportion of the revenue it collects from its customers to other operators for calls and other traffic that originate in the Company's network but use other operators' networks. Revenue from interconnect is recognised gross.

When the Company acts as a reseller of another party's branded digital goods or services with a virtually unlimited supply (e.g. software licenses, cloud services, streaming services), it acts as principal if it has a selling price discretion and is primarily responsible, meaning it is the only party which the customer enters into a contract with and the only party that is responsible towards the customer for providing support and handling complaints and product issues. In this case revenue is recognised on a gross basis, otherwise net revenue is recognised.

In the case of multiple-element arrangements (e.g. mobile contract plus handset) with subsidised products delivered in advance, the transaction price is allocated to the performance obligations in the contract by reference to their relative standalone selling prices. Standalone selling prices of hardware are estimated using price list prices adjusted by margin haircut resulting from comparison of internal price list with external market prices. Standalone selling prices of service are estimated using average transaction prices adjusted by margin haircut. As a result a larger portion of the total consideration is attributable to the component delivered in advance (mobile handset), requiring earlier recognition of revenue. This leads to the recognition of what is known as a contract asset – a receivable arising from a customer contract that has not yet legally come into existence – in the statement of financial position.

Customer's credit risk is taken into account when accounting for contract assets by applying the expected credit loss model of IFRS 9. Impairments as well as reversals of impairments on contract assets are accounted for in accordance with IFRS 9.

Some one-time fees (mainly activation fees which are generally paid at contract inception) not fulfil definition of a separate performance obligation but represent a prepayment on future services. Such one-time fees and advanced payments for post-paid services lead to recognition of contract liability which is recognised as revenue appropriately to the minimum contract term. When discounts on service fees are granted unevenly for specific months of a contract while monthly service is provided evenly to the customer, service revenues are recognised on a straight-lined basis.

In accordance with IFRS 15, constant monthly revenue amounts shall be recognized in a contract where performance over the months is constant. One or more discounts on service may be given for one or multiple periods. The discount period can start at the beginning or at a later point in time of the contract term. Additionally, discounts may also be granted in stages, meaning that the discount size varies over the minimum contract term. Discounts are straightlined during minimum contract term by recognizing a contract asset, which is to be set up over the period with smaller payments and amortized over the remaining contract term.

The customer can be granted budgets for purchasing future goods and services either at contract inception or in the future by signing a frame contract which guarantees monthly minimum payment to the entity. The budget can be redeemed for hardware purchases and/or new services within the redemption period of the frame contract. A contract liability is created on a monthly basis until the budget is used. At the point of redemption revenue is realised in the amount of the relative standalone selling price of the material right.

Commission costs are assessed as incremental cost of obtaining a contract and are recognised as Contract costs. Contract costs are amortised during estimated customer retention period within dealers commission under other operating costs (related to indirect sales channel) and within wages and salaries under staff costs (related to direct sales channel).

The Company considers the effects of variable consideration and financing component as insignificant.

The Company typically satisfied its performance obligations at the point in time (mainly sales of equipment) and over time (services). The Company is not aware of any unusual payment terms. Payments are typically due within 14 days.

Revenue from sales of equipment is recognised when control of that equipment is transferred to a customer and when the equipment delivery and installation is completed. Completion of an installation is a prerequisite for transfer of control on such equipment where installation is not simple in nature and functionally constitutes a significant component of the sale.

Revenue from lease contracts (rent of buildings, technical spaces, circuits, dark fiber, etc.) is recognised based on the lease classification, either as one-off revenue, i.e. finance lease (if the Company assessed as manufacturer or dealer) or on a straight-line basis over lease period, i.e. operating lease (rental).

System solutions / IT revenue
Contracts on network services, which consist of installations and operations of communication networks for customers, have an average duration of 2 to 3 years. Revenue from voice and data services is recognised under such contracts when voice and data are used by a customer. Revenue from system integration contracts comprising delivery of customised products and/or services is recognised when the control of that customised complex solution is transferred to a customer (solution is delivered to and accepted by a customer). Contracts are usually separated into distinct milestones which indicate completion, delivery and acceptance of a defined project phase. Upon completion of a milestone the Company is entitled to issue an invoice and to a payment. Revenue is recognized over time or at point in time based on contract conditions assessed in line with IFRS 15 criteria.

Revenue from maintenance services (generally a fixed fee per month) is recognised over time (during contractual period) or at point in time (when the services are completed). Revenue from repairs, which are not part of the maintenance contract but are billed on a basis of time and material used, is recognised when the services are rendered.

Revenue from sale of hardware (including terminal equipment) and software is recognised when the control of that asset is transferred to a customer, provided there are no unfulfilled obligations that affect customer’s final acceptance of the arrangement.

Interest and dividends
Interest income is recognised using the effective interest rate method. Dividend income is recognised when the right to receive payment is established.

2.16 Operating profit

Operating profit is defined as a result before income taxes and financial income and expenses. For financial income and expenses refer to Notes 8 and 9 respectively.

2.17 Foreign currency translation

Transactions denominated in foreign currencies are translated into functional currency using exchange rates prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into functional currency using the exchange rates prevailing at the statement of financial position date. All foreign exchange differences are recognised within financial income or expense in the period in which they arise.

2.18 Taxes

Tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is also recognised in other comprehensive income or directly in equity respectively.

Current income tax
Current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted as of the statement of financial position date. For the year 2025 statutory current income tax rate is 24 % (21 % for prior periods).

Current income tax includes additional levy imposed by the Slovak government on regulated industries effective from 1 September 2012. In 2025, the levy of 18.912 % per annum (31.12.2024: 4.356 % per annum) is applied on the basis calculated as the profit before tax determined in accordance with the Slovak Accounting Standards multiplied by ratio of regulated revenues (according to Act on Electronic Communications Nr. 351/2011) on total revenues.

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities.

Deferred tax
Deferred tax is calculated at the statement of financial position date using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts, multiplied by income tax rate valid for future periods.

Deferred taxes are recognised for all taxable and deductible temporary differences, except for the deferred tax arising from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting, nor taxable profit or loss.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.19 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent liabilities reported at the end of the period and the reported amounts of revenue and expenses for that period. Actual results may differ from these estimates.

In the process of applying the Company's accounting policies, management has made the following judgements, estimates and assumptions which have the most significant effect on the amounts recognised in the financial statements:

Useful lives of non-current assets
The estimation of the useful lives of non-current assets is a matter of judgement based on the Company's experience with similar assets. Management reviews the estimated remaining useful lives of non-current assets annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are accounted for by changing the depreciation or amortisation period, as appropriate, and are treated as changes in accounting estimates. Management's estimates and judgements are inherently prone to inaccuracy, in particular for those assets for which no previous experience exists.

The Company reviewed useful lives of non-current assets during 2025 and changed accounting estimates where appropriate. The table summarizes net increase or (decrease) in depreciation or amortisation charge for total non-current assets for the following periods:

thousands of EUR	2025	2026	2027	2028	2029 and after
Non-current assets	(1,027)	578	(1,132)	800	781

Assessment of impairment of goodwill
The 2010 legal merger with T-Mobile led to recognition of goodwill. Goodwill is tested annually for impairment as further described in Note 2.6 using estimates detailed in Note 14.

Joint operation
The Company has entered into a networksharing agreement („NSA") with CETIN Networks, s.r.o („CETIN"). The subject of the agreement is the provision of active and passive network services between the parties which is based on the geographic split of the Slovak Republic's territory. The main aim of the agreement is increased quality of the services for end customers and the overall costs reduction for network operation. The consolidation of shared network was finalized as of 30.09.2025.

The Company has assessed rights and obligations arising from the networksharing agreement and determined that the agreement is in the scope of IFRS 11 Joint operations. The contract with CETIN is not concluded through special purpose vehicles and does not provide rights to net assets of the joint arrangement as such the joint arrangement is classified as joint operations.

The Company's financial statements present contribution to the joint operation based on legal form. Therefore, the Company contributes primarily at carrying amount of right-of-use assets through the master lease agreement with Slovak Telekom Infra a.s., specifically the Company derecognises 50 % of the current book value of the right-of-use with the impact to income statement. CETIN's contributions to the joint operation are initially measured at fair value, specifically the Company recognizes 50 % of the fair value of the property, plant and equipment assets and lease contracts contributed by CETIN with impact to income statement.

The Company's contributions represent outflow of economic resources in the form of disposed assets, whereas the counter-party's contributions represent inflow of economic resources from the standpoint of the Company's financial statements and are recognized through other operating income. The net impact of the formation of the joint operations from 1 January till 31 December 2025 is EUR 5,003 thousand.

CETIN and the Company incur income and expenses related to the operation of the network in the geographic territory they are responsible for and subsequently perform mutual recharges. Income and expenses incurred based on the contract are of the same nature. Those transactions are considered to be the transactions of the joint operation rather than transactions between the joint operators. As such, those are presented in net values. In certain cases, residual balances are presented as other operating income and other operating expenses.

Content rights
The Company recognizes the content licences as intangible assets if it is highly probable that the content will be delivered, contract duration is longer than one year and the cost are determined or determinable. Acquired content licences are recognised at acquisition cost. If there is no fixed price defined in the contract, the Company uses best estimate to assess the fee during the contracted period. The useful lives of content licences are based on the underlying agreements and are amortised on a straight-line basis over the period from availability for commercial use until the end of the licence term which is granted to the Company. Content contracts which do not meet the criteria for capitalization are expensed and presented in 'other operating costs' in the income statement.

Asset retirement obligation
The Company enters into lease contracts for land and premises on which mainly mobile communication network masts and other assets are sited. The Company is committed by these contracts to dismantle the masts and restore the land and premises to their original condition. Management anticipates the probable settlement date of the obligation to equal useful life of assets, which is estimated to be from 5 to 33 years. The remaining useful life of assets ranges from 1 to 33 years at 31 December 2025.

Management's determination of the amount of the asset retirement obligation (Note 24) involves the following estimates (in addition to the estimated timing of crystallisation of the obligation):

a) an appropriate risk-adjusted, pre-tax discount rate commensurate with the Company's credit standing;
b) the amounts necessary to settle future obligations;
c) inflation rate.

If probable settlement date of the obligation related to masts was shortened by 10 years it would cause an increase of asset retirement obligation by EUR 432 thousand (31.12.2024: increase by EUR 254 thousand). If the inflation rate increased by

0.5 %, it would cause an increase of asset retirement obligation by EUR 553 thousand (31.12.2024: increase by EUR 555 thousand). If the risk-adjusted, pre-tax discount rate increased by 0.5 %, it would cause a decrease of asset retirement obligation by EUR 508 thousand (31.12.2024: decrease by EUR 509 thousand). If the amounts necessary to settle future obligations increased by 10 %, it would cause an increase of asset retirement obligation by EUR 1,309 thousand (31.12.2024: increase by EUR 1,361 thousand).

Provisions and contingent liabilities
The Company is a participant in several lawsuits and regulatory proceedings. When considering the recognition of a provision, management judges the probability of future outflows of economic resources and its ability to reliably estimate such future outflows. If these recognition criteria are met a provision is recorded in the amount of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Such judgments and estimates are continually reassessed taking into consideration the developments of the legal cases and proceedings and opinion of lawyers and other subject matter experts involved in resolution of the cases and proceedings. The factors considered for individual cases are described in Notes 24 and 32.

Critical judgements in determining lease term
The lease term assessment for evergreen leases (i.e. with no specified contract maturity) is performed on a portfolio basis. The lease term determination is usually linked to the estimated useful life of telecommunication equipment installed on infrastructure, building or land of third parties.

In case of evergreen lease contracts for office space, shops and technical space, lease term has been assessed in different manner, considering all circumstances and facts that create an economic (dis)incentive to terminate the contracts, e. g. location of the asset, existence of significant leasehold improvements that would be lost if the lease were terminated, costs associated with sourcing an alternative place and historical lease durations. Based on that, the Company has come to conclusion that expected lease term is 20 years for office space and shops and 33 years for technical space.

If the expected lease term of office space and shops was shortened by 10 years (from 20 years to 10 years) it would cause a decrease in the lease liability by EUR 3,912 thousand (31.12.2024: EUR 3,950 thousand). If the expected lease term was prolonged by 10 years (from 20 years to 30 years) it would cause an increase in the lease liability by EUR 5,026 thousand (31.12.2024: EUR 4,693 thousand).

If the expected lease term of technical space was shortened by 10 years (from 33 years to 23 years) it would cause a decrease in the lease liability by EUR 7,142 thousand (31.12.2024: EUR 6,846 thousand). If the expected lease term was prolonged by 10 years (from 33 years to 43 years) it would cause an increase in the lease liability by EUR 8,922 thousand (31.12.2024: EUR 6,725 thousand). Assumed calculation is prepared on the basis of the subsequent extension of initial lease term after it's expiry by 10 years.

As part of the master lease agreement, the Company leases two groups of the assets. The lease term of the assets which are in the scope of NSA was determined in the way to cover at least the term of NSA and for the remainder, i.e. the assets which are out of scope of NSA, the lease term is determined to be 8 years.

If the expected lease term of the assets out of scope of NSA is prolonged by 8 years, it would cause an increase in the lease liability by EUR 7,646 thousand 31.12.2024: EUR 6,618 thousand). If the expected lease term for the assets in the scope of NSA is shortened by 10 years, it would cause a decrease in the lease liability by EUR 28,045 thousand (31.12.2024: EUR 23,875 thousand).

2.20 Adoption of IFRS Accounting Standards during the year

Standards, interpretations and amendments to published standards effective for the Company's accounting period beginning on 1 January 2025.

The Company has applied following standard and amendment for the first time for their annual reporting period commencing 1 January 2025:

Lack of Exchangeability - Amendments to IAS 21

The amendments listed above did not have any impact on the amounts recognised in prior periods and is not expected to significantly affect the current or future periods.

New standards and interpretations not yet adopted
The impact on the Company's financial statements of new standards, amendments to the standards and interpretations endorsed by EU which are not yet effective and have not been early adopted is being analysed as of the date of the issuance of these financial statements and the final impact is unknown yet.

3. Financial risk management

The Company is exposed to a variety of financial risks. The Company's risk management policy addresses the unpredictability of financial markets and seeks to minimize potential adverse effects on the performance of the Company.

The Company's financial instruments include cash and cash equivalents, trade receivables, intra-group loans, intra-group funding measures (i.e. cash pooling or additional financing facilities) and derivatives. The main purpose of these instruments is to manage the liquidity of the Company.

The Company also concluded derivate swap contract which is a virtual power purchase agreement to manage cash flow variability. Company is exposed to variability in the price of power due to the electricity consumption in the mobile network and related administrative building. Risk management strategy is focused on limiting the impacts of commodity price risks to acceptable levels defined in Risk management strategy. The hedging strategy and the extent of hedge coverage are aligned with the DT Strategy Team and have been approved by local management. Hedge accounting practices are conducted in accordance with these established principles. In accordance with the Risk management strategy, the risk management objective is that Company entered into a derivative commodity contract where they pay fixed leg and receive the float leg based on price development on underlying assets represented by hourly national spot price published by short-term electricity market operator OKTE.

The Company has various other financial assets and liabilities such as trade and other receivables and trade and other payables which arise from its operations.

The main risks arising from the Company's financial instruments are market risk, credit risk and liquidity risk. The Treasury is responsible for financial risk management (except for credit risk arising from sales activities which is managed by the Credit Risk Department) in accordance with guidelines approved by the Board of Directors and the Deutsche Telekom Group Treasury. The Company's Treasury Department works in association with the Company's other operating units and with the Deutsche Telekom Group Treasury. There are policies in place to cover specific areas, such as market risk, credit risk, liquidity risk and the investment of excess funds.

3.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk.

3.1.1 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in foreign exchange rates.

The Company is exposed to transactional foreign currency risk arising from international interconnectivity. In addition, the Company is exposed to risks arising from capital and operational expenditures denominated in foreign currencies.

For the year 2025, net foreign currency exposures are hedged at approximately 50%, as during 2024 the hedging transactions were still executed in line with the previous foreign exchange risk management methodology. This methodology stipulated that the Company hedges planned but not yet firmly committed foreign currency cash flows for a rolling period of 12 months. The minimum hedging ratio was set at 50% of the net exposure, and foreign exchange forward contracts with fixed settlement dates were used for this purpose. The Company also prepared short-term cash flow forecasts on an ongoing basis to quantify expected foreign exchange risk more accurately.

Starting from 2025, the Company applies a new foreign exchange risk management methodology, under which natural hedging (e.g., offsetting revenues and expenses in the same currency) is used whenever possible to minimize the number of external transactions within the Group. In addition, a cost-averaging effect is applied as a supplementary risk mitigation tool.

New hedging transactions are no longer concluded for regular recurring payments, such as regular operational payments or regular dividend distributions. Hedging remains mandatory for one-off cash flows denominated in foreign currencies, as well as for foreign currency financing, where the equivalent amount exceeds EUR 2,000 thousand. In exceptional cases, companies within the DT Group may deviate from this approach following prior consultation with Group Treasury. The identification and assessment of foreign exchange risk are also carried out in close cooperation with Group Treasury.

The Company's foreign currency risk relates mainly to the changes in USD and CZK foreign exchange rates, with immaterial risk related to financial assets and financial liabilities denominated in other foreign currencies.

The carrying amounts of the Company's USD and CZK denominated monetary assets and monetary liabilities at the reporting date are as follows:

thousands of EUR	31.12.2025	31.12.2024	31.12.2025	31.12.2024
	USD	USD	CZK	CZK
Monetary assets	351	167	948	549
Liabilities	(1,162)	(1,583)	(3,559)	(5,027)
	(811)	(1,416)	(2,611)	(4,478)

The following table details the sensitivity of the Company's profit after tax to a 10 % increase/decrease in the USD and CZK against EUR, with all other variables held as constant. The 10 % change represents management's assessment of the reasonably possible change in foreign exchange rate and is used when reporting foreign currency risk internally in line with treasury policies.

thousands of EUR		31.12.2025	31.12.2024
Profit after tax	Depreciation of USD by 10%	55	108
	Appreciation of USD by 10%	(55)	(108)

thousands of EUR		31.12.2025	31.12.2024
Profit after tax	Depreciation of CZK by 10%	9	14
	Appreciation of CZK by 10%	(9)	(14)

3.1.2 Interest rate risk

The Company's income and operating cash flows are substantially independent of changes in market interest rates. The Company entered into a Master agreement on Upstream loans with DTAG in October 2008 based on which the Company can provide loans to DTAG. As at 31 December 2025, there is no outstanding loan granted to DTAG at fixed interest rate (Note 21) (31.12.2024: EUR 80,000 thousand). The Company has no material financial instruments with variable interest rates as at 31 December 2025.

3.1.3 Other price risk

Other price risk arises on financial instruments because of changes in commodity prices. The Company entered into derivative swap to mitigate volatility exposure for energy prices.

The following table details the sensitivity of other components of equity to a 10 % increase/decrease in the reference prices and 5 % increase/decrease in electricity volumes with all other variables held as constant. The 10 % and 5 % change represents management's assessment of the reasonably possible change in the variables.

thousands of EUR		31.12.2025	31.12.2024
Impact on other components of equity	Decrease in reference prices 10%	(4,220)	(4,224)
	Increase in reference prices 10%	4,220	4,224

thousands of EUR		31.12.2025	31.12.2024
Impact on other components of equity	Decrease in electricity volume 5%	(24)	(23)
	Increase in electricity volume 5%	4	4

3.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Company is exposed to credit risk from its operating activities and certain investing activities. The Company's credit risk policy defines products, maturities of products and limits for financial counterparties. The Company limits credit exposure to individual financial institutions on the basis of the credit ratings assigned to these institutions by reputable rating agencies and these limits are reviewed on a regular basis. The Company deposits free cash into financial instruments such as financial investments in the form of loans to DTAG. The Company is exposed to concentration of credit risk usually from holding loan receivable (no loan granted as at 31.12.2025) (31.12.2024: EUR 80,000 thousand) provided to DTAG (Germany) and trade receivables from DTAG, subsidiaries and other entities in DT Group in amount of EUR 37,936 thousand (31.12.2024: EUR 42,319 thousand). The concentration of credit risk for trade receivables other than from entities in DT Group is limited due to the fact that the customer base is large and unrelated.

The Company's cash and cash equivalents are held with major regulated financial institutions; the two largest ones hold approximately 94 % and 5 % (31.12.2024: 86 % and 13 %).

For credit ratings see the following tables:

thousands of EUR	31.12.2025	31.12.2024
Loans (Note 21)		
A3	-	80,000
	-	80,000

thousands of EUR	31.12.2025	31.12.2024
Cash and cash equivalents (Note 22)		
A1	1	-
A2	40,919	25,666
A3	2,135	3,865
Not rated	34	251
	43,089	29,782

Further, counterparty credit limits and maximum maturity can be decreased based on recommendation by Deutsche Telekom Group Treasury in order to manage bulk risk steering of Deutsche Telekom Group. Group credit risk steering takes into account various risk indicators including, but not limited to CDS (Credit Default Swap) level and rating.

The Company establishes an allowance for impairment that represents its estimate of expected credit losses in respect of trade, other receivables and contract assets. Cash and cash equivalents and intercompany receivables are also subject to the impairment requirements of IFRS 9, however, the identified impairment loss determined based on probability of default would be immaterial. The receivables from the DTAG group do not give rise to a significant credit risk. The Company has considered the financial performance, external debt and future cash flows of the related parties and concluded that the credit risk relating to these receivables is limited and consequently the probability of default relating to these balances is low.

Impairment is recognized both upon initial recognition and at each subsequent reporting date at an amount equal to the lifetime expected credit losses. Objective evidence of impairment for a portfolio of receivables includes the Company's past experience of collecting payments, changes in the internal and external ratings of customers, current conditions and the Company's view of economic conditions over the expected lives of receivables.

In respect of financial assets, which comprise cash and cash equivalents, intra-group loans, trade and other receivables and cash pooling, the Company's exposure to credit risk arises from the potential default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets. The Company considers a financial asset to be in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before contractual payments are 90 days past due. For example, in case of an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

The Company assesses its financial investments at each reporting date for credit losses. Significant financial assets are assessed individually. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. Credit loss in respect of a financial asset is calculated as the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive discounted at the original effective interest rate. Credit losses are recognised in the income statement.

The table summarises the ageing structure of receivables based on IFRS 9:

				Past due			
thousands of EUR	Not past due	< 30 days	31–90 days	91–180 days	181–365 days	> 365 days	Total
As at 31 December 2025							
Trade and other receivables, gross	210,228	11,031	3,615	4,016	6,382	18,697	253,969
Trade and other receivables, net	197,641	9,872	2,138	1,456	1,882	2,528	215,517
Allowance for receivables	(12,587)	(1,159)	(1,477)	(2,560)	(4,500)	(16,169)	(38,452)

				Past due			
thousands of EUR	Not past due	< 30 days	31–90 days	91–180 days	181–365 days	> 365 days	Total
As at 31 December 2024							
Trade and other receivables, gross	205,518	7,309	3,840	3,812	6,147	19,429	246,055
Trade and other receivables, net	191,799	6,384	2,178	1,441	1,649	2,638	206,089
Allowance for receivables	(13,719)	(925)	(1,662)	(2,371)	(4,498)	(16,791)	(39,966)

The probabilities of default for individual ageing bands for Core receivables (which represents majority of receivables) are as follows:

				Past due			
	Not past due	< 30 days	31–90 days	91–180 days	181–365 days	> 365 days	> 3600 days
As at 31 December 2025	2 %	13 %	40 %	63 %	74 %	92 %	100 %
As at 31 December 2024	2 %	13 %	40 %	63 %	74 %	92 %	100 %

No significant individually assessed trade receivables were included in the loss allowance in 2025 or 6–12/2024.

Management believes that no additional loss allowance is necessary for trade receivables for which there is a significant increase in credit risk since initial recognition because of the fact that these receivables are from creditworthy customers who have a good track record with the Company. This is also supported by the historical default rates. Management also believes that currently no additional loss allowance is necessary for trade receivables that are either not past due or for which no objective evidence of impairment exists.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 16, 21 and 22. For sensitivity of impairment charge of uncollectible receivables refer to Note 16.

3.3 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are to be settled by delivering cash or another financial asset. Liquidity risks are monitored using several techniques, such as Maturity Gap Analysis (which compares cash inflows and outflows over various time periods), Cash Flow Forecasting, and examining the Cash Conversion Cycle to evaluate liquidity requirements and challenges.

Short-term highly liquid assets of the Company (such as cash and cash equivalents, cash pooling receivable and intercompany short-term loans) cover considerable part of Company´s payables without Trade and other receivables and other current assets taken into account, therefore liquidity risk of the Company is considered to be low:

thousands of EUR	31.12.2025	31.12.2024
Cash and cash equivalents	43,089	29,782
Cash pooling receivable (included in Trade and other receivables)	20,249	22,702
Loans	-	80,000
	63,338	132,484

The Company's liquidity risk mitigation principles define the level of cash and cash equivalents, marketable securities, short-term financial assets and intragroup financing measures in line with DT Group Centralized funding approach available to the Company to allow it to meet its obligations on time and in full. Liquidity needs are to be covered by intragroup funding measures of DT Group, i.e. cash pooling or additional financing facilities, then also cash, cash equivalents and liquid short term financial assets with the objective of holding predetermined minimum amounts of cash and cash equivalents and credit facilities available on demand.

The table summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

thousands of EUR	On demand	Less than 3 months	3 to 12 months	Over 1 year	Total
As at 31 December 2025					
Trade and other payables	5,350	112,276	47,474	67,905	233,005
As at 31 December 2024					
Trade and other payables	9,731	95,584	17,799	12,773	135,887

For maturity of lease liabilities refer to Note 26.

Trade and other payables, which are past due as at 31 December 2025, are in amount of EUR 1,669 thousand (out of which EUR 1,406 thousand are Trade and other payables past due not more than 30 days.) Trade and other payables, which were past due as at 31 December 2024, were in amount of EUR 6,278 thousand (out of which EUR 4,793 thousand were Trade and other payables past due not more than 30 days.)

The Company has granted credit limit to subsidiary DIGI SLOVAKIA, s.r.o. in amount of EUR 5,000 thousand with interest rate 1M Euribor + 1 % margin. The limit was not used as at 31 December 2025.

3.3.1 Offsetting financial assets and liabilities

The following financial assets and liabilities are subject to offsetting:

thousands of EUR	Gross amounts	Offsetting	Net amounts
As at 31 December 2025			
Current financial assets - Trade receivables	1,194	(584)	610
Current financial liabilities - Trade payables	2,340	(584)	1,756
As at 31 December 2024			
Current financial assets - Trade receivables	1,479	(839)	640
Current financial liabilities - Trade payables	2,236	(839)	1,397

For the Company's accounting policy on offsetting refer to Note 2.9. Balances of Trade receivables and Trade payables are presented on a net basis in the statement of financial position.

3.4 Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for the shareholder and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

The Company's management proposes to the owner of the Company (through the Board of Directors) to approve dividend payments or adopt other changes in the Company's equity capital in order to optimize the capital structure of the Company. This can be achieved primarily by adjusting the amount of dividends paid to the shareholder, or alternatively, by returning capital to the shareholder by capital reductions, issue new shares or sell assets to reduce debt. The Company also takes into consideration any applicable guidelines of the ultimate parent company. No changes were made to the objectives, policies or processes in 2025.

The capital structure of the Company consists of equity attributable to shareholder, comprising issued capital, statutory reserve fund, retained earnings and other components of equity (Note 23). Management of the Company manages capital measured in terms of shareholder's equity amounting to EUR 1,211,338 thousand at 31 December 2025 (31.12.2024: EUR 1,230,435 thousand).

3.5 Fair values

Fair value measurement is analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on observable market data (that is, unobservable inputs). Management applies judgement in categorising financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement. The significance of a valuation input is assessed against the fair value measurement in its entirety.

3.5.1 Recurring fair value measurement

Recurring fair value measurements are those that the accounting standards require or permit in the statement of financial position at the end of each reporting year.

thousands of EUR	Level 1	Level 2	Level 3
Recurring fair value measurements at 31 December 2025			
Financial assets at FVTPL			
Hedging derivatives – cash flow hedge	-	-	6,012

thousands of EUR	Level 1	Level 2	Level 3
Recurring fair value measurements at 31 December 2024			
Financial assets at FVTPL			
Hedging derivatives – cash flow hedge	-	-	8,802

Development of the carrying amounts of the financial assets and financial liabilities assigned to Level 3

thousands of EUR	Derivative financial assets in cash flow hedges: energy forward agreements	Derivative financial liabilities in cash flow hedges: energy forward agreements
Carrying amount as of December 31, 2024	8,802	-
Additions (including first-time classification as Level 3)	-	-
Decreases in fair value recognized in profit/loss (including losses on disposal)	-	-
Increases in fair value recognized in profit/loss (including gains on disposal)	-	-
Decreases in fair value recognized directly in equity	(2,790)	-
Increases in fair value recognized directly in equity	-	-
Disposals (including last classification as Level 3)	-	-
Currency translation effects recognized directly in equity	-	-
Carrying amount as of December 31, 2025	6,012	-

The amounts are included in line “Derivative financial instruments” of the statement of financial position and in line “Fair value (loss) / gain arising on hedging instruments“ in the statement of comprehensive income.

3.5.2 Non-recurring fair value measurement

Non-recurring fair value measurements are fair value measurements that are required or permitted by other IFRS Accounting Standards to be measured in the statement of financial position in particular circumstances.

thousands of EUR	Level 1	Level 2	Level 3
Non-recurring fair value measurements at 31 December 2025			
Non-financial assets at fair value			
Property, plant and equipment	-	-	8,430
Right-of-use assets	-	-	8,450

thousands of EUR	Level 1	Level 2	Level 3
Non-recurring fair value measurements at 31 December 2024			
Non-financial assets at fair value			
Property, plant and equipment	-	-	8,430
Right-of-use assets	-	-	5,743

The Company accounts for counter-parties’ contribution into joint operations at fair value in accordance with IFRS 11. Furthermore, non-financial assets were valued by external valuation service provider using cost approach with regards to property, plant and equipment including own data for leases or other best available information in the circumstances in line with IFRS 13 requirements.

3.5.3 Financial assets and financial liabilities not measured at fair value

The fair value of other financial assets and financial liabilities approximate their carrying amounts at the statement of financial position date. The loans are short-term. For further details on loans refer to Notes 3.2 and 21. Non-current receivables and non-current payables are discounted unless the effect of discounting was inconsiderable.

3.6 Presentation of financial instruments by measurement category

thousands of EUR	31.12.2025	31.12.2024
ASSETS		
Financial assets at amortised cost		
Trade and other receivables (Note 16)	215,517	206,089
Derivative financial instruments (Note 17)	6,012	8,802
Loans (Note 21)	-	80,000
Cash and cash equivalents (Note 22)	43,089	29,782
LIABILITIES		
Financial liabilities at amortised cost		
Trade and other payables (Note 25)	233,005	135,887
Lease liabilities (Note 26)	174,684	179,421

4. Revenue from contracts with customers

thousands of EUR	2025	6–12/2024
Fixed network revenue	321,222	184,847
Mobile network revenue	352,431	201,327
Terminal equipment	127,713	81,947
System solutions / IT	46,105	26,874
Other	7,047	4,618
	854,518	499,613

For assets and liabilities related to contracts with customers or cost to obtain a contract with customer refer to Note 18.

5. Other operating income

thousands of EUR	2025	6–12/2024
Gain on disposal of property and equipment and intangible assets, net	-	3,192
Income from material sold	1,926	359
Reversal of impairment of property and equipment (Notes 11, 12, 13)	4,953	786
Income from reinvoicing of services	8,235	5,922
Other	9,769	8,123
	24,883	18,382

For detail related to balance in category Other refer to Note 2.19 Significant accounting judgements, estimates and assumptions.

6. Staff costs

thousands of EUR	2025	6–12/2024
Wages and salaries	96,794	61,387
Defined contribution pension costs	15,902	7,696
Other social security contributions	17,433	9,889
	130,129	78,972

	31.12.2025	31.12.2024
Number of employees at year end	2,333	2,365
Average number of employees during the year	2,349	2,372

Majority of own work capitalized in amount of EUR 9,809 thousand (6–12/2024: EUR 5,506 thousand) represents capitalization of staff costs of internal employees.

For expenses resulting from termination, retirement and jubilee benefits (included in Staff costs) refer to Note 24.

7. Other operating costs

thousands of EUR	2025	6–12/2024
Repairs and maintenance	15,973	9,828
Loss on disposal of property and equipment and intangible assets, net	223	-
Loss on disposal of Rights of use assets	14,559	13,525
Marketing costs	17,829	12,235
Energy	17,131	10,996
Printing and postage	3,622	1,844
Logistics	3,815	2,134
Rentals and leases (not in scope of IFRS 16)	2,137	1,006
IT services	13,921	7,661
Dealer commissions	26,485	14,663
Frequency fees	3,164	1,802
Content fees	25,851	13,359
Legal and regulatory claims (Note 32)	472	(754)
Property related costs	2,463	1,683
Consultancy	2,616	2,412
Customer solutions	24,131	14,317
Material sold	1,607	-
Fees paid to group companies	8,762	4,685
Other	14,992	8,658
	199,753	120,054

For detail related to balance in category Loss on disposal of Right of use assets refer to Note 2.19 Significant accounting judgements, estimates and assumptions.

8. Financial income

thousands of EUR	2025	6–12/2024
Interest income	3,859	2,195
Foreign exchange gains, net	66	38
	3,925	2,233

9. Financial expense

thousands of EUR	2025	6–12/2024
Interest expense from lease	14,748	8,652
Impairment of investments in subsidiaries (Note 15)	5,131	4,328
Other interest expense	1,855	1,327
	21,734	14,307

Balance in category Interest expense from lease relates to demerger transaction described in Note 2.1.

10. Taxation

The major components of income tax expense for the period from 1 January to 31 December 2025 and for the period from 1 June to 31 December 2024 are:

thousands of EUR	2025	6–12/2024
Current tax expense	43,915	23,409
Current tax expense of prior years	165	-
Deferred tax expenses / (income)	(48)	19,286
Levy on regulated industries	22,097	1,831
Levy on regulated industries of prior years	(188)	(2,140)
Income tax expense reported in the income statement	65,941	42,386

Reconciliation between the reported income tax expense and the theoretical amount that would arise using the statutory tax rate is as follows:

thousands of EUR	2025	6–12/2024
Profit before income tax	190,244	96,546
Income tax calculated at the statutory rate of 24 % (6–12/2024: 21 %)	40,400	20,275
Effect of non-taxable income and tax non-deductible expenses:		
Dividends	(552)	-
Creation / (release) of impairment on shares in Group companies	1,231	909
Reversal of impairment of PPE	(1,102)	-
Other tax non-deductible items, net	3,290	839
Tax charge in respect of prior years	165	-
Other taxes	21,909	(309)
Change in the tax rate - income tax / special levy rate	-	15,594
Adjustment of the deferred tax not affecting P/L	599	5,078
Income tax at the effective tax rate of 35 % (6–12/2024: 44 %)	65,941	42,386

Income tax calculated at the statutory rate of 24% is calculated from profit before income tax adjusted by special levy that is considered as tax deductible item for income tax calculation.

In period 6–12/2024, the effective tax rate has increased to 44 % compared to 23 % in period 1–5/2024. This increase is primarily due to the change in the income tax rate (increase in the income tax rate from 21 % to 24 % as of January 1, 2025) and the change in the rate of the special levy in regulated industries (increase in the monthly rate from 0.00363 to 0.01576 as of January 1, 2025). The total impact as at 31.12.2024 was an increase in the deferred tax liability of EUR 15,594 thousand.

Deferred tax assets (liabilities) for the periods ended 31 December 2025 and 31 December 2024 are attributable to the following items:

thousands of EUR	1 January 2025	Through income statement	Through statement of comprehensive income	31 December 2025
Difference between carrying and tax value of fixed assets	(107,939)	10,453	-	(97,486)
Lease liabilities	44,498	(2,445)	-	42,053
Staff cost accruals	4,836	(2,459)	-	2,377
Allowance for bad debts	7,196	(649)	-	6,547
Termination benefits	1,484	(74)	-	1,410
Retirement benefit obligation	2,758	76	134	2,968
Asset retirement obligation	3,266	(106)	-	3,160
Derivative financial instruments	(2,112)	-	669	(1,443)
Contract assets	(7,793)	398	-	(7,395)
Contract costs	(9,078)	(1,072)	-	(10,150)
Contract liability	1,718	14	-	1,732
Special levy	(9,152)	(699)	-	(9,851)
Other	1,252	(3,388)	-	(2,136)
Net deferred tax liability	(69,066)	49	803	(68,214)

thousands of EUR	1 June 2024	Through income statement	Through statement of comprehensive income	31 December 2024
Difference between carrying and tax value of fixed assets	(71,617)	(36,322)	-	(107,939)
Lease liabilities	17,281	27,217	-	44,498
Staff cost accruals	1,883	2,953	-	4,836
Allowance for bad debts	5,551	1,645	-	7,196
Termination benefits	962	522	-	1,484
Retirement benefit obligation	1,969	315	474	2,758
Asset retirement obligation	2,700	566	-	3,266
Derivative financial instruments	(1,965)	-	(147)	(2,112)
Contract assets	(6,288)	(1,505)	-	(7,793)
Contract costs	(7,336)	(1,742)	-	(9,078)
Contract liability	1,571	147	-	1,718
Special levy	(380)	(8,772)	-	(9,152)
Other	5,562	(4,310)	-	1,252
Net deferred tax liability	(50,107)	(19,286)	327	(69,066)

thousands of EUR	31.12.2025	31.12.2024
Deferred tax asset to be settled within 12 months	24,605	27,302
Deferred tax asset to be settled after more than 12 months	46,662	48,597
Deferred tax liability to be settled within 12 months	(18,862)	(18,042)
Deferred tax liability to be settled after more than 12 months	(120,619)	(126,923)
Net deferred tax liability	(68,214)	(69,066)

The Slovak Republic has implemented legislation to ensure global minimum taxation in accordance with Pillar II of the OECD and the corresponding EU Directive. The Slovak legislation is applicable from 2024.

The potential tax burden has been estimated based on the information available at the balance sheet date (historical information, planning data, Group reporting as of 31 December 2024 and 31 December 2025, etc.). Based on this assessment, the Company expects that it will not be subject to minimum taxation in 2025, either by demonstrating that it meets the temporary safe harbor criteria (i.e. based on the qualified report the simplified effective tax rate for a jurisdiction is at least 16% for 2025) or by demonstrating minimum taxation based on detailed calculations according to the GLoBE rules. Therefore, no minimum tax is due as of the balance sheet date.

In addition, the Company uses the exemption in IAS 12.4A, according to which no deferred taxes are recognized in connection with the global minimum taxation.

11. Intangible assets

thousands of EUR	Software	Telecommu-nication licences	Other licences and rights	Internally developed intangible assets	Goodwill	Intangibles under construction	Total
At 1 January 2025							
Cost	501,928	184,765	33,496	50,981	73,313	48,425	892,908
Accumulated depreciation	(401,388)	(134,195)	(26,492)	(38,678)	-	-	(600,753)
Net book value	100,540	50,570	7,004	12,303	73,313	48,425	292,155
Additions	21,908	-	14,590	227	-	177,817	214,542
Depreciation charge	(29,586)	(10,324)	(15,654)	(2,212)	-	-	(57,776)
Transfers	13,211	16,000	570	199	-	(29,980)	-
At 31 December 2025							
Cost	518,150	200,765	32,996	51,126	73,313	196,262	1,072,612
Accumulated depreciation	(412,077)	(144,519)	(26,486)	(40,609)	-	-	(623,691)
Net book value	106,073	56,246	6,510	10,517	73,313	196,262	448,921

Goodwill was recognised at the merger of Slovak Telekom with T-Mobile on 1 July 2010 and arose on the Slovak Telekom's acquisition of the controlling interest in T-Mobile at 31 December 2004. Intangibles under construction are represented by low valued items of software or licenses acquired in current year, but not yet put in use.

thousands of EUR	Software	Telecommu-nication licences	Other licences and rights	Internally developed intangible assets	Goodwill	Intangibles under construction	Total
At 1 June 2024							
Cost	492,616	184,765	31,013	50,636	73,313	38,924	871,267
Accumulated depreciation	(394,041)	(128,293)	(20,293)	(37,438)	-	-	(580,065)
Net book value	98,575	56,472	10,720	13,198	73,313	38,924	291,202
Additions	11,721	-	5,946	90	-	15,933	33,690
Depreciation charge	(15,932)	(5,902)	(9,663)	(1,240)	-	-	(32,737)
Disposals	(1)	-	1	-	-	-	-
Transfers	6,177	-	-	255	-	(6,432)	-
At 31 December 2024							
Cost	501,928	184,765	33,496	50,981	73,313	48,425	892,908
Accumulated depreciation	(401,388)	(134,195)	(26,492)	(38,678)	-	-	(600,753)
Net book value	100,540	50,570	7,004	12,303	73,313	48,425	292,155

12. Property and equipment

thousands of EUR	Land, buildings and structures	Telecommu-nications line network	Transmission and switching equipment	Other	Capital work in progress including advances	Total
At 1 January 2025						
Cost	133,216	1,318,267	686,413	134,778	166,634	2,439,308
Accumulated depreciation	(84,394)	(878,160)	(541,795)	(105,541)	-	(1,609,890)
Net book value	48,822	440,107	144,618	29,237	166,634	829,418
Additions	597	25,402	44,424	14,278	37,628	122,329
Depreciation charge	(2,564)	(45,275)	(44,290)	(8,055)	-	(100,184)
Impairment charge	(1,224)	-	(68)	-	-	(1,292)
Reversal of impairment	4,953	-	-	-	-	4,953
Disposals	(10,818)	(222)	(459)	(1,992)	(1,003)	(14,494)
Transfers	1,202	29,256	16,071	1,499	(48,028)	-
At 31 December 2025						
Cost	107,756	1,371,103	637,610	129,614	155,231	2,401,314
Accumulated depreciation	(66,788)	(921,835)	(477,314)	(94,647)	-	(1,560,584)
Net book value	40,968	449,268	160,296	34,967	155,231	840,730

Property and equipment, excluding motor vehicles, is locally insured to a limit of EUR 25,000 thousand (31.12.2024: EUR 25,000 thousand). Any loss exceeding local limit is insured by DTAG Global Insurance Program up to EUR 725,000 thousand (31.12.2024: EUR 725,000 thousand). The Company has the third-party liability insurance for all motor vehicles.

thousands of EUR	Land, buildings and structures	Telecommu-nications line network	Transmission and switching equipment	Other	Capital work in progress including advances	Total
At 1 June 2024						
Cost	134,714	1,297,398	674,276	127,080	155,872	2,389,340
Accumulated depreciation	(84,967)	(852,397)	(546,135)	(104,121)	-	(1,587,620)
Net book value	49,747	445,001	128,141	22,959	155,872	801,720
Additions	168	12,303	31,258	11,964	28,788	84,481
Depreciation charge	(1,598)	(25,814)	(22,516)	(4,817)	-	(54,745)
Reversal of impairment	501	-	-	-	-	501
Disposals	(527)	(270)	(277)	(1,248)	(217)	(2,539)
Transfers	531	8,887	8,012	379	(17,809)	-
At 31 December 2024						
Cost	133,216	1,318,267	686,413	134,778	166,634	2,439,308
Accumulated depreciation	(84,394)	(878,160)	(541,795)	(105,541)	-	(1,609,890)
Net book value	48,822	440,107	144,618	29,237	166,634	829,418

13. Right-of-use assets

The Company has lease contracts for various items:

a) space on telecommunication infrastructure of third parties, rooftops and land to install own telecommunications equipment – the Company uses the space/area on third party landlords' land to construct its own masts or transmission towers. These masts and towers are used for telecommunications equipment (e.g. antennas) of the Company,
b) exclusive easements - an easement is a legal right to use, access, or cross another's property (such as land or common area in a building) for a specific limited purpose. Easements are granted mainly for the reasons to pass a cable over, under, or through an existing area of land. They are usually parts of buildings acquired within sale and leaseback transactions, when the Company sells a building but has an easement right to use part of that building to access technological equipment. The easement right and selling price are interdependent because they are negotiated as part of the same package. There is no rent charged for the easement right to use the asset as it is already incorporated in the lower selling price, therefore the Company estimates market price of lease payments for this type of lease,
c) shops – retail space in a building or a shopping mall,
d) operations buildings (less frequently in residential buildings) to place and operate technical equipment, e.g. servers, network equipment, etc. and also few operations buildings on third-party land,
e) office space - office space serves the Company's employees with space where they can execute their work,
f) vehicles – passenger cars used by the Company's employees.

Set out below, are the carrying amounts of the Company's right-of-use assets as at 31 December 2025 and at 31 December 2024

thousands of EUR	Leased land	Leased buildings	Leased technical equipment and machinery	Total
At 1 January 2025				
Cost	47,133	78,892	100,082	226,107
Accumulated depreciation	(16,305)	(35,066)	(10,129)	(61,500)
Net book value	30,828	43,826	89,953	164,607
Additions	4,660	9,481	11,259	25,400
Depreciation charge	(4,163)	(7,752)	(7,370)	(19,285)
Disposals	(698)	(111)	(26,663)	(27,472)
At 31 December 2025				
Cost	47,684	88,028	81,487	217,199
Accumulated depreciation	(17,057)	(42,584)	(14,308)	(73,949)
Net book value	30,627	45,444	67,179	143,250

thousands of EUR	Leased land	Leased buildings	Leased technical equipment and machinery	Total
At 1 June 2024				
Cost	45,540	76,134	13,311	134,985
Accumulated depreciation	(14,200)	(31,615)	(4,602)	(50,417)
Net book value	31,340	44,519	8,709	84,568
Additions	2,226	3,899	106,853	112,978
Depreciation charge	(2,768)	(4,226)	(6,238)	(13,232)
Reversal of impairment	285	-	-	285
Disposals	(255)	(366)	(19,371)	(19,992)
At 31 December 2024				
Cost	47,133	78,892	100,082	226,107
Accumulated depreciation	(16,305)	(35,066)	(10,129)	(61,500)
Net book value	30,828	43,826	89,953	164,607

The significant additions and disposals are described in more detail in Note 2.1 and Note 2.19. Disposals arose due to contract terminations or modifications (shortening of lease term or decrease of lease payment).

Pursuant to IFRS 16 single lessee accounting model, the Company recognises a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments (Note 26).

14. Impairment of goodwill

thousands of EUR	31.12.2025	31.12.2024
T-Mobile	73,313	73,313
	73,313	73,313

The goodwill previously recognised at the acquisition of T-Mobile was recognised in the separate statement of the financial position of the Company upon the legal merger of the Company and T-Mobile on 1 July 2010. The recoverable amount of the cash-generating unit was determined using cash flows projections based on the four-year financial plans that present the management's best estimate on market participants' assumptions and expectations. Cash flows beyond the four-year period were extrapolated using 1.00 % growth rate (31.12.2024: 1.00 %). The growth rate does not exceed the long-term average growth rate for the market in which the cash-generating unit operates. The Company used discount rate of 5.38 % (31.12.2024: 5.65 %). Further key assumptions on which management has based its determination of the recoverable amount of the cash-generating unit include the development of revenue, customer acquisition and retention costs, churn rates, capital expenditures and market share, which are based on past performance and management's expectations for the future. Input parameters used to determine the recoverable amount are classified in Level 3 in accordance with IFRS 13. The recoverable amount of the cash-generating unit based on value in use calculation exceeded its carrying value. Management believes that any reasonably possible change in the key assumptions on which the cash-generating unit's recoverable amount is based would not cause its carrying amount to exceed its recoverable amount.

15. Investments in subsidiaries

Slovak Telekom holds the following investments in fully consolidated direct subsidiaries:

Name and registered office	Activity	Share and voting rights 31 December 2025	Share and voting rights 31 December 2024
DIGI SLOVAKIA, s. r. o. ("DIGI") Bajkalská 28, 821 09 Bratislava - Ružinov	TV services and broadband services	100%	100 %
Telekom Sec, s. r. o. ("Telekom Sec") Bajkalská 28, 817 62 Bratislava	Security services	100%	100 %

All subsidiaries are incorporated in the Slovak Republic. Shares in the subsidiaries are not traded on any public market.

thousands of EUR	Cost of investment 31.12.2025	Cost of investment 31.12.2024	Profit / (loss) 31.12.2025	Profit / (loss) 6–12/2024	Net assets 31.12.2025	Net assets 31.12.2024
DIGI SLOVAKIA, s. r. o.	38,964	44,096	798	529	6,520	8,023
Telekom Sec, s. r. o.	72	72	(1)	(1)	51	52
	39,036	44,168				

Financial data for subsidiaries are based on their separate financial statements. At the date of authorisation of these separate financial statements for issue, the approved financial statements of subsidiaries for the year ended 31 December 2025 were not available. The table is prepared based on their non-approved draft financial statements.

Cost of investment in DIGI in amount of EUR 38,964 thousand is net of total impairment of EUR 13,398 thousand (Note 9) as the carrying amount of investment exceeded its recoverable amount.

16. Trade and other receivables

thousands of EUR	31.12.2025	31.12.2024
Non-current		
Receivables from instalment sale	22,658	21,396
Finance lease receivables	1,956	505
	24,614	21,901
Current		
Trade receivables	167,422	157,117
Cash pooling receivable	20,249	22,702
Other receivables	2,187	2,742
Finance lease receivables	1,045	1,627
	190,903	184,188

Trade receivables are net of an allowance of EUR 38,452 thousand (31.12.2024: EUR 39,966 thousand). If the allowance percentage increases by 1 % in each relevant ageing group (except where there is 100 % allowance created), the charge for the period would be by EUR 1,927 thousand higher (31.12.2024: EUR 1,769 thousand).

Movements in the allowance for impaired receivables from third parties were as follows:

thousands of EUR	31.12.2025	31.12.2024
At 1 January	39,966	35,087
Charge for the year, net	6,342	6,116
Utilised	(7,856)	(1,237)
At 31 December	38,452	39,966

17. Derivatives

The Company is committed to reduce their greenhouse gas emissions and to meet sustainability targets. To mitigate exposure to power price volatility, the Company has entered into a Virtual Power Purchase Agreement (VPPA) centered on wind-generated power. This agreement aims to cover approx. 60 % of annual power needs of the Company, which averages to about 40 GWh per year. The agreement utilizes Guarantees of Origin (host contract) to certify the renewable energy sourced. The Company applies own-use exemption and treats GoO as executory contract.

With a carrying amount as of 31 December 2025 equal to EUR 6,012 thousand (31.12.2024: EUR 8,802 thousand), the embedded derivative in a REC (Renewable Energy Ceritificates) with a hedging relationship assigned to Level 3 and carried under derivative financial assets relates to the virtual power purchase agreement entered into by the Company on April 2, 2024. The transaction price at the inception of the VPPA was zero and no day 1 gain or loss was recognized.

Under the virtual power purchase agreement the Company will receive variable amounts based on the facilities' actual energy output and the current energy prices and will pay fixed amounts per unit of energy generated throughout the term of the contract. The virtual power purchase agreement is measured using valuation model because no observable market prices are available. The value of the derivative is significantly influenced by future energy prices on the relevant markets.

In estimating the market prices of electricity, the Company uses a combination of market quotations from established platforms like EEX (European Energy Exchange), and third-party expert input for the parts of the forward curve that are not liquid. This combination of third-party data and unobservable volume estimates triggers the Level 3 fair value hierarchy classification of the VPPA's fair value in line with IFRS 13. The nominal value of the contract is 34,040 thousand EUR for expected 40 GWh/year.

Application of hedge accounting

The Company has designated the VPPA cash flow hedge relationship at its origination. It met the effectiveness requirements in accordance with IFRS 9 with regards to economic relationship, determined through reference prices with economic relationship between the hedging instrument and the hedged item exists as the underlying asset of hedging instrument matches the underlying price component of the power delivery contracts. Furthermore, the designated forecasted volume of the monthly power consumption in MWh matches the VPPA volumes based on the expected annual generated volumes. The credit risk of the Company and the counterparty affect only the changes of the fair value of the hedging instrument. The Company determines hedge ratio as the relationship between the quantity of the hedging instrument and the quantity of the hedged item in terms of their relative weighting (Hedging notional: Hedged power price risk exposure). The incorporated hedge ratio is defined in line with the nature of risk being hedged and the economic relationship of the hedged item and the hedging instrument and is therefore 1:1. In other words, 1 MWh of forecasted purchases is hedged with 1 MWh of VPPA production volume. The actual hedge ratio is monitored monthly at each reporting date and upon a significant change in the circumstances affecting the hedge effectiveness requirements, whichever comes first. Potential sources of ineffectiveness are identified as mismatch between actual VPPA Volume and designated volume of hedged item. Furthermore, hedge ineffectiveness can arise if there is a discrepancy between the actual volume in the VPPA and the electricity consumption. Creditworthiness of VPPA parties in hedge ineffectiveness can occur if the Company or the Seller experiences financial instability or credit rating downgrades and non-linear movement in prices which could be the main source of ineffectiveness in this hedge relationship specifically the difference in the floating price index applied in the calculation of the fair value of hedged item (base-load price) and hedging instrument.

The impact of the hedging instruments on the statement of financial position is as follows:

thousands of EUR	Notional Amount	Carrying amount of the hedging instrument		Line item in the statement of financial position	Change in fair value used for measuring ineffectiveness for the period
		Assets	Liabilities		
As at 31 December 2025					
Commodity derivative	34,040	6,012	-	Derivative financial instruments	-
As at 31 December 2024					
Commodity derivative	34,040	8,802	-	Derivative financial instruments	-

The impact of the hedged item is as follows:

thousands of EUR	Nominal amount of the hedged item		Change in value used for calculating hedge ineffectiveness	Balance in cash flow reserve for continuing hedges	Balance in cash flow hedge reserve arising from hedging relationships for which hedge accounting is no longer applied
	Assets	Liabilities			
As at 31 December 2025					
Commodity derivative	-	8,357	(3,689)	6,012	-
As at 31 December 2024					
Commodity derivative	-	12,451	(545)	8,802	-

The effect of the cash flow hedge in the statement of profit or loss and other comprehensive income (OCI) is, as follows:

thousands of EUR	Total hedging gain/(loss) recognised in OCI	Ineffectiveness recognised in profit or loss	Line item in the statement of profit or loss	Amount reclassified from OCI to profit or loss	Line item in the statement of profit or loss
As at 31 December 2025					
Highly probable forecast purchases	6,012	-	Fair value gain/(loss) arising on hedging instruments	-	n/a
Electricity purchases	-	-	n/a	-	n/a
As at 31 December 2024					
Highly probable forecast purchases	8,802	-	Fair value gain/(loss) arising on hedging instruments	-	n/a
Electricity purchases	-	-	n/a	-	n/a

18. Assets and liabilities related to contracts with customers

Contract asset is recognised mainly in case of multiple element arrangements (e.g. mobile contract plus handset), when a larger portion of the total consideration is attributable to the component delivered in advance (mobile handset), requiring earlier recognition of revenue.

Contract costs are assessed as incremental cost of obtaining a contract and primarily consists of Dealers commission.

Contract liability is related mainly to one-time fees and advanced payments for post-paid and pre-paid services.

The Company has recognised the following assets and liabilities related to contracts with customers:

v tis. EUR	31.12.2025	31.12.2024
Non-current assets		
Contract assets	9,034	8,901
Loss allowance	(1,406)	(1,178)
	7,628	7,723
Contract costs	24,672	18,540
	24,672	18,540
Current assets		
Contract assets	22,556	23,263
Loss allowance	(2,299)	(1,626)
	20,257	21,637
Contract costs	17,621	19,284
	17,621	19,284
Non-current liabilities		
Contract liabilities	32,427	41,603
	32,427	41,603
Current liabilities		
Contract liabilities	30,939	32,283
	30,939	32,283

The Company incurs income resulted from unilateral services within networksharing agreement with CETIN Networks, s.r.o. In previous year, the deferred part of the income was presented as part of Contract liabilities. The Company has changed this presentation and the balances are presented in Deferred income in 2025 (Note 28). Management of the Company considers impact of this presentation adjustment as immaterial and therefore does not adjust comparative balances.

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period amounted to EUR 26,665 thousand (6–12/2024: EUR 11,132 thousand).

Transaction price allocated to the performance obligations that are unsatisfied as of the end of reporting period amounted to EUR 352,488 thousand (31.12.2024: EUR 367,354 thousand). Management expects that the transaction price allocated to the unsatisfied contracts as of 31 December 2025 will be recognised as revenue as follows: EUR 264,554 thousand during first year; EUR 84,934 thousand during second year and EUR 3,000 thousand during third-sixth year (31.12.2024: EUR 282,235 thousand during first year; EUR 81,739 thousand during second year and EUR 3,380 thousand during third-fifth year).

Wages and salaries include also amortisation of costs to obtain a contract with customer in the amount of EUR 1,339 thousand (6–12/2024: EUR 961 thousand) (Note 6).

Dealers commission includes also amortisation of costs to obtain a contract with customer in the amount of EUR 20,169 thousand (6–12/2024: EUR 13,044 thousand) (Note 7).

19. Prepaid expenses and other assets

v tis. EUR	31.12.2025	31.12.2024
Non-current		
Other prepaid expenses	23,305	16,998
	23,305	16,998
Current		
Other prepaid expenses	3,633	4,057
Advance payments	6,881	7,066
Other assets	526	591
	11,040	11,714

20. Inventories

thousands of EUR	31.12.2025	31.12.2024
Material and equipment	4,100	5,490
Goods	17,852	19,006
	21,952	24,496

Inventories are net of an allowance of EUR 3,400 thousand (31.12.2024: EUR 3,077 thousand). The write-down of inventories in the amount of EUR 1,135 thousand (6–12/2024: EUR 1,139 thousand) was recognised in cost of material and equipment.

21. Loans

thousands of EUR	31.12.2025	31.12.2024
Loans to Deutsche Telekom AG	-	80,000
	-	80,000

The loans granted to Deutsche Telekom AG were not secured. Loans outstanding at 31.12.2024 were provided in December 2024 and were repayable in January 2025. For credit ratings see Note 3.2.

22. Cash and cash equivalents

thousands of EUR	31.12.2025	31.12.2024
Cash and cash equivalents	43,089	29,782
	43,089	29,782

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term investments are made for varying periods between one day and three months and earn interest at the respective rates. For credit ratings see Note 3.2.

23. Shareholders' equity

On 18 June 2015 Deutsche Telekom Europe B.V. became the sole shareholder of Slovak Telekom.

As at 31 December 2025, Slovak Telekom had authorised and issued 86,411,300 ordinary shares (31.12.2024: 86,411,300) with a par value of EUR 10.00 per share (31.12.2024: EUR 10.00 per share). All the shares issued were fully subscribed. All the shares represent the rights of shareholder to participate in the managing of Slovak Telekom, on the profit and liquidation balance upon the winding-up of Slovak Telekom with liquidation. The statutory reserve fund is set up in accordance with Slovak law and is not distributable. The reserve is created from retained earnings to cover possible future losses.

Category Other in the Statement of changes in equity covers mainly changes of equity from retirement benefits (Note 24) and the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/losses. There were no reclassifications from the cash flow hedge reserve to profit or loss during the period.

The Financial statements of the Company for the year ended 31 December 2024 were authorised for issue on behalf of the Board of Directors of Slovak Telekom on 21 March 2025.

On 23 April 2025 Deutsche Telekom Europe B.V. while performing competences of the General meeting of Slovak Telekom approved distribution of the prior periods (1–5/2024 and 6–12/2024) profits in the form of dividends. Total dividends of EUR 140,889 thousand were paid in November 2025, which amounted to EUR 1.63 per share. Statutory profit of EUR 156,871 thousand for period 1–12/2023 was paid in the form of dividends in May 2024, which amounted to EUR 1.82 per share.

Approval of the 31 December 2025 profit distribution will take place at the Annual General Meeting scheduled for April 2026.

24. Provisions

thousands of EUR	Legal and regulatory claims (Note 32)	Asset retirement obligation	Termination benefits	Employee benefits	Other	Total
At 1 January 2025	6,148	13,607	6,183	11,698	13,326	50,962
Arising during the year	1,106	1,277	5,876	1,224	4,497	13,980
Utilised	(30)	(612)	(3,349)	(70)	(2,464)	(6,525)
Reversals	(455)	(1,459)	(2,834)	(674)	(1,066)	(6,488)
Interest impact	-	355	-	380	21	756
Transfer within provisions	2,417	-	-	-	(2,417)	-
At 31 December 2025	9,186	13,168	5,876	12,558	11,897	52,685
Non-current	-	12,432	-	12,558	1,047	26,037
Current	9,186	736	5,876	-	10,850	26,648
	9,186	13,168	5,876	12,558	11,897	52,685

thousands of EUR	31.12.2025	31.12.2024
Non-current	26,037	23,735
Current	26,648	27,227
	52,685	50,962

Asset retirement obligation
The Company is subject to obligations for dismantlement, removal and restoration of assets associated with its cell site operating leases (Note 2.19). Cell site lease agreements may contain clauses requiring restoration of the leased site at the end of the lease term, creating an asset retirement obligation.

Termination benefits
The restructuring of the Company's operations resulted in headcount reduction of 127 employees in 2025 (6–12/2024: 59 employees). The Company expects a further headcount reduction of 147 employees in year 2026 as a result of an ongoing restructuring program. A detailed formal plan that specifies the number of staff involved and their locations and functions was defined and authorised by management and announced to the trade unions. The amount of compensation to be paid for terminating employment was calculated by reference to the collective agreement. The termination payments are expected to be paid within 12 months of the statement of financial position date and are recognised in full in the current period.

In 2025 the Company recognised an expense resulting from termination benefits in amount of EUR 3,156 thousand (6–12/2024: EUR 1,179 thousand) in staff costs.

Retirement and jubilee benefits
The Company provides benefit plans for all its employees. Provisions are created for benefits payable in respect of retirement and jubilee benefits. One-off retirement benefits and their probable settlement date are dependent on employees fulfilling the required conditions to enter retirement. Jubilee benefits and their probable settlement date are dependent on the number of years of service with the Company. The benefit entitlements are determined from the respective employee's monthly remuneration or as a defined particular amount.

thousands of EUR	Retirement benefits	Jubilee	Total
Present value of the defined benefit obligation			
At 1 January 2025	11,489	209	11,698
Current service cost	645	20	665
Interest cost	374	6	380
Benefits paid	(46)	(24)	(70)
Remeasurement of defined benefit plans	559	(20)	539
Curtailment	(654)	-	(654)
As at 31 December 2025	12,367	191	12,558

thousands of EUR	Retirement benefits	Jubilee	Total
Present value of the defined benefit obligation			
At 1 June 2024	9,380	182	9,562
Current service cost	340	12	352
Interest cost	203	4	207
Benefits paid	(53)	(14)	(67)
Remeasurement of defined benefit plans	1,952	25	1,977
Curtailment	(333)	-	(333)
As at 31 December 2024	11,489	209	11,698

Remeasurement of defined benefit plans related to retirement benefits in amount of EUR 559 thousand consists of change in experience adjustments in amount of EUR 1,247 thousand partially netted by change in financial assumptions in amount of EUR 674 thousand and change in demographic assumptions in amount of EUR 14 thousand.

The curtailment gain in amount of EUR 654 thousand as at 31 December 2025 resulted mainly from a reduction in the number of participants covered by the retirement plan that occurred in 2025 or was announced for 2026. There were no special events causing any new past service cost during period ended as at 31 December 2025.

Principal actuarial assumptions used in determining the defined benefit obligation for period ended as at 31 December 2025 include the discount rate of 3.94 % (31.12.2024: 3.37 %). The expected expense for period ended as at 31 December 2025 has been determined based on the discount rate as at the beginning of the accounting period of 3.37 % (31.12.2024: 3.75 %). Average retirement age is 63 years and 2 months (31.12.2024: 63 years and 2 months). The expected growth of nominal wages over the long term is 2.0 % (31.12.2024: 2.0 %). The remaining weighted average duration of the defined benefit obligation is 9.5 years (31.12.2024: 10.0 years). Fluctuation of employees is also considered in determining the defined benefit obligation.

The sensitivity analysis for the significant actuarial assumptions as at 31 December 2025 and 31 December 2024 is as follows:

thousands of EUR	(Decrease) / increase of employee benefits provision	
	31.12.2025	31.12.2024
Change of actuarial assumption:		
Discount rate change +100 bp / -100 bp	(1,058)/1,222	(1,042)/1,211
Salary change +0.50% / -0.50%	597/(560)	587/(550)

25. Trade and other payables

thousands of EUR	31.12.2025	31.12.2024
Non-current		
Financial liabilities for capitalised content licences	46	160
Financial liabilities for frequency licences	67,647	12,456
Other payables	212	156
	67,905	12,772
Current		
Trade payables	60,586	51,940
Uninvoiced deliveries	57,860	51,107
Financial liabilities for capitalised content licences	6,516	9,504
Financial liabilities for frequency licences	37,801	7,614
Other payables	2,337	2,950
	165,100	123,115

26. Lease liabilities

thousands of EUR	31.12.2025	31.12.2024
Up to 1 year	15,721	16,622
1 to 5 years	38,904	39,465
Over 5 years	120,059	123,334
Total other finance lease liabilities	174,684	179,421

	31.12.2025	31.12.2024
Up to 1 year	29,797	30,766
1 to 5 years	103,625	103,132
Over 5 years	174,107	185,371
Total undiscounted cash flows (lease liability)	307,529	319,269

For more detail related to balance in lease liability refer to Note 2.1 Basis of preparation.

Pursuant to IFRS 16 single lessee accounting model, the Company recognises a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments (Note 13).

27. Impact from leasing contracts

The following are the amounts recognised from leasing contracts in profit or loss:

thousands of EUR	2025	6–12/2024
Depreciation expense of right-of-use assets (Note 13)	19,285	13,232
Reversal of impairment of right-of-use assets (Note 13)	-	(285)
(Gain) / Loss from disposal of right-of-use assets	14,559	19,268
Interest cost on lease liabilities (Note 9)	14,748	8,652
At 31 December	48,592	40,867

28. Other liabilities and deferred income

thousands of EUR	31.12.2025	31.12.2024
Non-current		
Deferred income	15,421	-
	15,421	-
Current		
Deferred income	2,304	-
Amounts due to employees	26,001	30,184
Other tax liabilities	10,690	6,322
Other liabilities	8,622	4,343
	47,617	40,849

The Company incurs income resulted from unilateral services within networksharing agreement with CETIN Networks, s.r.o. In previous year, the deferred part of the income was presented as part of Contract liabilities (Note 18). The Company has changed this presentation and the balances are presented in Deferred income in 2025. Management of the Company considers impact of this presentation adjustment as immaterial and therefore does not adjust comparative balances.

Amounts due to employees include social fund liabilities:

thousands of EUR	31.12.2025	31.12.2024
At 1 January / 1 June	860	1,310
Additions	2,199	545
Utilisation	(1,802)	(995)
At 31 December	1,257	860

29. Cash flow disclosures

The reconciliation of cash used in financing activities is as follows:

thousands of EUR	Financial liabilities (Note 25)	Lease liabilities (Note 26)
At 1 January 2025	29,734	179,420
Additions	137,632	25,400
Non-cash movements	-	(32,889)
Cash used in financing activities	(55,355)	(11,995)
Accretion of interest	-	14,748
At 31 December 2025	112,011	174,684
At 1 June 2024	31,997	82,642
Additions	5,636	112,978
Non-cash movements	-	112
Cash used in financing activities	(7,899)	(24,964)
Accretion of interest	-	8,652
At 31 December 2024	29,734	179,420

Non-cash movements include non-cash release of liabilities from changes in contracts terms or early termination of contracts.

30. Commitments

The Company's purchase commitments were as follows:

thousands of EUR	31.12.2025	31.12.2024
Acquisition of property and equipment	38,485	44,732
Acquisition of intangible assets	8,952	21,778
Purchase of services and inventory	129,095	171,013
	176,532	237,523

31. Related party transactions

	Receivables		Payables		Commitments	
thousands of EUR	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024
DTAG	20,492	102,886	3,721	3,602	2	44
Subsidiaries	3,999	1,498	86	(5)	3	6
Other entities in DTAG Group	13,445	17,935	16,277	16,387	11,471	6,044
	37,936	122,319	20,084	19,984	11,476	6,094

The Company conducts business with its subsidiaries (DIGI, Telekom Sec) as well as with its ultimate parent, Deutsche Telekom AG and its subsidiaries, associates and joint ventures.

thousands of EUR	DTAG 2025	DTAG 6–12/2024	Subsidiaries 2025	Subsidiaries 6–12/2024	Other related parties 2025	Other related parties 6–12/2024
Sales and income						
Interconnect / roaming revenues	-	-	1,250	650	9,587	5,894
System solutions / IT revenues	-	-	110	54	4,861	2,734
Income from reinvoicing of services	276	96	3,432	1,910	10,528	7,037
Dividends	-	-	2,301	-	-	-
Other income	2,945	1,865	1,020	671	4,621	2,967
	3,221	1,961	8,113	3,285	29,597	18,632
Purchases						
Interconnect / roaming costs	-	-	-	4	11,427	7,046
Customer solutions	-	-	3	3	1,501	902
IT services	-	-	-	-	6,582	3,835
Expenses from reinvoicing of services	5,876	3,460	-	-	8,908	4,779
Other purchases	1,194	446	42	209	21,488	16,583
	7,070	3,906	45	216	49,906	33,145

Other purchases include data services, lease payments, management, consultancy, other services, inventory and purchases of fixed assets. During 2025 the Company paid lease payments in amount of EUR 15,810 thousand (6–12/2024: EUR 9,690 thousand) to related parties and purchased fixed assets in amount of EUR 1,284 thousand (6–12/2024: EUR 1,206 thousand) from related parties. As at 31 December 2025, the Company has right-of-use assets from related parties with a net book value in the amount of EUR 58,347 thousand (6–12/2024: 79,387 thousand) and respective lease liabilities of EUR 100,125 thousand (6–12/2024: 100,597 thousand).

As at 31 December 2025 there was no short-term loan granted by the Company to Deutsche Telekom AG (31.12.2024: EUR 80,000 thousand).

In March 2025 the General meeting of DIGI declared a dividend of EUR 2,301 thousand. Dividends were paid in March 2025. There was no other dividend declared by other subsidiaries in 2025 and 6–12/2024.

In 2016 the Company signed an ICT contract with a duration of 80 months with T-Systems International GmbH ("TSI"). Currently was the contract prolonged until 2026. Within this contract, the Company acts as the main subcontractor for the restructuring of the Allianz communication network in the selected countries. DTAG Company entities in relevant countries are service providers for the Company. In 2025 the Company recognised revenue with TSI in amount of EUR 2,403 thousand (6–12/2024: EUR 1,333 thousand), and expenses with other DTAG Company entities in amount of EUR 1,342 thousand (6–12/2024: EUR 950 thousand).

Deutsche Telekom as the ultimate parent company controlling Slovak Telekom is a related party to the Federal Republic of Germany. Slovak Telekom had no individually significant transactions with the Federal Republic of Germany or entities that it controls, jointly controls or where Federal Republic of Germany can exercise significant influence in either 2025 or 6–12/2024.

Compensation of key management personnel

The key management personnel as at 31 December 2025, 13 in number (31.12.2024: 13) include members of the Management Board, Board of Directors and Supervisory Board.

Since 1 July 2016 the companies Slovak Telekom, a.s. and T-Mobile Czech Republic a.s. have the joint Management Board. All management members are responsible for business and managerial activities of companies on both Slovak and Czech markets. The number of key management personnel include all members of the Management Board, irrespective if they are employed by Slovak Telekom, a.s. or T-Mobile Czech Republic a.s. Tables below include only benefits earned by the key management personnel in Slovak Telekom, a.s.

thousands of EUR	2025	6–12/2024
Short term employee benefits	3,882	1,164
Defined contribution pension plan benefits	59	20
Share based compensations	1,009	65
Total	4,950	1,249

thousands of EUR	2025	6–12/2024
Management Board	4,917	1,246
Board of Directors	5	-
Supervisory Board	28	3
Total	4,950	1,249

The Company offers several long-term incentive plans to its executive management members with a new package being launched each year and with each tranche lasting for 4 years. A total provision of EUR 1,424 thousand has been recognised as at 31 December 2025 (31.12.2024: EUR 1,690 thousand). In 2025 the Company recognised an expense resulting from these long-term incentive plans in amount of EUR 540 thousand (6–12/2024: revenues of EUR 376 thousand) in Staff costs.

32. Contingencies

Legal and regulatory cases
On 17 October 2014 the European Commission sent an infringement decision to the Company in case AT 39.523 (hereinafter "the EC Decision"). EC Decision found the Company (and DTAG, as parent company) liable for breach of competition law (margin squeeze and refusal to deal) in relation to ULL for the period 12 August 2005 – 31 December 2010 and imposed a fine of EUR 38,838 thousand on DTAG and the Company, jointly and severally. The fine was paid by the Company in January 2015. Judicial review was closed by Court of Justice's judgment of March 2021 confirming the EC Decision in major part, although court did find, that European Commission did not prove that the infringement occurred before 2006 and decreased imposed fine accordingly.

As of 31 December 2025, three cases are pending following the EC Decision. Three competitors of the Company filed action against Slovak Telekom with the civil court in Bratislava in 2015, 2017 and 2022. These claims seek compensation for damages allegedly incurred due to Company's abuse of its dominant market position, as determined by the EC Decision and amount to EUR 218,867 thousand plus interest. Interest is claimed starting from period the alleged damage occurred. Proceeding ongoing at a court of first instance. These financial statements do not include any provisions for potential losses (neither claimed principal nor accrued interest) related to these cases as the Company has assessed that it is more likely than not that there will be no future cash outflows connected with these cases. Final outcome of the cases following the EC Decision is uncertain.

In 2009, the Anti-Monopoly Office of Slovak Republic ("AMO") imposed on Company a penalty of EUR 17,453 thousand for abusing its dominant position by price squeeze and tying practices on several relevant markets (voice, data and network access services on its fixed network) (the "AMO Decision"). Administrative court confirmed Company's arguments in major part, however later on rejected those arguments without proper reasoning and judicial review was closed in June 2021 upholding AMO Decision fully. The penalty was paid in October 2017. In 2025, based on Company's complaint, Constitutional Court cancelled the 2021 judgment of the administrative court, thus reopening judicial review of AMO Decision.

As of 31 December 2025, there are two cases pending, where two competitors filed actions against Company in 2013 and 2015 seeking damages allegedly incurred due to Company's conduct as determined by the AMO Decision. The claimants contend that they incurred lost profit amounting to EUR 108,610 thousand plus interest. Interest is claimed starting from period the alleged damage occurred. All cases are pending at the first instance court. These financial statements do not include any provisions for potential losses (neither claimed principal nor accrued interest) related to these cases as the Company has assessed that it is more likely than not that there will be no future cash outflows connected with these cases. Final outcome of the cases following the AMO decision is uncertain.

As of 31 December 2025, there is a number of other various cases pending in the cumulative amount of EUR 34,079 thousand. These financial statements do not include any provisions for potential losses (neither claimed principal nor accrued interest) related to these cases as the Company has assessed that it is more likely than not that there will be no future cash outflows connected with these cases. Final outcome of the cases is uncertain.

As of 31 December 2025, the Company recognised provision for all known and quantifiable risks related to proceedings against the Company, which represent the Company's best estimate of the amounts, which are more likely than not to be paid. The actual amounts of penalties, if any, are dependent on a number of future events the outcome of which is uncertain, and, as a consequence, the amount of provision may change at a future date.

The Company is otherwise involved in legal and regulatory proceedings in the normal course of business.

33. Audit fees and other fees

The Company obtained following services from the audit company Deloitte audit, s.r.o.

thousands of EUR	2025	6–12/2024
Audit services	367	339
Other assurance services	4	-
Other non-audit services	7	17
	378	356

34. Events after the reporting year

There were no events, which have occurred subsequent to the period-end, which would have a material impact on the financial statements at 31 December 2025.

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