GD Towers Holding GmbH

Consolidated financial statements

2025

for the financial year from
January 01, 2025 to December 31, 2025

Contents

Translation for convenience purposes only

Translation for convenience purposes only

I. Consolidated statement of financial position

in EUR thousand	Note	12.31.2025	12.31.2024
Assets **Current assets**			
Cash and cash equivalents	4.1	304,614	98,282
Trade receivables	4.2	80,453	36,336
Income tax receivables		13,072	910
Other financial assets	4.3	3,200	2,752
Inventories	4.4	22,104	14,654
Other assets	4.5	22,963	19,442
		446,406	**172,376**
Non-current assets			
Intangible assets	4.6	542,498	531,813
Property, plant, and equipment	4.7	2,260,367	2,055,586
Right of use assets	4.8	2,109,269	2,066,309
Other financial assets	4.3	57,243	61,044
Other assets	4.5	2,642	2,655
Deferred tax assets	6	92,881	113,860
		5,064,900	**4,831,267**
Balance sheet total		**5,511,306**	**5,003,643**

in EUR thousand	Note	12.31.2025	12.31.2024
Equity and liabilities **Current liabilities**			
Financial liabilities	4.9	219,379	162,639
Lease liabilities	4.8	188,699	175,887
Trade accounts payables		142,299	151,370
Income tax liabilities		5,532	49,181
Other provisions	4.11	67,411	49,033
Other liabilities	4.12	44,046	38,172
		667,366	**626,282**
Non-current liabilities			
Financial liabilities	4.9	5,951,240	4,591,262
Lease liabilities	4.8	2,037,465	1,980,526
Provisions for pensions and other employee benefits	4.10	30,461	29,906
Other provisions	4.11	1,273,833	1,200,575
Other liabilities	4.12	147,591	118,306
Deferred tax liabilities	6	13,822	5,266
		9,454,412	**7,925,841**
Equity	4.13		
Capital stock		1,276	1,276
Capital reserves		-5,981,952	-5,279,056
Retained earnings		1,202,770	1,578,900
Accumulated other comprehensive income		-38,221	-70,574
Net profit (loss)		205,655	220,974
		-4,610,472	**-3,548,480**
Balance sheet total		**5,511,306**	**5,003,643**

II. Consolidated statement of income

in EUR thousand	Note	2025	2024
Net revenue	5.1	1,402,310	1,302,892
Other operating income		34,401	28,464
Changes in inventories		7,449	1,834
Capitalized own work		38,141	39,477
Goods and services purchased	5.2	-167,771	-149,430
Personnel costs	5.3	-100,708	-86,157
Other operating expenses	5.4	-74,154	-66,278
EBITDA		**1,139,668**	**1,070,802**
Depreciation, amortization, and write-downs		-439,630	-324,191
Profit (loss) from operations (EBIT)		**700,038**	**746,611**
Net financial result	5.5	-356,908	-391,682
Profit (loss) before income taxes		**343,130**	**354,929**
Income taxes	6	-137,475	-133,955
Net profit (loss)		**205,655**	**220,974**

III. Consolidated statement of comprehensive income

in EUR thousand	Note	2025	2024
Net profit (loss)		**205,655**	**220,974**
Items that are not subsequently reclassified to the statement of income			
Gains (losses) from the remeasurement of defined benefit plans	4.10	1,068	-106
Taxes on directly offset changes in equity values		-479	-195
		589	**-301**
Items that are subsequently reclassified to the statement of income if certain reasons exist			
Gains (losses) from hedging instruments	7		
Recognized in profit and loss		-6,808	-77,960
Change in other comprehensive income		50,305	52,346
Taxes on directly offset changes in equity values		-11,733	1,580
		31,764	**-24,034**
Other comprehensive income		**32,353**	**-24,335**
Total comprehensive income		**238,008**	**196,639**

IV. Consolidated statement of changes in equity

in EUR thousand	Capital stock	Capital reserves	Retained earnings	Accumulated other comprehensive income	Net profit/ (loss)	Total Group equity[1]
As at December 31, 2023	**1,276**	**-5,279,056**	**1,414,413**	**-46,239**	**164,487**	**-3,745,119**
Profit carried forward			**164,487**		**-164,487**	**0**
Consolidated net profit					**220,974**	**220,974**
Hedging instruments (IFRS 9)				-25,614		-25,614
Gains (losses) from the remeasurement of defined benefit plans				-106		-106
Tax effect				1,385		1,385
Other income after taxes				**-24,335**		**-24,335**
Total comprehensive income	**0**	**0**	**164,487**	**-24,335**	**56,487**	**196,639**
As at December 31, 2024	**1,276**	**-5,279,056**	**1,578,900**	**-70,574**	**220,974**	**-3,548,480**
As at January 1, 2025	**1,276**	**-5,279,056**	**1,578,900**	**-70,574**	**220,974**	**-3,548,480**
Profit carried forward			**220,974**		**-220,974**	**0**
Repayment from the capital reserve		**-702,896**				**-702,896**
Dividend distribution			**-597,104**			**-597,104**
Consolidated net profit					**205,655**	**205,655**
Hedging instruments (IFRS 9)				43,497		43,497
Gains (losses) from the remeasurement of defined benefit plans				1,068		1,068
Tax effect				-12,212		-12,212
Other income after taxes				**32,353**		**32,353**
Total comprehensive income	**0**	**-702,896**	**-376,130**	**32,353**	**-15,319**	**-1,061,992**
As at December 31, 2025	**1,276**	**-5,981,952**	**1,202,770**	**-38,221**	**205,655**	**-4,610,472**

1) corresponds to equity attributable to owners of the company

V. Consolidated cash flow statement

in EUR thousand	Note	2025	2024
Cash flow from operating activities			
Net profit (loss)		205,655	220,974
Income tax expenses	6	137,475	133,955
Depreciation, amortization, and write-downs	4.6/4.7/4.8	439,630	324,191
Net financial result	5.5	356,908	391,682
Other non-cash transactions		-2,969	2,104
Gain/loss from the disposal of intangible assets and property, plant and equipment		4,596	-1,005
Change in assets carried as operating working capital		-51,566	3,519
Change other operating assets		-3,501	-7,318
Change in provisions	4.10/4.11	12,116	-37,554
Change in liabilities carried as operating working capital		-16,340	-27,861
Change in other operating liabilities		13,524	-19,989
Income taxes paid		-174,709	-71,326
Interest paid		-312,883	-363,757
Interest received		22,780	83,469
Dividends received		315	0
Cash flow from operating activities		**631,031**	**631,084**
Cash flow from investing activities	4.6/4.7		
Payments for investments in:			
Intangible assets		-13,910	-2,737
Property, plant, and equipment		-394,225	-354,206
Financial assets		-3	-1
Proceeds from the disposal of property, plant, and equipment		28	98
Cash flow from investing activities		**-408,110**	**-356,846**
Cash flow from financing activities	4.8/4.9		
Proceeds from issue of current financial liabilities		10,000	191,000
Repayment of current financial liabilities		-140,000	-61,000
Proceeds from issue of non-current financial liabilities		2,600,000	286,600
Repayment of non-current financial liabilities		-1,198,600	-475,000
Repayment of lease liabilities		-190,173	-181,227
Dividends paid		-597,104	0
Repayments from the capital reserve		-500,712	0
Cash flow from financing activities		**-16,589**	**-239,627**
Net change in cash and cash equivalents		**206,332**	**34,610**
Cash and cash equivalents at the beginning of the period		**98,282**	**63,672**
Cash and cash equivalents at the end of the period		**304,614**	**98,282**

VI. Notes to the consolidated financial statements

1. Fundamentals of consolidated financial statements

The GD Towers Holding GmbH (hereinafter referred to as “GD Towers”) is a limited liability company under German law and comprises the former tower business of Deutsche Telekom AG (hereinafter referred to as “DTAG”). On July 12, 2022, DTAG sold 51 percent of the shares in its tower business to two North American financial investors: Brookfield Asset Management (hereinafter “Brookfield”) from Canada and DigitalBridge (hereinafter “DigitalBridge”) from Florida, a specialist in digital infrastructure. GD Towers will be operated as a joint venture, effective since February 1, 2023, under joint control of the partner companies, which are participating through Salsa BidCo GmbH (hereinafter referred to as “Salsa”), and DTAG. It serves as the ultimate parent company of the GD Towers Group.

GD Towers was newly established for the execution of the acquisition. To facilitate this, 100 percent of the shares of DFMG Holding GmbH, along with its subsidiaries, were contributed to GD Towers.

GD Towers continues the business of DFMG Holding GmbH, offering infrastructure solutions to mobile network operators within its infrastructure portfolio both domestically and internationally. GD Towers operates as a provider in the marketing of antenna carriers and technical spaces on tower, mast, and roof locations. This includes activities such as constructing antenna carriers, upgrading existing antenna carrier sites to LTE, leasing buildings (rooftops), and land (towers and masts), customer acquisition, maintenance, and operation of existing antenna masts, renting available capacities at these sites, and installing antenna carrier facilities.

The company was founded on September 16, 2021, and entered in the Commercial Register at the Bonn District Court (HRB 26547) under the name Drachenfelssee 1213. V V GmbH. By resolution on August 16, 2022, the company name was changed to GD Towers Holding GmbH. The registered office of the company is in Bonn, Germany. The company’s registered business address is Werkstättenstraße 37, 51379 Leverkusen, Germany.

For the execution of the acquisition, DTAG performed certain steps to establish a new target structure. The transaction sequence includes (1) intragroup reorganizations below DFMG Holding in accordance with the definition of the acquisition object in the Share Purchase Agreement (SPA), (2) the expansion of the group with the establishment of GD Towers Holding GmbH, in preparation for the entry of the new investors, and finally, (3) the involvement of new investors with the closing of the transaction, resulting in a loss of control of DTAG and the establishment of a new joint venture.

The reorganizations below the DFMG Group were accounted for as a transaction under joint control based on the predecessor accounting method. Due to the close legal and temporal connection, the individual sub-steps are regarded as one overall transaction in economic terms and summarized as “linked transactions” for accounting purposes in accordance with IFRS® Accounting Standards (hereinafter referred to as “IFRS Accounting Standards”).

Due to the loss of control at the time of the establishment of the joint venture, there is no transaction under joint control.

The consolidated financial statements of GD Towers are prepared in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) and the IFRIC® Interpretations of the IFRS Interpretations Committee (Committee), as applicable in the European Union (EU), and the supplementary provisions of commercial law pursuant to § 315e (1) German Commercial Code (HGB).

The consolidated financial statements of the company include GD Towers and its subsidiaries (referred to collectively as the “Group”) for the smallest consolidation group to which it belongs.

The financial year corresponds to the calendar year.

The consolidated financial statements comprise the consolidated balance sheet, consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated cash flow statement, and the notes to the consolidated financial statements for the financial year.

The presentation currency and the functional currency of the financial statements is the euro (EUR). Due to the presentation in thousands of euros (kEUR), rounding differences may occur.

The annual financial statements as well as the consolidated financial statements of GD Towers are published in the electronic company register.

The consolidated financial statements of GD Towers for the financial year 2025 were approved by the Management Board on February 17, 2026.

At the time of approving the financial statements, the Management Board has a reasonable expectation that the Group has sufficient resources to continue its operations for the foreseeable future. Therefore, the consolidated financial statements have been prepared on a going concern basis.

Changes in accounting policies

The consolidated financial statements of GD Towers as of December 31, 2025, incorporate all standards and interpretations adopted by the European Union that are mandatory for the financial year 2025.

The following standards were to be applied for the first time in the financial year 2025.

Standard/Amendment/Interpretation		Effective date
Amendments to IAS 21	Lack of exchangeability	January 1, 2025

The standards to be applied for the first time did not have any impact on the consolidated financial statements of GD Towers.

Standards, interpretations, and amendments issued, but not yet to be applied

Standards that have been issued but are not yet mandatorily applicable until the date of the publication of the consolidated financial statements are listed below. Recommendations for early adoption of new standards, changes to existing standards, and interpretations are not implemented. The Group intends to apply these standards when they become effective.

Standard/Amendment/Interpretation		Effective date
Amendments to IFRS 9 / IFRS 7	Amendments to the classification and measurement of financial instruments	January 1, 2026
Amendments to IFRS 9 / IFRS 7	Contracts for electricity supply dependent on prevailing natural conditions	January 1, 2026
Annual improvements to IFRS (Volume 11)	Improvements to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	January 1, 2026
Introduction of IFRS 18	Presentation and disclosure in the financial statements	January 1, 2027
Introduction – including amendment to IFRS 19	Subsidiaries without public accountability: Disclosures	January 1, 2027
Amendments to IAS 21	Conversion from a non-hyperinflationary currency to a hyperinflationary presentation currency	January 1, 2027

With the exception of the introduction of IFRS 18, the Group does not expect significant impacts from the above-mentioned changes. With regard to IFRS 18, the primary changes pertain to the presentation of the statement of income.

2. Consolidation scope

2.1 Consolidation Methods

The consolidated financial statements of GD Towers include the financial statements of all significant entities over which it has direct or indirect control (subsidiaries) and entities for which joint control exists as per IFRS 11.

The subsidiaries are included based on their financial statements adjusted to uniform accounting and valuation methods for the same reporting period as that of the parent company. All intercompany assets and liabilities, equity interests, income, and expenses, as well as cash flows related to transactions between the Group members, are eliminated upon consolidation.

Subsidiaries

Subsidiaries are entities that are directly or indirectly controlled by GD Towers. GD Towers controls an entity when it is exposed to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases.

Joint operations

A joint arrangement is characterized by the fact that the parties involved in joint control (joint operators) have rights to the assets or obligations for the liabilities of the arrangement. A joint operator recognizes its attributable assets, liabilities, revenues, and expenses, as well as its share of the joint assets, liabilities, revenues, and expenses.

Towers Infra Austria GmbH – a wholly owned subsidiary of GD Towers – has entered into a joint agreement with two consortia, ARGE 2.0 (with A1 Telekom Austria AG (A1)) and ARGE 5G (with A1 Telekom Austria AG and Hutchison Drei Austria GmbH (H3A)), in which the parties exercise joint control over the agreement. The headquarters of the joint ventures is located in Vienna, Austria.

The shares in ARGE 2.0 are divided 50.00 percent between Towers Infra Austria GmbH and 50.00 percent between A1. Therefore, the assets and liabilities, as well as the expenses and income of ARGE 2.0, are to be included in the IFRS consolidated financial statements of GD Towers at 50.00 percent.

The shares of ARGE 5G are distributed as follows: 33.33 percent to Towers Infra Austria GmbH, 33.33 percent to A1, and 33.33 percent to H3A. Therefore, 33.33 percent of the assets and liabilities, as well as the expenses and income of ARGE 5G, are to be included in the IFRS consolidated financial statements of GD Towers.

2.2 Information on the consolidation scope

The classification of subsidiaries and associated companies is as follows:

Company name and registered office	Equity share	Equity (in EUR million)	Annual result (in EUR million)	
Subsidiaries				
GD Towers Holding GmbH, Bonn	Parent	4,596.5	322.5	2)
DFMG Holding GmbH, Leverkusen	100.00 %	5,443.4	0	2)
DFMG Zwischenholding GmbH, Leverkusen	100.00 %	0.1	0	2)
DFMG Deutsche Funkturm GmbH, Leverkusen	100.00 %	44.9	0	2)
DFMG Corporate Functions GmbH, Leverkusen	100.00 %	1.2	0.2	2)
DFMG Engineering Verwaltungs GmbH, Leverkusen	100.00 %	0.0	0.0	2)
DFMG Engineering GmbH & Co. KG, Leverkusen	100.00 %	8.3	3.0	2)
Erste DFMG Deutsche Funkturm Vermögens-GmbH, Leverkusen	89.90 %	170.2	0	2)
Towers Infra Austria GmbH, Vienna	100.00 %	111.5	68.7	2)
PreHCM Service GmbH, Niedernberg	100.00 %	2.4	0.1	1) 2)
Omega Towers 1 Funkdienste GmbH & Co. KG, Leverkusen	100.00 %	5.9	0.1	2)
Omega Towers 2 Funkdienste GmbH & Co. KG, Leverkusen	100.00 %	15.9	0.3	2)
Omega Towers 1 Funkdienste Komplementär GmbH, Leverkusen	100.00 %	0.0	0	1) 2)
Omega Towers 2 Funkdienste Komplementär GmbH, Leverkusen	100.00 %	0.0	0	1) 2)
Joint Operations				
(ARGE 2.0) A1 Telekom Austria AG, Vienna	50.00 %	0,0	0	2)
(ARGE 5G) Hutchison Drei Austria GmbH, Vienna	33.33 %	0,0	0	2)

1) No consolidation of the company due to immateriality
2) Preliminary annual financial statements in accordance with local law (HGB/UGB) as at December 31, 2025

All subsidiaries are included in the consolidated financial statements unless the costs of preparing the reporting system required for inclusion by means of full consolidation would outweigh the benefits of the corresponding reporting, which is particularly the case for subsidiaries that are immaterial from the Group's perspective. This assessment is based on quantitative and qualitative criteria. Firstly, it is checked that the total of all subsidiaries not included in the consolidated financial statements does not account for more than 1 percent of the consolidated balance sheet total, consolidated revenue, and consolidated net profit for the year. Qualitative criteria are also used to assess the materiality of a company for the scope of consolidation. For example, a failure to include a company may neither result in significant changes to the consolidated annual result nor disregard other significant trends. Subsidiaries that are not included in the consolidated financial statements due to their subordinate significance are reported under other assets.

On January 21, 2025, the three wholly owned subsidiaries of DFMG Corporate Functions GmbH, DFMG Engineering Verwaltungs GmbH, and DFMG Engineering GmbH & Co. KG – each based in Leverkusen – were founded and consolidated for the first time. As part of the reorganization in the current financial year, employees, and associated provisions of DFMG Deutsche Funkturm GmbH (Leverkusen) were primarily transferred to the new companies DFMG Corporate Functions GmbH and DFMG Engineering GmbH & Co. KG in the current financial year. The new companies render various services exclusively to GD Towers Group companies.

For the annual financial statements as at December 31, 2025 of the companies DFMG Holding GmbH (Leverkusen), DFMG Deutsche Funkturm GmbH (Leverkusen), DFMG Zwischenholding GmbH (Leverkusen), Erste DFMG Deutsche Funkturm Vermögens-GmbH (Leverkusen) and DFMG Corporate Functions GmbH (Leverkusen), partial use has been made of the exemption options under § 264 (3) German Commercial Code (HGB).

For the annual financial statements as at December 31, 2025 of the companies Omega Towers 1 Funkdienste GmbH & Co. KG (Leverkusen, Germany), Omega Towers 2 Funkdienste GmbH & Co. KG (Leverkusen, Germany) and DFMG Engineering GmbH & Co. KG (Leverkusen, Germany), partial use has been made of the exemption options under § 264b German Commercial Code (HGB).

3. Accounting and valuation methods

3.1 Summary of significant accounting policies and valuation methods

The main asset and liability items in the consolidated balance sheet are valued as follows:

Balance sheet items	Measurement principle
Assets **Current assets**	
Cash and cash equivalents	Amortized costs
Trade receivables	Amortized costs
Other financial assets	
Other receivables	Amortized costs
Inventories	Lower of net realizable value and acquisition and production costs
Non-current assets	
Intangible assets	Amortized cost or lower recoverable amount
Goodwill	Acquisition costs or lower recoverable amount
Property, plant and equipment	Amortized cost or lower recoverable amount
Right of use assets	Amortized cost or lower recoverable amount
Other financial assets	
Other receivables	Amortized costs
Derivative financial assets in hedging relationships	At fair value through other comprehensive income with subsequent reclassification to the statement of income
Deferred tax assets	Non-discounted amount measured at the tax rates that are expected to apply to the period when the asset is realized or the liability settled

Balance sheet items	Measurement principle
Equity and liabilities **Current liabilities**	
Financial liabilities	
Primary financial interest-bearing and non-interest bearing liabilities	Amortized costs
Lease liabilities	Amortized costs
Trade payables	Amortized costs
Income tax liabilities	Amount expected to be paid to the taxation authorities, using the tax rates that have been enacted or substantively enacted by the end of the reporting period
Other provisions	Present value of the settlement amount
Non-current liabilities	
Financial liabilities	
Primary financial interest-bearing and non-interest bearing liabilities	Amortized costs
Derivative financial liabilities in hedging relationships	At fair value through other comprehensive income with subsequent reclassification to the statement of income
Lease liabilities	Amortized costs
Pension provisions and similar provisions Commitments	Actuarial projected unit credit method
Other provisions	Present value of the settlement amount
Deferred tax liabilities	Non-discounted valuation using the tax rates that are valid for the period in which an asset is expected to be realized or a liability settled

The following key accounting policies on recognition and measurement have been applied uniformly to all accounting periods presented in these consolidated financial statements.

3.1.1 Goodwill

Goodwill arises when the acquisition cost in business combinations exceeds the fair value of net assets acquired. The acquired goodwill is allocated to each individual cash-generating unit ("CGU") that is expected to benefit from the synergies of the combination. The goodwill is assessed at acquisition cost less accumulated impairment losses. As goodwill has an indefinite useful life, it is not subject to depreciation but is subjected to an annual impairment test and additionally whenever there are indications that a CGU may be impaired ("triggering event").

3.1.2 Other intangible assets

Other intangible assets consist of self-created and acquired intangible assets, such as software, concessions, rights, and licenses. These assets typically have finite useful lives and are carried at acquisition costs. This involves applying depreciation over the estimated useful life, along with considering impairment.

The estimated useful lives of other intangible assets for straight-line depreciation are as follows:

Asset classes	Years
Software	3
Concessions, rights and licenses	max. 20

In the financial year 2025 the group does not have any other intangible assets with an indefinite useful life.

The depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if necessary.

3.1.3 Property, plant and equipment

Property, plant and equipment is carried at acquisition cost, including borrowing costs, less straight-line depreciation, and impairment losses, if applicable.

Property, plant, and equipment are depreciated on a straight-line basis over their estimated, entity-specific useful lives. Land is not depreciated.

The following economic useful lives are relevant for GD Towers:

Asset classes	Years
Equipment shelters	30 to 40
Outdoor facilities	15
Special sites	30
Roof locations	30
Antenna mounting pipe	10
Mast sites	40
Leasehold improvements	20
Non-category sites	30
Telecommunication and technical equipment	15
Tower sites	50
Reseller sites	30

The depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if necessary.

Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset (e.g. antenna masts or white spots) are capitalized as part of the acquisition and production costs in accordance with IAS 23. The GD Towers Group defines qualifying assets as construction projects or other assets that necessarily take at least twelve months to get ready for their intended use or sale. The capitalization of borrowing costs is considered for a period of 6 months, which represent the average construction phase.

Capitalized borrowing costs amounted to 1,519 kEUR in the past financial year (2024: 4,586 kEUR) and were mainly attributable to property, plant, and equipment. When calculating borrowing costs, the GD Towers Group used a calculated interest rate of 3.95 percent (2024: 4.38 percent) for financial liabilities (excluding leases) and 4.04 percent (2024: 4.05 percent) for lease liabilities as the basis for capitalization.

Government grants that can be directly allocated to the acquisition or construction of property, plant, and equipment and for which there is reasonable assurance that the grants will be received, and the associated conditions are fulfilled reduce the acquisition or production costs of the assets concerned.

3.1.4 Impairment of property, plant and equipment and intangible assets

If events or changes in circumstances indicate that the carrying amount exceeds its recoverable amount, GD Towers assess whether there is a possible impairment of intangible assets including goodwill and property, plant, and equipment.

In addition, an annual impairment test is carried out for goodwill regardless of any indications under IAS 36.

To test whether an asset is impaired, the carrying amount is compared with its recoverable amount. If it is not possible to determine a recoverable amount for the individual asset, the recoverable amount for the CGU of the asset must be determined. A CGU is the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or CGUs.

Goodwill is allocated to the CGUs that are expected to benefit from the synergies of the merger. Due to the concentration of business in the operating national companies in Germany and Austria, goodwill is monitored at the level of these CGUs and tested annually for impairment in accordance with IAS 36 (Impairment test).

The recoverable amount is the higher of fair value less costs of disposal and the value in use. The recoverable amount is generally calculated using discounted future cash flows, unless a valuation based on a market price is relevant. These cash flow forecasts consider past experience and are based on estimates made by management regarding the future development of net revenue and costs for a detailed planning period of 10 years. Cash flows beyond the planning period are extrapolated using individual growth rates. The key management assumptions on which the determination of fair value less costs of disposal and value in use is based include estimated growth rates, weighted average cost of capital and tax rates. These estimates can have a significant influence on the respective values and ultimately on the amount of a possible impairment.

An impairment exists if the carrying amount of an asset or CGU exceeds the recoverable amount. The amount of the impairment to be recognized is based on the amount by which the carrying amount exceeds the recoverable amount. If the impairment of the CGU exceeds the carrying amount of the goodwill allocated to it, the remaining impairment is allocated pro rata to the assets allocated to the CGU. The fair values or values in use (if determinable) of the individual assets are to be considered as the lower value limit.

If the conditions for impairments recognized in previous periods no longer exist, these assets (with the exception of goodwill) must be reversed.

3.1.5 Lease agreements

A lease agreement is a contract in which the lessor conveys the right to use an asset for a period of time to the lessee in exchange for consideration, typically a payment or series of payments. At the commencement date of the lease, an assessment must be made as to whether the contract constitutes or contains a lease agreement. A reassessment of whether the contract constitutes or contains a lease agreement must be carried out if the contractual terms have changed.

The scope of IFRS 16 applies to standard lease, rental, and tenancy agreements, as well as agreements in which the lessee is granted other rights to use assets, such as certain easements. A lease agreement only exists if the contract conveys the right to control the use of an identified asset to the lessee. The lessee has control when it has the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset.

Lessee

GD Towers recognizes a right-of-use asset for the leased asset at the commencement date of the lease and a lease liability for the lease payments over the term of the lease agreement.

The lease liability is recognized at the present value of the future lease payments to be made over the reasonably certain lease term. Lease payments are all of the fixed and in-substance fixed payments, less any future lease incentives payable by the lessor. Variable lease payments that depend on an index or a rate, amounts expected to be payable under residual value guarantees, and payment for the exercise of reasonably certain purchase and termination options are also measured and recognized as part of the lease liability. The series of payments is discounted at the interest rate implicit in the lease agreement or, if that rate cannot be readily determined, at the lessee's incremental borrowing rate. The incremental borrowing rate is determined by deriving benchmark interest rates for a period of up to 30 years from maturity-related risk-free interest rates. On this basis, an adjustment is carried out to account for credit-risk premiums and country risks. All other variable payments are recognized as an expense. The lease liability is subsequently measured using the effective interest method.

The acquisition costs of the right-of-use asset is generally determined by the amount of the lease liability at the time of acquisition, plus any initial direct costs and less any lease incentives received. The estimated costs of dismantling and removing the leasehold improvements or restoring the site are recognized separately as an individual asset. The right-of-use asset is subsequently depreciated on a straight-line basis over the lease agreement term and, if applicable, reduced by any impairment losses. If ownership of the leased asset is transferred to the lessee at the end of the lease agreement term, or if it is reasonably certain that a purchase or put option will be exercised, the right-of-use asset is depreciated from the commencement date to the end of the useful life of the underlying asset.

The lease agreement term is the period during which it is reasonably certain that an underlying asset will be used by the lessee. The lease term includes the non-cancellable period of a lease together with periods covered by options to extend the lease, if their exercise is reasonably certain, and periods covered by termination options, if it is reasonably certain that the termination option will not be exercised. This estimate is reassessed either upon the occurrence of an event or a significant change in circumstances that is not within the control of the lessee and affects a change in lease term. The lease agreement term will be revised if an extension option not previously included in the entity's determination of the lease term is exercised or a termination option not previously included in the entity's determination of the lease term is not exercised. The revision of the lease term leads to a change in the future series of lease payments and, therefore, to a remeasurement of the lease liability using a revised discount rate. The amount of the resulting difference is recognized outside profit or loss as an adjustment to the right-of-use asset or is offset against it. Derecognition amounts that exceed the carrying amount of the right-of-use asset are recognized as income in profit or loss.

A lease modification that substantially increases the scope of the original lease is accounted for as a separate lease agreement if both the lessee is granted an additional right to use one or more underlying assets and the consideration for the lease increases by an amount commensurate with the selling price for the increase in scope that the lessee would otherwise have to pay for use if it had leased these assets from a third party under a separate lease.

Lease modifications that increase the scope of the contract (but do not result in a separate lease agreement) are recognized directly in equity in the carrying amount of the right-of-use asset and the lease liability of the existing lease. If the scope of the lease modification is reduced as a result of a contractual amendment, both the right of use and the lease liability must be remeasured. If a lease modification decreases the scope of the lease, the lessee also remeasures both the right-of-use asset and the lease liability and recognizes any gain or loss in profit or loss. The modified amounts are measured at the modification date with a revised discount rate.

In the balance sheet, GD Towers disclose right-of-use assets separately from property, plant and equipment and lease liabilities separately from financial liabilities.

Lessor

As the lessor, GD Towers classifies each lease as either a finance or operating lease agreement at the commencement date of the lease. A lease agreement is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership. If this is not the case, a lease agreement is classified as an operating lease.

GD Towers takes certain indicators into account when classifying whether a lease is a finance or operating lease. The most important indicators include:

- whether the lease agreement covers the major part of the economic useful life of the asset (useful life test)
- whether the present value of the lease payments essentially corresponds to the total fair value of the asset (fair value test).

Unless substantially all the risks and rewards connected to ownership of the leased asset are transferred to the lessee (operating lease), the leased asset is recognized in the balance sheet by the lessor. The leased asset is measured in accordance with the relevant accounting regulations for the leased asset. The lease payments, including contractually agreed future changes to the lease payments, are recognized in profit or loss by the lessor. Contractually agreed future changes in lease payments during the term of the lease are recognized as lease revenue evenly over the entire term of the lease, which is determined only once at the time the lease is concluded. If renewal options exist, the reasonably certain exercise of renewal options is initially considered at the time the lease agreement is concluded. If these options are exercised or not exercised in the course of the lease agreement contrary to the original estimate of utilization, the estimated term is adjusted and taken into account when determining future lease revenue from operating leases.

If, predominantly speaking, all the risks and rewards deemed incidental to ownership of the leased asset are transferred to the lessee (finance lease), the lessor recognizes a finance lease receivable rather than the leased asset. The amount of the lease receivable corresponds to the net investment value of the leased asset at the time of acquisition. The net investment is defined as the discounted aggregate of future lease payments and any non-guaranteed residual value accruing to the lessor (gross investment). The lease payments made by the lessees are split into an interest component and a principal component using the effective interest method. In subsequent measurement, the lease agreement receivable is reduced by the principal lease payments received. The interest component of the payments received is recognized as finance income over the lease agreement term in the consolidated statement of income.

If GD Towers acts as a sub-lessor, the Group recognizes the main lease agreement and the sub-lease separately. If the main lease agreement is a short-term lease, the sub-lease is classified as an operating lease. Otherwise, the right-of-use asset from the main lease agreement and not the underlying asset is used to classify the sub-lease.

3.1.6 Inventories

Inventories (only unfinished services) are carried at production cost at initial recognition and are subsequently measured at the lower of cost and net realizable value. Production cost comprises all costs of purchase, costs of conversion, and other costs incurred in bringing the inventories to their present location and condition. Production costs are determined through individual valuation. The net realizable value is the estimated selling price in the ordinary course of business, minus the estimated costs until completion and the estimated necessary selling expenses.

3.1.7 Financial instruments

Financial instruments are recognized as soon as GD Towers becomes a party to the contractual provisions of the financial instrument. However, in the case of regular way purchase or sale, the settlement date is relevant for initial recognition and derecognition. This is the day on which the asset is delivered to or by GD Towers. In general, financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the entity currently has a right to offset the recognized amounts and intends to settle on a net basis. Financial assets are derecognized when the contractual rights to payments from the financial asset have expired or have been transferred and GD Towers retains neither control nor significant risks and rewards of ownership. Financial liabilities are derecognized when the contractual obligations have been settled, cancelled, or have expired.

Financial assets

Financial assets mainly comprise cash and cash equivalents, trade receivables, other receivables and derivative financial assets.

Trade receivables without a significant financing component are initially recognized at the transaction price, while all other financial assets are measured at fair value. For all financial assets that are not subsequently measured at fair value through profit or loss, the transaction costs attributable to the acquisition are taken into account. The fair values recognized in the balance sheet generally correspond to the market prices of the financial assets.

Financial assets are classified and measured firstly on the basis of the characteristics of the cash flows associated with the financial asset (SPPI criterion) and secondly on the basis of the business model according to which GD Towers manages the financial assets.

If debt instruments are held with the aim of collecting the contractual cash flows until maturity (“hold” business model) and the cash flows represent solely payments of principal and interest, they are measured at amortized cost (AC) using the effective interest method. If the aim of the business model is to partly sell and partly hold such instruments (“hold and sell” business model), they are measured at fair value through other comprehensive income with subsequent reclassification to the statement of income (FVOCI). In all other cases, financial assets are to be measured at fair value through profit or loss (FVTPL).

Cash and cash equivalents include cash accounts and short-term cash deposits at banks. They have remaining maturities of up to three months as initial recognition.

Debt instruments that are not measured at fair value through profit or loss are measured taking into account expected future losses (expected loss model). The expected future credit losses are determined by multiplying the carrying amount of the financial asset (exposure at default) with the probability of default and the expected loss given default, taking into account forward-looking information.

GD Towers applies the simplified impairment model of IFRS 9 and takes into account the losses expected over the entire term for trade receivables with and without a significant financing component, contract assets and lease receivables. For all other financial assets (in particular cash and cash equivalents and other financial assets), impairment is only determined on the basis of lifetime expected losses if the credit risk has increased significantly since initial recognition. Otherwise, impairments are only recognized on the basis of the expected losses that would result from a loss event occurring within twelve months of the reporting date.

The impairments take sufficient account of the expected future default risks; specific defaults lead to the derecognition of the receivable in question. A receivable is derecognized if collection efforts have been unsuccessful and the receivable balance is considered uncollectible. GD Towers has developed the following model to determine the expected credit losses, in particular to determine the expected default rates of trade receivables, in which the expected default rates are essentially derived from external credit information and ratings per customer. If no rating information is available at customer level, the financial assets are grouped on the basis of similar default risk characteristics and jointly tested for impairment and impaired on the basis of the average default probabilities. Financial assets are written down in full or in part if there is objective evidence of impairment. This is the case if, according to a reasonable assessment, it can no longer be assumed that full realization is possible, e.g. due to long overdue periods, insolvency, or comparable proceedings.

Financial liabilities

Financial liabilities are measured at fair value on initial recognition. For all financial liabilities not subsequently measured at fair value through profit or loss, the transaction costs directly attributable to the acquisition are also component of the carrying amount. Trade payables, liabilities to banks, liabilities to shareholders and other non-derivative financial liabilities are generally recognized at amortized cost using the effective interest method.

Derivative financial instruments

The GD Towers Group uses derivatives primarily to hedge future interest payment flows in the form of interest rate swaps. Derivatives are carried at their fair value upon initial recognition and also for subsequent measurement.

The fair value of derivatives is the price that GD Towers would receive or have to pay if the financial instrument were transferred at the reporting date. This is calculated using the relevant exchange rates and interest rates of the counterparties on the reporting date. In the case of interest-bearing derivatives, a distinction is made between the clean price and the dirty price. In contrast to the clean price, the dirty price also includes the interest accrued. The fair values carried correspond to the dirty price. If the fair value is positive, it is recognized as a financial asset, otherwise as a financial liability.

Embedded derivatives must be separated from financial liabilities and other non-financial contracts that are not measured at fair value through profit or loss, if the economic characteristics and risks of said embedded derivative are not closely related to the economic characteristics and risks of the underlying contract. The derivatives must then be recognized separately in the consolidated balance sheet and measured at fair value through profit or loss. However, the separation of derivatives embedded in financial assets is not an option. Rather, in such instances, the entire instrument is to be measured at fair value unless the cash flows of the instrument consist solely of interest and repayment.

The decisive factor for recognizing changes in fair value in the statement of income (or directly in equity) is whether the derivative financial instrument forms part of an effective hedging relationship in accordance with IFRS 9. If there is no hedging relationship, changes in the fair value of the derivative financial instruments are recognized immediately in profit or loss. However, if there is an effective hedging relationship (hedge accounting), the hedging relationship is then recognized as such.

The GD Towers Group applies the hedge accounting provisions of IFRS 9 to hedge future interest payment flows. If the interest rate swaps used meet the requirements of a cash flow hedge, the effective portion is recognized in other comprehensive income and the ineffective portion of the changes in fair value is recognized in profit or loss. The amount recognized in other comprehensive income is reclassified to profit or loss in the period in which the hedged expected future cash flows affect profit or loss.

At the inception of a hedge, GD Towers documents both the relationship between the financial instrument used as the hedging instrument and the hedged item, as well as the risk management objective and the risk strategy of the hedge. This involves concretely assigning the hedging instruments to the corresponding liabilities or highly probable future transactions and also assessing the effectiveness of the hedging instruments designated. The effectiveness of existing hedging relationships is monitored on an ongoing basis. If the criteria for applying hedge accounting are no longer met, the hedging relationship will be de-designated immediately.

3.1.8 Employee Benefits

In addition to short-term benefits, employee benefits also include post-employment benefits and other long-term benefits.

Defined contribution plans

In the case of defined contribution plans, the employer does not enter into any further obligations beyond the payment of contributions to an external pension fund. The amount of future pension benefits is based solely on the amount of the contributions paid by the employer (and, if applicable, its employees) to the external pension fund, including the income from the investment of these contributions. The amounts to be paid are recognized as an expense and reported as part of personnel costs when the obligation to pay arises.

Defined benefit plans

GD Towers maintains defined benefit pension plans in Germany and Austria based on the pensionable remuneration of its employees and their length of service.

The measurement of obligations from defined benefit pension commitments for which GD Towers is responsible is based on the projected unit credit method in accordance with IAS 19. The value of the obligations is reduced by the fair value of the plan assets held by the pension fund.

Gains and losses arising from adjustments and changes in actuarial assumptions are recognized immediately and in full in the period in which they occur outside profit or loss within other comprehensive income. The remeasurements recognized in other comprehensive income may not be reclassified to profit or loss in subsequent periods. Actuarial gains and losses are recognized as part of the pension provision in the year in which they arise and are recognized in other comprehensive income at the end of the year and presented in the consolidated statement of comprehensive income.

The interest expense to be recognized in profit or loss is generally determined by multiplying the discount rate and the net pension liability or the net pension asset, i.e. the actuarial obligation less plan assets, in each case at the beginning of the period. The interest expense is shown in the other net financial result.

Phased retirement agreements

In certain cases, phased retirement arrangements with varying contractual terms are agreed at GD Towers, predominantly based on what is known as the block model. In this context, two types of obligation arise, each of which is measured at present value in accordance with actuarial principles: the first type of obligation pertains to the cumulative out-standing settlement amount, which is recognized on a pro rata basis over the term of the active or working phase. The cumulative outstanding settlement amount is based on the difference between the employee's remuneration before the start of the phased retirement agreement and the remuneration for part-time service. The second type of obligation relates to the employer's obligation to make top-up amounts plus an additional contribution to the statutory pension insurance. Despite having the characteristics of severance payments, the top-up amounts must be recognized ratably over the vesting period due to their dependency on the performance of work in the future. If the block model is used, the vesting period for top-up amounts starts when the employee is granted the entitlement to participate in the phased retirement program and ends upon entry into the passive phase (leave from work). The entitlements described from the phased retirement agreement are secured via the plan assets within the framework of contractual trust arrangements (CTAs) in accordance with the prescribed conditions.

3.1.9 Other provisions

Other provisions are recognized for current legal or constructive obligations to third parties that are uncertain with regard to their timing or their amount. Provisions are recognized for these obligations provided that they relate to past transactions or events, will more likely than not require an outflow of resources to settle, and this outflow can be reliably measured. Provisions are carried at their expected settlement amount, taking into account all identifiable risks and uncertainties. The settlement amount is calculated on the basis of a best estimate; suitable estimation methods and sources of information are used depending on the characteristics of the obligation. In the case of a number of similar obligations, the group of obligations is treated as one single obligation. The expected value method is used as the estimation method. If there is a range of potential events with the same probability of occurrence, the average value is taken. Individual obligations (e.g., legal and litigation risks) are regularly evaluated based on the most probable outcome, provided an exceptional probability distribution does not mean that other estimates would lead to a more appropriate evaluation.

The measurement of provisions is based on past experience, current costing, and price information, as well as estimates and reports from experts. If experience or current costing or price information is used to determine the settlement amount, these values are extrapolated to the expected settlement date. Suitable price trend indicators (e.g., construction price indexes or inflation rates) are used for this purpose. Provisions are discounted when the effect of the time value of money is material. Provisions are discounted using pre-tax market interest rates that reflect the term of the obligation and the risk associated with it (insofar as not already taken into consideration in the calculation of the settlement amount). Reimbursement claims are not netted against provisions; they are recognized separately as soon as their realization is virtually certain.

Provisions for restoration and similar obligations arising from the acquisition of property, plant and equipment are offset by a corresponding increase in the capitalized cost of the relevant asset. Changes at a later date in estimates of the amount or timing of payments or changes to the interest rate applied in measuring such obligations also result in retrospective increases or decreases in the carrying amount of the relevant item of property, plant, and equipment. These, in turn, change the depreciation of the asset to be recognized in the future, which leads to the changes in estimates being recognized in profit or loss over the remaining useful life. Where the decrease in the amount of a provision exceeds the carrying amount of the related asset, the excess is recognized immediately in profit or loss.

3.1.10 Share-based remuneration

Equity-settled share-based remuneration transactions are measured at fair value at the date of being granted. The fair value of the obligation is recognized as personnel expenses over the vesting period and offset against the capital reserves. The fair value of equity-settled share-based remuneration transactions is determined using recognized valuation methods, e.g. the Monte Carlo model. In the case of share-based remuneration transactions that provide for settlement in cash, the goods or services acquired (and the liability incurred) are recognized at the fair value of the liability. Until the liability is settled, the fair value of the liability must be remeasured on each reporting date and on the settlement date, and all changes in fair value must be recognized in profit or loss.

3.1.11 Contingent liabilities

Contingent liabilities are possible obligations arising from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not entirely within the control of GD Towers. Contingent liabilities are also present obligations that arise from past events for which an outflow of resources embodying economic benefits is not probable or for which the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognized in the consolidated balance sheet. Unless an outflow of resources embodying economic benefits is highly improbable, disclosures on contingent liabilities are made in the notes to the consolidated financial statements.

GD Towers has no contingent liabilities to be disclosed in the financial year.

3.1.12 Current and deferred taxes

Current income taxes are calculated on the basis of the respective national tax results for the year and national tax regulations. In addition, the current taxes for the year may also include adjustment amounts for any tax payments or refunds for years not yet assessed.

Deferred tax assets and liabilities are measured on the basis of temporary differences between the carrying amounts in the balance sheet and the tax base, including temporary differences from consolidation. Loss and interest carryforwards and tax credits are also taken into account. Measurement is based on the tax rates that are expected to apply to the period in which an asset is realized or a liability is settled, or loss or interest carryforwards are utilized. The change in deferred tax assets and liabilities is reflected in income taxes in the statement of income. An exception to this are changes to be recognized in other comprehensive income.

Temporary differences relating to a right-of-use asset and a lease liability for a specific lease agreement are considered together (the lease) for the purpose of recognizing deferred taxes.

As a rule, the tax rates and regulations in force or announced as at the balance sheet date are applied.

A deferred tax asset is recognized for unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which they can be utilized. Future taxable profits are determined on the basis of the reversal of taxable temporary differences. If the amount is not sufficient to fully capitalize deferred tax assets, the future taxable profits – taking into account the reversal of temporary differences – are determined on the basis of the subsidiaries' individual business plans. Deferred tax assets are reviewed at each reporting date and impaired to the extent that it is no longer probable that the associated tax benefit will be realized; reversals are made if the probability of future taxable profits improves.

Deferred tax assets and deferred tax liabilities are offset if there is a legal right to offset and this is intended. This is generally the case if the deferred tax assets and liabilities are levied by the same taxation authority.

In Germany, the "Act Implementing Council Directive (EU) 2022/2523 to Ensure Global Minimum Taxation and Other Accompanying Measures" enacted a legal regulation to ensure global minimum taxation (so-called OECD Pillar II), which provides for the introduction of the so-called Minimum Tax Act (MinStG), among other things. Global minimum taxation was also adopted in Austria at the end of 2023.

The application of the safe harbour regulations does not result in any additional tax burdens for the Group.

GD Towers also continues to apply the exemption under IAS 12.4A, according to which no deferred taxes may be recognized in connection with global minimum taxation and no related information may be disclosed.

3.1.13 Net revenue

If GD Towers concludes a contract with a customer, the service components are identified as separate performance obligations if the customer itself can derive a benefit from the goods and services and the separate service components can be distinguished independently from the other services in the contract.

GD Towers generates the majority of its net revenue from long-term lease agreements as part of the rental of passive infrastructure, which is installed either at ground level or on the roof of a building to which the customers' communication systems are attached. When a lease agreement is concluded with a customer, the lease components are analysed for separate lease obligations in the contract. If the contract includes the provision of services (so-called non-lease components), these are considered and priced separately. The transaction price is determined on the basis of the contractually agreed amounts less any price reductions.

As at December 31, 2025, GD Towers classifies all of its lease agreements as operating leases and recognizes rental income as "Net revenues from rentals". These revenues were recognized on a straight-line basis over the term of the lease agreement. Net revenue from the provision of services is reported under the item "Net revenue from services." They are realized when GD Towers has provided the relevant service during the agreed service period. Advance payments received from leasing or services that are not attributable to the financial year are deferred as a liability and recognized as net revenue over the term of the lease. Lease incentives are recognized as a reduction of rental revenue on a straight-line basis over the term of the lease agreement.

If the Group obtains control of the energy before delivery to a customer, it is considered as principal in the context of the sale. In this case, payments received from customers and payments made to suppliers are recognized on a gross basis in net revenue or other operating expenses. If another party obtains control of services before the transfer to a customer, the Group acts as an agent. The net revenue corresponds to the margin generated by the Group.

Further information on the recognition and measurement of lease agreements is provided in note 4.8 Leases. Further information on the composition and recognition of net revenue is presented in note 5.1 Net revenue.

3.2 Use of discretionary decisions and estimates

The presentation of the financial position and results of operations in the consolidated financial statements is dependent on recognition and valuation methods as well as assumptions and estimates. The actual amounts may differ from the estimates. The significant estimates and related assumptions listed below, as well as the uncertainties associated with the accounting policies and valuation methods selected, are crucial to understand the underlying financial reporting risks and the effects that these accounting estimates, assumptions, and uncertainties may have on the consolidated financial statements.

3.2.1 Fair value measurement

A number of accounting policies and disclosures require the determination of fair values for financial and non-financial assets and liabilities, including Level 3 fair values. The determinations are based in part on external valuation reports.

If information from third parties – such as price information services – is used to determine fair values, it shall be ascertained that the evidence obtained from the third parties fulfils the requirements of IFRS Accounting Standards, including the level in the fair value hierarchy to which these measurements are to be allocated.

When determining the fair value of an asset or liability, the GD Towers Group uses observable market data to the greatest extent possible.

Fair value measurements relate, in particular, to financial instruments (see note 7. Financial instruments) and share-based remuneration (see note 8.3 Share-based remuneration).

3.2.2 Leasing

Lessee

The majority of the Group's leases contain extension and termination options. The lease agreements usually have a non-cancellable period of 8 to 15 years, during which the lease cannot be terminated. At the end of the non-cancellable period, the lease agreement is automatically renewed if neither party terminates the lease or if GD Towers as lessee exercises one of its renewal options. The lease agreement can be extended up to three times, usually by five years.

The extent to which contractually existing optional periods are taken into account when determining the term of a lease requires an assessment by the management. When determining the term of the lease agreement, all facts and circumstances that represent an economic incentive to exercise a renewal option or not to exercise a termination option are assessed and considered. Extension options (or periods covered by termination options) only form part of the term of a lease agreement if it is reasonably certain that the extension option will be exercised or the termination option will not be exercised. The Group generally applies a threshold of 75-80 percent when interpreting the term "reasonably certain" in connection with the exercise of extension or termination options.

Most extension options are considered sufficiently certain due to the external obligations and are therefore included in the measurement of the lease agreement. There is only an additional risk of additional payments if an extension option (not classified as sufficiently certain) is exercised or a termination option (classified as sufficiently certain) is not exercised. After the commencement date, the probability of an option being exercised is only reassessed if a significant event or a significant change in circumstances occurs that affects the original assessment and if these events or changes are under the control of the lessee.

A right-of-use asset and a lease liability are also recognized for lease agreements with a term of twelve months or less (short-term). In the case of lease agreements of plant and office equipment where the underlying asset is of lower value (low value), the option is exercised and the lease payments are therefore recognized as an expense on a straight-line basis over the term. For the remaining assets, the option is not applied and a right-of-use asset and a lease liability are recognized.

Lessor

The Group acts as a lessor by leasing space on its passive infrastructure to mobile network operators. The majority of lease agreements include extension and termination options. The inclusion of optional periods when determining the term of a lease agreement is included in the calculation by management if it is considered reasonably certain that they will be exercised. Unless substantially all the risks and rewards connected to ownership of the leased asset are transferred to the lessee (operating lease), the leased asset is recognized in the balance sheet by the lessor. The assessment of leases in which GD Towers acts as lessor is reviewed at the inception of the lease and in the event of significant changes in circumstances with regard to their classification.

3.2.3 Pensions

The financial obligations for pension payments to employees are generally covered by defined benefit plans. The costs for employee pensions are calculated using actuarial methods. These methods are based on assumptions regarding the discount rate, expected salary and projected pension increase, as well as life expectancy. Changes in these assumptions could have a significant impact on future pension costs.

3.2.4 Provisions for restoration obligations

The Group is obliged to recognize provisions for site restoration costs, so-called restoration obligations, for the leased assets. The recognition of a provision for restoration obligations is based primarily on cost estimates, which are based on empirical data, current cost and price information as well as estimates and expert opinions. The estimated term of the asset retirement obligations is based on the term of the leases.

3.2.5 Other provisions and contingent liabilities

The recognition and measurement of provisions and contingent liabilities in connection with pending legal disputes or other outstanding claims from settlement, mediation, arbitration, or state proceedings are to a considerable extent linked to estimates by GD Towers.

3.2.6 Goodwill

The annual impairment test of goodwill is subject to significant estimates, particularly in the context of calculating the fair value less cost of disposal, which is linked to a management forecast of long-term growth rates and an appropriate discount rate to reflect risks. The assumptions and parameters used for the impairment test as at December 31, 2025, are included in the explanations in chapter 4.6 Intangible assets and goodwill.

3.2.7 Taxation

In each tax jurisdiction in which the GD Towers Group operates, management must make assessments when calculating current and deferred taxes. This is relevant, for example, when it comes to a decision on recognizing deferred tax assets because it must be probable that a taxable profit will be available against which the deductible temporary differences, loss carryforwards, and tax credits can be utilized. In addition to the estimate of future earnings, various factors are used to assess the probability of the future utilization of deferred tax assets, including past results of operations, the reliability of planning, and tax planning strategies. The period used for the assessment of the recoverability depends on the circumstances at the respective Group company and typically is in a range of five to ten years.

In addition, there is considerable uncertainty in Germany and abroad about the development and application of tax legislation in the future due to the existing pressure for reform and the recognizably increased attention of the tax authorities.

3.2.8 Determination of the economic useful life of assets

The useful lives and depreciation methods are reviewed at least at each reporting date. If expectations differ from previous estimates, the corresponding changes are recognized as changes in estimates in accordance with IAS 8.

On January 1, 2025, the useful life for antenna mounting pipes was adjusted from 30 years to 10 years in accordance with IAS 8.34. The change is primarily due to technological developments in the field of antenna technology. In the course of network modernization, these require more frequent modification of the antenna mounting pipes, in order to align them with the latest antenna technologies.

4. Notes to the consolidated statement of financial position

4.1 Cash and cash equivalents

Cash and cash equivalents comprise bank balances in full. Of the cash and cash equivalents, an amount of 1,121 EUR thousand (December 31, 2024: 1,170 kEUR) has been invested in rent deposit accounts that are subject to a contractual restriction on disposal.

The development of cash and cash equivalents is shown in the cash flow statement.

4.2 Trade receivables

Trade receivables mainly include receivables from the rental of passive infrastructure. As at December 31, 2025, there were valuation allowances on receivables in the amount of 313 kEUR (December 31, 2024: 285 kEUR), which cover uncertainties with regard to the existence of individual receivables and identifiable credit risks. For information on the calculation and development of the value adjustment, see the comments in note 7. Financial instruments.

4.3 Other financial assets

in EUR thousand	12.31.2025	12.31.2024
Non-current financial assets		
Derivative financial assets	21,761	28,531
Claim for reimbursement from restoration obligations	35,437	32,471
Other financial assets	45	42
	57,243	**61,044**
Current financial assets		
Creditors with debit balances	3,050	2,006
Other financial assets	150	746
	3,200	**2,752**
	60,443	**63,796**

For further information on derivative financial assets, see the explanations in note 7. Financial instruments.

4.4 Inventories

Inventories in the amount of 22,104 kEUR (December 31, 2024: 14,654 kEUR) exclusively comprise work in progress in connection with project services not yet invoiced, as part of customer orders.

As in the previous year, no impairment losses are required as at December 31, 2025 due to the recoverability of work in progress.

4.5 Other assets

in EUR thousand	12.31.2025	12.31.2024
Other non-current assets		
Shares in non-consolidated subsidiaries	2,347	2,347
Advance payments	295	308
	2,642	**2,655**
Other current assets		
VAT and other receivables from tax authorities	10,386	11,546
Prepayments	3,504	3,901
Advance payments	605	758
Receivables from government grants	7,353	2,717
Other assets	1,115	520
	22,963	**19,442**
	25,605	**22,097**

The prepayments primarily comprise annual advance payments for operating costs and software licenses.

The VAT and other receivables from tax authorities mainly result from special VAT advance payments that had to be made as a result of the establishment of the VAT group and the application for a permanent extension of the deadline.

For information on receivables from government grants, please refer to note 4.7 Property, plant, and equipment.

4.6 Intangible assets and goodwill

The categorization of intangible assets and their development is shown including the amortization of the financial year.

in EUR thousand	Internally created software	Acquired software	Acquired conces-sions, rights and licenses	Goodwill	Software in develop-ment	Total
Acquisition costs						
As at January 1, 2024	60	4,806	7,856	522,800	3,796	**539,318**
Additions	0	0	25	0	3,868	**3,893**
Disposals	0	0	-17	0	0	**-17**
As at December 31, 2024	60	4,806	7,864	522,800	7,664	**543,194**
Additions	0	1,732	0	0	12,832	**14,564**
Disposals	0	0	-46	0	-871	**-917**
Reclassifications	2,686	1,003	40	0	-3,729	**0**
As at December 31, 2025	2,746	7,541	7,858	522,800	15,897	**556,842**
Cumulative depreciation						
As at January 1, 2024	-45	-2,496	-7,401	0	0	**-9,942**
Depreciation, amortization, and write-downs	-15	-1,145	-296	0	0	**-1,456**
Disposals	0	0	17	0	0	**17**
As at December 31, 2024	-60	-3,641	-7,680	0	0	**-11,381**
Depreciation, amortization, and write-downs	-871	-1,946	-180	0	0	**-2,997**
Disposals	0	0	34	0	0	**34**
As at December 31, 2025	-931	-5,587	-7,826	0	0	**-14,344**
Carrying amount						
As at December 31, 2024	0	1,165	184	522,800	7,664	**531,813**
As at December 31, 2025	1,815	1,954	32	522,800	15,897	**542,498**

The additions in the 2025 financial year mainly include development costs for the introduction of the Group-wide ERP system.

The amortization of intangible assets for the financial year of 2,997 kEUR (2024: 1,456 kEUR) is reported in the consolidated statement of income under “Depreciation, amortization, and write-downs”.

Goodwill

Goodwill is allocated to the CGUs as follows:

In EUR million	12.31.2025	12.31.2024
Germany	259.0	259.0
Austria	263.8	263.8
	522.8	**522.8**

The GD Towers Group carried out the annual impairment tests for the goodwill allocated to the cash-generating units (CGU) as at December 31. The recoverable amount was determined on the basis of the fair value less cost of disposal of the respective CGU. The cash flow projections take into account past experience and are based on the management’s current plans for a period of ten years. An average growth rate of 2.0 percent (2024: 2.0 percent) was assumed for the years after 2035. This growth rate mainly reflects the expected inflation rate, which is derived from market expectations with respect to the inflation rate, on the one hand, and the individual revenue-cost-structure of GD Towers, on the other.

The discount rates of the cash-generating units correspond to their weighted average cost of capital (WACC) and were calculated as follows:

in %	12.31.2025	12.31.2024
Germany	6.54 - 6.58	6.22
Austria	6.92	6.83

In the financial year 2025, the impairment tests did not lead to the recognition of impairment losses. Even realistic changes to the basic assumptions on which the determination of the fair value less costs of disposal is based would not result in the carrying amount of the cash-generating units exceeding their fair value less costs of disposal.

4.7 Property, plant and equipment

The categorization of property, plant, and equipment, including depreciation, is shown as follows:

in EUR thousand	Land and equivalent rights, and buildings including buildings on land owned by third parties	Technical equipment and machinery and other equipment, plant and office equipment	Advance payments and plant under construction	Total
Acquisition costs				
As at January 1, 2024	1,244,120	4,464,700	194,236	**5,903,056**
Additions	273,517	321,188	167,904	**762,609**
Disposals	-417,801	-95,595	-226	**-513,622**
Reclassifications	-12,073	130,906	-118,833	**0**
As at December 31, 2024	1,087,763	4,821,199	243,081	**6,152,043**
Additions	175,587	327,133	155,486	**658,206**
Disposals	-179,719	-92,243	-427	**-272,389**
Reclassifications	8,105	133,582	-141,687	**0**
As at December 31, 2025	1,091,736	5,189,671	256,453	**6,537,860**
Cumulative depreciation				
As at January 1, 2024	-877,607	-3,128,281	0	**-4,005,888**
Depreciation, amortization, and write-downs	-42,323	-71,408	0	**-113,731**
Disposals	510	22,652	0	**23,162**
Reclassifications	17,219	-17,219	0	**0**
As at December 31, 2024	-902,201	-3,194,256	0	**-4,096,457**
Depreciation, amortization, and write-downs	-17,534	-201,337	0	**-218,871**
Disposals	1,807	36,028	0	**37,835**
Reclassifications	9	-9	0	**0**
As at December 31, 2025	-917,919	-3,359,574	0	**-4,277,493**
Carrying amount				
As at December 31, 2024	185,562	1,626,943	243,081	**2,055,586**
thereof in an operating lease agreement	78,862	1,510,374	0	**1,589,236**
As at December 31, 2025	173,817	1,830,097	256,453	**2,260,367**
thereof in an operating lease agreement	83,550	1,673,700	0	**1,757,250**

The carrying amounts of advance payments and plant under construction include assets under construction with acquisition costs of 212,769 kEUR (December 31, 2024: 208,032 kEUR).

The GD Towers Group receives federal, state and/or city grants as part of the promotion and renovation of the television towers in Hamburg and Dresden and also for the expansion of dead spots. In the case of the previously mentioned projects, the grant notification has been received for the respective phase in which the construction project is in progress. The grant is awarded in the amount of the expenses incurred, which do not exceed the amount specified in the grant notification and fulfil the funding conditions. On the basis of project monitoring and regular discussions with the grant providers, the GD Towers Group assumes that the conditions have been met. The government grants reduced the asset portfolio as at December 31, 2025, in the amount of 16,152 kEUR (31 December 2024: 6,982 kEUR). This corresponds to the amount that can be reclaimed if the funding conditions are not met.

The significant increase in depreciation and amortization when compared to the 2024 financial year is , in particular, due to the change in the useful life of antenna mounting pipes. As the change in useful life also pertains to existing assets, the remaining useful life was adjusted (and the carrying amount of assets already in the portfolio was reduced) in accordance with IAS 8.37 in the amount of 85,561 kEUR as at January 1, 2025 (see the explanations in note 3.2.8 Determination of the economic useful life of assets).

4.8 Lease agreements

Development of the right-of-use assets

in EUR thousand	Properties	Buildings	Other equipment, plant and office equipment	Total
Acquisition costs				
As at January 1, 2024	1,675,089	1,311,457	1,762	**2,988,308**
Additions	123,444	64,072	2,991	**190,507**
Disposals	-41,300	-30,898	-800	**-72,998**
As at December 31, 2024	1,757,233	1,344,631	3,953	**3,105,817**
Additions	218,571	106,904	3,075	**328,550**
Disposals	-70,947	-36,195	-1,023	**-108,165**
As at December 31, 2025	1,904,857	1,415,340	6,005	**3,362,202**
Cumulative depreciation				
As at January 1, 2024	-448,702	-411,200	-921	**-860,823**
Depreciation, amortization, and write-downs	-114,682	-93,162	-1,160	**-209,004**
Disposals	14,549	15,032	738	**30,319**
As at December 31, 2024	-548,835	-489,330	-1,343	**-1,039,508**
Depreciation, amortization, and write-downs	-120,039	-96,161	-1,562	**-217,762**
Disposals	24,267	15,422	648	**40,337**
As at December 31, 2025	-644,607	-570,069	-2,257	**-1,216,933**
Carrying amount				
As at December 31, 2024	1,208,398	855,301	2,610	**2,066,309**
As at December 31, 2025	1,260,250	845,271	3,748	**2,109,269**

The right-of-use assets mainly comprise land and roof areas on which passive infrastructure for the communication systems of mobile network operators is installed and operated. The rights of use also include rental agreements for office space, IT and vehicle equipment.

Maturity of the lease liabilities

in EUR thousand	12.31.2025	12.31.2024
Due within one year	188,699	175,887
Due in one year to three years	404,023	373,246
Due in three years to five years	429,286	399,458
Due after more than five years	1,204,156	1,207,822
	2,226,164	**2,156,413**

Amounts recognized in the statement of income

in EUR thousand	2025	2024
Depreciation, amortization, and write-downs	217,762	209,004
Interest expenses	95,346	88,780
Expenses for lease agreements of low-value assets	658	524
Income from the sub-leasing of right-of-use assets	120,480	103,841

Some lease agreements contain extension options that have not yet been included and for which an extension is not sufficiently certain. GD Towers has not included possible future (non-discounted) lease payments of 663,250 kEUR (December 31, 2024: 675,610 kEUR) in the lease liabilities.

Furthermore, there are future payment obligations for lease agreements that have not yet begun but have already been contractually agreed in the amount of 8,983 kEUR (December 31, 2024: 15,493 kEUR). The total cash outflow from lease agreements for the 2025 financial year amounts to 286,177 kEUR (December 31, 2024: 270,531 kEUR).

The expected future undiscounted minimum lease payments from operating lease agreements for land and buildings are as follows for GD Towers as lessor:

in EUR thousand	12.31.2025	12.31.2024
Due within one year	1,379,100	1,252,149
Due within one to five years	4,573,460	4,765,069
Due after more than five years	1,312,251	2,570,732
	7,264,811	**8,587,950**

4.9 Financial liabilities

The following tables show the composition and maturity structure of financial liabilities:

	12.31.2025			
in EUR thousand	**Total**	**Remaining maturities up to 1 year**	**Remaining maturities 1 year to 5 years**	**Remaining maturities greater than 5 years**
Liabilities from private placements	2,497,135	8,000	0	2,489,135
thereof from accrued interest	8,000	8,000	0	0
Liabilities to banks	3,438,079	974	3,437,105	0
thereof from accrued interest	378	378	0	0
Liabilities to shareholders	228,184	203,184	0	25,000
thereof from accrued interest	1,000	1,000	0	0
Other non-interest-bearing liabilities	7,221	7,221	0	0
Financial liabilities	**6,170,619**	**219,379**	**3,437,105**	**2,514,135**

	12.31.2024			
in EUR thousand	**Total**	**Remaining maturities up to 1 year**	**Remaining maturities 1 year to 5 years**	**Remaining maturities greater than 5 years**
Liabilities to banks	4,582,599	132,447	0	4,450,152
thereof from accrued interest	1,712	1,712	0	0
Liabilities to shareholders	136,304	1,304	110,000	25,000
thereof from accrued interest	1,304	1,304	0	0
Derivative financial liabilities	6,110	0	0	6,110
Other non-interest-bearing liabilities	28,888	28,888	0	0
Financial liabilities	**4,753,901**	**162,639**	**110,000**	**4,481,262**

The GD Towers Group was extensively refinanced in the fourth quarter of 2025. The first step was to migrate the existing "Senior Facilities Agreement" to a "Common Terms" platform, which serves as a platform for all current and future financial instruments, and lists the prevailing rights and obligations. The existing "Senior Facilities Agreement" was subsequently amended and revised to create an "Initial Facilities Agreement". This was concluded with a banking consortium consisting of 50 partner banks for a total volume of 4.7 EUR billion as at December 31, 2025 (2024: 5.2 EUR billion) and a term of 7 years (maturing on February 1, 2030) and also consists of a bullet loan ("Facility A") of 3.5 EUR billion (2024: 4.05 EUR billion), a line of credit for investments ("Capex Facility" of 1 EUR billion) and a short-term line of credit for working capital ("Revolving Credit Facility" of 150 EUR million). Interest is currently calculated on the basis of the 6-month EURIBOR for Facility A, the 3-month EURIBOR for the Capex Facility and the 1-month EURIBOR for the Revolving Credit Facility. The respective EURIBOR interest rates are capped at 0 percent (interest rate floor). Furthermore, all facilities now have a standardized margin, which was previously staggered. As this does not concern a substantial modification, the carrying amount adjustment resulted in a gain of 72.5 EUR million (see note 5.5 Net financial result). Related transaction costs (7 EUR million) were included accordingly in the calculation of the adjusted amortized cost.

In December 2025, the Initial Facilities Agreement was also partially repaid. The Capex Facility was repaid in full in the amount of 556.6 EUR million and Facility A in part in the amount of 532 EUR million. The associated interest rate swaps were cancelled in the process. The resulting effects are shown in the note on 7. Financial instruments.

Another component of the refinancing is the issue of a private placement totalling 2.5 EUR billion in December 2025. The total volume is divided into the following four tranches:

- Tranche 1: Volume 833 EUR million; fixed interest rate 4.12 percent; term 7 years (matures on December 4, 2032)
- Tranche 2: Volume 580 EUR million; fixed interest rate 4.46 percent; term 10 years (matures on December 4, 2035)
- Tranche 3: Volume 449 EUR million; fixed interest rate 4.56 percent; term 12 years (matures on December 4, 2037)
- Tranche 4: Volume 638 EUR million; fixed interest rate 4.72 percent; term 15 years (matures on December 4, 2040)

The private placement concerns a hybrid financial instrument, as it contains early repayment options that enable the GD Towers Group to make partial or full repayments before the end of the term. The options – which can be exercised at any time – allow the private placements to be redeemed early at fixed exercise prices, taking into account a variable make whole amount. From an economic standpoint, this compensates the investors in the private placement for the reinvestment risk in the event of early repayment. Furthermore, the repayment amount depends on whether investors in the private placement have hedged against currency risks by concluding cross-currency interest rate swaps. For this reason, the embedded derivatives are analysed separately for the portion of the private placement that is subject to currency hedging by the investors, on the one hand, and for the non-hedged portion, on the other. For the measurement of embedded derivatives, see note 7. Financial instruments.

The carrying amount of the liabilities from the private placement as at December 4, 2025 is as follows:

in EUR thousand	
Issue proceeds from private placement	2,500,000
Transaction costs	-13,588
Net revenue	**2,486,412**
Fair value of the separately recognized embedded derivative assets (termination options) as at December 4, 2025	2,654
Carrying amount of the liabilities from the private placement as at December 4, 2025	**2,489,066**

As part of the borrowing process, the GD Towers Group has committed to secure certain financial covenants with the financing banks (see the explanations in note Financial and Liquidity Risk).

In the 2023 financial year, the shareholders also granted further shareholder loans totaling 835 EUR million with a term of 30 months. Interest on the shareholder loans is based on a fixed interest rate of 6.00 percent p.a. The remaining carrying amount of 110 EUR million as at December 31, 2024 was repaid in full in the 2025 financial year.

Liabilities from accrued interest include outstanding interest payments on original financial liabilities that are economically attributable to the financial year but have not yet been paid due to the future interest payment date.

For further information on derivative financial liabilities, see the explanations in note 7. Financial instruments.

Liabilities to shareholders as at December 31, 2025 include a current liability from outstanding distributions in the amount of 202.2 EUR million.

Other non-interest-bearing liabilities mainly include debtors with credit balances and rent deposits received.

4.10 Provisions for pensions and other employee benefits

Defined contribution plans

The companies in the Group have defined contribution plans in the form of state pension insurance and company contributions for civil servants. In the 2025 financial year, an amount of 8,131 kEUR (2024: 7,413 kEUR) was recognized for defined contribution plans.

Defined benefit plans

The Group's pension obligations are based on direct commitments mainly in Germany and Austria. The provisions for pensions of GD Towers are comprised as follows:

Defined benefit plans

in EUR thousand	12.31.2025	12.31.2024
Germany	30,201	29,670
Austria	260	236
GD Towers	**30,461**	**29,906**

Defined benefit liabilities are disclosed under non-current liabilities in the consolidated statement of financial position. There are no longer any plan assets to be offset as at December 31, 2025, as the hedge via the CTA no longer applies following the departure from Deutsche Telekom AG.

Overall, the remeasurement of defined benefit plans in the 2025 financial year resulted in a change recognized directly in equity of -1,068 kEUR (2024: 106 kEUR).

Calculation of net defined benefit liabilities/assets

in EUR thousand	2025
Pension provisions as at December 31, 2024	**29,906**
Service cost	1,284
Net interest expense/income on the pension provision (net)	1,014
Remeasurement effects*	-1,068
Pension benefits paid directly by the employer	-674
Employer contributions to plan assets	0
Changes attributable to business combinations/transfers of operations/acquisitions and disposals	0
Pension provisions as at December 31, 2025	**30,461**

* consists exclusively of actuarial gains/losses

in EUR thousand	2024
Pension provisions as at December 31, 2023	**28,165**
Service cost	1,169
Net interest expense/income on the pension provision (net)	975
Remeasurement effects*	106
Pension benefits paid directly by the employer	-602
Employer contributions to plan assets	0
Changes attributable to business combinations/transfers of operations/acquisitions and disposals	93
Pension provisions as at December 31, 2024	**29,906**

* consists exclusively of actuarial gains/losses

An amount of 30,201 kEUR (2024: 29,671 kEUR) of the net value of the pension obligations is attributable to Germany. These defined benefit liabilities are based on direct benefit commitments to employees. Under these commitments, employees receive benefits for each year of service with the respective company. The obligations are not financed via a fund. A significant portion of the pension provisions for defined benefit plans relates to DFMG Deutsche Funkturm GmbH, DFMG Engineering GmbH & Co. KG and DFMG Corporate Functions GmbH. The obligations recognized here relate to active plan participants, on the one hand, and vested plan participants or beneficiaries, on the other.

The amounts recognized in the consolidated statement of income and the consolidated statement of comprehensive income break down as follows:

in EUR thousand	2025	2024
Service cost	1,284	1,169
Net interest expense/income on the pension provision (net)	1,014	975
Expenses recognized in the statement of income	**2,298**	**2,144**
Remeasurement effects*	-1,068	106
Components of expenses for defined benefit plans, recognized in other comprehensive income	**-1,068**	**106**
Total expenses	**1,229**	**2,250**

* consists exclusively of actuarial gains/losses

The current service cost is reported under personnel expenses in the consolidated statement of income.

Assumptions for the measurement of defined benefit obligations

The valuation of the Group companies' defined benefit obligations is based on the following actuarial assumptions:

in %		12.31.2025	12.31.2024
Discount rate	Germany	4.05	3.43
	Austria	4.00	3.40
Projected salary increase	Germany	2.50	2.50
	Austria	3.50	3.50
Projected pension increase	Germany	2.20	2.20
	Austria	0.00	0.00

in years		12.31.2025	12.31.2024
Duration	Germany	7.96	8.68
	Austria	8.50	9.60

The 2018 G mortality tables (RT) by Klaus Heubeck were used for the assumptions of the biometric calculation bases.

Sensitivity analysis for the defined benefit obligations

The following sensitivity analysis describes the effects of possible adjustments in the material actuarial assumptions for measurement on the defined benefit obligation as at the reporting date. A change in the measurement assumptions to the extent described below would have the following effects on the present value of the benefit obligation, assuming the other assumptions remain unchanged.

in EUR thousand		Increase/decrease of the defined benefit obligations as at 12.31.2025	Increase/decrease of the defined benefit obligations as at 12.31.2024
Discount rate	Increase by 100 basis points	-2,528	-2,731
	Decrease by 100 basis points	2,144	2,296
Projected salary increase	Increase by 50 basis points	64	59
	Decrease by 50 basis points	-70	-66
Projected pension increase	Increase by 25 basis points	4	4
	Decrease by 25 basis points	-4	-5

The sensitivity analysis was carried out separately for the discount rate, the salary increase rate, and the projected pension increase. For this purpose, further actuarial evaluations were made for both the increase and for the decrease of the assumptions.

Description of the plans

As the companies of the GD Towers Group are wholly owned by Deutsche Telekom until January 31, 2023, the contracts agreed by Deutsche Telekom also largely apply to the companies of the GD Towers Group.

In Germany there are commitments for pension and disability benefits for a majority of employees as well as pension benefits for their surviving dependents. As part of a reorganization of the company pension plan, a capital account plan was introduced across Germany in 1997 for active employees. The relevant collective agreements and works agreements apply to the companies in the GD Towers Group. This is an employer-financed, contribution-based defined benefit plan. The salary-linked contributions granted annually earn interest in advance for each year of provision up to age 60, calculated using age-based factors, converting the contribution into a guaranteed insured amount. The advance interest rate currently stands at 3.50 percent p.a. (target interest rate for the capital account plan).

The period for providing these contributions to the capital accounts plan is initially limited to ten future contribution years. The contribution period will be extended automatically every year by a further year, unless terminated. The insured amounts accumulated over the period of active service are paid out if an insured event arises, primarily in the form of a lump sum. Hence there is only a limited longevity risk for these commitments. Based on the payment guidelines and the structure of the capital account plan, the employer can plan for this, and there is only a small risk inherent in the plan with regard to the volatility of remuneration dynamics.

In October 2020, Deutsche Telekom and the ver.di trade union had agreed to gradually restructure the collectively agreed risk benefits (death in the active phase and/or disability) in the company pension scheme for employees covered and not covered by collective agreements in Germany. Under the previous structure, the pension credit accrued through the capital account plan was paid out in the case of a risk event. The revised rules abolish this in favour of paying out a sum equivalent to an annual target salary of the employee. Grandfather clauses have been included for employees who have worked for the company for longer periods and part-time employees. These changes took effect in October 2021. As a result of the change from an annual (pro rata) contribution to payment of a lump sum, the employer has since then granted the risk benefit irrespective of the employee's length of service with the company. Risk benefit payments are thus directly recognized as expenses in the payout year. Provisions recognized according to the previous rules under provisions for pensions and other employee benefits for entitlements after the restructuring takes effect were measured under the new rules using the respective discount rate at the transition date and reversed through profit or loss in the fourth quarter of 2020 for employees covered by pay-scale agreements and in the first quarter of 2021 for non-pay-scale employees. To the extent that defined benefit plans in Germany grant annuities, the future adjustment for these pensions, except for insignificant exceptions, is bindingly defined in the existing benefit regulations. A change in the assumptions for the general projected pension increase in Germany, therefore, only has an immaterial impact on the defined benefit obligations. As a change in life expectancy mainly impacts on the obligations from legacy pension commitments and, since 1997, commitments have been granted in the form of capital, the significance of the risk resulting from the change in life expectancy is expected to decline for the Group over subsequent years.

Total benefit payments expected

As at December 31, 2025:

in EUR thousand	2026	2027	2028	2029	2030
Benefits paid form pension provisions	335	2,325	2,906	3,006	2,047

As at December 31, 2024:

in EUR thousand	2025	2026	2027	2028	2029
Benefits paid form pension provisions	384	2,715	3,995	2,595	2,236

4.11 Other provisions

in EUR thousand	Provisions for restoration obligations	Other personnel provisions	Provisions for litigation risks	Miscellaneous other provisions	Total
As at January 1, 2024	**1,282,242**	**10,554**	**833**	**42,451**	**1,336,080**
thereof short-term	8,702	9,182	833	39,943	**58,660**
Addition	382,595	18,702	346	5,668	**407,311**
Use	-738	-10,633	-450	-28,791	**-40,612**
Reversal	-508,434	-328	0	-5,796	**-514,558**
Interest effect	61,631	511	0	34	**62,176**
Other changes	0	-789	0	0	**-789**
As at December 31, 2024	**1,217,296**	**18,017**	**729**	**13,566**	**1,249,608**
thereof short-term	20,659	16,329	729	11,316	**49,033**
Addition	271,253	22,580	309	24,649	**318,791**
Use	-1,309	-15,905	-140	-2,667	**-20,021**
Reversal	-260,966	-3,674	0	-2,228	**-266,868**
Interest effect	51,758	262	0	11	**52,031**
Other changes	0	-606	0	8,309	**7,703**
As at December 31, 2025	**1,278,032**	**20,674**	**898**	**41,640**	**1,341,244**
thereof short-term	9,811	17,086	898	39,616	**67,411**

The provisions for restoration obligations include the estimated costs for dismantling and removing assets and restoring the sites on which they are located. The determination is typically associated with corresponding uncertainties. The estimated costs are part of the acquisition and production costs of the assets concerned. The change is primarily due to the adjustment of the cost estimate, the inflation rate, and the discount rate.

Other personnel provisions mainly include costs for variable remuneration, phased retirement arrangements, outstanding vacation and flexitime, other personnel costs, and social security contributions.

The obligations from phased retirement employment were calculated actuarially. The calculation is based on a discount rate of 2.64 percent p.a. (December 31, 2024: 2.71 percent p.a.) and a salary trend of 1.25 percent p.a. (December 31, 2024: 1.25 percent p.a.). The obligations from phased retirement employment as at December 31, 2025, in the amount of 11,414 kEUR (December 31, 2024: 9,845 kEUR) were offset by plan assets in accordance with IAS 19.8 in the amount of 7,587 kEUR (31 December 2024: 6,980 kEUR).

The provisions for litigation risks mainly relate to possible claims from ongoing legal proceedings.

The remaining other provisions relate, in particular, to provisions for fees stemming from contracts, impending losses, and other smaller individual items such as costs for audits of the annual financial statements.

In the measurement of the other provisions, GD Towers is exposed to interest rate fluctuations, which is why the effect of a possible change in the interest rate on the principal non-current provisions was simulated. The other, non-staff-related provisions are discounted using maturity-related discount rates. To this end, GD Towers determines discount rates with maturities of up to 30 years. In 2025, the discount rates ranged from 1.79 percent to 5.47 percent. If the discount rate had been increased by 50 basis points with otherwise unchanged assumptions, the present value of the material, non-current other provisions would have been 122,218 kEUR (December 31, 2024: 118,678 kEUR) lower. A reduction in the discount rate by 50 basis points would lead to an increase in the present value of the material non-current other provisions by 130,484 kEUR (December 31, 2024: 126,463 kEUR) with otherwise unchanged assumptions.

4.12 Other liabilities

in EUR thousand	12.31.2025	12.31.2024
Other non-current liabilities		
Deferred income	147,591	118,306
	147,591	**118,306**
Other current liabilities		
Deferred income	22,069	24,085
Value added tax and other liabilities to tax authorities	21,618	13,813
Other liabilities	359	274
	44,046	**38,172**
	191,637	**156,478**

Deferrals mainly include deferred net revenue from rents paid in advance that are not economically attributable to the financial year. The increase in non-current deferrals is due to higher one-time rental payments for the coming financial years.

VAT and other liabilities vis-a-vis tax authorities increased due to a higher VAT payment obligation as at the reporting date.

4.13 Equity

The development of equity can be seen in the statement of changes in equity.

The negative equity recognized in the consolidated financial statements is not relevant for covenant agreements with the financing banks, nor is it relevant under company law. In Germany, the equity of GD Towers Holding GmbH in the individual financial statements under the German Commercial Code (HGB) is of particular significance under company law. This amounted to 4,597 EUR million as at December 31, 2025 (December 31, 2024: 5,574 EUR million).

Capital stock

The share capital of GD Towers Holding GmbH remained unchanged at 1,276 kEUR as at December 31, 2025.

The share capital is made up of 1,275,640 business shares with a value of 1 Euro each and is distributed among the shareholders as follows:

- Deutsche Telekom Towers Holding GmbH 624,684
- Salsa BidCo GmbH 650,180
- GD Towers Management Investment Holding GmbH 776

As part of the introduction of the management incentive program, 380 business shares in Deutsche Telekom Towers Holding GmbH and 396 business shares in Salsa BidCo GmbH were transferred to the newly established company GD Towers Management Investment Holding GmbH in the 2025 financial year.

Capital reserves

Due to a repayment in the 2025 financial year in the amount of 702.9 EUR million to -5,982 EUR million (December 31, 2024: -5,279 EUR million), the capital reserve decreased.

The negative capital reserve is due to the restructuring carried out in connection with the reorganization to create the target structure, which took place in the course of the sale of shares to Salsa. Due to the application of the carryover basis method, the assets and liabilities were recognized at carrying amounts. As shares were previously acquired at fair value as part of the restructuring, there is a consolidation-related negative effect of 5,221 EUR million on equity.

Retained earnings

Retained earnings amounted to 1,203 EUR million as at December 31, 2025 (December 31, 2024: 1,579 EUR million) and mainly include retained profits from previous financial years. The decrease when compared to the 2024 financial year is due to the profit distribution to the shareholders in the amount of 597.1 EUR million.

Accumulated other comprehensive income

Accumulated other comprehensive income includes amounts that are recognized in other comprehensive income as part of an effective hedging relationship. These are the fluctuations in the fair value of interest rate hedging transactions and the respective tax effects. The cumulative value before taxes recognized in other comprehensive income as at the balance sheet date is -49,171 kEUR (December 31, 2024: -92,668 kEUR). For further details, see note 7. Financial instruments.

Actuarial gains and losses from defined benefit obligations, including the respective tax effects, are also included in accumulated other comprehensive income. The cumulative value before taxes recognized in other comprehensive income as at the balance sheet date is -20 kEUR (December 31, 2024: -1,088 kEUR). For further details, see note 4.10 Provisions for pensions and other employee benefits.

Capital management

Capital management is designed to support the implementation of the GD Towers Group’s strategy and the associated long-term financial targets. In doing so, the Management Board pursues the concept of value-oriented corporate management.

The expectations of the various stakeholders (shareholders, lenders, customers, employees, suppliers, and the general public) are to be harmonized so that sufficient funds are available for an attractive dividend policy, debt reduction, a responsible personnel policy, and investments in sustainable corporate growth.

It is also ensured that all Group companies can operate on a going concern basis.

Managed capital includes financial liabilities, cash, and cash equivalents as well as equity. In the short term, the capital is managed in particular via the shareholder loans and the two credit lines (“Capex Facility” and “Revolving Credit Facility”).

5. Notes to the consolidated statement of income

5.1 Net revenue

The net revenue generated in the financial year are made up as follows:

in EUR thousand	2025	2024
Net revenue from rentals	1,302,227	1,218,802
Net revenue from services	100,083	84,090
	1,402,310	**1,302,892**

“Net revenue from rentals” comprise net revenue from leases in accordance with IFRS 16, which was generated by GD Towers from long-term lease agreements as part of the rental of space on its radio infrastructure.

“Net revenue from services” comprises net revenue from contracts with customers in accordance with IFRS 15, which generally includes revenue from the provision of energy and other services.

5.2 Goods and services purchased

in EUR thousand	2025	2024
Expenses for raw materials and supplies	-62,816	-51,668
Expenses for merchandise	-60	-38
Expenses for services purchased	-104,895	-97,724
	-167,771	**-149,430**

The expenses for raw materials and consumables mainly include expenses for energy, gas, and water. The cost of services purchased primarily includes expenses for facility management and other purchased construction services.

5.3 Personnel costs

The following table shows the expenses for employee benefits:

in EUR thousand	2025	2024
Wages and salaries	-84,063	-71,867
Social security contributions and pension benefit costs	-16,645	-14,290
	-100,708	**-86,157**

For information on the number of employees, see note 8.1 Employee base.

5.4 Other operating expenses

in EUR thousand	2025	2024
Expenses for IT services	-20,716	-22,669
Other administrative expenses and fees	-14,722	-12,498
Other personnel services	-12,185	-9,825
Expenses from the disposal of non-current assets	-7,885	-3,732
Expenses for legal and audit costs	-6,526	-4,714
Personnel-related expenses	-6,431	-6,423
Expenses for consulting costs	-2,702	-2,735
Rental expenses for other equipment, plant, and office equipment	-2,416	-2,994
Marketing expenses	-489	-442
Result from receivables written off	-54	-159
Result from the impairment of receivables	-28	-87
	-74,154	**-66,278**

The increase in other operating expenses is primarily due to other personnel services, expenses for legal and auditing costs and losses from asset disposals. Due to time-intensive IT projects, more external labor was also utilized. This led to an increase in other personnel services. Legal and auditing costs increased compared to the previous year due to various special projects. Losses from asset disposals rose due to an increase in completed restoration obligations.

5.5 Net financial result

in EUR thousand	2025	2024
Financial income		
Interest income	18,403	83,070
Profit from carrying amount adjustments on financial liabilities	72,494	0
Other financial income	448	7
	91,345	**83,077**
Finance costs		
Interest expenses	-347,053	-377,760
Other finance costs	-101,200	-96,999
	-448,253	**-474,759**
Net financial result	**-356,908**	**-391,682**

Interest income of 14,558 kEUR (2024: 77,960 kEUR) results from interest income from derivative financial instruments that are used as hedging instruments against interest rate risks. The profit from the carrying amount adjustment of 72,494 kEUR results from the modification of the Senior Facilities Agreement. For further details see note 4.9 Financial liabilities.

Interest expenses mainly include interest expenses from financial liabilities in the amount of 252,325 kEUR (2024: 292,878 kEUR) and interest expenses from lease liabilities in the amount of 95,346 kEUR (2024: 88,780 kEUR). In the reporting year, interest in the amount of 1,519 kEUR (2024: 4,586 kEUR) was capitalized as part of the acquisition costs.

Other finance costs include 44,234 kEUR (2024: 28,693 kEUR) in expenses from the measurement of derivative financial instruments and 53,045 kEUR (2024: 62,840 kEUR) in net interest income from the compounding of provisions.

For further information on financial income and finance costs, see note 7. Financial instruments.

6. Income taxes

Income taxes were calculated as follows:

in EUR thousand	2025	2024
Current tax expense	-120,152	-121,002
Deferred tax expense	-17,323	-12,953
thereof from loss carryforwards	-5,907	-7,270
thereof from interest carryforwards	-4,955	-2,639
thereof from temporary differences	-6,461	-3,044
	-137,475	**-133,955**

111,105 kEUR of the recognized income taxes relate to the 2025 financial year and 9,047 kEUR to previous years.

For the financial year 2025, the weighted average tax rate of the GD Towers Group is 29.27 percent (2024: 31.6 percent). This comprises the corporation tax rate of 15 percent (2024: 15 percent) plus the solidarity surcharge of 5.5 percent (2024: 5.5 percent) and the average trade tax rate of 13.44 percent (2024: 15.7 percent).

The following reconciliation of income taxes is based on the weighted average tax rate of the GD Towers Group of 29.27 percent (2024: 31.6 percent):

in EUR million	2025	2024
Profit (loss) before income taxes	**343.1**	**354.9**
Expected income tax expense	**100.4**	**112.1**
Tax effects from previous years	2.8	0.0
Non-deductible expenses	11.1	14.8
Tax effects from interest cap	0	0.7
Effects of tax rate changes in deferred taxes	26.3	9.3
Tax rate effects from other tax jurisdictions	-2.8	-4.1
Other tax effects	-0.3	1.2
Income tax expense according to the consolidated income statement	**137.5**	**134.0**
Effective income tax rate	**39.56 %**	**37.76 %**

The non-deductible expenses of 11.1 EUR million (2024: 14.8 EUR million) are attributable to non-deductible interest and rent in connection with trade tax, as well as non-deductible other expenses. The tax rate effects from other tax jurisdictions in the amount of -2.8 EUR million (2024: -4.1 EUR million) include the difference in the tax rate between the company in Austria and the Group tax rate. The effects on the different tax rates between income taxes and deferred taxes reflect the adjustment to the future corporate income tax rate as part of the tax rate reduction from 2028 adopted by the Bundesrat (Federal Council) on July 11, 2025.

The deferred tax assets and liabilities recognized break down as follows:

in EUR thousand	12.31.2025 Deferred tax assets	12.31.2025 Deferred tax liabilities	12.31.2024 Deferred tax assets	12.31.2024 Deferred tax liabilities
Current assets	**5,486**	**772**	**5,275**	**485**
Trade receivables	634	686	0	114
Other financial assets	726	4	2,257	0
Other assets	4,126	82	3,018	371
Non-current assets	**76,106**	**647,604**	**96,719**	**747,183**
Intangible assets	1,368	709	532	2,162
Property, plant, and equipment	60,466	631,018	69,808	714,934
Other financial assets	11,285	15,877	23,004	30,087
Other assets	2,987	0	3,375	0
Current liabilities	**60,782**	**11,763**	**50,980**	**1,898**
Financial liabilities	8,206	8,248	0	202
Lease liabilities	45,818	92	47,430	0
Trade accounts payable	3,192	2,215	1,838	1,199
Other provisions	3,477	1,006	1,420	115
Other liabilities	89	202	292	382
Non-current liabilities	**619,193**	**24,006**	**740,745**	**48,049**
Financial liabilities	4,814	20,775	7,723	14,013
Lease liabilities	437,672	34	485,482	99
Pension provisions	1,951	1,092	8,258	7,070
Other provisions	174,704	1,491	239,177	26,824
Other liabilities	52	614	105	43
Loss carryforwards	**1,648**	**0**	**7,555**	**0**
Interest carryforwards	**0**	**0**	**4,955**	**0**
Impairment	**-11**	**0**	**-20**	**0**
Total	**763,204**	**684,145**	**906,209**	**797,615**
Thereof non-current	660,408	630,871	849,500	795,257
Offset	-670,323	-670,323	-792,349	-792,349
Recognition	**92,881**	**13,822**	**113,860**	**5,266**

Deferred tax assets from loss carryforwards totalled 1,648 kEUR (December 31, 2024: 7,555 kEUR). Of this amount, 1,185 kEUR (December 31, 2024: 7,065 kEUR) is attributable to Towers Infra Austria in Austria and 463 kEUR (December 31, 2024: 490 kEUR) to the Omega companies in Germany. The losses can all be carried forward indefinitely.

No impairments were made to deferred tax assets from loss carryforwards, as these can be fully utilized in the coming years due to positive profit forecasts.

The existing deferred tax assets on interest carryforwards of 4,955 kEUR as at December 31, 2024 were fully utilized in the financial year. In the previous year, these were fully attributable to the German tax group. No deferred tax liabilities were recognized on temporary differences in connection with shares in subsidiaries in the amount of 9,639 kEUR (December 31, 2024: 8,538 kEUR), as it is not probable that these temporary differences will reverse in the foreseeable future.

The income taxes recognized in other comprehensive income are shown in the following overview:

in EUR thousand	2025	2024
Cash flow hedges	-11,733	1,580
Gains (losses) from the remeasurement of defined benefit plans	-479	-195
Total	**-12,212**	**1,385**

7. Financial instruments

Carrying amounts, amounts recognized, and fair values by class and measurement category

The following table contains the measurement categories, carrying amounts, amounts recognized and fair values for the financial instruments, including their fair value hierarchy levels.

When determining the fair value of an asset or liability, the Group uses observable market data as far as possible. Based on the input factors used in the valuation techniques, the fair values are categorized into different levels of the fair value hierarchy:

- **Level 1**: Quoted prices (unadjusted) on active markets for identical assets and liabilities
- **Level 2**: Valuation parameters that are not the quoted prices included in Level 1, but which can be observed for the asset or liability either directly (i.e. as a price) or indirectly (i.e. derived from prices)
- **Level 3**: Valuation parameters for assets or liabilities that are not based on observable market data

			Amounts recognized in the statement of financial position in accordance with IFRS 9						
in EUR thousand	**Measurement category in accordance with IFRS 9**	**Carrying amount 12.31.2025**	**Amortized acquisition costs**	**Fair value through profit and loss**	**Fair value through other comprehensive income with recycling to profit or loss**	**Fair value through other comprehensive income without recycling to profit and loss**	**Amounts recognized in the statement of financial position in accordance with IFRS 16**	**Fair value as at 12.31.2025**	**Fair value hierarchy level**
Cash and cash equivalents	AC	304,614	304,614						
Trade receivables	AC	80,453	80,453						
Other financial assets									
Other receivables	AC	38,682	38,682					38,682	2
Derivatives with a hedging relationship	n.a.	19,948			19,948			19,948	2
Embedded derivatives (private placement)	FVTPL	1,813		1,813				1,813	3
Total financial assets		**445,510**	**423,749**	**1,813**	**19,948**	**0**		**60,443**	
Trade accounts payable	AC	142,299	142,299						
Liabilities from private placements	AC	2,497,135	2,497,135					2,640,480	2
Liabilities to banks	AC	3,438,079	3,438,079					3,686,250	2
Liabilities to shareholders	AC	228,184	228,184					229,927	2
Other non-interest-bearing liabilities	AC	7,221	7,221						
Lease liabilities	n.a.	2,226,164					2,226,164		
Total financial liabilities		**8,539,082**	**6,312,918**	**0**	**0**	**0**	**2,226,164**	**6,555,657**	

in EUR thousand	Measurement category in accordance with IFRS 9	Carrying amount 12.31.2024	Amounts recognized in the statement of financial position in accordance with IFRS 9: Amortized acquisition costs	Fair value through profit and loss	Fair value through other comprehensive income with recycling to profit or loss	Fair value through other comprehensive income without recycling to profit and loss	Amounts recognized in the statement of financial position in accordance with IFRS 16	Fair value as at 12.31.2024	Fair value hierarchy level
Cash and cash equivalents	AC	98,282	98,282						
Trade receivables	AC	36,336	36,336						
Other financial assets									
Other receivables	AC	35,265	35,265					35,265	2
Derivatives with a hedging relationship	n.a.	28,531			28,531			28,531	2
Total financial assets		**198,414**	**169,883**	**0**	**28,531**	**0**		**63,796**	
Trade accounts payable	AC	151,370	151,370						
Liabilities to banks	AC	4,582,599	4,582,599					4,935,219	2
Liabilities to shareholders	AC	136,304	136,304					140,398	2
Derivative financial liabilities	n.a.	6,110			6,110			6,110	2
Other non-interest-bearing liabilities	AC	28,888	28,888						
Lease liabilities	n.a.	2,156,413					2,156,413		
Total financial liabilities		**7,061,684**	**4,899,161**	**0**	**6,110**	**0**	**2,156,413**	**5,081,727**	

For cash and cash equivalents, trade receivables, trade payables and other non-interest-bearing liabilities measured at amortized cost, the carrying amount represents an appropriate approximation of the fair value due to the short remaining maturities, meaning that the partial exemption in accordance with IFRS 7.29a) was applied. In addition, the partial exemption in accordance with IFRS 7.29d) was used to disclose the fair value of lease liabilities. As in the previous year, there were no reclassifications between the categories of financial instruments in the 2025 financial year.

The fair values of liabilities from private placements, liabilities to banks and shareholders are calculated as the present values of the payments associated with the debts, based on the applicable yield curve and the credit spread curve for specific currencies of GD Towers. The fair values of other receivables are calculated as the present values of the payments associated with the receivables, based on the applicable yield curve and the default risk of the debtors.

Since there are no market prices available for the derivative financial instruments in the portfolio assigned to Level 2 because they are not listed on the market, the fair values are calculated using standard financial valuation models, based entirely on observable inputs. The fair value of derivatives is the price that GD Towers would receive or have to pay if the financial instrument were transferred at the reporting date. Interest rates of counterparties relevant as at the reporting date are used in this respect. In the case of interest-bearing derivatives, a distinction is made between the clean price and the dirty price. In contrast to the clean price, the dirty price also includes the interest accrued. The fair values carried correspond to the full fair value or the dirty price.

The derivatives classified as Level 3 that are not designated in a hedging relationship (and which form part of derivative financial assets) comprise embedded termination options contained in issued private placements, which are recognized separately, with a carrying amount of 1.8 EUR million. The options – which can be exercised at any time – allow the private placements to be redeemed early at fixed exercise prices, taking into account a variable make whole amount. The valuation of the option using the option pricing model is based on unobservable input factors.

Development of the carrying amounts of the derivative financial assets allocated to Level 3 (FVTPL):

in EUR thousand	
Carrying amount January 1, 2025	**0**
Additions (incl. first-time classification as Level 3)	2,654
Impairment losses recognized in profit or loss (unrealized)	-908
Gains recognized in profit or loss (unrealized)	67
Ending balance December 31, 2025	**1,813**

ATM swaption volatilities are used to simulate the risk-free interest rate. The credit spread is based on historical volatilities from CDS benchmark spreads. The risk-free interest rate and credit spread were simulated, taking into account a correlation. The CDS spread was used as a significant, unobservable input factor as at the current reporting date:

in bps	CDS spread
Non-swapped private placements (EUR)	121 - 153
Swapped private placements (USD)	121 - 153
Swapped private placements (CAD)	144 - 153
Swapped private placements (GBP)	144

If other values had been used for the credit spreads, the fair values would have been different. If the credit spread had been 100 basis points higher (lower) on the reporting date, the fair value of the options would have been 1.2 EUR million (3.0 EUR million) lower (higher).

In the reporting period, a net result (expense) of 0.8 EUR million for unrealized losses was recognized in the other net financial result for the options held on the reporting date as part of Level 3 measurement. Please refer to the table above for the development of the carrying amounts in the reporting period.

Net gain/loss by measurement category

in EUR thousand	2025	2024
Financial assets		
Debt instruments measured at amortized cost	3,763	4,764
thereof from interest	3,845	5,010
thereof from impairments	-28	-87
thereof from derecognition	-54	-159
Financial liabilities		
Financial liabilities measured at amortized cost	-179,832	-292,893
thereof from interest	-252,326	-292,879
thereof gains from carrying amount adjustments	72,494	0
thereof from currency translation	-	-14
	-176,069	**-288,129**

Interest from financial instruments and gains from carrying amount adjustments are recognized in net interest income. The other components of the net result are generally recognized in the other net financial result. This does not include the impairments on trade receivables to be allocated to the measurement category “Debt instruments at amortized cost” and their derecognition, which are reported under other operating expenses.

Basic principles of financial policy and financial risk management

The basic principles of financial policy are determined by the Management Board. Group Treasury is responsible for the implementation of the financial policy and ongoing financial risk management. The treasury function of the GD Towers Group is performed by the treasury department of DFMG Deutsche Funkturm GmbH (Group Treasury). Certain transactions require the prior approval of the Management Board, which is also regularly informed of the scope and amount of the current level of risk. Treasury considers the effective management of default risk, financing and liquidity risk and market risk to be one of its main tasks. The aim of financial risk management is to limit risks that have an impact on the Group's cash flow.

Default risk exposure

The default risk is the risk of financial losses if a contractual party to a financial instrument fails to meet its contractual obligations. The GD Towers Group's default risk generally results from cash and cash equivalents, trade receivables, other financial assets and derivative financial instruments with a positive market value. The carrying amount of the financial assets corresponds to the maximum default risk.

All banking relationships are negotiated by Group Treasury and the CFO. When selecting banking relationships, the assessment of the economic situation of the banks and financial institutions is of great importance, which is mainly based on financial reports and evaluations by major rating agencies. The creditworthiness of banks and financial institutions and their expected defaults are monitored regularly. In view of the high creditworthiness of the counterparties and the short-term availability and contract terms by definition, the theoretical impairment to be recognized for these assets is insignificant, meaning that no impairment of cash and cash equivalents is recognized.

The receivables default risk involves a certain concentration of risk, as a significant proportion of the receivables portfolio is attributable to individual major customers of the Group. Of the gross receivables portfolio of 80,766 kEUR as at December 31, 2025 (December 31, 2024: 36,621 kEUR), 89 percent (December 31, 2024: 72 percent) is attributable to a single-digit number of unrelated major customers in the telecommunications industry operating in Germany and Austria. The common features characterizing the risk concentration are industry affiliation and geographical area. When selecting customers, emphasis is placed on impeccable creditworthiness. Dunning procedures are initiated for overdue receivables and enforcement measures are initiated once these have been completed. For some trade receivables, the Group may obtain collateral in the form of cash deposits and rental guarantees, which can be used in the event of late payment by the counterparty as part of the contractual arrangements.

The simplified impairment model in accordance with IFRS 9 is applied to trade receivables. Impairment losses on trade receivables developed as follows:

in EUR thousand	Total impairments
Opening balance January 1, 2024	**-198**
Additions	-96
Utilizations/reversals	9
Ending balance December 31, 2024/ Opening balance January 1, 2025	**-285**
Additions	-57
Utilizations/reversals	29
Ending balance December 31, 2025	**-313**

No significant losses on receivables occurred in the financial year.

The following table provides information on the credit risk position for trade receivables from third parties as at December 31, 2025 and December 31, 2024:

in EUR thousand

Risk category		Probability of default External rating	Basis for determining the impairment 12.31.2025	12.31.2024
I	low risk	0 % - 0.3 %	74,433	25,696
II	medium risk	0.3 % - 0.7 %	0	1,285
III	above Medium risk	0.7 % - 1.5 %	0	7,034
IV	increased risk	1.5 % - 3.0 %	5,171	2,432
V	high risk	3.0 % - 100 %	952	0
–	Individual	-	210	174
Total			**80,766**	**36,621**

For the other financial assets measured at amortized cost, there is no impairment to be recognized for the expected defaults in the next twelve months in view of the insignificant historical credit losses as at December 31, 2025 and December 31, 2024. In the event of a significant increase in the default risk, the expected credit losses over the term of the respective financial asset are taken into account. As at the reporting date, there were no indicators of a significant increase in the default risk.

Financial and liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its financial obligations as contractually agreed by delivering cash or other financial assets. Group Treasury uses a system-supported treasury management system to manage liquidity risks in order to use financial resources optimally and ensure solvency at all times. The aim of liquidity management is to identify and quantify liquidity requirements and risks, to develop adequate strategies to cover these requirements and to implement these strategies.

Specifically, the GD Towers Group's liquidity management comprises a short-term cash flow forecast (4 weeks) and medium-term liquidity planning. The aim of the short-term cash flow forecast is to provide a permanent overview of the Group's liquidity. In addition, the data is required to identify upcoming payment obligations in order to ensure that sufficient liquidity or unused credit lines are available at all times to meet payment obligations. Liquidity management is complemented by medium-term liquidity planning for the financial year on the basis of budget planning and is updated at least quarterly. This serves, in particular, to identify and analyse deviations from the plan at an early stage and to initiate appropriate countermeasures. As a further component, Group Treasury has implemented a Group-wide cash pooling system to enable efficient use of the Group's liquidity while at the same time optimizing financing costs.

As at December 31, 2025, the liquid funds of the Group amounted to 304.6 EUR million (December 31, 2024: 98.3 EUR million). In addition, there are firmly committed collateralized credit lines in the amount of 1,150 EUR million (December 31, 2024: 1,150 EUR million), in order to ensure further financial flexibility. As at December 31, 2025, these bank lines had not been utilized (December 31, 2024: 586.6 EUR million). For further information on the financing of the GD Towers Group, see note 4.9 Financial liabilities.

In addition to the credit lines, the Group has access to bank financing (Facility A) in the amount of 3.5 EUR billion (December 31, 2024: 4.05 EUR billion) with a term until February 1, 2030 and a private placement in the amount of 2.5 EUR billion with a term of between 7 and 15 years, depending on the respective tranche (see note 4.9 Financial liabilities). Due to their high volume, some of the financing arrangements are exposed to a considerable refinancing risk. To limit these risks, the Group is in constant contact with many different market participants, continuously monitors all available financing options on the capital and banking markets and uses them in a targeted manner. Adequate refinancing is to be ensured through early review before the respective final maturity. With regard to the existing instruments for hedging the interest rate risk, see the explanations in the note on hedging instruments in this chapter.

Under the existing loan agreements, the GD Towers Group is obliged to comply with certain financial covenants, specifically leverage and interest cover. If these financial covenants are breached and cure periods are not observed and no mutually acceptable solution is found with the lenders, the financing may be restructured. If all the usual solutions are unsuccessful, the lenders have the option of calling in the financing. Compliance with these financial covenants is continuously monitored by Group Treasury based on current actual figures and budgets.

The following table shows the contractually agreed non-discounted payments of the original financial liabilities, lease liabilities, as well as the derivative financial instruments with positive and negative fair value. It includes, as in the previous year, all instruments that were in existence on December 31, 2025, and for which payments were contractually agreed upon. Planned figures for future new liabilities were not included. Variable interest payments from the financial instruments were determined based on the interest rates set last before December 31, 2025. Financial liabilities that can be repaid at any time are allocated to the earliest repayment period.

			Due in the financial year					
in EUR thousand	**Carrying amount 12.31.2025**	**Contractual cash flows**	**2026**	**2027**	**2028**	**2029**	**2030**	**After 2030**
Primary financial liabilities								
Liabilities from private placements[1]	-2,495,322	-3,696,316	-118,776	-110,776	-110,776	-110,776	-110,776	-3,134,436
Liabilities to banks	-3,438,079	-4,159,442	-75,800	-158,967	-157,457	-165,133	-3,602,085	0
Liabilities to shareholders	-228,184	-235,267	-203,184	-1,000	-1,000	-1,000	-1,000	-28,083
Trade accounts payable	-142,299	-142,299	-142,299	0	0	0	0	0
Other non-interest-bearing liabilities	-7,221	-7,221	-7,221	0	0	0	0	0
Lease agreement liabilities	-2,226,164	-2,806,178	-280,115	-278,315	-276,376	-274,729	-272,061	-1,424,582
Derivative financial assets								
Interest rate derivatives in connection with cash flow hedges	19,948	20,651	11,271	7,618	1,762	0	0	0
Total	**-8,517,321**	**-11,026,072**	**-816,124**	**-541,440**	**-543,847**	**-551,638**	**-3,985,922**	**-4,587,101**

1) In accordance with IFRS 7.B11A, embedded derivatives are not separated from a hybrid financial instrument when analysing the maturity of financial liabilities. The disclosure requirements for non-derivative financial liabilities are applied to such instruments. Therefore, the contractual cash flows associated with the derivative embedded in the private placements were also included.

in EUR thousand	Carrying amount 12.31.2024	Contractual cash flows	Due in the financial year 2025	2026	2027	2028	2029	After 2029
Primary financial liabilities								
Liabilities to banks	-4,582,599	-5,562,922	-319,513	-173,106	-177,705	-182,518	-186,141	-4,523,939
Liabilities to shareholders	-136,304	-149,557	-116,474	-1,000	-1,000	-1,000	-1,000	-29,083
Trade accounts payable	-151,370	-151,370	-151,370	0	0	0	0	0
Other non-interest-bearing liabilities	-28,888	-28,888	-28,888	0	0	0	0	0
Lease agreement liabilities	-2,156,413	-2,734,776	-265,311	-263,127	-262,055	-260,494	-259,475	-1,424,314
Derivative financial liabilities								
Interest rate derivatives in connection with cash flow hedges	-6,110	-6,649	-614	-2,357	-1,569	-1,152	-880	-77
Derivative financial assets								
Interest rate derivatives in connection with cash flow hedges	28,531	29,357	15,676	4,427	8,206	1,048	0	0
Total	**-7,033,153**	**-8,604,805**	**-866,494**	**-435,163**	**-434,123**	**-444,116**	**-447,496**	**-5,977,413**

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will change due to fluctuations in market prices. The market risk of GD Towers essentially comprises the risk of changes in interest rates.

Interest rate risks are managed as part of interest rate management. A minimum hedge ratio of 80 percent is stipulated in the loan agreement for Facility A and the Capex facility under the SFA. This applies for the entire term of the current financing. The Revolving Credit Facility (RCF) is excluded from this, as it is short-term by nature and is therefore not hedged. The composition of the liability portfolio (fixed/variable ratio) is managed both by taking up primary financial instruments and, if necessary, by using derivative financial instruments. The GD Towers Group uses derivative financial instruments primarily to hedge future interest payment flows in the form of interest rate swaps, i.e. they are not used for trading or other speculative purposes. In order to reduce the default risk, hedging instruments are only concluded with leading financial institutions (see the explanations in the default risk note of this chapter).

Including derivative hedging instruments, 99 percent (December 31, 2024: 99 percent) of the relevant debt items had fixed interest rates as at the reporting date of December 31, 2025. There were no significant fluctuations over the course of the reporting year.

Interest rate risks are presented using sensitivity analyses in accordance with IFRS 7. These show the effects of changes in market interest rates on interest payments, interest income and expenses, other earnings components and, where applicable, equity. The interest rate sensitivity analyses are based on the following assumptions: changes in market interest rates for non-derivative financial instruments with fixed interest rates only affect the result if they are measured at fair value. Accordingly, all fixed-interest financial instruments measured at amortized cost are not subject to interest rate risks within the meaning of IFRS 7.

If market interest rates had been 100 basis points higher as at December 31, 2025, earnings before taxes would have been 49.4 EUR million lower (December 31, 2024: 17.8 EUR million) and the hedging reserve in equity would have been 47.5 EUR million higher (December 31, 2024: 132.7 EUR million). If market interest rates had been 100 basis points lower as at December 31, 2025, earnings before taxes would have been 48.0 EUR million lower (December 31, 2024: 34.8 EUR million) and the hedging reserve in equity before taxes would have been 50.9 EUR million higher (December 31, 2024: 85.8 EUR million lower).

hedging instruments
Cash flow hedges – interest rate risks

The GD Towers Group uses payer interest rate swaps and forward-payer interest rate swaps to hedge the cash flow risk of existing and future debt. The interest payments to be made in the hedging period are the hedged items and are recognized in profit or loss in the same period. Hedged items may be individual liabilities or portfolios of liabilities. The changes in the cash flows of the hedged items resulting from changes in the EURIBOR rate are offset against the changes in the cash flows of the interest rate swaps. The aim of this hedging is to transform the variable-interest loans into fixed-income debt, thus hedging the cash flow of the financial liabilities. Credit risks are not part of the hedging and, on account of GD Towers credit rating, have only an immaterial effect on the changes in the fair value of the hedged item.

The effectiveness of the cash flow hedges is reviewed prospectively at each reporting date using the main contractual features and a sensitivity analysis and calculated retrospectively using an effectiveness test based on the hypothetical derivative method. As at the reporting date, all designated hedging relationships were sufficiently effective. Income or expenses from changes in the fair value of hedging instruments that exceed the changes in the fair value of the underlying transactions are recognized as the ineffective portion of cash flow hedges. This ineffectiveness within the hedging relationship arises from differences in the parameters between the hedging instrument and the hedged item.

The main causes of ineffectiveness in the context of existing hedging relationships are:

- the effects of the credit risk of the counterparties and the Group on the fair value of the hedging transactions that are not reflected in the change in the fair value of the hedged item,
- the existing lower limits of the reference interest rate in the hedged item (interest rate floor),
- the initial market value of the hedging instrument is not equal to zero at the time of designation of the hedging relationship (late designation).

For a hedging transaction in the amount of 4,050 EUR million the initial market value of the hedging instrument at the designation date February 01, 2023, 173 EUR million. The change in the fair value of the hedging instrument shows a remaining maturity effect (pull-to-par effect) at the beginning of the staggered designation date, which describes a gradual decline towards par of the initial non-zero initial value over the residual term (until February 01, 2028), irrespective of the interest rate trend.

Hedging transactions with an average interest rate of 1.94 percent (December 31, 2024: 1.99 percent) were concluded to hedge the interest rate risk. As at December 31, 2025, all hedging instruments in the portfolio (3,498 EUR million) had a term until February 1, 2028. As at December 31, 2024, the total nominal amount of the hedging instruments of 4,470 EUR million was divided into 4,050 EUR million with a term until February 1, 2028, and 420 EUR million with a term until February 1, 2030.

In the course of the partial repayment of Facility A and the Capex Facility (see note 4.9 Financial liabilities), interest rate swaps totalling 1,072 EUR million were reversed in the 2025 financial year. The amounts included in other comprehensive income totalling 7.8 EUR million were reclassified to the statement of income.

Nominal and carrying amounts of derivative financial instruments in hedging relationships

in EUR thousand	12.31.2025				12.31.2024			
		Carrying amount of the hedging instruments				Carrying amount of the hedging instruments		
	Nominal amount of the hedging instruments	Financial assets	Financial liabilities	Change in value of hedging instruments in the financial year to determine ineffectiveness	Nominal amount of the hedging instruments	Financial assets	Financial liabilities	Change in value of hedging instruments in the financial year to determine ineffectiveness
Cash flow hedges Interest rate risk								
EURIBOR	3,498,000	19,948	0	-2,474	4,470,000	28,531	-6,110	-54,705

Hedging instruments are reported in the balance sheet under other financial assets and financial liabilities.

Disclosures on hedged items in hedging relationships

in EUR thousand	Change in the value of the hedged items for the purpose of determining the hedge ineffectiveness in the reporting period	Balance of amounts recognized in other comprehensive income relating to hedged risk (existing hedging relationships)	Presentation of the hedged items in the statement of financial position
Cash flow hedges			
Interest rate risk **2025**	31,893	-49,171	n.a.
Interest rate risk **2024**	26,832	-92,668	n.a.

Gains or losses from hedging relationships

in EUR thousand	Hedge ineffectiveness of existing hedging relationships recognized in profit or loss	Changes in value recognized directly in other comprehensive income	Amounts reclassified from other comprehensive income to the statement of income due to the occurrence of the hedged items (existing hedging relationships)	Amounts reclassified from other comprehensive income to the statement of income due to the repayment of the hedged items (completed hedging relationships)	Total change Other Earnings
Cash flow hedges					
Interest rate risk **2025**	-35,643	50,305	14,558	-7,750	43,497
Interest rate risk **2024**	-28,693	52,346	77,960	0	-25,614

In the consolidated statement of income, the reclassified amounts are reported under interest expenses and the hedge ineffectiveness under other net financial results.

Reconciliation of total other comprehensive income from hedging relationships (excluding taxes)

in EUR thousand	Designated risk components (effective portion) Cash flow hedges – interest rate risk
As at January 1, 2024	**-67,054**
Changes recognized directly in equity	52,346
Reclassifications to the statement of income recognized in profit or loss due to the occurrence of the hedged item	-77,960
As at December 31, 2024	**-92,668**
Changes recognized directly in equity	50,305
Reclassifications to the statement of income recognized in profit or loss due to the occurrence of the hedged item	-6,808
As at December 31, 2025	**-49,171**

8. Other disclosures

8.1 Employee base

During the financial year, the companies included in the consolidated financial statements had an annual average of 815 employees.

	2025	2024
Germany	751	708
Austria	64	56
Overall Group	**815**	**764**
thereof pay-scale employees	713	688
thereof non-pay-scale employees	102	76
Total employees	**815**	**764**

8.2 Disclosures on the cash flow statement

The cash flow statement shows cash inflows and outflows and their effects on the cash and cash equivalents of the GD Towers Group. In accordance with IAS 7, Statement of Cash Flows, a distinction is made between operating activities, investing activities and financing activities.

Cash and cash equivalents exist if they can be converted into cash in the short term (usually within three months). The amount shown in the cash flow statement is essentially made up of cash on hand, bank balances and similar items and corresponds to the value of cash and cash equivalents in the balance sheet.

Within the cash and cash equivalents, bank balances in rental deposit accounts are included, which are subject to a contractual restriction on disposal in the amount of 1,121 kEUR (December 31, 2024: 1,170 kEUR).

GD Towers continues to have unused lines of credit totalling 1,150 EUR million (December 31, 2024: 563.4 EUR million), which consist of a credit line for investments ("Capex Facility") of 1,000 EUR million (December 31, 2024: 543.4 EUR million) and a short-term credit line for working capital ("Revolving Credit Facility") of 150 EUR million (December 31, 2024: 20 EUR million).

The following non-cash transactions took place that had no impact on the cash flow statement:

- The additions to non-current assets due to leases in accordance with IFRS 16 are presented in note 4.8 Lease agreements
- The changes in restoration obligations are shown under the note 4.11 Other provisions

The financial liabilities resulting from financing activities developed as follows:

in EUR thousand	Balance sheet disclosure 12.31.2024	thereof: in cash flow from Financing activities payment to be recognized[1]	Total cash changes in book values
Current financial liabilities	**162,639**	**130,000**	**-133,751**
thereof to banks	132,447	130,000	-132,447
thereof to shareholders	1,304	0	-1,304
thereof from private placement	0	0	0
Non-current financial liabilities	**4,585,152**	**4,585,152**	**1,382,750**
thereof to banks	4,450,152	4,450,152	-995,487
thereof to shareholders	135,000	135,000	-110,000
thereof from private placement	0	0	2,488,237
Derivative financial liabilities	**6,110**	**0**	**-1,047**
Lease liabilities	**2,156,413**	**2,156,413**	**-190,173**
Derivative financial assets	**28,531**	**0**	**3,303**

1) The GD Towers Group has exercised the option under IAS 7.33 and reported the interest payments made and received in the cash flow from operating activities.

	Non-cash changes in book values			
in EUR thousand	Fair value	Other	Carrying amount as at 12.31.2025 of payments Financ-ing activities to be presented in the statement of cash flows[1]	Balance sheet disclosure 12.31.2025
Current financial liabilities	**0**	**190,490**	**4,292**	**219,378**
thereof to banks	0	974	0	974
thereof to shareholders	0	203,184	202,184	203,184
thereof from private placement	0	8,000	0	8,000
Non-current financial liabilities	**0**	**-16,662**	**5,951,240**	**5,951,240**
thereof to banks	0	-17,560	3,437,105	3,437,105
thereof to shareholders	0	0	25,000	25,000
thereof from private placement	0	898	2,489,135	2,489,135
Derivative financial liabilities	**-5,063**	**0**	**0**	**0**
Lease liabilities	**0**	**259,924**	**2,226,164**	**2,226,164**
Derivative financial assets	**-10,073**	**0**	**0**	**21,761**

1) The GD Towers Group has exercised the option under IAS 7.33 and reported the interest payments made and received in the cash flow from operating activities.

in EUR thousand	Balance at 12.31.2023	thereof: in cash flow from Financing activities payment to be recognized[1]	Total cash changes in book values
Current financial liabilities	**33,564**	**0**	**122,399**
thereof to banks	5,062	0	124,938
thereof to shareholders	2,539	0	-2,539
Non-current financial liabilities	**4,747,892**	**4,747,892**	**-188,400**
thereof to banks	4,137,892	4,137,892	286,600
thereof to shareholders	610,000	610,000	-475,000
Derivative financial liabilities	**3,112**	**0**	**0**
Lease liabilities	**2,192,260**	**2,192,260**	**-181,227**
Derivative financial assets	**80,239**	**0**	**0**

1) The GD Towers Group has exercised the option under IAS 7.33 and reported the interest payments made and received in the cash flow from operating activities.

in EUR thousand	Non-cash changes in book values: Fair value	Other	Carrying amount as at 12.31.2024 of payments Financing activities to be presented in the statement of cash flows[1]	Balance at 12.31.2024
Current financial liabilities	**0**	**6,676**	**130,000**	**162,639**
thereof to banks	0	2,447	130,000	132,447
thereof to shareholders	0	1,304	0	1,304
Non-current financial liabilities	**0**	**25,660**	**4,585,152**	**4,585,152**
thereof to banks	0	25,660	4,450,152	4,450,152
thereof to shareholders	0	0	135,000	135,000
Derivative financial liabilities	**2,998**	**0**	**0**	**6,110**
Lease liabilities	**0**	**145,380**	**2,156,413**	**2,156,413**
Derivative financial assets	**-51,708**	**0**	**0**	**28,531**

1) The GD Towers Group has exercised the option under IAS 7.33 and reported the interest payments made and received in the cash flow from operating activities.

8.3 Share-based remuneration

In December 2025, the shareholders of the GD Towers Group introduced a Management Participation Program (hereinafter referred to as “MIP”), which entitles selected members of Executive Management and employees to acquire shares in the company and participate in a special bonus program.

The MIP contains the following three components, which are inextricably linked:
- Indirect acquisition of shares in GD Towers Holding GmbH
- Long-Term Bonus Plan (hereinafter referred to as “LTBP”)
- KPI bonus

The shares in GD Towers Holding are acquired by the beneficiaries directly from the shareholder of GD Towers Management Investment Pool GmbH & Co. KG (hereinafter referred to as “GD Towers Invest”) and may not be resold. A total of 453 shares were granted. As the recipient of the work performance, the GD Towers Group treats this remuneration as equity-settled, share-based remuneration in accordance with IFRS 2. A vesting period is not provided for. The occurrence of a so-called “exit event” (such as an IPO) leads to a sale of the shares held in accordance with the contractual provisions. If no exit event occurs, the beneficiaries can sell their limited partnership interests back to the shareholder of GD Towers Invest at certain times. The selling price corresponds to the fair value at the time of sale.

The other two components – LTBP and KPI bonus – form part of the special bonus program. In accordance with IFRS 2, this is a cash-settled share-based remuneration. The LTBP enables the beneficiaries to receive a bonus payment depending on the fulfilment of operational targets and a threshold value for the investor return and is earned over several years. If an exit event occurs during this period, the entitlement under the LTBP is fully vested with immediate effect. The KPI program enables beneficiaries to receive a bonus payment depending on the achievement of defined KPI targets over a multi-year performance period. As with the LTBP, all entitlements from the KPI program are fully vested when an exit event occurs. In the end, only the higher value of the LTB and KPI entitlement shall be paid out; the lower value shall be forfeited in full.

The fair value of the share-based payments at the date of being granted and at the balance sheet date was determined using recognized financial models. The valuation is based on an external valuation report and was performed on the basis of a Monte Carlo simulation. This takes into account, among other things, the above-mentioned exercise conditions. The relevant valuation parameters are the enterprise value of GD Towers Holding, the risk-free interest rate and volatility.

As the conditions under which the beneficiaries acquired the shares did not grant them any advantage, no expense is to be recognized in the GD Towers Group for equity-settled, share-based remuneration in accordance with IFRS 2. For the LTBP and KPI bonus a provision was recognized in the amount of the anticipated expense, which is distributed pro rata over the vesting period plus defined waiting periods. The effects on the result for the period and the Group’s net assets and financial position were of minor significance.

8.4 Relationships with related companies and persons

The Group companies included in the consolidated financial statements maintain business relationships with related parties as defined by IAS 24. Related parties as defined by IAS 24 are understood to denote companies that exert a significant influence on the company or are controlled, jointly managed or influenced by it. This applies, in particular, to transactions with companies in the DTAG Group and transactions with non-consolidated subsidiaries. These transactions are generally conducted at arm's length conditions.

Related parties

Relationships with shareholders

In connection with the sale of shares, a loan of 835 EUR million was granted by the shareholders for current financing, which is distributed among the shareholders based on their capital shares. The remaining balance of the loan was repaid in full in 2025 (December 31, 2024: 110 EUR million). Interest expenses incurred in the financial year totalled 3.4 EUR million (2024: 24.9 EUR million).

Furthermore, there are extensive business relationships with companies within the DTAG Group, in particular from the leasing of passive infrastructure by GD Towers and the provision of services by DTAG.

The outstanding balances with companies in the DTAG Group are made up as follows:

In EUR million	12.31.2025	12.31.2024
Right of use assets	61.1	54.3
Trade receivables	64.9	20.2
Other financial assets	35.4	32.5
Trade accounts payable	4.3	13.0
Lease liabilities	64.5	55.7
Other financial liabilities (incl. interest)	228.2	26.0

Revenues and services invoiced to and received from companies within the DTAG Group break down as follows:

In EUR million	2025	2024
Revenue	1,040.8	983.6
Other operating income (other cost allocations)	8.3	4.4
Goods and services received	114.7	119.8
Interest expense (leasing)	2.7	2.7

Relationships with other related parties

The outstanding balances with other related parties are made up as follows:

In EUR million	12.31.2025	12.31.2024
Trade accounts payable	0	0.3

The goods and services received from other related parties break down as follows:

In EUR million	2025	2024
Goods and services received	1.5	1.4

These are services received by the non-consolidated subsidiary PreHCM GmbH. Furthermore, PreHCM made a profit distribution – after the deduction of withholding tax – in the amount of 0.3 EUR million (2024: 0 EUR million).

Natural related parties

According to IAS 24, related parties are, among other things, persons who are responsible for the planning, management, and supervision of the company. These include, in particular, the Management Board of GD Towers:

- Dr. Bruno Jacobfeuerborn, CEO
- Philipp Pohlmann, CFO
- Thomas Ried, COO
- Samuel A. Tomic, CPO

The total amount of remuneration for the Management Board in the 2025 financial year was 3,306 kEUR (2024: 2,535 kEUR). Of this amount, 2,938 kEUR (2024: 2,535 kEUR) was incurred for current benefits due, and 368 kEUR (2024: 0 kEUR) for other non-current benefits due.

8.5 Auditor's fees and services in accordance with § 314 German Commercial Code (HGB)

The following table provides a breakdown of the auditor's (Deloitte GmbH) professional fees recognized as expenses in the respective financial year:

in EUR thousand	2025	2024
Auditing services	965	914
Other assurance services	12	14
Tax advisory services	0	0
Other non-audit services	0	0
Auditor's fees	**977**	**928**

8.6 Other financial obligations

The following table provides an overview of GD Towers other financial obligations:

	12.31.2025			
in EUR thousand	Total	Remaining maturities up to 1 year	Remaining maturities 1 year to 5 years	Remaining maturities greater than 5 years
Purchase commitments regarding property, plant and equipment	316,241	315,459	782	0
Other purchase commitments and similar obligations	185,713	68,379	117,334	0
Other obligations	8,556	3,854	4,702	0
	510,510	**387,692**	**122,818**	**0**

	12.31.2024			
in EUR thousand	Total	Remaining maturities up to 1 year	Remaining maturities 1 year to 5 years	Remaining maturities greater than 5 years
Purchase commitments regarding property, plant and equipment	239,314	239,314	0	0
Other purchase commitments and similar obligations	366,939	132,248	234,691	0
Other obligations	9,827	5,012	4,815	0
	616,080	**376,574**	**239,506**	**0**

8.7 Events after the balance sheet date

On December 15, 2025, the GD Towers Group concluded a purchase agreement with “Hessischer Rundfunk” and “Bayrischer Rundfunk” for 116 mast sites in Germany.

This concerns an asset deal for a group of assets without the transfer of a business and, therefore, not within the scope of IFRS 3.

The closing will take place in the 2026 financial year due to conditions that must first be fulfilled and, if necessary, for individual locations in the following 2027 financial year.

On balance, the transaction is of minor financial significance for the Group.

GD Towers Holding GmbH

Group Management Report 2025

as of December 31, 2025

Contents

Group fundamentals

Organization and legal structure

The GD Towers Group, along with its subsidiaries, is one of the leading tower providers in Europe with around 44,300 sites in Germany and Austria.

Since February 1, 2023, 51 percent of GD Towers Holding GmbH has been held by North American financial investors DigitalBridge and Brookfield and 49 percent by Deutsche Telekom AG (hereinafter referred to as Deutsche Telekom). Until February 1, 2023, the companies of the GD Towers Group were affiliated companies of Deutsche Telekom.

The parent company of the GD Towers Group is GD Towers Holding GmbH, based in Bonn, which acts as a holding company for the subsidiaries. In addition to GD Towers Holding as the parent company, the GD Towers Group comprises 10 fully consolidated subsidiaries. DFMG Holding GmbH, Leverkusen (Germany) (hereinafter referred to as DFMG Holding) acts as an investment and financing company. It is responsible for the full-scale management of external financing for the entire Group and holds, either directly or indirectly, the Group's other investments.

DFMG Deutsche Funkturm GmbH, Leverkusen (Germany) (hereinafter referred to as DFMG) and Towers Infra Austria GmbH, Vienna (Austria) (hereinafter referred to as TIA) operate the acquisition, construction and management of antenna carrier sites. This includes, in particular, the leasing of buildings (rooftop sites) and land (towers and masts), the construction of antenna masts, the conversion of existing antenna carrier sites, customer acquisition, the maintenance and operation of existing antenna carriers and the leasing of free capacity at these sites (e.g. for LTE or 5G). Erste DFMG Deutsche Funkturm Vermögens-GmbH, Bonn, (hereinafter referred to as Erste DFMG) owns antenna carriers (towers, masts and standpipes), as well as associated operating buildings and other related assets, which it transfers exclusively to DFMG for use in return for payment. The remaining subsidiaries essentially function as holding companies of the Group.

As part of the reorganization in the 2025 financial year, DFMG's development and construction management function was transferred to DFMG Engineering GmbH & Co. KG, Leverkusen (Germany) (hereinafter referred to as DFMG Engineering). DFMG Engineering thus renders services that cover the entire technical development and construction process, from site search and site planning through to site realization. Group routine functions were transferred to DFMG Corporate Functions GmbH, Leverkusen (Germany) (hereinafter referred to as DFMG Corporate Functions) as part of reorganization efforts. DFMG Corporate Functions, therefore, primarily renders services in the areas of Human Resources (HR), IT and IT System Administration, Controlling, Legal & Compliance, Purchasing, Project Management Office (PMO), Tax and Accounting. Furthermore, central strategic functions such as Transformation, Public Affairs and Treasury were transferred to DFMG Holding as part of the reorganization.

Business model

The primary business of the GD Towers Group's primary business comprises the planning, construction, operation and marketing of antenna carriers at tower, mast, and roof sites. These are located in Germany and Austria. The antenna areas created at the various sites form the basis for leasing to our customers and, therefore, the basis for the GD Towers Group's revenue generation. The services offered to our customers include, in particular, the construction of antenna masts, the conversion and expansion of existing antenna carrier sites (e.g. for LTE or 5G), the leasing of structures (e.g. for roof sites) and land (e.g. for mast sites or towers), the maintenance and operation of existing antenna masts at antenna carrier and technical locations, and the installation of antenna carrier facilities.

The Group's companies offer these services to both private and public companies – such as mobile network operators (MNOs), radio, and broadcasting companies – as well as public authorities and organizations with security tasks (BOS) as part of their broad infrastructure portfolio.

As the demand for antenna carriers is directly linked to developments in the telecommunications market, the market's requirements for MNOs also determine the demand from GD Towers as a radio tower operator.

Current developments in the telecommunications market call, in particular, for further network expansion, network modernization and the expansion of mobile communications. The global trend towards increasing data volumes continues unabated and requires rapid network expansion. One particular focus is the further development of the nationwide network expansion to enable the new 5G generation of mobile communications.

With approximately 800 employees, we are driving forward the expansion of infrastructure for mobile network operators, broadcasters, and digital radio networks for public authorities as part of our business activities.

The current focus of our business strategy is, therefore, on expanding the LTE / 5G network, modernizing the network, and closing so-called "white spots", in order to meet the requirements and wishes of our customers, especially MNOs. With this focus, we are paving the way for the Gigabit Society and creating added value for all our stakeholders.

Management system

The Group-wide management system is designed to support the implementation of the GD Towers Group's strategy and the associated long-term financial targets. In doing so, the Management Board pursues the concept of value-oriented corporate management.

The expectations of the various stakeholders (shareholders, lenders, customers, employees, suppliers, and the general public) are to be harmonized so that sufficient funds are available for an attractive dividend policy, debt reduction, a responsible personnel policy and investments in sustainable corporate growth.

In addition to annual budget planning, the GD Towers Group's reporting system includes monthly management reports and quarterly IFRS reports to the shareholders. These are the subject of both regular management meetings and meetings of the Shareholders' Committee, and they form the basis for key assessments and decisions.

To this end, we use specific performance indicators to measure success reliably and comprehensibly. These are derived from the GD Towers Group's internal reporting system.

The following explanations provide an overview of our most important financial and non-financial performance indicators.

Financial performance indicators

in EUR thousand	01.01.-12.31.2025	01.01.-12.31.2024
Total sales	1,402,310	1,302,892
EBITDA pre IFRS 16 (adjusted for special items)	859,349	791,389
AFFO	417,233	427,354
Cash Capex	408,136	356,943

Total sales

Our operating activities are primarily reflected in sales. These depend on how well we can sell our products and services on the market. The development of sales, therefore, serves as a key parameter for measuring the company's success.

EBITDA pre IFRS 16 (adjusted for special items)

Our operating profitability is measured using the adjusted EBITDA pre IFRS 16, i.e. before the application of IFRS 16 "Lease agreements" and, therefore, as EBITDA adjusted for rental expenses and adjusted for special items. This is calculated on the basis of EBIT (operating result) in accordance with the consolidated statement of income and is adjusted for the amortization of intangible assets, the depreciation of property, plant, and equipment and right-of-use assets. Special items distort the presentation of operating performance and make it more difficult to compare earnings with prior periods. In order to ensure transparent presentation and on the basis of agreements in the Initial Facilities Agreement, we, therefore, adjust our earnings figures.

in EUR thousand	01.01.-12.31.2025	01.01.-12.31.2024
EBIT[1]	**700,038**	**746,611**
Depreciation, amortization and write-downs[1]	439,630	324,191
EBITDA[1]	**1,139,668**	**1,070,802**
Rental expenses (before IFRS 16)	-282,862	-276,614
EBITDA pre IFRS 16	**856,806**	**794,188**
Special items	2,543	-2,799
Adjusted EBITDA pre IFRS 16	**859,349**	**791,389**

1) The key figures are taken from the consolidated statement of income

AFFO

AFFO (adjusted funds from operations) is defined as cash flow from operating activities and is calculated as shown in the following reconciliation based on EBITDA pre IFRS 16 less payments for investments in the maintenance of our facilities, interest payments, and payments for transaction costs incurred in connection with the assumption of financial liabilities, tax payments, and non-cash changes in balance sheet items. It measures the potential for the continuing development of the Group, the creation of organic growth, the ability to pay dividends, and the ability to repay debt

in EUR thousand	01.01.-12.31.2025	01.01.-12.31.2024
EBITDA pre IFRS 16	**856,806**	**794,188**
Investments for maintenance	-23,626	-15,754
Interest (excluding IFRS 16) and other fees	-194,757	-191,508
Taxes paid	-174,709	-71,326
Change in working capital & other non-cash expenses/income	-46,481	-88,246
AFFO	**417,233**	**427,354**

Cash Capex

Cash Capex corresponds to payments for investments in intangible assets (excluding goodwill) and property, plant and equipment, which are recognized as part of cash flow.

The financial performance indicators presented also form part of the loan conditions (covenants) negotiated as part of the Initial Facilities Agreement.

Non-financial performance indicators

In addition to the financial performance indicators, we use the following non-financial performance indicators to measure the company's success:

One of the key non-financial performance indicators is the number of macro sites. Here, we define the number of sites with physical infrastructure that are either close to the ground (masts, towers), on the roof of a building (roof sites, special sites) or rented from a third party (so-called reseller sites) and to which communications equipment is attached to set up a cell in a mobile communications network. Macro sites also include permanently mobile sites. The number of sites is of real importance to the GD Towers Group when estimating sales potential. This means that the number of sites provides a high degree of planning security.

The number of tenants is closely related to the macro sites, given that this is also used to estimate the sales potential, and the development of the macro sites is closely linked to the number of tenants.

In addition to the number of sites and tenants, the construction of BTS is a non-financial performance indicator, in view of the fact that it measures how the overall expansion of the sites is progressing, in order to fulfil the needs and requirements of our customers.

The tenancy ratio is used as a further non-financial performance indicator. We define and calculate the tenancy ratio as the total number of rental agreements at the macro sites divided by the total number of macro sites.

	12.31.2025	12.31.2024
Non-financial performance indicators		
Number of macro sites	44,285	43,490
Number of tenants	59,618	58,538
Tenancy ratio	1.35	1.35
	01.01.-12.31.2025	**01.01.-12.31.2024**
BTS	**865**	**1,098**

Economic report

Macroeconomic and sector-specific operating conditions

In the 2025 financial year, the macroeconomic environment – both nationally and internationally – was characterized by several negative factors: wars in Ukraine and the Middle East, slower economic growth, moderate inflation, as well as increased trade policy uncertainties in light of the new tariffs imposed by the USA. These conditions have had a noticeable impact on the economic outlook worldwide, Europe and Germany have also been affected. Growth in the eurozone, therefore, stood at just 0.9 percent in 2024. Growth of 1.4 percent is expected in 2025, while growth of just 1.3 percent is forecast for 2026. After a decline of 0.5 percent in 2024, growth of 0.2 percent is expected again for Germany in 2025, with a stronger increase to 1.1 percent forecast for 2026. The key factors behind the moderate growth are the aforementioned heightened levels of uncertainty and higher tariffs. When compared to other countries, higher private sector consumption is expected in Germany due to higher real wages and fiscal relief.[1]

Global inflation is expected to decrease further, falling from 4.2 percent in 2025 to 3.7 percent in 2026. In the eurozone, the consumer price index fell from 5.4 percent in 2023 to 2.4 percent in 2024. Consumer prices are expected to fall further to 2.1 percent in 2025. A similar trend is expected for Germany, where the consumer price index is expected to fall from 6 percent in 2023 to 2.5 percent in 2024, to just 2.1 percent in 2025 and 1.8 percent in 2026. This decline is predicted primarily due to falling energy and food prices, as well as an easing of global supply chains.[2]

The labor market in Germany remains tight. While the unemployment rate is expected to rise from 6.0 percent in 2024 to 6.3 percent in 2025, the number of people in employment will largely stagnate, with only a slight increase of 0.1 percent forecast for 2026.[3] This continues to lead to a shortage of labor.

Economic uncertainty remains heightened on balance due to conservative demand forecasts and more restrictive lending policies. These factors are leading to an increasing reluctance among companies to inves, which has contributed to a significant rise in corporate insolvencies in Germany. Corporate insolvencies rose to their highest level in ten years in 2025.[4]

On July 11, 2025, the Bundesrat (Federal Council) in Germany adopted the law for an emergency tax investment program to strengthen Germany as a business location. The law, which came into force on July 19, 2025, provides for the introduction of declining balance depreciation for certain assets and a gradual reduction in the corporation tax rate from 2028. In connection with the improved depreciation and amortization conditions, a partial deferral of income tax payments to future periods can be assumed.

On August 26, 2024, the Cologne Administrative Court (Verwaltungsgericht) declared the rules for awarding 5G frequencies in the 2 GHz and 3.6 GHz ranges of the 2019 auction in Germany to be unlawful. The judgment of the Cologne Administrative Court (Verwaltungsgericht) obligates BNetzA to make a new decision on the applications of Freenet and EWE Tel from 2018 for the imposition of a service provider obligation (in place of a negotiation ban). BNetzA lodged an appeal against the ruling on January 9, 2025. On November 20, 2025, the Federal Administrative Court (Bundesverwaltungsgericht) dismissed the Federal Network Agency's appeals against the rulings of the Cologne Administrative Court (Verwaltungsgericht) of August 26, 2024, on the decision pertaining to the 5G frequency allocation. The relevant frequency allocations remain effective until further notice. Statements of position in this regard can be submitted to the Federal Network Agency until January 12, 2026. The rules for the allocation of frequencies in the 2 GHz and 3.6 GHz ranges shall then be decided anew. This may also have an impact on the Group, as our customers may be directly affected. However, no impact on the GD Towers Group is currently foreseeable, as the further process must be awaited.

1) World Economic Outlook Update, January 2026: Global Economy: Steady amid Divergent Forces
2) World Economic Outlook, October 2025: Global Economy in Flux, Prospects Remain Dim
3) German Council of Economic Experts: "Morgen schaffen, Chancen nicht verspielen", Annual Report 2025/26
4) Insolvencies in Germany, year 2025, Creditreform Economic Research

Development of the global mobile communications market

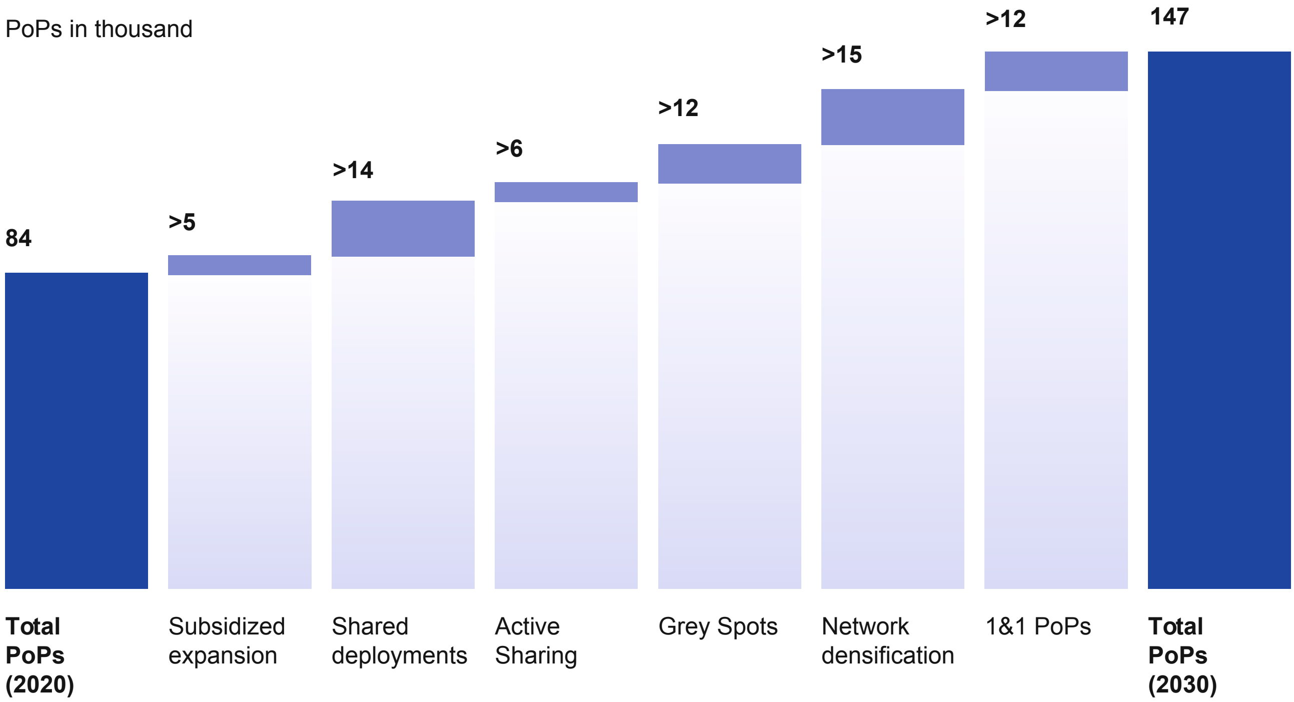
With the introduction of each new generation of mobile phone technologies, users have gone on to consume more data than before. In Europe, data usage continues to grow in response to the increasing spread of smartphones and internet-based applications. The resulting increase in demand from mobile network operators (MNOs) to expand network coverage and densify networks could drive growth in the radio mast infrastructure sector. Demand for macro Points of Presence (PoPs) is expected to continue to rise, driven by the growth in the volume of data required by end consumers and the associated coverage obligations, increasing network densification and 1&1 as the fourth mobile network operator.

In 2024, mobile technologies and services accounted for roughly 5.8 percent of global GDP, which corresponds to an economic contribution of around 6.5 USD trillion. By 2030, this contribution is expected to rise to 11 USD trillion or account for over 8 percent of global GDP. With the growing expansion of 5G, both the need for investment and the requirements for monetizing the technology are increasing. According to a survey by GSMA Intelligence, 5G enjoys a high level of public awareness, but many potential users do not see sufficient added value to pay a premium for the technology when compared to previous generations. This could lead to more intense competition and price pressure. However, linking 5G with mobile devices and digital services could lead to a “unique selling point” that increases the willingness to pay for premium services. Studies also show that 5G users are more likely to add digital services and entertainment offerings to their mobile phone contracts. This opens up new revenue opportunities for mobile phone providers through their own service offerings and partnerships.[5]

Furthermore, it is expected that the use of 5G technology will continue to increase in the years to come and is likely to replace 4G as the most widely used mobile communications standard by 2028. Strong growth is expected – particularly in advanced markets such as Asia-Pacific, North America and Europe, while slower uptake is predicted in emerging markets due to challenges in device affordability and spectrum availability. Over the next six years, mobile technologies are expected to account for 25 percent of efficiency gains in the manufacturing sector, followed by 17 percent in the accommodation and food services sector, and 13 percent in the construction and real estate sector. Furthermore, mobile data traffic is expected to be four times higher by 2030 than in 2024, driven by applications such as video streaming, online games, and new services relating to the Internet of Things (IoT). Video data traffic, in particular, could account for roughly 80 percent of the total mobile data volume by 2028.[6]

5) GSMA – The Mobile Economy 2025
6) GSMA – The Mobile Economy 2024 + 2025

Germany – PoP demand forecast



According to forecasts, 5G technology could contribute more than 930 USD billion to the global economy by 2030. A significant share of growth is expected in developed regions such as East Asia, the Pacific region, North America and Europe, where strong growth in 5G technology is forecast over the next few years. According to GSMA forecasts, between 2023 and 2030, roughly 91 percent of the total investments made by mobile network operators worldwide will go towards the expansion of 5G networks. These investments are heavily focussed on regions such as North America, Europe and developed markets in the Asia-Pacific region, where network densification and expansion potential is greatest.[6]

The introduction of 5G and the associated network densification offer European TowerCos significant potential in terms of revenue growth. One of the key reasons for this is the increasing co-location potential at existing sites, which enables TowerCos to accommodate several mobile communications providers at one location. This growing demand for co-location is being driven by mobile network operators who want to intensify their network coverage by implementing 5G. In addition, the demand for new buildings is increasing, particularly in urban and densely populated areas, where a higher network density is required.[6 7] However, the demand for new buildings is being held back by various challenges, such as steel supply issues, which have arisen due to the diversion of Ukrainian steel production, among other things. This led to delays in the completion of new infrastructure. Nevertheless, the growth potential in the German radio tower sector is expected to be driven by the increasing demand from mobile network operators to expand network coverage and increase network density.[8 9]

In Germany, the number of Points of Presence (PoPs) – which serve as key network nodes for radio mast infrastructure – is expected to increase from 84,000 in 2020 to over 147,000 in 2030.[8] This expansion will be supported by strong demand for 5G-driven services, the increasing number of devices requiring seamless and reliable connectivity, and emerging applications (such as autonomous vehicles and IoT applications). One additional important factor for the growth potential of TowerCos is the modernization of existing infrastructures, which is unavoidable in the course of the introduction of 5G. This includes the replacement of existing RAN antennas to support the new frequency bands and capacities of 5G networks. For established TowerCos, this means additional business opportunities, as they usually take over the coordination of the conversion measures for their anchor customers.[8 9]

6) GSMA – The Mobile Economy 2024 + 2025
7) Ericsson Mobility Report November 2025
8) GSMA – The Mobile Economy 2024 + 2025
9) Ericsson Mobility Report November 2025

The Ericsson forecasts also confirm that 5G will account for over 90 percent of mobile data traffic in Western Europe, North America, and Gulf Cooperation Council countries by 2031, thereby further increasing the need for additional network capacity. The number of 5G subscriptions will grow to 6.4 billion worldwide by 2031, with North America, Northeast Asia and Western Europe leading the way in 5G penetration. Consequently, there are further growth opportunities for increasing the number of locations and Points of Presence (PoPs).[9] While 5G is taking over further market shares, the initial wave of implementations of 6G are already starting. For traditional use cases such as Enhanced Mobile Broadband, Fixed Wireless Access, and the Internet of Things, 6G will improve performance and the scope of service differentiation. As these network technologies open up new possibilities, use cases – such as Large-Scale Digital Twinning, Autonomous Mobility, and Wide Area Mixed Reality – are likely to see wider commercial adoption.[9]

By the end of 2031, roughly 180 million contracts will have been concluded, not including AI-enabled IoT devices – such as autonomous vehicles, smart glasses, and drones. If these are launched on the market much earlier than expected, the forecast is likely to be significantly exceeded.[9]

In addition to technological progress, European TowerCos could increasingly generate growth in future through decisions by national regulatory authorities. The introduction of network coverage obligations means that mobile network operators will be required to provide network coverage of a certain quality in defined areas.

On balance, the number of radio towers in Europe is expected to increase by up to 4 percent annually over the next five years, as the expansion of 5G networks and the growing demand for mobile services continue to drive network coverage and capacity. In Germany, even stronger growth of up to 5 percent per year is forecast, driven, in particular, by the need for additional locations for 5G mid-band and the introduction of small cells for network densification in urban areas.[8 9]

8) GSMA – The Mobile Economy 2025 + 2024
9) Ericsson Mobility Report November 2025

Group business development in 2025

At GD Towers, the 2025 financial year was characterized, in particular, by the expansion of new sites for our customers, the transformation of processes and the IT landscape, as well as refinancing.

in EUR thousand	01.01.-12.31.2025	01.01.-12.31.2024	Change	%
Net revenue	1,402,310	1,302,892	99,418	7.6 %
Increase or reduction of stocks of finished goods and work in progress	7,449	1,834	5,615	306.2 %
Other capitalized own work	38,141	39,477	-1,336	-3.4 %
Total operating performance	**1,447,900**	**1,344,203**	**103,697**	**7.7 %**
Other operating income	34,401	28,464	5,936	20.9 %
Goods and services purchased	-167,771	-149,430	-18,341	12.3 %
Personnel costs	-100,708	-86,157	-14,551	16.9 %
Other operating expenses	-74,154	-66,278	-7,876	11.9 %
EBITDA	**1,139,668**	**1,070,802**	**68,866**	**6.4 %**
Depreciation, amortization and write-downs	-439,630	-324,191	-115,439	35.6 %
EBIT	**700,038**	**746,611**	**-46,574**	**-6.2 %**
Net financial result	-356,908	-391,682	34,774	-8.9 %
EBT	**343,130**	**354,929**	**-11,800**	**-3.3 %**
Income taxes	-137,475	-133,955	-3,520	2.6 %
Income after taxes / consolidated net income	**205,655**	**220,974**	**-15,319**	**-6.9 %**
EBITDA	**1,139,668**	**1,070,802**	**68,866**	**6.4 %**
Rental expenses (before IFRS 16)	-282,862	-276,614	-6,247	2.3 %
EBITDA pre IFRS 16	**856,806**	**794,188**	**62,618**	**7.9 %**
Special items	2,543	-2,799	5,342	-190.9 %
Adjusted EBITDA pre IFRS 16	**859,349**	**791,389**	**67,960**	**8.6 %**

Total sales & site expansion

Total sales in the 2025 financial year amounted to 1,402,310 kEUR and were, therefore, slightly above plan by 3 percent. The increase in total sales was driven, in particular, by the expansion of sites with a constant tenancy ratio (1.35) and the ongoing modernization of the network.

In the 2025 financial year, 865 **BTS** were built. This was 18 percent less than planned due to reprioritization by the customer during the year. As a result, **Cash Capex** was 7 percent below the budgeted volume, as this is associated with site development.

When compared to the beginning of the financial year, the **number of macro sites** increased by a total of 795 sites (net additions, i.e. less disposals) to 44,285. The number of tenants also increased by 1,080 to 59,618 and was, therefore, slightly below the planned level as at December 31, 2025, by 0.2 percent.

The expansion of the sites extends across all clusters (excluding towers).

Costs & result

The **operating costs** rose in line with sales in the financial year due to growth. The cost of materials represents the largest cost component. This, in particular, includes costs for electricity and other additional costs totalling 60,889 kEUR and facility management costs for our sites amounting to 51,251 kEUR. Alongside the cost of materials, personnel expenses naturally represent the second largest cost block, which also rose due to the increase in the number of employees. The increase in other operating expenses is primarily due to other personnel services, expenses for legal and auditing costs, and losses from asset disposals.

The **net financial result** is characterized, in particular, by the external bank financing (“Initial Facilities Agreement”) for a total volume of 4.7 EUR billion as at December 31, 2025 (2024: 5.2 EUR billion) and the refinancing of the GD Towers Group in the fourth quarter of 2025, in order to further optimize the financing structure and reduce the refinancing risk in the form of a private placement (see development of the Group’s net assets and financial position). Interest expenses vis-a-vis banks amounted to 233,209 kEUR (2024: 189,991 kEUR) after deducting interest income from interest rate hedging transactions and interest expenses from the private placement amounted to 8,000 kEUR (2024: 0 kEUR). Further information on refinancing can be found in the notes to the financial statements under “4.9 Financial liabilities”. Interest expenses from lease agreements totalling 95,346 kEUR (2024: 88,780 kEUR) were also incurred in the financial year.

In the financial year, tax expenses totalled 137,475 kEUR (2024: 133,955 kEUR). In relation to reported earnings before taxes (EBT), this results in a tax rate of 40.1 percent (2024: 37.7 percent).

The **special items** in the amount of 2,543 kEUR (2024: -2,799 kEUR) primarily result from extraordinary expenses for IT and consulting costs incurred as part of the transformation of the IT landscape and refinancing. This was offset by income from the adjustment of asset restoration obligations to special items.

The **adjusted EBITDA before application of IFRS 16** amounted to 859,349 kEUR and was, therefore, slightly above the forecast figure by 2 percent due to the positive sales trend.

Net assets and financial position of the Group

Financial position

The financial position of the GD Towers Group is characterized, in particular, by property, plant and equipment, rights of use and liabilities from leases and external financing due to its business activities as a radio tower provider.

in EUR thousand	12.31.2025	in %	12.31.2024	Change	%
Assets					
Cash and cash equivalents	304,614	5.53 %	98,282	206,332	209.9 %
Trade receivables	80,453	1.46 %	36,336	44,117	121.4 %
Intangible assets and property, plant and equipment	2,802,865	50.86 %	2,587,399	215,466	8.3 %
Right of use assets	2,109,269	38.27 %	2,066,309	42,960	2.1 %
Current and non-current financial assets	60,443	1.10 %	63,796	-3,353	-5.3 %
Deferred tax assets	92,881	1.69 %	113,860	-20,979	-18.4 %
Other assets	60,781	1.10 %	37,661	23,120	61.4 %
Balance sheet total	**5,511,306**		**5,003,643**	**507,663**	**10.1 %**
Equity and liabilities					
Current and non-current financial liabilities	6,170,619	111.96 %	4,753,901	1,416,718	29.8 %
Current and non-current lease liabilities	2,226,164	40.39 %	2,156,413	69,751	3.2 %
Trade accounts payable	142,299	2.58 %	151,370	-9,071	-6.0 %
Provisions for pensions and other employee benefits	30,461	0.55 %	29,906	555	1.9 %
Current and non-current other provisions	1,341,244	24.34 %	1,249,608	91,636	7.3 %
Deferred tax liabilities	13,822	0.25 %	5,266	8,556	162.5 %
Other equity and liabilities	197,169	3.58 %	205,659	-8,490	-4.1 %
Equity	-4,610,472	-83.65 %	-3,548,480	-1,061,992	29.9 %
Balance sheet total	**5,511,306**		**5,003,643**	**507,663**	**10.1 %**

The increase in **cash and cash equivalents** of 206,332 kEUR or 209.9 percent to 304,614 kEUR results, in particular, from the private placement that was issued in December 2025. Group Treasury manages cash and cash equivalents centrally, in order to optimize the use of financial resources and ensure solvency at all times.

The increase in intangible assets and property, plant and equipment of 215,466 kEUR or 8.3 percent to 2,802,865 kEUR is almost exclusively attributable to property, plant and equipment. **Property, plant and equipment** includes, in particular, antenna carriers at tower, mast and roof sites. The increase when compared to the previous year is primarily due to the site expansion described above (see "Development of Cash Capex" in the chapter "Group business development in 2025"). The additions to property, plant and equipment in the amount of 658,206 kEUR, therefore, relate, in particular, to masts, standpipes and steel structures for new antenna carrier sites and the conversion to 5G as part of the network modernization.

The increase in **right-of-use assets** of 42,960 kEUR, respectively, 2.1 percent to 2,109,269 kEUR and the corresponding **lease liability** of 69,751 kEUR, respectively, 3.2 percent to 2,226,164 kEUR is primarily due to an increase in the lease agreements concluded.

The increase in **trade receivables** of 44,117 kEUR, respectively, 121.4 percent to 80,453 kEUR is, in particular, due to the reporting date-related increase in receivables from operating lease agreements with our major customers (MNOs).

Financial assets fell by 3,353 kEUR, respectively, 5.3 percent to 60,443 kEUR when compared to the previous year, primarily due to the decline in the market value of the interest rate hedging transaction for the term loan ("Facility A").

When compared to the previous year, **other assets** increased by 23,120 kEUR, respectively, 61.4 percent to 60,781 kEUR. The increase is mainly due to a 12,162 kEUR increase in income tax receivables and a 7,450 kEUR increase in inventories of work in progress in connection with project services not yet completed as part of customer orders.

In addition to lease liabilities, equity and liabilities are characterized, in particular, by financial liabilities. As at December 31, 2025, these mainly include the external financing of the GD Towers Group. The GD Towers Group has concluded the “Initial Facilities Agreement” for a total volume of 4.7 EUR billion as at December 31, 2025 (2024: 5.2 EUR billion) and a term of 7 years (maturing on February 1, 2030) by way of extensive refinancing with a banking consortium consisting of 50 partner banks, migrating the existing “Senior Facilities Agreement” to a Common Terms Platform, which acts as a platform for all current (and future) financial instruments and lists the primary rights and obligations attributable thereto. This consists of a bullet loan (“Facility A”) totalling 3.5 EUR billion (2024: 4.05 EUR billion), a credit line for investments (“Capex Facility”) of 1 EUR billion and a short-term credit line for working capital (“Revolving Credit Facility”) of 150 EUR million. Interest is currently calculated on the basis of the 6-month EURIBOR for Facility A, the 3-month EURIBOR for the Capex Facility and the 1-month EURIBOR for the Revolving Credit Facility. The respective EURIBOR interest rates are capped at 0 percent (interest rate floor). All facilities also have a standardized margin.

Another component of the refinancing is the issue of a private placement totalling 2.5 EUR billion in December 2025. The total volume is divided into the following four tranches:

Tranche 1: Volume 833 EUR million; fixed interest rate 4.12 percent; term 7 years (matures on December 4, 2032)
Tranche 2: Volume 580 EUR million; fixed interest rate 4.46 percent; term 10 years (matures on December 4, 2035)
Tranche 3: Volume 449 EUR million; fixed interest rate 4.56 percent; term 12 years (matures on December 4, 2037)
Tranche 4: Volume 638 EUR million; fixed interest rate 4.72 percent; term 15 years (matures on December 4, 2040)

The shareholders also granted further shareholder loans totaling 835 EUR million with a term of 30 months. Interest on the shareholder loans is based on a fixed interest rate of 6.00 percent p.a. The remaining carrying amount of 110 EUR million as at December 31, 2024 was repaid in full in the 2025 financial year.

Trade payables fell by 9,071 kEUR, respectively, 6 percent to 142,299 kEUR as at the reporting date.

Other provisions include, in particular, provisions for restoration obligations totalling 1,278,032 kEUR (2024: 1,217,296 kEUR). These include the estimated costs for the demolition and removal of assets and the restoration of the sites where the assets are located. The change is primarily due to the adjustment of the cost estimate for the towers and the discount rate. Other provisions mainly include costs for variable remuneration, phased retirement arrangements, outstanding annual leave and flexitime.

Other equity and liabilities mainly include income tax liabilities and deferred income from prepaid rents that are not economically attributable to the financial year. When compared to the previous year, there was a decrease of 8,490 kEUR, respectively, 4.1 percent to 197,169 kEUR, which resulted from a decrease in income tax liabilities. In contrast, deferred income for prepaid rent increased when compared to the previous year.

The negative **equity** of 4,610 kEUR reported in the consolidated financial statements is mainly due to the restructuring performed in connection with the reorganization to create the target structure, which took place as part of the sale of shares to Salsa Bidco GmbH in the previous year. It is neither relevant for covenant agreements with the financing banks, nor does it bear any relevance under company law. In Germany, the equity of GD Towers Holding GmbH in the individual financial statements under the German Commercial Code (HGB) is of particular significance under company law. This amounted to 4,597 EUR million as at December 31, 2025.

Financial position

The financial position of the GD Towers Group in the 2025 financial year was influenced, in particular, by the Group's external financing and investments in site expansion.

in EUR thousand	01.01.-12.31.2025	01.01.-12.31.2024
EBITDA pre IFRS 16	**856,806**	**794,188**
Investments for maintenance	-23,626	-15,754
Interest paid (excluding IFRS 16) and other fees	-194,757	-191,508
Taxes paid	-174,709	-71,326
Change in working capital & other non-cash expenses/income	-46,481	-88,246
AFFO[1]	**417,233**	**427,354**
Cash flow from investing activities		
Payments for investments in:		
Intangible assets	-13,910	-2,737
Property, plant, and equipment	-394,225	-354,206
Financial assets	-3	-1
Proceeds from the disposal of property, plant and equipment	28	98
Cash flow from investing activities	**-408,110**	**-356,846**
Cash flow from financing activities		
Proceeds from issue of current financial liabilities	10,000	191,000
Repayment of current financial liabilities	-140,000	-61,000
Proceeds from issue of non-current financial liabilities	2,600,000	286,600
Repayment of non-current financial liabilities	-1,198,600	-475,000
Repayment of leasing liabilities	-190,173	-181,227
Dividends paid	-597,104	0
Payments from reductions in equity	-500,712	0
Cash flow from financing activities	**-16,589**	**-239,627**

1) AFFO in accordance with internal management (financial performance indicator, see reconciliation in the chapter "Management system"), does not correspond to cash flow from operating activities in accordance with IAS 7 / consolidated cash flow statement

The **AFFO** for the 2025 financial year amounts to 417,233 kEUR and was, therefore, 16 percent above plan. This was, in particular, due to the higher EBITDA pre IFRS 16, as well as lower changes in Net Working Capital (NWC) due to higher incoming payments than planned. The investments for maintenance that were included are at a normal level for the Group and mainly relate to maintenance measures for passive radio infrastructure. The interest paid primarily results from the interest for 2025 under the Initial Facilities Agreement and the interest payments to the shareholders. The taxes paid result from advance payments for income taxes relating to the 2025 financial year and back payments for previous years. In 2025, fees totalling 18,650 kEUR were paid as part of the refinancing. Of this amount, 11,763 kEUR is attributable to the private placement and 6,887 kEUR to the amendment of the Initial Facilities Agreement.

Cash flow from investing activities amounted to -408,110 kEUR for the 2025 financial year and mainly included investments in passive radio infrastructure, in particular, for the expansion of the macro sites (see "Development of Cash Capex" in the chapter "Group business development in 2025").

Cash flow from financing activities amounted to -16,589 kEUR for the 2025 financial year. This is characterized, in particular, by the external financing of GD Towers. The successful issue of the private placement raised 2.5 EUR billion in long-term financial liabilities. Simultaneously, part of the bullet loan totalling 532 EUR million was repaid. Furthermore, repayments of shareholder loans totalling 110 EUR million and repayments of lease liabilities amounting to 190 EUR million were made in the financial year. Furthermore, payments to shareholders through dividends and repayments of capital reserves totalled 1,098 EUR million.

Opportunity and risk report

Risk management

Risk identification and reporting

The companies of the GD Towers Group prepare a quarterly risk report. In this report, risks are assessed in terms of their impact on the net assets, financial position and results of operations, as well as their likelihood of occurrence, the need for action is identified and measures are drafted or initiated, respectively. This also includes qualitative factors that could be of significance for our strategic positioning and reputation, and that help determine the overall risk. If unexpected risks are discovered in addition to the regular reporting of material risks, these are reported immediately. The risk report is approved by the Management Board on a quarterly basis and submitted to the Finance Committee.

It is essential for our annual planning process to identify opportunities and evaluate these from a strategic and financial standpoint. This makes them an integral part of our forecast statements for the financial and non-financial performance indicators.

Valuation methodology

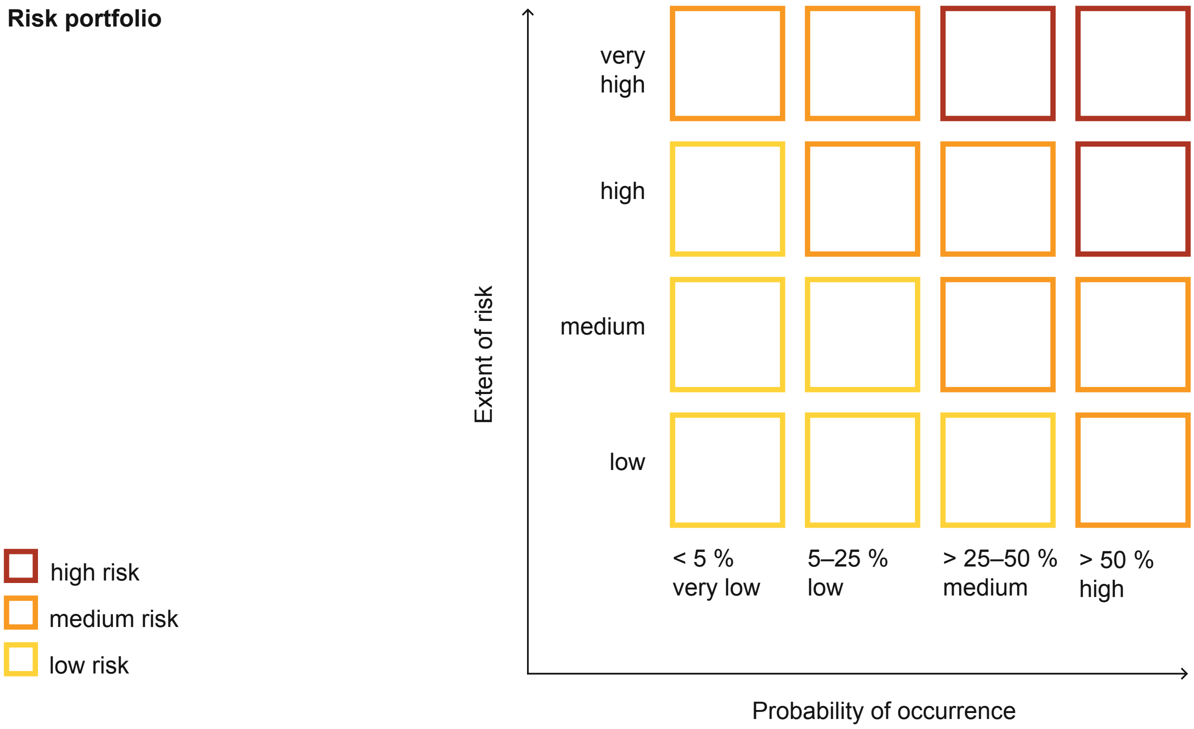
The “probability of occurrence” and “extent of risk” are used to assess the risks. The following standards of judgment apply:

Probability of occurrence	Description
< 5 %	very low
5 to 25 %	low
> 25 to 50 %	medium
> 50 %	high

Extent of risk	Description
low	Limited negative impact on business activities, net assets, financial position and results of operations, reputation, < 2.5 EUR million EBITDA single risk per year
medium	Some negative effects on business activities, net assets, financial position and results of operations, Reputation, ≥ 2.5 EUR million EBITDA single risk per year
high	Significant impact on business activities, net assets, financial position and results of operations, Reputation, ≥ 6 EUR million EBITDA single risk per year
very high	Damaging negative impact on business activities, net assets, financial position and results of operations, reputation, ≥ 12.5 EUR million EBITDA single risk per year

By assessing the risks in accordance with the above-mentioned characteristics, we categorise the risks into low, medium and high risks in line with the following chart.

Risk portfolio



We generally report the risks classified as “low” to “very high”. The risks are reported after deduction of risk-minimising measures (net view). Non-quantifiable qualitative risks are also reported, which could have a negative impact on reputation, for example.

Risks and opportunities

In the following, we present all significant risks and opportunities which, from today’s perspective, could directly affect the net assets, financial position and results of operations and/or the reputation of GD Towers or indirectly affect the results of the subsidiaries.

	Probability of occurrence	Extent of risk	Risk significance	Change compared with the previous year
Strategic risks & opportunities				
Market and macroeconomic environment (Europe, especially Germany)	medium	low	low	stable
Realignment of the organization	medium	low	low	stable
Sustainability and social responsibility	medium	low	low	stable
Operational risks & opportunities				
Customers	medium	very high	medium	increased
Purchasing and suppliers	low	very high	medium	stable
Employees	low	medium	low	stable
Extreme weather events	low	low	low	stable
Other operational risks	low	medium	low	stable
Legal and compliance risks & opportunities	**low**	**high**	**medium**	**stable**
Financial risks	**low**	**high**	**medium**	**stable**

Strategic risks and opportunities

Market and macroeconomic environment (Europe, especially Germany)

The macroeconomic environment in Europe continues to be characterized by the effects of political conflicts (includ-ing the war in Ukraine, the conflict in Gaza, tariffs from the USA, US-led technology sanctions against China). The resulting economic slowdown may entail an impact on our trade relations and continue to influence both our supply chains and the economic environment. In the 2025 financial year, interest rates remained stable when compared to the previous year, and inflation was close to the medium-term target of 2 percent.[10] Purchase prices for wholesale products for the construction of radio sites – such as steel or cement – remained at a high level in 2025 but did not increase further.[11] Furthermore, additional price increases in the area of personnel costs were also recorded as a result of wage agreements already concluded in Germany.

In addition to the macroeconomic risks, the GD Towers Group continues to operate in a dynamic environment in the telecommunications industry. This is characterized by a high degree of competition, but also by continuous techno-logical development. The GD Towers Group continues to expect a very high demand for mobile communications sites and further market momentum due to the entry of additional MNOs with a need for their own base stations, and thus their own mobile communications sites. Due to the increasing density of mobile phone networks, the GD Tower Group sees further growth potential in areas such as Small Cells and DAS (Distributed Antenna Systems) in the medium term.

Realignment of the organization

As part of the reorganization in the financial year 2025, various functional areas (see the section “Organization and legal structure”) were transferred from DFMG to the existing DFMG Holding and the companies DFMG Engineering and DFMG Corporate Functions, which were newly established in 2025. This resulted in extensive process adjustments. By establishing the new organization at an early stage and primarily using internal employees who had previously worked in the DFMG division, the implementation risk stemming from the reorganization was sufficiently taken into account. Rather, clear segregation of duties and defined functions result in opportunities that make it possible to react more flexibly to customer requirements.

The project to transform the IT landscape, which is intended to standardize, optimize and modernize the Group’s IT systems, aims to create a more efficient, more powerful and future-proof infrastructure. On the one hand, this results in opportunities in the form of sustainable cost and time savings. On the other hand, there may be increased expenses during the project, as external resources are purchased, which can lead to budget deviations, as well as personnel bottlenecks, thereby prolonging the project and thus entailing a negative impact on the project budget.

Sustainability and social responsibility

As part of its activities, the GD Towers Group bears responsibility by anchoring (and continuously developing) corporate governance with regard to Environmental, Social and Governance aspects. The focus on sustainability aspects results, in part, from the increasing regulatory requirements such as the CSRD (Corporate Sustainability Reporting Directive) and the EU Taxonomy by the EU or the German legislator’s Supply Chain Duty of Care Act (Lieferkettensorgfaltspflichtengesetz), although these are currently still being revised and still need to be transposed into national law. According to the prevailing understanding from the amendments to the laws, the GD Towers Group is not affected due to the inapplicable size criteria.

However, Environmental, Social and Governance aspects must also continue to be monitored due to the increased expectations of stakeholders such as customers, suppliers, lenders, employees, shareholders and the general public. The ongoing promotion of sustainability in the corporate strategy can, therefore, make a valuable contribution and provide a competitive advantage in the acquisition of new customers, the recruitment of new employees and the improvement of credit conditions. By addressing the regulatory requirements at an early stage – including by creating internal and external resources – the GD Towers Group has comprehensively addressed the risks stemming from the additional requirements but has also created the opportunity to utilize the opportunities associated with the topic.

10) European Central Bank: Combined monetary policy decisions and statement, October 30, 2025
11) Construction industry info: Building material price increases 11.2025

Operational risks and opportunities

Customers

The focus on MNOs associated with the business model harbours a certain dependency on a few major customers and, therefore, a corresponding concentration of risk. However, the telecommunications market in Europe and especially in Germany as a whole is characterized by comparatively few market participants compared to other sectors. Consequently, this dependency is reflected on both sides. In principle, both parties are, therefore, interested in long-term relationships based on partnership and adapt their business practices accordingly.

The GD Towers Group counters the resulting risks, in particular, through long-term contracts with its major customers, in order to ensure planning security and to be able to react to potentially unfavourable developments at an early stage. The company is also aiming to further diversify its customer portfolio, both in Germany and in Europe.

Purchasing and suppliers

In order to achieve the expansion targets, it is essential that the sites are built on time, which depends on a number of external factors. Important external factors include, for example, the availability of a suitable site, the necessary permits and licenses, the availability of suppliers and materials for planning and construction, as well as the availability and provision of energy and fixed network access. A delay in any of these factors can lead to a delay in the construction of the site, and thus to a delay in revenue recognition for the site. The GD Towers Group endeavours to fulfil its construction obligations on time, but recognizes the risk that scarce external resources could cause delays.

There is also a risk of potential work restrictions due to the spread of illness within the GD Towers Group. This includes both internal GD Towers impacts and external GD Towers risk factors, such as possible delivery problems for construction materials or resource bottlenecks for general contractors or their suppliers as a result of illness.

The GD Towers Group endeavours to maintain a diverse range of suppliers. Together with the precise selection of reliable suppliers, this minimizes the risk of supply bottlenecks.

Employees

Our future growth will be significantly influenced and guided by our employees. The expertise and commitment of our employees in all areas are crucial to the success of the company. However, the tense market situation can make recruiting new employees a challenge. The markets relevant to us are characterized by intense competition for qualified specialists, as well as the challenge of being perceived by the public as an attractive employer. Recruiting and retaining employees is one of the company's priorities. Targeted measures – such as employee surveys, attractive remuneration models and social benefits, individual training programs and the identification and promotion of interesting development prospects – are used to this end. One additional source of focus is on the recruitment of junior staff, using various training and study models, which are marketed via various platforms. Nevertheless, it is possible that employee-related risks may arise that have an impact on business activities, even if the effects are difficult to assess.

Another part of our commitment to our employees is to provide them with a robust working environment in terms of health and safety. An accident or structural collapse at a construction site could result in claims for damages being asserted against the GD Towers Group. Such a situation could have a negative impact on the Group's reputation and impair its ability to conduct future business or hire employees. These consequences could entail a negative impact on the business, financial situation and operating results of the GD Towers Group.

Extreme weather events and natural disasters

The sites of the companies in the GD Towers Group are exposed to environmental risks, such as extreme weather events or natural disasters. The frequency (and intensity) of extreme weather events such as floods, earthquakes, severe storms and forest fires has increased dramatically worldwide due to rising temperatures and other climate changes as part of climate change. However, Germany and Austria are rarely affected by natural disasters in a global comparison, meaning that the risk can be categorized as low. Nevertheless, extreme weather conditions are becoming increasingly likely in the future. Accordingly, the risk that the sites could be affected by an extreme weather event has also increased. Any instance of damage or destruction – either in whole or in part – at one of the sites may impair the functionality of the site, as well as the surrounding community and thus have a negative impact on the company's financial situation. The GD Towers Group has taken out appropriate insurance policies in order to make adequate provision for such risks.

Due to extreme natural events and negative climate impacts, there may be increased demands on environmental and climate protection, which will have a direct impact on the provision of existing and new mobile communications sites. On the one hand, additional regulatory requirements, such as ecological compensation measures may result in higher costs for the provision of new mobile communications sites, but this may also have a negative impact on the search for potential sites. Furthermore, new EU legal requirements for the conservation of biodiversity may lead to stricter protection and an expansion of existing protected areas. Greater distances from nature conservation areas and residential areas or the failure by authorities to grant permits would render the search for suitable sites more difficult and jeopardize or delay the necessary expansion in Germany and Austria.

Other operational risks

The mobile communications infrastructure of the GD Towers Group is also fundamentally exposed to the risk of acts of sabotage and vandalism. Calls for such sabotage actions in Internet forums, as well as vandalism damage to DFMG sites in recent years highlight this risk. Such acts of sabotage can disrupt the smooth operation of the sites and thus lead to financial losses. In order to prevent sabotage and vandalism, an extensive range of security measures is deployed to precisely regulate access to the sites, in addition to the installation of camera surveillance at the sites.

In addition to the risk of attacks directly on the sites, there is also a risk of cybercrime. The frequency of cyberattacks on companies is constantly increasing and is also becoming more complex due to the evolving methods of attack. Subsequently, companies are required to protect their own data, as well as the data of their business partners and customers, through constant improvements and adjustments. Cybercrime incidents can lead to business interruptions, embezzlement and unauthorized access to confidential information. Comprehensive security concepts are used to counter this risk.

Regulatory and compliance risks and opportunities

Regulation

Regulatory risks stem from legal regulations at national and European level, and the resulting regulatory and intervention powers of national regulatory authorities, which restrict our product and pricing options. Regulatory opportunities can arise through deregulation. Regulatory interventions by regulatory authorities – which we can only predict to a limited extent – can further increase the existing price and competitive pressure. There is a justified fear that regulation in Germany and other European countries will also have a negative impact on the development of our sales and earnings in the medium to long term.

The following regulatory developments are currently of particular importance for the GD Towers Group:

There is the possibility of regulation on the basis of the TKG (Telecommunications Act) 2021 with regard to towers > 100m in height. Nevertheless, it should be noted that around three years have passed since the amendment came into force without the Federal Network Agency (Bundesnetzagentur) having initiated any market definition measures or a subsequent market analysis. Moreover, the increasing spread of digital broadcasting per se leads to a reduction in the importance of mounting heights. Against this backdrop, the market and its development must continue to be monitored closely, but no active measures are required in view of the declining risk.

The “Gigabit Infrastructure Ordinance” was adopted in April 2024. This clarifies that TowerCos may be subject to access claims by other telecommunications operators. Nevertheless, with regard to TowerCos, it is stipulated that existing contracts/terms and conditions, as well as the TowerCos’ business model as such, must be taken into account for pricing (if they regularly grant access to more than one company).

It remains to be seen as to whether specific prices will be set, but with the aforementioned measures, there should be some evidence that current price structures can continue to be justified in the event that a claim for access is asserted.

Compliance and data protection

As a company, we are subject to numerous laws and regulations. Breaches of such laws and regulations could result in significant penalties and fines, as well as reputational damage. For example, breaches of laws and regulations relating to data protection – such as the EU’s General Data Protection Regulation (GDPR) – could result in significant fines. Furthermore, data protection breaches can lead to significant reputational damage and impact the trust of our customers and business partners in our organization. There is also a risk that members of the Management Board and our employees may violate guidelines and standards for appropriate and responsible business behaviour. These include, for example, the risks of fraud, the misrepresentation or manipulation of financial data, anti-competitive behaviour, bribery, corruption, discrimination and harassment in the workplace.

Compliance risks arise from breaches of legal or ethical standards that could lead to regulatory or criminal liability for the company, its executive body members or employees or to significant reputational damage. In order to limit the risk, we are constantly working on expanding our Compliance Management System (CMS) and have implemented far-reaching guidelines. Our Code of Conduct stipulates that all employees must act ethically in their work for the Group and comply with laws and regulations. Furthermore, quarterly Compliance reports are submitted to the Management Board on this basis. The Management Board is not currently aware of any such breaches.

Risks in the area of data protection (GDPR) exist, in particular, due to potential data breaches. These can result in the imposition of very high fines (up to 4 percent of the annual turnover achieved worldwide). The GD Towers Group and its companies take appropriate technical and organizational measures to prevent such data breaches and regularly raise employees’ awareness of the proper handling of personal data. The Group companies responsible for data protection have implemented reporting processes that ensure the timely and compliant recording and assessment of data protection incidents with the involvement of the responsible data protection officers. The data protection management system is also subject to continuous improvement. A Group-wide data protection policy sets a uniform data protection standard.

Quarterly reports are submitted to the Management Board. In the current reporting period, there were no reportable data protection incidents/breaches to authorities or data subjects.

Other legal risks

The GD Towers Group and its subsidiaries are currently involved in various legal disputes arising in the ordinary course of business. Support is provided by the Group Legal Department with the involvement of external law firms and consultants. Furthermore, the Group Legal Department is always involved in contract negotiations, in order to minimize legal risks from the conclusion of new contracts. If an obligation is likely to materialize, the resulting risks are taken into account in the provisions. There are currently no legal disputes of particular significance.

Financial risks

Liquidity, default and currency risks

The GD Towers Group is primarily subject to liquidity and default risks with regard to its assets, liabilities and planned transactions. We aim to limit these risks. Cash risks are monitored in a regular process and hedged accordingly using derivative hedging instruments. Derivative financial instruments are used exclusively for hedging and never for speculative purposes. The risk areas of liquidity, default and currency risks described below are assessed taking into account all hedging measures.

Financing and liquidity risks

A comprehensive Treasury Management System is used to ensure solvency at all times and optimize the use of financial resources, and both a short-term cash flow forecast and medium-term liquidity planning are in place. The aim is to identify and quantify liquidity requirements and risks, develop adequate strategies to cover these requirements and implement these strategies.

As an additional component, Group Treasury has implemented a cash pooling system at DFMG Holding level to enable efficient use of the Group's liquidity while optimizing financing costs.

The GD Towers Group enjoys access to bank financing and, since the beginning of December 2025, also has private placement notes. With these two financial instruments in the private financing market, we have achieved both longer average maturities across the entire financing and reduced the refinancing risk, as we now have a diversified maturity profile.

The maturity profile has already improved with the different maturities of the private placement notes. As part of further issues and to limit these risks, the Group remains in constant contact with many different market participants, it continuously monitors all available financing options on the capital and banking markets and utilizes them in a targeted manner. Adequate refinancing is to be ensured through early review before the respective final maturity.

Default risks

In its operating business, the GD Towers Group is only exposed to a very low default risk, i.e. the risk that the counterparty will not fulfil its contractual obligations. The receivables default risk involves a certain concentration of risk, as a significant proportion of the receivables portfolio is attributable to individual major customers of the Group. Outstanding receivables are monitored on an ongoing basis, in order to minimize the default risk.

Currency risks

Currency risks result primarily from operating activities. Material risks from foreign currency fluctuations are hedged to the extent that they are cash-effective and sufficiently certain. However, foreign currency risks that do not affect cash flow – e.g. risks resulting from the translation of assets and liabilities into euros – remain unhedged. In the GD Towers Group, currency risks are of minor importance as there are no significant foreign currency positions in the Group.

Tax risks

The GD Towers Group and its subsidiaries operate in Germany and Austria, in particular, and are, therefore, subject to the tax laws and regulations applicable there. Risks may arise from changes in local tax law or case law and differing interpretations of existing regulations. These may have an impact on the corresponding tax items in the balance sheet and statement of income. In connection with the sale of the GD Towers companies, a consolidated tax group for income and sales tax purposes was established for the German subsidiaries from the 2023 financial year with GD Towers Holding GmbH as the controlling company. The central Group Tax Department – which is supported by external consultants in both countries – continuously monitors and analyses the tax environment, in order to control the resulting risks.

The Management Board's assessment of the overall risk and opportunity situation

As in the previous year, the overall risk situation was largely stable in 2025. It is categorized as acceptable overall. From today's perspective, the Management Board does not believe that the continued existence of the Group is jeopardized. There were no risks jeopardizing the continued existence of the GD Towers Group and its significant investments either on the reporting date or at the time the financial statements were prepared.

Forecast report

Economic expectations

According to current forecasts by the International Monetary Fund (IMF), global GDP growth is expected to be 3.3 percent in 2025 and 2026.[12] These forecasts show continued weakness compared to the historical average (2000-2019) of 3.7 percent. [13] This decline reflects structural challenges – including weak productivity growth and demographic problems – which are being felt in many economies around the world. Growth of 1.4 percent is expected in the eurozone in 2025, with the weak growth primarily attributable to the manufacturing sector and increased political uncertainty. The growth rate for 2026 and 2027 is expected to be 1.3 and 1.4 per cent, respectively. [13]

Global inflation is expected to decline further, falling from 4.1 percent in 2025 to 3.8 percent in 2026. [12] This decline is primarily supported by the normalization of energy prices and the stabilization of global supply chains, even if inflation risks persist in some regions, particularly in emerging markets. However, this stability remains fragile and is dependent on the development of the geopolitical situation and the normalization of inflation. The consumer price index in the eurozone is expected to fall from 2.1 percent in 2025 to 1.9 percent in 2026 and 2.0 percent in 2030, due to an increasing easing on the energy markets and an improvement in supply conditions. A similar trend is expected for Germany, with a decline from 2.1 percent in 2025 to 1.8 percent in 2026 and an increase to 2.2 percent in 2030.[13]

Development of the global mobile communications market

Due to the continued strong demand from mobile network operators (MNOs), which want to densify existing networks and improve network coverage, we anticipate further growth in the radio tower and telecommunications market in 2026. Demand for Macro Points of Presence (PoPs) is expected to rise to 147,000 by 2030, driven by network coverage obligations, network densification and 1&1 as the fourth mobile network operator.

Another strong growth driver is 5G technology. By 2031, 5G will account for over 90 percent of mobile data traffic in Western Europe and North America, which will further increase the need for additional network capacity. The number of 5G subscriptions will grow to 6.4 billion worldwide by 2031, with North America, Northeast Asia and Western Europe leading the way in 5G penetration. In Europe – one of the leading 5G markets – 5G is expected to account for 86 percent of all mobile connections by 2029.[14] Globally, 5G will contribute over 930 USD billion to the world economy in 2030, with much of this growth stemming from developed regions such as North America, Europe and Asia-Pacific.[14] [15] It is predicted that mobile operators will invest around 75 percent of their capital expenditure in the rollout of 5G networks between 2023 and 2030.[15]

Over the long term, growing data traffic will be driven by the rising number of smartphone contracts and an increasing average data volume per contract, which is attributable to more video content and the enhanced distribution of 5G. MNOs will endeavour to differentiate themselves from their competitors through the quality of their networks, particularly, in order to do justice to the increasing data growth in the 4G and 5G sector.

The increasing data flow requires additional network capacities. Network densification is also necessary, in order to meet the range and capacity requirements of the high-frequency spectrum used by 5G networks.

In addition to ever-increasing demand, however, cost pressure among customers is also growing noticeably and increasingly characterizing the decision-making logic seen in the market. On the one hand, stricter license requirements are leading to a stronger focus on expansion in rural regions, which requires structurally higher investment sums. Simultaneously, the costs for electricity connections and for operating the infrastructure are rising – driven by inflation and higher energy costs (including requirements for more sustainable use of resources). In addition, regulatory uncertainties – such as potential restrictions or bans on the use of Chinese technology – are making planning more difficult and increasing economic pressure along the entire value chain.

12) World Economic Outlook Update, January 2026: Global Economy: Steady amid Divergent Forces
13) World Economic Outlook, October 2025: Global Economy in Flux, Prospects Remain Dim
14) Ericsson Mobility Report 2025
15) GSMA - The Mobile Economy 2025

Expected development of the Group

GD Towers is directly influenced by the demand from mobile network operators (MNOs) through its business activities as TowerCo. Subsequently, growth is essentially driven by increased demand for these, which, in turn, is characterized by the developments in the telecommunications and mobile communications market described above.

GD Towers' planning is, in particular, based on the quantities agreed with the MNOs – in some cases contractually.

GD Towers anticipates the following values/volumes for the 2026 financial year when compared to 2025:

	2026
Financial performance indicators	
Total sales	Slight increase
EBITDA pre IFRS 16 (adjusted for special items)	Slight increase
AFFO	Slight increase
Cash Capex	Moderate increase
Non-financial performance indicators	
Number of macro sites	Slight increase
Number of tenants	Slight increase
BTS	Moderate increase
Tenancy ratio	Constant

In the 2026 financial year, we are planning for a slight increase in the number of macro sites and corresponding tenancy ratio, as in 2025. The increase will be in the lower single-digit percentage range due to a high base of sites and tenancy ratio in absolute terms. The increase is characterized, in particular, by demand from our largest customers (MNOs) and the volumes agreed with them for the 2026 financial year.

For 2026, we will continue to place a strong focus on site expansion. We are, therefore, planning a similarly strong expansion of BTS, which will be moderately higher than in the current year. Due to the high level of investment in terms of site expansion, we anticipate a moderate increase in Cash Capex in the lower double-digit percentage range when compared to 2025.

Based on the assumptions outlined above and the expectation of a constant tenancy ratio, we anticipate a slight increase in total sales in the low single-digit percentage range in the 2026 financial year.

In view of the fact that we anticipate a constant cost structure and a slight growth-related increase in costs in 2026, we expect EBITDA pre IFRS 16 (adjusted for special items) to grow in the mid-single-digit percentage range.

This growth continues to have a positive impact on the AFFO. We, therefore, also expect a corresponding slight increase in AFFO in the mid-single-digit percentage range.

On balance, the 2026 financial year will continue to be characterized by a focus on growth and future topics. In addition to site expansion as a key guiding principle, we are continuously working on improving the process and system landscape – including through Group-wide IT projects.

On December 15, 2025, Deutsche Funkturm GmbH concluded a purchase agreement with Hessischer Rundfunk and Bayerischer Rundfunk for 116 mast sites in Germany.

The closing will take place in the 2026 financial year due to conditions that must first be fulfilled and, if necessary, for individual sites in the following 2027 financial year.