Deutsche Welle Institution under Public Law, Bonn

Notes to the annual financial statements for the financial year from 1 January 2025 to 31 December 2025

A. General disclosures

Deutsche Welle ("DW") is a broadcasting corporation under German federal law and is managed as a public-benefit public-law institution.

DW has registered offices both in Bonn and in Berlin. The Director General's office and the registered office determining the place of jurisdiction are located in Bonn.

The annual financial statements of Deutsche Welle are compiled in accordance with the Deutsche Welle Act [Deutsche-Welle-Gesetz–DWG], as amended. To enhance the clarity of presentation the profit plan (profit-and-loss account) has been adapted to the classification used for the financial plan.

Under section 55 DWG, the financial statements are to comprise the statement of net worth (balance sheet), the profit plan (profit-and-loss account), the cash flow statement (sources-and-application-of-funds statement), an income and expenditure account conforming to the federal government's budgeting system, and the annual report to explain events of particular importance.

To improve the quality of the information, notes to the annual financial statements have been added and the annual report prepared in the form of a management report in accordance with the German Commercial Code [Handelsgesetzbuch–HGB].

The balance sheet, profit plan and the notes and management report have been prepared in accordance with the provisions applicable to large corporations under German commercial law. The specific characteristics of broadcasting corporations are particularly taken into account by adjusting the statutory classifications.

B. Main accounting policies

The accounting policies are retained unchanged from the previous year.

Assets:

Purchased intangible assets and tangible assets are measured at cost less systematic depreciation.

Depreciation is calculated using the straight-line method , based on useful lives specific to broadcasters (ARD principles). Starting on 1 January 2024, additions to low-value fixed assets with a net cost between EUR 250.00 and 1,000.00 are entered in a collective item and depreciated straight-line over five years.

Shares in affiliated companies and long-term equity investments (participating interests) are recognised at cost or at the lower of cost or market value.

Other loans are measured at their nominal values or in the case of the asset values from reinsurance policies reported under other loans at the fair value of the actuarial reserve.

The claim for settlement against the German Federal Government was formed for the share of the pension provisions not covered by reinsurance policies and for obligations from state aid. The claim for settlement is indirectly recoverable based on the financing guarantee laid down by section 44 of the Deutsche Welle Act [DWG].

Programme assets (commissioned productions and acquired licences) are divided up into finished productions and productions in progress in analogous application of section 266(2) of the Commercial Code [HGB] and measured at cost, taking into account directly attributable costs. Under the standardised ARD rules, programme assets presented under finished productions that had already reached broadcasting by the balance sheet date are written off in the case of programme assets that cannot be re-run, or amortised except for 10% of cost in the case of those that can. The remaining 10% of costs are amortised within the following three years, taken from the year of first broadcasting.

Inventories of raw materials, consumables and supplies are recognised at acquisition cost. Write-downs on inventory risks resulting from the duration of storage or reduced usability are accounted for by a 10% marketability allowance.

Receivables and other assets are recognised at nominal value after deduction of necessary write-downs. Reinsurance policy claims reported under other assets are measured at the fair value of the actuarial reserve.

Cash-in-hand and bank balances are recognised at nominal values.

Expenses incurred before the balance sheet date are recognised as prepaid expenses if they refer to expense for a certain period after that date.

Equity and liabilities:

Equity is recognised at nominal value.

Pension provisions are determined using actuarial methods based on biometrical probabilities (2018 G Reference Tables published by Heubeck-Richttafeln-GmbH, Cologne) applying the projected unit credit method. The carrying value of the reinsurance was used to measure the pension liabilities [Aktivprimat] under IDW Accounting Practice Statement IDW RH FAB 1.021 “Measurement of pension liabilities for old-age pension liabilities from commitments covered by reinsurance under German accounting law” to the extent that these accrued to pension commitments covered by reinsurance under the old pension agreement (VsTV) or the VTV pension scheme.

The interest is calculated as a ten-year average under section 253(2) sentence 1 HGB. The interest rate applied as at the balance sheet date is 2.06% (PY: 1.90%). Future expected increases in remuneration and pensions have been taken into account in computing the obligation. For the commitments under the old pension agreement (VsTV, agreements up to 3/1993) further salary adjustments of 2.0% p.a. (PY: 2.0% p.a.) are expected for compensation according to the tariff increase of 1.23% from July 2026. Pensions are expected to rise by 1.08% from July 2026 with further annual adjustments of 1.0% (PY: 1.0%). For pension commitments following the standard ARD pension rules (VTV), increases in compensation are expected of 1.23% from July 2026 and further annual adjustments of 2.0% (PY: 2.0%). Pensions are expected to rise by 1.08% from July 2026 with further

annual adjustments of 1.22% (PY: 1.22%). An employee turnover rate of 0.0% to 3.8%, specific to entity, sex and age, is factored into the computation.

Pension commitments, the amount of which is determined exclusively by the fair value of a reinsurance claim, are measured as a pension commitment covered by reinsurance congruent to the benefit under section 253(1) sentence 3 HGB at the fair value of the reinsurance claim. This results in a measurement of pension liabilities for employees of Deutsche Welle and former employees of RIAS amounting to EUR 637.5 million (PY: EUR 643.7 million).

The difference caused by discounting the provision for pensions at the average market interest rate for the last ten years instead of at the average market interest rate for the last seven years (section 253(6) sentence 1 HGB) amounts to EUR -8.0 million (PY: EUR -3.3 million). The average market interest rate for the last seven years is 2.22% (PY: 1.96%).

Provisions for benefits are determined using actuarial methods based on the 2018 G Reference Tables published by Heubeck-Richttafeln-GmbH, Cologne, applying the projected unit credit method. This is based on actuarial interest of 2.22% (PY: 1.96%). In determining the obligations, expected future increases in compensation and benefits of 2.0% (PY: 2.0%) are taken into account. The measurement of the benefit obligations takes into account an employee turnover rate of 1.0% up to the age of 55. The provision for benefits is calculated based on the average of allowances granted to pensioners within the last five years.

Tax provisions and other provisions take account of all identifiable risks and contingent liabilities and are measured at the settlement amount required according to prudent business judgement.

Provisions for all future jubilees are determined using actuarial methods based on the 2018 G Reference Tables published by Heubeck-Richttafeln-GmbH, Cologne, applying the projected unit credit method. This is based on actuarial interest of 2.22% (PY: 1.96%). In determining the obligations, expected future increases in compensation and benefits of 2.0% (PY: 2.0%) are taken into account. The measurement of the jubilee obligations takes into account an employee turnover rate of 1.0% up to the age of 55.

Liabilities are recognised at their settlement amounts.

Income accrued before the balance sheet date is recognised as deferred income to the extent that it relates to a certain period after that date.

Foreign currency translation

Receivables and liabilities in foreign currency with a term of up to one year are translated using the average spot rate on the balance sheet date. Where the term is more than one year, translation is based on the exchange rate at the date when they came about. In the case of changes to exchange rates up to the balance sheet date, measurement is based on the exchange rate on the balance sheet date, observing the lower-of-cost-or-market principle on the assets side and the higher-of-cost-or-market principle on the equity and liabilities side.

C. Notes to the balance sheet

1. Fixed assets

The changes in fixed assets are shown in the appendix to the notes.

2. List of shareholdings

Deutsche Welle directly holds at least one fifth of the shares in the following entities:

Name of share, registered in	Share in %	Equity 31/12/2025 in EUR 000	Profit 2025 in EUR 000
Pro-Funk Gesellschaft für Rundfunkförderung im In- und Ausland mbH, Bonn	100.00	1,507	0 [1)]
DW-Media Services GmbH, Bonn	100.00	130	4 [2)]
Deutsche Welle Pakistan (Private) Limited, Islamabad, Pakistan	100.00	6	0 [3)]
Internationale Beethovenfeste Bonn gGmbH, Bonn	33.33	1,078	-75 [4)]
Bonn Institute gGmbH, Bonn	25.00	33	0 [5)]

1) Profit after settlement by DW under section 3b of operations lease agreement
2) Annual financial statements as at 31/12/2025 of DW – MEDIA SERVICES GmbH, Bonn
3) Equity 31/12/2025: PKR 1,000,000; investment book value DW EUR 7,391.36 (capital and incidental costs of acquisition PKR 1,134,750)
4) Annual financial statements of Internationale Beethovenfeste Bonn gGmbH as at 31/12/2025
5) Prior-year financial statements of Bonn Institute gGmbH as at 31/12/2024. Net loss for the financial year 2024: -57.36 EUR

3. Receivables and other assets

Receivables and other assets have the following terms:

	Total	of which due		
		within 1 year	after 1 to 5 years	after > 5 years
	EUR	EUR	EUR	EUR
- Trade receivables	3,076,843.43	3,076,843.43	0.00	0.00
- Other assets	3,856,984.35	3,856,984.35	0.00	0.00
	6,933,827.78	6,933,827.78	0.00	0.00

4. Other provisions

Other provisions mainly include settlement obligations towards shared facilities of public broadcasters (EUR 8.0 million; PY: EUR 8.1 million), as well as claims to annual leave not yet taken by employed staff and freelancers (EUR 7.2 million; PY: EUR 6.3 million).

5. Liabilities

As in the prior year, all liabilities are due within one year. Of the total amount of liabilities, EUR 2.8 million (PY: EUR 6.3 million) are from taxes. Social security liabilities amount to EUR 1.9 million (PY: EUR 1.8 million).

D. Notes to the profit plan

1. Sales

In the financial year 2025, sales amount to EUR 6.5 million (PY: EUR 6.8 million). Significant items are income from advertising, amounting to EUR 3.5 million (PY: EUR 3.8 million), income from commercial licensing and sales of materials, amounting to EUR 0.9 million (PY: EUR 1.2 million).

2. Post-employment expenses

Post-employment expenses increased compared with the previous year by EUR 1.5 million to EUR 40.0 million. The reduction in the VTV pension scheme interest rate to 1.75% (previously 2.25%) and the financing of the 4.71% increase in benefit rates both contributed to higher expenditure.

The change in pension provisions had the opposite effect. For the financial year 2025, a decrease in expenses arises of EUR 16.5 million (PY: EUR 12.9 million) from the change to pension provisions, which is EUR 3.6 million higher compared with the previous year. The reason for this is the effect of interest rate change, amounting to EUR 8.3 million (PY: EUR 4.5 million), and from other additions/claims from pension obligations amounting to EUR 8.2 million (PY: EUR 8.4 million).

The interest rate increased as at 31 December 2025 compared with the previous balance sheet day by +0.16 percentage points to 2.06%; as compared with a change in the previous year of 0.08 percentage points to 1.90%.

3. Other operating expenses

As in the previous year, the difference of the claim for settlement to the German federal government is reported under other operating expenses.

4. Prior-year income and expenses

Income not attributable to the financial year mainly resulted from the reversal of provisions amounting to EUR 1.0 million (PY: EUR 0.8 million).

5. Compounding and discounting of provisions

Interest and similar expenses amounting to EUR 11.9 million (PY: EUR 11.8 million) relate to expenses from the compounding of provisions.

6. Interest to or from affiliated companies

Other interest and similar expenses amounting to EUR 86k (PY: EUR 124k) relates to affiliated companies.

E. Other disclosures

1. Contingent liabilities and other financial obligations

Comfort letter and warranty:

Together with the other *Länder* broadcasting corporations and ZDF, Deutsche Welle has issued a comfort letter and warranty in favour of Baden-Badener Pensionskasse VVaG (bbp). Deutsche Welle thereby undertakes to equip bbp with finances so that it can completely meet the regulatory requirements for solvency and the liquidity requirement for the funds needed to provide the insurance benefits.

The warranty only applies if the real solvency ratio threatens to fall below a threshold of 100%. The amount of the commitment relates to the relative amount of the necessary financing that equates to the provision for cover of those at Deutsche Welle entitled to a pension as a proportion of the entire actuarial reserve. The warranty is valid until 30 June 2029.

According to current estimates, it is not expected that the comfort letter will be used due to the shoring up of bpp's equity, the drop in the actuarial interest rate as of 1 January 2025 and in prior years as well as the current favourable development of the capital markets and change in the direction of interest rates.

Blanket commitment for war and crisis zones:

Deutsche Welle has given a blanket commitment to its employees for deployments to war or crisis zones to give them safety and security in the case of accidents or illnesses (incl. continuing to pay salaries) that could arise from these deployments.

The commitment applies to all employees of Deutsche Welle who find themselves in particularly dangerous regions or particularly risky situations abroad as part of their professional deployment for Deutsche Welle. This commitment only applies to the extent that a Deutsche Welle insurance policy or employers' liability association policy or a policy taken out by the employee themselves does not apply. It is limited in scope to max. EUR 750k per staff member. Deutsche Welle guarantees the benefits as a precautionary measure, revocable at any time.

For the financial year 2025 and up to the present time, there is no indication that any claims have been made under this overall commitment.

Other financial obligations:

The total amount of other financial obligations (cumulative from 2026 to 2030) amounts as at the balance sheet date to EUR 70.4 million (PY: 66.1 million). The obligations accounted for here, which are significant for assessing cash flows, relate to obligations under other rental contracts (EUR 63.2 million; PY: EUR 60.8 million) and the lease of satellites (EUR 7.2 million; PY: EUR 5.3 million).

2. Fees for auditors' services

The annual financial statements include expenses for financial statement audit services amounting to EUR 55k. There are no other expenses for any other assurance services in the financial year 2025.

3. Organs of the entity

In the calendar year 2025, the executive bodies of Deutsche Welle were composed of the following members:

Members of the Administrative Board

- Dr Achim Dercks (Chairman from 6 November 2025; Deputy Chairman until 6 November 2025) former Deputy Managing Director of the German Chamber of Industry and Commerce
- Ulrich Silberbach (Chairman until 25 June 2025), former Chairman of the German Civil Service Federation [dbb Beamtenbund und Tarifunion]; administrative board member until 25 June 2025
- Volker Geyer (Deputy Chairman from 6 November 2025), National Chairman of the German Civil Service Federation [dbb Beamtenbund und Tarifunion]; administrative board member since 19 September 2025
- Björn Böhning, Permanent Secretary at the Federal Ministry of Finance; administrative board member since 29 October 2025
- Christina Marx, Member of management of Aktion Mensch e. V.)
- Martin Rabanus, Member of the German Bundestag
- Steffen Saebisch, former Permanent Secretary at the Federal Ministry of Finance, administrative board member until 29 October 2025
- Gabriele Schulz, Deputy Director of the German Cultural Council
- Dr Mark Speich, Plenipotentiary of the Land to the German Federal Parliament, Secretary General of the Konrad Adenauer Foundation

Members of the Broadcasting Council

- Prelate Dr Karl Jüsten (Chairman), Commissioner of the German Catholic Bishops' Conference, Catholic Office in Berlin
- Sibylle Spoo (Deputy Chairwoman), former division director at the trade union ver.di
- Otto Fricke, Chairman of the German Olympic Sports Confederation (DOSB), (from 1 October 2025)
- Torsten Burmester, former Chairman of the German Olympic Sports Confederation (DOSB), (until 31 January 2025)
- Ms. Serap Güler, Member of the German Bundestag, Minister of State at the Federal Foreign Office (from 4 June 2025)
- Ulrike Hiller, former state counsel [Staatsrätin a.D.]
- Prof. Christian Höppner, President of the German Cultural Council (Chairman Programme Committee)
- Katja Keul, former Member of the German Bundestag (until 4 June 2025)
- Dr Bärbel Kofler, Member of the German Bundestag, Parliamentary Permanent Secretary at the Federal Ministry for Economic Cooperation and Development
- Frank Kopania, Vice-President of the Church Office of the Protestant Church in Germany (EKD), Head of Department 7 "Ecumenism and Global Ministries", Union of Protestant Churches in the EKD (UEK)
- Helge Lindh, Member of the German Bundestag
- Christina Ramb, Member of the Management of the Confederation of German Employers' Associations
- Prof. Carola Richter, Director International Communication Freie Universität Berlin
- Claudia Roth, former Member of the German Bundestag (until 4 June 2025)
- Thorsten Schäfer-Gümbel, Spokesman of the Board of the German Agency for International Cooperation (GIZ) GmbH
- Vera Szackamer, Central Council of Jews in Germany (Chairwoman of the DW Akademie Committee)
- Markus Ulbig, former minister of state
- Prof. Dr Antje Utler, Member of the Deutsche Akademie für Sprache und Dichtung [German Academy of Language and Poetry]
- Marco Wanderwitz, lawyer (Chairman of the distribution committee)
- Dr Wolfram Weimer, Member of the German Bundestag, Minister of State for Culture and the Media (from 4 June 2025)

In 2025, the members of the executive bodies received allowances for expenses totalling EUR 163k.

Director General

The Director General of Deutsche Welle was/is:
- Barbara Massing (from 1 October 2025)
- Peter Limbourg (until 30 September 2025)

No disclosure of remuneration is made in the annual financial statements of DW under section 286(4) HGB. The remuneration of the Director General and management can be viewed on the DW website.

The pension liability recognised for former Directors General amounts to EUR 6,359k. Pension payments for this pension group amounted to EUR 496k in the reporting year.

4. Number of employees

The number of employees as an annual average (head count, with management and part-time employees as well as trainees and interns):

	2025	2024
Directorate General	95	88
Business Administration	226	220
Distribution, Marketing and Technology	635	610
Programming	734	733
DW Akademie	181	172
Average number of employees	1,871	1,823
of which Director General and Managing Directors	*5*	*5*
Interns & trainees	61	63
Total:	1,932	1,886

F. Events after the balance sheet date

After the end of the financial year ended 31 December 2025, no other events of particular significance took place that would have an effect on the annual financial statements 2025 and would require reporting here.

Bonn, 24 August 2026

Deutsche Welle Institution under Public Law

Barbara Massing

Director General