

DEUTSCHE TELEKOM INTERNATIONAL FINANCE B.V.
MAASTRICHT

INTERIM REPORT

for the half year ended June 30, 2022

TABLE OF CONTENTS

Report of the directors

Report of the directors	3
-------------------------	---

Financial statements (unaudited)

Statement of comprehensive profit and loss (unaudited)	6
Statement of financial position (unaudited)	7
Statement of changes in equity (unaudited)	8
Statement of cash flows (unaudited)	9
Notes to the financial statements (unaudited)	10

REPORT OF THE DIRECTORS

Directors' report

The Board of Management is pleased to present the semi-annual report and the semi-annual financial statements of Deutsche Telekom International Finance B.V. (the Company) as of June 30, 2022.

Review of financial position and result

The business activities of the Company for the six months that ended June 30, 2022 are adequately presented in the statement of financial position and the statement of comprehensive profit and loss. The course of business of the Company went in line with expectations of the management.

Business activities

On January 25, 2022 the Company redeemed a bond with a nominal amount of EUR 100,000,000 and a loan granted to Deutsche Telekom AG (DTAG) with the same nominal amount was repaid to the Company.

On April 8, 2022 the Company redeemed a bond with a nominal amount of GBP 700,000,000 and a loan granted to DTAG with the same total nominal amount was repaid to the Company.

The Company made a semi-annual net loss of EUR 4,923,676.25 for the first half year of 2022 versus a semi-annual net profit of EUR 24,651,840.52 for the first half year of 2021.

Future business developments and financing

The management expects no new financing for the remainder of the year. Since derivatives are carried at fair value and the non-derivative instruments at amortized costs, the financial result under IFRS of the Company is expected to remain volatile. However, management expects net positive cash flow for the year ending December 31, 2022 as well as in each of the following years.

Events after the statement of financial position date

On July 13, 2022 the Company redeemed a bond with a nominal amount of EUR 1.250,000,000 and a loan granted to Deutsche Telekom AG (DTAG) with the same nominal amount was repaid to the Company.

Management representation

Management declares that, to the best of their knowledge, the semi-annual financial statements give a true and fair view of the assets, liabilities, financial position and results of the Company. The semi-annual management report includes a fair review of the development and performance of the business and the position of the Company.

Maastricht,
August 26, 2022

The Managing Directors,

Markus Schäfer

Frans Roose

FINANCIAL STATEMENTS (UNAUDITED)

Statement of comprehensive profit and loss (unaudited)

thousands of €	Six months ended June 30,	
	2022	2021
Finance income (expense)		
Interest income	464,455	473,140
Interest expense	(476,727)	(483,428)
Impairment reversals on financial assets	1,408	39,439
Impairment on financial assets	(2,596)	(1,199)
Other financial income (expense)	5,649	5,042
Profit (loss) from financial activities	(6,533)	32,994
General and administrative expenses	(181)	(177)
Other operating income	21	20
Loss from operations	(160)	(157)
Profit (loss) before income taxes	(6,693)	32,837
Income taxes	1,769	(8,185)
Profit (loss) after income taxes	(4,924)	24,652
Other comprehensive income	-	-
Profit (loss) attributable to owners:	(4,924)	24,652
Total comprehensive profit (loss) attributable to the owners:	(4,924)	24,652

Statement of financial position (unaudited)

thousands of €	30-06-2022	31-12-2021
ASSETS		
Non-current assets	21,529,515	22,999,560
Financial assets	21,529,515	22,999,560
Current assets	4,376,562	3,411,589
Financial assets	4,366,523	3,398,052
Income tax receivable	2,168	378
Other assets	1	3
Cash and cash equivalents	7,870	13,156
TOTAL ASSETS	25,906,077	26,411,149
SHAREHOLDER'S EQUITY AND LIABILITIES		
Shareholder's equity	198,495	211,040
Issued Capital	500	500
Retained earnings	202,929	186,835
Net profit (loss)	(4,924)	23,705
Non-current liabilities	22,352,234	22,812,654
Financial liabilities	21,287,969	22,745,417
Deferred tax liability	64,265	67,237
Current liabilities	4,355,348	3,387,455
Financial liabilities	4,355,295	3,387,364
Income tax liability	9	-
Other liabilities	44	91
Liabilities	25,707,582	26,200,109
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES	25,906,077	26,411,149

Statement of changes in equity (unaudited)

thousands of €	Note	Issued share capital	Retained earnings	Result for the year	Total
	8				
Balance as at January 1, 2021		500	255,797	(57,543)	198,754
Movements					
Net result				23,705	23,705
Appropriation of result			(57,543)	57,543	-
Transactions with owners					
Dividends paid			(11,419)		(11,419)
Balance as at December 31, 2021		500	186,835	23,705	211,040

thousands of €	Note	Issued share capital	Retained earnings	Result for the year	Total
	8				
Balance as at January 1, 2022		500	186,835	23,705	211,040
Movements					
Net result				(4,924)	(4,924)
Appropriation of result			23,705	(23,705)	-
Transactions with owners					
Dividends paid			(7,621)		(7,621)
Balance as at June 30, 2022		500	202,919	(4,924)	198,495

Statement of cash flows (unaudited)

thousands of €	Six months ended June 30,	
	2022	2021
Proceeds from repayments of loans	939,530	1,358,529
Interest received	513,332	516,392
Interest paid	(507,119)	(510,800)
Interest received from derivatives	77,976	67,034
Interest paid from derivatives	(61,539)	(52,834)
Guarantee fees paid	(17,100)	(14,007)
Net income tax paid	(2,994)	(3,345)
Others	(221)	(195)
Net cash generated from operating activities	941,866	1,360,774
Repayment of financial liabilities	(939,530)	(1,358,529)
Dividend payments	(7,622)	(11,419)
Net cash used in financing activities	(947,152)	(1,369,648)
Net decrease in cash and cash equivalents	(5,286)	(9,174)
Cash and cash equivalents, at the beginning of the period	13,156	17,467
Cash and cash equivalents, at the end of the period	7,870	8,293

Notes to the financial statements

General information

Deutsche Telekom International Finance B.V. (hereafter “the Company”) is the financing company of Deutsche Telekom AG, Bonn, Germany (hereafter “DTAG”). Its principal activity consists of the issuance of debt instruments and the funding of Deutsche Telekom Group. The Company, with its statutory seat in Maastricht and which has its office at Stationsplein 8-K, 6221 BT Maastricht, the Netherlands, is a 100% subsidiary of DTAG, which is also the ultimate parent of the Company. The Company’s financial statements are included in the consolidated financial statements of DTAG.

Basis of preparation

The single entity semi-annual accounts have been prepared in accordance with International Financial Reporting Standard IAS 34 ‘Interim Financial Reporting’. It does not contain all the information that is required for the full year financial report and needs to be read in combination with the annual accounts 2021 of the Company, which have been prepared in accordance with IFRS. The principles applied in preparing the half yearly accounts of the Company are similar to those applied by drawing up the annual accounts 2021 of the Company.

Changes in accounting policies

There have not been any changes in accounting policies in the first half year of 2022.

Judgements and estimates

The Company exercises judgement in measuring and recognizing provisions. Judgement is necessary in assessing the likelihood that a liability will arise and to quantify the possible range of the final settlement. These estimates are subject to change as new information becomes available.

Regarding assumptions made for the calculation of fair values we refer to the section financial instruments under accounting policies on page 15 and 16 of the annual report for the year ended December 31, 2021.

Income taxes

Income tax expense is recognized based on management’s best estimate of the effective income tax rate for the complete fiscal year. The estimated effective tax rate used for the year to June 30, 2022 is 25.8%.

Dividends

The Shareholder's meeting on March 3, 2022 resolved to pay a dividend of EUR 7,621,765.75 in 2022 relating to the fiscal year ending December 31, 2021. The Company did pay a dividend of EUR 11,418,614.07 in 2021 relating to the fiscal year ending December 31, 2020.

Post statement of financial position events

On July 13, 2022 the Company redeemed a bond with a nominal amount of EUR 1,250,000,000 and a loan granted to DTAG with the same nominal amount was repaid to the Company.

No other events occurred since June 30, 2022, which would make the present financial position substantially different from that shown in the statement of financial position as that date, or which would require adjustment to or disclosure in the semi-annual financial statements.