

DEUTSCHE TELEKOM INTERNATIONAL FINANCE B.V.
MAASTRICHT

INTERIM REPORT

for the half year ended June 30, 2024

TABLE OF CONTENTS

Report of the directors

Report of the directors	3
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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, 2024.

Review of financial position and result

The business activities of the Company for the six months that ended June 30, 2024 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 22, 2024 the Company entered into a Loan Assumption Agreement with Deutsche Telekom AG (DTAG) and Magyar Telekom Nyrt. (MT) which is a DTAG group company. As a result of this agreement, parts of three loans to DTAG with an aggregate amount of EUR 225 million were assigned to MT.

On January 30, 2024 the Company redeemed a bond with a remaining outstanding nominal amount of EUR 833,866,000 and a loan granted to DTAG with the same remaining nominal amount was repaid to the Company.

The Company made a semi-annual net loss of EUR 6,955,467.76 for the first half year of 2024 versus a semi-annual net loss of EUR 11,358,928.76 for the first half year of 2023.

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, 2024 as well as in each of the following years.

Events after the statement of financial position date

None.

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 9, 2024

The Managing Directors,

Markus Schäfer

Frans Roose

FINANCIAL STATEMENTS (UNAUDITED)

Statement of comprehensive profit and loss (unaudited)

thousands of €	Six months ended June 30,	
	2024	2023
Finance income (expense)		
Interest income	365,000	475,077
Interest expense	(378,786)	(488,471)
Impairment reversals on financial assets	267	3,724
Impairment on financial assets	(64)	(619)
Other financial income (expense)	6,844	(746)
Loss from financial activities	(6,739)	(11,035)
General and administrative expenses	(231)	(251)
Other operating income	28	12
Loss from operations	(203)	(239)
Loss before income taxes	(6,942)	(11,274)
Income taxes	(13)	(85)
Loss after income taxes	(6,955)	(11,359)
Other comprehensive income	-	-
Loss attributable to owners:	(6,955)	(11,359)
Total comprehensive loss attributable to the owners:	(6,955)	(11,359)

Statement of financial position (unaudited)

thousands of €	30-06-2024	31-12-2023
ASSETS		
Non-current assets	15,390,892	15,611,053
Financial assets	15,390,892	15,611,053
Current assets	1,789,003	2,220,299
Financial assets	1,777,830	2,205,906
Income tax receivable	21	5,395
Other assets	2	4
Cash and cash equivalents with aff. comp.	11,150	8,994
TOTAL ASSETS	17,179,895	17,831,352
SHAREHOLDER'S EQUITY AND LIABILITIES		
Shareholder's equity	193,424	207,460
Issued Capital	500	500
Retained earnings	199,879	228,059
Net profit (loss)	(6,955)	(21,099)
Non-current liabilities	15,218,818	15,428,121
Financial liabilities	15,218,818	15,428,121
Current liabilities	1,767,653	2,195,771
Financial liabilities	1,767,585	2,195,674
Other liabilities	68	97
Liabilities	16,986,471	17,623,892
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES	17,179,895	17,831,352

Statement of changes in equity (unaudited)

thousands of €	Issued share capital	Retained earnings	Result for the year	Total
Balance as at January 1, 2023	500	202,919	46,099	249,518
Movements				
Net result			(21,099)	(21,099)
Appropriation of result		46,099	(46,099)	-
Transactions with owners				
Dividends paid		(20,959)		(20,959)
Balance as at December 31, 2023	500	228,059	(21,099)	207,460

thousands of €	Issued share capital	Retained earnings	Result for the year	Total
Balance as at January 1, 2024	500	228,059	(21,099)	207,460
Movements				
Net result			(6,955)	(6,955)
Appropriation of result		(21,099)	21,099	-
Transactions with owners				
Dividends paid		(7,081)		(7,081)
Balance as at June 30, 2024	500	199,879	(6,955)	193,424

Statement of cash flows (unaudited)

thousands of €	Six months ended June 30,	
	2024	2023
Interest received	390,776	449,883
Interest paid	(394,473)	(452,955)
Interest received from derivatives	119,056	114,022
Interest paid from derivatives	(102,998)	(98,134)
Guarantee fees paid	(13,019)	(11,748)
Net discount received on repaid bonds	-	77,657
Net discount paid on repaid loans	-	(77,657)
Net income tax received (paid)	5,361	(53)
Others	(250)	(336)
Net cash generated from operating activities	4,453	679
Proceeds from repayments of current loans	838,650	2,474,448
Proceeds from repayments of non-current loans	-	1,794,776
Net cash generated from investing activities	838,650	4,269,224
Repayment of current financial liabilities	(833,866)	(2,469,975)
Repayment of non-current financial liabilities	-	(1,794,776)
Dividend payments	(7,081)	(20,959)
Net cash used in financing activities	(840,947)	(4,285,710)
Net decrease in cash and cash equivalents	2,156	(15,807)
Cash and cash equivalents with aff. comp., at the beginning of the period	8,994	18,916
Cash and cash equivalents with aff. comp., at the end of the period	11,150	3,109

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 activities consist of the issuance of debt instruments and the funding of Deutsche Telekom Group. The Company has its registered office at Stationsplein 8-K, Maastricht, the Netherlands, registered under number 33274743 with the Dutch trade register “Kamer van Koophandel” and 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 under the historical cost convention, as modified by the revaluation of its derivatives. The single 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 2023 of the Company, which have been prepared in accordance with IFRS. The principles applied in preparing the semi-annual accounts of the Company are similar to those applied by drawing up the annual accounts 2023 of the Company.

Adjustment of comparable figures

Statement of cashflows. The 2023 semi-annual comparable figures positions of “Interest received” and “Proceeds from repayment of current loans” in the Statement of cashflows have been adjusted compared to their disclosures in the 2023 semi-annual report. The Management Board decided to correct the positions with regard to the repayment parts of the semi-annual annuity payments and move the repayments from “Interest received” to “Proceeds from repayment of current loans”. Furthermore, the positions “Net discount received on repaid bonds” and “Net discount paid on repaid loans” have been included in the semi-annual 2023 comparable figures which amounts were originally deducted from the positions “Interest paid” and “Interest received” respectively. All adjustments of comparable figures are in line with the 2023 Financial Statements. The adjustments do not have any impact on the equity or result of the Company.

Changes in accounting policies

There have been no changes in the accounting policies applied in the first half year of 2024, compared to those applied in the 2023 financial year.

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 pages 16 and 17 of the annual report for the year ended December 31, 2023.

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 corporate income tax calculation has been performed according to the cost-plus method for the relevant periods disclosed in this report. The estimated effective tax rate used, based on the cost-plus method, for the year until June 30, 2024 is 19.0%.

Dividends

The Shareholder's meeting on March 27, 2024 resolved to pay a dividend of EUR 7,080,580.00 in 2024 relating to the fiscal year ending December 31, 2023. The Company did pay a dividend of EUR 20,958,511.87 in 2023 relating to the fiscal year ending December 31, 2022.

Post statement of financial position events

No events occurred since June 30, 2024, 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.