

Interim consolidated financial statements

Consolidated statement of financial position

millions of €	June 30, 2023	Dec. 31, 2022	Change	Change %	June 30, 2022
Assets					
Current assets	37,233	39,144	(1,911)	(4.9)	33,630
Cash and cash equivalents	8,742	5,767	2,975	51.6	5,281
Trade receivables	15,750	16,766	(1,016)	(6.1)	16,853
Contract assets	2,500	2,410	90	3.7	2,093
Current recoverable income taxes	204	213	(9)	(4.2)	195
Other financial assets	5,324	4,865	459	9.4	4,179
Inventories	2,248	2,639	(391)	(14.8)	2,992
Other assets	2,342	1,800	542	30.1	1,939
Non-current assets and disposal groups held for sale	122	4,683	(4,561)	(97.4)	99
Non-current assets	262,468	259,446	3,022	1.2	268,056
Intangible assets	138,026	140,600	(2,574)	(1.8)	144,544
Property, plant and equipment	65,840	65,729	111	0.2	65,185
Right-of-use assets	34,312	33,727	585	1.7	38,061
Capitalized contract costs	3,352	3,205	147	4.6	2,950
Investments accounted for using the equity method	7,349	1,318	6,031	n.a.	1,995
Other financial assets	4,881	5,044	(163)	(3.2)	5,215
Deferred tax assets	7,251	8,316	(1,065)	(12.8)	8,604
Other assets	1,456	1,507	(51)	(3.4)	1,502
Total assets	299,701	298,590	1,111	0.4	301,686
Liabilities and shareholders' equity					
Current liabilities	39,617	45,389	(5,772)	(12.7)	39,647
Financial liabilities	13,547	14,389	(842)	(5.9)	12,199
Lease liabilities	5,394	5,126	268	5.2	5,342
Trade and other payables	10,384	12,035	(1,651)	(13.7)	11,179
Income tax liabilities	943	801	142	17.7	811
Other provisions	3,394	4,412	(1,018)	(23.1)	4,009
Other liabilities	3,922	3,412	510	14.9	4,250
Contract liabilities	2,034	1,868	166	8.9	1,857
Liabilities directly associated with non-current assets and disposal groups held for sale	0	3,347	(3,347)	(100.0)	0
Non-current liabilities	165,685	165,881	(196)	(0.1)	173,547
Financial liabilities	96,434	98,641	(2,207)	(2.2)	102,307
Lease liabilities	36,605	33,666	2,939	8.7	37,183
Provisions for pensions and other employee benefits	3,870	4,150	(280)	(6.7)	3,913
Other provisions	3,765	3,792	(27)	(0.7)	4,369
Deferred tax liabilities	22,159	22,800	(641)	(2.8)	22,925
Other liabilities	2,024	2,171	(147)	(6.8)	2,114
Contract liabilities	829	663	166	25.0	736
Liabilities	205,302	211,270	(5,968)	(2.8)	213,194
Shareholders' equity	94,399	87,320	7,079	8.1	88,492
Issued capital	12,765	12,765	0	0.0	12,765
Treasury shares	(28)	(35)	7	20.0	(36)
	12,737	12,730	7	0.1	12,729
Capital reserves	59,299	61,532	(2,233)	(3.6)	62,266
Retained earnings including carryforwards	(29,767)	(34,489)	4,722	13.7	(33,938)
Total other comprehensive income	474	783	(309)	(39.5)	1,528
Net profit (loss)	16,899	8,001	8,898	n.a.	5,409
Issued capital and reserves attributable to owners of the parent	59,642	48,558	11,084	22.8	47,993
Non-controlling interests	34,757	38,762	(4,005)	(10.3)	40,499
Total liabilities and shareholders' equity	299,701	298,590	1,111	0.4	301,686

Consolidated income statement

millions of €

	H1 2023	H1 2022	Change %	Q2 2023	Q2 2022	Change %	FY 2022
Net revenue	55,045	55,528	(0.9)	27,221	27,835	(2.2)	114,197
Of which: interest income calculated using the effective interest method	334	266	25.6	161	138	16.7	589
Other operating income	628	3,455	(81.8)	294	289	1.7	4,653
Changes in inventories	22	29	(24.1)	2	9	(77.8)	26
Own capitalized costs	1,346	1,395	(3.5)	679	714	(4.9)	2,852
Goods and services purchased	(22,846)	(25,434)	10.2	(11,118)	(12,579)	11.6	(52,926)
Personnel costs	(9,586)	(9,684)	1.0	(4,716)	(4,909)	3.9	(19,371)
Other operating expenses	(2,488)	(2,729)	8.8	(1,285)	(1,664)	22.8	(6,383)
Impairment losses on financial assets	(524)	(602)	13.0	(254)	(361)	29.6	(1,235)
Gains (losses) from the write-off of financial assets measured at amortized cost	(4)	(18)	77.8	(4)	(5)	20.0	(24)
Other	(1,959)	(2,110)	7.2	(1,028)	(1,299)	20.9	(5,124)
EBITDA	22,121	22,559	(1.9)	11,077	9,695	14.3	43,049
Depreciation, amortization and impairment losses	(11,900)	(14,144)	15.9	(5,869)	(7,475)	21.5	(27,635)
Profit (loss) from operations (EBIT)	10,221	8,415	21.5	5,207	2,221	n.a.	15,414
Finance costs	(2,869)	(2,527)	(13.5)	(1,491)	(1,291)	(15.5)	(5,292)
Interest income	385	228	68.9	60	113	(46.9)	387
Interest expense	(3,254)	(2,755)	(18.1)	(1,550)	(1,404)	(10.4)	(5,679)
Share of profit (loss) of associates and joint ventures accounted for using the equity method	(10)	1	n.a.	11	(18)	n.a.	(524)
Other financial income (expense)	(59)	988	n.a.	(143)	667	n.a.	1,379
Profit (loss) from financial activities	(2,938)	(1,539)	(90.9)	(1,623)	(641)	n.a.	(4,437)
Profit (loss) before income taxes	7,283	6,876	5.9	3,584	1,580	n.a.	10,977
Income taxes	(1,940)	(1,321)	(46.9)	(961)	(283)	n.a.	(1,937)
Profit (loss) after taxes from continuing operations	5,343	5,556	(3.8)	2,623	1,297	n.a.	9,039
Profit (loss) after taxes from discontinued operation	13,691	193	n.a.	0	97	(100.0)	443
Profit (loss)	19,034	5,749	n.a.	2,623	1,394	88.2	9,482
Profit (loss) attributable to							
Owners of the parent (net profit (loss))	16,899	5,409	n.a.	1,539	1,460	5.4	8,001
Non-controlling interests	2,135	340	n.a.	1,084	(66)	n.a.	1,481

In light of the IFRS Interpretations Committee's agenda decision published in May 2022 on transactions involving the commercial resale of software, Deutsche Telekom has implemented changes to its accounting practices with respect to the recognition of gross vs. net revenues, effective the start of the third quarter of 2022. Prior-year comparatives were adjusted retrospectively.

As a result of the agreement concluded on July 13, 2022, from the third quarter of 2022, the GD tower companies are recognized in the interim consolidated financial statements as discontinued operation. Prior-year comparatives were adjusted retrospectively.

Earnings per share

		H1 2023	H1 2022	Change %	Q2 2023	Q2 2022	Change %	FY 2022
Profit (loss) from continuing operations attributable to the owners of the parent (net profit (loss))	millions of €	3,208	5,216	(38.5)	1,539	1,363	12.9	7,558
Profit (loss) from discontinued operation attributable to the owners of the parent (net profit (loss))	millions of €	13,691	193	n.a.	0	97	(100.0)	443
Profit (loss) attributable to the owners of the parent (net profit (loss))	millions of €	16,899	5,409	n.a.	1,539	1,460	5.4	8,001
Adjusted weighted average number of ordinary shares outstanding (basic and diluted)	millions	4,975	4,972	0.1	4,975	4,972	0.1	4,972
Earnings per share from continuing operations (basic and diluted)	€	0.64	1.05	(39.0)	0.31	0.27	14.8	1.52
Earnings per share from discontinued operation (basic and diluted)	€	2.75	0.04	n.a.	0.00	0.02	(100.0)	0.09
Earnings per share (basic and diluted)	€	3.40	1.09	n.a.	0.31	0.29	6.9	1.61

As a result of the agreement concluded on July 13, 2022, from the third quarter of 2022, the GD tower companies are recognized in the interim consolidated financial statements as discontinued operation. Prior-year comparatives were adjusted retrospectively.

Consolidated statement of comprehensive income

millions of €	H1 2023	H1 2022	Change	Q2 2023	Q2 2022	Change	FY 2022
Profit (loss)	19,034	5,749	13,285	2,623	1,394	1,229	9,482
Items not subsequently reclassified to profit or loss (not recycled)							
Gains (losses) from the remeasurement of equity instruments	(16)	51	(67)	2	39	(37)	(46)
Gains (losses) from the remeasurement of defined benefit plans	216	2,142	(1,926)	(179)	994	(1,173)	1,841
Income taxes relating to components of other comprehensive income	(15)	(619)	604	(37)	(317)	280	(835)
	184	1,574	(1,390)	(214)	715	(929)	961
Items subsequently reclassified to profit or loss (recycled), if certain reasons are given							
Exchange differences on translating foreign operations							
Recognition of other comprehensive income in income statement	4	0	4	4	(2)	6	0
Change in other comprehensive income (not recognized in income statement)	(866)	5,975	(6,841)	189	4,586	(4,397)	4,071
Gains (losses) from the remeasurement of debt instruments							
Recognition of other comprehensive income in income statement	431	512	(81)	211	307	(96)	1,037
Change in other comprehensive income (not recognized in income statement)	(404)	(591)	187	(183)	(354)	171	(1,060)
Gains (losses) from hedging instruments (designated risk components)							
Recognition of other comprehensive income in income statement	(39)	(51)	12	(21)	(84)	63	123
Change in other comprehensive income (not recognized in income statement)	69	547	(478)	57	370	(313)	762
Gains (losses) from hedging instruments (hedging costs)							
Recognition of other comprehensive income in income statement	1	1	0	0	0	0	1
Change in other comprehensive income (not recognized in income statement)	0	(22)	22	(12)	(6)	(6)	(51)
Share of profit (loss) of investments accounted for using the equity method							
Recognition of other comprehensive income in income statement	0	0	0	0	0	0	0
Change in other comprehensive income (not recognized in income statement)	2	0	2	2	0	2	0
Income taxes relating to components of other comprehensive income	(20)	(105)	85	(10)	(57)	47	(231)
	(821)	6,266	(7,087)	237	4,760	(4,523)	4,654
Other comprehensive income	(637)	7,840	(8,477)	23	5,475	(5,452)	5,615
Total comprehensive income	18,398	13,589	4,809	2,646	6,869	(4,223)	15,097
Total comprehensive income attributable to							
Owners of the parent	16,734	10,019	6,715	1,462	4,503	(3,041)	11,272
Non-controlling interests	1,663	3,570	(1,907)	1,183	2,366	(1,183)	3,825

Consolidated statement of changes in equity

millions of €

	Issued capital and reserves attributable to owners of the parent						
	Equity contributed			Consolidated shareholders' equity generated			
	Issued capital	Treasury shares	Capital reserves	Retained earnings including carry-forwards	Net profit (loss)	Translation of foreign operations	Revaluation surplus
Balance at January 1, 2022	12,765	(37)	63,773	(36,358)	4,176	(1,747)	(7)
Changes in the composition of the Group							
Transactions with owners			(1,640)			4	
Unappropriated profit (loss) carried forward				4,176	(4,176)		
Dividends				(3,182)			
Capital increase at Deutsche Telekom AG							
Capital increase from share-based payment			133				
Share buy-back/shares held in a trust deposit		1					
Profit (loss)					5,409		
Other comprehensive income				1,439		2,842	
Total comprehensive income							
Transfer to retained earnings				(14)			3
Balance at June 30, 2022	12,765	(36)	62,266	(33,938)	5,409	1,099	(4)
Balance at January 1, 2023	12,765	(35)	61,532	(34,489)	8,001	221	0
Changes in the composition of the Group							
Transactions with owners			(2,364)			82	
Unappropriated profit (loss) carried forward				8,001	(8,001)		
Dividends				(3,483)			
Capital increase at Deutsche Telekom AG							
Capital increase from share-based payment			131				
Share buy-back/shares held in a trust deposit		7					
Profit (loss)					16,899		
Other comprehensive income				198		(345)	
Total comprehensive income							
Transfer to retained earnings				6			
Balance at June 30, 2023	12,765	(28)	59,299	(29,767)	16,899	(41)	0

Issued capital and reserves attributable to owners of the parent						Total	Non-controlling interests	Total shareholders' equity
Total other comprehensive income								
Equity instruments measured at fair value through other comprehensive income (IFRS 9)	Debt instruments measured at fair value through other comprehensive income (IFRS 9)	Hedging instruments: designated risk components (IFRS 9)	Hedging instruments: hedging costs (IFRS 9)	Investments accounted for using the equity method	Taxes			
143	(37)	(56)	86	0	(22)	42,679	38,790	81,469
						0	(583)	(583)
	(2)	(25)			8	(1,656)	(1,223)	(2,879)
						0	0	0
						(3,182)	(197)	(3,379)
						0	0	0
						133	143	275
						1	0	1
						5,409	340	5,749
52	(38)	450	(22)		(113)	4,610	3,230	7,840
						10,019	3,570	13,589
10						0	0	0
205	(77)	369	64	0	(128)	47,993	40,499	88,492
109	(50)	695	35	0	(227)	48,558	38,762	87,320
						0	(4)	(4)
	(2)	(32)			11	(2,306)	(5,544)	(7,850)
						0	0	0
						(3,483)	(213)	(3,696)
						0	0	0
						131	94	225
						7	0	7
						16,899	2,135	19,034
(16)	14	(18)	1	2	(2)	(165)	(472)	(637)
						16,734	1,663	18,398
(6)						0	0	0
88	(38)	645	36	2	(218)	59,642	34,757	94,399

Consolidated statement of cash flows

millions of €

	H1 2023	H1 2022	Change	Q2 2023	Q2 2022	Change	FY 2022
Profit (loss) before income taxes	20,269	7,160	13,109	3,584	1,723	1,861	11,703
Depreciation, amortization and impairment losses	11,900	14,335	(2,435)	5,869	7,570	(1,701)	27,827
(Profit) loss from financial activities	2,954	1,523	1,431	1,623	634	989	4,455
(Profit) loss on the disposal of fully consolidated subsidiaries	(12,924)	(2,553)	(10,371)	4	0	4	(2,661)
(Income) loss from the sale of stakes accounted for using the equity method	(15)	(66)	51	0	(66)	66	(71)
Other non-cash transactions	348	315	33	116	233	(117)	1,508
(Gains) losses from the disposal of intangible assets and property, plant and equipment	2	56	(54)	9	38	(29)	(76)
Change in assets carried as operating working capital	1,313	(433)	1,746	584	(135)	719	(600)
Change in other operating assets	(352)	(73)	(279)	226	9	217	(813)
Change in provisions	(1,235)	(354)	(881)	(768)	289	(1,057)	117
Change in liabilities carried as operating working capital	(804)	372	(1,176)	(443)	(163)	(280)	789
Change in other operating liabilities	765	643	122	264	254	10	(60)
Income taxes received (paid)	(468)	(257)	(211)	(299)	(209)	(90)	(902)
Dividends received	4	3	1	3	1	2	11
Net payments from entering into, canceling or changing the terms and conditions of interest rate derivatives	(31)	0	(31)	0	0	0	0
Cash generated from operations	21,725	20,671	1,054	10,773	10,177	596	41,228
Interest paid	(3,883)	(3,360)	(523)	(2,082)	(1,987)	(95)	(6,756)
Interest received	1,022	668	354	615	431	184	1,347
Net cash from operating activities	18,864	17,979	885	9,306	8,621	685	35,819
Of which: from discontinued operation	80	457	(377)	0	198	(198)	712
Cash outflows for investments in							
Intangible assets	(2,441)	(4,679)	2,238	(1,254)	(1,128)	(126)	(7,551)
Property, plant and equipment	(6,995)	(7,579)	584	(3,356)	(3,958)	602	(16,563)
Non-current financial assets	(203)	(501)	298	(45)	(225)	180	(683)
Payments for publicly funded investments in the broadband build-out	(147)	(162)	15	(81)	(90)	9	(377)
Proceeds from public funds for investments in the broadband build-out	117	129	(12)	67	85	(18)	435
Changes in cash and cash equivalents in connection with the acquisition of control of subsidiaries and associates	(4)	(52)	48	(4)	(1)	(3)	(52)
Proceeds from disposal of							
Intangible assets	0	2	(2)	0	1	(1)	3
Property, plant and equipment	57	82	(25)	34	33	1	436
Non-current financial assets	143	156	(13)	107	115	(8)	173
Changes in cash and cash equivalents in connection with the loss of control of subsidiaries and associates	7,624	4,089	3,535	15	0	15	4,208
Net change in short-term investments and marketable securities and receivables	(423)	(1,633)	1,210	241	(467)	708	(2,335)
Other	(1)	1	(2)	(1)	0	(1)	1
Net cash (used in) from investing activities	(2,274)	(10,148)	7,874	(4,278)	(5,636)	1,358	(22,306)
Of which: from discontinued operation	(17)	(99)	82	0	(59)	59	(277)
Proceeds from issue of current financial liabilities	813	1,212	(399)	44	1,180	(1,136)	9,686
Repayment of current financial liabilities	(6,738)	(3,438)	(3,300)	(1,747)	(2,238)	491	(15,528)
Proceeds from issue of non-current financial liabilities	9,097	1	9,096	3,209	1	3,208	4,534
Repayment of non-current financial liabilities	(1,976)	0	(1,976)	0	0	0	0
Dividend payments (including to other shareholders of subsidiaries)	(3,564)	(3,247)	(317)	(3,558)	(3,247)	(311)	(3,385)
Principal portion of repayment of lease liabilities	(3,201)	(2,415)	(786)	(1,673)	(1,180)	(493)	(4,951)
Cash inflows from transactions with non-controlling entities	14	25	(11)	9	22	(13)	29
Cash outflows from transactions with non-controlling entities	(8,015)	(2,629)	(5,386)	(3,513)	(2,377)	(1,136)	(5,823)
Net cash (used in) from financing activities	(13,570)	(10,491)	(3,079)	(7,230)	(7,838)	608	(15,438)
Of which: from discontinued operation	(74)	(140)	66	0	(48)	48	(192)
Effect of exchange rate changes on cash and cash equivalents	(71)	316	(387)	3	259	(256)	93
Changes in cash and cash equivalents associated with non-current assets and disposal groups held for sale	25	8	17	28	0	28	(18)
Net increase (decrease) in cash and cash equivalents	2,975	(2,336)	5,311	(2,171)	(4,594)	2,423	(1,850)
Cash and cash equivalents, at the beginning of the period	5,767	7,617	(1,850)	10,913	9,875	1,038	7,617
Cash and cash equivalents, at the end of the period	8,742	5,281	3,461	8,742	5,281	3,461	5,767

As a result of the agreement concluded on July 13, 2022, from the third quarter of 2022, the GD tower companies are recognized in the interim consolidated financial statements as discontinued operation. The consolidated statement of cash flows continues to include the discontinued operation in the Group Development operating segment. The top line of the consolidated statement of cash flows is profit before income taxes, which includes the profit of both the continuing operations and the discontinued operation. In the consolidated statement of cash flows, the contributions by the GD tower companies are each stated in a separate "of which" line item.

Significant events and transactions

Accounting policies

In accordance with § 115 et seq. of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG), Deutsche Telekom AG's half-year financial report comprises interim consolidated financial statements and an interim Group management report as well as a responsibility statement pursuant to § 297 (2) sentence 4 and § 315 (1) sentence 5 of the German Commercial Code (Handelsgesetzbuch – HGB). The interim consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRSs) applicable to interim financial reporting as adopted by the EU as of the reporting date. The interim management report for the Group was prepared in accordance with the German Securities Trading Act.

Statement of compliance

The interim consolidated financial statements for the period ended June 30, 2023 are in compliance with International Accounting Standard (IAS) 34. As permitted by IAS 34, it has been decided to publish a condensed version compared to the consolidated financial statements as of December 31, 2022. All IFRSs applied by Deutsche Telekom AG have been adopted by the European Commission for use within the EU.

In the opinion of the Board of Management, the reviewed half-year financial report includes all standard adjustments to be applied on an ongoing basis that are required to give a true and fair view of the results of operations and financial position of the Group. Please refer to the [notes to the consolidated financial statements](#) as of December 31, 2022 for the accounting policies applied for the Group's financial reporting.

Initial application of standards, interpretations, and amendments in the reporting period

Pronouncement	Title	To be applied by Deutsche Telekom from	Changes	Impact on the presentation of Deutsche Telekom's results of operations and financial position
IFRSs endorsed by the EU				
IFRS 17	Insurance Contracts	Jan. 1, 2023	IFRS 17 governs the accounting for insurance contracts and replaces IFRS 4.	No material impact.
Amendments to IFRS 17	Insurance Contracts	Jan. 1, 2023	The initial application of IFRS 17 is postponed until January 1, 2023. The fundamental principles under IFRS 17 remain unaffected. The amendments to IFRS 17 are aimed at helping entities implement the standard and, at the same time, avoiding a significant loss of useful information. The option for companies to delay application of IFRS 9 until the initial application of IFRS 17 has also been extended until January 1, 2023.	No material impact.
Amendments to IFRS 17	Initial Application of IFRS 17 and IFRS 9 – Comparative information	Jan. 1, 2023	Supplementary transition option relating to comparatives in the first reporting year, which allows for the option of a different classification pursuant to IFRS 9 (classification overlay) for the comparative periods in the year of first-time application of both standards. In addition, for financial assets that relate to insurance contracts, existing classification options under IFRS 9 can be exercised again if IFRS 9 was applied prior to the first-time application of IFRS 17.	No material impact.
Amendments to IAS 1 and IFRS Practice Statement 2	Presentation of Financial Statements	Jan. 1, 2023	The amendments to IAS 1 will require entities to disclose their material accounting policies in the future rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 "Making Materiality Judgements" contain guidance on applying materiality judgments to accounting policy disclosures.	No material impact.
Amendments to IAS 8	Definition of Accounting Estimates	Jan. 1, 2023	The amendments relate to the definition of accounting estimates. It is clarified how entities can distinguish between changes to accounting policies and to accounting estimates.	No material impact.
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	Jan. 1, 2023	IAS 12 provides for exemptions to the recognition of deferred taxes in specific cases. It was previously unclear as to whether the initial recognition exemptions also apply for transactions in which the initial recognition of an asset and a liability gives rise to equal taxable and deductible temporary differences. The exemptions apply specifically to leases and restoration obligations. The IASB now clarifies that the exemption relating to the recognition of deferred taxes is not applicable in the aforementioned cases.	No material impact.

For further information on standards, interpretations, and amendments that have been issued but not yet applied, as well as disclosures on the recognition and measurement of items in the statement of financial position and discretionary decisions and estimation uncertainties, please refer to the section "Summary of accounting policies" in the notes to the consolidated financial statements in the [2022 Annual Report](#).

Changes in accounting policies and changes in the reporting structure

Deutsche Telekom did not make any major changes to its accounting policies in the reporting period. The following change was made to the reporting structure:

Change in reporting of revenue by revenue categories. Effective January 1, 2023, the previously reported breakdown of revenues by revenue category (from the rendering of services, from the sale of goods and merchandise, and from the use of entity assets by others) was replaced by a breakdown into service revenues and non-service revenues in line with the Group's management model. In addition, effective January 1, 2023, the definition of service revenues was extended as follows: Certain software revenues generated with ICT business in the Systems Solutions and Europe operating segments, as well as in the Group Headquarters & Group Services segment, have been included since this date. Comparative figures have been adjusted retrospectively.

For further information on revenues, please refer to the section ["Selected notes to the consolidated income statement."](#)

Development of the economic environment and impact on financial reports

The macroeconomic challenges currently facing society, politics, and business are multi-faceted and often interdependent, such as the rise in energy prices, the ongoing high rate of inflation, the rise in interest rate levels, political developments, including those concerning dealings with Chinese vendors of telecommunications components, geopolitical tensions, and the war in Ukraine. This results in substantial uncertainty in terms of global economic development. Deutsche Telekom is aware that, in view of the current developments, it is only possible to extrapolate past experience to the future to a limited extent. Deutsche Telekom is constantly reassessing the challenges and takes them into account in its consolidated financial statements and financial reporting, e.g., when testing the impairment of goodwill, the recognition of deferred taxes, and the measurement of provisions and financial instruments.

Changes in the underlying parameters primarily relate to the exchange rates used for currency translation and to the interest rates for determining defined benefit obligations.

The euro exchange rates of certain significant currencies changed as follows:

€	Rate at the reporting date			Annual average rate	
	June 30, 2023	Dec. 31, 2022	June 30, 2022	H1 2023	H1 2022
100 Czech korunas (CZK)	4.20991	4.14345	4.04139	4.22093	4.04515
100 Croatian kuna (HRK) ^a	n.a.	13.27230	13.27840	n.a.	13.28860
1,000 Hungarian forints (HUF)	2.68807	2.49707	2.51566	2.62377	2.51843
100 Macedonian denars (MKD)	1.63422	1.62299	1.62405	1.62295	1.62386
100 Polish zlotys (PLN)	22.52990	21.34570	21.32330	21.60930	21.51700
1 U.S. dollar (USD)	0.92115	0.93655	0.96219	0.92540	0.94632

^a Croatia joined the eurozone as of January 1, 2023.

The following key discount rates were used when calculating the present value of defined benefit obligations:

%	June 30, 2023	Dec. 31, 2022
Germany	4.01	4.13
United States	5.40	5.59
Switzerland	1.96	2.42

Changes in the composition of the Group and other transactions

In the first half of 2023, Deutsche Telekom conducted the following transactions, which had an impact on the composition of the Group. Other changes to the composition of the Group not shown here were of no material significance for Deutsche Telekom's interim consolidated financial statements.

Sale of the GD tower companies

On July 13, 2022, Deutsche Telekom agreed to sell a 51.0 % stake in the cell tower business companies in Germany and Austria (GD tower companies), hitherto assigned to the Group Development operating segment, to DigitalBridge and Brookfield. The sale price is based on an enterprise value of EUR 17.5 billion. Since closing of the transaction on February 1, 2023, Deutsche Telekom has lost control over the GD tower companies. All necessary regulatory approvals had been duly granted and all other closing conditions met. The total preliminary gain on deconsolidation resulting from the sale amounts to EUR 15.9 billion, of which EUR 12.9 billion is included as other operating income in profit/loss after taxes from discontinued operation as of the deconsolidation date. The remaining EUR 3.0 billion will be recognized pro rata in later periods due to the sale-and-leaseback transaction described below. The stake retained by Deutsche Telekom of 49.0 % has been included in the consolidated financial statements using the equity method since February 1, 2023. The carrying amount of the investment amounted to EUR 6.1 billion as of June 30, 2023.

As a result of the sales agreement, the GD tower companies had been recognized in the interim consolidated financial statements as discontinued operation from the third quarter of 2022 until their sale on February 1, 2023. The consolidated income statement was adjusted with retrospective effect in the comparative period. Thus, the contributions by the GD tower companies were no longer included in the individual items of the consolidated income statement. Instead, profit or loss after taxes was recognized in the item "Profit/loss after taxes from discontinued operation." Assets and the directly associated liabilities have been shown as held for sale in the consolidated statement of financial position since December 31, 2022. In the consolidated statement of cash flows, the contributions by the GD tower companies have each been stated in a separate "of which" line item.

For further information on the assets and liabilities of the GD tower companies included in the consolidated financial statements as of December 31, 2022, please refer to Note 5 "Non-current assets and disposal groups held for sale and liabilities directly associated with non-current assets and disposal groups held for sale" in the notes to the consolidated financial statements in the [2022 Annual Report](#).

Once the transaction was consummated, Deutsche Telekom leased back the majority of the sold passive network infrastructure in Germany and Austria under a sale-and-leaseback agreement with a non-cancellable basic lease term of eight years. Overall, lease liabilities were recognized in the amount of EUR 5.0 billion and, as a result of the sale-and-leaseback agreement, retained right-of-use assets in the amount of EUR 2.0 billion. The portion of the gain attributable to the retained use of the sold assets, amounting to EUR 3.0 billion, will have an impact in later periods by way of lower depreciation of the capitalized right-of-use assets. Furthermore, deferred tax assets of EUR 0.9 billion were recognized in the consolidated statement of financial position.

The preliminary cash inflow totaling EUR 10.7 billion resulting from the sale of the GD tower companies is recognized in the consolidated statement of cash flows as of June 30, 2023, with EUR 7.6 billion relating to the sale of the business operation recognized under net cash from/used in investing activities and EUR 3.1 billion relating to the sale and leaseback of the passive mobile infrastructure recognized under net cash from/used in financing activities.

Sale of the U.S. wireline business

On September 6, 2022, T-Mobile US reached an agreement with Cogent Infrastructure (Cogent) on the sale of T-Mobile US' fiber-optic-based wireline business. Under the agreement, Cogent will take over all shares in the entity that holds all of the assets and liabilities related to the former Sprint's fiber-optic-based wireline network. The transaction was consummated on May 1, 2023. All necessary regulatory approvals had been duly granted and all other closing conditions met. The sale price was USD 1 and was subject to customary adjustments laid down in the purchase agreement. The cash proceeds received upon completion of the transaction amounted to USD 14 million (EUR 13 million). The loss on deconsolidation resulting from the sale amounted to EUR 4 million. In addition, upon completion of the transaction, T-Mobile US undertook to enter into a separate agreement on IP transit services, according to which T-Mobile US will pay a total of USD 0.7 billion (around EUR 0.6 billion) in agreed installments in subsequent periods to Cogent. In connection with the payment obligations entered into as part of the transaction, total liabilities of EUR 0.7 billion had already been recognized in the 2022 financial year. These liabilities included, under financial liabilities, the present value of the future payments for IP transit services. Since a specific use for these services has not been identified, the corresponding expense was already recognized in full in the 2022 financial year under other operating expenses.

As a result of the concluded sales agreement, the assets and liabilities of the wireline business were reported in the consolidated statement of financial position as "held for sale" from September 30, 2022 up until their sale on May 1, 2023.

The following transaction will change the composition of the Deutsche Telekom Group in the future:

Agreement on the acquisition of Ka'ena in the United States

On March 9, 2023, T-Mobile US entered into a Merger and Unit Purchase Agreement for the acquisition of 100 % of the outstanding equity of Ka'ena Corporation and its subsidiaries including, among others, Mint Mobile, for a maximum purchase price of USD 1.35 billion to be paid out 39 % in cash and 61 % in shares of T-Mobile US common stock. Ka'ena Corporation is currently one of the wholesale partners of T-Mobile US, offering wireless telecommunications services to customers. The purchase price is variable dependent upon specified performance indicators of Ka'ena Corporation during certain periods before and after closing and consists of an upfront payment at deal close, subject to certain agreed-upon adjustments, and a variable earnout payable 24 months after the close of the transaction. The upfront payment is expected to be approximately USD 950 million, before working capital adjustments. The acquisition is subject to certain customary closing conditions, including certain regulatory approvals, and is expected to close by the end of 2023.

Other transactions that had no effect on the composition of the Group

Share buy-back program at T-Mobile US

In the period from January 1, 2023 to June 30, 2023, T-Mobile US bought back around 58 million additional shares with a total volume of USD 8.3 billion (EUR 7.7 billion) under the share buy-back program announced on September 8, 2022.

As of June 30, 2023, Deutsche Telekom's stake in T-Mobile US amounted to 48.0 %. Taking the treasury shares held by T-Mobile US into account, Deutsche Telekom had a 51.3 % stake in T-Mobile US as of June 30, 2023. The percentage of T-Mobile US shares for which Deutsche Telekom can exercise voting rights, based on an agreement concluded with SoftBank in connection with the acquisition of Sprint, amounted to 55.1 % as of June 30, 2023.

In the period from July 1, 2023 to July 21, 2023, T-Mobile US bought back around 4.0 million additional shares with a total volume of USD 0.6 billion (EUR 0.5 billion) under the share buy-back program.

Selected notes to the consolidated statement of financial position

Trade receivables

At EUR 15.8 billion, trade receivables decreased by EUR 1.0 billion against the 2022 year-end level. This was due to lower receivables in the United States and Germany operating segments. Exchange rate effects, mainly from the translation of U.S. dollars into euros, also decreased the carrying amount. By contrast, receivables increased in the Europe operating segment.

Contract assets

The carrying amount of contract assets at the reporting date totaled EUR 2.5 billion compared with EUR 2.4 billion as of December 31, 2022. Contract assets relate to receivables that have not yet legally come into existence, which arise from the earlier – as compared to billing – recognition of revenue, in particular from the sale of goods and merchandise. Furthermore, receivables from long-term construction contracts are recognized under contract assets.

Inventories

The carrying amount of inventories decreased by EUR 0.4 billion to EUR 2.2 billion, driven by the sale of older terminal equipment and reduced stocks due to the closure of former Sprint sites in the United States operating segment. Stockpiling in the fixed network for the fiber-optic build-out in Germany and for terminal equipment in the Germany operating segment had an offsetting effect.

Intangible assets

The carrying amount of intangible assets decreased by EUR 2.6 billion compared to December 31, 2022 to EUR 138.0 billion, mainly due to amortization and impairment losses of EUR 3.3 billion. Exchange rate effects, primarily from the translation of U.S. dollars into euros, also decreased the carrying amount by EUR 1.8 billion. By contrast, additions increased the carrying amount by EUR 2.5 billion. Of these additions, EUR 0.3 billion related to the acquisition of mobile spectrum in the Europe and United States operating segments.

On August 8, 2022, T-Mobile US entered into agreements with Channel 51 License Co LLC and LB License Co, LLC (Sellers) for the acquisition of spectrum licenses in the 600 MHz band for an aggregate purchase price of USD 3.5 billion (EUR 3.4 billion). The licenses are to be acquired without any associated network assets. T-Mobile US currently utilizes these licenses under an existing arrangement with the Sellers covering fixed-term spectrum leases. On March 30, 2023, the contractual parties further agreed that the transaction be divided into two separate tranches. The transfer of the licenses in accordance with the agreements is subject to regulatory approvals and certain other customary closing conditions. The first tranche is expected to be concluded by the end of 2023, while the second tranche is expected to be concluded in 2024.

On July 1, 2020, T-Mobile US and DISH Network Corporation (DISH) reached an agreement on the sale of spectrum licenses, under which DISH receives an option to purchase certain 800 MHz spectrum licenses from T-Mobile US for USD 3.6 billion (EUR 3.5 billion). The transaction is subject to approval by the Federal Communications Commission (FCC). Pursuant to the agreement, the application for approval would have had to be filed with the FCC at the latest by June 1, 2023. As of July 27, 2023, DISH has not fulfilled this obligation. At the request of the U.S. Department of Justice, T-Mobile US agreed not to take action to terminate the agreement until August 11, 2023. If the application is filed with the FCC before this date, and the FCC subsequently approves the transaction, the contractual parties are obligated to close the transaction within five days following approval. In the event of a breach of contract, DISH would have to pay a contractual penalty of USD 72 million to T-Mobile US. However, should the transaction not be closed by April 1, 2024, without breach of contract, both parties are entitled to terminate the agreement. In this case, DISH would not be required to pay a contractual penalty. If DISH does not exercise its option to purchase the 800 MHz spectrum licenses, T-Mobile US is obligated to put the licenses up for sale at auction. Should bidding not reach the defined minimum purchase price of USD 3.6 billion, T-Mobile US would be released from its obligation to sell the licenses.

Property, plant and equipment

The carrying amount of property, plant and equipment increased by EUR 0.1 billion compared to December 31, 2022 to EUR 65.8 billion. Additions, primarily for the upgrade and build-out of the network (broadband, fiber-optic, and mobile infrastructure build-out) increased the carrying amount by EUR 6.4 billion. Depreciation charges of EUR 5.9 billion had a decreasing effect. Exchange rate effects of EUR 0.4 billion, primarily from the translation of U.S. dollars into euros, and disposals of EUR 0.2 billion also reduced the carrying amount.

Right-of-use assets

The carrying amount of the right-of-use assets increased by EUR 0.6 billion compared to December 31, 2022 to EUR 34.3 billion. The carrying amount was increased by additions of EUR 4.0 billion, mainly resulting from the sale and leaseback of passive network infrastructure in Germany and Austria in connection with the sale of the GD tower companies. In this context, retained right-of-use assets of EUR 2.0 billion were recognized in the consolidated statement of financial position. Depreciation and impairment losses decreased the carrying amount by EUR 2.8 billion. This included a EUR 0.2 billion increase in depreciation due to a reduction in the useful life of leased network technology for cell sites in the United States operating segment following the business combination of T-Mobile US and Sprint. Exchange rate effects of EUR 0.5 billion, primarily from the translation of U.S. dollars into euros, and disposals of EUR 0.1 billion reduced the carrying amount.

For further information on the sale of the GD tower companies, please refer to the section [“Changes in the composition of the Group and other transactions.”](#)

Capitalized contract costs

As of June 30, 2023, the carrying amount of capitalized contract costs was up by EUR 0.1 billion against the level of December 31, 2022 to EUR 3.4 billion. The capitalized contract costs primarily relate to the United States, Germany, and Europe operating segments.

Investments accounted for using the equity method

The carrying amount of investments accounted for using the equity method increased by EUR 6.0 billion compared to December 31, 2022, to EUR 7.3 billion, essentially as a result of the sale of the 51.0 % stake in the GD tower companies. Following the loss of control pursuant to the IFRSs as a result of the transaction, the companies were deconsolidated as of February 1, 2023. Since this date, the remaining 49.0 % of the shares have been included in the consolidated financial statements as an investment accounted for using the equity method. The carrying amount of the investment amounted to EUR 6.1 billion as of June 30, 2023.

For further information on the sale of the GD tower companies, please refer to the section [“Changes in the composition of the Group and other transactions.”](#)

Other financial assets

millions of €	June 30, 2023	Dec. 31, 2022
	Total	Total
Originated loans and receivables	4,634	4,315
Other receivables – publicly funded projects	2,074	2,019
Debt instruments – measured at fair value through profit or loss	695	646
Derivative financial assets	2,174	2,273
Of which: derivatives with a hedging relationship	1,043	1,034
Of which: derivatives without a hedging relationship	1,131	1,239
Equity instruments – measured at fair value through profit or loss	4	3
Equity instruments – measured at fair value through other comprehensive income	441	446
Lease assets	182	205
Other	3	3
	10,206	9,910

The carrying amount of current and non-current other financial assets increased by EUR 0.3 billion compared to December 31, 2022 to EUR 10.2 billion.

The net total of originated loans and receivables increased by EUR 0.3 billion to EUR 4.6 billion. The carrying amount was increased by an existing shareholder loan to the GD tower companies, which must be recognized in the consolidated statement of financial position as a result of the deconsolidation of the companies. As of June 30, 2023, this loan had a carrying amount of EUR 0.3 billion. In addition, government bonds were bought during the course of the year under short-term investments. As of June 30, 2023, they had a carrying amount of EUR 0.2 billion.

In connection with receivables from grants still to be received from funding projects for the broadband build-out in Germany, the carrying amount of other receivables increased by EUR 0.1 billion to EUR 2.1 billion.

For further information on cash collateral deposited and on derivatives, please refer to the section [“Disclosures on financial instruments.”](#)

For further information on the sale of the GD tower companies, please refer to the section [“Changes in the composition of the Group and other transactions.”](#)

Other assets

The carrying amount of current and non-current other assets increased by EUR 0.5 billion to EUR 3.8 billion. As of June 30, 2023, the carrying amount included various advance payments, totaling EUR 3.0 billion (December 31, 2022: EUR 2.7 billion), mainly including advance payments for maintenance, repairs, and in connection with agreements on services for certain mobile communications equipment that do not fall under the scope of IFRS 16. Receivables from other taxes also increased.

Non-current assets and disposal groups held for sale

The carrying amount of non-current assets and disposal groups held for sale decreased by EUR 4.6 billion compared with December 31, 2022 to EUR 0.1 billion. The sale of the GD tower companies as of February 1, 2023 reduced the carrying amount by EUR 4.2 billion, and the sale of the wireline business at T-Mobile US as of May 1, 2023 by EUR 0.3 billion. The corresponding assets had previously been reported as held for sale on account of the sales agreements concluded.

For further information on the corporate transactions, please refer to the section [“Changes in the composition of the Group and other transactions.”](#)

Financial liabilities and lease liabilities

The following table shows the composition and maturity structure of **financial liabilities** as of June 30, 2023:

millions of €	June 30, 2023	Due within 1 year	Due > 1 ≤ 5 years	Due > 5 years	Dec. 31, 2022
Bonds and other securitized liabilities	91,822	8,103	27,970	55,749	93,802
Liabilities to banks	3,610	1,331	1,224	1,055	4,122
Liabilities with the right of creditors to priority repayment in the event of default	2,533	822	1,711	0	2,925
Other interest-bearing liabilities	7,149	1,243	2,752	3,153	7,526
Liabilities from deferred interest	1,036	1,036	0	0	999
Other non-interest-bearing liabilities	1,006	854	132	20	769
Derivative financial liabilities	2,825	157	860	1,808	2,889
Financial liabilities	109,980	13,547	34,649	61,785	113,030
Lease liabilities	41,999	5,394	16,299	20,306	38,792

The carrying amount of current and non-current financial liabilities decreased by EUR 3.1 billion compared with year-end 2022 to EUR 110.0 billion, primarily due to the factors described below. Exchange rate effects, in particular from the translation of U.S. dollars into euros, lowered the carrying amount by EUR 1.3 billion.

The carrying amount of bonds and other securitized liabilities decreased by EUR 2.0 billion to EUR 91.8 billion. Exchange rate effects decreased the carrying amount of bonds and other securitized liabilities by EUR 1.2 billion. Early repayments in the Group of premature buybacks of bonds with terms ending between 2023 and 2028, made in February and March 2023, including EUR bonds of EUR 2.4 billion, GBP bonds of GBP 0.2 billion (EUR 0.3 billion), and USD bonds of USD 0.6 billion (EUR 0.6 billion) reduced the carrying amount. It was further reduced by the scheduled repayments of EUR bonds in the amount of EUR 1.3 billion and by net repayments of commercial paper in the amount of EUR 2.3 billion. The carrying amount was increased by senior notes issued in the reporting period by T-Mobile US with a total volume of USD 6.5 billion (EUR 6.0 billion) with terms ending between 2028 and 2054 and bearing interest of between 4.80 % and 5.75 %. In addition, the carrying amount increased by EUR 0.2 billion in connection with measurement effects from derivatives with a hedging relationship, the offsetting entry for which is posted under bonds and other securitized liabilities.

The carrying amount of liabilities to banks decreased by EUR 0.5 billion compared with December 31, 2022 to EUR 3.6 billion, mainly due to scheduled repayments of EUR 0.3 billion and by the net increase of EUR 0.2 billion in the balance of short-term borrowings.

The liabilities with the right of creditors to priority repayment in the event of default of EUR 2.5 billion (December 31, 2022: EUR 2.9 billion) relate primarily to bonds issued by Sprint. Collateral was provided for these bonds, hence they constitute a separate class of financial instruments. The main factor reducing the carrying amount was repayments in the reporting period in the amount of EUR 0.3 billion when translated into euros. At the reporting date, cash and cash equivalents with a carrying amount of EUR 68 million (December 31, 2022: EUR 63 million) when translated into euros were pledged as collateral for these bonds.

The carrying amount of other interest-bearing liabilities decreased by EUR 0.4 billion compared with December 31, 2022 to EUR 7.1 billion. The main reducing factors were repayments at T-Mobile US, accounting for EUR 0.2 billion, and exchange rate effects, in particular from the translation of U.S. dollars into euros, accounting for EUR 0.1 billion.

The carrying amount of derivative financial liabilities decreased by EUR 0.1 billion to EUR 2.8 billion. This was primarily driven by the early termination of a forward transaction to hedge the price of acquiring T-Mobile US shares in the future.

For further information on derivative financial liabilities, please refer to the section [“Disclosures on financial instruments.”](#)

The carrying amount of current and non-current **lease liabilities** increased by EUR 3.2 billion to EUR 42.0 billion compared with December 31, 2022, mainly resulting from the sale and leaseback of passive network infrastructure in Germany and Austria in connection with the sale of the GD tower companies. As a result of this transaction, lease liabilities increased by EUR 5.0 billion. By contrast, lease liabilities in the United States operating segment decreased by EUR 1.1 billion due to the decommissioning of the former Sprint’s wireless network, the closure of former Sprint shops, and a decline in network and build-out investments, primarily on account of higher capital efficiency resulting from the accelerated build-out of the nationwide 5G network in the prior year. Exchange rate effects, in particular from the translation of U.S. dollars into euros, reduced the carrying amount by EUR 0.5 billion.

For further information on the sale of the GD tower companies, please refer to the section [“Changes in the composition of the Group and other transactions.”](#)

Trade and other payables

The carrying amount of trade and other payables decreased by EUR 1.7 billion to EUR 10.4 billion, due in particular to lower liabilities in the United States operating segment, primarily due to a seasonally lower procurement volume and exchange rate effects with a reducing effect. By contrast, the Germany operating segment recorded an increase in liabilities.

Provisions for pensions and other employee benefits

The carrying amount of provisions for pensions and other employee benefits decreased by EUR 0.3 billion as of December 31, 2022 to EUR 3.9 billion, mainly due to an increase in the fair values of plan assets. The decline in the discount rate compared with December 31, 2022 had an offsetting effect. Overall, the remeasurement of defined benefit plans resulted in an actuarial gain of EUR 0.2 billion to be recognized directly in equity.

Current and non-current other provisions

The carrying amount of current and non-current other provisions decreased by EUR 1.0 billion compared with the end of 2022 to EUR 7.2 billion. Other provisions for personnel costs decreased by EUR 0.3 billion, mainly in connection with the performance-based remuneration components for the prior year paid out to employees in the first half of 2023. By contrast, other provisions for personnel costs recognized for the Civil Service Health Insurance Fund (Postbeamtenkrankenkasse – PBeaKK) increased as a result of the subsequent measurement of the present value determined using actuarial principles due to the decline in the interest rate level. Provisions for procurement and sales support decreased by EUR 0.3 billion, mainly in connection with the bonuses paid out to sales partners in the United States operating segment. Provisions for restoration obligations also decreased by EUR 0.2 billion, due in particular to the decommissioning of the former Sprint mobile network and due to shop closures. Exchange rate effects, in particular from the translation of U.S. dollars into euros, also contributed to the decrease in the carrying amount.

Other liabilities

The carrying amount of current and non-current other liabilities increased from EUR 5.6 billion to EUR 5.9 billion, mainly due to an increase in liabilities from other taxes. Liabilities due to existing build-out obligations in connection with grants still to be received from funding projects for the broadband build-out in Germany remained unchanged compared with December 31, 2022 at EUR 1.7 billion.

Contract liabilities

The carrying amount of current and non-current contract liabilities increased by EUR 0.3 billion compared with December 31, 2022 to EUR 2.9 billion. These substantially include deferred revenues. The increase was mainly due to higher contract liabilities in the Germany operating segment.

Liabilities directly associated with non-current assets and disposal groups held for sale

The carrying amount of liabilities directly associated with non-current assets and disposal groups held for sale decreased by EUR 3.3 billion against December 31, 2022 to EUR 0.0 billion. The sale of the GD tower companies as of February 1, 2023 reduced the carrying amount by EUR 3.0 billion, and the sale of the wireline business at T-Mobile US as of May 1, 2023 by EUR 0.4 billion. The corresponding liabilities had previously been reported as held for sale on account of the sales agreements concluded.

For further information on the corporate transactions, please refer to the section [“Changes in the composition of the Group and other transactions.”](#)

Shareholders' equity

The carrying amount of shareholders' equity increased from EUR 87.3 billion as of December 31, 2022 to EUR 94.4 billion, with profit of EUR 19.0 billion and capital increases from share-based payments of EUR 0.2 billion having an increasing effect. By contrast, transactions with owners reduced shareholders' equity by EUR 7.9 billion, mainly in connection with the share buy-back program at T-Mobile US. Shareholders' equity was reduced in connection with dividend payments for the 2022 financial year to Deutsche Telekom AG shareholders in the amount of EUR 3.5 billion and to other shareholders of subsidiaries in the amount of EUR 0.2 billion. Other comprehensive income also decreased the carrying amount by EUR 0.6 billion. The main factors here were negative currency translation effects recognized directly in equity amounting to EUR 0.9 billion, offset by a positive effect of EUR 0.2 billion from the remeasurement of defined benefit plans.

For further information on the increase of the stake in T-Mobile US, please refer to the section [“Other transactions that had no effect on the composition of the Group.”](#)

The following table shows the changes in the composition of the Group and the development of transactions with owners:

millions of €	June 30, 2023			Dec. 31, 2022		
	Issued capital and reserves attributable to owners of the parent	Non-controlling interests	Total shareholders' equity	Issued capital and reserves attributable to owners of the parent	Non-controlling interests	Total shareholders' equity
Changes in the composition of the Group	0	(4)	(4)	0	(583)	(583)
Sale of T-Mobile Netherlands	0	0	0	0	(583)	(583)
Other effects	0	(4)	(4)	0	0	0
Transactions with owners	(2,306)	(5,544)	(7,850)	(2,569)	(3,428)	(5,997)
T-Mobile US share buy-back/share-based payment	(2,304)	(5,443)	(7,746)	(978)	(1,994)	(2,972)
OTE share buy-back	(19)	(40)	(59)	(100)	(190)	(290)
Hrvatski Telekom share buy-back	(1)	(5)	(6)	(2)	(22)	(24)
Increase of the stake in T-Mobile US	0	0	0	(1,493)	(1,178)	(2,672)
Magyar Telekom share buy-back	17	(56)	(39)	15	(53)	(38)
Other effects	0	0	0	(10)	9	(1)

Selected notes to the consolidated income statement

As a result of the sales agreement concluded on July 13, 2022, the GD tower companies had been recognized as a discontinued operation from the third quarter of 2022 until their sale on February 1, 2023. The relevant comparative period in the consolidated income statement was adjusted with retrospective effect. Thus, the contributions by the GD tower companies were no longer included in the individual items of the consolidated income statement. Instead, profit or loss after taxes was disclosed in aggregate form in the item "Profit/loss after taxes from discontinued operation."

For further information on the sale of the GD tower companies, please refer to the section "Changes in the composition of the Group and other transactions."

Net revenue

Net revenue breaks down into the following revenue categories:

millions of €	H1 2023	H1 2022
Service revenues	45,770	44,674
Germany	10,901	10,645
United States	28,903	27,810
Europe	4,715	4,551
Systems Solutions	1,855	1,844
Group Development	0	411
Group Headquarters & Group Services	482	514
Reconciliation	(1,085)	(1,102)
Non-service revenues	9,275	10,854
Germany	1,389	1,356
United States	6,915	8,510
Europe	969	860
Systems Solutions	50	25
Group Development	7	134
Group Headquarters & Group Services	648	706
Reconciliation	(704)	(737)
Net revenue	55,045	55,528

The breakdown of revenues by revenue category was changed in line with the Group's management model, effective January 1, 2023. Comparative figures have been adjusted retrospectively.

For further information on this change, please refer to the section "Changes in accounting policies and changes in the reporting structure."

The service revenues essentially comprise predictable and/or recurring revenues from Deutsche Telekom's core activities. These relate to revenues that are generated from services (i.e., revenues from fixed and mobile network voice services, incoming and outgoing calls, as well as data services) plus roaming revenues, monthly basic charges and visitor revenues, as well as revenues from the ICT business. Service revenues also include revenues earned in connection with premium services for customers, such as reinsurance for device insurance policies and extended warranties. Revenue from insurance contracts in the scope of IFRS 17 in the Group amounted to EUR 2.3 billion (H1 2022: EUR 2.3 billion).

Non-service revenues mainly comprise one-time and variable revenues, e.g., revenue from the sale or rental of fixed-network or mobile devices, from value-added services, from application and contract services, revenue with virtual network operators, one-time revenue from the build-out of technical infrastructure, and revenue from vehicle and property leasing.

Net revenue includes revenue from the use of entity assets by others in the scope of IFRS 16 in the amount of EUR 0.6 billion (H1 2022: EUR 1.3 billion). Of the revenue from the use of entity assets by others reported in net revenue, EUR 0.4 billion (H1 2022: EUR 0.4 billion) relates to service revenues and EUR 0.2 billion (H1 2022: EUR 0.9 billion) to non-service revenues.

For further information on changes in net revenue, please refer to the section "[Development of business in the Group](#)" in the interim Group management report.

Other operating income

millions of €	H1 2023	H1 2022
Income from the reversal of impairment losses on non-current assets	1	2
Income from the disposal of non-current assets	135	37
Income from reimbursements	64	67
Income from insurance compensation	90	132
Income from ancillary services	25	12
Miscellaneous other operating income	313	3,205
Of which: gains resulting from deconsolidations and from the sale of stakes accounted for using the equity method	19	2,619
	628	3,455

Income from insurance compensation in the first half of 2023 mainly relates to further refunds from insurance companies for expenses incurred in connection with the cyberattack on T-Mobile US in August 2021. In the prior year, this income mainly resulted from payments on account from insurance companies in connection with damage sustained in the catastrophic flooding in North Rhine-Westphalia and Rhineland-Palatinate in July 2021. Gains resulting in the prior year from the deconsolidation and sale of stakes accounted for using the equity method were attributable to the loss of control over the GlasfaserPlus entities (EUR 1.7 billion) and the sale of T-Mobile Netherlands (EUR 0.9 billion). Other operating income in the prior year also included a payment of EUR 0.2 billion in connection with the settlement of a series of patent disputes between T-Mobile US and a competitor.

For further information on the sale of the GD tower companies, please refer to the section "[Changes in the composition of the Group and other transactions.](#)"

Other operating expenses

millions of €	H1 2023	H1 2022
Impairment losses on financial assets	(524)	(602)
Gains (losses) from the write-off of financial assets measured at amortized cost	(4)	(18)
Other	(1,959)	(2,110)
Legal and audit fees	(228)	(576)
Losses from asset disposals	(137)	(91)
Income (losses) from the measurement of factoring receivables	0	(2)
Other taxes	(334)	(320)
Cash and guarantee transaction costs	(307)	(294)
Insurance expenses	(90)	(81)
Miscellaneous other operating expenses	(863)	(746)
Of which: losses resulting from deconsolidations and from the sale of stakes accounted for using the equity method	(4)	0
	(2,488)	(2,729)

Expenses for legal and audit fees in the prior year included EUR 0.4 billion for the settlement reached and the further proceedings pending in consequence of the cyberattack on T-Mobile US in August 2021. Miscellaneous other operating expenses include expenses of EUR 0.3 billion for data storage in data centers, in cloud applications, or other IT services, and of EUR 0.2 billion for regulatory duties in the United States.

Depreciation, amortization and impairment losses

At EUR 11.9 billion, depreciation, amortization and impairment losses on intangible assets, property, plant and equipment, and right-of-use assets were EUR 2.2 billion lower in the first half of 2023 than in the prior-year period, with the decrease being mainly attributable to the United States operating segment. Depreciation and amortization at T-Mobile US were lower due to the ongoing strategic withdrawal from the terminal equipment lease business. Depreciation and amortization also decreased due to the complete write-off of certain 4G network components, including assets affected by the decommissioning of the former Sprint's legacy CDMA and LTE networks in 2022. The decrease was offset by increased depreciation and amortization in connection with the further build-out of the nationwide 5G network in the United States. In addition, a further reduction in the useful life of leased network technology for cell sites following the business combination of T-Mobile US and Sprint increased depreciation of the corresponding right-of-use assets by EUR 0.2 billion. At EUR 0.1 billion, no significant impairment losses were recorded in the reporting period. The impairment losses recorded in the prior-year period of EUR 0.5 billion were mainly attributable to the former Sprint's fiber-optic-based wireline assets in the United States operating segment.

Profit/loss from financial activities

Loss from financial activities increased year-on-year from EUR 1.5 billion to EUR 2.9 billion, with other financial income declining from EUR 1.0 billion to a financial expense of EUR 0.1 billion, in particular in connection with the interest component from the measurement of provisions and liabilities. This decrease was mainly attributable to the subsequent measurement using actuarial principles of the present value of the provision recognized for the Civil Service Health Insurance Fund. Gains/losses from financial instruments also declined year-on-year by EUR 0.3 billion to EUR 0.1 billion, partly due to less pronounced positive measurement effects compared with the prior-year period from a forward transaction which was terminated early in the first quarter of 2023 to hedge the price of acquiring T-Mobile US shares in the future. Finance costs increased from EUR 2.5 billion to EUR 2.9 billion, mainly due to the sale and leaseback of passive network infrastructure in Germany and Austria in connection with the sale of the GD tower companies, which resulted in an increase in the carrying amounts of the lease liabilities, and due to an increase in the average interest rates of financial liabilities.

For further information on embedded derivatives at T-Mobile US, please refer to the section "[Disclosures on financial instruments.](#)"

Income taxes

A tax expense of EUR 1.9 billion was recorded in the first half of 2023. The tax amount reflects the shares of the different countries in profit before income taxes and their respective national tax rates. In the prior-year period, a tax expense of EUR 1.3 billion was recognized on the higher profit/loss before income taxes, which also essentially reflects the respective national tax rates. However, the tax rate was reduced by the realization of tax-free income from the sale of T-Mobile Netherlands and the shares in GlasfaserPlus.

Profit/loss after taxes from discontinued operation

The sale of the GD tower companies was consummated on February 1, 2023, and these companies have not been part of the Group since that date. The development presented contains the contributions for the first month of 2023.

The following table provides a breakdown of profit/loss after taxes from the discontinued operation:

millions of €	H1 2023	H1 2022
Net revenue	15	106
Other operating income	12,923	(2)
Changes in inventories	0	3
Own capitalized costs	0	12
Goods and services purchased	69	379
Personnel costs	(6)	(36)
Other operating expenses	0	(1)
EBITDA	13,001	460
Depreciation, amortization and impairment losses	0	(192)
Profit (loss) from operations (EBIT)	13,001	269
Finance costs	(14)	(13)
Other financial income (expense)	(2)	28
Profit (loss) from financial activities	(16)	15
Profit (loss) before income taxes	12,986	284
Income taxes	706	(91)
Profit (loss) after taxes from discontinued operation	13,691	193

Value contributions by GD tower companies are presented separately in the income statement of the discontinued operation. Since Deutsche Telekom largely continues to use the sold passive network infrastructure after consummation of the transaction effective February 1, 2023, the intragroup eliminations of income and expenses between discontinued and continuing operations are disclosed at the level of the discontinued operation. So, for example, goods and services purchased include eliminations of intragroup onward charging of purchased services of GD tower companies mainly to Telekom Deutschland GmbH. In this way, the net effect is that internal cost allocations are no longer included in Deutsche Telekom's interim consolidated financial statements. Due to continuing contractual relationships, the corresponding expenses for purchased services will also be incurred after the sale of the GD tower companies.

Other operating income of EUR 12.9 billion relates to the deconsolidation gain realized from the loss of control over the GD tower companies. Income from income taxes resulted from deferred tax effects arising in connection with the concluded sale-and-leaseback transaction.

For further information on the discontinued operation, please refer to the section "[Changes in the composition of the Group and other transactions.](#)"

Other disclosures

Notes to the consolidated statement of cash flows

Net cash from operating activities

Net cash from operating activities increased by EUR 0.9 billion year-on-year to EUR 18.9 billion. This positive trend is attributable to sound business development. Lower cash outflows in connection with the integration of Sprint in the United States also had a positive effect. By contrast, the increase in net interest payments of EUR 0.2 billion and the increase in tax payments of EUR 0.2 billion had a reducing effect.

Net cash used in/from investing activities

millions of €	H1 2023	H1 2022
Cash outflows for investments in intangible assets	(2,441)	(4,679)
Cash outflows for investments in property, plant and equipment	(6,995)	(7,579)
Proceeds from the disposal of property, plant and equipment, and intangible assets	57	84
Payments for publicly funded investments in the broadband build-out	(147)	(162)
Proceeds from public funds for investments in the broadband build-out	117	129
Cash outflows for short-term investments in government bonds	(199)	0
Net cash flows for collateral deposited and hedging transactions	(190)	(1,657)
Other changes in cash and cash equivalents in connection with the acquisition of control of subsidiaries and associates	(4)	(52)
Changes in cash and cash equivalents in connection with the sale of the 51 % stake in the GD tower companies ^a	7,598	0
Changes in cash and cash equivalents in connection with the sale of the 75 % stake in T-Mobile Netherlands ^b	0	3,642
Changes in cash and cash equivalents in connection with the sale of the 50 % stake in GlasfaserPlus ^c	0	432
Changes in cash and cash equivalents in connection with the sale of T-Mobile US' fiber-optic-based wireline business ^d	13	0
Other changes in cash and cash equivalents in connection with the loss of control of subsidiaries and associates	13	15
Other	(96)	(320)
Net cash (used in) from investing activities	(2,274)	(10,148)
Of which: from discontinued operation	(17)	(99)

^a Includes, in addition to the cash inflow of EUR 7,695 million for the sale of the 51 % stake, outflows of cash and cash equivalents in the amount of EUR 97 million.

^b Includes, in addition to the cash inflow of EUR 3,671 million for the sale of the 75 % stake, outflows of cash and cash equivalents in the amount of EUR 29 million.

^c Includes, in addition to the cash inflow of EUR 441 million for the sale of the 50 % stake, outflows of cash and cash equivalents in the amount of EUR 9 million.

^d Includes, in addition to the cash inflow of EUR 56 million for the sale of the wireline business, outflows of cash and cash equivalents in the amount of EUR 43 million.

At EUR 9.4 billion, cash outflows for investments in intangible assets and property, plant and equipment were EUR 2.8 billion lower than in the prior year. In the Europe operating segment, mobile spectrum licenses were acquired for a total of EUR 0.2 billion and in the United States operating segment, mobile spectrum licenses were acquired for a total of EUR 0.1 billion in the reporting period. In the prior year, this item had included cash outflows for the acquisition of mobile spectrum licenses of EUR 2.6 billion in the United States operating segment. Excluding investments in mobile spectrum licenses, cash outflows for investments in intangible assets and property, plant and equipment were down EUR 0.5 billion year-on-year. Cash outflows in the United States operating segment decreased by EUR 1.0 billion, in particular due to higher cash outflows for investments in the prior year as a result of the accelerated build-out of the 5G network and the integration of Sprint. By contrast, cash outflows increased by EUR 0.5 billion in the Germany operating segment, mainly in connection with the fiber-optic build-out, and by EUR 0.1 billion in the Europe operating segment.

Net cash used in/from financing activities

millions of €	H1 2023	H1 2022
Issuance of bonds	6,011	0
Repayment of bonds	(4,512)	(1,385)
Commercial paper, net	(2,280)	0
Repayment of EIB loans	(286)	(12)
Overnight borrowings from banks, net	(200)	1
Repayment of liabilities with the right of creditors to priority repayment in the event of default	(329)	(243)
Repayment of liabilities from 5G spectrum acquired in Germany	(85)	(85)
Repayment of financial liabilities for media broadcasting rights	(148)	(171)
Principal portion of repayment of lease liabilities	(3,201)	(2,415)
Changes in cash and cash equivalents in connection with the sale and leaseback of the passive network infrastructure of the GD tower companies	3,069	0
Net cash flows for hedging transactions	38	122
Cash flows from continuing involvement factoring, net	4	13
Dividend payments (including to other shareholders of subsidiaries)	(3,564)	(3,247)
Cash inflows from transactions with non-controlling entities		
T-Mobile US stock options	6	3
Cellnex Netherlands capital contributions	0	16
Other cash inflows	8	5
	14	25
Cash outflows from transactions with non-controlling entities		
Increase of the stake in T-Mobile US	0	(2,210)
T-Mobile US share buy-back/share-based payment	(7,840)	(192)
OTE share buy-back	(59)	(151)
Other payments	(116)	(76)
	(8,015)	(2,629)
Other	(85)	(464)
Net cash (used in) from financing activities	(13,570)	(10,491)
Of which: from discontinued operation	(74)	(140)

Non-cash transactions

In the reporting period, Deutsche Telekom leased assets totaling EUR 4.0 billion, mainly network equipment, cell sites, and land and buildings. As a result, these assets are recognized in the statement of financial position under right-of-use assets and the related liabilities under lease liabilities. Future repayments of the liabilities will be recognized in net cash used in/from financing activities. In the prior-year period, EUR 6.6 billion had related to the modification of the arrangements with Crown Castle, resulting in an increase in the same amount in the carrying amount of the right-of-use assets and the lease liabilities. Excluding this effect, asset leases were up EUR 1.7 billion against the prior-year period, mainly due to the leaseback of passive network infrastructure in Germany and Austria under the sale-and-leaseback agreement in connection with the sale of the GD tower companies. In the United States operating segment, asset leases were down by EUR 0.3 billion year-on-year, mainly due to synergies from the decommissioning of Sprint's old mobile network and the associated lower lease liabilities for network technology.

For further information on the sale of the GD tower companies, please refer to the section ["Changes in the composition of the Group and other transactions."](#)

Consideration for the acquisition of broadcasting rights is paid by Deutsche Telekom in accordance with the terms of the contract on the date of its conclusion or spread over the term of the contract. Financial liabilities of EUR 0.1 billion were recognized in the reporting period for future consideration for acquired broadcasting rights (H1 2022: EUR 0.2 billion). The payment of the consideration will be recognized in net cash used in/from financing activities.

In the United States operating segment, EUR 0.1 billion was recognized for mobile terminal equipment under property, plant and equipment in the reporting period (H1 2022: EUR 0.2 billion). This relates to the terminal equipment lease model at T-Mobile US, under which customers do not purchase the devices but lease them. The cash outflows are presented under net cash from operating activities. The decline was primarily due to the strategic withdrawal from the terminal equipment lease model.

Segment reporting

The following table provides an overview of Deutsche Telekom's operating segments and the Group Headquarters & Group Services segment for the first half of 2023 and the first half of 2022.

For further information, please refer to the section "Development of business in the operating segments" in the interim Group management report.

Effective July 1, 2022, Deutsche Telekom Security GmbH and the **security business** in Germany, Austria, Switzerland, Hungary, and Slovakia were reassigned from the Systems Solutions operating segment to the Germany operating segment. Prior-year comparatives were adjusted retrospectively.

As a result of the agreement concluded on July 13, 2022, the **GD tower companies**, which operated the cell tower business in Germany and Austria in the Group Development operating segment, had been recognized as a discontinued operation in the interim consolidated financial statements from the third quarter of 2022 until their sale effective February 1, 2023. The relevant comparative period in the consolidated income statement was adjusted with retrospective effect.

In response to the IFRS Interpretations Committee's agenda decision published in May 2022 on transactions involving the commercial resale of software, Deutsche Telekom has implemented comprehensive changes to its accounting practices with respect to the recognition of **gross vs. net revenues**, effective the start of the third quarter of 2022. The prior-year comparatives for revenue and goods and services purchased were adjusted accordingly with retrospective effect.

In accordance with the Company's own principles of segment management, when loans with embedded derivatives are granted internally to Group entities, the derivative component is recognized separately also in the creditor company's segment financial statements and measured at fair value through profit or loss.

Segment information in the first half of the year

		Comparative period						Reporting date		
		Net revenue	Inter-segment revenue	Total revenue	Profit (loss) from operations (EBIT)	Depreciation and amortization	Impairment losses	Segment assets ^a	Segment liabilities ^a	Investments accounted for using the equity method ^a
Germany	H1 2023	11,968	322	12,290	2,902	(2,088)	(2)	51,673	37,673	477
	H1 2022	11,707	294	12,001	4,250	(1,991)	(1)	49,366	33,167	511
United States	H1 2023	35,815	2	35,817	7,262	(7,734)	(36)	210,475	143,511	376
	H1 2022	36,315	5	36,320	2,962	(9,576)	(470)	215,581	143,900	368
Europe	H1 2023	5,590	93	5,683	946	(1,248)	(3)	24,430	9,491	52
	H1 2022	5,309	102	5,411	889	(1,230)	(5)	23,449	8,202	36
Systems Solutions	H1 2023	1,588	317	1,905	36	(107)	(11)	4,097	3,163	22
	H1 2022	1,527	342	1,869	2	(112)	(18)	4,087	3,240	23
Group Development	H1 2023	27	79	106	13,011	(1)	0	14,092	4,055	6,407
	H1 2022	678	437	1,115	1,357	(193)	0	6,444	8,572	365
Group Headquarters & Group Services	H1 2023	71	1,059	1,130	(923)	(670)	0	40,990	53,348	15
	H1 2022	96	1,124	1,220	(766)	(715)	(24)	40,522	55,067	15
Total from continuing operations and discontinued operation	H1 2023	55,060	1,873	56,931	23,234	(11,848)	(52)	345,757	251,241	7,349
Reconciliation	H1 2022	55,634	2,302	57,936	8,694	(13,817)	(518)	339,449	252,148	1,318
	H1 2023	0	(1,873)	(1,873)	(12)	1	0	(46,056)	(45,939)	0
Consolidated total from continuing operations and discontinued operation	H1 2022	0	(2,302)	(2,302)	(10)	1	(1)	(40,859)	(40,878)	0
	H1 2023	55,060	0	55,060	23,222	(11,847)	(52)	299,701	205,302	7,349
Discontinued operation	H1 2022	55,634	0	55,634	8,684	(13,816)	(519)	298,590	211,270	1,318
	H1 2023	(15)	(84)	(99)	(13,001)	0	0	n.a.	n.a.	n.a.
Reconciliation	H1 2022	(106)	(464)	(570)	(269)	192	0	n.a.	n.a.	n.a.
	H1 2023	0	84	84	0	0	0	n.a.	n.a.	n.a.
Group total	H1 2022	0	464	464	0	0	0	n.a.	n.a.	n.a.
	H1 2023	55,045	0	55,045	10,221	(11,847)	(52)	299,701	205,302	7,349
	H1 2022	55,528	0	55,528	8,415	(13,625)	(519)	298,590	211,270	1,318

^a Figures relate to the reporting dates of June 30, 2023 and December 31, 2022, respectively.

Contingencies

This section provides additional information and explains recent changes in the contingent liabilities and assets as described in the consolidated financial statements for the 2022 financial year.

Proceedings against T-Mobile US in consequence of the cyberattack on T-Mobile US in August 2021. In the proceedings against T-Mobile US in relation to the cyberattack on T-Mobile US in August 2021, the competent court issued an order on June 29, 2023 granting final approval of the agreement dated July 22, 2022 to settle the federal class action lawsuit. The order has been appealed, leading to a delay in the conclusion of the proceedings.

Other financial obligations

The following table provides an overview of Deutsche Telekom's other financial obligations as of June 30, 2023:

millions of €	
	June 30, 2023
Purchase commitments regarding property, plant and equipment	6,176
Purchase commitments regarding intangible assets	4,903
Firm purchase commitments for inventories	3,126
Other purchase commitments and similar obligations	27,550
Payment obligations to the Civil Service Pension Fund	817
Obligations arising in connection with business combinations	1,076
Miscellaneous other obligations	0
	43,648

Other purchase commitments and similar obligations mainly comprise obligations for the procurement of services, such as maintenance and servicing, IT services, marketing measures, and outsourcing. Of the obligations arising in connection with business combinations, USD 1.0 billion (EUR 0.9 billion) relates to obligations arising from the agreed acquisition of Ka'ena in the United States.

For further information on the agreed acquisition of Ka'ena, please refer to the section "[Changes in the composition of the Group and other transactions.](#)"

Disclosures on financial instruments

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

millions of €

	Measurement category in accordance with IFRS 9	Amounts recognized in the statement of financial position in accordance with IFRS 9				Amounts recognized in the statement of financial position in accordance with IFRS 16	Fair value June 30, 2023 ^b
		Carrying amount June 30, 2023	Amortized cost	Fair value through other comprehensive income without recycling to profit or loss	Fair value through other comprehensive income with recycling to profit or loss		
Assets							
Cash and cash equivalents	AC	8,742	8,742				
Trade receivables							
At amortized cost	AC	7,039	7,039				
At fair value through other comprehensive income	FVOCI	8,711			8,711		8,711
Other financial assets							
Originated loans and other receivables							
At amortized cost	AC	6,711	6,711				6,721
Of which: collateral paid	AC	1,533	1,533				
Of which: publicly funded projects	AC	2,074	2,074				
At fair value through profit or loss	FVTPL	695			695		695
Equity instruments							
At fair value through other comprehensive income	FVOCI	441		441			441
At fair value through profit or loss	FVTPL	4			4		4
Derivative financial assets							
Derivatives without a hedging relationship	FVTPL	1,131			1,131		1,131
Of which: termination rights embedded in bonds issued	FVTPL	206			206		206
Of which: energy forward agreements embedded in contracts	FVTPL	140			140		140
Of which: options received from third parties for the purchase or sale of shares in subsidiaries and associates	FVTPL	362			362		362
Derivatives with a hedging relationship	n.a.	1,043			1,043		1,043
Lease assets	n.a.	182				182	
Cash and cash equivalents and trade receivables and other financial assets directly associated with non-current assets and disposal groups held for sale	AC	0	0				
Liabilities							
Trade payables	AC	10,384	10,384				
Bonds and other securitized liabilities	AC	91,822	91,822				87,146
Liabilities to banks	AC	3,610	3,610				3,435
Liabilities with the right of creditors to priority repayment in the event of default	AC	2,533	2,533				2,432
Other interest-bearing liabilities	AC	7,149	7,149				6,955
Of which: collateral received	AC	85	85				
Liabilities from deferred interest	AC	1,036	1,036				
Other non-interest-bearing liabilities	AC	1,006	1,006				
Of which: puttable shares of non-controlling interests in consolidated partnerships	AC	19	19				
Lease liabilities	n.a.	41,999				41,999	

^a For energy forward agreements embedded in contracts please refer to the detailed comments in the following section.

^b The practical expedients under IFRS 7.29 were applied for disclosures on specific fair values.

millions of €

Amounts recognized in the statement of financial position in accordance with IFRS 9

	Measurement category in accordance with IFRS 9	Carrying amount June 30, 2023	Amortized cost	Fair value through other comprehensive income without recycling to profit or loss	Fair value through other comprehensive income with recycling to profit or loss	Fair value through profit or loss ^a	Amounts recognized in the statement of financial position in accordance with IFRS 16	Fair value June 30, 2023 ^b
Derivative financial liabilities								
Derivatives without a hedging relationship	FVTPL	379				379		379
Of which: energy forward agreements embedded in contracts	FVTPL	34				34		34
Derivatives with a hedging relationship	n.a.	2,446			92	2,354		2,446
Of which: energy forward agreements	n.a.	29			29			29
Trade payables and other financial liabilities directly associated with non-current assets and disposal groups held for sale								
	AC	0	0					
Of which: aggregated by measurement category in accordance with IFRS 9								
Assets								
Financial assets at amortized cost	AC	22,492	22,492					6,721
Financial assets at fair value through other comprehensive income with recycling to profit or loss	FVOCI	8,711			8,711			8,711
Financial assets at fair value through other comprehensive income without recycling to profit or loss	FVOCI	441		441				441
Financial assets at fair value through profit or loss	FVTPL	1,830				1,830		1,830
Liabilities								
Financial liabilities at amortized cost	AC	117,540	117,540					99,968
Financial liabilities at fair value through profit or loss	FVTPL	379				379		379

^a For energy forward agreements embedded in contracts please refer to the detailed comments in the following section.

^b The practical expedients under IFRS 7.29 were applied for disclosures on specific fair values.

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

millions of €

	Measurement category in accordance with IFRS 9	Carrying amount Dec. 31, 2022	Amounts recognized in the statement of financial position in accordance with IFRS 9			Amounts recognized in the statement of financial position in accordance with IFRS 16	Fair value Dec. 31, 2022 ^b
			Amortized cost	Fair value through other comprehensive income without recycling to profit or loss	Fair value through other comprehensive income with recycling to profit or loss		
Assets							
Cash and cash equivalents	AC	5,767	5,767				
Trade receivables							
At amortized cost	AC	6,926	6,926				
At fair value through other comprehensive income	FVOCI	9,841		9,841			9,841
Other financial assets							
Originated loans and other receivables							
At amortized cost	AC	6,337	6,337				6,347
Of which: collateral paid	AC	1,484	1,484				
Of which: publicly funded projects	AC	2,019	2,019				
At fair value through profit or loss	FVTPL	646			646		646
Equity instruments							
At fair value through other comprehensive income	FVOCI	446		446			446
At fair value through profit or loss	FVTPL	3			3		3
Derivative financial assets							
Derivatives without a hedging relationship	FVTPL	1,239			1,239		1,239
Of which: termination rights embedded in bonds issued	FVTPL	117			117		117
Of which: energy forward agreements embedded in contracts	FVTPL	204			204		204
Of which: options received from third parties for the purchase or sale of shares in subsidiaries and associates	FVTPL	402			402		402
Derivatives with a hedging relationship	n.a.	1,034			1,034	0	1,034
Lease assets	n.a.	205					205
Cash and cash equivalents and trade receivables and other financial assets directly associated with non-current assets and disposal groups held for sale	AC	75	75				
Liabilities							
Trade payables	AC	12,035	12,035				
Bonds and other securitized liabilities	AC	93,103	93,103				86,943
Liabilities to banks	AC	4,122	4,122				3,926
Liabilities with the right of creditors to priority repayment in the event of default	AC	3,623	3,623				3,498
Other interest-bearing liabilities	AC	7,526	7,526				7,311
Of which: collateral received	AC	156	156				
Liabilities from deferred interest	AC	999	999				
Other non-interest-bearing liabilities	AC	769	769				
Of which: puttable shares of non-controlling interests in consolidated partnerships	AC	13	13				
Lease liabilities	n.a.	38,792					38,792
Derivative financial liabilities							
Derivatives without a hedging relationship	FVTPL	368			368		368
Of which: energy forward agreements embedded in contracts	FVTPL	59			59		59
Derivatives with a hedging relationship	n.a.	2,521			44	2,477	2,521
Of which: energy forward agreements	n.a.	0			0		0

^a For energy forward agreements embedded in contracts please refer to the detailed comments in the following section.

^b The practical expedients under IFRS 7.29 were applied for disclosures on specific fair values.

millions of €

	Measurement category in accordance with IFRS 9	Carrying amount Dec. 31, 2022	Amounts recognized in the statement of financial position in accordance with IFRS 9			Amounts recognized in the statement of financial position in accordance with IFRS 16	Fair value Dec. 31, 2022 ^b
			Amortized cost	Fair value through other comprehensive income without recycling to profit or loss	Fair value through other comprehensive income with recycling to profit or loss		
Trade payables and other financial liabilities directly associated with non-current assets and disposal groups held for sale	AC	2,431	2,431				
Of which: aggregated by measurement category in accordance with IFRS 9							
Assets							
Financial assets at amortized cost	AC	19,105	19,105			6,347	
Financial assets at fair value through other comprehensive income with recycling to profit or loss	FVOCI	9,841		9,841		9,841	
Financial assets at fair value through other comprehensive income without recycling to profit or loss	FVOCI	446		446		446	
Financial assets at fair value through profit or loss	FVTPL	1,888			1,888	1,888	
Liabilities							
Financial liabilities at amortized cost	AC	124,608	124,608			101,678	
Financial liabilities at fair value through profit or loss	FVTPL	368			368	368	

^a For energy forward agreements embedded in contracts please refer to the detailed comments in the following section.

^b The practical expedients under IFRS 7.29 were applied for disclosures on specific fair values.

Trade receivables include receivables amounting to EUR 2.2 billion (December 31, 2022: EUR 2.8 billion) due in more than one year. The fair value generally equals the carrying amount.

Disclosures on fair value

When determining the fair value, it is important to maximize the use of current inputs observable in liquid markets for the financial instrument in question and minimize the use of other inputs (e.g., historical prices, prices for similar instruments, prices on illiquid markets). A three-level measurement hierarchy is defined for these purposes. If prices quoted in liquid markets are available at the reporting date for the respective financial instrument, these will be used unadjusted for the measurement (Level 1 measurement). Other input parameters are then irrelevant for the measurement. One such example is shares and bonds that are actively traded on a stock exchange. If quoted prices on liquid markets are not available at the reporting date for the respective financial instrument, but the instrument can be measured using other inputs that are observable on the market at the reporting date, a Level 2 measurement will be applied. The conditions for this are that no major adjustments have been made to the observable inputs and no unobservable inputs are used. Examples of Level 2 measurements are collateralized interest rate swaps, currency forwards, and cross-currency swaps that can be measured using current interest rates or exchange rates. If the conditions for a Level 1 or Level 2 measurement are not met, a Level 3 measurement is applied. In such cases, major adjustments must be made to observable inputs or unobservable inputs must be used.

Financial instruments measured at fair value

millions of €

	June 30, 2023				Dec. 31, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Trade receivables								
At fair value through other comprehensive income			8,711	8,711			9,841	9,841
At fair value through profit or loss			0	0			0	0
Other financial assets – Originated loans and other receivables								
At fair value through profit or loss	234	0	461	695	206	0	440	646
Equity instruments								
At fair value through other comprehensive income	9		432	441	9		437	446
At fair value through profit or loss			4	4			3	3
Derivative financial assets								
Derivatives without a hedging relationship		753	378	1,131		884	355	1,239
Derivatives with a hedging relationship		1,043		1,043		1,034		1,034
Liabilities								
Derivative financial liabilities								
Derivatives without a hedging relationship		345	34	379		309	59	368
Derivatives with a hedging relationship		2,417	29	2,446		2,521		2,521

Of the equity instruments measured at fair value through other comprehensive income and recognized under other financial assets, the instruments presented in the different levels constitute separate classes of financial instruments. In each case, the fair values of the total volume of equity instruments recognized as Level 1 are the price quotations at the reporting date.

The listed bonds and other securitized liabilities are assigned to Level 1 or Level 2 depending on the market liquidity of the relevant instrument. Consequently, issues denominated in euros or U.S. dollars with relatively large nominal amounts are to be classified as Level 1, the rest as Level 2. The fair values of the instruments assigned to Level 1 equal the nominal amounts multiplied by the price quotations at the reporting date. The fair values of the instruments assigned to Level 2 are calculated as the present values of the payments associated with the debts, based on the applicable yield curve and Deutsche Telekom's credit spread curve for specific currencies.

The fair values of liabilities to banks and other interest-bearing liabilities are calculated as the present values of the payments associated with the debts, based on the applicable yield curve and Deutsche Telekom's credit spread curve for specific currencies. The fair values of trade receivables and of originated loans and other receivables are calculated as the present values of the payments associated with the receivables, based on the applicable yield curve and the credit risk of the debtors.

Since there are no market prices available for the derivative financial instruments in the portfolio assigned to Level 2 due to the fact that 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 Deutsche Telekom would receive or have to pay if the financial instrument were transferred at the reporting date. Interest rates of contractual partners relevant as of the reporting date are used in this respect. The middle rates applicable as of the reporting date are used as exchange rates. 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 equity instruments measured at fair value through other comprehensive income comprise a large number of investments in strategic, unlisted individual positions. Deutsche Telekom considers the chosen measurement through other comprehensive income without recycling to profit or loss to be appropriate because there are no plans to use the investments for short-term profit-taking. At the date of disposal of an investment, the total cumulative gain or loss is reclassified to retained earnings. Acquisitions and disposals are based on business policy investment decisions.

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

millions of €

	Equity instruments at fair value through other comprehensive income	Derivative financial assets at fair value through profit or loss: termination rights embedded in bonds issued	Derivative financial assets at fair value through profit or loss: energy forward agreements	Derivative financial liabilities at fair value through profit or loss: energy forward agreements	Originated loans and other receivables at fair value through profit or loss: contingent consideration receivable
Carrying amount as of January 1, 2023	436	117	204	(59)	415
Additions (including first-time classification as Level 3)	31	16	0	0	0
Decreases in fair value recognized in profit/loss (including losses on disposal)		(30)	(57)	(25)	0
Increases in fair value recognized in profit/loss (including gains on disposal)		106	1	45	8
Decreases in fair value recognized directly in equity	(62)				
Increases in fair value recognized directly in equity	41				
Disposals (including last classification as Level 3) ^a	(14)	0	(5)	5	0
Currency translation effects recognized directly in equity	(1)	(3)	(3)	0	0
Carrying amount as of June 30, 2023	431	206	140	(34)	423

^a The disposals under energy forward agreements include billing amounts paid.

The equity instruments assigned to Level 3 that are measured at fair value through other comprehensive income and carried under other financial assets are equity investments with a carrying amount of EUR 431 million measured using the best information available at the reporting date. As a rule, Deutsche Telekom considers transactions involving shares in those companies to have the greatest relevance. Transactions involving shares in comparable companies are also considered. The proximity of the relevant transaction to the reporting date, and the question of whether it was conducted at arm's length, are relevant for deciding which information is used for the measurement. Furthermore, the degree of similarity between the object being measured and comparable companies must be taken into consideration. Based on Deutsche Telekom's own assessment, the fair values of the equity investments at the reporting date could be determined with sufficient reliability. For the development of the carrying amounts in the reporting period, please refer to the table above. At the reporting date, no investments were held for sale. In the case of investments with a carrying amount of EUR 79 million, transactions involving shares in these companies took place at arm's length sufficiently close to the reporting date, which is why the share prices agreed in the transactions were to be used without adjustment for the measurement as of the current reporting date. In the case of investments with a carrying amount of EUR 15 million, an analysis of operational indicators (especially revenue, EBIT, and liquidity) revealed that the carrying amounts were equivalent to current fair values. Due to better comparability, previous arm's length transactions involving shares in these companies are preferable to more recent transactions involving shares in similar companies. In the case of investments with a carrying amount of EUR 277 million, for which the last arm's length transactions relating to shares in these companies took place further in the past, a measurement performed more recently relating to shares in similar companies provides the most reliable representation of the fair values. Here, multiples to the reference variable of expected revenue (ranging between 3 and 12.4) were applied and a range of equally distributed percentiles in intervals of 16.7 % around the median were taken as a basis. For each investment, the appropriate percentile was used depending on the specific circumstances. If other values had been used for the multiples and for the expected revenue amounts, the calculated fair values would have been different. These hypothetical deviations (sensitivities) are shown in the table below. In addition, non-material individual items with a carrying amount of EUR 60 million when translated into euros are included with differences in value of minor relevance.

The derivatives without a hedging relationship assigned to Level 3 and carried under derivative financial assets relate to options embedded in bonds issued by T-Mobile US with a carrying amount of EUR 206 million when translated into euros. The options, which can be exercised by T-Mobile US at any time, allow early redemption of the bonds at fixed exercise prices. Observable market prices are available regularly and also at the reporting date for the bonds as entire instruments, but not for the options embedded therein. The termination rights are measured using an option pricing model. Historical interest rate volatilities of bonds issued by T-Mobile US and comparable issuers are used for the measurement because these provide a more reliable estimate at the reporting date than current market interest rate volatilities. The spread curve, which is also unobservable, was derived on the basis of current market prices of bonds issued by T-Mobile US and debt instruments of comparable issuers. Risk-free interest rates and spreads were simulated separately from each other. At the current reporting date, the following interest rate volatility and spreads were used for the various rating levels of the bonds:

Interest rate volatilities and spreads used by rating levels

%	Interest volatility (absolute figure)	Spread
BBB+	0.1 – 0.2	1.4 – 1.9
BBB-	0.1 – 0.2	1.7 – 2.2
BB+	0.1 – 0.2	1.9 – 2.4

For the mean reversion input, which is unobservable, 3 % was used. In our opinion, the values used constitute the best estimate in each case. If other values had been used for interest rate volatility, spread curve, or mean reversion, the calculated fair values would have been different. These hypothetical deviations (sensitivities) are shown in the table below. If the risk-free interest rate had been 50 basis points higher (lower) at the reporting date, the fair value of the options would have been EUR 65 million lower (EUR 83 million higher). In the reporting period, net income of EUR 76 million when translated into euros was recognized under the Level 3 measurement in other financial income/expense for unrealized gains for the options in the portfolio at the reporting date. In the reporting period, no option was exercised. Please refer to the table above for the development of the carrying amounts in the reporting period. The changes in value recognized in profit or loss in the reporting period were mainly attributable to fluctuations in the interest rates and historical interest rate volatilities in absolute terms that are relevant for measurement. Due to their distinctiveness, these instruments constitute a separate class of financial instruments.

Sensitivities^a of the carrying amounts of the financial assets and financial liabilities assigned to Level 3 depending on unobservable inputs

millions of €	Equity instruments at fair value through other comprehensive income	Derivative financial assets at fair value through profit or loss: termination rights embedded in bonds issued	Derivative financial assets at fair value through profit or loss: energy forward agreements	Derivative financial liabilities at fair value through profit or loss: energy forward agreements	Originated loans and other receivables at fair value through profit or loss: contingent consideration receivable
Multiple next-level-up quantile	84				
Multiple next-level-down quantile	(53)				
Expected revenues +10 %	24				
Expected revenues -10 %	(24)				
Interest rate volatility ^b +10 %		14			
Interest rate volatility ^b -10 %		(16)			
Spread curve ^c +50 basis points		(83)			(8)
Spread curve ^c -50 basis points		116			8
Mean reversion ^d +100 basis points		(11)			
Mean reversion ^d -100 basis points		12			
Future energy prices +10 %			35	8	
Future energy prices -10 %			(43)	(9)	
Future energy output +5 %			23	2	
Future energy output -5 %			(30)	(3)	
Future prices for renewable energy credits ^e +100 %			9	17	
Future prices for renewable energy credits ^e from zero			(17)	(17)	
Planned fiber-optic build-out is completed one year earlier than expected					17
Planned fiber-optic build-out is completed one year later than expected					(16)
Actual fiber-optic build-out is 5 % higher than planned each year					42
Actual fiber-optic build-out is 5 % lower than planned each year					(42)

^a Change in the relevant input parameter assuming all other input parameters are unchanged.

^b Interest rate volatility shows the magnitude of fluctuations in interest rates over time (relative change). The larger the fluctuations, the higher the interest rate volatility.

^c The spread curve shows, for the respective maturities, the difference between the interest rates payable by the debtor and the risk-free interest rates. A minimum of zero was set for the spread curve for the sensitivity calculation, i.e., negative spreads are not applicable.

^d Mean reversion describes the assumption that, after a change, an interest rate will revert to its average over time. The higher the selected value (mean reversion speed), the faster the interest rate will revert to its average in the measurement model.

^e Renewable energy credits is the term used for U.S. emission certificates.

With a carrying amount of EUR 140 million when translated into euros, the derivatives without a hedging relationship assigned to Level 3 and carried under derivative financial assets relate to energy forward agreements embedded in contracts entered into by T-Mobile US. The same applies to derivative financial liabilities with a carrying amount of EUR 34 million when translated into euros. These agreements consist of two components: the energy forward agreement and the acquisition of renewable energy credits by T-Mobile US. In the case of one energy forward agreement, commercial operation is set to begin in 2025; with the others, it has already begun. Under the energy forward agreements, which are accounted for separately as derivatives, T-Mobile US receives variable amounts based on the actual energy output and the then current energy prices, and pays fixed amounts per unit of energy generated from the start of commercial operations throughout the term of the contract. The energy forward agreements are measured using valuation models because no observable market prices are available. The value of the derivatives is significantly influenced by the future energy output, the future energy prices on the relevant markets, and the future prices of renewable energy credits. The main contract parameters, including the assumptions made for unobservable parameters and periods, are set out in the following table. In our opinion, these assumptions made constitute the best estimate in each case. In the view of T-Mobile US, the contracts were entered into at current market conditions, and the most appropriate parameters for the unobservable inputs were used for measurement purposes. The transaction price at inception was zero in each case. Since the unobservable inputs have a significant influence on the measurement of the derivatives, the respective amount resulting from initial measurement (day 1 gain) – with the exception of the agreements concluded by Sprint that are explained below – was not recognized in profit or loss on initial recognition. Instead, these day 1 gains are amortized in profit or loss on a straight-line basis over the period of commercial energy production. This amortization adjusts the effects from measuring the derivatives in each accounting period using the respective valuation models and updated parameters. All amounts from the measurement of the derivatives are presented in net terms per contract in the statement of financial position (derivative financial assets/liabilities) and in the income statement (other operating income/expenses). Sprint also has agreements of this kind in its portfolio. These were concluded before the business combination with T-Mobile US and, for these agreements too, unobservable inputs have a material influence on the measurement of the derivatives. However, under the requirements for business combinations, the respective amounts resulting from the measurement are recognized as derivative financial assets, as a result of which there are no amounts yet to be amortized for these agreements. On the following reporting dates, the effects from the periodic measurement of the derivatives will be recorded in full in the income statement (other operating expenses or other operating income). At the reporting date, the calculated fair value from Deutsche Telekom's perspective for one of the energy forward agreements described above is negative and amounts to EUR -8 million when translated into euros. All the rest are positive and amount to EUR 239 million when translated into euros. If other values had been used for future energy prices, future energy output, or future prices of renewable energy credits, the calculated fair values would have been different. These hypothetical deviations (sensitivities) are shown in the table above. In the reporting period, a net expense of EUR 21 million when translated into euros was recognized under the Level 3 measurement in other operating income/expense for unrealized losses for the derivatives for all the above energy forward agreements. Please refer to the corresponding table for the development of the carrying amounts in the reporting period. The market-price changes in the reporting period were attributable in part to changes in observable and unobservable energy prices and to interest rate effects. On the other hand, contract adjustments gave rise to income of EUR 33 million. The development of the day 1 gain yet to be amortized in the income statement in the reporting period is shown in the following table. The straight-line amortization of the day 1 gains through profit or loss over the period of commercial energy production amounts to a total of EUR 11 million per year when translated into euros. In addition, similar energy forward agreements were concluded in Europe for which, however, no significant volatility in fair value is to be expected. At the reporting date, their carrying amount when translated into euros was EUR 29 million (liability), and they were designated as hedging instruments in hedge relationships. Due to their distinctiveness, the energy forward agreements constitute a separate class of financial instruments.

	United States
Term of the contract from the start of commercial operation in years	12 to 15
End of the term of contracts for which commercial operation has already begun	2029 to 2035
Expected energy output in GWh per year	4,057
Expected energy prices per MWh for the unobservable portion of the term in €	
On-peak (i.e., times of relatively high energy demand) in €	25 to 103
Off-peak (i.e., times of relatively low energy demand) in €	18 to 118
On-peak/off-peak ratio	52 %
Length of time in years, for which energy prices are regularly observable	up to 10
Length of time in years, for which the prices of renewable energy credits are regularly observable	around 3

Development of the not yet amortized amounts

millions of €	Energy forward agreements ^a
Measurement amounts on initial recognition	173
Measurement amounts on initial recognition (additions during the reporting period)	72
Measurement amounts amortized in profit or loss in prior periods	(40)
Measurement amounts amortized in profit or loss in the current reporting period	(4)
Currency translation adjustments	8
Disposals in prior periods	0
Disposals in the current reporting period	(85)
Measurement amounts not amortized as of June 30, 2023	124

^a For more details, please refer to the explanations above.

The financial assets assigned to Level 3 (originated loans and other receivables) include the contingent consideration receivable from the sale of a 50 % stake in GlasfaserPlus with a carrying amount of EUR 423 million, which arises in stages upon achieving certain fiber-optic build-out milestones and is measured at fair value through profit or loss. Deutsche Telekom measures this receivable on the basis of GlasfaserPlus' current build-out plans. At the current reporting date, it can be assumed that payments will fall due from 2025 to 2029. The spread of the debtor IFM constitutes an unobservable input; at the current reporting date, values of between 1.1 % and 1.5 % were used for the discounting of the individual payments. In our opinion, the assumptions used constitute the best estimate in each case. If other assumptions had been used for the amount and due dates of the payments and for the spread, the calculated fair value would have been different. These hypothetical deviations (sensitivities) are shown in the table above. In the reporting period, net income of EUR 8 million was recognized under the Level 3 measurement of the receivable in other operating income/expense for unrealized discounting effects. Please refer to the table above for the development of the carrying amounts in the reporting period. The market-price change in the reporting period is largely attributable to a change in the interest rates that are relevant for measurement. Due to its distinctiveness, this instrument constitutes a separate class of financial instruments. The other financial assets assigned to Level 3 (originated loans and other receivables) with a carrying amount of EUR 38 million relate to immaterial items for which no significant volatility in fair value is to be expected.

For the trade receivables measured at fair value through other comprehensive income assigned to Level 3 and for the originated loans and other receivables measured at fair value through profit or loss, the main factor in determining fair value is the credit risk of the relevant counterparties. If the default rates applied as of the reporting date had been 1 % higher (lower) with no change in the reference variables, the fair values of the instruments would have been 1 % lower (higher). The financial assets assigned to Level 3 include trade receivables measured at fair value through other comprehensive income, for which the credit risk of customers constitutes an unobservable input for the measurement, with a carrying amount of EUR 8,711 million (December 31, 2022: EUR 9,841 million) when translated into euros. As a rule, a credit scoring model is used for receivables paid in installments. The cash flows are discounted on the basis of the weighted average of the original effective interest rates of the financial assets in the relevant portfolio. A weighted average credit-risk spread of 7.13 % (December 31, 2022: 6.28 %) was applied to the respective receivables portfolios at the reporting date. The credit-risk spreads applied are derived from the expected future credit loss of the relevant portfolio and are updated on an ongoing basis. Changes in the fair value of these trade receivables are caused mainly by changes in observable Level 2 inputs (in particular market interest rates).

The financial assets measured at fair value through profit or loss and assigned to Level 3 include additional options acquired from third parties for the purchase of company shares, with a carrying amount of EUR 32 million. No notable fluctuations in value are expected from these individual items. Due to their distinctiveness, these instruments constitute a separate class of financial instruments.

Disclosures on credit risk

In line with the contractual provisions, in the event of insolvency, all derivatives with a positive or negative fair value that exist with the respective counterparty are offset against each other, leaving a net receivable or liability. The net amounts are normally recalculated every bank working day and offset against each other. When the netting of the positive and negative fair values of all derivatives was positive from Deutsche Telekom's perspective, Deutsche Telekom received unrestricted cash collateral from counterparties pursuant to collateral agreements in the amount of EUR 85 million (December 31, 2022: EUR 156 million). The credit risk was thus reduced by EUR 85 million (December 31, 2022: EUR 134 million) because, on the reporting date, the cash collateral received was offset by corresponding net derivative positions in the same amount. On the basis of these contracts, derivatives with a positive fair value and a total carrying amount of EUR 1,465 million as of the reporting date (December 31, 2022: EUR 1,549 million) had a residual credit risk of EUR 22 million as of June 30, 2023 (December 31, 2022: EUR 0.6 million).

When the netting of the positive and negative fair values of all derivatives was negative from Deutsche Telekom's perspective, Deutsche Telekom provided cash collateral in the amount of EUR 1,462 million as of the reporting date (December 31, 2022: EUR 1,411 million) to counterparties pursuant to collateral agreements. The cash collateral paid is offset by corresponding net derivative positions of EUR 1,393 million at the reporting date (December 31, 2022: EUR 1,392 million), which is why it was not exposed to any credit risks in this amount.

On account of its close connection to the corresponding derivatives, the collateral received (paid) constitutes a separate class of financial liabilities (assets). There were no other significant agreements reducing the maximum exposure to the credit risk of financial assets. The maximum exposure to credit risk of the other financial assets thus corresponds to their carrying amounts.

In accordance with the terms of the bonds issued by T-Mobile US, T-Mobile US has the right to terminate the majority of bonds prematurely under specific conditions. The rights of early termination constitute embedded derivatives and are presented separately as derivative financial assets in the consolidated statement of financial position. Since they are not exposed to any credit risk, they constitute a separate class of financial instruments. Please refer to the explanations above for more information on the energy forward agreements for which no material collateral is provided. There is also no credit risk on embedded derivatives held. No collateral is provided for the options acquired from third parties for shares in a subsidiary of Deutsche Telekom or shares in other companies (see explanations above).

In connection with auctions for the acquisition of spectrum licenses, subsidiaries of Deutsche Telekom have not deposited any cash collateral as of the reporting date (December 31, 2022: EUR 2 million). At the reporting date, cash and cash equivalents of EUR 68 million (December 31, 2022: EUR 63 million) when translated into euros were pledged as cash collateral for liabilities issued by Sprint with the right of creditors to priority repayment in the event of default. This cash collateral is not exposed to any significant credit risk.

Related-party disclosures

The following significant changes to the related-party disclosures reported in the consolidated financial statements as of December 31, 2022 were in effect as of June 30, 2023:

Joint ventures. On February 1, 2023, Deutsche Telekom transferred 51.0 % of the shares in the cell tower business companies in Germany and Austria (GD tower companies). Since then, the stake retained by Deutsche Telekom of 49.0 % has been included in the consolidated financial statements as a joint venture using the equity method. The carrying amount of the investment amounted to EUR 6.1 billion as of June 30, 2023. Once the transaction was consummated, Deutsche Telekom leased back the majority of the sold passive network infrastructure in Germany and Austria under a sale-and-leaseback agreement with a non-cancellable basic lease term of eight years. As of June 30, 2023, there were lease liabilities to the GD tower companies of EUR 4.9 billion.

For further information on the sale of the GD tower companies, please refer to the section "[Changes in the composition of the Group and other transactions.](#)"

Executive bodies

Board of Management

By resolution of February 23, 2022, Adel Al-Saleh was reappointed as the Board member responsible for T-Systems for the period from January 1, 2023 to December 31, 2027. Furthermore, in the meeting on May 19, 2022, Dr. Christian P. Illek was reappointed as the Board member responsible for Finance from April 1, 2023 to March 31, 2028.

Supervisory Board

Shareholders' representatives. The term of office of Dr. Günther Bräunig, Harald Krüger, and Margret Suckale expired at the end of the shareholders' meeting on April 5, 2023. Harald Krüger and Margret Suckale were reelected to the Supervisory Board by the shareholders' meeting of April 5, 2023. Furthermore, the shareholders' meeting of April 5, 2023 elected Dr. Reinhard Ploss to the Supervisory Board; he succeeds Dr. Günther Bräunig, who left the Supervisory Board.

Employees' representatives. The term of office of all employee representatives on the Supervisory Board expired at the end of the shareholders' meeting on April 5, 2023. At the request of the Board of Management, the existing employee representatives Odysseus D. Chatzidis, Constantin Greve, Nicole Koch, Petra Steffi Kreusel, Kerstin Marx, Frank Sauerland, Susanne Schöttke, Lothar Schröder, Nicole Seelemann-Wandtke, and Karin Topel were reappointed as employee representatives on the Supervisory Board by order of the Bonn District Court dated April 3, 2023 with effect from the end of the shareholders' meeting on April 5, 2023.

Events after the reporting period

T-Mobile US share buy-back program continued. In the period from July 1, 2023 to July 21, 2023, T-Mobile US bought back around 4.0 million additional shares with a total volume of USD 0.6 billion (EUR 0.5 billion) under the share buy-back program.

For further information on the share buy-back program at T-Mobile US, please refer to the section "[Other transactions that had no effect on the composition of the Group.](#)"

T-Mobile US short-term commercial paper program. On July 25, 2023, T-Mobile US established an unsecured short-term commercial paper program with the ability to borrow up to USD 2.0 billion from time to time.

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Bonn, August 10, 2023

Deutsche Telekom AG
The Board of Management

Timotheus Höttges

Adel Al-Saleh

Birgit Bohle

Srini Gopalan

Dr. Christian P. Illek

Thorsten Langheim

Dominique Leroy

Claudia Nemat

Review report

To Deutsche Telekom AG, Bonn

We have reviewed the condensed consolidated interim financial statements – comprising the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows, and selected explanatory notes – and the interim Group management report of Deutsche Telekom AG, Bonn, for the period from January 1 to June 30, 2023 which are part of the half-year financial report pursuant to § (Article) 115 of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG). The preparation of the condensed consolidated interim financial statements in accordance with the International Financial Reporting Standards (IFRS) applicable to interim financial reporting as adopted by the EU and of the interim Group management report in accordance with the provisions of the German Securities Trading Act applicable to interim Group management reports is the responsibility of the parent company's board of management. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim Group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim Group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW) and additionally observed International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU or that the interim Group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim Group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements of Deutsche Telekom AG have not been prepared, in all material respects, in accordance with the IFRSs applicable to interim financial reporting as adopted by the EU nor that the interim Group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Düsseldorf, August 10, 2023

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Christoph Schenk
Wirtschaftsprüfer
(German Public Auditor)

Dr. Tim Hoffmann
Wirtschaftsprüfer
(German Public Auditor)