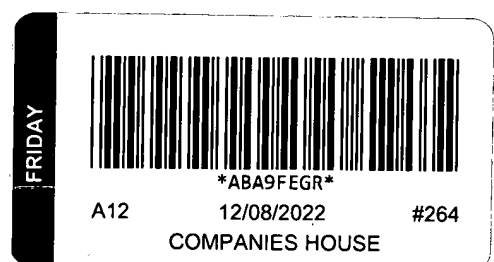


Registered number: 3836708

T-Mobile Holdings Limited

Annual Report

For the year ended 31 December 2021



T-Mobile Holdings Limited

Company information

Directors	U Kuehbachner J D'Silva C W Dunscombe C Tarkan (Appointed 1 August 2022)
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Company secretary	J D'Silva
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Registered number	3836708
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Registered office	Building K2 Timbold Drive Kents Hill Milton Keynes MK7 6BZ
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Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH
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T-Mobile Holdings Limited

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T-Mobile Holdings Limited

Strategic report For the year ended 31 December 2021

The directors present their Strategic report of the Company for the year ended 31 December 2021.

Strategy

The Company's strategy is to continue acting as a holding company.

Business review

In February 2015, the Company's ultimate parent Company, Deutsche Telekom AG ('DTAG'), and joint venture partner France Télécom SA ('FT') reached an agreement with the British telecommunications operator BT Group plc ('BT') on the proposed sale of their UK joint venture EE Limited for a total purchase price of £12.5 billion, subject to customary post-completion adjustments to reflect net debt and capital expenditure of EE Limited as at Closing of the Transaction ('the Transaction').

On 29 January 2016, the Transaction was completed. Consideration was received by the Company primarily through 1,196,175,322 of BT's ordinary shares (equivalent to 12% of BT's share capital post acquisition at that date) and cash of £25.7million. The share price of BT's ordinary shares on 29 January 2016 was £4.849.

During the year ended 31 December 2021, the Company has recognised income from dividends receivable of €32,918,000 (2020: nil) from BT Group plc which remain unpaid as at 31 December 2021. The Company made no dividend payments in 2021 (2020: €65,400,000) to its parent, CTA Holding GmbH ('CTA').

BT is one of the world's leading communications services companies, serving the needs of customers in the UK and in more than 170 countries worldwide. Its main activities are the provision of fixed-line services, broadband, mobile and TV products and services as well as networked IT services.

The BT share price has increased on the London Stock Exchange to £1.70 as at 31 December 2021 (31 December 2020: £1.32), resulting in an increase in the Company's investment value held in BT Group plc by €643,921,000 in the year. This is recognised as a profit in the statement of comprehensive income. The Company's performance and financial position continue to be driven by the fluctuation in the value of its BT Group plc investment.

Principal risks and uncertainties

The principal risk for the Company during the financial year is the value of its investment in BT Group plc.

The directors continue to monitor the share price of BT Group plc and assess the impact of the same on the Company's financial statements.

Key performance indicators

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using key performance indicators is not necessary for the understanding of the development, performance or position of the business.

T-Mobile Holdings Limited

Strategic report For the year ended 31 December 2021

Statement by the Directors in performance of their statutory duties in accordance with Section 172(1) of the Companies Act 2006

The Directors of the company consider, both individually and together, that they have acted in a way they consider, in good faith, would be the most likely to promote the success of the company for the benefit of its members as a whole in the decisions taken during the year ended 2021.

Long term decisions

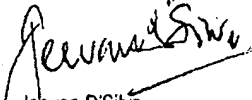
The shareholder had representation on the board of directors and there is frequent and regular interaction with the shareholders. All strategic decisions are taken in a collaborative manner with the representative shareholders.

The Company has no employees and is an investment holding entity holding investment in shares of BT group plc. Accordingly the other aspects of Section 172 do not apply to the company.

Transactions in the year

In 2021 no material transactions took place. In the prior year the Company passed a special resolution on 5 February 2020 resolving that the amount of €65,400,000 be paid out of distributable reserves to CTA.

This report was approved by the board of directors and signed on its behalf on 03 August 2022.


Jeevan D'Silva
Director

T-Mobile Holdings Limited

Directors' report For the year ended 31 December 2021

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2021.

Principal activities

The Company's principal activity was that of a holding company.

Results and dividends

The profit for the financial year, after taxation, amounted to €32,683,000 (2020: €276,000). The total comprehensive income for the year amounted to €676,604,000 (2020: a total comprehensive loss of €936,703,000 was recognised).

For the year ended 31 December 2021, the directors did not recommend paying a dividend (2020: €665,400,000).

Directors

The directors who served during the year and up to the date of signing of the financial statements were:

U Kuehbach	
J D'Silva	
J Boorman	(Resigned on 31 July 2022)
C W Dunscombe	
C Tarkan	(Appointed on 1 August 2022)

There were no contracts in which the directors have an interest at the end of the year.

Post balance sheet events

The Company has made a dividend payment of €32,608,000 on 7 February 2022. The crisis in Ukraine impacts the BT Group plc share price and results in changes to the value of the Company's investment.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with UK-adopted international accounting standards.

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

T-Mobile Holdings Limited

Directors' report For the year ended 31 December 2021

Statement of directors' responsibilities in respect of the financial statements (continued)

- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

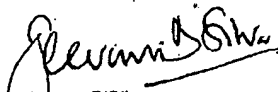
Directors' indemnities

The directors are covered by appropriate directors' liability insurance maintained by DTAG, the ultimate parent company. This policy covers pure financial losses of third party only and was in force during the financial year.

Independent Auditors

The appointment of Deloitte LLP will be proposed at the Annual General Meeting.

This report was approved by the board of directors and signed on its behalf on 03 August 2022.


Jeevan D'Silva
Director

T-Mobile Holdings Limited

Independent auditors' report to the members of T-Mobile Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, T-Mobile Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Balance sheet as at 31 December 2021; the Income statement, the Statement of comprehensive income, the Statement of changes in equity and the Statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material

T-Mobile Holdings Limited

Independent auditors' report to the members of T-Mobile Holdings Limited (continued)

misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and the Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and the Directors' report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and the Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to Companies Act, 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inappropriate journal postings to manipulate the financial results. Audit procedures performed by the engagement team included:

- Making enquiries of the Directors and Management in relation to considerations of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of those charged with governance;
- Testing dividend income and distributions made during the year including consideration of compliance with the requirements of the Companies Act, 2006;
- Testing the calculation of the value of investments measured at fair value through other comprehensive income; and

T-Mobile Holdings Limited

Independent auditors' report to the members of T-Mobile Holdings Limited (continued)

- Testing of all the material balances and transactions substantively.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

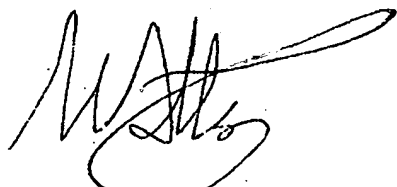
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made, or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Mark Allsop (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
03 August 2022

T-Mobile Holdings Limited

Income statement For the year ended 31 December 2021

	Note	2021 €000	2020 €000
Administrative expenses		(195)	(170)
Other net operating (expense)/income		(40)	446
Dividend income from equity instrument designated at fair value through other comprehensive income	7	32,918	-
Operating profit	5	32,683	276
Finance income			
Profit before taxation		32,683	276
Income tax expense	8		
Profit for the financial year		32,683	276

The notes on pages 13 to 25 form part of these financial statements.

T-Mobile Holdings Limited

**Statement of comprehensive income
For the year ended 31 December 2021**

	Note	2021 €000	2020 €000
Profit for the financial year		32,683	276
Other comprehensive income / (expense) for the year			
Items that will not be reclassified to profit or loss			
Change in the value of equity instruments - measured at fair value through other comprehensive income	9	643,921	(936,979)
Other comprehensive income / (expense) for the year net of tax		643,921	(936,979)
Total comprehensive income / (loss) for the year		676,604	(936,703)

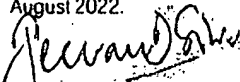
T-Mobile Holdings Limited

Balance sheet As at 31 December 2021

	Note	31 December 2021 €000	31 December 2020 €000
Assets			
Non-current assets			
Financial assets at fair value through Other Comprehensive Income	9	2,411,265	1,767,345
Total non-current assets		2,411,265	1,767,345
Current assets			
Trade and other receivables	10	32,852	
Cash and cash equivalents		652	811
Total current assets		33,504	811
Total Assets		2,444,769	1,768,156
Liabilities			
Current liabilities			
Trade and other payables	11	164	155
Total liabilities		164	155
Net Assets		2,444,605	1,768,001
Equity			
Share capital and share premium	12	902,323	902,323
Retained earnings	13	1,542,282	865,678
Total Equity		2,444,605	1,768,001

The notes on pages 13 to 25 form part of these financial statements.

The financial statements on pages 8 to 25 were approved and authorised for issue by the board and were signed on its behalf on 03 August 2022.


Jeevan D'Silva
Director

T-Mobile Holdings Limited

Statement of changes in equity for the year ended 31 December 2021

	Called up share capital	Share premium account	Retained earnings	Total Equity
	€000	€000	€000	€000
Balance at 1 January 2020	902,323	-	1,867,781	2,770,104
Profit for the year	-	-	276	276
Other comprehensive expense for the year	-	-	(936,979)	(936,979)
Total comprehensive loss for the year	-	-	(936,703)	(936,703)
Dividends	-	-	(65,400)	(65,400)
Balance at 31 December 2020	902,323	-	865,678	1,768,001
Balance at 1 January 2021	902,323	-	865,678	1,768,001
Profit for the year	-	-	32,683	32,683
Other comprehensive income for the year	-	-	643,921	643,921
Total comprehensive income for the year	-	-	676,604	676,604
Dividends	-	-	-	-
Balance at 31 December 2021	902,323	-	1,542,282	2,444,605

T-Mobile Holdings Limited

Statement of cash flows For the year ended 31 December 2021

	Note	2021 €000	2020 €000
Cash flows from operating activities			
Profit for the financial year		32,683	276
Adjustments for:			
Net exchange differences		(10)	83
Change in operating assets and liabilities			
(Increase)/Decrease in trade and other receivables	10	(32,852)	64,874
Increase/(Decrease) in trade and other payables	11	9	(26)
Cash generated from operations		(170)	65,207
Cash flows from financing activities			
Dividends paid to Company's shareholders	9	-	(65,400)
Net cash outflow from financing activities		-	(65,400)
Net decrease in cash and cash equivalents		(170)	(193)
Cash and cash equivalents at the beginning of the financial year		811	1,038
Effects of exchange rate changes on cash and cash equivalents		11	(34)
Cash and cash equivalents at end of year		652	811

T-Mobile Holdings Limited

Notes to the financial statements For the year ended 31 December 2021

1. General information

T-Mobile Holdings Limited is a holding company of Deutsche Telekom AG (DT) for UK investments, previously for the equity interest in EE Limited and currently for the equity interest in BT Group plc. The Company is a private company limited by shares and is incorporated and domiciled in the UK. The address of its registered office is Building K2, Timböld Drive, Kents Hill, Milton Keynes, MK7 6BZ.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

2.1 Basis of preparation

2.1.1 Compliance with IFRS

On 31 December 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted International Accounting Standards, with future changes being subject to endorsement by the UK Endorsement Board. The Company transitioned to UK-adopted International Accounting Standards in its financial statements on 1 January 2021. This change constitutes a change in accounting framework. However, there is no impact on recognition, measurement or disclosure in the period reported as a result of the change in framework.

The financial statements of the Company have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The Company financial statements are prepared with a presentational currency of Euro's which is also the Company's functional currency.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. As noted in note 4, there were no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements during the current year.

2.1.2 New standards, amendments and IFRIC interpretations

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2021, that have had a material impact on the Company's financial statements.

2.1.3. Historical cost convention

The financial statements have been prepared under the historical cost basis except for financial assets measured at fair value through other comprehensive income.

T-Mobile Holdings Limited

Notes to the financial statements For the year ended 31 December 2021

2. Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

2.1.4 Going concern

At the balance sheet date, the Company has net current assets of €33,340,000 (2020: €656,000). Following a review by the directors these assets are expected to cover any future liabilities payable in the next 12 months from the approval of these financial statements. The directors do not expect any obligations to arise for at least 12 months from the approval of the financial statement, other than the Company's own direct obligations. The board of directors consider that it remains appropriate for the Company's financial statements to be prepared on a going concern basis.

2.2 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Euros (€). The Company's functional currency is Euros (€). The Company is a holding company and supports Deutsche Telekom AG (a publicly traded company headquartered in Germany).

The Company used the following rate (i) average rate of £1: €1.164 (2020: €1.124) and year end rate of £1: €1.189 (31 December 2020: €1.117).

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

T-Mobile Holdings Limited

Notes to the financial statements
For the year ended 31 December 2021

2. Summary of significant accounting policies (continued)

2.3 Financial assets

The Company classifies its financial assets in the following categories: at fair value through other comprehensive income; financial assets measured at fair value through profit or loss and financial assets measured at amortised cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at fair value through other comprehensive income (FVOCI)

FVOCI comprise equity securities which are not held for trading, and which the Company has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Company considers this classification to be more relevant.

Financial assets at amortised cost

The Company classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets are measured at fair value upon initial recognition. For all financial assets not subsequently measured at fair value through profit or loss, the transaction costs directly attributable to the acquisition are taken into account plus, in the case of debt instruments, a loss account for expected credit losses. The fair values recognised in the balance sheet are generally based on market prices of the financial assets. If these are not available, the fair value is determined using standard valuation models on the basis of current market parameters. For the classification and measurement of debt instruments held, the respective business model for managing the debt instruments and whether the instruments have the characteristics of a standard loan, i.e., whether the cash flows are solely payments of principal and interest, is relevant. Assuming the assets have these characteristics and if the business model is to hold to collect the asset's contractual cash flows, they are measured at amortised cost. If the objective of the business model is to hold to collect and sell the contractual cash flows, they are measured at fair value through other comprehensive income with recycling to profit or loss. In all other cases, financial assets are measured at fair value through profit or loss.

T-Mobile Holdings Limited

Notes to the financial statements For the year ended 31 December 2021

2. Summary of significant accounting policies (continued)

2.4 Impairment of financial assets

Assets carried at amortised cost

The company assesses, at the end of each reporting period, whether a financial asset or group of financial assets is impaired. Refer to Note 2.5 below.

2.5 Trade and other receivables

Trade and other receivables are amounts owed by investment holding, group undertakings and third parties in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business, if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and other receivables. To measure the expected credit losses, trade receivables and other receivables have been grouped based on shared credit risk characteristics and the days past due. The Company has therefore concluded that the expected loss rates for trade receivables and other receivables are a reasonable approximation of the loss rates.

2.6 Share capital

Ordinary shares are classified as equity.

2.7 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.8 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

T-Mobile Holdings Limited

Notes to the financial statements For the year ended 31 December 2021

2. Summary of significant accounting policies (continued)

2.8 Current and deferred income tax (continued)

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.9 Administrative expenses

Administrative expenses include accounting, audit and consultancy fees and bank charges.

2.10 Other net operating income/ (expense)

Other net operating income/ (expense) represents foreign exchange rate movements.

2.11 Dividend income

Dividends are received from financial assets measured at fair value through other comprehensive income (FVOCI). Dividends are recognised as other income in profit or loss when the right to receive payment is established.

2.12 Dividend distribution

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.13 Cash and cash equivalents

Cash and cash equivalents include deposits held at call with banks.

3. Financial risk management

3.1 Financial risk factors

The Company is mainly exposed to market risks including regard to foreign currency risk and security prices. The aggregate net foreign exchange gains/(losses) are disclosed in note 5. The security price variations for the equity investment in BT Group plc are monitored and the movement during the year is as disclosed in note 9 on Financial assets at fair value through other comprehensive income.

T-Mobile Holdings Limited

Notes to the financial statements For the year ended 31 December 2021

3.1 Financial risk factors (continued)

Foreign exchange risk

Exposure

The Company's results are exposed to fluctuation in exchange rates as significant assets/ receivable and income are denominated in GBP. The Company's exposure to foreign currency risk at the end of the reporting period arising from exposure in GBP, expressed in Euro, was as follows:

	31 December 2021 GBP currency exposure In €000	31 December 2020 GBP currency exposure In €000
Trade and other receivables	32,852	-
Trade payables	164	155
Financial assets at fair value through other comprehensive income	2,411,265	1,767,345

The aggregate net foreign exchange losses/gains recognised in profit or loss were:

	2021 €000	2020 €000
Total net foreign exchange (losses)/gains recognised within Operating profit	(40)	446

Sensitivity

As shown in the first table on this page, T-Mobile Holdings Limited is primarily exposed to changes in GBP/EUR exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from GBP-denominated financial instruments and the impact on other components of equity arises from the investment in BT Group plc.

	Impact on Profit before taxation		Impact on other comprehensive income	
	2021 €000	2020 €000	2021 €000	2020 €000
GBP/EUR exchange rate - increase 5% (2020: 5%)*	1,634	(8)	120,563	88,367
GBP/EUR exchange rate - decrease 5% (2020: 5%)*	(1,634)	8	(120,563)	(88,367)

*Holding all other variables constant

Positive amount in the above tabulation represents an increase in profit/ other comprehensive income as applicable and negative amount represents a decrease.

Price risk

Exposure

The Company's exposure to equity securities price risk arises from financial assets in BT Group plc held by the Company and classified in the balance sheet as at fair value through other comprehensive income (FVOCI). The BT Group plc shares are publicly traded and are included in the FTSE 100 Index.

T-Mobile Holdings Limited

Notes to the financial statements For the year ended 31 December 2021

3.1 Financial risk factors (continued)

Sensitivity

The table below summarises the impact of increases/decreases of the Company's equity investment measured at fair value through other comprehensive income on the Company's equity. The analysis is based on the assumption that the equity index had increased by 14% and 14% for 2021 and 2020 respectively or decreased by 14% and 14%, with all other variables held constant, and that the BT Group plc shares moved in line with the indexes.

	Impact on other comprehensive income	
	2021	2020
	€000	€000
BT Group plc share prices increases by 14% (2020: 14%)*	337,577	247,428
BT Group plc share price decreases by 14% (2020: 14%)*	(337,577)	(247,428)

*Holding all other variables constant

Positive amount represents increase in other comprehensive income and negative represents a decrease. Other comprehensive income would increase/decrease as a result of gains/losses on equity securities classified as at FVOCI.

Amounts recognised in other comprehensive income

The amounts recognised in other comprehensive income in relation to the BT Group plc financial assets held by the Company are disclosed in note 9

Contractual maturity of financial liabilities

The financial liabilities of the Company comprising of trade and other payables are entirely contractually payable within a period of 12 months.

3.2 Capital management

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders. The Company is a holding company of Deutsche Telekom AG (DTAG) group for UK investments, specifically for the equity interest in BT Group plc. The Company is financed in entirety by equity and has no additional capital management measures in place. The Company is not subject to any externally imposed capital requirements.

Refer note 9 for the dividends paid during the year.

T-Mobile Holdings Limited

Notes to the financial statements For the year ended 31 December 2021

4. Critical accounting estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no critical accounting estimates made in the current financial year. The Company's non current assets comprising of investment measure at fair value through other comprehensive income are carried at fair value determined by a quoted market price and does not require critical judgement or estimates to be applied by the directors.

5. Operating profit

Operating profit is stated after (charging)/ crediting the following:

	2021	2020
	€000	€000
Auditors' remuneration in relation to statutory audit services	(33)	(41)
Bank fees	(68)	(65)
Consulting fees	(61)	(51)
Foreign exchange (losses)/gains	(41)	446
Dividend income from equity instrument designated at fair value through other comprehensive income	32,918	

6. Employees and Directors

Employees

The Company has no employees (2020: none).

Directors

None of the directors received any remuneration in respect of their services as directors of the Company. There were no contracts of significance existing during, or at the end of, the year ended 31 December 2021 (2020: €nil) in which a director had a beneficial interest.

T-Mobile Holdings Limited

Notes to the financial statements For the year ended 31 December 2021

7. Dividend income from equity instrument designated at fair value through other comprehensive income

During the year no cash dividends were received by the Company. The Company recorded a receivable for dividends announced and approved by BT Group plc in 2021 for an amount of €32,918,000. This was subsequently received on 7 February 2022.

8. Income tax expense

The taxation charge for the year was €0 (2020 €0). The tax on the Company's profit before taxation differs from the theoretical amount that would arise using the weighted average tax rate (2021: 19.00%, 2020: 19.00%) applicable to the profits of the Company as follows:

	2021 €000	2020 €000
Profit before taxation	32,683	276
Profit multiplied by the standard rate of tax in the UK of 19.00% (2020 - 19.00%)	6,210	52
Effects of:		
Dividend income not subject to tax	6,254	
Exchange differences not subject to tax	(44)	(52)
Total tax charge	-	-

T-Mobile Holdings Limited

Notes to the financial statements For the year ended 31 December 2021

9. Financial assets at fair value through other comprehensive income

As part of the transaction involving the sale of EE Limited, the Company acquired 1,196,175,322 ordinary shares of BT Group plc (equivalent to 12% of BT's share capital post acquisition). This investment is classified as financial assets at fair value through other comprehensive income as explained in Note 2.

	2021 €000	2020 €000
Equity instruments - measured at fair value through other comprehensive income	2,411,265	1,767,345

During the year the Company has recognised income from dividends receivable €32,918,000 (2020: nil) from BT Group plc and the Company made no dividend payments (2020: €€65,400,000) to CTA Holding GmbH ('CTA').

The Company does not expect to sell the investment in BT Group plc for the foreseeable future and is therefore held as a non-current asset. During the year €643,921,000 (2020: losses of €936,979,000) gains on the change in the value of investment held in BT Group plc was recognised in other comprehensive income, whilst in the previous year a loss was recognised in other comprehensive income.

The Company has no financial assets at fair value through the income statement (2020: nil), and no financial assets that are equity instruments measured at cost less impairment (2020: nil). The Company has held no debt instrument investments (2020: nil).

10. Trade and other receivables

	2021 €000	2020 €000
Amounts owed by investment holding	32,852	
	<u>32,852</u>	

During the year the Company has €32,852,000 owed by BT Group plc relating to interim dividends payable. The amount outstanding at 31 December 2021 has subsequently been received on 7 February 2022.

11. Trade and other payables

	2021 €000	2020 €000
Other creditors	120	113
Accruals	38	36
Trade payables to third parties	6	6
	<u>164</u>	<u>155</u>

T-Mobile Holdings Limited

Notes to the financial statements For the year ended 31 December 2021

12. Share capital and share premium

	2021 €000	2020 €000
Ordinary shares of £1 each		
Authorised		
9,991,000,000 (2020: 9,991,000,000) ordinary shares of £1 each	13,605,844	13,605,844
9,000,000 (2020: 9,000,000) redeemable ordinary shares of £1 each	12,256	12,256
	<u>13,618,100</u>	<u>13,618,100</u>
Allotted and full paid		
697,540,268 (2020: 697,540,268) ordinary shares of £1 each	890,681	890,681
9,000,000 (2020: 9,000,000) redeemable ordinary shares of £1 each	11,642	11,642
	<u>902,323</u>	<u>902,323</u>

The ordinary shares and redeemable shares rank pari passu and equally in all respects save that the redeemable ordinary shares do not carry any rights to dividends in respect of any period prior to 17 June 2004 and they are redeemable on such dates as the directors of the Company stipulate. They are redeemable at an amount equal to the issue proceeds, including any premium.

13. Retained earnings

The Company has retained earnings as at 31 December 2021 of €1,542,282,000 (2020: €865,678,000). Consequent to the adoption of IFRS with the transition date of 1 January 2018, the cumulative translation reserve as at the transition date was transferred to retained earnings. As a result, retained earnings in the financial statements does not represent statutory distributable reserves.

The Company passed a special resolution on 7 October 2019 resolving that the amount of €2,091,187,000 standing to the credit of the Company's share premium account be cancelled and extinguished, with the amount transferred to the Company's retained earnings reserve.

14. Related party transactions

Parent entities

The Company is controlled by the following entities

Name	Type	Place of incorporation	Ownership interest	
			2021	2020
CTA Holding GmbH	Immediate parent entity	Germany	100%	100%
Deutsche Telekom Trust e.V.	Intermediate parent entity	Germany	100%	100%
Deutsche Telekom AG	Ultimate parent and Economic owner	Germany	100%	100%

T-Mobile Holdings Limited

Notes to the financial statements For the year ended 31 December 2021

14. Related party transactions (continued)

Key management personnel compensation

The Company has no employees (2020: none).

Transactions with related parties

Dividends paid to CTA Holding GmbH is set out in note 9. The Company purchased legal and accounting services for €96,000 from its fellow subsidiaries T-Systems Limited and Deutsche Telekom Services Europe SE (2020: €73,000).

At the end of the year a balance of €120,000 (2020: €113,000) in relation to transactions with related parties is outstanding.

Terms and conditions

The purchase of legal and accounting services were carried out based on relevant group policies.

15. Financial instruments

The aggregate carrying amounts of financial assets and financial liabilities by category are as follows:

(i) Financial instruments at amortised cost

	2021 €000	2020 €000
Financial assets, at amortised cost	33,504	811
Financial liabilities, at amortised cost	163	155

(ii) Financial instruments at fair value through other comprehensive income

	2021 €000	2020 €000
Financial assets, at fair value through other comprehensive income	2,411,265	1,767,345

There were no financial instruments measured at fair value through profit and loss or financial liabilities measured at fair value through other comprehensive income.

Recognised fair value measurement

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements.

The investment of BT Group plc is classified as financial assets at fair value through other comprehensive income as explained in Note 2. BT Group plc shares are classified as level 1 instruments. The shares are traded in active markets and the fair value is determined via quoted market prices. The Company holds no financial instruments in level 2 or level 3. There were no transfers between levels 1 and 2.

Recurring level 1 fair value measurements

	31 December 2021 €000	31 December 2020 €000
Financial assets at fair value through other comprehensive income	2,411,265	1,767,345

T-Mobile Holdings Limited

Notes to the financial statements For the year ended 31 December 2021

16. Post balance sheet events

The Company has made a dividend payment of €32,608,000 on 7 February 2022. The crisis in the Ukraine impacts the BT Group plc share price and results in changes of the TMH financial assets measurement.

17. Controlling parties

Until 22 March 2018, the Company's immediate parent undertaking was T Mobile Global Holding GmbH which owned 100% of the Company. T Mobile Global Holding GmbH's registered address is Friedrich-Ebert-Allee 140, Bonn, 53113, Germany. The Company's ultimate parent Company and controlling party is Deutsche Telekom AG, a Company incorporated in Germany, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Deutsche Telekom AG's registered address is Friedrich-Ebert-Allee 140, 53113 Bonn, Germany. A copy of Deutsche Telekom AG's published consolidated financial statements can be obtained from <http://www.telekom.com/investor-relations>.

On 23 March 2018, an agreement was signed between T-Mobile Global Holding GmbH (a DTAG company) and CTA Holding GmbH for the sale of 706,540,268 shares (which include both the ordinary and redeemable ordinary shares) in T-Mobile Holdings Limited for €4,104,000,000. On 23 March 2018, T-Mobile Holdings Limited immediate parent undertaking changed to CTA Holding GmbH. Deutsche Telekom Trust e.V, a pension trust of Deutsche Telekom AG is the immediate parent of CTA Holding GmbH and holds shares in CTA Holding GmbH in trust on behalf of Deutsche Telekom AG and its subsidiaries and therefore the ultimate parent company continues to be Deutsche Telekom AG.