Summary Annual Report

2022

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Summary Annual Report

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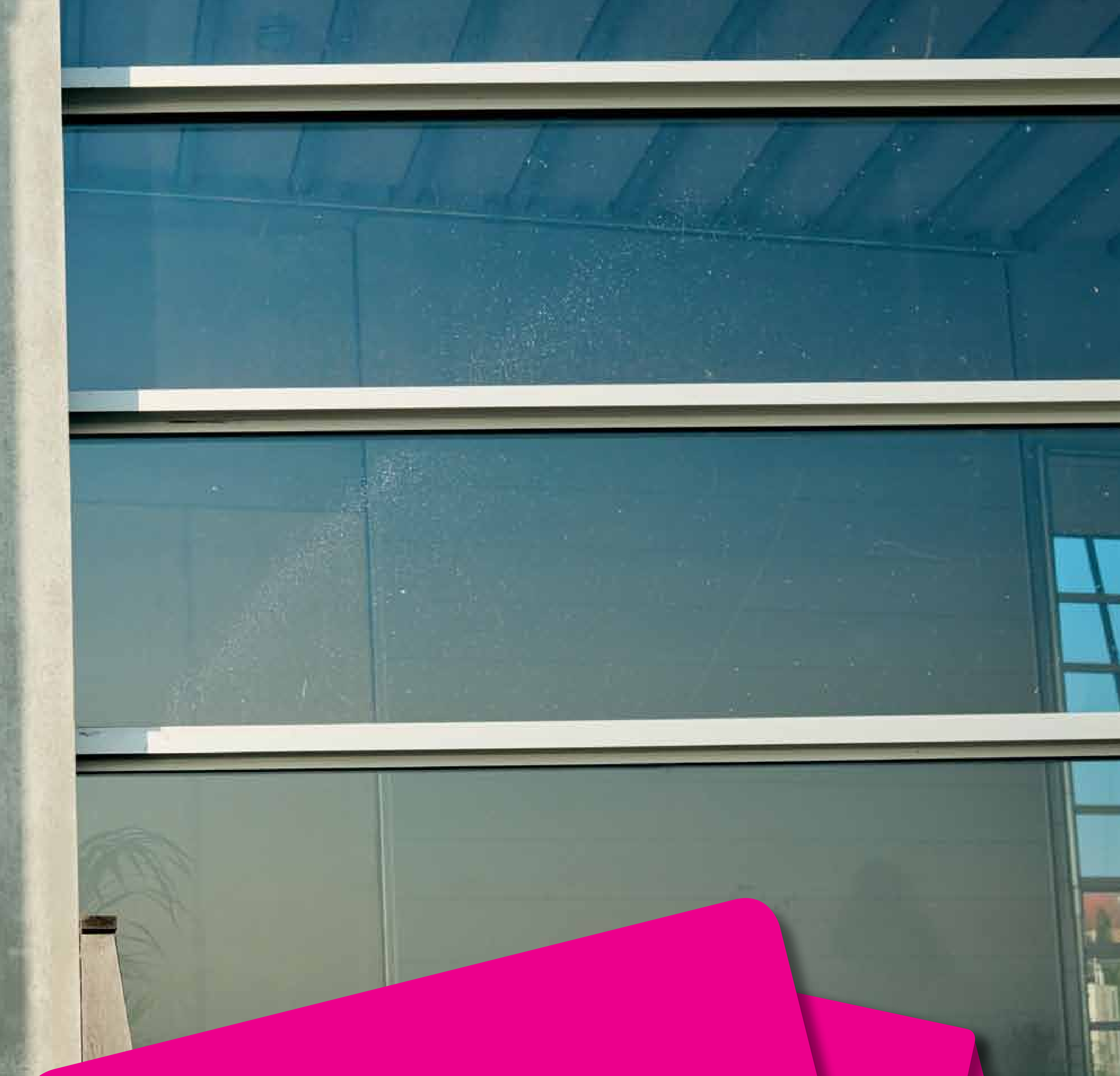


Content

INTRODUCTION TO THE ANNUAL REPORT 2022

If we viewed 2021 as a turbulent year, it would be difficult to find a suitable comparison for 2022. All of us were affected by the armed conflict in Ukraine. However, after the initial shock, we were able to react quickly and the wave of solidarity towards Ukrainian refugees came not only from T-Mobile but across the Czech Republic as a whole. We provided free calls to and from Ukraine for over two months, donated power banks to refugees, handed out prepaid SIM cards at the border and in Regional Assistance Centres, and organised numerous fundraisers. We also helped with the integration of people displaced from their homes by the war. Quick and properly targeted assistance is essential in difficult situations such as this one. That is why I would like to highlight the incredible commitment of our staff volunteers, without whom the aid would never have been so effective.

The second half of the year was significantly affected by the economic situation. High energy prices with rising inflation had big impact on our activities and operations. We will feel the effects of this crisis in the years to come. Even so, we pursued our long-term vision of **Connected Country**, where we aim to provide high-quality, swift internet connectivity to every home. By the end of the year, we covered 46 % of the population with 5G connectivity, and the 5G coverage is growing steadily. The number of households that can access our superfast fiber-optic internet has increased to 363,468.

A pivotal event in 2022 for us was the launch of our own 5G phone model, the **T Phone**, and the phone soon earned enormous popularity with our customers. This is because it delivers great value for money at a time when 5G phones have long been unaffordable for many. We are delighted to offer high-quality connectivity to thousands more people with this great hardware. Moreover, we enhanced the **tariff portfolio** with the much-talked-about 5G, which responds to the popularity of mobile internet and brings additional unlimited options, including the popular service „Always Online“. Furthermore, our customers can conveniently surf our magenta wave with new enhancements in the Můj T-Mobile app.

Our **T-Business division**, which focuses on business customers, marked several important milestones.

The private campus 5G networks, which we build in cooperation with Czech universities, have expanded to include the Technical University of Liberec and CEITEC Brno. The promising potential of campus networks was also tested for commercial use. These private 5G networks were deployed in the private sector for the first time in companies KVADOS or Toyota.

Thanks to the innovative solutions offered by T-Mobile, we have become the **main partner of the National Centre for Industry 4.0**. We are pleased to be helping Czech companies with the development of new solutions and digitalization, which is crucial for their competitiveness.

A major step for the entire T-Business division was the opening of the **new Security Operation Center**, which brings together comprehensive cybersecurity services at Roztyly in Prague.

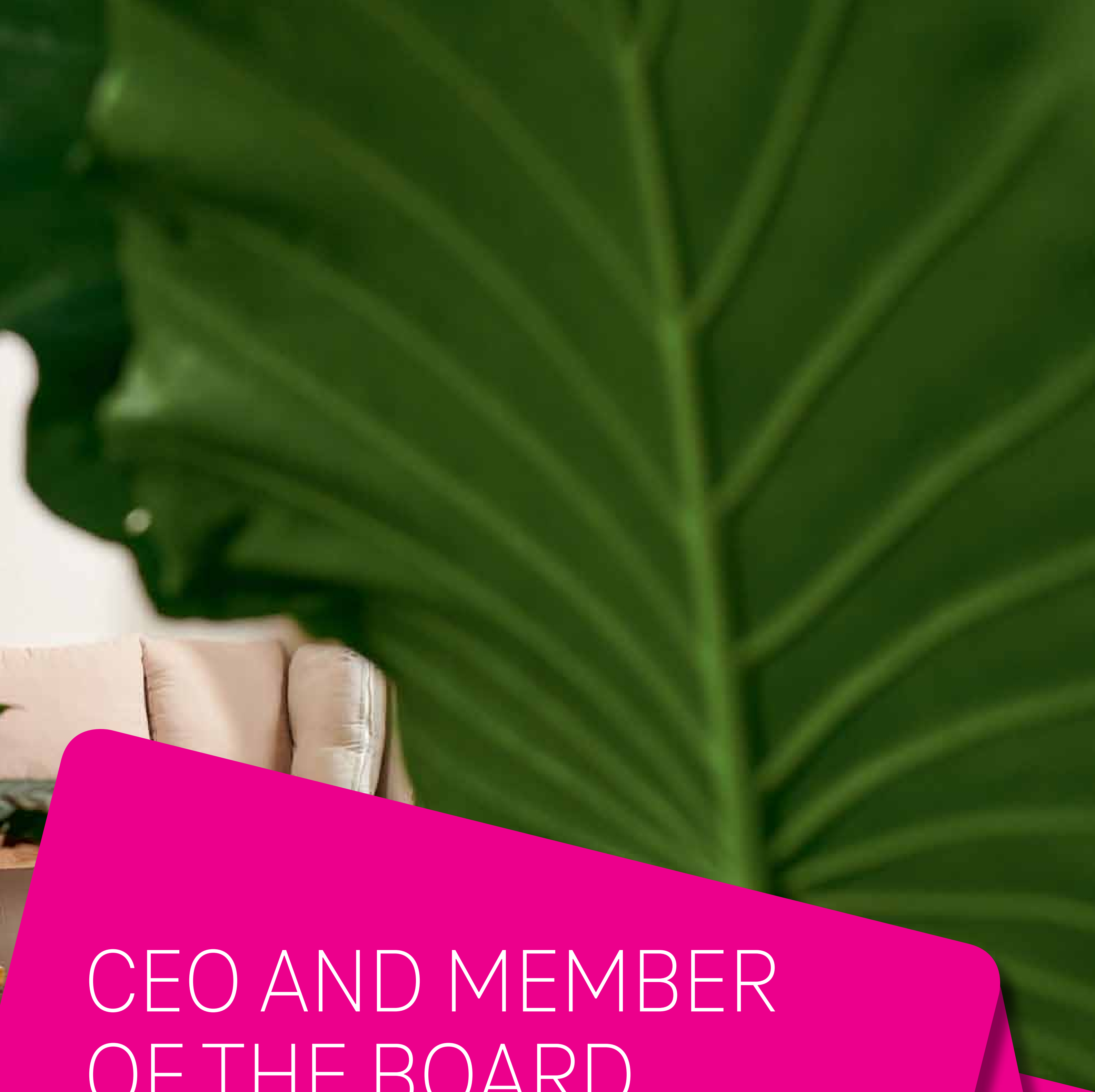
I started by talking about aid to Ukraine because I consider it to be one of the most important activities that occurred last year. However, the implementation of our ESG strategy is reflected in various other initiatives. Last year we supported numerous **non-profit organisations and fundraisers** for people in difficult situations. I am pleased that, despite the challenging times that put pressure on all of us, all fundraisers were successful and often more funds were raised when compared to past years.

Additionally, I am pleased with the **Nevypusť duši** project, which focuses on mental health care for children and the **Klid pro Klid** campaign, which educates elders on safe online behaviour. Many of our educational seminars occur in our **Magenta Experience** Center and I am glad to see that the space is really „alive.“ Students or seniors, as well as professionals and the general public, can choose from a variety of courses and events which take place in this excellent venue.

My thanks for the past year go out to our customers. It is them who drive all of our innovations and move us forward with their feedback (whether it is positive or negative). Though, a huge appreciation also goes to our employees. Although I am aware that this will sound like a big cliché, it is our employees who prove through their hard work and volunteer activities that together we can get a lot done.

Prague, 23 June 2023

Jose Severino Perdomo Lorenzo
CEO and Member of the Board of Directors
entitled to act on behalf of the Company solely



CEO AND MEMBER OF THE BOARD OF DIRECTORS ENTITLED TO ACT ON BEHALF OF THE COMPANY SOLELY

T-Mobile continues to pursue its vision of a Connected Country, which aims to cover the Czech Republic with high-speed connectivity in the form of 5G and fiber-optic networks.

By the end of 2022, the state-of-the-art 5G network will have already covered 47% of the population using 2,080 transmitters.

Optical internet, which has the advantage of a stable and fast connection with symmetrical download and upload, could already be used by 363,468 households by the end of 2022. The pace of coverage of additional sites is then largely determined by regulatory requirements, which significantly delay construction.

This is why T-Mobile has decided to join forces with Vodafone Czech Republic and significantly accelerate the digitalization of the Czech Republic by jointly building and making infrastructure available to each other. In practice, the project will also result in a more efficient and environmentally friendly construction process, for example, significantly less excavation work will be required.

A Connected Country

Making state-of-the-art 5G connectivity available to everyone is a priority for T-Mobile. Last year, it launched its own 5G phone, the T Phone, which comes in two models offering fast data and great performance at an affordable price. Customers quickly adopted the T Phone and the phone sold out a few days after it went on sale.

5G has also been adapted with a new tariff portfolio that responds to growing data consumption. The new offering thus makes 5G available to all users, even on basic tariffs. After the Always Online service, this is another significant shift in the mobile offering.

Last year's popular summer campaign, which customers look forward to every year, was not missing either. This time, it offered at least double the data for everyone and also brought a gift for anyone who runs out of data.

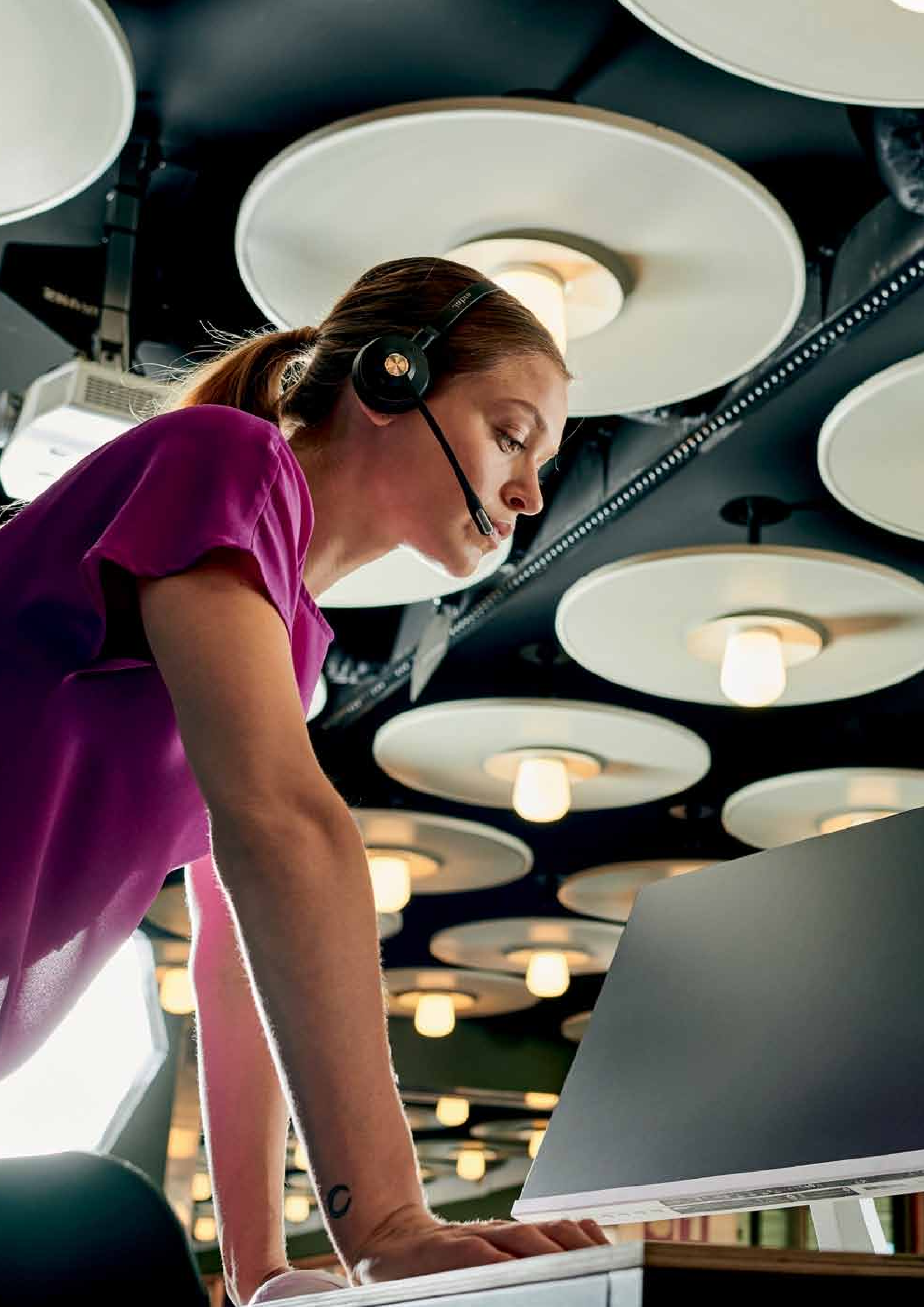
During May and June, a new Twist campaign called „Rewards make you dance" targeted prepaid card users, highlighting the ability to select rewards for top-ups in four simple steps on the app.

T-Mobile TV is also growing in popularity, with viewership reaching 237,000. Then, most notably, T-Mobile became the first third-party company to include Canal+ in its offering in August, bringing with it the popular and prestigious Premier League.

The long-awaited and rather technologically challenging move of selected TV stations from SD quality to HD quality was also successful. At the same time, viewers can benefit from the addition of different language tracks for all stations that support them, as well as watch the programme with subtitles.

The My T-Mobile app saw an expansion in June with the addition of the Magenta Love section, which includes the highlights from the world of T-Mobile including selected content from Instagram, Facebook or Twitter, current campaigns, videos and livestreams. In addition to entertainment and social media content, the new section also showcases T-Mobile's social responsibility activities. During the Christmas season, customers could find special rewards directly in the app and also participate in charity activities in the advent calendar.

New products and services



T-Mobile has long focused on building private 5G networks for universities and industry. In January, it became the main platform partner of the National Industry 4.0 Centre at the CIIRC CTU. This partnership further extends the ongoing collaboration between T-Mobile and CIIRC, which last year saw the creation of a joint Industry 4.0 Testbed, supporting the development of a research and experimentation environment.

In February, T-Mobile and the Technical University of Liberec signed a memorandum of long-term cooperation, making TUL the next Czech university at which T-Mobile is implementing its private 5G Stand Alone network solution. In November, a state-of-the-art campus 5G SA network was also launched at the CEITEC site at Brno University of Technology. This will give students access to 5G technology and the university testbed will also provide a space for companies to develop and implement solutions leading to faster deployment of Industry 4.0 standards.

In September last year, the T-Mobile campus network was successfully launched in private operation at KVADOS, a company specialising in software solutions in the logistics sector. A new test environment for applications using the private 5G mobile network was also built at the Kolín plant of the Toyota car manufacturer. It will be used to test the feasibility of practical deployment of specific applications such as autonomous trucks or augmented reality glasses.

A major step in the field of cyber security was the opening of a new Security Operations Centre in Roztyly, Prague. The innovative centre, which operates 24/7/365, responds to the ever-growing number of cyber threats and offers state-of-the-art technologies such as a war room for dealing with cyber attacks or an interactive dashboard and involves a total of 80 security professionals.

New tariffs for corporate customers, complemented by mobile security services, also respond to the need for greater corporate security. In the form of a service within a monthly „secure“ plan, businesses can easily expand their cyber security by blocking potentially dangerous websites and gaining complete control over mobile devices and their content.

The Rich Business Messaging service, offered by T-Mobile as the first operator in the Czech Republic, aims to simplify corporate communication with customers. Thanks to it, companies can communicate with customers in real time using secure messages, without the need to use third-party applications.

In cooperation with the Czech University of Agriculture, T-Mobile has launched a long-term unique project called Smart Forest Landscape in the area near Kostelec nad Černými lesy. The aim of the project is to use technologies such as 5G networks and IoT to investigate natural processes and adapt to ongoing climate change. The project also includes real-time data processing and storage using artificial intelligence and its evaluation using machine learning. The findings of the long-term landscape monitoring and the overall research, which will take place in several phases, should form the basis for shaping other landscapes not only in the Czech Republic but also in the whole of Central Europe.

T-Business

ASSISTANCE TO UKRAINE

Immediately after the conflict began, T-Mobile introduced free calls and SMS between the Czech Republic and Ukraine. And to this quick assistance, it gradually added other activities to support Ukrainians coming to the Czech Republic. In cooperation with the non-profit organizations ADRA, Charity of the Czech Republic and the Firefighters of the Czech Republic, T-Mobile distributed more than 80,000 prepaid SIM cards, and its team also distributed power banks on the Slovak-Ukrainian border. The company introduced a psychological support programme for refugees and citizens of the Czech Republic and organised a fundraising campaign, which doubled its results and sent CZK 8,000,000 to help those in need.

Gradually, T-Mobile focused on other activities to facilitate the integration of Ukrainian citizens into Czech society. Thanks to a partnership with the non-profit organisation Transkript, a service of simultaneous translations for direct communication was created, which is free of charge both on the volaniproukrajince.cz website and on the green line 800 900 909. T-Mobile TV's public Ukraine TV broadcasts have been added to the T-Mobile TV schedule and Ukrainian content has been strengthened. A hardware collection, in which T-Mobile cooperated with the organization Česko. Digital, also helped to support the involvement of Ukrainians in everyday life.

In April, a community centre for children from Ukraine was built in Roztyly, Prague, which T-Mobile participated in preparing. The company provided internet access, voice and data tariffs for the staff and classrooms were equipped with tablets. Both the youngest children and teenagers found facilities at the centre, and thanks to its services, Ukrainian parents were able to start work more easily and integrate better in the Czech Republic.

ESG

MENTAL HEALTH AND MEDIA LITERACY

The topic of mental health is one of T-Mobile's strategic ESG priorities, which is why last year the company initiated a unique survey in conjunction with the non-profit organisation Nevypusť duši, focusing on children's mental health from an adult perspective. The survey, which yielded previously missing data, revealed both a lack of awareness and misconceptions about the availability of specialist care. As part of a long-standing collaboration with Don't Let Your Soul Out, workshops have been held in secondary schools as well as courses for adults interested in the topic of children's mental health.

The Klíče k médiím project, which aims to increase the media literacy of primary and secondary school students, is also dedicated to education. The project offers content for teachers and the general public in the form of videos and podcasts, accompanied by public debates and competitions in which students can try their hand at journalism. The content is produced in a unique educational space, the Magenta Experience Centre in Prague's Arkády.

In response to the ever-increasing number of online scams, T-Mobile, as a digital leader, has also focused on the topic of online safety. In cooperation with the Police of the Czech Republic and the Ministry of the Interior, it launched the educational campaign Klik pro klid, which included a series of training sessions and online support for safe behaviour on the Internet.

ENVIRONMENTAL RESPONSIBILITY

As part of a responsible approach, activities aimed at mitigating climate change are key for T-Mobile. It uses 100% renewable electricity for its operations and, as part of the Deutsche Telekom Group, is committed to substantially reducing its carbon footprint. It optimises its technological infrastructure, reduces material consumption and promotes resource efficiency. It favours sending electronic invoices, routinely signs contracts in all its stores using biometric signatures and sends them by e-mail and is gradually introducing electronic price lists. It also takes care to eliminate plastic, offering both eSIM and ecoSIM, where the size of the plastic carrier is half the size.

T-Mobile supports the circular economy, collecting and recycling phones and other devices. Within the distribution network, customers can purchase used iPhones, which get a second life after careful inspection. On its website and in stores, T-Mobile publishes an Eco Rating for the phones it sells based on their environmental impact.

EMPLOYEES

T-Mobile employed a total of 3,284 employees last year, including 1,155 women and 2,129 men. The average age of employees is 39.3 years.

During 2022, T-Mobile underwent an agile transformation (agile@scale). The main objective of the transformation was to further enhance positive customer experiences, respond faster and more directly to customer requests, as well as to make teams more connected. In the areas of product and service design and development, 27 cross-functional teams (called „Tribes“) were created with a clear focus on customer needs. This combination enables continuous reduction in „time to market“, the ability to deliver value to the customer faster. Part of the transformation is to change the way central processes work in order to simplify them fundamentally, which also applies to IT.

In the past year, the Talent Pool and T-Challengers career programs continued. T-Mobile was awarded 1st place in the Top Employers (Telecommunications) survey organised by the Students and Graduates Association, as well as the Health Promoting Enterprise award.

BRAND AND SPONSORING

Last year T-Mobile became a premium partner of the Jizerská 50 and other sporting activities that support the long-standing effort for online/offline balance. After the Jizerská 50, these include other cross-country skiing races in the SkiTour series, the Czech Enduro Series and the cycling series for the general public Kolo pro život. The T-Mobile Olympic Run, which takes place in more than 80 cities across the Czech Republic, has become a traditional event.

Last year, T-Mobile supported volunteer projects together with Deutsche Telekom as part of the What We Value initiative. The global platform showcased the projects of young volunteers and Czech non-profit organisations scored points, taking home EUR 70,000 and CZK 200,000.

We do not disclose all the information under section 32g(1) and (2) of the Accounting Act relating to non-financial information as we apply the exemption under section 32g(7) of the Act. Information about the Company [and all of its subsidiary entities] has been included in the annual report of the parent company or in a similar report of the parent company.

REPORT ON RELATIONS

of the company T-Mobile Czech Republic a.s.
Pursuant to Section 82 of the Corporations Act
for the accounting period of the calendar year 2022

Translation note
The Report on relations has been prepared in the Czech language and in English. In all matters of interpretation of information, views or opinions, the Czech version of the Report on relations takes precedence over the English version.

The Board of Directors of T-Mobile Czech Republic a.s., having its registered office at Tomíčkova 2144/1, 148 00 Praha 4, company registration number 649 49 681, which is registered in the Commercial Register administered by the Municipal Court in Prague, Section B, File No. 3787 (in this Report also the "Company" or "TMCZ"), has prepared the following Report on Relationships pursuant to Section 82 of Act No. 90/2012 Coll., the Corporations Act (the "Corporations Act"), for the accounting period of the calendar year 2022 ("the Relevant period").

1 Relationships structure

According to the available information of the Board of Directors of the Company acting with due managerial care, for the whole of the Relevant period, the Company formed a part of the group in which the controlling party is Deutsche Telekom AG ("DTAG") ("the Concern"). Information on the entities forming part of the Concern is stated as at 31 December 2022 according to the information available to the statutory body of the Company acting with due managerial care. The structure of relations within the Concern is graphically illustrated in the Annex No. 1.

Controlling party

Deutsche Telekom AG, with its registered office at Friedrich-Ebert-Allee 140, Bonn, Nordrhein-Westfalen, 53113 Germany (in this Report also the "Controlling party") indirectly controls the Company through Deutsche Telekom Europe B.V. (the Netherlands) which was the sole shareholder of the Company in the Relevant period.

2 Role of the Company in the Concern

The Company is the integrated operator: in addition to mobile and fix telecommunication services, it provides a wide portfolio of IT services and system integration solutions to business customers. In the long term, the Company focuses on the quality of provided services. Since its establishment, the Company emphasizes an excellent customer care and fair approach to business partners, employees and environment.

3 Methods and means of control

The Controlling party indirectly controls the Company through Deutsche Telekom Europe B.V., which was the sole shareholder of the Company in the Relevant period. The control of the Company occurs, in particular, through the decisions of the sole shareholder acting in its capacity of a General Meeting of the Company.

The Company carries out its activities in line with the globally developed and focused business, financial, investment, and other plans of the DTAG group. Decisions on the day-to-day activities and business of the Company (e.g. budgets, marketing, HR policy, etc.) fall naturally within the autonomous power of the Company while taking into account the DTAG group's global policy.

4 Mutual contracts within the Concern

4.1 Contracts entered into between the Company and the Controlling party that were effective and valid in the Relevant period.

4.1.1 Contracts entered into in 2022:

Partner	Services / goods – original version	No. of contract of the Company
Deutsche Telekom AG	Service Arrangement – Test Lab Services 2022	024410–112–00
Deutsche Telekom AG	Service Arrangement – Process Automation and Standardization 2022	027516–238–00
Deutsche Telekom AG	Service arrangement – Services and Platforms 2022	027516–239–00
Deutsche Telekom AG	Annex – Service Arrangement – Group Procurement 2022 (Procurement X-Charges)	027516–240–00
Deutsche Telekom AG	Service Arrangement – Test Lab Services 2022	027516–241–00
Deutsche Telekom AG	Service Arrangement – Technology & Innovation Services 2022	027516–242–00
Deutsche Telekom AG	ironSource Aura Handling Services – SERVICE ARRANGEMENT Schedule to the Framework Cooperation and Service Agreement No.027516–000–00	027516–245–00
Deutsche Telekom AG	Service and Licence Arrangement – OneProduct 2022 (OneAPP, OneShop, Homegateway)	027516–247–00
Deutsche Telekom AG	Service Arrangement – Services and Platforms 2023	027516–248–00
Deutsche Telekom AG	CDPA Europe, consisting of Agreement on the Standard Contractual Clauses	CZ000118–000–00

Partner	Services / goods – original version	No. of contract of the Company
Deutsche Telekom AG	CDPA Europe, consisting of Agreement on the Standard Contractual Clauses (hereinafter referred to as „Clauses" or "SCC") betweencontrollers and processors under Article 28(7) of Regulation (EU) 2016/679 of the European Parliament and of the Council and Article 29(7) of Regulation (EU) 2018/1725 of	CZ000138–000–00
Deutsche Telekom AG	CDPA Europe – DTAG – Ironsource	CZ000340–000–00
Deutsche Telekom AG	CDPA Europe – DTAG – Ironsource v2	CZ000356–000–00
Deutsche Telekom AG	Replacement of License Agreement	CZ000466–000–00
Deutsche Telekom AG	Service Arrangement – Amazon Web Services 2022	027516–246–00

4.1.2 Contracts that were effective in 2022:

Partner	Services / goods – original version	No. of contract of the Company
Deutsche Telekom AG	Non - Disclosure Agreement	0000156/2006-SMnp
Deutsche Telekom AG	International Carrier Interconnection – Deutsche Telekom network through Deutsche Telekom Point of Presence in Prague for International Telecommunications Services viac PSTN/ISDN	0000230/2007-SMws
Deutsche Telekom AG	Agreement on – Circuit Solution EoM	0000289/2011-SMna
Deutsche Telekom AG	Non-Disclosure and Confidentiality Agreement	001070–000–00
Deutsche Telekom AG	Letter of Understanding	010003–000–00
Deutsche Telekom AG	Sublicence agreement (rebranding)	010091–000–00
Deutsche Telekom AG	Amendment No. 1 to the partial contract	010091–201–01
Deutsche Telekom AG	Letter of Understanding	010091–202–00
Deutsche Telekom AG	Amendment no. 8 to Agreement on Global Roaming eXchange (GRX) (No. T-Systems 2002/622)	010109–108–00
Deutsche Telekom AG	Amendment No. 9 to Agreement on Global Roaming eXchange (GRX) (No. T-Systems 2002/622)	010109–109–00
Deutsche Telekom AG	Amendment No. 10 to Agreement on Global Roaming eXchange (GRX)	010109–110–00
Deutsche Telekom AG	Amendment No. 11 to Agreement on Global Roaming eXchange (GRX)	010109–111–00
Deutsche Telekom AG	Amendment No. 12 – GRX Services	010109–112–00
Deutsche Telekom AG	Agreement – agreement on telecommunication network's interconnection	010246–000–00
Deutsche Telekom AG	Amendment No. 5 – roaming signalling	010340–105–00
Deutsche Telekom AG	Amendment No. 6 – Agreement on application of Agreement on Signalling-for-International-Roaming (SPR Services)	010340–106–00
Deutsche Telekom AG	Amendment No. 7 - Signalling for international roaming – Diameter/4G	010340–107–00
Deutsche Telekom AG	Amendment No. 8 – Signalling for international roaming – SS7 based Steering	010340–108–00
Deutsche Telekom AG	Amendment No. 9	010340–109–00
Deutsche Telekom AG	Framework agreement – Inbound	010562–000–00
Deutsche Telekom AG	Service Arrangement – Strategy & Portfolio Management	010562–201–00
Deutsche Telekom AG	Service Arrangement – Management IT Applications	010562–202–00
Deutsche Telekom AG	Service Arrangement – ERP & Corporate Systems	010562–203–00
Deutsche Telekom AG	Service Arrangement – Management IT Operations	010562–204–00
Deutsche Telekom AG	Service Arrangement – End user Marketing	010562–205–00
Deutsche Telekom AG	Service Arrangement – System Engineering	010562–206–00
Deutsche Telekom AG	Service Arrangement – System Engineering	010562–207–00
Deutsche Telekom AG	Service Arrangement – Network Deployment & Operations Management	010562–208–00
Deutsche Telekom AG	Service Arrangement – Network Deployment & Operations Management	010562–209–00
Deutsche Telekom AG	Framework Cooperation and Service Agreement – Outbound Direct Charging	010563–000–00
Deutsche Telekom AG	Service Arrangement - ERP & Corporate Systems	010563–201–00
Deutsche Telekom AG	Framework Cooperation and Service Agreement – Outbound	010564–000–00
Deutsche Telekom AG	Sideletter to the Framework Cooperation and Service Ag. (Outbound/ Allocation)	010564–101–00
Deutsche Telekom AG	Service Arrangement – Global Products	010564–201–00
Deutsche Telekom AG	Service Arrangement – Payment	010564–202–00
Deutsche Telekom AG	Service Arrangement – IT Department	010564–203–00

Partner	Services / goods – original version	No. of contract of the Company
Deutsche Telekom AG	Service Arrangement – Marketing Department	010564–204–00
Deutsche Telekom AG	Service Arrangement – Network Technology Office	010564–205–00
Deutsche Telekom AG	Service Arrangement – IT Strategy & Portfolio Management	010564–206–00
Deutsche Telekom AG	Service Arrangement – Process Alignment & Quality Management	010564–207–00
Deutsche Telekom AG	Service Arrangement – Management IT Applications	010564–208–00
Deutsche Telekom AG	Service Arrangement – Management IT Operations	010564–209–00
Deutsche Telekom AG	Service Arrangement – Marketing Coordination	010564–210–00
Deutsche Telekom AG	Service Arrangement – Marketing Coordination	010564–211–00
Deutsche Telekom AG	Service Arrangement – Product Management	010564–212–00
Deutsche Telekom AG	Service Arrangement – End User Marketing	010564–213–00
Deutsche Telekom AG	Service Arrangement – End User Marketing	010564–214–00
Deutsche Telekom AG	Service Arrangement – Wholesale Marketing	010564–215–00
Deutsche Telekom AG	Service Arrangement – Wholesale Marketing	010564–216–00
Deutsche Telekom AG	Service Arrangement – European Terminal Management	010564–217–00
Deutsche Telekom AG	Service Arrangement – Systems Engineering	010564–218–00
Deutsche Telekom AG	Service Arrangement – Systems Engineering	010564–219–00
Deutsche Telekom AG	Service Arrangement – Network Deployment and Operations Management	010564–220–00
Deutsche Telekom AG	Service Arrangement – Network Deployment and Operations Management	010564–221–00
Deutsche Telekom AG	Service Arrangement – Technology and Development	010564–222–00
Deutsche Telekom AG	Service Arrangement – Supplier Management	010564–223–00
Deutsche Telekom AG	Service Arrangement – Network Budgeting Performance	010564–224–00
Deutsche Telekom AG	Declaration of consent (consent to access to the TMCZ database)	010817–000–00
Deutsche Telekom AG	Sublicence of TIBCO Software License Agreement	011269–000–00
Deutsche Telekom AG	Agreement – TMO warranty for Siemens AG	012309–000–00
Deutsche Telekom AG	Services Agreement – MBS	012467–000–00
Deutsche Telekom AG	Letter of Affirmation – Licence Chordiant Marketing Director	012761–000–00
Deutsche Telekom AG	T-Zones Agreement	012876–000–00
Deutsche Telekom AG	Amendment No. 1 – Letter of Variation (t-zones)	012876–101–00
Deutsche Telekom AG	Letter of Variation – Addendum No. 2 to T-Zones Agreement – discount for y. 2006	012876–102–00
Deutsche Telekom AG	Addendum No. 3 to T-Zones Agreement – contract update	012876–103–00
Deutsche Telekom AG	Letter of Variation – T-Zones agreement – Addendum No. 4	012876–104–00
Deutsche Telekom AG	Agreement - suretyship (Bürgschaft) Nortel GPRS	012958–000–00
Deutsche Telekom AG	Framework cooperation and service agreement – Inbound	013243–000–00
Deutsche Telekom AG	Inbound (update of Annex 2 – Service Arrangement 2005)	013243–101–00
Deutsche Telekom AG	Inbound (update of Annex 2 – Service Arrangement 2006)	013243–102–00
Deutsche Telekom AG	Inbound service arrangement 2007	013243–103–00
Deutsche Telekom AG	Service Arrangement 2008 (Inbound (annex 2 valid for 08))	013243–104–00
Deutsche Telekom AG	Service Arrangement 2009	013243–105–00
Deutsche Telekom AG	Service Arrangement 2010 – Annex 2 (Inbound Contract)	013243–106–00
Deutsche Telekom AG	Service Arrangement 2011 – X-charges inbound 2011 under the Framework Cooperation	013243–107–00
Deutsche Telekom AG	Service Arrangement 2013 (Inbound – Annex 2 – Product Development 2013)	013243–108–00
Deutsche Telekom AG	SLA Inbound 2014 TMCZ Service Provider TDG Service Receiver	013243–109–00
Deutsche Telekom AG	Service Arrangement – Annex Service Agreement TMCZ EUHQ 2014	013243–110–00
Deutsche Telekom AG	Annex Service Agreement TMCZ EUHQ2013	013243–111–00
Deutsche Telekom AG	Annex Service Agreement – SLA Inbound 2015 TMCZ Service Provider TDG Service Receiver	013243–112–00
Deutsche Telekom AG	Annex 2 – Service Arrangement 2015 – Inbound Service Agreement	013243–115–00
Deutsche Telekom AG	Service Arrangement 2016 – X-Charges TMCZ Inbound under the Framework Cooperation	013243–117–00
Deutsche Telekom AG	Framework Cooperation and Service Agreement (Outbound/Allocation)	013244–000–00
Deutsche Telekom AG	Sideletter to the Cooperation and Service Agreement (Outbound/Allocation)	013244–101–00
Deutsche Telekom AG	Outbound (amendment of Annex 2 – Service Arrangement 2005)	013244–102–00
Deutsche Telekom AG	Outbound (Amendment of Annex 2 – Service Arrangement for 2006)	013244–103–00

Partner	Services / goods – original version	No. of contract of the Company
Deutsche Telekom AG	Outbound Service Arrangement 2007	013244–104–00
Deutsche Telekom AG	Service Arrangement 2008 (Outbound) – amendment of the Annex 2	013244–105–00
Deutsche Telekom AG	Service arrangement 2009	013244–106–00
Deutsche Telekom AG	Service Arrangement 2010 – Annex 2 (Outbound Contract)	013244–107–00
Deutsche Telekom AG	Sideletter on Chordiant Project – Terms of use of the CMD software	013956–000–00
Deutsche Telekom AG	Service Agreement concerning the Administration of MTIP in the Deutsche Telekom	014145–000–00
Deutsche Telekom AG	Service Agreement – Interoperator Discount Services („IOT-services“)	014585–000–00
Deutsche Telekom AG	Amendment No. 1 – new version of Appendix 1 (distribution of discounts)	014585–101–00
Deutsche Telekom AG	Suretyship Agreement (Nortel)	015123–000–00
Deutsche Telekom AG	Agreement on the unification of payment terms – application Inhouse Cash	015941–000–00
Deutsche Telekom AG	Amendment No. 1 to the Agreement on the unification of Payments Terms	015941–101–00
Deutsche Telekom AG	Amendment No. 2 to the Agreement on the unification of Payment Terms	015941–102–00
Deutsche Telekom AG	Variation to Unification of Payment Terms Agreement	015941–103–00
Deutsche Telekom AG	Inhouse Banking Side Agreement (Side Letter to UPT Agreement)	015941–201–00
Deutsche Telekom AG	Service Agreement (auditing services – x-charge)	016189–000–00
Deutsche Telekom AG	Sublicense Agreement (Intel)	016228–000–00
Deutsche Telekom AG	Master Agreement – Hedging Activities	016323–000–00
Deutsche Telekom AG	Agreement on Bilateral MMS eXchange	016451–000–00
Deutsche Telekom AG	Service Agreement for the provision of Marketing Services	016889–000–00
Deutsche Telekom AG	Amendment No. 1 to the Service Agr – Service Description, Cost Allocation Scheme	016889–101–00
Deutsche Telekom AG	Deed of Adherence (project Munice 2)	017569–000–00
Deutsche Telekom AG	Non disclosure Agreement (NDA) – exchange ZigBee info on SIM card	017808–000–00
Deutsche Telekom AG	Deed of Adherence-accession of TMCZ to Global Framework Ag. (GFA) no.990030–000–00	018945–000–00
Deutsche Telekom AG	Non disclosure Agreement (NDA) – Project 2G Modernization	018965–000–00
Deutsche Telekom AG	Non disclosure Agreement (NDA) – Project 2G Modernization	019043–000–00
Deutsche Telekom AG	Non disclosure Agreement (NDA) – Project 2G Modernization	019044–000–00
Deutsche Telekom AG	Non disclosure Agreement (NDA) – Project 2G Modernization	019045–000–00
Deutsche Telekom AG	Non disclosure Agreement (NDA) – Project 2G Modernization	019046–000–00
Deutsche Telekom AG	Non disclosure Agreement (NDA) – Project 2G Modernization	019052–000–00
Deutsche Telekom AG	EBS General Service Agreement	019184–000–00
Deutsche Telekom AG	Service Package to the EBS General Service Agreement	019184–201–00
Deutsche Telekom AG	Settlement Agreement – international traffic – settlement	019199–000–00
Deutsche Telekom AG	Deed of Adherence to the Framework Ag. for the Supply of Network Infrastructure	019440–000–00
Deutsche Telekom AG	Project Specific Annex (PSA) GGSN & SGSN – Commercial Conditions to the Frame Agreement	019704–000–00
Deutsche Telekom AG	Master Agreement for Derivates and Investment Contracts	019894–000–00
Deutsche Telekom AG	Sideletter	019895–000–00
Deutsche Telekom AG	Amendment to the Side Letter to the Master Agreement for Derivates and Inv. Con.	019895–101–00
Deutsche Telekom AG	Confidentiality Agreement	021267–000–00
Deutsche Telekom AG	License Agreement - Software concerning the predictive modelling	021411–000–00
Deutsche Telekom AG	Agreement on the processing of personal data	021442–000–00
Deutsche Telekom AG	Project Specific Annex RU20/OSS5.2	021581–000–00
Deutsche Telekom AG	Project Service Agreement for cIBS – common Interconnect Billing System	021810–000–00
Deutsche Telekom AG	Co-operation Agreement for Joint LTE-TD Evaluation Trial	021821–000–00
Deutsche Telekom AG	Project Service Agreement for RMC (PSA) for the new IT Enabler RMC (T-Rex)	021911–000–00
Deutsche Telekom AG	Agreement on processing of data and information with confidentiality clause	022098–000–00
Deutsche Telekom AG	Contractual Agreement for change of delivery model for ng iBMD (Jellyfish)	022173–000–00
Deutsche Telekom AG	Agreement on Commercial Roaming Broker Services	022191–000–00
Deutsche Telekom AG	Amendment Letter No. 1 to the Agreement on Commercial Roaming Broker Services	022191–101–00
Deutsche Telekom AG	Amendment Letter No. 3 to the Agreement on Commercial Roaming Broker Services	022191–103–00

Partner	Services / goods – original version	No. of contract of the Company
Deutsche Telekom AG	Amendment Letter No. 4 to the Agreement on Commercial Roaming Broker Services	022191–104–00
Deutsche Telekom AG	Data Privacy Agreement on commissioned processing of personal data, for 022191–104	022191–104–01
Deutsche Telekom AG	Cooperation Agreement	022250–000–00
Deutsche Telekom AG	Delivery of Software and the Performance of Services in Connection with ngCRM	022281–000–00
Deutsche Telekom AG	Supplement No. 1 – Delivery of Software and the Performance of Services in Connection with ngCRM	022281–101–00
Deutsche Telekom AG	Supplement No. 1 to Project Service Agreement (PSA) – ngCRM system	022281–102–00
Deutsche Telekom AG	NG CRM PSA – Supplement No. 3	022281–103–00
Deutsche Telekom AG	SERVICE Agreement Network Technology	022467–000–00
Deutsche Telekom AG	SUBLICENSE AGREEMENT for the Software for IVR Campaigning/Banner	022483–000–00
Deutsche Telekom AG	Management Agreement for international MNC Services	022522–000–00
Deutsche Telekom AG	Amendment No. 1 to Management Agreement for International MNC Services	022522–101–00
Deutsche Telekom AG	Supplementary Agreement to the Sublicence Agreement	022780–000–00
Deutsche Telekom AG	iPad License Acknowledgement of Adherence to Wireless Service License – iPad TMC	022870–000–00
Deutsche Telekom AG	Angry Birds International Campaign	022875–000–00
Deutsche Telekom AG	Framework cooperation and service agreement – X-charges	022888–000–00
Deutsche Telekom AG	Annex No. 022888–104–00 Service arrangement EU HQ	022888–104–00
Deutsche Telekom AG	Annex to FA – Service Arrangement – X- charges 2012- Products and Innovation annex	022888–105–00
Deutsche Telekom AG	Service Arrangement – Cross Charging 2013	022888–106–00
Deutsche Telekom AG	Annex Service Arrangement – P&I Payment Products	022888–112–00
Deutsche Telekom AG	Annex – Service Arrangement – Group Technology 2014	022888–115–00
Deutsche Telekom AG	Annex Service Arrangement – Board Area Europe	022888–116–00
Deutsche Telekom AG	Annex to the Framework Cooperation and Service Agreement-Service Arrangement Group Procurement	022888–118–00
Deutsche Telekom AG	Service Arrangement – Musketeer Program	022888–120–00
Deutsche Telekom AG	Service Arrangement (Outbound cross charges)	022888–121–00
Deutsche Telekom AG	Service Arrangement 2015 – Group Technology (Outbound cross charges)	022888–123–00
Deutsche Telekom AG	Annex – Service Arrangement – Centralized Capacity Planning Service	022888–127–00
Deutsche Telekom AG	Annex – Service Arrangement Board Area Europe TMCZ EUHQ 2017	022888–130–00
Deutsche Telekom AG	Annex – Service Arrangement – Technology & Innovation 2017	022888–131–00
Deutsche Telekom AG	Appendix 3 to the Service Arrangement Group Procurement (CDP)	022888–132–01
Deutsche Telekom AG	Service Arrangement – Central capacity planning	022888–135–00
Deutsche Telekom AG	Annex 2 – Service Agreement Schedule, Expert development Vendor & Portfolio Management	022888–138–00
Deutsche Telekom AG	Agreement on the Processing of Personal Data – CDP	022888–140–00
Deutsche Telekom AG	Service Arrangement – Schedule to the Framework cooperation and Service Agreement concluded between	022888–145–00
Deutsche Telekom AG	Letter of Intent – IT Data Assurance Shared Service Centre (SSC)	022962–000–00
Deutsche Telekom AG	Procurement Joint Venture of Deutsche Telekom AG and France Télécom SA: Interim	022972–000–00
Deutsche Telekom AG	Amendment No. 1 - Interim letter - Joint Venture	022972–101–00
Deutsche Telekom AG	Deed of Adherence (Vertragsbeitritt – to Contract 990053–000–00)	023021–000–00
Deutsche Telekom AG	Side Letter to the Framework Cooperation and Service Agreement	023056–000–00
Deutsche Telekom AG	Enrolment to the Frame Agreement for the supply of CCC SAP Services including SAP Licence Management Services	023213–000–00
Deutsche Telekom AG	Tax Indemnity Agreement	023340–000–00
Deutsche Telekom AG	Framework Cooperation and Service agreement	023382–000–00
Deutsche Telekom AG	Annex – Service Agreement TMCZ EUHQ 2017 – DTAG Europe	023382–201–00
Deutsche Telekom AG	Co-operation agreement for joint smart lte evaluation trial	023418–000–00
Deutsche Telekom AG	Confidentiality Obligation for Clean Team Members	023435–000–00
Deutsche Telekom AG	Letter of intent – OSS	023451–000–00

Partner	Services / goods – original version	No. of contract of the Company
Deutsche Telekom AG	Cooperation Agreement	023481–000–00
Deutsche Telekom AG	Cooperation Agreement – INTRA GROUP COMPLIANCE AGREEMENT	023496–000–00
Deutsche Telekom AG	Letter of Adherence („LoA“) – Ringback Tones Services	023507–000–00
Deutsche Telekom AG	Global M2M Service cooperation – Joining Agreement	023543–000–00
Deutsche Telekom AG	Frame Agreement for Commissioned Personal Data Processing	023692–000–00
Deutsche Telekom AG	CDP Individual Agreeement on commissioned processing of personal data GPBI (BDSG)	023692–201–00
Deutsche Telekom AG	CDP Individual Agreement on commissioned processing of personal data – S2C	023692–202–00
Deutsche Telekom AG	CDP Individual Agreement on commissioned processing of personal data OCP (OneCom)	023692–203–00
Deutsche Telekom AG	Individual Agreement on the commissioned processing of personal data	023727–000–00
Deutsche Telekom AG	Agreement on the purchase of a videoconferencing system	023771–000–00
Deutsche Telekom AG	Letter of Adherence – Callertunes service Real Networks	023864–000–00
Deutsche Telekom AG	Supplementary Agreement to the Project Service Agreement to the Provision of Next Generation Voice Mail System	024075–000–00
Deutsche Telekom AG	Engagement Form (Cezch Republic) – Google Play	024075–101–01
Deutsche Telekom AG	Service Arrangement P&I products core telco products and media 2013	024087–000–00
Deutsche Telekom AG	Agreement For Commissioned Data Processing	024202–000–00
Deutsche Telekom AG	Cooperation and Service agreement – Ring back tones	024204–000–00
Deutsche Telekom AG	Retail and Marketing Funds Agreement	024307–000–00
Deutsche Telekom AG	„m-wall“ (POS presentation) Agreement	024308–000–00
Deutsche Telekom AG	Main Contract on IP Transit	024335–000–00
Deutsche Telekom AG	Agreement on the processing of personal data in International Sharepoint	024360–000–00
Deutsche Telekom AG	Contract on Deutsche Telekom ICSS Mobile Services – DINr3, Services enabling IP/MPLS platform	024362–000–00
Deutsche Telekom AG	Amendment No. 1 to the Contract on Deutsche Telekom ICSS 024362–000–00	024362–101–00
Deutsche Telekom AG	iPhone Contract of Adherence to the iPhone Agreement between Apple and DT	024364–000–00
Deutsche Telekom AG	Sideletter to iPhone Contract of Adherence to the iPhone Agreement between Apple	024364–201–00
Deutsche Telekom AG	Service Arrangement – SLA Outbound Services 2015	024410–102–00
Deutsche Telekom AG	Service Arrangement – SLA Outbound Services 2016, TMCZ Service Receiver, TD Serv	024410–103–00
Deutsche Telekom AG	Service Level Agreement (SLA) – Handset Capability Server (HCS)	024410–104–00
Deutsche Telekom AG	SERVICE ARRANGEMENT Schedule to the Framework Cooperation and Service Agreement No. 024410–109–00	024410–110–00
Deutsche Telekom AG	Trial Agreement for Joint Active Antenna System (ASS) Trial	024515–000–00
Deutsche Telekom AG	Agreement for Provisioning of Integration Services for MyWallet	024546–000–00
Deutsche Telekom AG	Agreement for Commissioned Data Processing	024565–000–00
Deutsche Telekom AG	Agreement on application of Global Intranet GPRS Roaming eXchange (GRX)	024807–000–00
Deutsche Telekom AG	Agreement on the commissioned processing of personal data (Non-compliance list)	024809–000–00
Deutsche Telekom AG	M-Wall & Shop Window Digit (POS presentation) Agreement	024975–000–00
Deutsche Telekom AG	Global Strategic Retail Partnership - Marketing Funds Agreement	025120–000–00
Deutsche Telekom AG	Letter of Intent	025121–000–00
Deutsche Telekom AG	EMIR Agreement for Dealing	025163–000–00
Deutsche Telekom AG	Interim Letter Agreement (ILA) – GPBI access to NatCo procurement data	025332–000–00
Deutsche Telekom AG	Non-Disclosure Agreement – NDA – pro DTAG Group Procurement (related to CDP)	025336–000–00
Deutsche Telekom AG	Bilateral SMS + Transit Contract	025440–000–00
Deutsche Telekom AG	Agreement for Commissioned Data Processing in TMPC and ReMaiD	025557–000–00
Deutsche Telekom AG	Supplementary Agreement – MNC Services	025558–000–00
Deutsche Telekom AG	CDP Frame Agreement for CoE Data Transparency – DTAG as controller	025586–000–00
Deutsche Telekom AG	Cooperation Agreement	025746–000–00
Deutsche Telekom AG	Agreement on commissioned processing of personal data protection	025859–000–00
Deutsche Telekom AG	Individual Agreement on the commissioned processing of pers.data – Performance M	026070–000–00

Partner	Services / goods – original version	No. of contract of the Company
Deutsche Telekom AG	Modified Agreement - Annex of Data Fields (Ind. Agreement -–pers. data – Performance management)	026070–201–00
Deutsche Telekom AG	Deutsche Telekom HR Suite – Performance Management - Modified Agreement on the Annex of Data Fields concerning the Individual Agreement on the Processing of Personal Data	026070–202–00
Deutsche Telekom AG	Service Agreement CZ – DT regarding Pan IP FTEs	026089–000–00
Deutsche Telekom AG	Service Agreement DT MNC	026192–000–00
Deutsche Telekom AG	Service Agreement – Amendment No. 1	026192–101–00
Deutsche Telekom AG	Service Agreement – Amendment No. 2	026192–102–00
Deutsche Telekom AG	Service Agreement	026192–103–00
Deutsche Telekom AG	iCN DTAG Security Agreement Corporate Network (SACoN)	026365–000–00
Deutsche Telekom AG	Agreement for Commissioned Data Processing (Application SPPM (ICTO 12147) with its portfolios PFM-Tool and PFM@IT)	026387–000–00
Deutsche Telekom AG	Agreement for Commissioned Data Processing	026562–000–00
Deutsche Telekom AG	Agreement for Internal Payment Services	026832–000–00
Deutsche Telekom AG	Global Master Agreement for Wholesale Voice Services	027071–000–00
Deutsche Telekom AG	Individual Agreement on the commissioned processing of personal data – Deutsche Telekom HR Suite – Performance Management	027168–000–00
Deutsche Telekom AG	Agreement – Provision of DTAG shares to directors and employees of GC	027270–000–00
Deutsche Telekom AG	Agreement on commissioned data processing – Baseline Agreement	027354–000–00
Deutsche Telekom AG	Framework Cooperation and Service Agreement – Inbound and Outbound cross charge	027516–000–00
Deutsche Telekom AG	Service Arrangement 2018, DTAG VTI - TMCZ Inbound	027516–202–00
Deutsche Telekom AG	Service Arrangement - for DRC Cross Border Services	027516–203–00
Deutsche Telekom AG	Service Arrangement - Consumer IoT Hub 2019	027516–204–00
Deutsche Telekom AG	Service Arrangement - Board Area Europe Services	027516–205–00
Deutsche Telekom AG	Annex 2 - Service Arrangement - X-charges Procurement 2018 (1.1.-31.12.2018)	027516–206–00
Deutsche Telekom AG	Service Arrangement SLA Inbound 2019 - TMCZ DTT	027516–207–00
Deutsche Telekom AG	Service Arrangement Europe 2018 – Bus.Dev.Smart City a ICSS Global Voice	027516–208–00
Deutsche Telekom AG	Adherence Agreement to FCSA	027516–209–00
Deutsche Telekom AG	Service Arrangement (Business Development – Smart City / IoT and ICSS Global Voice)	027516–212–00
DEUTSCHE TELEKOM AG	Service Arrangement (Europe – Commercial Roaming, Shops, Winner Circle, TRIM, ICCA, Web-research)	027516–213–00
Deutsche Telekom AG	Service Arrangement Group Technology & Innovation 2019	027516–214–00
DEUTSCHE TELEKOM AG	Service Arrangement_SLA 2020 Inbound Services	027516–216–00
DEUTSCHE TELEKOM AG	Service Arrangement_Group Technology 2019 (Testlab 2019)	027516–217–00
Deutsche Telekom AG	Service Arrangement 2020 – ACS & OCC & NWI & Test LAB	027516–223–00
Deutsche Telekom AG	ADHERENCE AGREEMENT	027516–227–00
DEUTSCHE TELEKOM AG	Service Arrangement For Centralized RAN Tools for Planning – Atoll SaaS	027516–233–00
Deutsche Telekom AG	Agreement on Commissioned Data Processing - project IFRS 16-leases	027553–000–00
Deutsche Telekom AG	Customer Adherence From to Deutsche Bank SCORE Services	027582–201–00
Deutsche Telekom AG	BNP PARIBAS Cash Concentration Multi Entities Agreement	027582–202–00
Deutsche Telekom AG	Vertrag uber den Beitritt zu db-transfer in Deutschland (Cash Concentration Agreement)	027582–203–00
Deutsche Telekom AG	Erganzungsvereinbarung zu den Vertragen db-transfer (Cash Concentration Agreement)	027582–204–00
Deutsche Telekom AG	Frame Agreement for Commissioned Data Processing	027655–000–00
Deutsche Telekom AG	Individual Agreement on Commissioned Data Processing – CDPA HR Suite Talent module	027655–201–00
Deutsche Telekom AG	Individual Agreement – CDPA CZ HR suite – about the module Executive Onboarding	027655–202–00
Deutsche Telekom AG	Agreement on Assignment of Rights to the Copyrighted Work	027700–000–00
Deutsche Telekom AG	Cash Management Agreement on participation in the Cash-Pooling of Deutsche Telekom	027782–000–00
Deutsche Telekom AG	Agreement on Processing of Personal Data on Behalf of a Controller – Treasury management processes	027920–000–00
Deutsche Telekom AG	Back to Back Agreement	028347–000–00

Partner	Services / goods – original version	No. of contract of the Company
Deutsche Telekom AG	Contract on Processing of Personal Data on Behalf of a Controller	028658–000–00
Deutsche Telekom AG	Individual loan contract	2013/0229
Deutsche Telekom AG	Business Agreement concerning the Telekom Global Net transport oriented services	2013/0357
Deutsche Telekom AG	Annex to Business Agreement concerning the Telekom Global Net	2013/0637
Deutsche Telekom AG	Commissioned Data Processing	2013/0790
Deutsche Telekom AG	Prolongation Agreement Infrastructure Services for T-Mobile CZ	880052–103–00
Deutsche Telekom AG	Individual Agreement on the commissioned processing of personal data within the EU/EEA	880080–202–00
Deutsche Telekom AG	International Group Framework Agreement for Media Agency Services	990092–000–00
Deutsche Telekom AG	Framework Agreement on a Payment Processing Agreement	990093–000–00
Deutsche Telekom AG	Amendment No. 1 to Framework Agreement on a Payment Processing Agreement	990093–101–00
Deutsche Telekom AG	BNP PARIBAS Cash Concentration Multi Entities Agreement	990094–000–00
Deutsche Telekom AG	Agreement – network technology, IT and IPTV	990098–000–00
Deutsche Telekom AG	International Group Framework Agreement – Walled Garden, Media Buying Services	990099–000–00
Deutsche Telekom AG	Amendment No. 6	990101–106–00
Deutsche Telekom AG (DTAG)	SERVICE ARRANGEMENT Schedule to the Framework Cooperation and Service Agreement concluded between Deutsche Telekom AG and T-Mobile Czech Republic A.S. on 20/02/2018 No 027516–000–00	027516–232–00
DEUTSCHE TELEKOM AG, BONN	SLA inbound services 2021 TMCZ_DT	027516–225–00
DEUTSCHE TELEKOM AG, BONN	DPA – DTAG – Medallia	080512–000–00
Deutsche Telekom AG, Deutsche Telekom Services Europe GmbH	Affirmation Issued for T-Mobile Czech Republic a.s.	027582–000–00
Deutsche Telekom AG, PG 1010	Framework Cooperation and Service Agreement No 027516–000–00	027516–237–00
Deutsche Telekom AG, PG 1010	CONTRACT FOR PHYSICAL POOLING OF THE GROUP'S CASH (SOGECASH INTERNATIONAL POOLING)	028590–000–00
Deutsche Telekom AG, PG 1010 Friedrich-E	DTAG – guarantee fee agreement	080560–000–00
Deutsche Telekom AG, PG 1025	Amendment to the Agreement No. 1on Processing of Personal Data on Behalf of a Controller	027655–101–00
Deutsche Telekom AG, PG 1025	Roaming IntraDT Discount 2018 = FRAMEWORK AGREEMENT ON DISCOUNTS	028732–000–00
Deutsche Telekom AG, PG 1025	Contract of Adherence to the Apple Authorized Reseller Agreement between Apple a	028825–000–00
Deutsche Telekom Business Solutions GmbH	Amendment No.2 – Management Agreement for International MNC Services between Deutsche Telekom Business Solutions GmbH	022522–103–00
Deutsche Telekom Digital Labs Private Limited	SERVICE ARRANGEMENT	027516–226–00

4.2 Contracts entered into between the Company and the other entities controlled by the Controlling party, which were valid in the Relevant period.

4.2.1 Contracts entered into in 2022:

Partner	Services / goods – original version	No. of contract of the
CE Colo Czech s.r.o.	DODATEK č. 1 ke Smlouvě o zpracování osobních údajů č. 027911–000–00 ze dne 1.3.2019	027911–101–00
CE Colo Czech s.r.o.	TMCZ/CE Colo – Dodatek č. 1 k rámcové smlouvě o spolupráci	660092–101–00
CE Colo Czech s.r.o.	Smlouva o spolupráci v oblasti compliance	CZ000310–000–00
COSMOTE Mobile Telecommunications Single	Addendum to IRA – Annex C14: S8HR architecture (VoLTE)	025478–101–00
Deutsche Telekom Business Solutions GmbH	Service Agreement	026192–103–01

Partner	Services / goods – original version	No. of contract of the
Deutsche Telekom Digital Labs Private Li	Framework Contract on Processing of Personal Data on Behalf of a Controller	CZ000053–000–00
Deutsche Telekom Digital Labs Private Li	Individual Contract on Processing of Personal Data on Behalf of a Controller	CZ000101–000–00
Deutsche Telekom Digital Labs Private Li	Individual Contract on Processing of Personal Data on Behalf of a Controller	CZ000305–000–00
Deutsche Telekom Digital Labs Private Li	Individual Contract on Processing of Personal Data on Behalf of a Controller	CZ000305–000–00
Deutsche Telekom Europe Holding B.V.	Service Change Agreement – Mifid – Export of Metadata	028890–000–00
Deutsche Telekom IT GmbH	Common Price List 2021 regarding to IT XCH Services – Shared Enablers, Network Services, OneERP & Group Systems, IFRS, CIAM, HREVOPortal	024100–245–00
Deutsche Telekom IT GmbH	Common Price List 2022 regarding to IT XCH Services – Shared Enablers, Network Services, OneERP & Group Systems, IFRS, CIAM, HREVOPortal	024100–247–00
Deutsche Telekom IT GmbH, PG 8111	Project Term Sheet of One-Time-Services regarding OneERP Line Demands 2021	024100–246–00
Deutsche Telekom IT GmbH, PG 8111	Project Term Sheet of One-Time-Services regarding OneERP Line Demands 2022 (pre TowerCo TMCZ)	024100–248–00
Deutsche Telekom IT GmbH, PG 8111	Amendment No. 1 (hereinafter referred to as the “Amendment”)	028121–101–00
Deutsche Telekom IT GmbH, PG 8111	Amendment No. 1 to the Individual Contract on Processing of Personal Data on Behalf of a Controller No. 028121–000–00,No.028268–000–00 and No.028715–000–00	028268–101–00
Deutsche Telekom Pan-Net s.r.o.	Amendment No. 1 to Annex 12 to Framework Cooperation and Service Agreement No 027213–000–00	027213–107–00
Deutsche Telekom Pan-Net s.r.o.	SERVICE ARRANGEMENT concerning the provision of iOSS Trouble Ticketing Management and Configuration Management Operational Support2022	027213–113–00
Deutsche Telekom Pan-Net s.r.o.	CDPA – Individual Contract on Processing of Personal Data	CZ000279–000–00
Deutsche Telekom Pan-Net s.r.o.	SERVICE ARRANGEMENT concerning the provision of iOSS Trouble Ticketing Management and Configuration Management Operational Supportin 2021	027213–105–00
Deutsche Telekom Security GmbH PG 6200	CDPA Telekom Security - SIEM Engineering	CZ000090–000–00
Deutsche Telekom Services Europe SE PG 0	Amendment No. 7 TMCZ No. 027665–105–00 to the Agreement on Intercompany Provision of Products and Services within the framework of Shared Services dated 09.03.2018	027665–107–00
Deutsche Telekom Technik GmbH FQT-SLM Ge	CDP between DT Technik and T-Mobil CZ	CZ000058–000–00
DFMG Deutsche Funkturm GmbH	Agreement on Regional GNSS Observation Services in Czech Republic	080702–000–00
GTS Telecom S.R.L.	TELECOMMUNICATION SERVICE MASTER AGREEMENT	026040–102–00
Magyar Telekom Nyrt. (PG 0092)	Service Arrangement – OneERP PSL Services 2022	080112–202–00
Magyar Telekom Nyrt. (PG 0092), Slovak Telekom, a.s.	AGREEMENT FOR THE TWAMP MEASUREMENT SYSTEM	CZ000354–000–00
Planet A, a.s.	Planet A – půjčka 67,5 M CZK – refinancing stávajících půjček	080713–000–00
Planet A, a.s.	Planet A – půjčka 108 M CZK	CZ000337–000–00
Slovak Telekom, a.s.	Service Arrangement – CEMT – Common Event Management Tool 2021	027009–148–00
Slovak Telekom, a.s.	Service Arrangement – Federal Intranet (federal common platform)	027009–149–00
Slovak Telekom, a.s.	Service Arrangement – SkillUP – eLearning system (common federal platform)	027009–150–00
Slovak Telekom, a.s.	Service Arrangement – FEST 2021	027009–151–00
Slovak Telekom, a.s.	Service Arrangement – Common Genesys (výnosová zmluva pre TMCZ)	027009–152–00
Slovak Telekom, a.s.	Service Arrangement – Harmonised evolved Packet Core Services	027009–153–00
Slovak Telekom, a.s.	SERVICE ARRANGEMENT Harmonised evolved Packet Core Services – pre TMCZ výnos	027009–154–00
Slovak Telekom, a.s.	Service Arrangement – Smart Data Extraction Services 2022 – 2024	027009–232–00
Slovak Telekom, a.s.	SMLOUVA O ZAVEDENÍ A PLNĚNÍ BEZPEČNOSTNÍCH OPATŘENÍ	CZ000097–000–00
Slovak Telekom, a.s.	Zmluva o zabezpečení plnenia bezpečnostných opatrení a notifikačných povinností	CZ000099–000–00

Partner	Services / goods – original version	No. of contract of the
Slovak Telekom, a.s.	NatCo Purchasing Agreement for Diameter Agent	CZ000209–000–00
Slovak Telekom, a.s., PG 485	Addendum to the International Roaming Agreement – Annex C.14 S8 Home Routed Architecture	026001–101–00
Slovak Telekom, a.s., PG 485	SERVICE ARRANGEMENT Corporate Security Functions	027009–233–00
Slovak Telekom, a.s., PG 485	SERVICE ARRANGEMENT Corporate Security Functions	027009–234–00
Slovak Telekom, a.s., PG 485	Smlouva o poskytování služeb Marketlocator	080685–000–00
Slovak Telekom, a.s.; jtendo Czech s.r.o.	PARTIAL AGREEMENTMaintenance and Support of Common SDP platform (TMCZ/ST)	028795–101–00
Slovak Telekom, a.s.; Mavenir Systems Limited;	Amendment 1 to Project Specific Annex [10]: Common IP Multimedia Sub-system (Common IMS) for TMCZ and ST	028828–101–00
Telekom Deutschland GmbH	Service Level Agreement (SLA) For the Usage of Traffic Control System ("TCS")	024410–111–00
TELEKOM DEUTSCHLAND GMBH	INTERNAL TRANSFER PRICING AGREEMENT	026480–101–00
Telekom Deutschland GmbH	Framework Cooperation and Service Agreement No 027516–000–00	027516–243–00
Telekom Romania Mobile Communications S.	Addendum to International Roaming Agreement – SMS Interworking Agreement	014876–102–00
T-Mobile Infra CZ s.r.o.	NON-DISCLOSURE AGREEMENT	CZ000351–000–00
T-Mobile Infra CZ s.r.o.	Master Lease Agreement	CZ000486–000–00
T-Mobile Infra CZ s.r.o.	Side Letter to the Master Lease Agreement	CZ000486–201–00
T-Mobile Infra CZ s.r.o.	Long Term Service Agreement	CZ000489–000–00
T-Mobile Polska S.A.	ANNEX NO. 6 MADE 1.10.2022 TO THE TELECOMMUNICATION SERVICE MASTER AGREEMENT	025785–106–00
T-Mobile Polska S.A.	ANNEX C.14 S8 HOME ROUTED ARCHITECTURE	027128–101–00
T-Mobile Polska S.A.; P4 Sp. z o.o.	Arrangemetn for Coordination Process in the Border Areas	CZ000304–000–00
T-Mobile USA, Inc.	AMENDMENT No.2 TO THE INTERNATIONAL ROAMING AGREEMENT	016180–102–00
T-Systems Austria GesmbH	FRAMEWORK COOPERATION AND SERVICE AGREEMENT	CZ000286–000–00

4.2.2 Contracts that were effective in 2022:

Partner	Services / goods – original version	No. of contract of the
Adastra s.r.o.,Slovak Telekom, a.s.	Project Agreement No. 1 Omnichannel Contextual Campaigns and Next Best Actions for Slovak Telekom and T-Mobile Czech Republic	080096–201–00
Antel Germany GmbH	General terms and conditions_VIX	0000002/2010-SmNAD
Antel Germany GmbH	LOAN FACILITY AGREEMENT	0000009/2005-SMfd
Antel Germany GmbH	Purchase of materials	0000013/2011-SMfd
BUYIN S.A.	Amendment No. 2 to Participation Agreement	023174–102–00
BUYIN SA	Participation agreement – Joint Venture	023174–000–00
BUYIN SA	Amendment No. 1 to Participation Agreement – Joint Venture	023174–101–00
CARDUELIS B.V.	Carduelis B.V. – Agreement on the transfer of duties and responsibilities	0000045/2005-SMws
CARDUELIS B.V.	Individual Service Agreement	0000065/2007-SMws
CE Colo a.s.	TMCZ / CE Colo – Dodatek č. 1 ke Smlouvě o zajištění vedení finančního účetnictví a zpracování billingu	660095–101–00
CE Colo Czech s.r.o.	Kupní smlouna na vozidlo Škoda	0000001/2013-SMfa
CE Colo Czech s.r.o.	Kupní smlouva na vozidlo	0000002/2013-SMfa
CE Colo Czech s.r.o.	Kupní smlouva Volkswagen Passat Variant	0000008/2012-SMfa
CE Colo Czech s.r.o.	Dodatek č. 6 – Smlouva o poskytování housingových služeb č. C-TH/144/08/S	0000463/2008-SMna
CE Colo Czech s.r.o.	Dodatek č. 7 – Smlouva o poskytování housingových služeb č. C-TH/144/08/S	0000463/2008-SMna
CE Colo Czech s.r.o.	Dodatek č. 8 – Smlouva o poskytování housingových služeb č. C-TH/144/08/S	0000463/2008-SMna

Partner	Services / goods – original version	No. of contract of the
CE Colo Czech s.r.o.	Dodatek č. 9 – Smlouva o poskytování housingových služeb č. C-TH/144/08/S	0000463/2008-SMna
CE Colo Czech s.r.o.	Dodatek č. 10 – Smlouva o poskytování housingových služeb č. C-TH/144/08/S	0000463/2008-SMna
CE Colo Czech s.r.o.	Smlouva o kontaktních osobách pro veškeré transakce a úkony a uspořádání	025159–000–00
Ce Colo Czech s.r.o.	Smlouva o poskytování pracovnělékařských služeb a nadstandardní zdravotní péče	025210–000–00
CE Colo Czech s.r.o.	Smlouva o postoupení práv a povinností ze smluv RWE	025324–000–00
Ce Colo Czech s.r.o.	Smlouva o zachování důvěrnosti informací – NDA	025382–000–00
Ce Colo Czech s.r.o.	Smlouva o zpracování osobních údajů	025383–000–00
CE Colo Czech s.r.o.	Smlouva o zvláštním běžném účtu	025452–000–00
CE Colo Czech s.r.o.	Rámcová smlouva o koupi, prodeji a užití poukázek (mezi CE Colo a Endered)	025830–000–00
CE Colo Czech s.r.o.	Rámcová smlouva o podnájmu nebytových prostor a úhradě služeb spojených s jejich užíváním	027728–000–00
CE Colo Czech s.r.o.	Smlouva o řízených službách – údržba Datového Centra (DC7)	027883–000–00
CE Colo Czech s.r.o.	Smlouva o zpracování osobních údajů (CE Colo jako správce)	027911–000–00
CE Colo Czech s.r.o.	TMCZ/CE Colo – Dodatek č. 1 k rámcové smlouvě o spolupráci	660092–101–00
CE Colo Czech s.r.o., Carduelis B.V., GTS Central European Holding B.V.	Share Purchase Agreement – Neptune (sale of GTS)	025202–000–00
CE Colo Czech s.r.o., GTS Central European Holding B.V., Carduelis B.V.	First Amendment Agreement to Share Purchase Agreement – Neptune	025202–101–00
CE Colo Czech s.r.o.,GTS Czech s.r.o.	Smlouva o zajištění vedení finančního účetnictví a zpracování billingu	660095–101–00
COSMOTE Mobile Telecommunications S.A.	International Telecommunication Services Agreement	0000192/2007-SMws
COSMOTE Mobile Telecommunications S.A.	Non-Disclosure Agreement (NDA)	023943–000–00
COSMOTE Mobile Telecommunications S.A.	Confidentiality and Privacy Agreement	024265–000–00
Crnogorski Telekom a.d. Podgorica	International Roaming Agreement - Montenegro	026007–000–00
Deutsche Telekom (UK) Limited	Supplementary IOT Ag. for Bilateral Ag. on the Inter Operator Tariff	000338–201–00
Deutsche Telekom (UK) Limited	Content Reseller Agreement	001406–000–00
Deutsche Telekom (UK) Limited	Engagement Form no. 6 – MTV	001406–106–00
Deutsche Telekom (UK) Limited	Engagement Form no. 7 – Universal Content	001406–107–00
Deutsche Telekom (UK) Limited	Engagement Form no. 10 (Trigenix Screen Styles)	001406–110–00
Deutsche Telekom (UK) Limited	Engagement Form – Annex No. 13 – CONTENT	001406–113–00
Deutsche Telekom (UK) Limited	Engagement Form – Universal – Melody	001406–116–00
Deutsche Telekom (UK) Limited	Engagement Form – Universal – Mono and Poly Marketing	001406–117–00
Deutsche Telekom (UK) Limited	Engagement Form – Sony Content (Annex No. 22)	001406–122–00
Deutsche Telekom (UK) Limited	Engagement Form no. 23 – Fox Studios Content – MMS content	001406–123–00
Deutsche Telekom (UK) Limited	Engagement Form no. 24 – Disney Content – MMS content	001406–124–00
Deutsche Telekom (UK) Limited	Engagement Form no. 25 – Java from co. Turner – CONTENT	001406–125–00
Deutsche Telekom (UK) Limited	Engagement Form – Chipandales – CONTENT	001406–126–00
Deutsche Telekom (UK) Limited	Engagement Form – Penthouse – CONTENT	001406–127–00

Partner	Services / goods – original version	No. of contract of the
Deutsche Telekom (UK) Limited	Engagement Form no. 28 – Warner Music Content	001406–128–00
Deutsche Telekom (UK) Limited	Engagement Form no. 29 – iFone Content	001406–129–00
Deutsche Telekom (UK) Limited	Engagement Form no. 30 – Arvato Content	001406–130–00
Deutsche Telekom (UK) Limited	Engagement Form no. 31 – Blue Sphere Content	001406–131–00
Deutsche Telekom (UK) Limited	Engagement Form no. 32 – mForma Content	001406–132–00
Deutsche Telekom (UK) Limited	Engagement Form no. 33 – Jamdat Content	001406–133–00
Deutsche Telekom (UK) Limited	Engagement Form no. 34 – Gameloft Content	001406–134–00
Deutsche Telekom (UK) Limited	Engagement Form no. 35 – Living Mobile Content	001406–135–00
Deutsche Telekom (UK) Limited	Engagement Form no. 36 – Mobile Scope Content	001406–136–00
Deutsche Telekom (UK) Limited	Engagement Form no. 37 – Sumea Content	001406–137–00
Deutsche Telekom (UK) Limited	Engagement Form no. 38 – HandyGames Content	001406–138–00
Deutsche Telekom (UK) Limited	Engagement Form no. 39 – Digital Bridges Content	001406–139–00
Deutsche Telekom (UK) Limited	Engagement Form no. 40 – India Games Content	001406–140–00
Deutsche Telekom (UK) Limited	Engagement Form no. 41 – Advanced Mobile Applications	001406–141–00
Deutsche Telekom (UK) Limited	Engagement form No. 42 – Eurofun (Madagascar) Content	001406–142–00
Deutsche Telekom (UK) Limited	Engagement Form 43 – I-play/Digital Bridges – Non-EA Titles (content)	001406–143–00
Deutsche Telekom (UK) Limited	Engagement Form – Eurofun (Madagascar) Content	001406–144–00
Deutsche Telekom (UK) Limited	Engagement Form – wait4u (amendment 45)	001406–145–00
Deutsche Telekom (UK) Limited	Engagement Form No. 46 – Sony Pictures	001406–146–00
Deutsche Telekom (UK) Limited	Engagement Form – Glu Mobile Content	001406–147–00
Deutsche Telekom (UK) Limited	Engagement Form – Player-X Content	001406–149–00
Deutsche Telekom (UK) Limited	Engagement Form – Rockpool Games Content	001406–150–00
Deutsche Telekom (UK) Limited	Engagement Form – THQ Wireless International Games Content	001406–151–00
Deutsche Telekom (UK) Limited	Engagement Form – OJOM Content	001406–152–00
Deutsche Telekom (UK) Limited	Engagement form No. 53 – (video download - Mobix Content)	001406–153–00
Deutsche Telekom (UK) Limited	Engagement Form – Infospace (Elkware GmbH) - Infospace Content	001406–154–00
Deutsche Telekom (UK) Limited	Engagement Form – Electronic Arts Games (EA Content)	001406–155–00
Deutsche Telekom (UK) Limited	Engagement Form (C2M) – Transactional Content	001406–156–00
Deutsche Telekom (UK) Limited	International Download Centre Access and Managed Services Ag.	001407–000–00
Deutsche Telekom (UK) Limited	MCS Service Agreement	012075–000–00
Deutsche Telekom (UK) Limited	Framework Contract of Sale – selloff of service cards SAU	012533–000–00

Partner	Services / goods – original version	No. of contract of the
Deutsche Telekom (UK) Limited	Sub-licence Agreement (Rolling Stones concert)	014442–000–00
Deutsche Telekom (UK) Limited	Service Agreement for Provision of Interim Solution for Caller Tunes (Melody)	016903–000–00
Deutsche Telekom (UK) Limited	Project Service Agreement for International eSales Solution (IneSS) in TMCZ	019713–000–00
Deutsche Telekom (UK) Limited	Content Resale and Partner Services Agreement	020475–000–00
Deutsche Telekom (UK) Limited	Engagement Form (Czech Republic) – Android Services	020475–101–00
Deutsche Telekom (UK) Limited	Engagement Form (Czech Republic); Blackberry Services	020475–102–00
Deutsche Telekom (UK) Limited	Engagement Form (Czech Republic); Microsoft Services	020475–103–00
Deutsche Telekom (UK) Limited	Engagement Form (Czech Republic) – Facebook Services	020475–104–00
Deutsche Telekom (UK) Limited	Engagement Form (Czech Republic) – Boku longlist	020475–105–00
Deutsche Telekom (UK) Limited	Engagement Form (Czech Republic) – Gameloft	020475–106–00
Deutsche Telekom (UK) Limited	Engagement form - MindMatics	020475–107–00
Deutsche Telekom (UK) Limited	Engagement Form (Czech Republic) – Samsung	020475–108–00
Deutsche Telekom (UK) Limited	Engagement Form (Czech Republic) – provided by PayPal (Europe) SARL ET CIE S.C.A	020475–109–00
Deutsche Telekom (UK) Limited	Engagement Form (Czech Republic) – Fortumo	020475–110–00
Deutsche Telekom (UK) Limited	Amendment Letter to Engagement Form (Czech Republic) - Fortumo	020475–110–01
Deutsche Telekom (UK) Limited	Engagement Form (Czech Republic) – Dimoco	020475–111–00
Deutsche Telekom (UK) Limited	Engagement Form (Czech Republic) – AIRBNB	020475–112–00
Deutsche Telekom (UK) Limited	Engagement Form - Microsoft Services Microsoft Store/X-Box Store	020475–113–00
Deutsche Telekom (UK) Limited	Engagement Form (Czech Republic) – Apple iTunes	020475–114–00
Deutsche Telekom (UK) Limited	Engagement Form (Czech Republic) – Android Services	020475–115–00
Deutsche Telekom (UK) Limited	Engagement Form (Czech Republic) – MOBIYO	020475–116–00
Deutsche Telekom (UK) Limited	Cross Charging Services Agreement	020909–000–00
Deutsche Telekom (UK) Limited	Addendum No. 1 – Cross charging agreement for additional services – SDP Partner	020909–101–00
Deutsche Telekom (UK) Limited	Licence agreement	020996–000–00
Deutsche Telekom (UK) Limited	Project Service Agreement (operation of International Transmission Network)	021147–000–00
Deutsche Telekom (UK) Limited	Amendment No. 1 to the project service agreement for personal touchpoints and stores	023392–101–00
Deutsche Telekom (UK) Limited	Engagement Form Google Play – Czech Republic	024075–101–01
Deutsche Telekom (UK) Limited	Mutual Long Form Non-Disclosure Agreement	024251–000–00
Deutsche Telekom (UK) Limited	International Roaming Agreement	024352–000–00
Deutsche Telekom (UK) Limited	Project Service Agreement for the Provision of DTUK Services	024682–000–00
Deutsche Telekom (UK) Limited	ENGAGEMENT FORM (CZECH REPUBLIC)	025345–201–00

Partner	Services / goods – original version	No. of contract of the
Deutsche Telekom Business Solutions GmbH	Amendment No.2 – Management Agreement for International MNC Services between Deutsche Telekom Business Solutions GmbH	022522–103–00
Deutsche Telekom Business Solutions GmbH	Service Agreement	026192–103–00
DEUTSCHE TELEKOM DIGITAL LABS PRIVA Priv	Service Arrangement to the Framework Cooperation and Service Agreement č. 027516–000–00 concluded on 20.2.2018 between Deutsche Telekom AG and T-Mobile Czech Republic a.s.	027516–226–00
Deutsche Telekom Europe B.V.	Pan-Net Master Frame Agreement TMCZ	026623–000–00
Deutsche Telekom Europe B.V., Netherlands	Amendment No. 1 – Clarification to Loan Agreement	015106–101–00
Deutsche Telekom Europe Holding B.V	Pan-Net mVAS Framework Agreement	025941–000–00
Deutsche Telekom Europe Holding Gmb	Service change agreement – MiFID; Upgrade with Dual Storage for SFTP Push	026623–201–01
Deutsche Telekom Europe Holding Gmb	Service change agreement – MiFID; New Script for Billing	026623–201–02
Deutsche Telekom Europe Holding GmbH	Pan-Net MiFID Recorder Customer Facing Service Arrangement	026623–201–00
Deutsche Telekom Europe Holding GmbH	Service agreement PAN IP	027461–000–00
Deutsche Telekom IoT GmbH PG 6204 Deutsc	SERVICE ARRANGEMENT – Schedule to the Framework cooperation and Service Agreement concluded between	022888–145–00
Deutsche Telekom IT GmbH	Project Term Sheet (2019) – IFRS 15	024100–224–00
Deutsche Telekom IT GmbH	Project Term Sheet (2019) – iCN, INA, INS a IACP	024100–225–00
Deutsche Telekom IT GmbH	Project Term Sheet (2019) – ShareEnablers	024100–227–00
Deutsche Telekom IT GmbH	Project Term Sheet (2019) – Time-Services According to the Project Service Agree	024100–228–00
Deutsche Telekom IT GmbH	Project TerProject Term Sheet (2019) – ITS (Eco Finance) Integrated Treasaury S	024100–229–00
Deutsche Telekom IT GmbH	Project Term Sheet (2019) – HR EVO Portal	024100–230–00
Deutsche Telekom IT GmbH	Common Price List 2021 regarding to IT XCH Services – Shared Enablers, Network Services, OneERP & Group Systems, IFRS, CIAM, HREVOPortal	024100–245–00
Deutsche Telekom IT GmbH	Individual Contract on Processing of Personal Data	026982–202–00
Deutsche Telekom IT GmbH	Individual Contract on Processing of Personal Data-One.ERP 19C (024100–218, 0241	028268–000–00
Deutsche Telekom IT GmbH	Individual Contract on Processing of Personal Data on Behalf of a Controller	028711–000–00
Deutsche Telekom IT GmbH, PG 8111	Project Term Sheet/License Agreement regarding services / license for One. ERP (Program) – Release 20c	024100–244–00
Deutsche Telekom IT GmbH, PG 8111	Amendment No. 1 to the Individual Contract on Processing of Personal Data on Behalf of a Controller No. 028121–000–00, No.028268–000–00 and No.028715–000–00	028715–101–00
Deutsche Telekom Pan-Net Croatia d.o.o.	Purchase and Transfer Agreement regarding the purchase and use of the related hardware	080610–000–00
Deutsche Telekom Pan-Net Czech Republic	TERMINATION AGREEMENT BY MUTUAL CONSENT	026481–402–00
Deutsche Telekom Pan-Net Czech Republic	Colocation & Smart Hands Services Agreement – hosting HW and services for MiFID	027673–000–00
Deutsche Telekom Pan-Net Czech Republic	Purchase and Transfer Agreement regarding the purchase and use of the related hardware	080544–000–00
Deutsche Telekom Pan-Net Czech Republic s.r.o.	Pan-Net Service Agreement	026481–000–00
Deutsche Telekom Pan-Net Czech Republic s.r.o.	Annex 2 to Pan-Net – Service Arrangement Concerning the Provision of Financial Services	026481–201–00

Partner	Services / goods – original version	No. of contract of the
Deutsche Telekom Pan-Net Czech Republic s.r.o.	Smlouva o podnájmu/Sublease Agreement – kancelář č. 3307	027477–000–00
Deutsche Telekom Pan-Net s.r.o	Service Agreement – DRSSC Services for Pan-Net	026754–000–00
Deutsche Telekom Pan-Net s.r.o.	Confirmation of Request for Transfer of Legacy Internet Resources - DTPanNET SK	026491–000–00
Deutsche Telekom Pan-Net s.r.o.	Framework Cooperation and Service Agreement – iOSS Trouble Ticketing Management	027213–000–00
Deutsche Telekom Pan-Net s.r.o.	Annex 10 – implementation of Change Requests for iOSS PAN-IP Trouble Ticket HP Service Manager platform and universal Configuration Management in year 2020	027213–104–00
Deutsche Telekom Pan-Net s.r.o.	SERVICE ARRANGEMENT concerning the provision of iOSS Trouble Ticketing Management and Configuration Management Operational Supportin 2021	027213–105–00
Deutsche Telekom Pan-Net s.r.o.	SERVICE ARRANGEMENT concerning the implementation of Change Requests for iOSS PAN-IP Trouble Ticket Micro Focus Service Managerapplication and universal Configuration Managemen tDatabase in year 2021	027213–106–00
Deutsche Telekom Security GmbH PG 6200	Framework Contract on Processing of Personal Data on Behalf of a Controller	027216–101–00
Deutsche Telekom Services Europe AG	Amendment No. 1 – služby GAC, P2P, HR a One Banking (Annex 2a + Annex 9, Annex 4	027665–101–00
Deutsche Telekom Services Europe AG	Amendment No. 2 to the Agreement on Intercompany Provision of Products and Servi	027665–102–00
Deutsche Telekom Services Europe AG	Sideletter to the Agreement on Intercompany Provision of Products and Services	027665–201–00
Deutsche Telekom Services Europe AG	Agreement for Commisioned Data Processing (uzavřeno jako příloha sml. 027665–000	027665–202–00
Deutsche Telekom Services Europe Czech Republic s.r.o.	Frame Service Agreement	026784–000–00
Deutsche Telekom Services Europe Czech Republic s.r.o.	Frame Service Agreement with TMCZ Annex 1 Service Arrangement for corporate governance services	026784–201–00
Deutsche Telekom Services Europe Czech Republic s.r.o.	Frame Service Agreement with TMCZ Annex 2 Service Arrangement – Recruitment Services, Consultancy in the area of HR.	026784–202–00
Deutsche Telekom Services Europe Czech Republic s.r.o.	Agreement on commissioned processing of personal data	026996–000–00
Deutsche Telekom Services Europe Romania S.R.L.	Frame Agreement for Commissioned Data Processing – project ARAMIS	024890–000–00
Deutsche Telekom Services Europe Romania S.R.L.	Individual Agreement on the commissioned processing of personal data (Aramis)	024891–000–00
Deutsche Telekom Services Europe Romania S.R.L.	Framework Agreement DTBS Shared Services Centrum for HR processes in Bucharest	025175–000–00
Deutsche Telekom Services Europe Romania S.R.L.	Amendment No. 1 – Termination of contract	025175–101–00
Deutsche Telekom Services Europe SE	Amendment No. 3 to the Agreement on Intercompany Provision of Products and Services within the framework of SharedServicesdated 09.03.2018	027665–103–00
Deutsche Telekom Services Europe SE	Amendment No. 5	027665–104–00
Deutsche Telekom Services Europe SE	Amendment No. 6 to the Agreement onIntercompany Provision of Products and Services within the framework of Shared Services dated 09.03.2018 (TMCZ No. 027665–000–00)	027665–105–00
Deutsche Telekom Services Europe Slovakia s.r.o	Amendment No. 2 – change of price	024259–102–00

Partner	Services / goods – original version	No. of contract of the
Deutsche Telekom Services Europe Slovakia s.r.o	Amendment No. 3 – change in scope and price of purchasing services for 2016	024259–103–00
Deutsche Telekom Services Europe Slovakia s.r.o	Amendment No. 4 to the Business Management Contract on Provision of Services	024259–104–00
Deutsche Telekom Services Europe Slovakia s.r.o	Amendment No. 5 to the Business Management Contract on Provision of Services	024259–105–00
Deutsche Telekom Services Europe Slovakia s.r.o	Agreement for Commissioned Data Processing - SAP access	024430–000–00
Deutsche Telekom Services Europe Slovakia s.r.o	Commissioned Data Processing, as of 8.3.2013	2013/0166
Deutsche Telekom Services Europe Slovakia s.r.o.	Amendment No. 6 – Termination of the contract	024259–106–00
Deutsche Telekom Services Europe Slovakia s.r.o.	Agreement on Intercompany Provision of Products and Services within the Framework agreement	027665–000–00
Deutsche Telekom Services Europe Slovakia s.r.o.	Sideletter to the Agreement on Intercompany Provision of Products and Services	027665–201–00
Deutsche Telekom Services Europe Slovakia s.r.o.	Agreement for Commissioned Data Processing (concluded as an attachment of 027665–000)	027665–202–00
Elisa Oyj,Slovak Telekom, a.s.	Contract on Processing of Personal Data on Behalf of a Controller	080259–000–00
GTS Central European Holding B.V.	Individual contract – interconnection services	0000016/2006-SMws
GTS Central European Holding B.V.	Agreement in Relation to Repayment of Intra-Group Loan	0000019/2012-SMfd
GTS Central European Holding B.V.	Agreement in Relation to Repayment of Intra-Group Loan	0000020/2012-SMfd
GTS Central European Holding B.V.	Agreement in Relation to Repayment of Intra-Group Loan	0000022/2012-SMfd
GTS Central European Holding B.V.	Agreement in Relation to Repayment of Intra-Group Loan	0000027/2012-SMfd
GTS Poland Sp. z o.o.	Contract of subdelivery	0000018/2008-SmCSC
GTS Poland Sp. z o.o.	Agreement on the Assignment of Rights and Obligations	0000029/2011-SMws
GTS Poland Sp. z o.o.	Agreement on the Assignment of Rights and Obligations	0000030/2011-SMws
GTS Poland Sp. z o.o.	Shared Cost and Free Phone Pricelist	0000036/2011-SMws
GTS Poland Sp. z o.o.	Service Agreement	0000044/2011-SMws
GTS Poland Sp. z o.o.	Agreement on the assignment of rights and obligations	0000056/2014-SMna
GTS Poland Sp. z o.o.	Shared Cost and Free Pricelist	0000060/2011-SMws
GTS Poland Sp. z o.o.	Reciprocal Telecommunications Services Agreement	0000064/2007-SMws
GTS Poland Sp. z o.o.	AGREEMENT ON THE ASSIGNMENT OF RIGHTS AND OBLIGATIONS	0000098/2012-SMna
GTS Poland Sp. z o.o.	Agreement on the assignment of rights and obligations	0000207/2011-SMna
GTS Poland Sp. z o.o.	Agreement on the assignment of rights and obligations	0000208/2011-SMna
GTS Telecom S.R.L.	RCTIO Framework Cooperation and Service Agreement	025471–000–00
GTS Telecom S.R.L.	Intercompany Master Service Agreement	026040–000–00
GTS Telecom S.R.L.	Addendum No. 1 – Anti-DDoS Protection Service	026040–101–00
GTS Telecom S.R.L.	GTS DEDICATED HELPDESK SERVICES	080365–000–00
GTS Telecom S.R.L.	Dodatek ke smlouvě FE od GTS-RO pro DTSE-RO	080365–101–00
GTS Telecom SRL	AGREEMENT between GTS Czech and GTS Telecom	0000001/2013-SMfd
GTS Telecom SRL	International Telecommunication Service	0000008/2010-SMws
GTS Telecom SRL	Contract of subdelivery	0000020/2008-SmCSC
GTS Telecom SRL	Agreement on the Assignment of Rights and Obligations	0000032/2011-SMws
GTS Telecom SRL	Agreement on the Assignment of Rights and Obligations	0000033/2011-SMws

Partner	Services / goods – original version	No. of contract of the
GTS Telecom SRL	Annex 1 to the Agreement for the provision and operation of international freephone service and international shared cost services	0000035/2011-SMws
GTS Telecom SRL	Service Agreement	0000043/2011-SMws
GTS Telecom SRL	Voice Reseller Master Agreement Romania	0000055/2011-SMws
GTS Telecom SRL	Agreement on the Assignment of Rights and Obligations	0000209/2011-SMna
HELLENIC TELECOMMUNICATIONS ORGANIZ	Framework cooperation and services agreement – OneMail contract	028207–000–00
HELLENIC TELECOMMUNICATIONS ORGANIZ	Addendum No. 1 – onEmail	028207–101–00
HELLENIC TELECOMMUNICATIONS ORGANIZ	Agreement on the Processing of Personal Data – OneMail	028208–201–00
Hrvatski Telekom d.d.	Non-Disclosure Statement	024770–000–00
Hrvatski Telekom d.d.	Service Agreement No. ICT-03/2015	025538–000–00
Hrvatski Telekom d.d. (Croatian Telecom Inc.)	International Roaming Agreement – Croatia	021841–000–00
Hrvatski Telekom d.d., Deutsche Telekom Pan-Net s.r.o., Telekom Albania Sh.A., T-Mobile Polska, T-Mobile Netherlands, Deutsche Telekom AG, Cosmote Mobile Telecommunications, Crnogorski Telekom A.D., Hellenic Telecommunication, Magyar Telecom, Slovak Telekom a.s., Makedonski Telekom, Telekom Romania Communications, Telekom Romania Mobile, T-Mobile Austria	Cooperation Agreement – Exchange of information	026289–000–00
HT - Hrvatski Telekom d.d.	Agreement on interconnection of telecommunication networks	0000031/2008-SMws
HT - Hrvatski Telekom d.d.	Confidentiality Agreement	0000288/2007-SMws
Iskon Internet d.d.	AGREEMENT ON THE ASSIGNMENT OF RIGHTS AND OBLIGATIONS	0000163/2011-SMna
IT Services Hungary Szolgáltató Kft (Deutsche Telekom IT Solutions)	Frame contract for Security services delivery from ITSH to DRCCBS	028724–000–00
Magyar Telekom Nyrt. (PG 0092),T-Systems Magyarország ZRt.	TRANSFER OF AGREEMENT	028956–000–00
Magyar Telekom Plc, GTS Hungary Ltd..	Intercompany Master Service Agreement	026196–000–00
Magyar Telekom Telecommunications Public Limited Company	Telecommunications Services Agreement – Matáv Hungarian Telecommunications Company Ltd.	0000146/2007-SMws
Magyar Telekom Telecommunications Public Limited Company	Order to International Telecommunication Service Master Agreement (Scania)	660077–201–00
Magyar Telekom Telecommunications Public Limited Company	Order (Hopi Hungária, Direct Parcel, CETELEM, Accenture)	660077–202–00
Magyar Telekom Telecommunications Public Limited Company	Order (DHL) to International Telecommunication Service Master Agreement	660077–203–00
Magyar Telekom Telecommunications Public Limited Company	Order – transfer of circuits from GTS HU to Magyar Telecom – SAMSUNG	660077–204–00

Partner	Services / goods – original version	No. of contract of the
Makedonski Telekom AD – Skopje	Project Service Agreement – SSL Certificate Service	024384–000–00
Makedonski Telekom AD – Skopje	Agreement on Processing of Personal Data	027915–000–00
Makedonski Telekom AD – Skopje	International Roaming Agreement	000362–000–00
Makedonski Telekom AD Skopje	Project Service Agreement – DRSSC SSL Certification Service	024383–000–00
Makedonski Telekom AD(MKDMM)	Agreement on the Processing of Personal Data (SBC testing)	028860–000–00
NOVATEL EOOD	Intercompany Master Service Agreement – Intercompany	028170–000–00
NOVATEL EOOD	Customize Network Access – Subcontract of MSA	028170–201–00
OTE INTERNATIONAL SOLUTIONS S.A.	Mutual Non-Disclosure Agreement – OTE	0000129/2007-SMws
Planet A, a.s.	Smlouva o nájmu – pronájem jednoho optického páru a jedné mikrotrubičky	028047–000–00
Planet A, a.s.	Smlouva o poskytování důvěrnosti informací – NDA	028242–000–00
Planet A, a.s.	Individual Intercompany Loan Contract PlanetA	028870–000–00
Planet A, a.s.	INTERCOMPANY MASTER SERVICE AGREEMENT_Telco služby	028918–000–00
Planet A, a.s.	FRAMEWORK PURCHASE AND LEASE CONTRACT	028920–000–00
Planet A, a.s.	Smlouva o zpracování osobních údajů_Planet A	028958–000–00
Planet A, a.s.	Smlouva o obchodním zastoupení Planet A	028959–000–00
Planet A, a.s.	DODATEK Č. 1 ke Smlouvě o obchodním zastoupení č. 028959–000–00 („Aktivní prodej“)	028959–101–00
Planet A, a.s.	FRAMEWORK COOPERATION AND SERVICE AGREEMENT	028970–000–00
Planet A, a.s.	Smlouva o půjčce Planet A 26,7M refinancování stávající půjčky 028870-000–00	080272–000–00
Planet A, a.s.	Planet A – smlouva o půjčce 40,3M CZK na financování investic	080273–000–00
Planet A, a.s.	RS o dodávce materiálu INS – Planet A, a.s.	080310–000–00
Planet A, a.s.	Smlouva o zachování důvěrnosti informací – NDA	024153–000–00
PosAm spol. s r.o.	SMLOUVA O SPOLUPRÁCI PRO PLNĚNÍ VEŘEJNÉ ZAKÁZKY	CZ000008–000–00
PosAm, spol. s r.o.	Smlouva o zachování důvěrnosti informací (NDA)	026689–000–00
PosAm, spol. s r.o.	Rámcová smlouva B2B ICT	027500–000–00
Slovak Telekom, a. s.	Agreement on Termination – Slovak Telekom	0000031/2010-SMws
Slovak Telekom, a. s.	Addendum no 1 _IP addresses – Agreement on Termination - Slovak Telekom	0000031/2010-SMws
Slovak Telekom, a. s.	Smlouva o spolupraci při poskytování telekomunikačních služeb	0000035/2007-SMws
Slovak Telekom, a. s.	Interconnection Agreement between T-Mobile Slovakia and GTS NOVERA a.s.	0000046/2007-SMws
Slovak Telekom, a. s.	Smlouva o lokálním peeringu	0000049/2006-SMin
Slovak Telekom, a. s.	Smlouva o peeringu	0000079/2006-SMin
Slovak Telekom, a. s.	International Telecommunication Services Agreement	0000170/2006-SMnp
Slovak Telekom, a.s	Service Arrangement – Sales Transactions Reporting Services	027009–203–00
Slovak Telekom, a.s.	Licenční smlouva	010428–000–00
Slovak Telekom, a.s.	Interconnection Agreement	016452–000–00
Slovak Telekom, a.s.	Addendum Letter to Acquisition Due Diligence Contract – Project Poletucha	022795–101–00
Slovak Telekom, a.s.	NDA – project Vltava – potential outsourcing of planning, built and maintenance	023268–000–00
Slovak Telekom, a.s.	Memorandum of Understanding	024591–000–00
Slovak Telekom, a.s.	International Roaming Agreement	026001–000–00
Slovak Telekom, a.s.	Framework hiring out of labour agreement	026183–000–00
Slovak Telekom, a.s.	Dohoda o ochraně důvěrných informací – NDA	026197–000–00
Slovak Telekom, a.s.	Smlouva o zpracování osobních údajů	026198–000–00
Slovak Telekom, a.s.	Dodatek č. 1 ke Smlouvě o zpracování osobních údajů	026198–101–00
Slovak Telekom, a.s.	Framework hiring out of labour agreement	026475–000–00
Slovak Telekom, a.s.	Agreement on Provision of the Discount	026778–000–00
Slovak Telekom, a.s.	Framework Cooperation and Service Agreement	027009–000–00
Slovak Telekom, a.s.	Service Arrangement – CEMT part ZabbiX 2021	027009–139–00
Slovak Telekom, a.s.	Service Arrangement – CSMT JIRA FTE _ Common Service Management Tool – 2021 – (výnosová zmluva pre TMCZ)	027009–140–00

Partner	Services / goods – original version	No. of contract of the
Slovak Telekom, a.s.	Service Arrangement – FaMa – Facility Management 021	027009-141-00
Slovak Telekom, a.s.	Service Arrangement – Identity and Access Management 2020–2021 (nákladová zmluva pre TMCZ)	027009-142-00
Slovak Telekom, a.s.	Service Arrangement – Identitiy and Access Management FTE 2020–2021 (výnosová zmluva pre TMCZ)	027009-143-00
Slovak Telekom, a.s.	Service Arrangement – Common Interconnect Billing Systems 2021(výnosová zmluva pre TMCZ)	027009-144-00
Slovak Telekom, a.s.	Service Arrangement – OCN (Omnichannel Contextual Campaign Management System) pre rok 2020–2021	027009-145-00
Slovak Telekom, a.s.	Service Arrangement – RARE 2020–2021 (výnosová zmluva pre TMCZ)	027009-146-00
Slovak Telekom, a.s.	Service Arrangement – Common visualization platform Tableau 2021 (výnosová zmluva pre TMCZ)	027009-147-00
Slovak Telekom, a.s.	Service Arrangement – Service Monitoring Center (SMC) Services	027009-201-00
Slovak Telekom, a.s.	Amendment No. 1 to Service Arrangement for Service Monitoring Center (SMC) Services	027009-201-01
Slovak Telekom, a.s.	Service Arrangement – Service Monitoring Center (SMC) Services – TMCZ receiver	027009-202-00
Slovak Telekom, a.s.	Amendment No. 1 – Service Monitoring Center (SMC) Services – TMCZ receiver	027009-202-01
Slovak Telekom, a.s.	Service Arrangement – Cybersecurity Services	027009-204-00
Slovak Telekom, a.s.	Service Agreement – PMO JIRA	027009-205-00
Slovak Telekom, a.s.	Service Arrangement – FEST Services	027009-206-00
Slovak Telekom, a.s.	Service Arrangement – FAMA	027009-207-00
Slovak Telekom, a.s.	Service Arrangement – Robotics (Orchestrator/Database Maintenance)	027009-208-00
Slovak Telekom, a.s.	Service Arrangement – Robotics (Robots – VDI and ShareDIR)	027009-209-00
Slovak Telekom, a.s.	Service Arrangement – Mediaroom	027009-210-00
Slovak Telekom, a.s.	Service Arrangement – PMO JIRA	027009-213-00
Slovak Telekom, a.s.	SERVICE ARRANGEMENT FAMA (Facility Management)	027009-214-00
Slovak Telekom, a.s.	SERVICE ARRANGEMENT Cybersecurity Services	027009-215-00
Slovak Telekom, a.s.	SERVICE ARRANGEMENT INTERNALAUDIT & ICS	027009-216-00
Slovak Telekom, a.s.	Service Arrangement – Human Resources Services	027009-217-00
Slovak Telekom, a.s.	Service Arrangement – CSMT JIRA – „Common Service Management tool“	027009-218-00
Slovak Telekom, a.s.	Service Arrangement Common Service Management Tool	027009-219-00
Slovak Telekom, a.s.	Service Arrangement – CSMT JIRA 2021 (Common Service Management tool)	027009-231-00
Slovak Telekom, a.s.	Smlouva o zachování důvěrnosti informací (NDA)	027014-000-00
Slovak Telekom, a.s.	Dohoda o zachování důvěrnosti informací – NDA	027068-000-00
Slovak Telekom, a.s.	Nájemní smlouva – zmluva o nájme/podnájme motorových vozidiel	027204-000-00
Slovak Telekom, a.s.	Nájemní smlouva – zmluva o prenájme technického vybavenia a príslušenstva	027210-000-00
Slovak Telekom, a.s.	Contract on Succession into the Contractual Rights and Duties	027233-201-51
Slovak Telekom, a.s.	Licence – Smlouva o sublicencování	027397-000-00
Slovak Telekom, a.s.	Framework Agreement – Common HR Platform	027572-000-00
Slovak Telekom, a.s.	Partial Agreement No. 1 – Common HR Platform	027572-201-00
Slovak Telekom, a.s.	Settlement Arrangement – Tibco	028353-000-00
Slovak Telekom, a.s.	Memorandum of Understanding for Cooperation (Premier Sport)	028751-000-00
Slovak Telekom, a.s.	Project Specific Annex [10]: Common IP Multimedia Sub-system (Common IMS) for TMCZ and ST	028828-000-00
Slovak Telekom, a.s.	Settlement Arrangement – Dohoda o preúčtovaní Tibco za obdobie od 24.11.2019 do 23.11.2020	080011-000-00
Slovak Telekom, a.s.	DT Group NatCo Purchasing Agreement	080096-000-00
Slovak Telekom, a.s.	Service arrangements Procurement	080405-000-00
Slovak Telekom, a.s.	Framework agreement	080578-000-00
Slovak Telekom, a.s., PG 485	SERVICE ARRANGEMENT Operation & Maintenance of Mediaroom TV platform	027009-221-00
Slovak Telekom, a.s., PG 485	Service Arrangement Support and Maintenance of the FMS Application	027009-223-00
Slovak Telekom, a.s., PG 485	FMS - Amendment No. 1 to the Service Arrangement to the Service Arrangement no. 027009-223-00 (in T-Mobile Czech Republic, a. s. evidence) and no. 0120170456-220-00 (in Slovak Telekom, a.s. evidence)	027009-223-01

Partner	Services / goods – original version	No. of contract of the
Slovak Telekom, a.s., PG 485	Service Arrangement DTAG DC Consolidation	027009–224–00
Slovak Telekom, a.s., PG 485	Service Arrangement FEST Services	027009–225–00
Slovak Telekom, a.s., PG 485	Service Arrangement – CEMT „Common Event Management Tool“	027009–226–00
Slovak Telekom, a.s., PG 485	Service Arrangement – CEMT „Common Event Management Tool – part ZabbiX“	027009–227–00
Slovak Telekom, a.s., PG 485	SA_Contract and Lic. Mng Services (Výnos)	027009–229–00
Slovak Telekom, a.s., PG 485	SA_Contract and Lic. Mng Services	027009–230–00
Slovak Telekom, a.s., PG 485	Settlement Arrangement – Dohoda o preúčtovaní Tibco za obdobie od 25.11.2020 do 24.11.2021	080286–000–00
Slovak Telekom, a.s., UNIQA pojišťovna, a.s.	Smlouva o zpracování dat	027506–000–00
Telekom Deutschland GmbH	Annex 2 – Service Arrangement – Product Development 2018	013243–119–00
TELEKOM DEUTSCHLAND GMBH	FRAMEWORK COOPERATION AND SERVICE AGREEMENT	024410–109–00
TELEKOM DEUTSCHLAND GMBH	SERVICE ARRANGEMENT – RTSP Support IN System RTSP v 8.1	024410–110–00
TELEKOM ROMANIA (ROMTELECOM SA)	International Telecommunication Services Agreement – ROMTELECOM S.A.	0000254/2007-SMws
TELEKOM ROMANIA MOBILE COMMUNICATIONS S.A.	Addendum to International Roaming Agreement (Romania)	014876–101–00
T-Mobile (UK) Limited	Project Term Sheet	019833–000–00
T-Mobile Austria GmbH	Interconnection Agreement	013609–000–00
T-Mobile Austria GmbH	Announcement of price decrease for termination into the network of tele.ring	013609–501–00
T-Mobile Austria GmbH	Service Level Agreement (SLA) – Alcatel SDH Equipment (ITN))	017111–000–00
T-Mobile Austria GMBH	Project Service Agreement (for operation of International Transmission Network)	021148–000–00
T-Mobile Austria GmbH	Service provider agreement - M2M platform	025577–000–00
T-Mobile Austria GmbH	Project Specific Offer Document - Project Agreement – Jablotron Security Service	025577–202–00
T-Mobile Austria GmbH	Addendum to International Roaming Agreement – Annex C14 S8 Home Routed Architecture	025626–102–00
T-Mobile Austria GmbH	Service Level Agreement (SLA) – M2M Cross Border	026948–000–00
T-Mobile Austria GmbH, O2 Czech Republic a.s., Vodafone Czech Republic a.s., A1Telekom Austria AG	Planning Arrangement for Coordination of LTE cells in the border area of CR – Cross-Border	025612–000–00
T-Mobile Polska S.A	TMPL to TMCZ SERVICE ARRANGEMENT for 2021	026487–207–00
T-Mobile Polska S.A	TMCZ to TMPL SERVICE ARRANGEMENT for 2021	026488–207–00
T-Mobile Polska S.A.	Framework Service and Consultancy Agreement	000909–000–00
T-Mobile Polska S.A.	Addendum No. 1 to International GSM Roaming Agreement	011455–101–00
T-Mobile Polska S.A.	RCTIO Framework Cooperation and Service Agreement	025182–000–00
T-Mobile Polska S.A.	Service Agreement – TMPL Provider-Intercompany IT services recharging	025182–202–00
T-Mobile Polska S.A.	Framework Purchase Contract – regional agreement on resale of HW between countries in the region	025678–000–00
T-Mobile Polska S.A.	Accession Deed to the International Telecommunication Services Master Agreement (No. exGTS 0000016/2)	025716–000–00
T-Mobile Polska S.A.	Intercompany Master Service Agreement	025785–000–00
T-Mobile Polska S.A.	ANNEX NO. 5 MADE 09.10.2020 TO THE TELECOMMUNICATION SERVICE MASTER AGREEMENT_úrava vzájemný ceníků s TMPL	025785–101–00
T-Mobile Polska S.A.	Telecommunications Services Agreement No. TA18119	026242–000–00
T-Mobile Polska S.A.	Annex No. 1 – changes to the service order Virtual Hosting Environment	026242–101–00
T-Mobile Polska S.A.	Annex No. 2 – public cloud, expanding power resources	026242–102–00
T-Mobile Polska S.A.	Frame contract for Security services delivery from DRSSC to TMPL	026487–000–00

Partner	Services / goods – original version	No. of contract of the
T-Mobile Polska S.A.	Service Arrangement – Internal audit & ICS Services	026487–205–00
T-Mobile USA, Inc.	International Roaming Agreement	016180–000–00
T-Systems Austria GesmbH	Frame Cooperation and Service Agreement	028675–000–00
T-Systems do Brasil Ltda.	Non-Disclosure Agreement - NDA	028184–000–00
T-Systems do Brasil Ltda.	Framework Cooperation and Service Agreement	028659–000–00
T-Systems International GmbH	One Stop Shopping Agreement	0000039/2007-SMws
T-Systems International GmbH	Poskytnutí licencí produktů Microsoft	010423–000–00
T-Systems International GmbH	Non-Disclosure Agreement on the Project „Due diligence for outsourcing TMCZ IT operations“	012307–000–00
T-Systems International GmbH	Supplement No. 3 to the Project Service Agreement No. 022281–000–00 NG CRM	022281–103–00
T-Systems International GmbH	Supplement No. 4 to the Project Service Agreement No. 022281–000–00 NG CRM	022281–104–00
T-Systems International GmbH	Personal Data Processing Contract	022692–000–00
T-Systems International GmbH	Agreement on the Processing of Personal Data - T-Mobile Service portal	022888–140–00
T-Systems International GmbH	Supplementary Agreement to the Service Arrangement for T-Mobiles Service Portal	022888–142–01
T-Systems International GmbH	Enrolment to the Frame Agreement for the supply of CCC SAP Services including SAP Licence Management Services	023213–000–00
T-Systems International GmbH	Declaration of User Accession to the Agreement on Telepresence@DTAG/ SEE Services	023403–000–00
T-Systems International GmbH	Agreement for Commissioned Data Processing – Telekom Social Network Data Process	023492–000–00
T-Systems International GmbH	Amendment No. 1 to Agreement For Commissioned Data Processing in Telekom Social Network	023492–101–00
T-Systems International GmbH	Letter of Intent for Tibco Enterprise Licence Agreement 2012–2015	023824–000–00
T-Systems International GmbH	Software Delivery Agreement – subcontract for finalisation of NG CRM R1 Siebel	023954–000–00
T-Systems International GmbH	Supplement No. 1 to the Software Delivery Agreement	023954–101–00
T-Systems International GmbH	Project Service Agreement (PSA) – Provision of Services in connection with Shared Platforms and Services	024100–000–00
T-Systems International GmbH	Term Sheet 2014 – International Billing & Mediation Device (iBMD)	024100–201–00
T-Systems International GmbH	Term Sheet 2014 – Risk Management Center (RMC)	024100–202–00
T-Systems International GmbH	Term Sheet 2014 – Content Administration Portal (CAP)	024100–204–00
T-Systems International GmbH	Term Sheet 2014 – Harmonized Payment Converter (HPC)	024100–205–00
T-Systems International GmbH	Declaration of Compliance for the Processing of Data in SharePoint for V ET	024361–000–00
T-Systems International GmbH	Adherence Agreement (to the agreement 990072–000–00)	024737–000–00
T-Systems International GmbH	Agreement for Commissioned Data Processing	024757–000–00
T-Systems International GmbH	Sublicensing and Crosscharging Agreement – Aspera license	025060–000–00
T-Systems International GmbH	Adherence Agreement to the Contract 71009540 – Citrix contract 2015	025139–000–00
T-Systems International GmbH	Frame Agreement for Commissioned Data Processing	025166–000–00
T-Systems International GmbH	Amendment No. 1 to Frame Agreement for Commissioned Data Processing	025166–101–00
T-Systems International GmbH	Agreement about International Internal Services	025415–000–00

Partner	Services / goods – original version	No. of contract of the
T-Systems International GmbH	Service Agreement about International Internal Services – Service Delivery Platform	025692–000–00
T-Systems International GmbH	Agreement Concerning the Transfer of Assets	026718–000–00
T-Systems International GmbH	Agreement about International Internal Services – Umbrella	026800–000–00
T-Systems International GmbH	Agreement about International Internal Services – Umbrella – AD/AM/AO Business I	026801–000–00
T-Systems International GmbH	Individual Agreement on Commissioned Data Processing	026827–000–00
T-Systems International GmbH	Service Agreement	027237–000–00
T-Systems International GmbH	Service Agreement	027469–000–00
T-Systems International GmbH	Frame Agreement for the provision of „Cloud of things service" – enabler pro IoT	028305–000–00
T-Systems International GMbH	ICPS Individual Contract	880024–000–00
T-Systems International GmbH	Framework Agreement regarding the provision of IT Services	880052–000–00
T-Systems International GmbH	Product Delivery Agreement No. 2011/0087	880108–000–00
T-Systems International GmbH	License Agreement No. USLSA_5162 (related to contract 028106–000–00)	990095–000–00
T-Systems International GmbH (6205) TS P	Commissioning Microsoft Azure International	080614–000–00
T-Systems International GmbH (8450) Hahn	LOI pro bezpecnostni test 5G VR/AR – spojeos NDA zadavanym v prosinci 2020	080274–000–00
T-Systems International GmbH, PG620	Service Agreement Amendment No. 2	026192–102–00
T-Systems IT Eta GmbH c/o T-Systems Inte	NDA s T-Systems International GmbH pro testovani 5G AR/VR	080245–000–00
T-Systems Magyarország ZRt	Non-Disclosure Agreement – NDA	025975–000–00
T-Systems Magyarország ZRt	Personal Data Processing Contract	026067–000–00
T-Systems Magyarország ZRt.	International Telecommunication Service	0000007/2010-SMws
T-Systems Magyarország ZRt.	Contract of subdelivery	0000019/2008-SmCSC
T-Systems Magyarország ZRt.	Fourth Amendment to the Master Services Agreement	0000022/2011-SMws
T-Systems Magyarország ZRt.	Service Agreement	0000045/2011-SMws
T-Systems Magyarország ZRt.	Outsourcing Service Agreement	0000051/2011-SMws
T-Systems Magyarország ZRt.	Contract IFS ISCS 04 2008	0000059/2011-SMws
T-Systems Magyarország ZRt.	Service Agreement for GTS NET a.s and GTS Magyarország Távkozlési Kft.	0000063/2007-SMws
T-Systems Magyarország ZRt.	Amendment Nr.1 to the Service Agreement for GTS NET a.s and GTS Magyarország Távkozlési Kft.	0000063/2007-SMws
T-Systems Magyarország ZRt.	RCTIO Framework Cooperation and Service Agreement	025427–000–00
T-Systems Magyarország Zrt.	Settlement Arrangement – Mutual settlement of liabilities	025427–101–00
T-Systems Magyarország ZRt., GTS Poland sp. z o.o., GTS Telecom S.R.L.	Cooperation Agreement	025746–000–00
T-Systems Polska Sp. z o.o.	Cooperation agreement	0000243/2011-Smna

5. Legal acts made at the instigation of or in the interest of the Controlling party or other parties controlled by the Controlling party

During the Relevant period the Company made the following legal acts in the interest, or at the instigation of the Controlling party or other parties controlled by the Controlling party, which would involve assets exceeding in value CZK 3,288 million, which represents 10% of the Company's equity reported in the latest Financial Statements as at 31 December 2022:

The Company paid a dividend of CZK 6,256 million;

During the Relevant period the Company purchased from DTAG Group foreign currency at market value in total amount of CZK 4,855 million;

The Company provided intercompany loan to DTAG in the amount of CZK 5,418 million as at 31 December 2022.

On 24 October 2022 the Company purchased 100% share in T-Mobile Infra CZ s.r.o., having its registered office at Praha 4 – Chodov, Tomíčkova 2144/1, 148 00, company registration number: 144 36 663, registered in the Commercial Register administered by the Municipal Court in Prague, Section C, File No. 365643.

On 31 December 2022 the Company became a legal successor company in a merger with company Planet A a.s. which was dissolving company. As a result of the merger, the company Planet A, a.s. and all its assets passed to the Company, which is now the universal legal successor of Planet A, a.s.

6 Assessment of a detriment and its compensation

No detriment occurred to the Company on the basis of the agreements valid in the Relevant period between the Company and other entities from the Concern, or on the basis of other acts which were implemented in the interest, or at the instigation of, of such entities by the Company in the Relevant period.

7 Evaluation of relations and risks within the Concern

7.1 Evaluation of advantages and disadvantages of relations within the Concern

The Company benefits notably from the participation in the Concern. The Concern is a provider of top-class telecommunication services, has a strong brand and strong financial background, from which the Company benefits especially when closing deals with its suppliers.

No disadvantages have arisen to the Company from the participation within the Concern.

7.2 No risks have arisen to the Company from the relations within the Concern.

In Prague, 23 June 2023

Jose Severino Perdomo Lorenzo
CEO and Member of the Board of Directors
entitled to act on behalf of the Company solely

Report on the relationships between the related parties for the year 2022

Overview of the related parties

The overview contains the entities controlled by DTAG with which TMCZ had business relationships during the Relevant period, as well as some entities which stand, in the structure of the Concern either above or below the aforementioned entities.

DTAG

100% T-Mobile Global Zwischenholding GmbH (Germany)
- 100% T-Mobile Global Holding GmbH (Germany)
  - 100% Deutsche Telekom Holding B.V. (Netherlands)
    - 43,29% T-Mobile US, Inc. (USA)
      - 100% T-Mobile USA, Inc. (USA)
        - 100% Sprint Corporation (USA)
          - 100% Sprint Communication, Inc. (USA)
            - 100% Sprint International Holding, Inc. (USA)
              - 100% Sprint International Czech Republic s.r.o. (Czech Republic)

100% Deutsche Telekom (UK) Limited (United Kingdom)
- 100% T-Mobile International UK Pension Trustee Limited (United Kingdom)
- 100% One 2 One Limited (United Kingdom)
- 100% T-Mobile (UK) Limited (United Kingdom)
- 100% T-Mobile (UK) Retail Limited (United Kingdom)
- 100% T-Mobile Limited (United Kingdom)
- 100% One 2 One Personal Communications Limited (United Kingdom)
- 100% T-Mobile International Limited (United Kingdom)
- 100% T-Mobile No. 1 Limited (United Kingdom)
- 100% T-Mobile No. 5 Limited (United Kingdom)
- 100% T-Mobile UK Properties Inc. (USA)

100% Deutsche Telekom Europe Holding GmbH (Germany)
- 99% Deutsche Telekom s.r.o. Cloud Services (Slovakia)
- 99% Deutsche Telekom Digital Labs Private Limited (India)
- 99,88% Deutsche Telekom Cloud Services EPE (Greece)
- 100% Deutsche Telekom Cloud Services Sp.z o.o. (Poland)
- 100% Deutsche Telekom Cloud Services d.o.o. (Croatia)
- 100% Deutsche Telekom Cloud Services Kft. (Hungary)
- 100% Deutsche Telekom Cloud Services GmbH (Austria)
- 100% Deutsche Telekom Cloud Services DOOEL Skopje (Macedonia)
- 100% Deutsche Telekom Cloud Services d.o.o. Podgorica. (Montenegro)
- 100% Deutsche Telekom Cloud Services S.R.L.. (Romania)

- 100% Deutsche Telekom Europe Holding B.V.. (Netherlands)
  - 100% Deutsche Telekom Europe B.V. (Netherlands)
    - 100% GTS Poland Sp. z o. o. (Poland)
    - 100% SPV HOLDINGS Sp. z o. o. (Poland)
    - 100% Magenta Telekom Infra GmbH (Austria)
    - 100% T-Mobile Austria Holding GmbH (Austria)
      - 99% T-Mobile Austria GmbH (Austria)
        - 100% T-Mobile International Austria GmbH (Austria)
      - 100% Alpen Glasfaser Holding GmbH (Austria))
        - 100% Alpen Glasfaser GmbH (Austria)
          - 100% Alpen Glasfaser Zwei GmbH (Austria)
    - 53,02% Hrvatski Telekom d.d. (Croatia)
      - 100% HT holding d.o.o. (Croatia)
        - 100% Iskon Internet d.d. (Croatia)
        - 100% Combis, usluge integracija informatickih tehnologija, d.o.o.(Croatia)
          - 100% COMBIS IT usluge d.o.o. (Serbia)
          - 100% COMBIS d.o.o. Sarajevo (Bosnia and Herzegovina)
        - 76,53% Crnogorski Telekom A.D. Podgorica (Montenegro)
      - 39,1% JP Hrvatske telekomunikacije d.d. Mostar (Bosnia and Herzegovina)
    - 100% T-Mobile Czech Republic a.s. (Czech Republic)
      - 100% CE Colo Czech s.r.o. (Czech Republic)
      - 100% Planet A, a.s. (Czech Republic)
      - 100% T-Mobile Infra CZ s.r.o. (Czech Republic)
    - 100% Slovak Telekom, a.s. (Slovakia)
      - 100% DIGI SLOVAKIA s.r.o. (Slovakia)
      - 100% Telekom Sec, s.r.o. (Slovakia)
      - 51% PosAm, s.r.o. (Slovakia)
        - 100% Commander Services s.r.o. (Slovakia)
    - 51,39% Magyar Telekom Nyrt. (Hungary)
      - 100% Combridge SRL. (Romania)
      - 50% E2 Hungary Zrt. (Hungary)
      - 100% Stonebridge Communications A.D.(Macedonia)
        - 56,67% Makedonski Telekom AD Skopje (Macedonia)
      - 100% T-Systems Magyarország Zrt (Hungary)
      - 100% Novatel EOOD (Bulgaria)
    - 100% T-Mobile Polska S.A. (Poland)
      - 50% NetWorkS! Sp.z.o.o. (Poland)
      - 100% T-Systems Polska Sp.z.o.o. (Poland)
    - 100% Consorcium 1 S.à.r.l. (Luxemburg)
    - 100% GTS Central European Holding B.V. (Netherlands)
      - 100% GTS Ukraine L.L.C. (Ukraine)
      - 100% Antel Germany GmbH (Germany)
      - 47,44% GTS Telecom S.R.L. (Romania)
      - 100% Carduelis B.V. (Netherlands)
        - 52,56% GTS Telecom S.R.L. (Romania)

100% Deutsche Telekom Asia Pte Ltd (Singapore)

50,86% Hellenic Telecommunications Organization S.A. (OTE) (Greece)
- 85,54% Cosmote Technical Services S.A. (Greece)
- 94,08% Satellite and Maritime Tele-communications S.A. (Greece)
- 99,99% OTE Educational S.A. (Greece)
- 100% OTE Rural South S.A. (Greece)
- 100% OTE Rural North S.A. (Greece)
- 100% COSMOTE TV Productions & Services S.A. (Greece)
- 100% COSMOTE Payments S.A. (Greece)
- 100% Telekom Romania Mobile Communications S.A. (Romania)
- 4,39% Germanos S.A. (Greece)
  - 85,17% Cosmote E-Value Contact Center S.A. (Greece)
    - 1% Cosmote Global Solutions N.V. (Belgium)
  - 1% Cosmoholding International B.V. (Netherlands)
- 100% Cosmote Mobile Telecommunications Single Member S.A. (Greece)
  - 95,61% Germanos S.A. (Greece)
    - 1% Cosmoholding International B.V. (Netherlands)
    - 85,17% Cosmote E-Value Contact Center S.A. (Greece)
      - 1% Cosmote Global Solutions N.V. (Belgium)
  - 99% Cosmoholding International B.V. (Netherlands)
  - 14,46% Cosmote Technical Services S.A. (Greece))
  - 7,66% Cosmote E-Value Contact Center S.A. (Greece)
    - 1% Cosmote Global Solutions N.V. (Belgie)
  - 100% MobilBeep Limited (Greece))
  - 99% Cosmote Global Solutions N.V. (Belgium)
- 99,99% OTE Estate S.A. (Greece)
- 100% OTE International Solutions S.A. (OTE Globe) (Greece)
- 7,17% Cosmote E-Value Contact Center S.A. (Greece)

100% Deutsche Telekom Europe Beteiligungsverwaltungsgesellschaft mbH (Germany)
- 1% Deutsche Telekom s.r.o. Cloud Services (Slovakia)
- 0,12% Deutsche Telekom Cloud Services EPE(Greece)
- 1% Deutsche Telekom Digital Labs Private Limited (India)

50% BuyIn S.A. (Belgium)
- 100% BuyIn S.A.S. (France)
- 100% BuyIn GmbH (Germany)
- 100% Corporation BuyIn Canada Inc. (Canada)

100% T-Systems International GmbH (Germany)
- 100% T-Systems do Brasil Ltda.
- 100% Deutsche Telekom Systems Solutions Hungary Kft.
- 100% T-Systems Beteiligungsverwaltungsgesellschaft mbH (Germany)

100% Deutsche Telekom Services Europe SE (Germany)
- 100% Deutsche Telekom Services Europe Slovakia s.r.o. (Slovakia)
- 100% Deutsche Telekom Services Europe Czech Republic s.r.o. (Czech Republic)
- 100% Deutsche Telekom Services Europe Romania S.R.L. (Romania)

100% Telekom Deutschland GmbH

100% Deutsche Telekom IT GmbH
- 100% New IT Telekom Solutions SIA (Lithuania)
- 100% New IT Telekom Solutions OÜ (Estonia)

5,27% T-Mobile US, Inc. (USA)
- 100% T-Mobile USA, Inc.(USA)
  - 100% Sprint Corporation LLC (USA)
    - 100% Sprint Communication LLC (USA)

SEPARATE FINANCIAL STATEMENTS

IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) AS ADOPTED BY THE EU AND INDEPENDENT AUDITOR'S REPORT

for the year ended 31 December 2022

SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December

	Poznámky	2022	2021
Revenue from contracts with customers	**4**	**30,147**	**29,316**
Other operating income	5	730	152
Staff costs	6	(3,825)	(3,716)
Material and equipment	7	(2,954)	(2,630)
Depreciation, amortisation and impairment losses on non-financial items	13,14,15	(4,857)	(5,184)
Interconnection fees and other telecommunication services	8	(4,365)	(4,666)
Impairment losses on financial and contract assets	18,19	(1,025)	(266)
Own work capitalised	6	278	305
Dividends from subsidiaries	32	122	121
Other operating costs	9	(5,547)	(5,387)
Operating profit		**8,704**	**8,045**
Financial income	10	341	70
Financial expense	11	(392)	(291)
Net financial result		**(51)**	**(221)**
Profit before tax		**8,653**	**7,824**
Income tax expense	12	(1,663)	(1, 568)
Profit for the year		**6,990**	**6,256**
Other comprehensive income		–	–
Total comprehensive income for the year		**6,990**	**6,256**

The financial statements on pages 49 to 95 were authorised for issue on behalf of the Board of Directors of the Company on 23 June 2023 and signed on their behalf by:

Jose Severino Perdomo Lorenzo

CEO and Member of the Board of Directors
entitled to act on behalf of the Company solely

SEPARATE STATEMENT OF FINANCIAL POSITION

as at 31 December

	Notes	2022	2021
ASSETS			
Non-current assets			
Intangible assets	13	9,330	8,866
Property and equipment	14	15,286	14, 225
Right-of-use assets	15	6,252	6,783
Investments in subsidiaries	17	2,133	2,605
Other receivables	18	363	270
Contract assets	19	17	48
Contract costs	19	209	192
Prepaid expenses and other assets	20	551	610
		34,141	**33,599**
Current assets			
Inventories	21	735	511
Loans	22	5,418	5,874
Trade and other receivables	18	7,555	5,916
Contract assets	19	1,026	857
Contract costs	19	586	529
Prepaid expenses and other assets	20	712	740
Cash and cash equivalents	23	222	291
		16,254	**14,718**
TOTAL ASSETS		**50,395**	**48,317**
EQUITY AND LIABILITIES			
Shareholders' equity			
Issued capital	24	520	520
Share premium	24	397	397
Other reserves	24	110	106
Retained earnings		33,062	32,352
Total equity		**34,089**	**33,375**
Non-current liabilities			
Deferred tax liability	12	483	492
Lease liabilities	27	5,125	5,233
Provisions	25	858	852
Other payables	26	22	24
Contract liabilities	19	527	600
		7,015	**7,201**
Current liabilities			
Provisions	25	196	790
Trade and other payables	26	6,273	4,222
Contract liabilities	19	768	820
Other liabilities	29	1,165	1,068
Lease liabilities	27	750	735
Current income tax liability		139	106
		9,291	**7,741**
Total liabilities		**16,306**	**14,942**
TOTAL EQUITY AND LIABILITIES		**50,395**	**48,317**

SEPARATE STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December

	Notes	Issued capital	Share premium	Other reserves	Retained earnings	Total equity
Year ended 31 December 2021						
At 1 January 2021		520	397	105	31,187	32,209
Profit for the year		–	–	–	6,256	6,256
Other comprehensive income		–	–	–	–	–
Total comprehensive income		–	–	–	6,256	6,256
Transactions with shareholder:						
Other changes in equity		–	–	1	–	1
Dividends	24	–	–	–	(5,091)	(5,091)
At 31 December 2021		**520**	**397**	**106**	**32,352**	**33,375**
Year ended 31 December 2022						
Impact of the merger as at 1. 1. 2022		–	–	–	(24)	(24)
At 1 January 2022		520	397	106	32,328	33,351
Profit for the year		–	–	–	6,990	6,990
Other comprehensive income		–	–	–	–	–
Total comprehensive income		–	–	–	6,990	6,990
Transactions with shareholder:						
Other changes in equity		–	–	4	–	4
Dividends	24	–	–	–	(6,256)	(6,256)
At 31 December 2022		**520**	**397**	**110**	**33,062**	**34,089**

STATEMENT OF CASH FLOWS

for the year ended 31 December

	Notes	2022	2021
Operating activities			
Profit before tax		**8,653**	**7,824**
Depreciation, amortisation and impairment losses	13, 14, 15	4,857	5,184
Interest expense, net		(155)	196
(Gain) / Loss from disposal of intangible assets and property and equipment	5, 9	25	16
Other non-cash items		88	(74)
Change in provisions	25	(316)	470
Change in trade receivables and other assets	18	(2,006)	(155)
Change in inventories	21	(221)	90
Change in trade payables and other liabilities	26	1,425	(179)
Cash from operating activities		**12,351**	**13,372**
Income taxes paid	12	(1,685)	(1,602)
Dividends received		122	121
Net cash from operating activities		**10,788**	**11,891**
Investing activities			
Purchase of intangible assets and property and equipment	13, 14	(4,300)	(3,492)
Proceeds from disposal of intangible assets and property and equipment		49	28
Disbursement of loans	22	(64,300)	(71,041)
Repayment of provided loans	22	64,700	69,700
Net cash from cash pooling	18	12	(363)
Interest received		328	31
Net cash from derivatives		(85)	(111)
Net cash from/ (used in) investing activities		**(3,596)**	**(5,248)**
Financing activities			
Dividends paid	24	(6,256)	(5,092)
Repayment of financial liabilities	30	(129)	(160)
Repayment of principal portion of lease liabilities	30	(722)	(1,484)
Interest paid	30	(185)	(233)
Proceeds from bank overdraft		–	–
Repayment of bank overdraft		–	–
Net cash used in financing activities		**(7,292)**	**(6,969)**
Effect of exchange rate changes on cash and cash equivalents		2	4
Net decrease in cash and cash equivalents		(98)	(322)
Cash and cash equivalents at 1 January	23	320[a]	613
Cash and cash equivalents at 31 December	**23**	**222**	**291**

[a] The opening balance of Cash and cash equivalents at 1. 1. 2022 in amount of CZK 320 million include the impact of the merger with Planet A as at 1. 1. 2022 in amount of CZK 29 million.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Index to the notes to the financial statements

1. General information

T-Mobile Czech Republic a.s. ("the Company") is a joint-stock company incorporated on 15 February 1996 in the Czech Republic. The Company's registered office is located at Tomíčkova 2144/1, 148 00 Prague 4. The business registration number (IČ) of the Company is 64949681 and the tax identification number (DIČ) is CZ64949681. For shareholders overview of the Company refer to Note 24.

The Company operates public mobile communications networks, public fixed telecommunication networks and provides mobile communication services, fixed communication services and TV services.The Company is authorized to operate in electronic communication sector, respectively to carry out communication activities comprising provision of the public mobile networks, provision of public fixed networks and provision of electronic communication services. The Company's customers receive roaming services in mobile operator networks in destinations all over the world. The Company is considered the leader in the provision of telecommunication services to the most demanding segment of business customers, both in terms of the respective range of services as well as in terms of quality.

The Company provides services via authorisations for strong portfolio of radio frequencies: 3.4 – 3.6 GHz frequency band valid until 2032, 700 MHz frequency band valid until 2036, bands 800 MHz, 1800 MHz and 2600 MHz valid until 2029, authorisation for the provision of mobile services on 900 MHz and 1800 MHz frequency bands, which is valid until 2024, and 2.1 GHz frequency band, which is valid until 2041.

Members of the Statutory Boards at 31 December 2022

Board of Directors

Chairman:
Armin Sumesgutner (member since 1. 10. 2022, chairman of the Board of Directors since 13. 10. 2022)

Members:
Jose Severino Perdomo Lorenzo (member since 1. 7. 2021)
Olga Nevska (member since 5. 8. 2021)

Supervisory Board

Members:
Jan Lédl (member since 2. 1. 2021)
Stefan Lemmen (member since 2. 6. 2021)
Caspar Johannes Maximilian Kitz (member since 1. 4. 2022)

Deutsche Telekom Europe B.V. with registered office at Stationsplein 8 K, Maastricht, the Netherlands is the parent of the Company.

Deutsche Telekom AG ("Deutsche Telekom" or "DTAG"), with its registered office at Friedrich Ebert Allee 140, Bonn, Germany, is the ultimate parent of the group of which the Company is a member and for which the group financial statements are drawn up. The ultimate parent's consolidated financial statements are available at their registered office or at the District Court of Bonn HRB 6794, Germany.

2. Accounting policies

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

2.1 Basis of preparation

The financial statements have been prepared under the historical cost convention, except where disclosed otherwise.

The Company's functional currency is Czech crowns ("CZK"), the financial statements are presented in Czech crowns and all values are rounded to the nearest million, except where otherwise indicated. The financial statements were prepared using the going concern assumption that the Company will continue its operations for the foreseeable future.

The preparation of financial statements in conformity with International Financial Reporting Standards as adopted by the EU requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the separate financial statements are disclosed in Note 2.20.

Statement of compliance

These financial statements are the ordinary separate financial statements of the Company and have been prepared in accordance with IFRS as adopted by the European Union. These financial statements should be read together with the consolidated financial statements in order to obtain full information on the financial position, results of operations and changes in financial position of the Company and its subsidiaries.

The consolidated financial statements for the year ended 31 December 2022 have been prepared in compliance with International Financial Reporting Standards and IFRIC interpretations as adopted by the European Union. The consolidated financial statements are available at the Company's registered office, on the internet page of the Company and in the public administration information system (the Register) administered by the Ministry of Justice of the Czech Republic.

2.2 Property and equipment

Property and equipment is initially measured at acquisition cost, excluding the costs of day-to-day servicing. Following initial recognition, property and equipment is carried at cost less any accumulated depreciation and provision for impairment, where required. The initial estimate of costs of dismantling and removing the item of property and equipment and restoring the site on which it is located is also included in costs, if the obligation has to be recognised as a provision according to IAS 37.

Acquisition cost includes all costs directly attributable to bringing the asset into working condition for its use as intended by management. In case of network, costs comprise all expenditures, including internal costs directly attributable to network construction, and include contractors' fees, materials and direct labour. Costs of subsequent enhancement are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other maintenance, repairs and minor renewals are charged to profit or loss as incurred.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included within other operating income or costs in profit or loss in the period in which the asset is derecognised. Net disposal proceeds consist of both cash consideration and the fair value of non-cash consideration received.

Depreciation is calculated on a straight-line basis from the time the assets are available for use over their estimated useful lives. Depreciation charge is identified separately for each significant part of an item of property and equipment.

The useful lives assigned to the various categories of property and equipment are:

Buildings, constructions and leasehold improvements	10 to 50 years
Tower, masts	30
Operating equipment:	
Network technology equipment	3 to 10
Transport vehicles, hardware and office equipment	3 to 13

No depreciation is provided on freehold land or capital work in progress.

Residual values and useful lives of property and equipment are reviewed and adjusted in accordance with IAS 8, where appropriate, at each financial year-end.

Property and equipment are reviewed for impairment whenever events or circumstances indicate that their carrying amounts may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use. Impairment losses are reversed if the reasons for recognizing the original impairment loss no longer apply.

2.3 Intangible assets

Intangible assets acquired separately are recognised when control over them is assumed and are initially measured at acquisition cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and provision for impairment, where required. Intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. With the exception of goodwill, intangible assets have a finite useful life and are amortised using the straight-line method over their estimated useful lives. The assets' useful lives are reviewed and adjusted in accordance with IAS 8, as appropriate, at each financial year-end. For further details on assets influenced by the most recent useful life revisions refer to Note 2.20.

The useful lives assigned to the various categories of intangible assets are as follows:

Software	3 to 8 years
Telecommunications licences	8 to 28 years
Content licences	1 to 3 years
Customer relationships	7 to 15 years

Any gain or loss on derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is included within other operating income or costs in profit or loss in the period in which the asset is derecognised.

Software and licences

Development costs directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:
a) it is technically feasible to complete the software product so that it will be available for use;
b) management intends to complete the software product and use or sell it;
c) there is an ability to use or sell the software product;
d) it can be demonstrated how the software product will generate probable future economic benefits;
e) adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
f) the expenditures attributable to the software product during its development can be reliably measured.

Directly attributable costs capitalised as part of a software product include software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet recognition criteria and costs associated with maintaining computer software programs are recognised as an expense as incurred.

Acquired software licences are capitalised based on the costs incurred to acquire and bring to use specific software. Costs comprise all directly attributable costs necessary to create, produce and prepare the software to be capable of operating in a manner intended by management, including enhancements of applications in use.

Costs associated with the acquisition of long-term frequency licences are capitalised. Useful lives of concessions and licences are based on the underlying agreements and are amortised on a straight-line basis over the period from availability of the frequency for commercial use until the end of the initial concession or licence term. No renewal periods are considered in the determination of useful life. Recurring licence fees paid for key telecommunications licences do not have legally enforceable periods and are recognised as other operating costs in the period they relate to. Recurring licence fees are paid during whole period of granted licence.

The Company recognizes the content licences as intangible assets if it is highly probable that the content will be delivered, contract duration is longer than one year and the costs are reliably determined or determinable. Acquired content licences are recognised at acquisition cost. If there is no fixed price defined in the contract, the Company uses best estimate to assess the fee during the contracted period. The useful lives of content licences are based on the underlying agreements and are amortised on a straight-line basis over the period from availability for commercial use until the end of the licence term which is granted to the Company. Content contracts which do not meet the criteria for capitalization are expensed and presented in ‘other operating costs’ in the statement of profit or loss and comprehensive income.

Goodwill

Following initial recognition, goodwill is carried at cost less any accumulated impairment losses. Goodwill is not amortised, but it is tested for impairment annually or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired (Note 16). Carrying value of the cash generating unit (“CGU”) to which goodwill belongs to is compared to its recoverable amount, which is the higher of value in use and fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed. Fair values less costs to sell of CGU’s with allocated goodwill tested for impairment are in Level 3 of the fair value hierarchy.

2.4 Leases

2.4.1 Right-of-use assets

Right-of-use assets represent property and equipment which is leased based on a contract containing a lease according to IFRS 16. The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Assessment of the lease term for evergreen leases (i.e. leases with no specified contract maturity, no silent prolongation etc.) is mostly affected by the nature and useful live of underlying assets, relocation costs, or the Company's past practice regarding the period over which it has typically used particular types of assets.

The expected lease term for evergreen leases assigned to the various categories of right-of-use assets are:

Space on telecommunication infrastructure of third parties	5 years
Rooftops	10 years
Land to install own telecommunication equipment	30 years
Exclusive easements	20 years
Shops	5–10 years
Ducts and Pipes	20 years
Leased lines	2, 5 years

2.4.2 Lease liabilities

At the commencement date of a lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date and amounts expected to be paid under residual value guaranties. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments, change in the assessment to purchase the underlying asset or a change in an index or a rate when the adjustment to the lease payments takes effect.

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has an option, under some of its leases, to lease the assets for additional terms. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

Extension options in shops have not been included in the lease liability, because the Company could replace the assets without significant cost or business disruption. As at 31 December 2022, potential future cash outflows of CZK 65 million (undiscounted) (31 December 2021: CZK 133 million) have not been included in the lease liability because it is not reasonably certain that the leases will be extended. Decrease is caused by contracts´ prolongation, mainly with contract amendments. The lease term is reassessed if an option is actually exercised (or not exercised), or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within control of the lessee.

For contracts where no maturity is specified in the contractual agreement (so called evergreen contracts), the assessment of lease term is done for the portfolio as a whole. An estimate is required for the initial lease term as well as any further renewal. Factors, which are considered in determining the lease term for evergreen contracts are: costs associated with an obligation to return the leased asset in a specified condition or to a specified location, existence of significant leasehold improvements that would be lost if the lease were terminated or not extended, non-contractual relocation costs, costs associated with lost service to existing customers, cost associated with sourcing an alternative item etc.

2.4.3 IFRS 16 recognition exemptions

IFRS 16 includes recognition exemptions available to lessees and specifies alternative requirements.

Separation of non-lease components

In accordance with IFRS 16.12 an entity shall account for each lease component within the contract as a lease separately from non-lease components of the contract.

The Company has applied practical expedient and does not separate lease from non-lease components (IFRS 16.15), except for data center contracts, therefore non-lease components which are fixed, e.g. utilities, maintenance costs, etc. are not separated but instead capitalized.

Short-term leases

There is a practical expedient for lessees not to apply the recognition, measurement and presentation requirements of IFRS 16 for short-term leases (IFRS 16.5).

The Company has made the decision not to apply the short-term recognition exemptions to lease contracts, except for some minor and insignificant lease arrangements with a lease term of one month or less. Hence, short-term leases have to be recognised, measured and presented as lease arrangements in the scope of IFRS 16.

Low-value leases

There is a practical expedient for lessees not to apply the recognition, measurement and presentation requirements of IFRS 16 for leases of which the underlying asset is of low value ("low-value leases"; IFRS 16.5). The practical expedient can be taken on a lease-by-lease basis. For leases of low-value items to which this exemption is applied, lease payments are recognised as an expense over the lease term.

The Company has made the decision not to apply this practical expedient. Hence, all low-value leases have to be recognised, measured and presented as lease arrangements in the scope of IFRS 16.

Leases of intangible assets

The Company elected in accordance with IFRS 16.4 for lessees not to apply IFRS 16 to leases of intangible assets or similar resources. To the extent that these transactions and its related assets fulfil the recognition criteria in IAS 38 Intangible Assets, they should be accounted as such. As a consequence, lessees are not required to perform lease identification procedures for any right to use intangible assets such as mobile radio spectrum, microwave frequencies, software, patents as well as content or data rights.

Separate presentation on the face of the balance sheet

The Company decided to present the right-of-use assets as well the lease liabilities as separate line items on the face of the statement of financial position (see IFRS 16.47). As a result, the right-of-use asset and the lease liability is presented (separately from other assets) in the statement of financial position.

2.4.4 Subleases

In classifying a sublease, the Company, as the intermediate lessor, should classify the sublease as a finance lease or an operating lease in the same manner as any other lease using the criteria discussed in IFRS 16.61 et seq. with reference to the right-of-use asset (not the underlying asset itself) arising from the head lease. That is, the intermediate lessor treats the right-of-use asset as the underlying asset in the sublease, not the item of property, plant or equipment that it leases from the head lessor. The intermediate lessor only has a right to use the underlying asset for a period of time. If the sublease is for all of the remaining term of the head lease, the intermediate lessor has in effect transferred that right to another party and the sublease is classified as finance lease. Otherwise, the sublease is an operating lease.

2.4.5 Lease accounting – the Company as a lessor

Leased out property and equipment where all the substantial benefits and risks usually connected with the ownership were transferred from the Company to lessee is classified as a finance lease. The underlying asset is derecognised and the respective short term and long-term lease payments, net of finance charges are recognised as current and non-current financial assets.

Payments received under operating leases are recorded in profit or loss on a straight- line basis over the period of the lease.

2.5 Investments in subsidiaries

Investments in subsidiaries are carried at cost less any accumulated impairment losses. Cost of an investment in a subsidiary is based on cost attributed to the acquisition of the investment, representing fair value of the consideration given. Dividends received from subsidiaries are recognised as income when the right to receive dividend is established.

2.6 Impairment of non-financial assets

An impairment loss is the amount by which the carrying amount of an asset or a cash-generating unit ("CGU") exceeds its recoverable amount. Assets that are subject to depreciation or amortisation are reviewed for impairment, whenever events or circumstances indicate that their carrying amount may not be recoverable. Assets with indefinite useful life or intangible assets not ready for use are not subject to amortisation and are tested for impairment annually. Impairment losses for each class of assets are presented within depreciation, amortisation and impairment losses in profit or loss. Reversals of impairment losses are presented within other operating income in profit or loss.

For the purpose of assessing impairment, assets are grouped into CGU's, representing the smallest groups of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The Company determines the recoverable amount of a CGU on the basis of value in use. The calculation is determined by reference to discounted cash flows calculations. These discounted cash flows calculations are based on financial budgets approved by management, usually covering a four-year period. Cash flows beyond the detailed planning periods are extrapolated using appropriate growth rates. Key assumptions on which management bases the determination of value in use include average revenue per user, customer acquisition and retention costs, churn rates, capital expenditures, market share, growth rates and discount rates. Discount rates used reflect risks specific to the CGU. Cash flows reflect management assumptions and are supported by external sources of information. This is highly judgmental, which carries the inherent risk of arriving at materially different recoverable amounts if estimates used in the calculations proved to be inappropriate.

If the carrying amount of a CGU to which the goodwill is allocated exceeds its recoverable amount, the goodwill allocated to this CGU is reduced by the amount of the difference. If an impairment loss recognized for the CGU exceeds the carrying amount of the allocated goodwill, the additional amount of the impairment loss is recognized through pro rata reduction of the carrying amounts of assets allocated to the CGU. Impairment losses on goodwill are not reversed.

Investments in subsidiaries are tested for impairment if impairment indicators exist. The Company considers, as minimum, the following indicators of impairment: the carrying amount of the investment in the separate financial statements exceeds the carrying amounts of the investee's net assets in the consolidated financial statements, including associated goodwill or the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared for.

In addition to the general impairment testing of CGU's, the Company also tests individual assets if their purpose changes from being held and used to being sold or otherwise disposed of. In such circumstances the recoverable amount is determined by reference to fair value less costs to sell.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to all CGUs that are expected to benefit from synergies of combination, irrespective of whether other assets or liabilities of the Company are assigned to those CGUs or groups of CGUs. Each CGU or a group of CGU, to which the goodwill is allocated, represents the lowest level within the Company at which the goodwill is monitored for internal purposes.

Impairment is determined by assessing the recoverable amount of a CGU to which the goodwill relates. For more details on impairment of goodwill refer to Note 16.

2.7 Inventories

Cost of inventories comprises all the costs of purchase and other costs incurred in bringing the inventories to their present location and condition, including customs, transportation and similar costs. Inventories are stated at the lower of cost and net realizable value. Cost of inventory is determined on the weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated selling expenses. An allowance is created against slow-moving and obsolete inventories.

Phone set inventory write-down allowances are recognized immediately when the phone sets are no longer marketable to secure subscriber contractual commitment or if the resale value on a standalone basis (without the subscriber commitment) is lower than cost.

2.8 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and in hand and short-term deposits with original maturity of three months or less from the date of acquisition.

For the purpose of the statement of cash flows, cash and cash equivalents are net of bank overdrafts. In the statement of financial position, bank overdrafts (if they are relevant) are included in borrowings in current liabilities.

The Company takes part in the cash pooling system of Deutsche Telekom group. Balances of selected bank accounts of the Company are at the end of the business day transferred to bank accounts of the parent company. These balances are not part of cash equivalents, and they are presented as receivable from cash pooling in current receivables and within investing activities in the statement of cash flows.

2.9 Financial assets

The Company classifies its financial assets according to IFRS 9 in the following categories:
– Financial assets at amortised cost (debt instruments)
– Financial assets at fair value through profit or loss (“FVTPL”)

The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. The Company has the process in place in order to identify the embedded derivatives and ensure the accounting in line with IFRS 9, if such embedded derivatives is identified. The Company did not identify any embedded derivatives.

Trade receivables and debt securities issued by a debtor to the Company are initially recognised when they are originated. All other financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not measured at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price determined under IFRS 15.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Company has all financial assets classified and measured at amortised cost except for investments in subsidiaries and currency forward contracts.

Financial assets at amortised cost (debt instruments)

The Company measures financial assets at amortised cost if both of the following conditions are met:
– The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
– The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company’s financial assets at amortised cost include Trade and other receivables, Cash and cash equivalents, Term deposits, Loans and Cash pooling in the statement of financial position.

These assets are subsequently measured at amortised cost using the effective interest rate method. The amortised cost is reduced by impairment losses via loss allowance account. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets and liabilities are offset, and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Financial assets at fair value through profit or loss

The Company uses currency forward contracts to economically hedge its estimated cash flows. Financial assets at fair value through profit or loss are initially recognised at fair value and subsequently carried at fair value. Unrealised gains and losses arising from revaluation of financial assets to the fair value as well as realised gains and losses are recognised in profit or loss. The information on accounting for financial derivatives and hedging operations is provided in Note 3.5.

2.10 Impairment of financial assets

The Company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost and contract assets. Regarding loss allowances for trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment (e.g. expected GDP growth and expected changes in unemployment rate).For lease receivables, contract assets and trade receivables with a significant financing component, an entity can choose as an accounting policy either to apply the general model for measuring loss allowance or always to measure the loss allowance at an amount equal to the lifetime ECL. The Company has chosen the latter policy.

The Company has applied the general impairment model to loans provided to related parties. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime. Currently the loans are in stage 1. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. The amount of ECLs for loans were calculated but not recognized due to their insignificance.

The loans provided to the DTAG group do not give rise to a significant credit risk. These loans are settled through the group intercompany clearing center and therefore classified to category BBB.

The expected credit losses of significant assets are measured on an individual basis. The expected credit losses of remaining financial assets are measured by grouping together these assets with similar risk characteristics and applying provision matrix.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease is related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss. This relates to stage 3 items in ECL model.

2.11 Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as measured at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Trade and other payables

Trade 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 initially measured at fair value. After initial recognition trade and other payables are measured at amortised cost using the effective interest rate method.

2.12 Prepaid expenses

The Company has various contracts where the expenses are paid in advance, e.g. quarterly or yearly. Contracts relate to various services, e.g. maintenance.

2.13 Provisions and contingent liabilities

Provisions for asset retirement obligations, restructuring costs and legal and regulatory claims are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

If the effect of the time-value of money is material, provisions are discounted using a risk-adjusted, pre-tax discount rate. Where discounting is used, the increase in the provision due to the passage of time is recognised as a financial expense.

No provision is recognised for contingent liabilities. A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but that is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Asset retirement obligations

Asset retirement obligations relate to future costs associated with the retirement (dismantling and removal from use) of non-current assets. The obligation is recognised in the period in which it has been incurred and it is considered to be an element of cost of the related non-current asset in accordance with IAS 16. The obligation is measured at present value, and the corresponding increase in the carrying amount of the related non-current asset is depreciated over the estimated useful life of that asset. The value of the liability is recalculated to its present value as at the end of the reporting period and changes in the liability are recognised in the value of the assets or through charges to profit or loss (finance expenses). Upon settlement of the liability, the Company either settles the obligation for its recorded amount or incurs a gain or loss upon settlement.

2.14 Employee benefit obligations

Retirement employee benefits

The Company provides retirement benefits under defined contribution plan.

A defined contribution plan is a pension plan under which the Company pays fixed contributions into separate publicly or privately administered entities on a mandatory, contractual or voluntary basis. Once the contributions have been paid, the Company has no further payment obligations. The contribution is based on gross salary payments. The cost of these payments is charged to profit or loss in the same period as the related staff cost.

Termination benefits

Employee termination benefits are recognised in the period in which is the Company demonstrably committed to a termination without possibility of withdrawal, i.e. management defines and authorises a detailed plan listing the number and structure of employees to be discharged and announces it to the trade unions. Expenses related to termination benefits are presented within staff costs in profit or loss.

Incentive programs

The Company has entered into several incentive programs, both share-based and non-share based and cash and non-cash settled managed by DTAG. The Company recognises the costs of services received from its members of executive management in a share-based and non-share-based payment transaction when services are received. If these services are received in a cash-settled share-based payment transaction, the Company recognises the expense against the provision, re-measured at each reporting date. In case of equity-settled share-based payment transaction, the Company recognises the expense against the equity capital fund, measured at fair value at the grant date.

2.15 Revenue recognition

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to a customer, who obtains control of that asset that means upon the delivery of services and products and customer‘s acceptance. Revenue from rendering of services and from sales of equipment is shown net of value added tax and discounts. Revenue is measured at the amount of transaction price that is allocated to the performance obligation.

The Company recognises revenue as follows:

The Company provides customers with narrow and broadband access to its fixed, mobile and TV distribution networks. Service revenue is recognised when the services are provided in accordance with contractual terms and conditions. Airtime revenue is recognised based upon minutes of use and contracted fees less credits and adjustments for discounts, while subscription and flat rate revenue is recognised in the period they relate to.

Revenue from prepaid cards is recognised when credit is used by a customer or after a period of limitation when unused credit elapsed.

Interconnect revenue generated from calls and other traffic that originates in other operators' networks is recognised as revenue at the time when the call is received in the Company's network. The Company pays a proportion of the revenue it collects from its customers to other operators for calls and other traffic that originate in the Company's network but use other operators' networks. Revenue from interconnect is recognised gross.

When the Company acts as a reseller of another party's branded digital goods or services with a virtually unlimited supply (e.g. software licenses, cloud services, streaming services), it acts as principal if it has a selling price discretion and is primarily responsible, meaning it is the only party which the customer enters into a contract with and the only party that is responsible towards the customer for providing support and handling complaints and product issues. In this case revenue is recognised on a gross basis, otherwise net revenue is recognised.

In the case of multiple-element arrangements (e.g. mobile contract plus handset) with subsidised products delivered in advance, the transaction price is allocated to the performance obligations in the contract by reference to their relative standalone selling prices. Standalone selling prices of hardware are estimated using price list prices adjusted by margin haircut resulting from comparison of internal price list with external market prices. Standalone selling prices of service are estimated using average transaction prices adjusted by margin haircut. As a result, a larger portion of the total consideration is attributable to the component delivered in advance (mobile handset), requiring earlier recognition of revenue. This leads to the recognition of what is known as a contract asset – a receivable arising from a customer contract that has not yet legally come into existence – in the statement of financial position.

Customer's credit risk is taken into account when accounting for contract assets by applying the expected credit loss model of IFRS 9. Impairments as well as reversals of impairments on contract assets are accounted for in accordance with IFRS 9.

Some one-time fees (mainly activation fees which are generally paid at contract inception) do not fulfill the definition of a separate performance obligation but represent a prepayment on future services. Such one-time fees and advanced payments for post-paid services lead to recognition of contract liability which is recognised as revenue appropriately to the minimum contract term. When discounts on service fees are granted unevenly for specific months of a contract while monthly service is provided evenly to the customer, service revenues are recognised on a straight-line basis.

In accordance with IFRS 15, constant monthly revenue amounts shall be recognized in a contract where performance over the months is constant. One or more discounts on service may be given for one or multiple periods. The discount period can start at the beginning or at a later point in time of the contract term. Additionally, discounts may also be granted in stages, meaning that the discount size varies over the minimum contract term. Discounts are straightlined during minimum contract term by recognizing a contract asset, which is to be set up over the period with smaller payments and amortized over the remaining contract term.

The customer can be granted budgets for purchasing future goods and services either at contract inception or in the future by signing a frame contract which guarantees monthly minimum payment to the entity. The budget can be redeemed for hardware purchases and/or new services within the redemption period of the frame contract. A contract liability is created on a monthly basis until the budget is used. At the point of redemption revenue is realised in the amount of the relative standalone selling price of the material right.

Commission costs are assessed as incremental costs of obtaining a contract and are recognised as Contract costs. Contract costs are amortised during estimated customer retention period within dealer's commission under other operating costs (related to indirect sales channel) and within wages and salaries under staff costs (related to direct sales channel).

The Company considers the effects of variable consideration as insignificant and the financing component as significant when exceeds 5% of the contracted revenue.

The Company typically satisfied its performance obligations at the point in time (mainly sales of equipment) and over time (services). The Company is not aware of any unusual payment terms. Payments are typically due within 14 days.

Revenue from sales of equipment is recognised when control of that equipment is transferred to a customer and when the equipment delivery and installation is completed. Completion of an installation is a prerequisite for transfer of control on such equipment where installation is not simple in nature and functionally constitutes a significant component of the sale.

Revenue from lease contracts (rent of buildings, technical spaces, cirquits, dark fiber, etc.) is recognised based on the lease classification, either as one-off revenue, i.e. finance lease (if the Company assessed as manufacturer or dealer) or on a straight-line basis over lease period, i.e. operating lease (rental).

System solutions / IT revenue

Contracts on network services, which consist of installations and operations of communication networks for customers, have an average duration of 2 to 3 years. Revenue from voice and data services is recognised under such contracts when voice and data are used by a customer. Revenue from system integration contracts comprising delivery of customised products and/or services is recognised when the control of that customised complex solution is transferred to a customer (solution is delivered to and accepted by a customer). Contracts are usually separated into distinct milestones which indicate completion, delivery and acceptance of a defined project phase. Upon completion of a milestone the Company is entitled to issue an invoice and to a payment. Revenue is recognized over time or at point in time based on contract conditions assessed in line with IFRS 15 criteria.

Revenue from maintenance services (generally a fixed fee per month) is recognised over time (during contractual period) or at point in time (when the services are completed). Revenue from repairs, which are not part of the maintenance contract but are billed on a basis of time and material used, is recognised when the services are rendered.

Revenue from sale of hardware (including terminal equipment) and software is recognised when the control of that asset is transferred to a customer, provided there are no unfulfilled obligations that affect customer's final acceptance of the arrangement.

Interest and dividends

Interest income is recognised using the effective interest rate method. Dividend income is recognised when the right to receive payment is established.

2.16 Operating profit

Operating profit is defined as a result before income taxes and financial income and expenses. For financial income and expenses refer to Notes 10 and 11 respectively.

2.17 Foreign currency translation

Transactions denominated in foreign currencies are translated into functional currency using exchange rates prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into functional currency using the exchange rates prevailing at the statement of financial position date. All foreign exchange differences are recognised within financial income or expense in the period in which they arise.

2.18 Taxes

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

Current income tax

Current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted as of the statement of financial position date.

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities.

Deferred tax

Deferred tax is calculated at the statement of financial position date using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts.

Deferred taxes are recognised for all taxable and deductible temporary differences, except for the deferred tax arising from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting, nor taxable profit or loss.

Deferred 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.

2.19 Joint arrangements

Joint arrangements according to IFRS 11 may have either a joint operation or a joint venture form.

The classification depends on contractual rights and obligations of each investor, rather than the legal structure of a joint arrangement.

According to participation in joint operations, the Company recognises assets controlled and liabilities incurred and its share on all jointly held assets and jointly incurred liabilities and its share on revenue and costs generated by the joint operations according to valid terms of relevant contracts.

The Company is in a joint arrangement with company Česká telekomunikační infrastruktura a.s. concerning a 2G and 3G network sharing, i.e., sharing of active and passive mobile network elements on a territorial basis of Czech Republic and sharing of LTE technologies for mobile networks. Signed contracts are based on balanced principles and after having considered the contractual rights and obligations, they were assessed as joint arrangements according to IFRS 11. For this classification was determining, that the major of strategic decisions were specified jointly next to signing of a contract or will be done during validity of the contract. The arrangement is a joint operation, because it does not involve a separate legal entity comprising the activities performed under the arrangement.

2.20 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent liabilities reported at the end of the period and the reported amounts of revenue and expenses for that period. Actual results may differ from these estimates.

In the process of applying the Company's accounting policies, management has made the following judgements, estimates and assumptions which have the most significant effect on the amounts recognised in the financial statements:

Useful lives of non-current assets

The estimation of the useful lives of non-current assets is a matter of judgement based on the Company's experience with similar assets. Management reviews the estimated remaining useful lives of non-current assets annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are accounted for by changing the depreciation or amortisation period, as appropriate, and are treated as changes in accounting estimates. Management's estimates and judgements are inherently prone to inaccuracy, in particular for those assets for which no previous experience exists.

Assessment of impairment of goodwill

Goodwill is tested annually for impairment as further described in Note 2.6 using estimates detailed in Note 16.

Content rights

The Company recognizes the content licences as intangible assets if it is highly probable that the content will be delivered, contract duration is longer than one year and the cost are determined or determinable. Acquired content licences are recognised at acquisition cost. If there is no fixed price defined in the contract, the Company uses the best estimate to assess the fee during the contracted period. The useful lives of content licences are based on the underlying agreements and are amortised on a straight-line basis over the period from availability for commercial use until the end of the licence term which is granted to the Company. Content contracts which do not meet the criteria for capitalization are expensed and presented in 'other operating costs' in the statement of profit or loss and other comprehensive income.

Asset retirement obligation

The Company enters into lease contracts for land and premises on which mobile communication network technologies and buildings are sited. The Company is committed by these contracts to dismantle the network technologies and buildings and restore the land and premises to their original condition. Management anticipates the probable settlement date of the obligation to equal useful life of leased assets, which is estimated to be from 5 to 30 years depending on leased asset.

Management's determination of the amount of the asset retirement obligation (Note 25) involves the following estimates (in addition to the estimated timing of crystallisation of the obligation):
a) an appropriate risk-adjusted, pre-tax discount rate commensurate with the Company's credit standing;
b) the amounts necessary to settle future obligations;
c) inflation rate.

Provisions and contingent liabilities

The Company is a participant in several lawsuits and regulatory proceedings. When considering the recognition of a provision, management judges the probability of future outflows of economic resources and its ability to reliably estimate such future outflows. If these recognition criteria are met a provision is recorded in the amount of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Such judgments and estimates are continually reassessed taking into consideration the developments of the legal cases and proceedings and opinion of lawyers and other subject matter experts involved in resolution of the cases and proceedings. The factors considered for individual cases are described in Notes 25 and 33.

2.21 Restatement of Comparatives

In 2022, the Company changed an accounting policy regarding arrangements where the Company acts as a reseller of another party's branded digital goods or services with a virtually unlimited supply. Previously, the Company was considered to be in a Principal position (brutto presentation of revenues), if it controlled the digital goods or services itself or alternatively if it controlled a right to another party's goods or services.

Under the new policy, the option to control a right was removed from indicating a Principal position due to the fact that it does not meet the definition of control as per IFRS 15 (i.e., the Company cannot prevent others from directing the use of and obtaining the benefits from the goods or services precisely due to their unlimited nature).

As a result of the policy change, a number of arrangements have been reclassified from a Principal to an Agent position (netto presentation of revenues). The new policy was applied retrospectively by restating the comparative period figures (please see table below) in accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

The Company has changed classification of some categories of Staff costs, Interconnection fees and other telecommunication services and Other operating costs to provide their better specification and understanding.

The following restatement, in accordance with IAS 1.38, have been made for the purpose of comparability of data in reported periods in the statement of profit or loss and other comprehensive income:

Financial statement line	Financial statements 2021	Restatement	Financial statements 2022 – Comparatives 2021
Revenue - Fixed network revenue	5,283	(19)	5,264
Revenue - System solutions/IT	2,959	(623)	2,336
Staff costs – Wages and salaries	(2,936)	111	(2,825)
Interconnection fees and other telecommunication services	(4,901)	235	(4,666)
Other operating costs - Content fees	(372)	29	(343)
Other operating costs - Customer solutions	(686)	623	(63)
Other operating costs – IT services	(400)	(54)	(454)
Other operating costs – HR related costs	–	(111)	(111)
Other operating costs – Facility costs	–	(48)	(48)
Other operating costs – Loss on disposal of property and equipment and intangible assets, net	(16)	(2)	(18)
Other operating costs – Rentals and leases (not in scope of IFRS 16)	(42)	42	–
Other operating costs - Other	(335)	(183)	(519)
Total impact		–	

The reclassification has no impact on the financial result of the Company.

The Company also has changed classification of some categories of Provisions and Other liabilities to provide their better specification and understanding.

The Company updated useful life of Right-of-use assets representing rented space on towers/masts to install own technology equipment and recalculated also related Lease liability.

The following restatement, in accordance with IAS 1.38, have been made for the purpose of comparability of data in reported periods in the statement of financial position:

Financial statement line	Financial statements 2021	Restatement	Financial statements 2022 – Comparatives 2021
Provisions (current)	804	(14)	790
Other liabilities (current)	1,054	14	1,068
Right-of-use assets	7,239	(456)	6,783
Lease liabilities	5,689	456	5,233
Total impact		–	

2.22 Adoption of IFRS during the year

Standards, interpretations and amendments to published standards effective for the Company's accounting period beginning on 1 January 2022

The following amendments are effective as of 1 January 2022, however the Company elected to adopt them earlier:
a) Reference to the Conceptual Framework – Amendments to IFRS 3
b) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
c) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

The annual improvements package (2018–2020 cycle) includes the following minor amendments:
d) IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter
e) IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities
f) IFRS 16 Leases - Lease Incentives
g) IAS 41 Agriculture – Taxation in fair value measurement

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New standards and interpretations not yet adopted

The new standards, amendments to the standards and interpretations endorsed by EU which are not yet effective and have not been early adopted are not expected to have a significant impact on the Company's financial statements.

2.23 Impact of Covid-19 and the military conflict in Ukraine on financial statements at 31 December 2022

The coronavirus pandemic developed into a global economic crisis. Due to higher demand for certain telecommunications services, the impact of the crisis is being felt less severely by the telecommunications industry and the Company than by other industries. Business activities and thus the results of operations and financial position of the Company were impacted by the coronavirus pandemic in various business areas, affecting revenue and earnings, although not to any significant extent. At this time, we can report only minor impact with respect to payment defaults and customer numbers, but no material specific impairment allowance to the Company's receivables was recorded neither as of 31 December 2022 nor as of 31 December 2021.

Impairment reviews are ordinarily performed on an annual basis. As at 31 December 2022, the Company reviewed whether there are any new impairment indicators present due to the uncertainty caused by Covid-19. No significant adjustment to Company's accounting estimates has been deemed necessary. There is no reason to believe that additional impairment would be required.

Possible future effects on the measurement of individual assets and liabilities are being analyzed on an ongoing basis.

In late February 2022 ongoing political tension between Russia and Ukraine escalated in a conflict with a military invasion of Russian forces in Ukraine. The worldwide reaction to Russia's violation of international law and aggression against Ukraine was the imposition of extensive sanctions and limitations on business activity. Overall effect of the recent development is increased volatility in the financial and commodity markets, as well as consequences on the economy in general. Business risks comprising adverse effects of economic sanctions imposed on Russia, business interruptions (including supply chain), increased occurrences of cyber-attacks, legal and regulatory compliance risk and many other risks may generally occur. The Company has assessed these risks. The impact on the business activities and thus the results of operations and financial position of the Company in various business areas is not significant.

Overall situation is monitored on ongoing basis and continually evaluated.

3. Financial risk management

The Company is exposed to a variety of financial risks. The Company's risk management policy addresses the unpredictability of financial markets and seeks to minimize potential adverse effects on the performance of the Company.

Based on its risk assessment, the Company uses selected derivative and non-derivative hedging instruments to manage exposures. The derivatives are used solely for hedging purposes, not for trading or speculating. In order to manage credit risk, the hedging transactions are generally entered into with institutions that meet the requirements of the Company's hedging strategy for required rating.

The Company's financial instruments include cash and cash equivalents, trade receivables, intra-group loans, short-term deposits and intra-group funding measures (i.e. cash pooling or additional financing facilities). The main purpose of these instruments is to manage the liquidity of the Company.

The Company also holds financial assets which represent its investment in subsidiaries, which are not accounted under IFRS 9. These financial assets are deemed to be long-term.

The Company has various other financial assets and liabilities such as trade and other receivables and trade and other payables which arise from its operations.

The main risks arising from the Company's financial instruments are market risk, credit risk and liquidity risk. The Treasury is responsible for financial risk management (except for credit risk arising from sales activities which is managed by the Credit Risk Department), in accordance with guidelines approved by the Board of Directors and the Deutsche Telekom Group Treasury. The Company's Treasury Department works in association with the Company's other operating units and with the Deutsche Telekom Group Treasury. There are policies in place to cover specific areas, such as market risk, credit risk, liquidity risk and the investment of excess funds.

3.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk.

3.1.1 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in foreign exchange rates.

The Company is exposed to transactional foreign currency risk arising from international interconnectivity. In addition, the Company is exposed to risks arising from capital and operational expenditures denominated in foreign currencies.

For all planned, but not yet determined, foreign currency denominated cash flows (uncommitted net exposure) of the following 12 months (rolling 12-month approach) a hedging ratio of at least 50% of net foreign-exchange exposure is applied. The Company uses foreign exchange spot and foreign exchange fixed-term financial contracts to hedge these uncommitted net exposures.

Short-term cash flow forecasts are prepared on a rolling basis to quantify the Company's expected exposure. The Company's risk management policy requires the hedging of every cash flow denominated in foreign currency exceeding the equivalent of EUR 250 thousand.

The Company's foreign currency risk relates mainly to the changes in EUR foreign exchange rate, with immaterial risk related to financial assets and financial liabilities denominated in other foreign currencies (SDR, USD, CHF, GBP, AUD).

The carrying amounts of the Company's EUR denominated monetary assets and monetary liabilities at the reporting date are as follows:

	31. 12. 2022	31. 12. 2021
Monetary assets	1,326	895
Monetary liabilities	(1,182)	(1,318)
	144	**(423)**

The following table details the sensitivity of the Company's profit after tax to a 10% increase/decrease in EUR against CZK, with all other variables held as constant. The 10% change represents management's assessment of the reasonably possible change in foreign exchange rate and is used when reporting foreign currency risk internally in line with treasury policies.

Profit after tax	2022	2021
Depreciation of EUR by 10%	(13)	(34)
Appreciation of EUR by 10%	13	34

3.1.2 Interest rate risk

The Company's income and operating cash flows are substantially independent of changes in market interest rates. The Company entered into a Master agreement for derivatives and investment contracts with DTAG in June 2008 as further amended based on which the Company can provide loans to DTAG. Currently, there is an outstanding loan in the amount of CZK 5,418 million (2021: CZK 5,806 million) at fixed interest rate (Note 22).

The Company has no material financial instruments with variable interest rates as at 31 December 2022 and 31 December 2021.

3.1.3 Other price risk

Other price risk arises on financial instruments because of changes in commodity prices or equity prices. However, there are no such financial instruments that would have been materially impacted from changes in commodity of equity prices.

3.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Company is exposed to credit risk from its operating activities and certain investing activities. The Company's credit risk policy defines products, maturities of products and limits for financial counterparties. The Company limits credit exposure to individual financial institutions on the basis of the credit ratings assigned to these institutions by reputable rating agencies and these limits are reviewed on a regular basis. The Company makes only short-term cash deposits. The Company deposits free cash into financial instruments such as financial investments in the form of loans to DTAG. The Company is exposed to full concentration of credit risk from holding loan receivable from DTAG (Germany) in the amount of CZK 5,418 million (2021: CZK 5,806 million from DTAG and CZK 68 million from Planet A), as well as from cash pool receivable from DTAG of CZK 1,366 million (2021: CZK 1,378 million). Concentration from trade receivables from DTAG, subsidiaries and other entities in DT Group is 10.8% (2021: 11.9%) and is in amount of CZK 481 million (2021: CZK 533 million). The concentration of credit risk for trade receivables other than from entities in DT Group is limited due to the fact that the customer base is large and unrelated.

The Company's cash and cash equivalents are held with major regulated financial institutions; the three largest ones hold approximately 48%, 31% and 14% respectively (2021: 61%, 19% and 7% respectively).

For credit ratings see the following tables:

Loans (Note 22)	31. 12. 2022	31. 12. 2021
BBB- to BBB+	5,418	5,806
Not rated	–	68
	5,418	**5,874**

Cash and cash equivalents (Note 23)	31. 12. 2022	31. 12. 2021
A-to A+	180	260
Not rated	42	31
	222	**291**

Further, counterparty credit limits and maximum maturity can be decreased based on recommendation by Deutsche Telekom Group Treasury in order to manage bulk risk steering of Deutsche Telekom Group. Group credit risk steering takes into account various risk indicators including, but not limited to CDS (Credit Default Swap) level and rating.

The Company establishes an allowance for impairment that represents its estimate of expected credit losses in respect of trade, other receivables and contract assets. Cash and cash equivalents and intercompany receivables are also subject to the impairment requirements of IFRS 9, however, the identified impairment loss determined based on probability of default would be immaterial. The receivables from the DTAG group do not give rise to a significant credit risk. The Company has considered the financial performance, external debt and future cash flows of the related parties and concluded that the credit risk relating to these receivables is limited and consequently the probability of default relating to these balances is low.

Impairment is recognized both upon initial recognition and at each subsequent reporting date at an amount equal to the lifetime expected credit losses. Objective evidence of impairment for a portfolio of receivables includes the Company's past experience of collecting payments, changes in the internal and external ratings of customers, current conditions and the Company's view of economic conditions over the expected lives of receivables.

In respect of financial assets, which comprise cash and cash equivalents, intra-group loans, term deposits, trade and other receivables, the Company's exposure to credit risk arises from the potential default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets. The Company considers a financial asset to be in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before contractual payments are 90 days past due. For example, in case of an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

The Company assesses its financial investments at each reporting date to determine whether there is any objective evidence that they are impaired. A financial investment is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that investment. Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. An impairment loss in respect of a financial asset is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. All impairment losses are recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. The reversal of the impairment loss is recognised in profit or loss.

The table summarises the ageing structure of receivables based on IFRS 9:

At 31 December 2022	**Not past due**			**Past due**			**Total**
		< 30 days	**31–90 days**	**91–180 days**	**181–365 days**	**> 365 days**	
Trade and other Receivables (gross)	8,378	424	103	82	170	1,762	10,919
Allowance for ECL	(1,078)	(42)	(22)	(40)	(111)	(1,709)	(3,002)
Trade and other receivables (net)	**7,300**	**382**	**81**	**42**	**59**	**53**	**7,917**

At 31 December 2021	**Not past due**			**Past due**			**Total**
		< 30 days	**31–90 days**	**91–180 days**	**181–365 days**	**> 365 days**	
Trade and other receivables (gross)	5,713	374	178	122	154	1,848	8,389
Allowance for ECL	(175)	(35)	(50)	(63)	(109)	(1,771)	(2,203)
Trade and other receivables (net)	**5,538**	**339**	**128**	**59**	**45**	**77**	**6,186**

The percentage rate for impairment according to provision matrix for individual ageing bands for Core receivables (which represents majority of receivables) are as follows:

	Not past due				**Past due**		
		< 30 days	**31–90 days**	**91–180 days**	**181–365 days**	**> 365 days**	**> 3600 days**
At 31 December 2022	1–2%	3–14%	21–33%	40–54%	58–73%	74–95%	97–100%
At 31 December 2021	1–2%	3–14%	21–33%	40–54%	58–73%	74–95%	97–100%

For aging structure of contract assets refer to Note 19.

No significant individually impaired trade receivables were included in the allowance for impairment losses in 2022 and 2021.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 18, 22 and 23.

The gross carrying amount of Trade and other receivables, reflecting the maximum exposure to credit risk as at 31 December 2022 was CZK 10,919 million (31 December 2021: CZK 8,389 million)

For sensitivity of impairment charge of uncollectible receivables refer to Note 18.

3.3 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are to be settled by delivering cash or another financial asset.

Short-term highly liquid assets of the Company (such as cash and cash equivalents, cash pooling receivable and intercompany short-term loans) significantly exceed total balance of Company´s payables without Trade and other receivables and other current assets taken into account, therefore liquidity risk of the Company is considered to be low:

	31. 12. 2022	31. 12. 2021
Cash and cash equivalents	222	291
Cash pooling receivable (included in Trade and other receivables)	1,366	1,377
Loans	5,418	5,874
	7,006	**7,542**

The Company's liquidity risk mitigation principles define the level of cash and cash equivalents, marketable securities, short-term financial assets and intragroup financing measures in line with DT Group Centralized funding approach available to the Company to allow it to meet its obligations on time and in full. Liquidity needs are to be covered by intragroup funding measures of DT Group, i.e. cash pooling or additional financing facilities, then also cash, cash equivalents and liquid short term financial assets with the objective of holding predetermined minimum amounts of cash and cash equivalents and credit facilities available on demand.

The table summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

At 31 December 2022	**On demand**	**Less than 3 months**	**3 to 12 months**	**Over 1 year**	**Total**
Trade and other payables	1,081	5,192	–	22	6,295
Currency forward contracts with negative fair value	–	584	1,855	–	2,439
Currency forward contracts with positive fair value	–	–	–	–	–
Total forward contractsa	**–**	**584**	**1,855**	**–**	**2,439**
Total financial liabilities	**1,081**	**5,776**	**1,855**	**22**	**8,734**

At 31 December 2021	**On demand**	**Less than 3 months**	**3 to 12 months**	**Over 1 year**	**Total**
Trade and other payables	1,945	2,167	110	24	4,246
Currency forward contracts with negative fair value	–	611	949	–	1,560
Currency forward contracts with positive fair value	–	49	31	–	80
Total forward contracts[a]	**–**	**660**	**980**	**–**	**1,640**
Total financial liabilities	**1,945**	**2,827**	**1,090**	**24**	**5,886**

[a] Contracted nominal value. Under the contracts the Company will pay the nominal amounts in CZK and receive amounts in foreign currencies stated based on the agreed forward exchange rates.

The total undiscounted lease liabilities are as follows:

	31. 12. 2022	31. 12. 2021
Up to 1 year	924	910
1 to 5 years	3,165	2,952
Over 5 years	2,722	3,162
Total undiscounted cash flows (lease liability)	**6,811**	**7,024**

3.3.1 Offsetting financial assets and liabilities

The following financial assets and liabilities are subject to offsetting:

At 31 December 2022	Gross amounts	Offsetting	Other (exchange rate revaluation)	Net amounts
Current financial assets – Trade receivables	156	(145)	–	11
Current financial liabilities – Trade payables	155	(145)	–	10

At 31 December 2021	Gross amounts	Offsetting	Other (exchange rate revaluation)	Net amounts
Current financial assets – Trade receivables	730	(692)	(2)	36
Current financial liabilities – Trade payables	717	(694)	–	23

For the Company's accounting policy on offsetting refer to Note 2.9. Balances of Trade receivables and Trade payables are presented on a net basis in the statement of financial position.

3.4 Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for the shareholder and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

The Company's management proposes to the owner of the Company (through the Board of Directors) to approve dividend payments or adopt other changes in the Company's equity capital in order to optimize the capital structure of the Company. This can be achieved primarily by adjusting the amount of dividends paid to the shareholder, or alternatively, by returning capital to the shareholder by capital reductions, issue new shares or sell assets to reduce debt. The Company also takes into consideration any applicable guidelines of the ultimate parent company. No changes were made to the objectives, policies or processes in 2022.

The capital structure of the Company consists of equity attributable to shareholder, comprising issued capital, share premium, statutory reserve fund, retained earnings and other components of equity (Note 24). Management of the Company manages capital measured in terms of shareholder's equity amounting to CZK 34,557 million at 31 December 2022 (2021: CZK 33,375 million).

3.5 Fair values

Fair value measurement is analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on observable market data (that is, unobservable inputs). Management applies judgement in categorising financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a level 3 measurement. The significance of a valuation input is assessed against the fair value measurement in its entirety.

Financial instruments measured at fair value through profit or loss (for trading) at level 2 are represented by currency forward contracts (refer to Note 3.6). Fair values of financial instruments at level 2 are based on monetary yield curves determined at the balance sheet date which are based on the market prices valid as at the end of the reporting period. The Company does not have any financial assets and liabilities that are measured at fair value at level 1 and 3.

3.5.1 Recurring fair value measurement

Recurring fair value measurements are those that the accounting standards require or permit in the statement of financial position at the end of each reporting year. There were no recurring fair value measurements in 2022 and 2021, except for currency forward contracts.

3.5.2 Non-recurring fair value measurement

There were no non-recurring fair value measurements in 2022 and 2021.

3.5.3 Financial assets and financial liabilities not measured at fair value

The fair value of other financial assets and financial liabilities approximate their carrying amounts at the statement of financial position date. The loans are short-term, individual tranches of the loan are provided from 2 to 6 weeks. For further details on loans refer to Notes 3.2 and 22. Financial assets and financial liabilities are discounted unless the effect of discounting was inconsiderable.

3.5.4 Accounting for derivative financial instruments and hedging activities

Derivative financial instruments are initially recognised in the statement of financial position at fair value. In assessing the fair value of derivatives, the Company uses the present value of estimated future cash flows under assumptions based on market conditions existing as at statement of financial position date.

The Company uses currency forward contracts to hedge estimated cash flows. The Company decided to account for these contracts as "held for trading derivatives" even though the requirements defined in IFRS 9 for hedge accounting could be met. As such, the Company did not apply hedge accounting in 2022 and 2021 and all currency forward contracts are recognised as held for trading derivatives with changes in fair value being reflected in profit or loss.

As at the end of 2022, the Company had open currency forward contracts with a total nominal value of CZK 2,439 million (as at 31 December 2021: CZK 1,640 million). These transactions focus on managing currency risks associated with the settlement of the Company's future liabilities resulting from the customer-supplier relations and denominated in EUR and USD. All currency forward contracts as at 31 December 2022 were initiated during 2022 with maturity by the end of 2023. During 2022, currency forward contracts in the total nominal value of CZK 2,639 million were settled (in 2021: CZK 2,507 million).

3.6 Presentation of financial instruments by measurement category

	31. 12. 2022	31. 12. 2021
ASSETS		
Financial assets at amortised cost		
– Trade and other receivables (Note 18) – other than those at fair value through profit or loss	7,917	6,183
– Loans (Note 22)	5,418	5,874
– Cash and cash equivalents (Note 23)	222	291
Financial assets at fair value through profit or loss (for trading) at level 2		
– Trade and other receivables (Note 18) – Currency forward contracts with positive fair value	–	3
LIABILITIES		
Financial liabilities at amortised cost		
– Trade and other payables (Note 26) – other than those at fair value through profit or loss	5,994	4,211
– Lease liabilities (Note 27)	6,331	6,424
Financial liabilities at fair value through profit or loss (for trading) at level 2		
– Trade and other payables (Note 26) - Currency forward contracts with negative fair value	146	35

Due to the short-term nature of the loans their carrying amount is considered to be the same as their fair value. For the maturity of the loan refer to Note 22.

4. Revenue from contract with customers

	2022	2021[a]
Fixed network revenue	5,357	5,264
Mobile network revenue	19,321	18,929
Terminal equipment	2,863	2,595
System solutions / IT	2,447	2,336
Other	159	192
	30,147	**29,316**

[a] Reclassifications in comparatives were described in Note 2.21.

For assets and liabilities related to contracts with customers or cost to obtain a contract with customers refer to Note 19.

5. Other operating income

	2022	2021
Reversal of provisions	567	–
Gain on disposal of property and equipment and intangible assets, net	–	–
Income from re-invoicing of services	119	79
Other	44	73
	730	**152**

The amount of reversal of provisions is made of release of the provision for the regulatory case dealt with by the European Commission as described in Note 25.

6. Staff costs

	2022	2021[a]
Wages and salaries	2,908	2,825
Defined contribution pension costs	603	590
Other social security contributions	314	301
	3,825	**3,716**

[a] Reclassifications in comparatives were described in Note 2.21.

	2022	2021
Number of employees at year end	3,284	3,276
Average number of employees during the year[b]	3,133	3,196

[b] The average number of employees during the year is based on an average recalculated number of full-time employees.

Majority of own work capitalized in the amount of CZK 378 million (2021: CZK 305 million) represents capitalization of wages and salaries of internal employees.

7. Material and equipment

The increase of the balance of Material and equipment in 2022 is mainly caused by the increase of sale of telecommunication equipment, particularly handsets, driven by successful marketing campaigns in 2022.

8. Interconnection fees and other telecommunication services

Interconnection fees and other telecommunication services balances include cost of leased capacity of telecommunication lines at the amount of CZK 558 million in 2022 (2021: CZK 513 million).

9. Other operating costs

	2022	2021[c]
Repairs and maintenance	784	790
Dealer commissions	1,044	912
Marketing costs	646	539
Energy	488	372
IT services	499	454
Content fees	482	343
Fees paid to group companies	354	268
Frequency fees	308	326
Logistics	111	108
Consultancy	92	108
HR related costs	90	111
Customer solutions	80	63
Facility costs	51	48
Printing and postage	44	10
Legal and regulatory claims (Note 25)	16	(33)
Rentals and leases (not in scope of IFRS 16)	–	–
Loss on disposal of property and equipment and intangible assets, net	25	18
Other	433	950
	5,547	**5,387**

[c] Reclassifications in comparatives were described in Note 2.21.

10. Financial income

	2022	2021
Interest income	340	69
Foreign exchange gains, net	–	–
Other financial income	1	1
	341	**70**

The increase in interest income is caused by the general increase in market interest rates affecting mainly interest income from cash pooling receivable and intercompany loan, both provided to DTAG.

11. Financial expense

	2022	2021
Interest expense from lease	185	233
Other interest expense	9	–
Foreign exchange losses, net	198	58
	392	**291**

12. Taxation

The major components of income tax expense for the years ended 31 December are:

	2022	2021
Current tax expense	1,687	1,592
Current tax expense of prior years	17	76
Deferred tax income	(41)	(100)
Total income tax expense	**1,663**	**1,568**

Reconciliation between the reported income tax expense and the theoretical amount that would arise using the statutory tax rate is as follows:

	2022	2021
Profit before income tax	8,653	7,824
Income tax calculated at the statutory rate of 19% (2020: 19%)	1,644	1,487
Effect of non-taxable income and tax non-deductible expenses:		
– Non-tax deductible expenses	82	46
– Non-taxable income	(77)	(40)
Tax charge in respect of prior years	17	76
Other	(3)	(1)
Income tax at the effective tax rate of 20% (2021: 20%)	**1,663**	**1,568**

Deferred tax assets (liabilities) calculated at the statutory rate of 19% which is the rate valid for 2023 and subsequent years (2021: 19%) and for the year ended 31 December are attributable to the following items:

	Impact of the merger	1 January 2022	Recognized through profit or loss	31 December 2022
Difference between carrying and tax value of fixed assets	(32)	(740)	(11)	(751)
Lease liabilities	–	1,221	(18)	1,203
Right-of-use assets	–	(1,148)	66	(1,082)
Provisions and Liabilities to employees	–	315	6	321
Contract assets and Contract Costs	–	(269)	(32)	(301)
Other	–	97	30	127
Net deferred tax liability	**(32)**	**(524)**	**41**	**(483)**

	1 January 2021	Recognized through profit or loss	31 December 2021
Difference between carrying and tax value of fixed assets	(784)	76	(708)
Lease liabilities	1,339	(118)	1,221
Right-of-use assets	(1,271)	123	(1,148)
Provisions and Liabilities to employees	309	6	315
Contract assets and Contract Costs	(227)	(42)	(269)
Other	42	55	97
Net deferred tax liability	**(592)**	**100**	**(492)**

	31. 12. 2022	31. 12. 2021
Deferred tax asset to be settled within 12 months	438	390
Deferred tax asset to be settled after more than 12 months	1,223	1,243
Deferred tax liability to be settled within 12 months	(178)	(153)
Deferred tax liability to be settled after more than 12 months	(1,966)	(1,972)
Net deferred tax liability	**(483)**	**(492)**

13. Intangible assets

	Customer relationships	Software	Telco licences	Other licences and rights	Internally developed intangible assets	Goodwill	Intangibles under construction	Total
At 1 January 2022								
Cost	2,049	13,774	9,123	1,093	467	1,302	1,912	29,720
Accumulated amortisation	(1,995)	(11,825)	(5,661)	(915)	(458)	–	–	(20,854)
Net book value	**54**	**1,949**	**3,462**	**178**	**9**	**1,302**	**1,912**	**8,866**
Cost (after impact of the merger)	2,214	13,792	9,123	1,093	467	1,492	1,912	30,093
Accumulated amortisation (after impact of the merger)	(2,034)	(11,835)	(5,661)	(915)	(458)	–	–	(20,903)
Net book value (after impact of the merger)	**180**	**1,957**	**3,462**	**178**	**9**	**1,492**	**1,912**	**9,190**
Additions	–	433	–	217	4	–	1,055	1,709
Amortisation charge	(74)	(725)	(552)	(199)	(11)	–	–	(1,561)
Disposals	–	(3)	–	–	–	–	(6)	(9)
Transfers	–	522	620	(44)	5	–	(1,103)	–
At 31 December 2022								
Cost	2,214	14,569	9,712	757	476	1,492	1,857	31,077
Accumulated amortisation	(2,108)	(12,383)	(6,183)	(605)	(468)	–	–	(21,747)
Net book value	**106**	**2,186**	**3,529**	**152**	**8**	**1,492**	**1,857**	**9,330**

The Company has additions in amount of CZK 1,709 million out of which is CZK 582 million represented by spectrum assignment for 2,1 GHz band which is valid from 2024 and remains in Intangibles under construction. The remaining additions comprise new software, T-Mobile TV licences and applications and improvements of other currently used IT systems and applications.

Goodwill was recognised at the merger of T-Mobile CZ with T-Systems Czech Republic, GTS Czech, LEMO Internet, RegioNET Morava and Planet A.

	Customer relationships	Software	Telco licences	Other licences and rights	Internally developed intangible assets	Goodwill	Intangibles under construction	Total
At 1 January 2021								
Cost	2,153	13,004	7,619	1,289	508	1,302	1,719	27,594
Accumulated amortisation	(1,917)	(11,505)	(5,163)	(767)	(503)	–	–	(19,855)
Net book value	**236**	**1,499**	**2,456**	**522**	**5**	**1,302**	**1,719**	**7,739**
Additions	–	657	1,407	179	4	–	545	2,792
Amortisation charge	(182)	(660)	(468)	(339)	(10)	–	0	(1,659)
Disposals	–	(1)	–	(2)	–	–	(3)	(6)
Transfers	–	454	67	(182)	10	–	(349)	–
At 31 December 2021								
Cost	2,049	13,774	9,123	1,093	467	1,302	1,912	29,720
Accumulated amortisation	(1,995)	(11,825)	(5,661)	(915)	(458)	–	–	(20,854)
Net book value	**54**	**1,949**	**3,462**	**178**	**9**	**1,302**	**1,912**	**8,866**

The Company received a spectrum assignment in 700 MHz and 3.X GHz band in the amount of CZK 1,890 million in 2021 which has been partially activated in Telco licences in the amount of CZK 1,407 million. The rest remained in Intangibles under construction. The remaining additions comprise new softwares, T-Mobile TV licences and applications and improvements of other currently used IT systems and applications.

Significant individual intangible assets

Telco licences

The carrying values and remaining amortization periods of the telco licences are stated in the table below. For further information on these assets, please see Note 1.

	31. 12. 2022		31. 12. 2021	
	Carrying amount	Remaining amortization period in years	Carrying amount	Remaining amortization period in years
"GSM" licence	117	2	172	3
"UMTS" licence	349	2	549	3
"LTE" licence	1,789	7	1,367	8
"5G" licence	1,274	14	1,374	15
	3,529		**3,462**	

In 2022 the Company activated LTE licences 2600 MHz in amount CZK 620 million. The residual part of spectrum assignment in 700 MHz and 3.X GHz band to be used for "5G" services received in 2021 remains in Intangibles under construction.

In 2022 the Company received a renewal of spectrum assignment in 2,1 GHz for the period of 18 years for the total consideration in the amount of CZK 582 million. As at 31 December 2022 the right to use the frequency band is presented as asset in the course of construction as it is valid from 2024.

In 2021 the Company received a spectrum assignment in 700 MHz and 3.X GHz band to be used for "5G" services for the period of 15 and 11 years for the total consideration in the amount of CZK 1,890 million. As at 31 December 2022 the right to use a frequency band was ready to use in the carrying amount of CZK 1,274 million (31 December 2021: CZK 1,374 million). The residual part of the right to use this frequency band was not ready to use yet as the Company has not asked for granting of the Individual right authorization yet. Without this authorization the broadcasting cannot be provided to customers. As at 31 December 2022 the right to use this frequency band presented as asset in the course of construction was at amount of CZK 483 million (31 December 2021: CZK 483 million).

In 2016 the Company purchased a right to use frequency band for the provision of public communications network in 2600 MHz for the period of 13 years for total consideration in the amount of CZK 730 million. As at 31 December 2022 the total amount was ready to use. As at 31 December 2021 the right to use frequency band is presented as asset in the course of construction. The right to use frequency band was not ready to use as the Company had not asked for granting of the Individual right authorization yet. Only part of it in the amount of CZK 115 million was already used for broadcasting as at 31 December 2021.

Software

The significant part of software balance comprises NG CRM, a new platform for client relationship management (CRM) system. The carrying value of NG CRM as at 31 December 2022 is CZK 957 million plus CZK 2 million under construction (31 December 2021: CZK 999 million plus CZK 5 million under construction).

The other significant portion of software balance is made by new enterprise information system One.ERP. The carrying value of One.ERP as at 31 December 2022 is CZK 46 million (31 December 2021: CZK 324 million plus CZK 5 million under construction).

The systems are being implemented in stages and the last modules are still under construction. The migrations to new systems affected a number of existing software and systems of which the modification was needed. The amount of these capital expenditures is not included in the carrying amount of NG CRM and One.ERP but in the carrying value of existing software and systems.

14. Property and equipment

	Land and buildings	Telecommu-nications line network	Transmission and switching equipment	Other	Construction in progress including advances	Total
At 1 January 2022						
Cost	4,688	4,986	17,160	5,207	3,238	35,279
Accumulated depreciation	(2,781)	(2,373)	(12,314)	(3,540)	(46)	(21,054)
Net book value	**1,907**	**2,613**	**4,846**	**1,667**	**3,192**	**14,225**
Cost (after impact of the merger)	4,689	5,171	17,160	5,247	3,308	35,575
Accumulated depreciation (after impact of the merge)	(2,782)	(2,429)	(12,314)	(3,568)	(46)	(21,139)
Net book value (after impact of the merge)	**1,907**	**2,742**	**4,846**	**1,679**	**3,262**	**14,436**
Additions	24	123	653	240	2,094	3,134
Depreciation charge	(176)	(226)	(1,467)	(344)	–	(2,213)
Impairment charge	–	–	(4)	(1)	–	(5)
Reversal of impairment	–	–	–	–	8	8
Disposals	(6)	–	(32)	(18)	(16)	(72)
Transfers	16	228	532	40	(816)	–
At 31 December 2022						
Cost	4,683	5,512	17,482	5,103	4,534	37,314
Accumulated depreciation	(2,917)	(2,645)	(12,954)	(3,511)	(1)	(22,028)
Net book value	**1,766**	**2,867**	**4,528**	**1,592**	**4,533**	**15,286**

The additions of tangible fixed assets in 2022 comprise mainly the construction of own optical network and purchase of technology equipment, especially customer premises equipment.

	Land and buildings	Telecommu-nications line network	Transmission and switching equipment	Other	Construction in progress including advances	Total
At 1 January 2021						
Cost	4,568	4,601	17,442	4,858	2,596	34,065
Accumulated depreciation	(2,555)	(2,170)	(12,252)	(3,022)	–	(19,999)
Net book value	**2,013**	**2,431**	**5,190**	**1,836**	**2,596**	**14,066**
Additions	37	189	370	175	1,890	2,661
Depreciation charge	(214)	(197)	(1,559)	(401)	–	(2,371)
Impairment charge	–	–	(1)	(5)	(54)	(60)
Disposals	(7)	–	(18)	(33)	(13)	(71)
Transfers	78	190	864	95	(1,227)	–
At 31 December 2021						
Cost	4,688	4,986	17,160	5,207	3,238	35,279
Accumulated depreciation	(2,781)	(2,373)	(12,314)	(3,540)	(46)	(21,054)
Net book value	**1,907**	**2,613**	**4,846**	**1,667**	**3,192**	**14,225**

The additions of tangible fixed assets in 2021 comprise mainly the construction of own optical network and purchase of technology equipment, especially customer premises equipment.

15. Right-of-use assets

The Company has lease contracts for various items:
a) space on telecommunication infrastructure of third parties, rooftops and land to install own telecommunications equipment – the Company uses the space/area on third party landlord's land to construct its own masts or transmission towers. These masts and towers are used for telecommunications equipment (e.g. antennas) of the Company,
b) exclusive easements - an easement is a legal right to use, access, or cross another's property (such as land or common area in a building) for a specific limited purpose. Easements are granted mainly for the reasons to pass a cable over, under, or through an existing area of land.
c) shops – a retail space in a building or a mall,
d) operations buildings (less frequently in residential buildings) to place and operate technical equipment, e.g. servers, network equipment, etc.
e) office space - office space serves the Company's employees with space where they can execute their work,
f) leased lines - optical fiber leases.

The carrying amounts of right-of-use assets held by the Company are presented below:

	Leased land	Leased buildings	Leased technical equipment	Total
At 1 January 2022				
Cost	1,601	5,870	2,196	9,667
Accumulated depreciation	(302)	(2,008)	(574)	(2,884)
Net book value	**1,299**	**3,862**	**1,622**	**6,783**
Additions	220	504	116	840
Depreciation charge	(169)	(663)	(217)	(1,049)
Impairment charge	–	(38)	–	(38)
Disposals	(27)	(232)	(26)	(285)
Transfers	206	(207)	1	–
At 31 December 2022				
Cost	2,025	5,741	2,246	10,012
Accumulated depreciation	(495)	(2,516)	(749)	(3,760)
Net book value	**1,530**	**3,225**	**1,497**	**6,252**

Additions comprise of newly concluded leased contracts of CZK 126 million and contract prolongations of CZK 714 million.

Disposals arose due to early contract terminations (over 600 terminated contracts in 2022) or modifications, mainly shortening of lease term.

	Leased land	Leased buildings	Leased technical equipment	Total
At 1 January 2021				
Cost	1,491	5,465	2,055	9,011
Accumulated depreciation	(183)	(1,410)	(392)	(1,985)
Net book value	**1,308**	**4,055**	**1,663**	**7,026**
Additions	109	717	181	1,007
Depreciation charge	(167)	(676)	(218)	(1,061)
Impairment charge	–	(33)	–	(33)
Reversal of impairment	–	9	–	9
Disposals	(54)	(108)	(3)	(165)
Transfers	103	(103)	–	–
At 31 December 2021				
Cost	1,601	5,870	2,196	9,667
Accumulated depreciation	(302)	(2,008)	(574)	(2,884)
Net book value	**1,299**	**3,862**	**1,622**	**6,783**

Additions in 2021 comprise of newly concluded leased contracts of CZK 83 million and contract prolongations of CZK 924 million.

Disposals in 2021 arose due to early contract terminations (over 300 terminated contracts in 2021) or modifications, mainly shortening of lease term. For the lease liabilities refer to Note 27.

16. Impairment of goodwill

Goodwill was recognised as a result of mergers. Overview of merged companies with the Company and resulting goodwill are presented in the table below:

	31. 12. 2022	31. 12. 2021
T-Systems Czech Republic, a.s.	131	131
GTS Czech s.r.o.	1,144	1,144
Planet A, a.s.	190	–
LEMO Internet a.s.	11	11
RegioNET Morava, a.s.	16	16
	1,492	**1,302**

Goodwill was tested for impairment as of 31 December 2022. The Company is considered as one cash-generating unit ("CGU"). The recoverable amount of CGU is measured at the value in use. The calculations use cash flow projections based on financial budgets approved by management of the Company covering a ten-year period. Ten-year period reflects the assumptions for short- to mid-term market developments and is selected to achieve a steady state in the business outlook that is necessary for calculating the perpetual annuity. This steady state is only reached based on the planning horizon selected, in particular, due to sometimes long investment cycles in the telecommunications industry and the investments planned and expected in the long run to acquire and extend the rights of spectrum use. Cash flows beyond the ten-year period are extrapolated using the estimated long-term growth rate stated in the table below. This growth rate is consistent with forecasts included in industry reports specific to the industry in which the Company operates (telecommunications).

The calculation of expected future cash flows is based on an estimate of service revenue, operating expenditure (direct and indirect costs) and capital expenditure for the period 2023–2032.

Service revenue is projected separately for each main area (mobile, fixed, IT). Mobile revenues are projected based on the estimated number of subscribers in each year and the expected average revenue per user ("ARPU") in each year. Revenues from the fixed and IT businesses are estimated based on expected sales and sales prices.

The estimated number of customers/subscribers is based on past performance and management's expectations of market development. ARPU or sales prices are based on current industry trends and take into account the competition and other market factors.

Operating expenditure is based on the current structure of the business, adjusted for expected future developments, restructurings and cost saving measures. Capital expenditure is based on the historical experience of management and the planned development of the fixed and mobile network.

In general, the projections of the above-mentioned components of expected future cash flows take into account the expected economic development, the competition and other market factors, regulation, as well as the Company's strategy.

The weighted average cost of capital ("WACC") used in the calculation of a discount rate to discount the cash flow projections was determined based on CAPM (capital asset pricing model) using the average betas of the peer group, a risk free rate using the Svensson methodology for Germany and adjusted for country specific risks, a debt ratio in line with the usual indebtedness of listed peer telecommunications companies and an additional debt risk premium considering average peer Company specific debt risks. The estimated long-term growth rate ("LTGR") takes into account the expected economic growth of the country.

The fair value measurement is categorised within level 3 of the fair value hierarchy as per IFRS 13.

The analysis performed as at 31 December 2022 confirmed that the recoverable amount of the cash generating unit exceeds its carrying amount.

The table below shows the discount rate and LTGR used in the fair value calculation for the goodwill impairment tests conducted as of 31 December 2022 and as of 31 December 2021. The table also includes an analysis that shows how much impairment would have been recognized if we changed the sensitive parameters in the calculations

	31. 12. 2022	31. 12. 2021
Discount rate		
Used in the calculation	6.50%	5.24%
If changed to	10.50%	9.24%
Impairment would be (CZK million)	–	–
LTGR		
Used in the calculation	1%	1%
If changed to	(1%)	(1%)
Impairment would be (CZK million)	–	–
Nominal expected future cash flows		
If changed by	(30%)	(30%)
Impairment would be (CZK million)	–	–

If the nominal expected future cash flows, discount rates, or long-term growth rate used for impairment testing had been changed as described in the table above for the projection period, this would not have resulted in any impairment.

17. Investments in subsidiaries

Company holds the following investments in fully consolidated direct subsidiaries:

Name and registered office	Activity	Share and voting rights 2022	Share and voting rights 2021
CE Colo Czech s.r.o. Nad Elektrárnou 1428/47, Prague 10	Lease of space in data centres	100%	100%
Planet A, a.s. Tomíčkova 2144/1, Prague 4	Operation of public fixed telecommunications network and provision of telecommunications services	100%[a]	100%
T-Mobile Infra CZ s.r.o. Tomíčkova 2144/1, Prague 4	Rental of telecommunication network	100%	–

[a] As at 1 January 2022, the merger between T-Mobile Czech Republic a.s. and Planet A, a.s. proceeded from the accounting perspective. Effectiveness of the merger with Planet A occured on 31 December 2022.

All subsidiaries are incorporated in the Czech Republic. Shares in the subsidiaries are not traded on any public market.

	Cost of investment 31. 12. 2022	Cost of investment 31. 12. 2021	Profit/ (loss) 2022	Profit/ (loss) 2021	Net assets 31. 12. 2022	Net assets 31. 12. 2021
CE Colo Czech s.r.o. (mil CZK)	2,133	2,133	133	122	845	834
Planet A, a.s. (mil. CZK)	–	472	–	1	–	159
T-Mobile Infra CZ s.r.o (mil. CZK)	–[b]	–	–	–	–	–
	2,133	**2,605**				

[b] Investment in amount of 20,000 CZK as at 31.12.2022

Financial data for subsidiaries are based on their approved separate financial statements for the year ended 31 December 2022 and 2021.

As at 24 October 2022, T-Mobile Infra CZ s.r.o. („T-Mobile Infra”) with registered office at Tomíčkova 2144/1, 148 00 Praha 4 became a subsidiary of T-Mobile Czech Republic a.s. with issued capital of 20,000 CZK.

Accounting of the merger:

	Planet A 31 December 2021	Impact of the merger	Total Impact 1 January 2022
ASSETS			
Non-current assets			
Intangible assets	8	316	324
Property and equipment	196	15	211
Investments in subsidiaries	–	(472)	(472)
	204	**(141)**	**63**
Current assets			
Inventories	2	–	2
Loans	–	(68)	(68)
Trade and other receivables	20	(11)	9
Prepaid expenses and other assets	1	–	1
Cash and cash equivalents	29	–	29
	52	**(79)**	**(27)**
TOTAL ASSETS	**256**	**(220)**	**36**
EQUITY AND LIABILITIES			
Shareholder equity			
Share capital	21	(21)	–
Other reserves	95	(95)	–
Retained earnings and profit for the year	39	(63)	(24)
Total shareholder equity	155	(179)	(24)
Non-current liabilites			
Deferred tax	5	27	32
	5	**27**	**32**
Current liabilities			
Trade and other payables	15	(11)	4
Other liabilities and deferred income	77	(68)	9
Current income tax liability	4	11	15
	96	(68)	28
Total liabilities	**101**	**(41)**	**60**
TOTAL EQUITY AND LIABILITIES	**256**	**(220)**	**36**

IFRS 3 requires the assets and liabilities of the Dissolved company to be measured at fair value as at the acquisition date as at 31 October 2019. As at the acquisition date, purchase price allocation (so called PPA) was performed to identifiable assets and liabilities of the Dissolved company. The fair value of the identifiable assets and liabilities exceeded their carrying amount by CZK 178 million, which resulted in recognition of the deferred tax liability in the amount of CZK 36 million and goodwill in the amount CZK 190 million.

As at 1 January 2022, the merger between the Company and Planet A, a.s. proceeded from the accounting perspective. The legal effectiveness of the merger occurred on 31 December 2022. The cost of investment of the Dissolved company in the amount of CZK 472 million was eliminated against equity of the Dissolved company in the amount of CZK 179 million, IFRS adjustment of long-term assets due to PPA in the amount of CZK 130 million and recognized Goodwill due to PPA in the amount of CZK 190 million and Deferred tax liability in the amount of CZK 27 million.

18. Trade and other receivables

	31. 12. 2022	31. 12. 2021
Non-current		
Receivables from instalment sale	289	256
Finance lease receivables	74	14
	363	**270**
Current		
Trade receivables	6,095	4,480
Cash pooling receivable	1,366	1,377
Other receivables	83	57
Finance lease receivables	11	2
	7,555	**5,916**

Trade receivables are net of an allowance of CZK 3,002 million (2021: CZK 2,203 million). If the allowance percentage increases by 1% in each relevant ageing group (except where there is 100% allowance created), the charge for the period would be CZK 45 million higher (2021: CZK 43 million).

Specific allowance for impaired receivables has been created for particular ICT deal.

Movements in the allowance for impaired receivables from third parties were as follows:

	2022	2021
At 1 January	2,203	2,055
Charge for the year, net	936	308
Utilised	(137)	(160)
At 31 December	**3,002**	**2,203**

19. Assets and liabilities related to contracts with customers

Contract asset is recognised mainly in case of multiple element arrangements (e.g. mobile contract plus handset), when a larger portion of the total consideration is attributable to the component delivered in advance (mobile handset), requiring earlier recognition of revenue.

Contract costs are assessed as incremental cost of obtaining a contract and consists of Dealers commission.

Contract liability is related mainly to one-time fees and advanced payments for post-paid services.

The Company has recognised the following assets and liabilities related to contracts with customers:

	31. 12. 2022	31. 12. 2021
Non-current assets		
Contract assets	53	54
Loss allowance	(36)	(6)
	17	**48**
Contract costs	209	192
Current assets		
Contract assets	1,059	864
Loss allowance	(33)	(7)
	1,026	**857**
Contract costs	586	529
Non-current liabilities		
Contract liabilities	527	600
Current liabilities		
Contract liabilities	768	820

Revenue recognised in the reporting year that was included in the contract liability balance at the beginning of the year amounted to CZK 755 million (2021: CZK 626 million). The transaction price allocated to the performance obligations that are unsatisfied as of the end of reporting year amounted to CZK 6,814 million (2021: CZK 6,011 million). Management expects that the transaction price allocated to the unsatisfied contracts as of 31 December 2022 will be recognised as revenue as follows: CZK 4,888 million during first year; CZK 1,797 million during second year and CZK 128 million during third-tenth year (2021: CZK 4,225 million during first year; CZK 1,682 million during second year and CZK 104 million during third-tenth year).

Wages and salaries include also amortisation of costs to obtain contracts with customers in the amount of CZK 86 million (2021: CZK 98 million) (Note 6).

Dealers commission includes also amortisation of costs to obtain contracts with customers in the amount of CZK 654 million (2021: CZK 602 million) (Note 9).

20. Prepaid expenses and other assets

	31. 12. 2022	31. 12. 2021
Non-current		
Other prepaid expenses	551	610
Current		
Other prepaid expenses	429	344
Advance payments	278	390
Other assets	5	6
	712	**740**

21. Inventories

	31. 12. 2022	31. 12. 2021
Materials	221	260
Goods	514	251
	735	**511**

The increase of Inventories as at 31.12.2022 is driven by pre-stocking of handsets before Christmas marketing campaigns which also influence increase in revenue from terminal equipment (see Note 4).

Inventories are net of an allowance of CZK 97 million (2021: CZK 60 million). The reversal of write-down of inventories in the amount of CZK 53 million (2021 write-down: CZK 44 million) was recognised in cost of material and equipment.

22. Loans

	31. 12. 2022	31. 12. 2021
Loans to Deutsche Telekom AG	5,418	5,806
Loans to Planet A	–	68
	5,418	**5,874**

The loans provided to Deutsche Telekom AG were not secured. The short-term loan to DTAG consists of one individual receivable in CZK with original maturity 4 weeks (2021: two individual receivables in CZK with original maturities 4 and 6 weeks) while individual interest rates had been determined on an arm's length basis. For credit ratings see Note 3.2.

23. Cash and cash equivalents

Cash at banks outside cashpooling earns interest at rates based on daily bank deposit rates. Short-term investments are made for varying periods between one day and three months and earn interest at the respective rates. For credit ratings see Note 3.2.

24. Shareholders' equity

On 25 February 2014 CMobil B.V. became the sole shareholder of T-Mobile Czech Republic a.s. and as of 1st of March 2015 the sole shareholder changed its name to Deutsche Telekom Europe B.V.

As at 31 December 2022, T-Mobile Czech Republic a.s. had authorised and issued 520,000 ordinary shares (2021: 520,000) with a par value of CZK 1,000 per share (2021: CZK 1,000 per share). All the shares issued were fully subscribed. All the shares represent the rights of shareholder to participate in the managing of T-Mobile Czech Republic a.s., on the profit and liquidation balance upon the winding-up of T-Mobile Czech Republic a.s. with liquidation.

The share premium was recognized on 25 March 1996. There are no special rights related to share premium and no special purpose of its use is determined.

The other reserves comprise reserve fund which is set up in accordance with the Statutes of the Company. The statutory reserve fund may be distributed based on the sole shareholder resolution.

The Financial statements of the Company for the year ended 31 December 2021 were authorised for issue on behalf of the Board of Directors of T-Mobile Czech Republic a.s. on 25 March 2022.

On 26 April 2022 Deutsche Telekom Europe B.V. while performing competences of the General meeting of T-Mobile Czech Republic a.s. approved distribution of the prior year profit in the form of dividends. Total dividends of CZK 6,256 million (2021: CZK 5,091 million) were paid in May 2022, which amounted to CZK 12,031 per share (2021: CZK 9,791 per share).

Approval of the 2022 profit distribution will be taken by the sole shareholder in June 2023.

25. Provisions

	Asset retirement obligation	Other	Total
At 1 January 2022	**724**	**918**	**1,642**
Arising during the year	9	197	206
Utilised	–	(120)	(120)
Reversals	(11)	(672)	(683)
Transfer to current liabilities	–	–	–
Interest impact	10	(1)	9
At 31 December 2022	**732**	**322**	**1,054**
Non-current	732	126	858
Current	–	196	196
	732	**322**	**1,054**

	31. 12. 2022	31. 12. 2021
Non-current	858	852
Current	196	790
	1,054	**1,642**

Asset retirement obligation

The Company is subject to obligations for dismantlement, removal and restoration of assets associated with its cell site operating leases (Note 2.20). Cell site lease agreements may contain clauses requiring restoration of the leased site at the end of the lease term, creating an asset retirement obligation.

Other

Other provisions comprise mainly provisions for the regulatory case, litigations and executive management incentive plans obligations. The majority of balance of Other provisions as of 31 December 2021 is attributable to the provision for the regulatory case dealt with by the European Commission. In 2015 the European Commission initiated formal proceedings against the Company for the potential breach of Art 101 of the Treaty on the Functioning of the European Union in relation to the reduction of infrastructure competition, namely: concerns in relation to the reduction of innovation; concerns in relation to the reduction of investment and concerns in relation to the exchange of information.

The Company's management made an assessment of a provision for the regulatory case as of 31 December 2021, including the probable outcome, which is based on a number of estimates and assumptions and therefore is inherently subject to substantial uncertainty. Based on the estimated amount of revenues to which the infringement relates and opinion of external advisers regarding the estimated percentage range to be applied to the respective revenues, a provision has been recorded in the financial statements as of 31 December 2021 to cover the estimated costs to settle the fine for infringement and related legal costs. The provision recognised in this way constitutes the management's best estimate of the liability.

At 11th July 2022, the European Commission terminated the administrative proceedings regarding the mobile network sharing and accepted proposed commitments by the Company to ensure further investment and innovation in the network and limit exchange of information. The Company released the related provision as there is no probability of future cash outflows connected with penalty from administrative proceeding.

26. Trade and other payables

	31. 12. 2022	31. 12. 2021
Non-current		
Financial liabilities for capitalised content licences	2	–
Other payables	20	24
	22	**24**
Current		
Trade payables	1,584	1,859
Uninvoiced deliveries	4,312	2,220
Financial liabilities for capitalised content licences	64	107
Other payables	313	36
	6,273	**4,222**

27. Lease liabilities

	31. 12. 2022	31. 12. 2021
Up to 1 year	750	735
1 to 5 years	2,651	2,402
Over 5 years	2,474	2,831
Total lease liabilities	**5,875**	**5,968**

Total undiscounted cash flows are stated in Note 3.3.

Pursuant to IFRS 16 single lessee accounting model, the Company recognises a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments (Note 15).

28. Impact from leasing contracts

The following are the amounts recognised from leasing contracts in profit or loss:

	2022	2021
Depreciation expense of right-of-use assets (Note 15)	1,087	1,094
Disposals of right-of-use assets	(3)	(9)
Interest cost on lease liabilities (Note 11)	185	233
For the year ended 31 December	**1,269**	**1,318**

29. Other liabilities

	31. 12. 2022	31. 12. 2021
Current		
Amounts due to employees	852	784
Other tax liabilities	219	201
Other liabilities	94	83
	1,165	**1,068**

30. Cash flow disclosures

The reconciliation of cash used in financing activities is as follows:

	Lease liabilities (Note 27)	Other interest-bearing liabilities (Note 26)	Loans and bank overdraft
At 1 January 2021	**6,610**	**170**	**–**
Additions	1,007	97	–
Non-cash movements	(165)	–	–
Cash used in financing activities	(1,717)	(160)	–
Accretion of interest	233	–	–
At 31 December 2021	**5,968**	**107**	**–**
At 1 January 2022	**5,968**	**107**	**–**
Additions	840	88	–
Non-cash movements	(210)	–	–
Cash used in financing activities	(908)	(129)	–
Accretion of interest	185	–	–
At 31 December 2022	**5,875**	**66**	**–**

Non-cash movements include non-cash release of liabilities from changes in contracts terms or early termination of contracts.

31. Commitments

The Company's purchase commitments were as follows:

	31. 12. 2022	31. 12. 2021
Acquisition of property and equipment	1,842	2,105
Acquisition of intangible assets	242	183
Purchase of services and inventory	4,755	2,735
	6,839	**5,023**

32. Related party transactions

	Receivables		Payables		Commitments	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
DTAG	6,833	7,226	303	90	7	8
Subsidiaries	1	72	3	11	1	–
Other entities in DTAG group	431	489	634	556	111	75
	7,265	**7,787**	**940**	**657**	**119**	**83**

The Company conducts business with its subsidiary CE Colo as well as with its ultimate parent, Deutsche Telekom AG and its subsidiaries, associates and joint ventures. Business transactions relate mainly to telephone calls and other traffic in the related parties' networks. The Company did not have any transactions with its subsidiary T-Mobile Infra.

	DTAG		Subsidiaries		Other entities in DTAG group	
	2022	**2021**	**2022**	**2021**	**2022**	**2021 a**
Sales and income						
Interconnect / roaming revenues	15	–	1	4	542	603
System solutions / IT revenues	218	197	2	5	787	596
Income from reinvoicing of services	1	–	–	–	180	188
Other revenue / income	339	45	1	13	14	126
	573	**242**	**4**	**22**	**1,523**	**1,513**
Purchases						
Interconnect / roaming costs	–	–	–	8	548	598
Expenses from reinvoicing of services	203	153		–	239	208
Leased lines	–	–	6	6	168	178
Other purchases	195	102	47	58	174	262
	398	**255**	**53**	**72**	**1,129**	**1,246**

[a] To be in line with 2022, comparatives were reclassified for better comparability as follows: Other purchases of 174 million CZK was reclassified from Interconnect / roaming costs. Reclassifications in comparatives were described in Note 2.21.

Other transactions include data services, management, consultancy, other services and purchases of fixed assets.

The Company purchased foreign currencies from Deutsche Telekom AG in amount of CZK 4,855 million (2021: CZK 3,352 million), which comprised mainly forwards and swaps. The price was set at the best level of all market offers.

The Company provided a short-term loan to DTAG in the amount of CZK 5,418 million as at 31 December 2022 (31 December 2021: CZK 5,806 million to DTAG and CZK 68 million to Planet A). For maturities see Note 22.

In March 2022 the General meeting of CE Colo declared a dividend of CZK 122 million (2021: CZK 121 million), which was paid in April 2022.

In 2022 and 2021 the Company did not have any transactions related to its direct parent company Deutsche Telekom Europe B.V.

All transactions with related parties are performed at an arm's length basis.

Compensation of key management personnel

The key management personnel as at 31 December 2022, 13 in number (2021: 13), include members of the Management Board, Board of Directors and Supervisory Board.

Since 1 July 2016 the companies Slovak Telekom and T-Mobile Czech Republic a.s. have the joint Management Board. All management members are responsible for business and managerial activities of companies on both Slovak and Czech markets. The number of key management personnel includes all members of the Management Board, irrespective if they are employed by Slovak Telekom or T-Mobile Czech Republic a.s. Tables below include only benefits earned by the key management personnel in T-Mobile Czech Republic a.s..

	2022	2021
Short-term employee benefits	62	66
Defined contribution pension costs	1	1
Share based compensations	5	4
	68	**71**

The Company offers several long-term incentive plans to its executive management members with a new package being launched each year and with each tranche lasting for 4 years. A total provision of CZK 110 million has been recognised as at 31 December 2022 (31 December 2021: CZK 77 million). In 2022 the Company recognised an expense resulting from these long-term incentive plans in amount of CZK 33 million (2021: CZK 17 million) in Staff costs.

33. Contingencies

The Company's management is not aware of any circumstances which may in the future give rise to a potential material liability.

34. Events after the reporting year

The Company (Demerged Company) as the sole shareholder of T-Mobile Infra CZ s.r.o. (Successor Company) decided in accordance with the Transformations Act on demerger by spin-off by merger whereby, as part of the implementation of the transformation process, the Demerged Company will be demerged by spinning off a selected part of the assets of the Demerged Company and merging it with the Successor Company, on the effective date as at 1 January 2023. The Company will continue in using the spinned off assets based on the contract closed with T- Mobile Infra CZ s.r.o..

There is no negative business impact on the Company as the result of the transaction and no presentation adjustment was required in the financial statements as at 31 December 2022 in this regard.

In April 2023, a petition was filed to the Municipal Court in Prague to initiate insolvency proceedings against MAMMOTH s.r.o., together with a petition for a decision on the resolution of the company's bankruptcy through bankruptcy. In 2018, the Company had signed a framework agreement with this company, for the provision of hardware capacity, maintenance/sla and related services.

On 19 June 2023, the Company filed the receivable to the insolvency proceedings at the Municipal Court in Prague in the total amount of CZK 2,581 million. In July 2023, the Company will file the remaining outstanding amount of the receivable for June 2023 in the amount of CZK 157 million.

On 5 April 2023, due to the fact, that the Company suspected that it had been the victim of a sophisticated organised fraud, the Company filed a criminal complaint with the Police of the Czech Republic, the National Centre against Organised Crime, requesting verification of facts indicating that the particularly serious crime of fraud may have been committed.

The management of the Company decided to recognise the impairment of the receivable related to MAMMOTH s.r.o., as of 31 December 2022 based on the facts known as of the date of the preparation of these financial statements. The actual amount of the potential writte off may materially differ based on the future development of this case.

There were no other events, which have occurred subsequent to the year-end, which would have a material impact on the financial statements as at 31 December 2022.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) AS ADOPTED BY THE EU AND INDEPENDENT AUDITOR'S REPORT

for the year ended 31 December 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December

	Notes	2022	2021
Revenue from contract with customers	**4**	**30,464**	**29,716**
Other operating income	5	729	151
Staff costs	6	(3,851)	(3,757)
Material and equipment	7	(2,955)	(2,633)
Depreciation, amortisation and impairment losses on non-financial items	13, 14, 15	(4,897)	(5,294)
Interconnection fees and other telecommunication services	8	(4,359)	(4,669)
Impairment losses on financial and contract assets	17, 18	(1,025)	(266)
Own work capitalised	6	278	310
Other operating costs	9	(5,610)	(5,483)
Operating profit		**8,774**	**8,076**
Financial income	10	358	70
Financial expense	11	(393)	(295)
Net financial result		**(35)**	**(225)**
Profit before tax		**8,739**	**7,851**
Income tax expense	12	(1,702)	(1,600)
Profit for the year		**7,037**	**6,251**
Other comprehensive income		–	–
Total comprehensive income for the year		**7,037**	**6,251**

The consolidated financial statements on pages 98 to 142 were authorised for issue on behalf of the Board of Directors of the Company on 23 June 2023 and signed on their behalf by:

Severino Perdomo Lorenzo

CEO and Member of the Board of Directors
entitled to act on behalf of the Company solely

Připojená Příloha tvoří neoddělitelnou součást této konsolidované účetní závěrky.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December

	Notes	2022	2021
ASSETS			
Non-current assets			
Property and equipment	14	15,668	14,832
Intangible assets	13	9,432	9,293
Right-of-use assets	15	6,257	6,790
Other receivables	17	363	270
Contract assets	18	17	48
Contract costs	18	209	192
Prepaid expenses and other assets	19	551	610
		32,497	**32,035**
Current assets			
Inventories	20	735	513
Loans	21	5,418	5,806
Trade and other receivables	17	7 567	5,934
Contract assets	18	1,026	857
Contract costs	18	586	529
Prepaid expenses and other assets	19	714	744
Cash and cash equivalents	22	705	724
		16,751	**15,107**
TOTAL ASSETS		**49,248**	**47,142**
EQUITY AND LIABILITIES			
Shareholders' equity			
Issued capital	23	520	520
Share premium	23	397	397
Other reserves	23	110	107
Retained earnings		31,848	31,067
Total equity		**32,875**	**32,091**
Non-current liabilities			
Deferred tax liability	12	516	558
Lease liabilities	26	5,125	5,233
Provisions	24	859	853
Other payables	25	22	24
Contract liabilities	18	527	600
		7,049	**7,268**
Current liabilities			
Provisions	24	197	791
Trade and other payables	25	6,295	4,234
Contract liabilities	18	769	820
Other liabilities	25	1,172	1,081
Lease liabilities	26	750	735
Current income tax liabilities		141	122
		9,324	**7,783**
Total liabilities		**16,373**	**15,051**
TOTAL EQUITY AND LIABILITIES		**49,248**	**47,142**

Připojená Příloha tvoří neoddělitelnou součást této konsolidované účetní závěrky.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December

	Notes	Issued capital	Share premium	Other reserves	Retained earnings	Total equity
Year ended 31 December 2021						
At 1 January 2021		520	397	105	29,907	30,929
Profit for the year		–	–	–	6,251	6,251
Other comprehensive income		–	–	–	–	–
Total comprehensive income		–	–		6,251	6,251
Transactions with shareholder						
Other changes in equity		–	–	2	–	2
Dividends	23	–	–	–	(5,091)	(5,091)
At 31 December 2021		**520**	**397**	**107**	**31,067**	**32,091**
Year ended 31 December 2022						
At 1 January 2022		520	397	107	31,067	32,091
Profit for the year		–	–	–	7,037	7,037
Other comprehensive income		–	–	–	–	–
Total comprehensive income		–	–		7,037	7,037
Transactions with shareholder						
Other changes in equity		–	–	3	–	3
Dividends	23	–	–	–	(6,256)	(6,256)
At 31 December 2022		**520**	**397**	**110**	**31,848**	**32,875**

Připojená Příloha tvoří neoddělitelnou součást této konsolidované účetní závěrky.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December

	Notes	2022	2021
Operating activities			
Profit/ (Loss) before tax		**8,739**	**7,851**
Depreciation, amortisation and impairment losses	13,14,15	4,897	5,294
Interest expense, net		(172)	195
(Gain) / Loss from disposal of intangible assets and property and equipment	5,9	25	35
Other non-cash items		209	49
Change in provisions	24	(319)	471
Change in trade receivables and other assets	17	(2,091)	(149)
Change in inventories	20	(221)	90
Change in trade payables and other liabilities	25	1,528	(174)
Cash from operating activities		**12,595**	**13,662**
Income taxes paid	12	(1,724)	(1,646)
Net cash from operating activities		**10,871**	**12,016**
Investing activities			
Purchase of intangible assets and property and equipment	13,14	(4,321)	(3,587)
Proceeds from disposal of intangible assets and property and equipment		49	28
Disbursement of loans	21	(64,300)	(71,000)
Repayment of provided loans	21	64,700	69,700
Net cash from cash pooling	17	12	(363)
Interest received		345	31
Net cash from derivatives		(85)	(111)
Net cash used in investing activities		**(3,600)**	**(5,302)**
Financing activities			
Dividends paid	23	(6,256)	(5,092)
Repayment of financial liabilities	29	(129)	(160)
Repayment of principal portion of lease liabilities	29	(722)	(1,484)
Interest paid	29	(185)	(233)
Proceeds from bank overdraft		–	–
Repayment of bank overdraft		–	–
Net cash used in in financing activities		**(7,292)**	**(6,969)**
Effect of exchange rate changes on cash and cash equivalents		2	4
Net (decrease) / increase in cash and cash equivalents		(19)	(251)
Cash and cash equivalents at 1 January	22	724	975
Cash and cash equivalents at 31 December	**22**	**705**	**724**

Připojená Příloha tvoří neoddělitelnou součást této konsolidované účetní závěrky.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Index to the notes to the consolidated financial statements

1. General information

These consolidated financial statements have been prepared for T-Mobile Czech Republic a. s. ("the Company") and its subsidiaries CE Colo Czech, s.r.o. („CE Colo Czech") and T-Mobile Infra CZ s.r.o. („T-Mobile Infra") (together "the Group").

T-Mobile Czech Republic a.s. is a joint-stock company incorporated on 15 February 1996 in the Czech Republic. The Company's registered office is located at Tomíčkova 2144/1, 148 00 Prague 4. The business registration number (IČ) of the Company is 64949681 and the tax identification number (DIČ) is CZ64949681. For shareholders overview of the Company refer to Note 23.

The Group operates public mobile communications networks, public fixed telecommunication networks and provides mobile communication services, fixed communication services and TV services. The Group is authorized to operate in electronic communication sector, respectively to carry out communication activities comprising provision of the public mobile networks, provision of public fixed networks and provision of electronic communication services. The Group´s customers receive roaming services in mobile operator networks in destinations all over the world. The Group is considered the leader in the provision of telecommunication services and data centres services to the most demanding segment of business customers, both in terms of the respective range of services as well as in terms of quality.

The Group provides services via authorisations for strong portfolio of radio frequencies: 3.4 – 3.6 GHz frequency band valid until 2032, 700 MHz frequency band valid until 2036, bands 800 MHz, 1800 MHz and 2600 MHz valid until 2029, authorisation for the provision of mobile services on 900 MHz and 1800 MHz frequency bands, which is valid until 2024, and 2.1 GHz frequency band, which is valid until 2041.

The Company holds the following investments in fully consolidated direct subsidiaries:

Name and registered office	Activity	Share and voting rights 31. 12. 2022	Share and voting rights 31. 12. 2021
CE Colo Czech, s.r.o. ("CE Colo Czech") Nad Elektrárnou 1428/47, 106 00 Praha 10	Data center services	100%	100%
Planet A, a.s. ("Planet A") Tomíčkova 2144/1, 148 00 Praha 4	Public fixed network services, TV services, broadband services	100%[a]	100%
T-Mobile Infra CZ s.r.o. ("T-Mobile Infra") Tomíčkova 2144/1, 148 00 Praha 4	Rental of telecommunication network	100%	0%

[a] As at 1 January 2022, the merger between T-Mobile Czech Republic a.s. and Planet A, a.s. proceeded from the accounting perspective. Effectiveness of the merger with Planet A occured on 31 December 2022.

All subsidiaries are incorporated in the Czech Republic. Shares in the subsidiaries are not traded on any public market.

On 24 October 2022 the Group acquired 100% share capital and voting rights in T-Mobile Infra CZ s.r.o. („T-Mobile Infra") with registered office at Tomíčkova 2144/1, 148 00 Praha 4.

On 31 October 2019 the Group acquired 100% share capital and voting rights in Planet A, a.s. ("Planet A") with registered office at Tomíčkova 2144/1, 148 00 Praha 4. As at 1 January 2022, the merger between T-Mobile Czech Republic, a.s. and Planet A proceeded from the accounting perspective. The legal effectiveness of the merger occurred as of 31 December 2022.

On 31 December 2018 the Group acquired 100% share capital and voting rights in LEMO Internet a.s. ("LEMO"). On 31 December 2018 the Group also acquired 100% share capital and voting rights in RegioNET Morava, a. s. ("RegioNET"). As at 1 January 2019, the merger between T-Mobile Czech Republic, a.s. and RegioNET and LEMO proceeded from the accounting perspective. The legal effectiveness of the merger occurred as of 31 December 2019.

On 1 January 2015 the Group acquired 100% share capital and voting rights in CE Colo Czech s.r.o. ("CE Colo Czech") with registered office at Nad Elektrárnou 1428/47, 106 00 Praha 10.

Members of the Statutory Boards at 31 December 2022

Board of Directors

Chairman:
Armin Sumesgutner (member since 1.10.2022, chairman of the Board of Directors since 13.10. 2022)

Members:
Jose Severino Perdomo Lorenzo (member since 1.7.2021)
Olga Nevska (member since 5.8.2021)

Supervisory Board

Members:
Jan Lédl (member since 2.1.2021)
Stefan Lemmen (member since 2.6.2021)
Caspar Johannes Maximilian Kitz (member since 1.4.2022)

Deutsche Telekom Europe B.V. with registered office at Stationsplein 8 K, Maastricht, the Netherlands is the parent of the Company.

Deutsche Telekom AG ("Deutsche Telekom" or "DTAG"), with its registered office at Friedrich Ebert Allee 140, Bonn, Germany, is the ultimate parent of the group of which the Company is a member and for which the group financial statements are drawn up. The ultimate parent's consolidated financial statements are available at their registered office or at the District Court of Bonn HRB 6794, Germany.

2. Accounting policies

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

2.1 Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention, except where disclosed otherwise.

The Group companies' functional currency is Czech crowns ("CZK"), the financial statements are presented in Czech crowns and all values are rounded to the nearest million, except where otherwise indicated.

The consolidated financial statements were prepared using the going concern assumption that the Group will continue its operations for the foreseeable future.

The preparation of consolidated financial statements in conformity with International Financial Reporting Standards as adopted by EU requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 2.19.

Statement of compliance

These consolidated financial statements are the ordinary consolidated financial statements of the Group and have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations as adopted by the European Union ("IFRS"). The consolidated financial statements are available at the Company's registered office, on the internet page of the Company and in the public administration information system (the Register) administered by the Ministry of Justice of the Czech Republic.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December for each year. The financial statements of the subsidiaries are prepared for the same reporting year as the Company, using uniform accounting policies.

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when it has power over the investee defined as existing rights that give it the ability to direct the relevant activities; is exposed or has rights to variable returns from its involvement with the investee; and has the ability to affect those returns through its power over the investee. In most cases, control involves the Company owning a majority of the ordinary shares in the subsidiary (to which normal voting rights are attached). The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

All subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that control ceases.

Business combinations are accounted for using the acquisition method. The consideration paid on an acquisition is measured as the fair value of the assets transferred, shares issued, or liabilities undertaken at the date of acquisition. The excess of the consideration paid on an acquisition over the fair value of the net assets and contingent liabilities of the subsidiary acquired is recorded as goodwill. The consideration payable includes the fair value of any asset or liability resulting from a contingent consideration arrangement. If the amount of contingent consideration (a liability) changes as a result of a post-acquisition event (such as meeting an earnings target), the change is recognised in accordance with IFRS 9 in profit or loss.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Costs directly attributable to the acquisition are expensed.

All intra-group balances, transactions, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

2.2 Property and equipment

Property and equipment is initially measured at acquisition cost, excluding the costs of day-to-day servicing. The cost of property and equipment acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, property and equipment is carried at cost less any accumulated depreciation and provision for impairment, where required. The initial estimate of costs of dismantling and removing the item of property and equipment and restoring the site on which it is located is also included in costs, if the obligation has to be recognised as a provision according to IAS 37.

Acquisition cost includes all costs directly attributable to bringing the asset into working condition for its use as intended by management. In case of network, costs comprise all expenditures, including internal costs directly attributable to network construction, and include contractors' fees, materials and direct labour. Costs of subsequent enhancement are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. Maintenance, repairs and minor renewals are charged to profit or loss as incurred.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included within other operating income or expense in profit or loss in the period in which the asset is derecognised. Net disposal proceeds consist of both cash consideration and the fair value of non-cash consideration received.

Depreciation is calculated on a straight-line basis from the time the assets are available for use over their estimated useful lives. Depreciation charge is identified separately for each significant part of an item of property and equipment.

The useful lives assigned to the various categories of property and equipment are:

Buildings, constructions and leasehold improvements	10 to 50 years
Towers, masts	30
Operating equipment:	
Network technology equipment	3 to 10
Transport vehicles, hardware and office equipment	3 to 13

No depreciation is provided on freehold land or capital work in progress.

Residual values and useful lives of property and equipment are reviewed and adjusted in accordance with IAS 8, where appropriate, at each financial year-end.

Property and equipment are reviewed for impairment whenever events or circumstances indicate that their carrying amounts may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use. Impairment losses are reversed if the reasons for recognizing the original impairment loss no longer apply.

2.3 Intangible assets

Intangible assets acquired separately are recognised when control over them is assumed and are initially measured at acquisition cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and provision for impairment, where required. Intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. With the exception of goodwill, intangible assets have a finite useful life and are amortised using the straight-line method over their estimated useful lives. The assets' useful lives are reviewed and adjusted in accordance with IAS 8, as appropriate, at each financial year-end. For further details on the groups of assets influenced by the most recent useful life revisions refer to Note 2.19.

The useful lives assigned to the various categories of intangible assets are as follows:

Software	3 to 8 years
Telecommunications licences	8 to 28 years
Content licences	1 to 3 years
Customer relationships	7 to 15 years

Any gain or loss on derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is included within other operating income or costs in profit or loss in the period in which the asset is derecognised.

Software and licences

Development costs directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:
a) it is technically feasible to complete the software product so that it will be available for use;
b) management intends to complete the software product and use or sell it;
c) there is an ability to use or sell the software product;
d) it can be demonstrated how the software product will generate probable future economic benefits;
e) adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
f) the expenditures attributable to the software product during its development can be reliably measured.

Directly attributable costs capitalised as part of a software product include software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet recognition criteria and costs associated with maintaining computer software programs are recognised as an expense as incurred.

Acquired software licences are capitalised based on the costs incurred to acquire and bring to use specific software. Costs comprise all directly attributable costs necessary to create, produce and prepare the software to be capable of operating in a manner intended by the management, including enhancements of applications in use.

Costs associated with the acquisition of long term frequency licences are capitalised. Useful lives of concessions and licences are based on the underlying agreements and are amortised on a straight-line basis over the period from availability of the frequency for commercial use until the end of the initial concession or licence term. No renewal periods are considered in the determination of useful life. Recurring licence fees paid for key telecommunications licences do not have legally enforceable periods and are recognised as other operating costs in the period they relate to. Recurring licence fees are paid during whole period of granted licence.

The Group recognizes the content licences as intangible assets if it is highly probable that the content will be delivered, contract duration is longer than one year and the cost are determined or determinable. Acquired content licences are recognised at acquisition cost. If there is no fixed price defined in the contract, the Group uses best estimate to assess the fee during the contracted period. The useful lives of content licences are based on the underlying agreements and are amortised on a straight-line basis over the period from availability for commercial use until the end of the licence term which is granted to the Group. Content contracts which do not meet the criteria for capitalization are expensed and presented in 'other operating costs' in the statement of profit and loss and other comprehensive income.

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents an excess of the consideration transferred and the non-controlling interest in the acquiree (measured either at fair value or at the proportionate share of the acquired entity's net identifiable assets) over the net fair value of net identifiable assets acquired, liabilities and contingent liabilities of the acquiree. Following initial recognition, goodwill is carried at cost less any accumulated impairment losses. Goodwill is not amortised, but it is tested for impairment annually or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired (Note 16). Carrying value of the cash generating unit ("CGU") to which goodwill belongs to is compared to its recoverable amount, which is the higher of value in use and fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed. Fair values less costs to sell of CGU's with allocated goodwill tested for impairment are in Level 3 of the fair value hierarchy.

2.4 Leases

2.4.1 Right-of-use assets

Right-of-use assets represent property and equipment which is leased based on a contract containing a lease according to IFRS 16. The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Assessment of the lease term for evergreen leases (i.e. leases with no specified contract maturity, no silent prolongation etc.) is mostly affected by the nature and useful live of underlying assets, relocation costs, or the Group's past practice regarding the period over which it has typically used particular types of assets.

The expected lease term for evergreen leases assigned to the various categories of Right-of-use assets are:

Space on telecommunication infrastructure of third parties	5 years
Rooftops	10 years
Land to install own telecommunication equipment	30 years
Exclusive easements	20 years
Shops	5–10 years
Ducts and Pipes	20 years
Leased lines	2,5 years

2.4.2 Lease liabilities

At the commencement date of a lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date and amounts expected to be paid under residual value guaranties. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments, change in the assessment to purchase the underlying asset or a change in an index or a rate when the adjustment to the lease payments takes effect.

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has an option, under some of its leases, to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

Extension options in shops have not been included in the lease liability, because the Group could replace the assets without significant cost or business disruption. As at 31 December 2022, potential future cash outflows of CZK 65 million (undiscounted) (31 December 2021: CZK 133 million) have not been included in the lease liability because it is not reasonably certain that the leases will be extended. Decrease is caused by contracts' prolongation, mainly with contract amendments. The lease term is reassessed if an option is actually exercised (or not exercised), or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within control of the lessee.

For contracts where no maturity is specified in the contractual agreement (so called evergreen contracts), the assessment of lease term is done for the portfolio as a whole. An estimate is required for the initial lease term as well as any further renewal. Factors, which are considered in determining the lease term for evergreen contracts are: costs associated with an obligation to return the leased asset in a specified condition or to a specified location, existence of significant leasehold improvements that would be lost if the lease were terminated or not extended, non-contractual relocation costs, costs associated with lost service to existing customers, cost associated with sourcing an alternative item etc.

2.4.3 IFRS 16 recognition exemptions

IFRS 16 includes recognition exemptions available to lessees and specifies alternative requirements.

Separation of non-lease components

In accordance with IFRS 16.12 an entity shall account for each lease component within the contract as a lease separately from non-lease components of the contract.

The Group has applied practical expedient and does not separate lease from non-lease components (IFRS 16.15), except for data center contracts, therefore non-lease components which are fixed, e.g. utilities, maintenance costs, etc. are not separated but instead capitalized.

Short-term leases

There is a practical expedient for lessees not to apply the recognition, measurement and presentation requirements of IFRS 16 for short-term leases (IFRS 16.5).

The Group has made the decision not to apply the short-term recognition exemptions to lease contracts, except for some minor and insignificant lease arrangements with a lease term of one month or less. Hence, short-term leases have to be recognised, measured and presented as lease arrangements in the scope of IFRS 16.

Low-value leases

There is a practical expedient for lessees not to apply the recognition, measurement and presentation requirements of IFRS 16 for leases of which the underlying asset is of low value ("low-value leases"; IFRS 16.5). The practical expedient can be taken on a lease-by-lease basis. For leases of low-value items to which this exemption is applied, lease payments are recognised as an expense over the lease term.

The Group has made the decision not to apply this practical expedient. Hence, all low-value leases have to be recognised, measured and presented as lease arrangements in the scope of IFRS 16.

Leases of intangible assets

The Group elected in accordance with IFRS 16.4 for lessees not to apply IFRS 16 to leases of intangible assets or similar resources. To the extent that these transactions and its related assets fulfil the recognition criteria in IAS 38 Intangible Assets, they should be accounted as such. As a consequence, lessees are not required to perform lease identification procedures for any right to use intangible assets such as mobile radio spectrum, microwave frequencies, software, patents as well as content or data rights.

Separate presentation on the face of the balance sheet

The Group decided to present the right-of-use assets as well the lease liabilities as separate line items on the face of the statement of financial position (see IFRS 16.47). As a result, the right-of-use asset and the lease liability is presented (separately from other assets) in the statement of financial position.

2.4.4 Subleases

In classifying a sublease, the Group, as the intermediate lessor, should classify the sublease as a finance lease or an operating lease in the same manner as any other lease using the criteria discussed in IFRS 16.61 et seq. with reference to the right-of-use asset (not the underlying asset itself) arising from the head lease. That is, the intermediate lessor treats the right-of-use asset as the underlying asset in the sublease, not the item of property, plant or equipment that it leases from the head lessor. The intermediate lessor only has a right to use the underlying asset for a period of time. If the sublease is for all of the remaining term of the head lease, the intermediate lessor has in effect transferred that right to another party and the sublease is classified as finance lease. Otherwise, the sublease is an operating lease.

2.4.5 Lease accounting – the Group as a lessor

Leased out property and equipment where all the substantial benefits and risks usually connected with the ownership were transferred from the Group to lessee is classified as finance lease. The underlying asset is derecognised and the respective short term and long-term lease payments, net of finance charges are recognised as current and non-current financial assets.

Payments received under operating leases are recorded in profit or loss on a straight-line basis over the period of the lease.

2.5 Impairment of non-financial assets

An impairment loss is the amount by which the carrying amount of an asset or a cash-generating unit ("CGU") exceeds its recoverable amount. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or circumstances indicate that their carrying amount may not be recoverable. Assets with indefinite useful life or intangible assets not ready for use are not subject to amortisation and are tested for impairment annually. Impairment losses for each class of assets are presented within depreciation, amortisation and impairment losses in profit or loss. Reversals of impairment losses are presented within other operating income in the profit or loss.

For the purpose of assessing impairment, assets are grouped into CGU's, representing the smallest groups of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The Group determines the recoverable amount of a CGU on the basis of value in use. The calculation is determined by reference to discounted cash flows calculations. These discounted cash flows calculations are based on financial budgets approved by management, usually covering a four-year period. Cash flows beyond the detailed planning periods are extrapolated using appropriate growth rates. Key assumptions on which management bases the determination of value in use include average revenue per user, customer acquisition and retention costs, churn rates, capital expenditures, market share, growth rates and discount rates. Discount rates reflect risks specific to the CGU. Cash flows reflect management assumptions and are supported by external sources of information. This is highly judgmental, which carries the inherent risk of arriving at materially different recoverable amounts if estimates used in the calculations proved to be inappropriate.

If the carrying amount of a CGU to which the goodwill is allocated exceeds its recoverable amount, the goodwill allocated to this CGU is reduced by the amount of the difference. If an impairment loss recognised for the CGU exceeds the carrying amount of the allocated goodwill, the additional amount of the impairment loss is recognised through pro rata reduction of the carrying amounts of assets allocated to the CGU. Impairment losses on goodwill are not reversed.

In addition to the general impairment testing of CGU, the Group also tests individual assets if their purpose changes from being held and used to being sold or otherwise disposed of. In such circumstances the recoverable amount is determined by reference to fair value less costs to sell.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to all CGUs that are expected to benefit from synergies of combination, irrespective of whether other assets or liabilities of the Group are assigned to those CGUs or groups of CGUs. Each CGU or group of CGUs, to which the goodwill is allocated, represents the lowest level within the Group at which the goodwill is monitored for internal purposes.

Impairment is determined by assessing the recoverable amount of CGU to which the goodwill relates. For more details on impairment of goodwill refer to Note 16.

2.6 Inventories

Cost of inventories comprises all the costs of purchase and other costs incurred in bringing the inventories to their present location and condition, including customs, transportation and similar costs. Inventories are stated at the lower of cost and net realizable value. Cost of inventory is determined on the weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated selling expenses. An allowance is created against slow-moving and obsolete inventories.

Phone set inventory write-down allowances are recognised immediately when the phone sets are no longer marketable to secure subscriber contractual commitment or if the resale value on a standalone basis (without the subscriber commitment) is lower than cost.

2.7 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and in hand and short-term deposits with original maturity of three months or less from the date of acquisition.

For the purpose of the statement of cash flows, cash and cash equivalents are net of bank overdrafts. In the statement of financial position, bank overdrafts are included in borrowings in current liabilities.

The Group takes part in the cash pooling system of Deutsche Telekom group. Balances of selected bank accounts of the Group are at the end of the business day transferred to bank accounts of the parent company. These balances are not part of cash equivalents, and they are presented as receivable from cash pooling in current receivables and within investing activities in the statement of cash flows.

2.8 Financial assets

The Group classifies its financial assets according to IFRS 9 in the following categories:
- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through profit or loss (“FVTPL”) .

The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. The Group has the process in place in order to identify the embedded derivatives and ensure the accounting in line with IFRS 9, if such embedded derivatives is identified. The Group did not identify any embedded derivatives.

Trade receivables and debt securities issued by a debtor to the Group are initially recognised when they are originated. All other financial assets are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not measured at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price determined under IFRS 15.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Group has all financial assets classified and measured at amortised cost except for currency forward contracts.

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:
- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group’s financial assets at amortised cost include Trade and other receivables, Cash and cash equivalents, Term deposits, Loans and Cash pooling in the statement of financial position.

These assets are subsequently measured at amortised cost using the effective interest rate method. The amortised cost is reduced by impairment losses via loss allowance account. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets and liabilities are offset, and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

Financial assets at fair value through profit or loss

The Group uses currency forward contracts to economically hedge its estimated cash flows. Financial assets at fair value through profit or loss are initially recognised at fair value and subsequently carried at fair value. Unrealised gains and losses arising from revaluation of financial assets to the fair value as well as realised gains and losses are recognised in profit or loss. The information on accounting for financial derivatives and hedging operations is provided in Note 3.5.

2.9 Impairment of financial assets

The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost and contract assets. Regarding loss allowances for trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment (e.g. expected GDP growth and expected changes in unemployment rate). For lease receivables, contract assets and trade receivables with a significant financing component, an entity can choose as an accounting policy either to apply the general model for measuring loss allowance or always to measure the loss allowance at an amount equal to the lifetime ECL. The Group has chosen the latter policy.

The Group has applied the general impairment model to loans from related parties. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime. Currently the loans are in stage 1. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. The amount of ECLs for loans were calculated but not recognized due to their insignificance.

The loans from the DTAG group do not give rise to a significant credit risk. These loans are settled through the group intercompany clearing center and therefore classified to category BBB.

The expected credit losses of significant assets are measured on an individual basis. The expected credit losses of remaining financial assets are measured by grouping together these assets with similar risk characteristics and applying provision matrix. An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease is related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss. This relates to stage 3 items in ECL model.

2.10 Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as measured at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Trade and other payables

Trade 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 initially measured at fair value. After initial recognition trade and other payables are measured at amortised cost using the effective interest rate method.

2.11 Prepaid expenses

The Group has various contracts where the expenses are paid in advance e.g., quarterly or yearly. Contracts relate to various services e.g., maintenance.

2.12 Provisions and contingent liabilities

Provisions for asset retirement obligations, restructuring costs and legal and regulatory claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

If the effect of the time-value of money is material, provisions are discounted using a risk-adjusted, pre-tax discount rate. Where discounting is used, the increase in the provision due to the passage of time is recognised as a financial expense.

No provision is recognised for contingent liabilities. A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but that is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Asset retirement obligations

Asset retirement obligations relate to future costs associated with the retirement (dismantling and removal from use) of non-current assets. The obligation is recognised in the period in which it has been incurred and it is considered to be an element of cost of the related non-current asset in accordance with IAS 16. The obligation is measured at present value, and the corresponding increase in the carrying amount of the related non-current asset is depreciated over the estimated useful life of that asset. The value of the liability is recalculated to its present value as at the end of the reporting period and changes in the liability are recognised in the value of the assets or through charges to profit or loss (finance expenses). Upon settlement of the liability, the Group either settles the obligation for its recorded amount or incurs a gain or loss upon settlement.

2.13 Employee benefit obligations

Retirement employee benefits

The Group provides retirement benefits under defined contribution plan.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into separate publicly or privately administered entities on a mandatory, contractual or voluntary basis. Once the contributions have been paid, the Group has no further payment obligations. The contribution is based on gross salary payments. The cost of these payments is charged to profit or loss in the same period as the related staff costs.

Termination benefits

Employee termination benefits are recognised in the period in which is the Group demonstrably committed to a termination without possibility of withdrawal, i.e. the management defines and authorises a detailed plan listing the number and structure of employees to be discharged and announces it to the trade unions. Expenses related to termination benefits are presented within staff costs in profit or loss.

Incentive programs

The Group has entered into several incentive programs, both share-based and non-share based and cash and non-cash settled managed by DTAG. The Group recognises the costs of services received from its members of executive management in a share-based and non-share-based payment transaction when services are received. If these services are received in a cash-settled share-based payment transaction, the Group recognises the expense against the provision, re-measured at each reporting date. In case of equity-settled share-based payment transaction, the Group recognises the expense against the equity capital fund, measured at fair value at the grant date.

2.14 Revenue recognition

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to a customer, who obtains control of that asset that means upon the delivery of services and products and customer‘s acceptance. Revenue from rendering of services and from sales of equipment is shown net of value added tax and discounts. Revenue is measured at the amount of transaction price that is allocated to the performance obligation.

The Group recognises revenue as follows:

The Group provides customers with narrow and broadband access to its fixed, mobile and TV distribution networks. Service revenue is recognised when the services are provided in accordance with contractual terms and conditions. Airtime revenue is recognised based upon minutes of use and contracted fees less credits and adjustments for discounts, while subscription and flat rate revenue is recognised in the period they relate to.

Revenue from prepaid cards is recognised when credit is used by a customer or after a period of limitation when unused credit elapsed.

Interconnect revenue generated from calls and other traffic that originates in other operators' networks is recognised as revenue at the time when the call is received in the Group's network. The Group pays a proportion of the revenue it collects from its customers to other operators for calls and other traffic that originate in the Group's network but use other operators' networks. Revenue from interconnect is recognised gross.

When the Group acts as a reseller of another party's branded digital goods or services with a virtually unlimited supply (e.g. software licenses, cloud services, streaming services), it acts as principal if it has a selling price discretion and is primarily responsible, meaning it is the only party which the customer enters into a contract with and the only party that is responsible towards the customer for providing support and handling complaints and product issues. In this case revenue is recognised on a gross basis, otherwise net revenue is recognised.

In the case of multiple-element arrangements (e.g. mobile contract plus handset) with subsidised products delivered in advance, the transaction price is allocated to the performance obligations in the contract by reference to their relative standalone selling prices. Standalone selling prices of hardware are estimated using price list prices adjusted by margin haircut resulting from comparison of internal price list with external market prices. Standalone selling prices of service are estimated using average transaction prices adjusted by margin haircut. As a result, a larger portion of the total consideration is attributable to the component delivered in advance (mobile handset), requiring earlier recognition of revenue. This leads to the recognition of what is known as a contract asset – a receivable arising from a customer contract that has not yet legally come into existence – in the consolidated statement of financial position.

Customer's credit risk is taken into account when accounting for contract assets by applying the expected credit loss model of IFRS 9. Impairments as well as reversals of impairments on contract assets are accounted for in accordance with IFRS 9.

Some one-time fees (mainly activation fees which are generally paid at contract inception) do not fulfil the definition of a separate performance obligation but represent a prepayment on future services. Such one-time fees and advanced payments for post-paid services lead to recognition of contract liability which is recognised as revenue appropriately to the minimum contract term. When discounts on service fees are granted unevenly for specific months of a contract while monthly service is provided evenly to the customer, service revenues are recognised on a straight-line basis.

In accordance with IFRS 15, constant monthly revenue amounts shall be recognized in a contract where performance over the months is constant. One or more discounts on service may be given for one or multiple periods. The discount period can start at the beginning or at a later point in time of the contract term. Additionally, discounts may also be granted in stages, meaning that the discount size varies over the minimum contract term. Discounts are straightlined during minimum contract term by recognising a contract asset, which is to be set up over the period with smaller payments and amortized over the remaining contract term.

The customer can be granted budgets for purchasing future goods and services either at contract inception or in the future by signing a frame contract which guarantees monthly minimum payment to the entity. The budget can be redeemed for hardware purchases and/or new services within the redemption period of the frame contract. A contract liability is created on a monthly basis until the budget is used. At the point of redemption revenue is realised in the amount of the relative standalone selling price of the material right.

Commission costs are assessed as incremental costs of obtaining a contract and are recognised as Contract costs. Contract costs are amortised during estimated customer retention period within dealer's commission under other operating costs (related to indirect sales channel) and within wages and salaries under staff costs (related to direct sales channel).

The Group considers the effects of variable consideration as insignificant and the financing component as significant when exceeds 5% of the contracted revenue.

The Group typically satisfied its performance obligations at the point in time (mainly sales of equipment) and over time (services). The Group is not aware of any unusual payment terms. Payments are typically due within 14 days.

Revenue from sales of equipment is recognised when control of that equipment is transferred to a customer and when the equipment delivery and installation is completed. Completion of an installation is a prerequisite for transfer of control on such equipment where installation is not simple in nature and functionally constitutes a significant component of the sale.

Revenue from lease contracts (rent of buildings, technical spaces, circuits, dark fiber etc.) is recognised based on the lease classification, either as one-off revenue, i.e. finance lease (if the Group assessed as manufacturer or dealer) or on a straight-line basis over lease period, i.e. operating lease (rental).

System solutions / IT revenue

Contracts on network services, which consist of installations and operations of communication networks for customers, have an average duration of 2 to 3 years. Revenue from voice and data services is recognised under such contracts when voice and data are used by a customer. Revenue from system integration contracts comprising delivery of customised products and/or services is recognised when the control of that customised complex solution is transferred to a customer (solution is delivered to and accepted by a customer). Contracts are usually separated into distinct milestones which indicate completion, delivery and acceptance of a defined project phase. Upon completion of a milestone the Group is entitled to issue an invoice and to a payment. Revenue is recognized over time or at point in time based on contract conditions assessed in line with IFRS 15 criteria.

Revenue from maintenance services (generally a fixed fee per month) is recognised over time (during contractual period) or at point in time (when the services are completed). Revenue from repairs, which are not part of the maintenance contract but are billed on a basis of time and material used, is recognised when the services are rendered.

Revenue from sale of hardware (including terminal equipment) and software is recognised when the control of that asset is transferred to a customer, provided there are no unfulfilled obligations that affect customer's final acceptance of the arrangement.

Interest and dividends

Interest income is recognised using the effective interest rate method.

Dividend income is recognised when the right to receive payment is established.

2.15 Operating profit

Operating profit is defined as a result before income taxes and financial income and expenses. For financial income and expenses refer to Notes 10 and 11 respectively.

2.16 Foreign currency translation

Transactions denominated in foreign currencies are translated into functional currency using exchange rates prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into functional currency using the exchange rates prevailing at the statement of financial position date. All foreign exchange differences are recognised within financial income or expense in the period in which they arise.

2.17 Taxes

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

Current income tax

Current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted as of the statement of financial position date.

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities.

Deferred tax

Deferred tax is calculated at the statement of financial position date using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts.

Deferred taxes are recognised for all taxable and deductible temporary differences, except for the deferred tax arising from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting nor taxable profit or loss.

Deferred 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.

2.18 Joint arrangements

Joint arrangements according to IFRS 11 may have either a joint operation or a joint venture form. The classification depends on contractual rights and obligations of each investor, rather than the legal structure of a joint arrangement.

According to participation in joint operations, the Group recognises assets controlled and liabilities incurred and its share on all jointly held assets and jointly incurred liabilities and its share on revenue and costs generated by the joint operations according to valid terms of relevant contracts.

The Group is in a joint arrangement with company Česká telekomunikační infrastruktura a.s. concerning a 2G and 3G network sharing, i.e. sharing of active and passive mobile network elements on a territorial basis of Czech Republic and sharing of LTE technologies for mobile networks. Signed contracts are based on balanced principles and after having considered the contractual rights and obligations, they were assessed as joint arrangements according to IFRS 11. For this classification was determining, that the major of strategic decisions were specified jointly next to signing of a contract or will be done during validity of the contract. The arrangement is a joint operation, because it does not involve a separate legal entity comprising the activities performed under the arrangement.

2.19 Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent liabilities reported at the end of the period and the reported amounts of revenue and expenses for that period. Actual results may differ from these estimates.

In the process of applying the Group's accounting policies, management has made the following judgements, estimates and assumptions which have the most significant effect on the amounts recognised in the consolidated financial statements.

Useful lives of non-current assets

The estimation of the useful lives of non-current assets is a matter of judgement based on the Group's experience with similar assets. Management reviews the estimated remaining useful lives of non-current assets annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the depreciation or amortisation period, as appropriate, and are treated as changes in accounting estimates. Management's estimates and judgements are inherently prone to inaccuracy, in particular for those assets for which no previous experience exists.

Assessment of impairment of goodwill

Goodwill is tested annually for impairment as further described in Note 2.3 using estimates detailed in Note 16.

Content rights

The Group recognizes the content licences as intangible asset if it is highly probable that the content will be delivered, contract duration is longer than one year, and the cost are determined or determinable. Acquired content licences are recognised at acquisition cost. If there is no fixed price defined in the contract, the Group uses the best estimate to assess the fee during the contracted period. The useful lives of content licences are based on the underlying agreements and are amortised on a straight-line basis over the period from availability for commercial use until the end of the licence term which is granted to the Group. Content contracts which do not meet the criteria for capitalization are expensed and presented in 'other operating costs' in the statement of profit or loss and other comprehensive income.

Asset retirement obligation

The Group enters into lease contracts for land and premises on which mobile communication network technologies and buildings are sited. The Group is committed by these contracts to dismantle the network technologies and buildings and restore the land and premises to their original condition. Management anticipates the probable settlement date of the obligation to equal useful life of leased assets, which is estimated to be from 5 to 30 years depending on leased asset.

Management's determination of the amount of the asset retirement obligation (Note 24) involves the following estimates (in addition to the estimated timing of crystallisation of the obligation):
a) an appropriate risk-adjusted, pre-tax discount rate commensurate with the Group's credit standing;
b) the amounts necessary to settle future obligations;
c) inflation rate.

Provisions and contingent liabilities

The Group is a participant in several lawsuits and regulatory proceedings. When considering the recognition of a provision, management judges the probability of future outflows of economic resources and its ability to reliably estimate such future outflows. If these recognition criteria are met a provision is recorded in the amount of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Such judgments and estimates are continually reassessed taking into consideration the developments of the legal cases and proceedings and opinion of lawyers and other subject matter experts involved in resolution of the cases and proceedings. The factors considered for individual cases are described in Notes 24 and 32.

2.20 Restatement of Comparatives

In 2022, the Group changed an accounting policy regarding arrangements where the Group acts as a reseller of another party's branded digital goods or services with a virtually unlimited supply. Previously, the Group was considered to be in a Principal position (brutto presentation of revenues), if it controlled the digital goods or services itself or alternatively if it controlled a right to another party's goods or services.

Under the new policy, the option to control a right was removed from indicating a Principal position due to the fact that it does not meet the definition of control as per IFRS 15 (i.e., the Group cannot prevent others from directing the use of and obtaining the benefits from the goods or services precisely due to their unlimited nature).

As a result of the policy change, a number of arrangements have been reclassified from a Principal to an Agent position (netto presentation of revenues). The new policy was applied retrospectively by restating the comparative period figures (please see table below) in accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

The Group has changed classification of some categories of Staff costs, Interconnection fees and other telecommunication services and Other operating costs to provide their better specification and understanding.

The following restatement, in accordance with IAS 1.38, have been made for the purpose of comparability of data in reported periods in the consolidated statement of profit or loss and other comprehensive income:

Financial statement line	**Financial statements 2021**	**Restatement**	**Financial statements 2022 – Comparatives 2021**
Revenue - Fixed network revenue	5,391	(19)	5,372
Revenue - System solutions/IT	3,252	(623)	2,629
Staff costs – Wages and salaries	(2,968)	112	(2,856)
Interconnection fees and other telecommunication services	(4,904)	235	(4,669)
Other operating costs - Content fees	(410)	28	(382)
Other operating costs - Customer solutions	(683)	623	(60)
Other operating costs - IT services	(410)	(53)	(463)
Other operating costs – HR related costs	–	(112)	(112)
Other operating costs – Facility costs	–	(64)	(64)
Other operating costs – Loss on disposal of property and equipment and intangible assets, net	(35)	(2)	(37)
Other operating costs – Rentals and leases (not in scope of IFRS 16)	(8)	8	–
Other operating costs - Other	(364)	(134)	(498)
Total impact		–	

The reclassification has no impact on the financial result of the Group.

The Group also has changed classification of some categories of Provisions and Other liabilities to provide their better specification and understanding.

The Group updated useful life of Right-of-use assets representing rented space on towers/masts to install own technology equipment and recalculated also related Lease liability.

The following restatement, in accordance with IAS 1.38, have been made for the purpose of comparability of data in reported periods in the consolidated statement of financial position:

Financial statement line	**Financial statements 2021**	**Restatement**	**Financial statements 2022 – Comparatives 2021**
Provisions (current)	805	(14)	791
Other liabilities (current)	1,067	14	1,081
Right-of-use assets	7,246	(456)	6,790
Lease liabilities	5,689	456	5,233
Total impact		–	

2.21 Adoption of IFRS during the year

Standards, interpretations and amendments to published standards effective for the Group's accounting period beginning on 1 January 2022

The following amendments are effective as of 1 January 2022, however the Group elected to adopt them earlier:
a) Reference to the Conceptual Framework – Amendments to IFRS 3
b) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
c) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

The annual improvements package (2018–2020 cycle) includes the following minor amendments:
d) IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter
e) IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities
f) IFRS 16 Leases - Lease Incentives
g) IAS 41 Agriculture – Taxation in fair value measurement

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New standards and interpretations not yet adopted

The new standards, amendments to the standards and interpretations endorsed by EU which are not yet effective and have not been early adopted are not expected to have a significant impact on the Group's financial statements.

2.22 Impact of Covid-19 and the military conflict in Ukraine on financial statements at 31 December 2022

The coronavirus pandemic developed into a global economic crisis. Due to higher demand for certain telecommunications services, the impact of the crisis is being felt less severely by the telecommunications industry and the Group than by other industries. Business activities and thus the results of operations and financial position of the Group were impacted by the coronavirus pandemic in various business areas, affecting revenue and earnings, although not to any significant extent. At this time, we can report only minor impact with respect to payment defaults and customer numbers, but no material specific impairment allowance to the Group's receivables was recorded neither as of 31 December 2022 nor as of 31 December 2021.

Impairment reviews are ordinarily performed on an annual basis. As at 31 December 2022, the Group reviewed whether there are any new impairment indicators present due to the uncertainty caused by Covid-19. No significant adjustment to Group's accounting estimates has been deemed necessary. There is no reason to believe that additional impairment would be required.

Possible future effects on the measurement of individual assets and liabilities are being analyzed on an ongoing basis.

In late February 2022 ongoing political tension between Russia and Ukraine escalated in a conflict with a military invasion of Russian forces in Ukraine. The worldwide reaction to Russia's violation of international law and aggression against Ukraine was the imposition of extensive sanctions and limitations on business activity. Overall effect of the recent development is increased volatility in the financial and commodity markets, as well as consequences on the economy in general. Business risks comprising adverse effects of economic sanctions imposed on Russia, business interruptions (including supply chain), increased occurrences of cyber-attacks, legal and regulatory compliance risk and many other risks may generally occur. The Group has assessed these risks. The impact on the business activities and thus the results of operations and financial position of the Group in various business areas is not significant.

Overall situation is monitored on ongoing basis and continually evaluated.

3. Financial risk management

The Group is exposed to a variety of financial risks. The Group's risk management policy addresses the unpredictability of financial markets and seeks to minimize potential adverse effects on the performance of the Group.

Based on its risk assessment, the Group uses selected derivative and non-derivative hedging instruments to manage exposures. The derivatives are used solely for hedging purposes, not for trading or speculating. In order to manage credit risk, the hedging transactions are generally entered into with institutions that meet the requirements of the Group's hedging strategy for required rating.

The Group's financial instruments include cash and cash equivalents, trade receivables, intra-group loans, short-term deposits and intra-group funding measures (i.e. cash pooling or additional financing facilities). The main purpose of these instruments is to manage the liquidity of the Group.

The Group also holds financial assets which represent its investment in subsidiaries, which are not accounted under IFRS 9. These financial assets are deemed to be long-term.

The Group has various other financial assets and liabilities such as trade and other receivables and trade and other payables which arise from its operations.

The main risks arising from the Group's financial instruments are market risk, credit risk and liquidity risk. The Treasury is responsible for financial risk management (except for credit risk arising from sales activities which is managed by the Credit Risk Department), in accordance with guidelines approved by the Board of Directors and the Deutsche Telekom Group Treasury. The Treasury Department works in association with the Group's other operating units and with the Deutsche Telekom Group Treasury. There are policies in place to cover specific areas, such as market risk, credit risk, liquidity risk and the investment of excess funds.

3.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk.

3.1.1 Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in foreign exchange rates.

The Group is exposed to transactional foreign currency risk arising from international interconnectivity. In addition, the Group is exposed to risks arising from capital and operational expenditures denominated in foreign currencies.

For all planned, but not yet determined, foreign currency denominated cash flows (uncommitted net exposure) of the following 12 months (rolling 12month approach) a hedging ratio of at least 50% of net foreign-exchange exposure is applied. The Group uses foreign exchange spot and foreign exchange fixed-term financial contracts to hedge these uncommitted net exposures.

Short-term cash flow forecasts are prepared on a rolling basis to quantify the Group's expected exposure. The Group's risk management policy requires the hedging of every cash flow denominated in foreign currency exceeding the equivalent of EUR 250 thousand.

The Group's foreign currency risk relates mainly to the changes in EUR foreign exchange rates, with immaterial risk related to financial assets and financial liabilities denominated in other foreign currencies (SDR, USD, CHF, GBP, AUD).

The carrying amounts of the Group's EUR denominated monetary assets and monetary liabilities at the reporting date are as follows:

	31. 12. 2022	31. 12. 2021
Monetary assets	1,230	796
Monetary liabilities	(1,182)	(1,318)
	48	**(522)**

The following table details the sensitivity of the Group's profit before tax to a 10% increase/decrease in EUR against CZK, with all other variables held as constant. The 10% change represents management's assessment of the reasonably possible change in foreign exchange rate and is used when reporting foreign currency risk internally in line with treasury policies.

Profit after tax	**2022**	**2021**
Depreciation of EUR by 10%	(4)	(41)
Appreciation of EUR by 10%	4	41

3.1.2 Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group entered into a Master agreement for derivatives and investment contracts with DTAG in June 2008 as further amended based on which the Group can provide loans to DTAG. Currently, there is an outstanding loan in amount of CZK 5,418 million (2021: CZK 5,806 million) at fixed interest rate (Note 21). The Group has no material financial instruments with variable interest rates as at 31 December 2022 and 31 December 2021.

3.1.3 Other price risk

Other price risk arises on financial instruments because of changes in commodity prices or equity prices. However, there are no such financial instruments that would have been materially impacted from changes in commodity or equity prices.

3.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Group is exposed to credit risk from its operating activities and certain investing activities. The Group's credit risk policy defines products, maturities of products and limits for financial counterparties. The Group limits credit exposure to individual financial institutions on the basis of the credit ratings assigned to these institutions by reputable rating agencies and these limits are reviewed on a regular basis. The Group makes only short-term cash deposits. The Group deposits free cash into financial instruments such as financial investments in the form of loans to DTAG. The Group is exposed to full concentration of credit risk from holding loan receivable in the amount of CZK 5,418 million (2021: CZK 5,806 million) provided to DTAG (Germany), as well as from cash pool receivable from DTAG of CZK 1,366 million (2021: CZK 1,378 million). Concentration from trade receivables from DTAG, and other entities in DT group is 10.03% (2021: 11.7%) and is in amount of CZK 480 million (2021: CZK 528 million). The concentration of credit risk for trade receivables other than from entities in DT Group is limited due to the fact that the customer base is large and unrelated.

The Group's cash and cash equivalents are held with major regulated financial institutions; the four largest ones hold approximately 64%, 15%, 10% and 5% respectively (2021: 50%, 25%, 12% and 7% respectively).

For credit ratings see the following tables:

Loans (Note 21)	31. 12. 2022	31. 12. 2021
BBB- to BBB+	5,418	5,806
	5,418	**5,806**

Cash and cash equivalents (Note 22)	31. 12. 2022	31. 12. 2021
A-to A+	663	693
Not rated	42	31
	705	**724**

Further, counterparty credit limits and maximum maturity can be decreased based on recommendation by Deutsche Telekom Group Treasury in order to manage bulk risk steering of Deutsche Telekom Group. Group credit risk steering takes into account various risk indicators including, but not limited to CDS (Credit Default Swap) level and rating.

The Group establishes an allowance for impairment that represents its estimate of expected credit losses in respect of trade, other receivables and contract assets. Cash and cash equivalents and intercompany receivables are also subject to the impairment requirements of IFRS 9, however, the identified impairment loss determined based on probability of default would be immaterial. The receivables from the DTAG group do not give rise to a significant credit risk. The Group has considered the financial performance, external debt and future cash flows of the related parties and concluded that the credit risk relating to these receivables is limited and consequently the probability of default relating to these balances is low.

Impairment is recognized both upon initial recognition and at each subsequent reporting date at an amount equal to the lifetime expected credit losses. Objective evidence of impairment for a portfolio of receivables includes the Group's past experience of collecting payments, changes in the internal and external ratings of customers, current conditions and the Group's view of economic conditions over the expected lives of receivables.

In respect of financial assets, which comprise cash and cash equivalents, intra-group loans, term deposits, trade and other receivables and cash pooling, the Group's exposure to credit risk arises from the potential default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets. The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before contractual payments are 90 days past due. For example, in case of an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

The Group assesses its financial investments at each reporting date to determine whether there is any objective evidence that they are impaired. A financial investment is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that investment. Significant financial investments are tested for impairment on an individual basis. The remaining financial investments are assessed collectively in groups that share similar credit risk characteristics. An impairment loss in respect of a financial asset is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. All impairment losses are recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. The reversal of the impairment loss is recognised in profit or loss.

The table summarises the ageing structure of receivables based on IFRS 9:

At 31 December 2022	**Not past due**	**Past due**					**Total**
		< 30 days	**31–90 days**	**91–180 days**	**181–365 days**	**> 365 days**	
Trade and other receivables (gross)	8,389	425	103	82	170	1,763	10,932
Allowance for ECL	(1,078)	(42)	(22)	(40)	(112)	(1,709)	(3,003)
Trade and other receivables (net)	**7,311**	**383**	**81**	**42**	**58**	**54**	**7,929**

At 31 December 2021	**Not past due**	**Past due**					**Total**
		< 30 days	**31–90 days**	**91–180 days**	**181–365 days**	**> 365 days**	
Trade and other receivables (gross)	5,722	378	181	123	155	1,851	8,410
Allowance for ECL	(175)	(35)	(50)	(63)	(110)	(1,773)	(2,206)
Trade and other receivables (net)	**5,547**	**343**	**131**	**60**	**45**	**78**	**6,204**

The percentage rate for impairment according to provision matrix for individual ageing bands for Core receivables (which represents majority of receivables) are as follows:

	Not past due	**Past due**					
		< 30 days	**31–90 days**	**91–180 days**	**181–365 days**	**> 365 days**	**> 3600 days**
At 31 December 2022	1–2%	3–14%	21–33%	40–54%	58–73%	74–95%	97–100%
At 31 December 2021	1–2%	3–14%	21–33%	40–54%	58–73%	74–95%	97–100%

For aging structure of contract assets refer to Note 18.

No significant individually impaired trade receivables were included in the allowance for impairment losses in 2022 and 2021.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 17, 21 and 22.

The gross carrying amount of Trade and other receivables, reflecting the maximum exposure to credit risk, as at 31 December 2022 was CZK 10,932 million (31 December 2021: CZK 8,411 million)

For sensitivity of impairment charge of uncollectible receivables refer to Note 17.

3.3 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Short-term highly liquid assets of the Group (such as cash and cash equivalents, cash pooling receivable and intercompany short-term loans) significantly exceed total balance of Group´s payables without Trade and other receivables and other current assets taken into account, therefore liquidity risk of the Group is considered to be low:

	31. 12. 2022	31. 12. 2021
Cash and cash equivalents	705	724
Cash pooling receivable (included in Trade and other receivables)	1,366	1,378
Loans	5,418	5,806
	7,489	**7,908**

The Group's liquidity risk mitigation principles define the level of cash and cash equivalents, marketable securities, short-term financial assets and intragroup financing measures in line with DT Group Centralized funding approach available to the Group to allow it to meet its obligations on time and in full. Liquidity needs are to be covered by intragroup funding measures of DT Group, i.e. cash pooling or additional financing facilities, then also cash, cash equivalents and liquid short term financial assets, with the objective of holding predetermined minimum amounts of cash and cash equivalents and credit facilities available on demand.

The table summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

At 31 December 2022	On demand	Less than 3 months	3 to 12 months	Over 1 year	Total
Trade and other payables	1,083	5,212	–	22	6,317
Currency forward contracts with negative fair value	–	584	1,855	–	2,439
Currency forward contracts with positive fair value	–	–	–	–	–
Total forward contracts[a]	**0**	**584**	**1,855**	**0**	**2,439**
Total financial liabilities	**1,083**	**5,796**	**1,855**	**22**	**8,756**

[a] Contracted nominal value. Under the contracts the Group will pay the nominal amounts in CZK and receive amounts in foreign currencies stated based on the agreed forward exchange rates.

At 31 December 2021	On demand	Less than 3 months	3 to 12 months	Over 1 year	Total
Trade and other payables	1,950	2,174	110	24	4,258
Currency forward contracts with negative fair value	–	611	949	–	1,560
Currency forward contracts with positive fair value	–	49	31	–	80
Total forward contracts[a]	**0**	**660**	**980**	**0**	**1,640**
Total financial liabilities	**1,950**	**2,834**	**1,090**	**24**	**5,898**

[a] Contracted nominal value. Under the contracts the Group will pay the nominal amounts in CZK and receive amounts in foreign currencies stated based on the agreed forward exchange rates.

The total undiscounted lease liabilities are as follows:

	31. 12. 2022	31. 12. 2021
Up to 1 year	924	910
1 to 5 years	3,165	2,952
Over 5 years	2,722	3,162
Total undiscounted cash flows (lease liability)	**6,811**	**7,024**

3.3.1 Offsetting financial assets and liabilities

The following financial assets and liabilities are subject to offsetting:

	Gross amounts	Offsetting	Other (exchange rate revaluation)	Net amounts
At 31 December 2022				
Current financial assets – Trade receivables	156	(145)	–	11
Current financial liabilities – Trade payables	155	(145)	–	10
At 31 December 2021				
Current financial assets – Trade receivables	730	(692)	(2)	36
Current financial liabilities – Trade payables	717	(694)	–	23

For the Group's accounting policy on offsetting refer to Note 2.8. Balances of Trade receivables and Trade payables are presented on a net basis in the consolidated statement of financial position.

3.4 Capital management

The Group‘s objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

The Group's management proposes to the owner of the Group (through the Board of Directors) to approve dividend payments or adopt other changes in the Group‘s equity capital in order to optimize the capital structure of the Group. This can be achieved primarily by adjusting the amount of dividends paid to the shareholder, or alternatively, by returning capital to the shareholder by capital reductions, issue new shares or sell assets to reduce debt. The Group also takes into consideration any applicable guidelines of the ultimate parent company. No changes were made to the objectives, policies or processes in 2022.

The capital structure of the Group consists of equity attributable to shareholder, comprising issued capital, share premium, statutory reserve fund, retained earnings and other components of equity (Note 23). Management of the Group manages capital measured in terms of shareholder's equity amounting to CZK 33,343 million at 31 December 2022 (2021: CZK 32,091 million).

3.5 Fair values

Fair value measurement is analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on observable market data (that is, unobservable inputs). Management applies judgement in categorising financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement. The significance of a valuation input is assessed against the fair value measurement in its entirety.

Financial instruments measured at fair value through profit or loss (for trading) at level 2 are presented by currency forward contracts (refer to Note 3.6). Fair values of financial instruments at level 2 are based on monetary yield curves determined at the balance sheet date which are based on the market prices valid as at the end of the reporting period. The Group does not have any financial assets and liabilities that are measured at fair value at level 1 and 3.

3.5.1 Recurring fair value measurement

Recurring fair value measurements are those that the accounting standards require or permit in the consolidated statement of financial position at the end of each reporting year. There were no recurring fair value measurements in 2022 and 2021, except for currency forward contracts.

3.5.2 Non-recurring fair value measurement

There were no non-recurring fair value measurements in 2022 and 2021.

3.5.3 Financial assets and financial liabilities not measured at fair value

The fair value of other financial assets and financial liabilities approximate their carrying amounts at the statement of financial position date. The loans are short-term, individual tranches of the loan are provided from 2 to 6 weeks. For further details on loans refer to Notes 3.2 and 21. Financial assets and financial liabilities are discounted unless the effect of discounting was inconsiderable.

3.5.4 Accounting for derivative financial instruments and hedging activities

Derivative financial instruments are initially recognised in the statement of financial position at fair value. In assessing the fair value of derivatives, the Group uses the present value of estimated future cash flows under assumptions based on market conditions existing as at statement of financial position date.

The Group uses currency forward contracts to hedge estimated cash flows. The Group decided to account for these contracts as "held for trading derivatives" even though the requirements defined in IFRS 9 for hedge accounting could be met. As such, the Group did not apply hedge accounting in 2022 and 2021 and all currency forward contracts are recognised as held for trading derivatives with changes in fair value being reflected in profit or loss.

As at the end of 2022 the Group had open currency forward contracts with a total nominal value of CZK 2,439 million (as at 31 December 2021: CZK 1,640 million). These transactions focus on managing currency risks associated with the settlement of the Group's future liabilities resulting from the customer-supplier relations and denominated in EUR and USD. All currency forward contracts as at 31 December 2022 were initiated during 2022 with maturity by the end of 2023. During 2022, currency forward contracts in the total nominal value of CZK 2,639 million were settled (in 2021: CZK 2,507 million).

3.6 Presentation of financial instruments by measurement category

	31. 12. 2022	31. 12. 2021
ASSETS		
Financial assets at amortised cost		
– Trade and other receivables (Note 17) – other than those at fair value through profit or loss	7,929	6,201
– Loans (Note 21)	5,418	5,806
– Cash and cash equivalents (Note 22)	705	724
Financial assets at fair value through profit or loss (for trading) at level 2		
– Trade and other receivables (Note 17) – Currency forward contracts with positive fair value	–	3
LIABILITIES		
Financial liabilities at amortised cost		
– Trade and other payables (Note 25) – other than those at fair value through profit or loss	6,016	4,224
– Lease liabilities (Note 26)	6,331	6,424
Financial liabilities at fair value through profit or loss (for trading) at level 2		
– Trade and other payables (Note 25) – Currency forward contracts with negative fair value	146	35

Due to the short-term nature of the loans their carrying amount is considered to be the same as their fair value. For the maturity of the loan refer to Note 21.

4. Revenue from contract with customers

	2022	2021[a]
Fixed network revenue	5,357	5,372
Mobile network revenue	19,321	18,929
Terminal equipment	2,863	2,596
System solutions / IT	2,765	2,629
Other	158	190
	30,464	**29,716**

[a] Reclassifications in comparatives were described in Note 2.20.

For assets and liabilities related to contracts with customers or cost to obtain a contract with customers refer to Note 18.

5. Other operating income

	2022	2021
Reversal of provisions	567	–
Gain on disposal of property and equipment and intangible assets, net	–	–
Income from re-invoicing of services	119	79
Other	43	72
	729	**151**

The amount of reversal of provisions is made of release of the provision for the regulatory case dealt with by the European Commission as described in Note 24.

6. Staff costs

	2022	2021[b]
Wages and salaries	2,928	2,856
Defined contribution pension costs	603	590
Other social security contributions	320	311
	3,851	**3,757**

[b] Reclassifications in comparatives were described in Note 2.20.

	2022	2021
Number of employees at year end	3,306	3,330
Average number of employees during the year[c]	3,152	3,240

[c] The average number of employees during the year is based on an average recalculated number of full-time employees.

Majority of own work capitalized in the amount of CZK 278 million (2021: CZK 310 million) represents capitalization of wages and salaries of internal employees.

7. Material and equipment

The increase of the balance of Material and equipment in 2022 is mainly caused by the increase of sale of telecommunication equipment, particularly handsets, driven by successful marketing campaigns in 2022.

8. Interconnection fees and other telecommunication services

Interconnection fees and other telecommunication services balances include cost of leased capacity of telecommunication lines at the amount of CZK 551 million in 2022 (2021: CZK 507 million).

9. Other operating costs

	2022	2021[a]
Repairs and maintenance	778	783
Dealer commissions	1,044	913
Marketing costs	646	539
Energy	557	410
IT services	508	463
Content fees	482	382
Fees paid to group companies	354	268
Frequency fees	308	326
Logistics	111	108
Consultancy	93	109
HR related costs	91	112
Customer solutions	80	60
Facility costs	67	64
Printing and postage	44	11
Loss on disposal of property and equipment and intangible assets, net	25	37
Legal and regulatory claims (Note 24)	16	(32)
Other	406	930
	5,610	**5,483**

[a] Reclassifications in comparatives were described in Note 2.20.

10. Financial income

	2022	2021
Interest income	357	70
Foreign exchange gains/losses, net	–	–
Other financial income	1	–
	358	**70**

The increase in interest income is caused by the general increase in market interest rates affecting mainly interest income from cash pooling receivable and intercompany loan, both provided to DTAG.

11. Financial expense

	2022	2021
Interest expense from lease	185	233
Other interest expense	9	–
Foreign exchange gains/losses, net	199	62
	393	**295**

12. Taxation

The major components of income tax expense for the years ended 31 December are:

	2022	2021
Current tax expense	1,727	1,635
Current tax expense of prior periods	17	76
Deferred tax income	(42)	(111)
Total income tax expense	**1,702**	**1,600**

Reconciliation between the reported income tax expense and the theoretical amount that would arise using the statutory tax rate is as follows:

	2022	2021
Profit before income tax	8,739	7,851
Income tax calculated at the statutory rate of 19% (2019: 19%)	1,660	1,492
Effect of non-taxable income and tax non-deductible expenses:		
– Non-tax deductible expenses	89	55
– Non-taxable income	(53)	(17)
Tax charge in respect of prior years	17	76
Other	(11)	(6)
Income tax at the effective tax rate of 20% (2021: 20%)	**1,702**	**1,600**

Deferred tax assets (liabilities) calculated at the statutory rate of 19% which is the rate valid for 2023 and subsequent years (2021: 19%) and for the year ended 31 December are attributable to the following items:

	1 January 2022	Recognized through profit or loss	31 December 2022
Difference between carrying and tax value of fixed assets	(775)	(10)	(785)
Lease liabilities	1,221	(18)	1,203
Right-of-use assets	(1,148)	66	(1,082)
Provisions and Liabilities to employees	316	6	322
Contract assets and Contract Costs	(269)	(32)	(301)
Other	97	30	127
Net deferred tax liability	**(558)**	**42**	**(516)**

	1 January 2021	Recognized through profit or loss	31 December 2021
Difference between carrying and tax value of fixed assets	(862)	87	(775)
Lease liabilities	1,339	(118)	1,221
Right-of-use assets	(1,271)	123	(1,148)
Provisions and Liabilities to employees	310	6	316
Contract assets and Contract Costs	(227)	(42)	(269)
Other	42	55	97
Net deferred tax liability	**(669)**	**111**	**(558)**

	31. 12. 2022	31. 12. 2021
Deferred tax asset to be settled within 12 months	439	391
Deferred tax asset to be settled after more than 12 months	1,223	1,243
Deferred tax liability to be settled within 12 months	(178)	(153)
Deferred tax liability to be settled after more than 12 months	(2,000)	(2,039)
Net deferred tax liability	**(516)**	**(558)**

13. Intangible assets

	Customer relation-ships	Software	Telco licences	Other licences and rights	Internally developed intangible assets	Goodwill	Intangibles under construc-tion	Total
At 1 January 2022								
Cost	2,549	13,803	9,123	1,096	467	1,592	1,912	30,542
Accumulated amortisation	(2,368)	(11,843)	(5,661)	(919)	(458)	–	–	(21,249)
Net book value	**181**	**1,960**	**3,462**	**177**	**9**	**1,592**	**1,912**	**9,293**
Additions	–	433	–	217	4	–	1,054	1,707
Amortisation charge	(75)	(723)	(554)	(198)	(11)	–	–	(1,560)
Disposals	–	(3)	–	–	–	–	(6)	(9)
Transfers	–	521	621	(44)	5	–	(1,103)	–
At 31 December 2022								
Cost	2,549	14,580	9,712	760	476	1,592	1,857	31,526
Accumulated amortisation	(2,443)	(12,393)	(6,183)	(608)	(468)	–	–	(22,095)
Net book value	**106**	**2,187**	**3,529**	**152**	**8**	**1,592**	**1,857**	**9,431**

The Group has additions in amount of CZK 1,710 million out of which is CZK 582 million represented by spectrum assignment for 2,1 GHz band which is valid from 2024 and remains in Intangibles under construction. The remaining additions comprise new softwares, T-Mobile TV licences and applications and improvements of other currently used IT systems and applications.

Goodwill was recognised at the merger of T-Mobile CZ with T-Systems Czech Republic, GTS Czech, LEMO Internet and RegioNET Morava and at the acquisition of CE Colo Czech s.r.o. and Planet A, a.s. (Note 16).

	Customer relation-ships	Software	Telco licences	Other licences and rights	Internally developed intangible assets	Goodwill	Intangibles under construc-tion	Total
At 1 January 2021								
Cost	2,654	13,044	7,618	1,292	508	1,592	1,719	28,427
Accumulated amortisation	(2,245)	(11,527)	(5,162)	(770)	(503)	–	–	(20,207)
Net book value	**409**	**1,517**	**2,456**	**522**	**5**	**1,592**	**1,719**	**8,220**
Additions	–	660	1,407	179	4	–	545	2,795
Amortisation charge	(228)	(664)	(467)	(319)	(12)	–	–	(1,690)
Disposals	–	(28)	–	(2)	–	–	(2)	(32)
Transfers	–	475	66	(203)	12	–	(350)	–
At 31 December 2021								
Cost	2,549	13,803	9,123	1,096	467	1,592	1,912	30,542
Accumulated amortisation	(2,368)	(11,843)	(5,661)	(919)	(458)	–	–	(21,249)
Net book value	**181**	**1,960**	**3,462**	**177**	**9**	**1,592**	**1,912**	**9,293**

The Group received a spectrum assignment in 700 MHz and 3.X GHz band in the amount of CZK 1,890 million in 2021 which has been partly activated in Telco licences in the amount of CZK 1,407 million. The rest remains in Intangibles under construction. The remaining additions comprise new softwares, T-Mobile TV licences and applications and improvements of other currently used IT systems and applications.

Significant individual intangible assets

Telco licences

The carrying values and remaining amortization periods of the telco licences are stated in the table below. For further information on these assets, please see Note 1.

	31. 12. 2022		31. 12. 2021	
	Carrying amount	Remaining amortization period in years	Carrying amount	Remaining amortization period in years
"GSM" licence	117	2	172	3
"UMTS" licence	349	2	549	3
"LTE" licence	1,789	7	1,367	8
"5G" licence	1,274	14	1,374	15
	3,529		**3,462**	

In 2022 the Group activated LTE licences 2600 MHz in amount CZK 620 million. The residual part of spectrum assignment in 700 MHz and 3.X GHz band to be used for "5G" services received in 2021 remains in Intangibles under construction.

In 2022 the Company received a renewal of spectrum assignment in 2,1 GHz for the period of 18 years for the total consideration in the amount of CZK 582 million. As at 31 December 2022 the right to use the frequency band is presented as asset in the course of construction as it is valid from 2024.

In 2021 the Group received a spectrum assignment in 700 MHz and 3.X GHz band to be used for "5G" services for the period of 15 and 11 years for the total consideration in the amount of CZK 1,890 million. As at 31 December 2021 the right to use a frequency band is ready to use in the carrying amount of CZK 1,274 million (31 December 2021: CZK 1,374 million). The residual part of the right to use this frequency band is not ready to use yet as the Group has not asked for granting of the Individual right authorization yet. Without this authorization the broadcasting cannot be provided to customers. As at 31 December 2022 the right to use this frequency band presented as asset in the course of construction is at amount of CZK 483 million (31 December 2021: CZK 483 million).

In 2016 the Group purchased a right to use frequency band for the provision of public communications network in 2600 MHz for the period of 13 years for total consideration in the amount of CZK 730 million. As at 31 December 2022 the total amount was ready to use. As at 31 December 2021 the right to use frequency band is presented as asset in the course of construction. The right to use frequency band was not ready to use as the Group had not asked for granting of the Individual right authorization yet. Only part of it in the amount of CZK 115 million was already used for broadcasting as at 31 December 2021.

Software

The significant part of software balance comprises NG CRM, a new platform for client relationship management (CRM) system. The carrying value of NG CRM as at 31 December 2022 is CZK 957 million plus CZK 2 million under construction (31 December 2021: CZK 999 million plus CZK 5 million under construction).

The other significant portion of software balance is made by new enterprise information system One.ERP. The carrying value of One.ERP as at 31 December 2022 is CZK 46 million (31 December 2021: CZK 324 million plus CZK 5 million under construction).

The systems are being implemented in stages and the last modules are still under construction. The migrations to new systems affected a number of existing software and systems of which the modification was needed. The amount of these capital expenditures is not included in the carrying amount of NG CRM and One.ERP but in the carrying value of existing software and systems.

14. Property and equipment

	Land and buildings	Telecommunications line network	Transmission and switching equipment	Other	Construction in progress including advances	Total
At 1 January 2022						
Cost	5,064	5,171	17,165	5,494	3,315	36,209
Accumulated depreciation	(2,871)	(2,429)	(12,319)	(3,712)	(46)	(21,377)
Net book value	2,193	2,742	4,846	1,782	3,269	14,832
Additions	26	123	653	255	2,098	3,155
Depreciation charge	(187)	(226)	(1,468)	(369)	–	(2,250)
Impairment charge	–	–	(4)	(1)	–	(5)
Reversal of impairment	–	–	–	–	8	8
Disposals	(6)	–	(32)	(18)	(16)	(72)
Transfers	17	228	533	42	(820)	–
At 31 December 2022						
Cost	5,061	5,512	17,482	5,371	4,540	37,966
Accumulated depreciation	(3,018)	(2,645)	(12,954)	(3,680)	(1)	(22,298)
Net book value	**2,043**	**2,867**	**4,528**	**1,691**	**4,539**	**15,668**

The additions of tangible fixed assets in 2022 comprise mainly the construction of own optical network and purchase of technology equipment, especially customer premises equipment.

	Land and buildings	Telecommunications line network	Transmission and switching equipment	Other	Construction in progress including advances	Total
At 1 January 2021						
Cost	4,943	4,784	17,434	5,139	2,656	34,956
Accumulated depreciation	(2,633)	(2,224)	(12,244)	(3,179)	–	(20,280)
Net book value	2,310	2,560	5,190	1,960	2,656	14,676
Additions	38	189	369	190	1,935	2,721
Depreciation charge	(227)	(208)	(1,559)	(437)	–	(2,431)
Impairment charge	–	–	(1)	(5)	(54)	(60)
Reversal of impairment	–	–	–	–	8	8
Disposals	(7)	(1)	(18)	(34)	(22)	(82)
Transfers	79	202	865	108	(1,254)	–
At 31 December 2021						
Cost	5,064	5,171	17,165	5,494	3,315	36,209
Accumulated depreciation	(2,871)	(2,429)	(12,319)	(3,712)	(46)	(21,377)
Net book value	**2,193**	**2,742**	**4,846**	**1,782**	**3,269**	**14,832**

The additions of tangible fixed assets in 2021 comprise mainly the construction of own optical network and purchase of technology equipment, especially customer premises equipment.

15. Right-of-use assets

The Group has lease contracts for various items:

a) space on telecommunication infrastructure of third parties, rooftops and land to install own telecommunication equipment – the Group uses the space/area on third party landlord's land to construct its own masts or transmission tower. These masts and towers are used for telecommunication equipment (e.g. antennas) of the Group,
b) exclusive easements - an easement is a legal right to use, access, or cross another's property (such as land or common area in a building) for a specific limited purpose. Easements are granted mainly for the reasons to pass a cable over, under, or through an existing area of land.
c) shops – a retail space in a building or a mall,
d) operations buildings (less frequently in residential buildings) to place and operate technical equipment, e.g. servers, network equipment, etc.
e) office space - office space serves the Group's employees with space where they can execute their work,
f) leased lines - optical fiber leases.

The carrying amounts of right-of-use assets held by the Group are presented below:

	Leased land	Leased buildings	Leased technical equipment	Total
At 1 January 2022				
Cost	1,601	5,870	2,216	9,687
Accumulated depreciation	(302)	(2,008)	(587)	(2,897)
Net book value	**1,299**	**3,862**	**1,629**	**6,790**
Additions	220	504	116	840
Depreciation charge	(169)	(664)	(217)	(1,050)
Impairment charge	–	(38)	–	(38)
Disposals	(27)	(232)	(26)	(285)
Transfers	207	(207)	–	–
At 31 December 2022				
Cost	2,025	5,741	2,265	10,031
Accumulated depreciation	(495)	(2,516)	(763)	(3,774)
Net book value	**1,530**	**3,225**	**1,502**	**6,257**

Additions comprise of newly concluded leased contracts of CZK 126 million and contract prolongations of CZK 714 million.

Disposals arose due to early contract terminations (over 600 terminated contracts in 2022) or modifications, mainly shortening of lease term.

	Leased land	Leased buildings	Leased technical equipment	Total
At 1 January 2021				
Cost	1,491	5,465	2,074	9,030
Accumulated depreciation	(183)	(1,410)	(403)	(1,996)
Net book value	**1,308**	**4,055**	**1,671**	**7,034**
Additions	109	717	181	1,007
Depreciation charge	(167)	(676)	(220)	(1,063)
Impairment charge	–	(33)	–	(33)
Reversal of impairment	–	9	–	9
Disposals	(54)	(107)	(3)	(163)
Transfers	103	(103)	–	–
At 31 December 2021				
Cost	1,601	5,870	2,216	9,687
Accumulated depreciation	(302)	(2,008)	(587)	(2,897)
Net book value	**1,430**	**3,862**	**1,629**	**6,790**

Additions in 2021 comprise of newly concluded leased contracts CZK 83 million, and contract prolongations of CZK 924 million.

Disposals in 2021 arose due to early contract terminations (over 300 terminated contracts in 2021) or modifications, mainly shortening of lease term.

16. Impairment of goodwill

Goodwill recognised as a result of mergers and acquisitions. Overview of merged and acquired companies with the Group and resulting goodwill are presented in the table below:

	31.12.2022	31.12.2021
T-Systems Czech Republic, a.s.	131	131
GTS Czech s.r.o.	1,144	1,144
CE Colo Czech s.r.o.	100	100
LEMO Internet a.s.	11	11
RegioNET Morava, a.s.	16	16
Planet A, a.s.	190	190
T-Mobile Infra CZ s.r.o	–*	–
	1,592	**1,592**

* Investment in amount of 20 TCZK as at 31.12.2022

Goodwill was tested for impairment as of 31 December 2022. The recoverable amount of CGU´s were measured at the value in use. The calculations use cash flow projections based on financial budgets approved by the management of the Group covering a ten-year period. Ten-year period reflects the assumptions for short- to mid-term market developments and is selected to achieve a steady state in the business outlook that is necessary for calculating the perpetual annuity. This steady state is only reached based on the planning horizon selected, in particular, due to sometimes long investment cycles in the telecommunications industry and the investments planned and expected in the long run to acquire and extend the rights of spectrum use. Cash flows beyond the ten-year period are extrapolated using the estimated long-term growth rate stated in the table below. This growth rate is consistent with forecasts included in industry reports specific to the industry in which the Group operates (telecommunications).

The calculation of expected future cash flows is based on an estimate of service revenue, operating expenditure (direct and indirect costs) and capital expenditure for the period 2023– 2032.

Service revenue is projected separately for each main area (mobile, fixed, IT). Mobile revenues are projected based on the estimated number of subscribers in each year and the expected average revenue per user (“ARPU”) in each year. Revenues from the fixed and IT businesses are estimated based on expected sales and sales prices.

The estimated number of customers/subscribers is based on past performance and management’s expectations of market development. ARPU or sales prices are based on current industry trends and take into account the competition and other market factors.

Operating expenditure is based on the current structure of the business, adjusted for expected future developments, restructurings and cost saving measures. Capital expenditure is based on the historical experience of management and the planned development of the fixed and mobile network.

In general, the projections of the above-mentioned components of expected future cash flows take into account the expected economic development, the competition and other market factors, regulation, as well as the Group’s strategy.

The weighted average cost of capital (“WACC”) used in the calculation of discount rate to a discount the cash flow projections was determined based on CAPM (Capital Asset Pricing Model) using the average betas of the peer group, a risk free rate using the Svensson methodology for Germany and adjusted for country specific risks, a debt ratio in line with the usual indebtedness of listed peer telecommunications companies and an additional debt risk premium considering average peer Group specific debt risks. The estimated long-term growth rate (“LTGR”) takes into account the expected economic growth of the country.

The fair value measurement is categorised within level 3 of the fair value hierarchy as per IFRS 13.

The analysis performed as at 31 December 2022 confirmed that the recoverable amount of the cash generating unit exceeds its carrying amount.

The table below shows the discount rate and LTGR used in the fair value calculation for the goodwill impairment tests conducted as of 31 December 2022 and as of 31 December 2021. The table also includes an analysis that shows how much impairment would have been recognized if we changed the sensitive parameters in the calculations.

	31. 12. 2022	31. 12. 2021
Discount rate		
Used in the calculation	6.50%	5.24%
If changed to	10.50%	9.24%
Impairment would be (CZK million)	–	–
LTGR		
Used in the calculation	1%	1%
If changed to	(1%)	(1%)
Impairment would be (CZK million)	–	–
Nominal expected future cash flows		
If changed by	(30%)	(30%)
Impairment would be (CZK million)	–	–

If the nominal expected future cash flows, discount rates, or long-term growth rate used for impairment testing had been changed as described in the table above for the projection period, this would not have resulted in any impairment.

17. Trade and other receivables

	31. 12. 2022	31. 12. 2021
Non-current		
Receivables from instalment sale	289	256
Finance lease receivables	74	14
	363	**270**
Current		
Trade receivables	6,107	4,497
Cash pooling receivable	1,366	1,378
Other receivables	83	57
Finance lease receivables	11	2
	7,567	**5,934**

Trade receivables are net of an allowance of CZK 3,003 million (2021: CZK 2,207 million). If the allowance percentage increases by 1% in each relevant ageing group (except where there is 100% allowance created), the charge for the year would be CZK 45 million higher (2021: CZK 43 million).

Specific allowance for impaired receivables has been created for particular ICT deal.

Movements in the allowance for impaired receivables from third parties were as follows:

	2022	2021
At 1 January	2,207	2,059
Charge for the year, net	933	308
Utilised	(137)	(160)
At 31 December	**3,003**	**2,207**

18. Assets and liabilities related to contracts with customers

Contract asset is recognised mainly in case of multiple element arrangements (e.g. mobile contract plus handset), when a larger portion of the total consideration is attributable to the component delivered in advance (mobile handset), requiring earlier recognition of revenue.

Contract costs are assessed as incremental cost of obtaining a contract and consists of Dealer commission.

Contract liability is related mainly to one-time fees and advanced payments for post-paid services.

The Group has recognised the following assets and liabilities related to contracts with customers:

	31. 12. 2022	31. 12. 2021
Non-current assets		
Contract assets	53	54
Loss allowance	(36)	(6)
	17	**48**
Contract costs	209	192
Current assets		
Contract assets	1,059	864
Loss allowance	(33)	(7)
	1,026	**857**
Contract costs	**586**	**529**
Non-current liabilities		
Contract liabilities	527	600
Current liabilities		
Contract liabilities	769	820

Revenue recognised in the reporting year that was included in the contract liability balance at the beginning of the year amounted to CZK 755 million (2021: CZK 626 million). The transaction price allocated to the performance obligations that are unsatisfied as of the end of reporting year amounted to CZK 6,814 million (2021: CZK 6,011 million). Management expects that the transaction price allocated to the unsatisfied contracts as of 31 December 2022 will be recognised as revenue as follows: CZK 4,888 million during first year; CZK 1,797 million during second year and CZK 128 million during third-tenth year (2021: CZK 4,225 million during first year; CZK 1,682 million during second year and CZK 104 million during third-tenth year).

Wages and salaries include also amortisation of costs to obtain contracts with customers in the amount of CZK 86 million (2021: CZK 98 million) (Note 6).

Dealers commission includes also amortisation of costs to obtain contracts with customers in the amount of CZK 654 million (2021: CZK 602 million) (Note 9).

19. Prepaid expenses and other assets

	31. 12. 2022	31. 12. 2021
Non-current		
Other prepaid expenses	551	610
	551	**610**
Current		
Other prepaid expenses	431	348
Advance payments	279	390
Other assets	5	6
	715	**744**

20. Inventories

	31. 12. 2022	31. 12. 2021
Materials	221	260
Goods	514	253
	735	**513**

The increase of Inventories as at 31.12.2022 is driven by pre-stocking of handset before Christmas marketing campaigns which also influence increase in revenues from terminal equipment (see Note 4).

Inventories are net of an allowance of CZK 97 million (2021: CZK 60 million). The reversal of write-down of inventories in the amount of CZK 53 million (2021: CZK 44 million) was recognised in cost of material and equipment.

21. Loans

	31. 12. 2022	31. 12. 2021
Loans to Deutsche Telekom AG	5,418	5,806
	5,418	**5,806**

The loans provided to Deutsche Telekom AG were not secured. The short-term loan to DTAG consists of one individual receivable in CZK with original maturity 4 weeks (2021: two individual receivables in CZK with original maturities 4 and 6 weeks) while individual interest rates had been determined on an arm's length basis. For credit ratings see Note 3.2.

22. Cash and cash equivalents

As at 31 December 2022 cash and cash equivalents included CZK 421 million (31 December 2021: CZK 320 million) of short-term bank deposits.

Cash at banks outside cashpooling earns interest at rates based on daily bank deposit rates. Short-term investments are made for varying periods between one day and three months and earn interest at the respective rates. For credit ratings see Note 3.2.

23. Shareholders' equity

On 25 February 2014 CMobil B.V. became the sole shareholder of T-Mobile Czech Republic a.s. and as of 1st of March 2015 the sole shareholder changed its name to Deutsche Telekom Europe B.V.

As at 31 December 2022, T-Mobile Czech Republic a.s. had authorised and issued 520,000 ordinary shares (2021: 520,000) with a par value of CZK 1,000 per share (2021: CZK 1,000 per share). All the shares issued were fully subscribed. All the shares represent the rights of shareholder to participate in the managing of T-Mobile Czech Republic a.s., on the profit and liquidation balance upon the winding-up of T-Mobile Czech Republic a.s. with liquidation.

The share premium was recognized on 25 March 1996. There are no special rights related to share premium and no special purpose of its use is determined.

The other reserves comprise reserve fund which is set up in accordance with the Statutes of the Company. The statutory reserve fund may be distributed based on the sole shareholder resolution.

The Financial statements of the Group for the year ended 31 December 2021 were authorised for issue on behalf of the Board of Directors of T-Mobile Czech Republic a.s. on 25 March 2022.

On 26 April 2022 Deutsche Telekom Europe B.V. while performing competences of the General meeting of T-Mobile Czech Republic a.s. approved distribution of the prior year profit in the form of dividends. Total dividends of CZK 6,256 million (2021: CZK 5,091 million.) were paid in May 2022, which amounted to CZK 12,031 per share (2021: CZK 9,791 per share).

Approval of the 2022 profit distribution will be taken by the sole shareholder in June 2023.

24. Provisions

	Asset retirement obligation	Other	Total
At 1 January 2022	**724**	**920**	**1,652**
Arising during the year	9	197	228
Utilised	–	(120)	(127)
Reversals	(11)	(672)	(698)
Transfer to current liabilities	–	–	–
Interest impact	10	(1)	9
At 31 December 2022	**732**	**324**	**1,064**
Non-current	732	127	859
Current	–	197	197
	732	**324**	**1,056**

	31. 12. 2022	31. 12. 2021
Non-current	859	853
Current	197	791
	1.056	**1,644**

Asset retirement obligation

The Group is subject to obligations for dismantlement, removal and restoration of assets associated with its cell site lease agreements (Note 2.19). Cell site lease agreements may contain clauses requiring restoration of the leased site at the end of the lease term, creating an asset retirement obligation.

Other

Other provisions comprise mainly provisions for the regulatory case, litigations and executive management incentive plans obligations. The majority of balance of Other provisions as of 31 December 2021 is attributable to the provision for the regulatory case dealt with by the European Commission. In 2015 the European Commission initiated formal proceedings against the Group for the potential breach of Art 101 of the Treaty on the Functioning of the European Union in relation to the reduction of infrastructure competition, namely: concerns in relation to the reduction of innovation; concerns in relation to the reduction of investment and concerns in relation to the exchange of information.

The Group's management made an assessment of a provision for the regulatory case as of 31 December 2021, including the probable outcome, which is based on a number of estimates and assumptions and therefore is inherently subject to substantial uncertainty. Based on the estimated amount of revenues to which the infringement relates and opinion of external advisers regarding the estimated percentage range to be applied to the respective revenues, a provision has been recorded in the financial statements as of 31 December 2021 to cover the estimated costs to settle the fine for infringement and related legal costs. The provision recognised in this way constitutes the management's best estimate of the liability.

At 11th July 2022, the European Commission terminated the administrative proceedings regarding the mobile network sharing and accepted proposed commitments by the Group to ensure further investment and innovation in the network and limit exchange of information. The Group released the related provision as there is no probability of future cash outflows connected with penalty from administrative proceeding.

25. Trade and other payables

	31. 12. 2022	31. 12. 2021
Non-current		
Financial liabilities for capitalised content licences	2	–
Other payables	20	24
	22	**24**
Current		
Trade payables	1,597	1,867
Uninvoiced deliveries	4,322	2,224
Financial liabilities for capitalised content licences	64	107
Other payables	312	36
	6,295	**4,234**

26. Lease liabilities

	31. 12. 2022	31. 12. 2021
Up to 1 year	750	735
1 to 5 years	2,651	2,402
Over 5 years	2,474	2,831
Total lease liabilities	**5,875**	**5,968**

Total undiscounted cash flows are stated in Note 3.3.

Pursuant to IFRS 16 single lessee accounting model, the Group recognises a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments (Note 15).

27. Impact from leasing contracts

The following are the amounts recognised from leasing contracts in profit or loss:

	2022	2021
Depreciation expense of right-of-use assets (Note 15)	1,088	1,096
Disposals of right-of-use assets	(3)	(9)
Interest expense on lease liabilities (Note 11)	185	233
For the year ended 31 December	**1,270**	**1,320**

28. Other liabilities

	31. 12. 2022	31. 12. 2021[a]
Current		
Amounts due to employees	858	790
Other tax liabilities	220	201
Other liabilities	94	90
	1,172	**1,081**

29. Cash flow disclosures

The reconciliation of cash used in financing activities is as follows:

	Lease liabilities (Note 26)	Other interest-bearing liabilities (Note 25)	Loans and bank overdraft
At 1 January 2021	6,610	170	–
Additions	1,007	97	–
Non-cash movements	(165)	–	–
Cash used in financing activities	(1,717)	(160)	–
Accretion of interest	233	–	–
At 31 December 2021	**5,968**	**107**	**–**
At 1 January 2022	**5,968**	**107**	**–**
Additions	840	88	–
Non-cash movements	(210)	–	–
Cash used in financing activities	(908)	(129)	–
Accretion of interest	185	–	–
At 31 December 2022	**5,875**	**66**	**–**

Non-cash movements include non-cash release of liabilities from changes in contracts terms or early termination of contracts.

30. Commitments

The Group's purchase commitments were as follows:

	31. 12. 2022	31. 12. 2021
Acquisition of property and equipment	1,842	2,105
Acquisition of intangible assets	242	183
Purchase of services and inventory	4,755	2,735
	6,839	**5,023**

31. Related party transactions

	Receivables		Payables		Commitments	
	2022	2021	2022	2021	2022	2021
DTAG	6,833	7,226	303	90	7	8
Other entities in DTAG group	431	489	634	556	111	75
	7,264	**7,715**	**937**	**646**	**118**	**83**

The Group conducts business with its ultimate parent, Deutsche Telekom AG and its subsidiaries, associates and joint ventures. Business transactions relate mainly to telephone calls and other traffic in the related parties' networks.

	DTAG		Other entities in DTAG group	
	2022	2021	2022	2021[a]
Sales and income				
Interconnect / roaming revenues	15	–	542	603
System solutions / IT revenues	218	197	787	596
Income from reinvoicing of services	1	–	180	188
Other revenue / income	339	45	14	126
	573	**242**	**1,523**	**1,513**
Purchases				
Interconnect / roaming costs	–	–	548	598
Expenses from reinvoicing of services	203	153	239	208
Leased lines	–	–	168	178
Other purchases	**195**	**102**	**174**	**262**
	398	**255**	**1,129**	**1,246**

[a] To be in line with 2022, comparatives were reclassified for better comparability as follows: Other purchases of 174 million CZK was reclassified from Interconnect / roaming costs. Reclassifications in comparatives were described in Note 2.20.

Other transactions include data services, management, consultancy, other services and purchases of fixed assets.

The Group purchased foreign currencies from Deutsche Telekom AG in amount of CZK 4,855 million (2021: CZK 3,352 million), which comprised mainly forwards and swaps. The price was set at the best level of all market offers.

The Group provided a short-term loan to DTAG in the amount of CZK 5,418 million as at 31 December 2022 (31 December 2021: CZK 5,806 million). For maturities see Note 21.

In 2022 and 2021 the Group did not have any transactions related to its direct parent company Deutsche Telekom Europe B.V.

All transactions with related parties are performed at an arm's length basis.

Compensation of key management personnel

The key management personnel as at 31 December 2022, 17 in number (2021: 19) include members of the Management Board, Board of Directors and Supervisory Board.

Since 1 July 2016 the companies Slovak Telekom and T-Mobile Czech Republic a.s. have the joint Management Board. All management members are responsible for business and managerial activities of companies on both Slovak and Czech markets. The number of key management personnel include all members of the Management Board, irrespective if they are employed by Slovak Telekom or T-Mobile Czech Republic a.s. Tables below include only benefits earned by the key management personnel in T-Mobile.

	2022	2021
Short term employee benefits	70	74
Defined contribution pension costs	1	1
Share based compensations	5	4
	76	**79**

The Group offers several long-term incentive plans to its executive management members with a new package being launched each year and with each tranche lasting for 4 years. A total provision of CZK 112 million has been recognised as at 31 December 2022 (31 December 2021: CZK 78 million). In 2022 the Group recognised an expense resulting from these long-term incentive plans in amount of CZK 34 million (2021: CZK 17 million) in Staff costs.

32. Contingencies

The Group‘s management is not aware of any circumstances which may in the future give rise to a potential material liability.

33. Events after reporting year

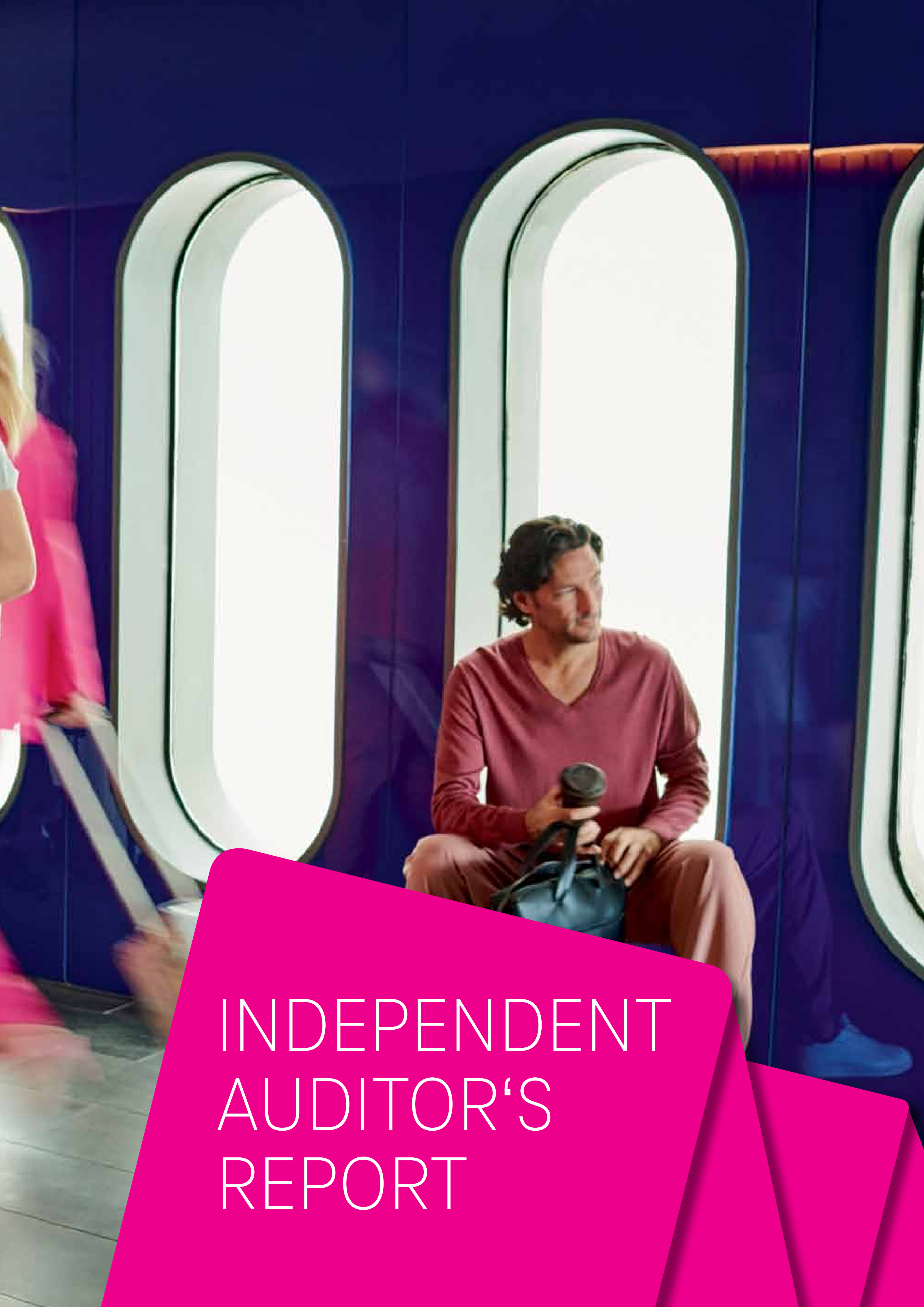
The Company (Demerged Company) as the sole shareholder of T-Mobile Infra CZ s.r.o. (Successor Company) decided in accordance with the Transformations Act on demerger by spin-off by merger whereby, as part of the implementation of the transformation process, the Demerged Company will be demerged by spinning off a selected part of the assets of the Demerged Company and merging it with the Successor Company, on the effective date as at 1 January 2023. The Company will continue in using the spinned off assets based on the contract closed with T-Mobile Infra CZ s.r.o.

There is no negative business impact on the Group as the result of the transaction and no presentation adjustment was required in the financial statements as at 31 December 2022 in this regard.

In April 2023, a petition was filed to the Municipal Court in Prague to initiate insolvency proceedings against MAMMOTH s.r.o., together with a petition for a decision on the resolution of the company‘s bankruptcy through bankruptcy. In 2018, the Group had signed a framework agreement with this company, for the provision of hardware capacity, maintenance/sla and related services. On 19 June 2023, the Group filed the receivable to the insolvency proceedings at the Municipal Court in Prague in the total amount of CZK 2,581 million. In July 2023, the Group will file the remaining outstanding amount of the receivable for June 2023 in the amount of CZK 157 million.

On 5 April 2023, due to the fact, that the Group suspected that it had been the victim of a sophisticated organised fraud, the Group filed a criminal complaint with the Police of the Czech Republic, the National Centre against Organised Crime, requesting verification of facts indicating that the particularly serious crime of fraud may have been committed. The management of the Group decided to recognise the impairment of the receivable related to MAMMOTH s.r.o., as of 31 December 2022 based on the facts known as of the date of the preparation of these financial statements. The actual amount of the potential writte off may materially differ based on the future development of this case.

There were no other events, which have occurred subsequent to the year-end, which would have a material impact on the financial statements as at 31 December 2022.



INDEPENDENT AUDITOR'S REPORT

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Tax ID. No.: CZ49620592

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of
T-Mobile Czech Republic a.s.

Having its registered office at: Tomíčkova 2144/1, Chodov, 148 00 Praha 4

Opinion

We have audited the accompanying separate financial statements of T-Mobile Czech Republic a.s. (hereinafter also the "Company") prepared on the basis of International Financial Reporting Standards as adopted by the EU, which comprise the separate statement of financial position as at 31 December 2022, and the separate statement of profit and loss and other comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies and other explanatory information.

We have also audited the accompanying consolidated financial statements of T-Mobile Czech Republic a.s. (hereinafter also the "Company") prepared on the basis of International Financial Reporting Standards as adopted by the EU, which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion:

The accompanying separate financial statements give a true and fair view of the financial position of T-Mobile Czech Republic a.s. as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

The accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the T-Mobile Czech Republic a.s. consolidation group as of 31 December 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application guidelines. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Separate Financial Statements and Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The separate financial statements and the consolidated financial statements of T-Mobile Czech Republic a.s. for the year ended 31 December 2021 were audited by another auditor who expressed an unmodified opinion on those statements on 25 March 2022.

Other Information in the Summary Annual Report

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Summary Annual Report other than the separate financial statements and the consolidated financial statements and auditor's report thereon. The Board of Directors is responsible for the other information.

Our opinion on the separate financial statements and the consolidated financial statements does not cover the other information. In connection with our audit of the separate financial statements and the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements and the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information describing the facts that are also presented in the separate financial statements and the consolidated financial statements is, in all material respects, consistent with the separate financial statements and the consolidated financial statements; and
- The other information is prepared in compliance with applicable law or regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Company obtained in the audit, on whether the other information contains any material misstatement of fact. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement of fact.

Responsibilities of the Company's Board of Directors and Supervisory Board for the Separate Financial Statements and the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the separate financial statements and the consolidated financial statements in accordance with accounting regulations applicable in the Czech Republic and for such internal control as the Board of Directors determines is necessary to enable the preparation of separate financial statements and the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements and the consolidated financial statements, the Board of Directors is 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Separate Financial Statements and the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements and the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 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 separate financial statements and consolidated financial statements.

As part of an audit in accordance with the above law or regulation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements and the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements and the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements and the consolidated financial statements, including the disclosures, and whether the separate financial statements and the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the separate financial statements and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the separate financial statements and consolidated financial statements.

We communicate with the Board of Directors and the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

In Prague on 30 June 2023

Audit firm:	Statutory auditor:
Deloitte Audit s.r.o. registration no. 079	Martin Tesar registration no. 2030