

– Check against delivery –

**Speech for Deutsche Telekom's shareholders' meeting 2022
in Bonn on April 7, 2022**

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Chief Executive Officer
Deutsche Telekom AG**

Dear shareholders,
Dear customers,
Ladies and gentlemen,

We connect people. 300 million customers. This is what our T stands for! Together with the two Digits. Left and right. They stand for our markets. In Europe and the United States.

We stay true to ourselves. We are reinventing ourselves. And we show how. This year we have revamped our logo. But the T stays. It is stable. It shows who we are. A company with responsibility. A successful company. An anchor of stability. Particularly in uncertain times.

Stability is the central theme of my speech today. In five key points:

1. Deutsche Telekom stands for stable networks.

We invest more than competitors. For many years now. That is why we lead the field. In 5G. And in optical fiber. We were thus the digital backbone throughout the pandemic. In all our markets. Our networks were completely stable.

But it does not stop there. Our motto is: We won't stop until everyone is connected. We will invest over the coming years. We are going to keep investing. Plowing billions into the leading 5G network. And in the leading fiber-optic network. FTTH. Fiber to the home. To give it its technical name. We keep building. 10 million households in Europe. And significantly more than 10 million households in Germany. Both by 2024.

We will achieve that. Despite the pandemic. In Germany, we announced a target of 1.2 million new fiber-optic lines. For 2021. And that is what we built. This year, we will build more. Over 2 million lines.

Not only in cities. But also in rural areas. "Make our village faster." By 2030, we will build out optical fiber to 8 million households. In rural areas. But we want to build even more, which is why we have established a new company. Together with the investor IFM. Fittingly, it is called: GlasfaserPlus. Together, we will build another 4 million lines in rural areas. Bringing the total to 12 million lines. By 2030.

Our mobile business is also progressing. Last year, we built 1,400 new masts. Just in Germany. More than all our competitors combined. To close gaps in coverage.

And we do so with state-of-the-art technology. Our 5G network now covers over 91 percent of the population. In Germany. 94 percent in the United States. In a nutshell: We not only have the most stable network. We also have the fastest network.

2. Deutsche Telekom looks forward.

Stability also means: identifying risks. Weighing up risks. Mitigating risks. We monitor technology trends. Developments among competitors. And the political environment. And we act accordingly.

Take energy prices, for example. They are rising. But we hedged the prices. 85 percent of our energy costs are fixed. In Germany. This year. For the coming year, the figure is 75 percent. We built in a price cap for ourselves.

Or take supply chains. Last year, many businesses scaled back their production activities. Because the necessary chips were in short supply. Computer components. Without which everything grinds to a halt. From radios to cars. We hardly felt the impact. Because we have long-term supply contracts in place.

Or take the economy. Competition in our sector is intense. The consumer index for telecommunications services has been in decline since 2015. By 5.7 percent. That is why we are working on our costs. And on new business. At the same time, we are lucky with our business model. It is a stable model. We connect people. This is something our customers are least willing to relinquish. Even in turbulent times.

Another example. Debt. This stands at 130 billion euros. A gargantuan sum. That said, we only pay interest on around 100 billion euros. That is our actual debt, as it were. The United States accounts for two thirds of this. But here, too, we took pre-emptive action. We have secured low interest rates. Long term. For periods of 10 or more years.

The ratio of our debt to adjusted EBITDA is 3. Our goal is between 2.25 and 2.75. We intend to achieve this. By the end of 2024.

We also take action to mitigate risks across our portfolio. Across our investments. We have decluttered. Sold our fixed-network business in Romania, for example. And we have enhanced value. In the Netherlands, for example.

Our business there was ailing. We would not have earned much for it had we sold it in 2018. But good entrepreneurship does not mean selling struggling businesses at a loss. It means shaping them up.

For example, we took over Tele2 in the Netherlands. Then we built the best mobile network nationwide. Now, we have sold T-Mobile. For an enterprise value of 5.1 billion euros.

The business combination with Sprint in the United States continues to move forward at an outstanding rate. We are ahead of schedule. With the network, for example. We are combining two networks into one. This will take us two-and-a-half years. For comparison: O2 merged its network in Germany with E-Plus. They took 5 years.

When it comes to our merger, one plus one does not equal two. It is already 3.8. 3.8 billion U.S. dollars is the sum we have already realized in cost benefits. In synergies. In 2021 alone. We originally expected cost synergies of 6 billion dollars by the end. Per year. We have now raised this to 7.5 billion dollars.

We are also close to becoming the majority shareholder. Last year, we acquired shares in T-Mobile US. 45 million. And we did this by way of a capital increase. SoftBank received 225 million shares in Deutsche Telekom. For 20 euros per share. In exchange for the T-Mobile shares.

It is a great indication of the confidence the world's largest tech investor has in us. SoftBank expects the share price to rise further. Our shareholding in T-Mobile is now 46.8 percent.

What is happening with our cell towers? We transferred this business. To an independent subsidiary. Back in 2002. And have continued to develop it ever since. Deutsche Funkturm now not only builds cell towers for us. But also for other companies. Its external business has grown. By 13 percent in the fourth quarter of 2021.

The cell tower market is a hive of activity. The investments are attractive. Promising good returns. We are always asked about our plans for our cell towers.

We are taking a good look. The interest in Deutsche Funkturm is huge. And, the same goes as always: We do not do bad business.

3. Deutsche Telekom is becoming more digital.

We find ourselves at a political watershed. For many years, the international motto was “change through trade.” Germany had hoped that exporting its products would also lead to an export of its values. That trade would also make a contribution. To democracy. To freedom. And to peace. As with the European Union. The EU is both. An economic project. And a peace project.

Sadly, it is clear that change through trade does not always work. Global supply chains are more closely interwoven than are societies. Democracies are unfortunately not the rule. So, we must learn to take a new approach. As society. As a company.

When it comes to stability, it helps to stand on your own two feet. Not to have to rely on others. That is why Deutsche Telekom has been working for many years to become more independent. From individual suppliers.

That is why we support Open RAN. In mobile communications. It is an open technology. That enables interoperability between antennas from different vendors. We also want to reduce our dependency on China. And have done so already. In the future, we will be able to buy antennas from other countries too. South Korea, Japan, the United States. And continue buying in Europe.

We are already some steps ahead in the fixed network. And digitalization plays a crucial role. We buy in the best technologies. On markets all over the world. Increasingly, these are standard goods. Built by many different vendors. We ourselves provide the

intelligence for this technology. With partners. All while conducting the vast orchestra of these different devices.

Our baton: computer programs. Software. Our developers do not work out of a garage. But rather from locations that include a plant site in Bonn. I recently paid them a visit. They are Deutsche Telekom's inventors. They are building what we call Access 4.0. The access tech of the future. Large numbers of individual household lines converge at the site. And from there are fed into the internet.

The team's work is impressive. We are proud of our "Magenta Valley." Former manual tasks are now fully automated. And thus more efficient. We are faster at identifying errors in the network. Making the network even more stable. And more efficient. And it is easier to integrate new functions into the network. At the touch of a button. For everyone at the same time.

That is a genuine advantage. Just recently, I was at home watching my favorite crime show. A video call came in. I had to take it on my mobile phone. It would be practical if the call came through directly on the TV. For my show to pause automatically. And after the call, I simply carry on watching where I left off. This is exactly what my colleagues are building!

Technology-wise, it requires the analysis of data. And the application of artificial intelligence. That is something we already use in several areas of our customer service.

I was recently at one of our customer centers. Normally when a customer calls us, they must start by identifying themselves. I took a call. And it was no longer necessary. Because the customer had stored their biometric speech data. Artificial intelligence matched their voice to the data. And faultlessly verified the customer's identity. We dived straight into the customer's inquiry. It was a contract-related question. We could focus entirely on the customer.

One million customers have already stored their speech data. This technology has saved us 14,000 hours of talk time. Our customers' time.

Our service is getting better and better. Digitalization is one reason. "Frustration with Deutsche Telekom" often turns into "Enthusiasm for Deutsche Telekom." Yesterday, connect magazine compared us to FC Bayern Munich. Not only have we won the championship trophy for the best network. For the eleventh time in succession. But also best in test for our call center customer service.

4. Deutsche Telekom gives others stability, too.

Supporting others supports us. That is my experience throughout the crises of recent months. Stability not only has an outward effect. But also an inward one. Companies do not exist solely to maximize profits. But, rather, successful companies create value for all. For shareholders. For customers. For employees. And for the environment.

Deutsche Telekom spent 312 million euros in 2021. Supporting non-profit organizations. And people in need. Through donations. Or special discounts. But most of all, our support comes from applying our strengths as a company. Connecting people. Developing digital solutions. Three examples:

During the coronavirus crisis we built the Warn-App. It has warned 57 million people. Some 11 million people subsequently tested positive. They were able to quarantine themselves. The Warn-App helps prevent even more people from catching the virus.

Now, T-Systems is working on a further application. The World Health Organization is digitalizing the international vaccination certificate. For 196 countries. Verifying the authenticity of these certificates depends on technology. Which T-Systems delivers.

Second example. The flooding in the Ahr valley. And in other regions. The strength of our culture shines bright in situations like these. No need for the boss to lay down the law. Our employees jump into action themselves. They get out there. On site. Helping.

We quickly rebuilt damaged infrastructure. Mobile service was restored to the regions after just eight days. We repaired 100,000 fixed-network lines. Where the fixed network was destroyed completely, we are rebuilding with optical fiber. We are still there on the ground every day.

Ladies and gentlemen,

We are shocked and saddened by Russia's war of aggression against Ukraine. It is heartening to see the display of solidarity from across the globe. But our solidarity alone is not enough. Actions are what count. To us it was self-evident: We will help. By doing what we do best. Ensuring that refugees can stay in touch. With relatives. That is why we made all calls to Ukraine free of charge. Text messages too. We have also provided SIM cards to refugees. 650,000 so far. Not only in border areas. In Hungary. In Poland. In Romania. In Slovakia. And also in Germany.

Ladies and gentlemen,

Deutsche Telekom will keep helping. We want to offer prospects to refugees in Germany. With internships. And jobs. As we did in 2015 and 2016. For people arriving from Syria.

We also offer prospects to employees from our former offices in Russia. They can work for us from other countries. The majority have taken up our offer. They have left the country. This is a good solution. Because it is also a humane solution.

5. Deutsche Telekom delivers stable growth.

Growth is not an end in itself. We must grow if we are to fulfill our mission. Only stable companies can help. Only stable companies can invest. In important infrastructure. As we are doing. 19 billion euros this year. Almost 6 billion of this in Germany. Entrepreneurial success and added value for society are inextricably linked. My thanks go to all employees for their incredible dedication.

In Germany, we have grown for the last 21 quarters. And 16 in Europe.¹ And in the United States, we have broken new ground as a result of the business combination. We are growing there too.

Last year was once again extremely successful for Deutsche Telekom.

- Revenue: up 7.7 percent. Around 109 billion euros.
- Earnings. Adjusted²: up 6.6 percent. 37.3 billion euros.
- Adjusted net profit: up 2.6 percent. 5.9 billion euros.
- Free cash flow³: 8.8 billion euros. Up 40 percent.

On the basis of this success, we are today proposing a dividend of 64 eurocents. Per share. Total shareholder return for 2021 was 12.9 percent. That is the combined yield from the share price and dividend. I believe this is a good return.

Not only do we intend to pay out a stable dividend in the coming years. But it is also set to grow. 40 to 60 percent of our adjusted earnings per share. In 2021, that figure was 1.22 euros. By 2024, we expect it to reach at least 1.75 euros per share. Free cash flow is also set to grow. From 10 billion euros this year. To over 18 billion euros. In 2024.

¹ Adjusted EBITDA AL growth in organic terms.

² Adjusted EBITDA AL.

³ Free cash flow AL.

Where does our growth come from? That is where our new strategy comes in. The operative word here: digitalization. We want to become the Leading Digital Telco. Three examples of how we are growing here.

Lead in digital life and work.

This is what our perfect service stands for. What our networks stand for. Looking to the United States. There, our market share is around 30 percent. In mobile communications. But just 15 percent in rural areas. 120 million people live in these regions. For them, we are building a network. 5G. It is far superior to all other networks in the United States. We can keep winning new customers.

Lead in business productivity.

Online security is an important topic. We are not currently seeing a spike in hacking attacks. But: We are prepared for the eventuality. Deutsche Telekom was very quick to recognize its responsibility. And see a market opening up. 1,800 employees look after the protection of our customers. In Germany. And also in Europe. They keep 10,000 mainframe computers safe and running. And 100,000 IT workstations. Deutsche Telekom makes a major contribution in this regard. To the overall stability of the European economy. This topic will only grow in relevance.

Magenta Advantage.

We also intend to grow in new business areas. Beyond the confines of our network. We have the necessary reach. 250 million customers. Just in mobile. We leverage this reach. For new business models. Our access to customers is an attractive proposition for partners. As are our technologies. Our partnership with SoftBank is a first step in this direction. SoftBank has a large portfolio of investments in innovative companies. We will capture a range of benefits from these companies for our customers. If they want that. Both for consumers. And for business customers.

I just spent 10 days in the United States. Learning about the latest trends. Like which opportunities does the metaverse present. Computer-generated artificial worlds. What potential does blockchain offer. Or encryption technologies.

The business models of the internet giants are under attack. From new technologies. There are opportunities up for grabs. The digital world is becoming more dynamic. We must exploit this for ourselves. For growth.

Ladies and gentlemen,

We want to grow. We will grow. But growth is not stable if the ecosystem is out of balance. Growth must not be at the cost of the environment. We take this issue seriously. I am personally in charge of sustainability at our company. And we also pay our executives based on the success of our sustainability efforts. To prevent any wavering. Or false compromises.

This not only goes for preventing CO₂ emissions. We will be climate neutral by 2040. But we are also avoiding the use of plastic. From summer, all new devices will be in environmentally friendly packaging.

Ladies and gentlemen,

The war of aggression against Ukraine. The pandemic. Climate disasters. The disintegration of the world into a Western and an Eastern Hemisphere. Profound changes caused by digitalization. Never in my lifetime has there been so much uncertainty. Change is no longer a slow trickle. It is a deluge threatening to engulf us all.

What is Deutsche Telekom's role in this world?

The most important thing: The T does not waver. We are the provider to the Western world. With two strong mainstays. On both sides of the Atlantic. The United States and Europe. We develop our business in these regions. Self-critically. Because it is the only way to learn and improve. But also self-confidently. Because we know our strengths. And we use them to support others.

We connect people. Whenever and wherever they want. And we ensure maximum security in the network. We hedge risks. And we exploit the opportunities presented by new business models. We are digitalizing ourselves. And we digitalize others.

And throughout all this, we stand for our values. Down to earth and decent. That is the T. It stands for stability. Because we stand together. But never still. We won't stop until everyone is connected.

Thank you.