

– Check against delivery –

Conference Call

Report on the second quarter of 2022

August 11, 2022

Timotheus Höttges

Chief Executive Officer

Deutsche Telekom AG

Thank you, Philipp!

Good morning, Ladies and Gentlemen.

We live in complex times: Russia's war of aggression on Ukraine, the resultant energy crisis, climate change, inflation, coronavirus – the list of challenges and problems we face in Europe and the world over is long. It is a deeply unsettling time for everyone. Including our customers. And, of course, we ask ourselves: What does it all mean for Deutsche Telekom? In times like these, it is difficult to distinguish the urgent from the important.

We must look at which role Deutsche Telekom can play in this complex world. How we can help mitigate the effects of these developments. But above all, we must stay resolute in our efforts to transform our company in the face of all adversity and trepidation.

Ladies and Gentlemen,

I believe it is more important now than ever that businesses do not become paralyzed with shock. Innovation and change are the right answers that allow us to take control. We need a stance that conveys stability and strength in this time of crisis.

We must address short-term needs while not losing sight of our long-term development. And we must shore up this long-term development in a way that short-term disruptions do not throw us off track. We work on the basis of a long-term strategy. Which we presented in depth at the Capital Markets Days in 2018 and 2021. And we have achieved and implemented far more than we ourselves believed possible.

Allow me to elaborate with four examples:

1. Responsibility

Deutsche Telekom is strong when it takes on social responsibility. During the pandemic, for example. Or the catastrophic floods in the Ahr valley and Rhineland-Palatinate. Or, most recently, following the outbreak of the war, where we offered emergency aid for refugees fleeing Ukraine. We are all set

to begin operating the Cell Broadcast civil protection warning system; we help businesses and the government with digitalization. The same goes for our internal and external IT security. And our investments in the 5G and fiber-optic build-out remain at an all-time high.

2. (Energy) efficiency

We already introduced concrete steps a number of years ago to enhance our energy efficiency and help combat climate change. Today, these form a fixed part of our strategy. A few examples:

- By 2025, we want to achieve carbon neutrality with respect to our own business operations and the energy we purchase. You only have to read the news to understand the importance of acting quickly in this regard.
- In Germany, we have cut our office energy and heating consumption in half, down from 965 gigawatt hours in 2010. And we did so despite rising data traffic volumes and our network build-out. Partly by reducing the heating requirements in our technology facilities.
- We are also working on more efficient technologies for our network operations, as well as on consolidating our technical platforms. The most recent example of this being the PSTN network, our old fixed network.

We were thus able to reduce our electricity consumption in Germany in the second quarter of 2022 by around 14 percent year-on-year. Looking ahead to the coming winter, we are continually on the lookout for near-term improvements. This is where innovative digital technologies can help us to become even better. Energy-saving measures include the speedier

conversion of our router architecture, more 5G, but also new antennas capable of using all spectrum bands simultaneously.

Terminating leases for buildings and vacating them can contribute too. As does supporting the shift towards renewable energies through what are known as power purchase agreements for green electricity.

A current example: This past week we signed a deal with Statkraft, Europe's largest generator of renewable energy. From 2023, we will purchase 150 gigawatt hours of wind-generated energy annually, providing planning and investment security for the operators of 16 wind parks in Germany. It is our responsibility to keep at it and not let up when it comes to climate protection.

3. Which brings me to the third point: digitalization.

We want to become the Leading Digital Telco: Digitalization not only makes us more (energy) efficient; it also endows us with greater resilience.

Digitalization means we can adapt our business models faster to the rapidly changing conditions faced by companies in our industry and beyond. The digital transformation plays a crucial role in ensuring Deutsche Telekom's future viability and giving prospects to people. To give you one figure in this context: Right now, we are advertising for around 3,000 developer positions.

4. All this has a critical influence on the fourth major factor affecting the current geopolitical situation: stability. Deutsche Telekom is the only telecommunications provider in the world with strong business on both sides of the Atlantic. We are digitalizing the United States and Europe.

And this means we automatically play a leading role in our key industry. Our “T” is a symbol for stability and continuity. Which is why I believe that we can make a difference.

Ladies and Gentlemen,

The basis of this is our operating business. Only a financially sound and flourishing Deutsche Telekom can fulfill this leadership role effectively. And we achieved this in the first half of the year. Our performance was even better than we previously expected. On this basis, we have decided to raise our EBITDA AL guidance for the full year to now around 37 billion euros – at constant exchange rates. After the first quarter of 2022, we expected adjusted EBITDA AL of over 36.6 billion euros. The newly raised guidance is based on anticipated higher contributions from the United States and also from Europe.

I will now look at our most important financial performance indicators for the first half of this year. Christian Illek will then go through the second-quarter figures with you.

Net revenue grew on an organic basis by 0.8 percent in the first half. This figure would have been higher if not for the fact that we generated less revenue from terminal equipment at T-Mobile US, largely due to the continuation of our withdrawal from terminal equipment leasing in the United States, as planned. Christian Illek will talk about that in a few minutes.

The Group’s all-important service revenues grew by 4.5 percent in organic terms. Adjusted EBITDA AL in the Group increased by 0.7 percent in the same period and

adjusted core EBITDA AL by 6.5 percent. All Group entities contributed to this development.

In the United States, the growth in core EBITDA AL of 7.9 percent in the first six months was even significantly higher in organic terms. This was thanks to higher average revenues per customer and, first and foremost, to the growth in our customer base. We added 2.97 million new postpaid customers; that is around half a million more than in the same period of last year.

On our home continent, too, the first half-year went well for Deutsche Telekom. In Germany, EBITDA AL was up 3.3 percent. In our European subsidiaries, it was up 5.7 percent in organic terms. Group Development and T-Systems both achieved double-digit growth, of 15.0 and 15.7 percent respectively. In business excluding the United States, service revenues were up by 1.8 percent in organic terms and adjusted EBITDA AL by 4.4 percent. This goes to show how strongly we are performing on this side of the Atlantic, too.

I also want to highlight in particular our new mobile rate plans in Germany – which are very popular. Just under four weeks after launch, we had already marketed over 100,000 SIM cards. Families especially benefit from the new pricing. Our fixed network once again took the Number 1 spot in the *Connect* magazine test.

Clearly, people trust in Deutsche Telekom. And we earn this trust by offering them the best infrastructure.

Ladies and Gentlemen,

The market is rewarding our efforts and our will to keep creating value upside.

Last week, the German daily FAZ ran an article calling Deutsche Telekom the “DAX’s secret star.” I am pleased to see that we not only outperform the DAX, but also every other telco on the stock exchange from a mid-term and long-term perspective. But even so, we can improve further. For this reason, we rigorously pursue three priorities:

1. We want the majority stake in T-Mobile US – that is currently our most important strategic project. In April, we bought a good 21 million more T-Mobile shares. This raised our stake to 48.4 percent. Our stated goal is still to increase the stake in the medium term to over 50 percent.
2. The sustained high investments in optical fiber and 5G. In Germany alone, we are spending some 30 billion euros through 2030 – every cent of which is going towards the fiber-optic build-out. We do this out of conviction and are building the infrastructure of the future in all of our markets. Powerful technologies are the only way for us to offer our customers what they expect from us going forward: the best connectivity in the mobile and fixed networks. Or, to put it another way: We lead in optical fiber and 5G, and we intend to keep it that way.
3. Returning our debt ratio to our target range. By the end of 2024, we plan to be back within our target range of 2.25 to 2.75x for net debt to adjusted EBITDA. Here, too, the development of business in the United States and in Europe is

grounds for optimism that we will succeed at this. As promised, we now also have a good investment-grade rating with all of the U.S. credit rating agencies. I am particularly pleased about this as it is a sign of reliability. This was possible thanks to the successful strict integration and realization of synergies in the United States.

But in this context it is also important that we continue to identify potential opportunities at an early stage. We continually ask ourselves the questions: What fits in with Deutsche Telekom's future development? Which assets could flourish better elsewhere? Where can we realize value upside and utilize this in another area to support our strategy? And then we take systematic action. Let me give you four examples:

1. We have agreed to sell the majority of the shares in our cell tower business. At an excellent price and with a clear responsibility to continue building out 5G without slackening the pace. That is what we agreed with the investor. We will benefit from resulting inflows of 10.7 billion euros. Which will help us achieve the target I mentioned of bringing the Group's debt ratio back into our target range.
2. We have successfully completed the sale of our T-Mobile NL business. Now, we will focus further on offering convergent products in our European markets. We consider this area to carry the greatest strategic opportunities for growth.
3. This also includes parting ways with investments in our portfolio that offer limited strategic potential. Last year, OTE in Romania divested its

fixed-network operations. We are currently on the lookout for a solution for the mobile business.

4. Our focus is on exploiting our growth potential in all areas. We are working to realign our B2B product portfolio, with new cloud services, enhanced software solutions, and assured simultaneous services. Always in conjunction with our strong infrastructure that enables the best connectivity. In the consumer area, we are experimenting with partners in the field of digital advertising, and for “Magenta Advantage” we plan to create digital value-added offerings. In parallel, we are standardizing our products across the Group – from MagentaTV and routers, to home-networking solutions and the Magenta app.

Ladies and Gentlemen,

The courage to innovate and the willingness to change are our solution so we can take control. That also applies to our over 200,000 Deutsche Telekom employees.

The last quarter was strong. We have even exceeded our plans. We want it to stay that way and remain unflinchingly committed to continuing down this path:

operational excellence; lead in 5G and optical fiber; innovative products; an efficient, lean structure; ongoing change; and a brand that serves as a guiding beacon for the people. And we keep a close eye on the demands of our customers throughout. So they stay loyal and connected to us. We won't stop.

Thank you, I will now hand you back to Christian Illek.

(Speech part Christian P. Illek)

Thanks, Christian.

Ladies and Gentlemen,

I will sum up again:

Deutsche Telekom is an anchor of stability in these challenging times. You can count on us. Our businesses on both sides of the Atlantic are developing very well.

The United States continues to report strong growth in the postpaid customer base. And the integration of Sprint is progressing better than we anticipated. On this basis, we have now raised our guidance for the second time this year.

We are growing consistently in Germany and in our European subsidiaries. In Germany we recorded the 23rd successive quarter of earnings growth in organic terms; in our Europe business we have now hit 18 quarters of unbroken growth. This is unequalled anywhere else on our home continent.

And it means we have once again raised our guidance for full-year 2022. The new guidance takes account of the currently foreseeable developments in energy prices, interest rates, and inflation. We spoke about this in depth in the first quarter.

As we announced at our Capital Markets Days in 2018 and 2021, we continue to robustly implement our strategy, step by step. We review our portfolio and keep our options for action open. This allows us to stay flexible and to respond immediately to

future developments. For Deutsche Telekom, customers are and remain our most important asset. Our goal is to meet their expectations. We won't stop!