The future does not happen by chance. It takes confidence. If we do the right thing today, success will follow as a natural consequence. And that calls for the right attitude:

- To listen. Be open to technologies. Like artificial intelligence.
- To knuckle down. Get stuck in. Do more than the competition.
- To trust. Believe. In our own power for change.

Deutsche Telekom delivers all three of these ingredients. They are the reason I enjoy being here. It is not only about the business. But the people around me. In the tech unit. And out there with customers. It fills me with energy. To see us getting better and better. 2023 was a record year for Deutsche Telekom. My warmest thanks therefore to all the people working at Deutsche Telekom.

Ladies and Gentlemen,
I have been CEO of Deutsche Telekom for ten years. Making this my tenth address to the shareholders' meeting. And a great opportunity to look to the future.

What more can we do to safeguard a positive future? What will make us strong going forward? That is what I am going to talk about today.

1. The future needs growth

What you can see here is what we call our flywheel. It describes how we grow. First, we invest. More than the competition. That helps us attract customers. Then our revenue grows. We hone our efficiency. Our earnings rise. And then we invest again. It is that simple at Deutsche Telekom!

We have invested 173 billion euros. In the last ten years. Today, we are top of the class in almost every network test. Winning every single mobile test in Germany for the last ten years. We win all the customer service tests. This is why we win new customers. Today, we are at the vanguard in all markets. In Germany. In Europe. And in the United States. Last year:

- 7.6 million new mobile customers.
- 610,000 new broadband customers.
- And 357,000 new TV customers.

Which is why our earnings are also growing. All figures are comparable with the prior year.

- Revenue with our services: up 3.6 percent. Around 93 billion euros.
- Earnings: up 6.9 percent. 40.2 billion euros.

---

1 Cash capex including spectrum.
2 Service revenue.
3 Adjusted core EBITDA AL.
• Free cash flow\(^4\): up 40.7 percent\(^5\). 16.1 billion euros.

• Now the last increase is in your hands. Dividend: up 10 percent. 77 euro cents per share. Providing you approve our proposal.

Ladies and Gentlemen,

Our old goal was to become the leading European telecommunications company. We achieved this. Our new goal is to become the leading digital telecommunications company. Digitalization is the future. It will help us improve customer satisfaction. Earn more. And cut costs. This is where we will grow.

How does that work?

Much of our business is local. Our networks are a case in point. They are where they are. Our customers, too. Each market is different.

But our costs are largely incurred elsewhere. For the development of products. In applications for business customers. Or in the computer programs we develop ourselves. For network management. The costs are the same. But the more customers we have, the less consequential these costs become.

Today, Deutsche Telekom has 300 million customers worldwide. In Europe. And in the United States. Our task going forward will be to leverage this advantage. Scale lightens the load!

Our business combination in the United States is validation of this. We originally anticipated economies of scale worth 6 billion U.S. dollars. By 2024. We now expect to hit 8 billion dollars. T-Mobile US is paying out dividends for the first time. Around half of which come to us. In the region of 375 million dollars last year. From this year on, we expect around 1.4 billion dollars. That is after taxes.

\(^4\) Free cash flow AL.
\(^5\) Reported.
Our task now is to leverage the economies of scale within the Group. For example, we are a leading B2B provider in Europe. But not in the United States. Despite having the best network. Our FMC product bundles are also leading in Europe. These offer fixed network and mobile communications from a single source. FMC has little traction in the United States. We have a close eye on this area. T-Mobile profits from our experiences. Like we profit from them. If it were not for our U.S. business, our high investments in Europe would be impossible. And they are essential. Because, secondly:

2. **The future needs infrastructure**

That is the core of Deutsche Telekom. This core is under pressure. From established competitors. And from new ones. We continue to deliver industry-leading network quality.

We are rolling out optical fiber in the fixed network. To homes. FTTH. In Europe, 17 million households can subscribe to a fiber-optic line from us. 8 million of these in Germany. We are building more in Germany than anyone else. 2 out of every 3 new lines. 2.6 million lines last year. And it is used by 1 million customers already.

We are sustaining this pace. Even as it becomes harder to do so. Inflation is hitting us. Everything is getting more expensive. Particularly civil engineering works. Which is why it is important that we are permitted to lay cables more cost-effectively. What is known as microtrenching. It is allowed in some municipalities. But not in others. But they should all allow it. Because it is more affordable!

In mobile communications, the future is already here. It is called 5G. Our 5G network covers 67 percent of the population of Europe. Around 98 percent in the United States. And 96 percent in Germany!

The network in Germany is better than its reputation. At least, Deutsche Telekom’s network is. Industry magazine “connect” gives our network a score of “outstanding”. Video streaming is possible from virtually anywhere with Telekom.
5G is good for customers. The network is faster. We handle way more data. But the competition is intense. At this point, it has barely earned us any additional revenues. It was progress for technology. But a step backwards for regulation.

There is a fourth provider on the market. With a portfolio of key spectrum. Which remains largely untapped. Barely any network is being built on their watch.

And now the next problem is around the corner. The third-party providers, as they are called. They have no network of their own. They use ours. Until now, at fairly negotiated prices. But now they are calling for regulated prices. As low as possible. Which would mean: You lease, you win. You build, you lose.

It looks unlikely that there will be an auction for the next available mobile spectrum. Instead, there are plans to allocate it via an award procedure. That is a good start. We would prefer to plow the money for an auction into the network. But if the money is not invested in the network, but in the third-party provider instead, this does not benefit the mobile build-out.

A politician recently said to me: “Germany wants everything at once. Maximum competition. The lowest prices. The highest investments. And full coverage.” The truth is, that cannot work. My proposition is this: Maximum build-out. Fair prices. Fair competition. In other words, a flywheel rather than a downward spiral.

Permits, too, are in need of some new momentum. We are often the victim of paperwork backlogs. Whether due to preservation orders. Like on the B 456 in the Taunus region. Where there is a Roman settlement. Or due to nature conservation. We regularly have butterflies on our construction sites. For which we even have to relocate anthills. Because that is where the Dusky Large Blue butterfly lays its eggs.

Ladies and Gentlemen,

Everyone has legitimate concerns. Preservation of historic buildings is important. Nature conservation is important. But where is the future? With power lines? With
wind turbines? With mobile communications? That is important, too. It should be easier. Investments need security. The future needs security. This is my third point.

3. The future needs security

The world has changed since we were young. Much of what we learned – about ethics, about morals – is currently being swept under the carpet of history. This has implications.

That is why we give security priority. At the same time, it is a business of the future. We have a unit looking after online security. T-Security. With revenue of 344 million euros in 2023. An increase of 9 percent.

A month there looks like this:

- 56 million attack vectors on the network. Identified. And defended.

- 200,000 customers protected against a botnet attack. This is where hackers gain control of customers’ devices.

- 116,000 customers warned about potential misuse of their data. Customers then change their passwords. Before anything happens.

This is the reason we upgrade our security. We have a training program dedicated to this area. Together with Cologne Chamber of Commerce and Industry.

Ladies and Gentlemen,

Our networks are our most important asset. Maintaining their security is crucial. We are well aware of the responsibility this carries. We set up barriers offering additional protection for data at all convergence points. We develop our own software. And work exclusively with partners from Western nations. We have several antenna providers. Making us less reliant on individual vendors.
Your Deutsche Telekom is the provider to the Western world. This gives us security for the future. Including when the stakes are high: In other parts of the world, they are even higher. We are well positioned.

This brings me to my fourth point:

4. The future needs innovations

Businesses must keep re-inventing themselves. Nokia was once the global market leader for cell phones. Then the iPhone came along. The rest is history.

Deutsche Telekom, too, is constantly reinventing itself. With the help of AI. It helps us improve our quality. It brings us closer to our customers. It enhances our productivity. By up to 50 percent for routine tasks.

Scale makes a difference when it comes to innovations. Deutsche Telekom is Europe’s largest telco. But in the race against Amazon or Google, we do not want to be shrimps among whales. Which is why partnerships are a key part of our strategy.

- The first example: secure online shopping. When you shop online, you are asked to verify your identity. Via a password. For security reasons, you also receive a text message. With another password. We have now joined forces with Vodafone and O2. On a new technology. Eliminating the need for a text message. The cell phone handles everything in the background.

- Second example: automated customer advisor. Right now, we are using existing technology. Known as large language models. ChatGPT being the most prominent of these. These models have a good level of general learning. But little in the way of expert knowledge. And they reproduce text parrot-fashion. Not the way we actually speak to our customers. That is why we are now working on our own language model. Together with SK Telecom in Korea, Singtel in Singapore, and others.
We are not only using AI for ourselves. AI is a business of the future. Above all for business customers.

We serve our corporate customers through T-Systems. It struggled for a long time. It is small compared to many competitors. It does not benefit from economies of scale. Being instead at a disadvantage. Our wage costs are higher than elsewhere. And our classic business is declining.

But the fact remains: Every Deutsche Telekom business must make a positive contribution to the Group’s results. This is the case. Including at T-Systems, in 2023 for the first time. Because we have transformed the business. And are focusing on markets of the future. Data centers. And digital solutions for business. Two examples:

- First: safe driving! In the automotive industry, parts are cut from aluminum. For the batteries, for example. There is zero room for error. Or it ends in disaster. T-Systems has designed artificial intelligence that can perform the necessary checks.

- Second: cancer diagnosis! Radiologists view thousands of patient scans daily on the computer screen. It is easy to miss something. There is a solution. AI that automatically checks the images. And notifies the physicians if it finds irregularities.

The examples go to show: AI is not a threat. It is an opportunity. It makes our lives more secure, easier – and longer, in fact.

Many of our business customers are served by Telekom Deutschland. Revenue in 2023: 9.3 billion euros. Up 2.4 percent.

But the legacy business is in decline there, too. We are transitioning more and more to digital solutions. Telekom Deutschland is collaborating even closer with T-Systems in this area. They address customers as a collective entity. We are a one-stop shop for all our customers’ needs. Telephone. Data centers. Security. And digital solutions.
Artificial intelligence is a key to the door for us in this regard. Many SMEs are keen to unlock the benefits of AI. But they do not know how. We help. We advise. And we deliver what they need. It helps that our customers have known us for years. And trust us. Artificial intelligence and human empathy. We see these as two sides of the same coin.

This brings me to my fifth point:

5. The future needs people

Ladies and Gentlemen,

Deutsche Telekom is changing. We count on experience. And rely on new talents. Bringing the two together is the way forward. And breathing new life into the company. Deutsche Telekom is multi-generational. Our average age has gone down slightly. To 41.4 years.

We provide training. 5,350 young people are currently on one of our training programs. Or a dual study program. In Germany. And we offer upskilling. We have already provided AI training to 78,000 employees. They are ready for the future of your Deutsche Telekom.

Solidarity makes us stronger. We are inclusive. We invest in community. We support those less strong. With special discounts, for example. Or with aid after natural disasters. In 2023, the equivalent value of our social activities was 1.5 billion euros.

We also stand up to online hate and propaganda. We raise awareness of the issue. With TV commercials. But most of all we support organizations that focus on tackling the roots of this problem. 40 overall. A big factor is media education. This is important. It is about the future of democracy.

Deutsche Telekom does not divide. It connects the world. That is what our brand stands for. It is worth 73 billion U.S. dollars\(^6\). We are ranked ninth among all

\(^6\) Brand Finance Global 500.
companies globally. Putting us in the same echelon as Google, Amazon, and Meta. And this is something we are proud of.

Ladies and Gentlemen,

My last point is this:

6. The future needs transparency

For years, we believed we were living in the information age. Today, we are heading into the disinformation age. Facts mix with fakes online. Truth stands side by side with fiction. And people use this to create whole worlds for themselves.

We are tackling this with radical transparency. This builds trust. We explain our actions. We talk about successes. As well as mistakes.

Take our report on sustainability, for instance. We do not greenwash Deutsche Telekom. We say it like it is.

- On the positive side: We continue to cut our carbon emissions. Minus 11 percent. Compared to the previous year. The future is net zero. By 2040.

- On the negative side: Only 25 percent of used cell phones are returned to us. The ultimate goal is a 100 percent circular economy.

- On the encouraging side: Our openness is appreciated. Our report on sustainability is winning prizes. Like the Building Public Trust Award\(^7\). Our finance communication is also being showered with accolades. In 2023, we were awarded the Investor’s Darling prize.

Ladies and Gentlemen,

\(^7\) Building Public Trust Award.
We were not always the darling. The T-Share betrayed the trust of many people for a long time. I am talking about the New Economy. 20 years ago, the share price dropped by around 90 percent.

That is precisely why there is a particular onus on Deutsche Telekom to seek dialog. To explain its business and its strategy. And to make its decisions transparent. The opportunities. And the risks.

This was the reason I tried out a new format a few weeks ago. It was a YouTube Q&A session for retail investors. Which we also invited finfluencers to. Social media influencers who talk about stock trading.

Ladies and Gentlemen,

Anyone can reinvent themselves. If they seize the opportunity. Deutsche Telekom has done just that. And let us not forget the good return for retail investors who have stuck with the Telekom share. Over 400 percent since the IPO in 1996. Including dividends and bonus shares.

We used to be a slow-moving tanker. Today, we are a modern company. When I started, we were receiving 4.5 million complaints a year. Today, it is 300,000. Ten years ago, 10 percent of all technicians’ appointments were canceled. Today, 0.5 percent.

Ten years ago, the share price was 11.28 euros. Today, it is over 22 euros. Deutsche Telekom is worth twice as much. 55 billion euros in 2014. Today, 110 billion euros.

Who would have thought ten years ago that we would get here? This gives me confidence. That we did it in the face of adversity. Despite crises. And despite regulation. Let us take a look forward!
We continue to invest. Around 16 billion euros\(^8\) are planned for this year. This wins us customers. And enables us to grow. This year, we expect earnings to increase by 6 percent\(^9\). Free cash flow\(^10\) to increase by 16 percent. And earnings per share\(^11\) to increase by 10 percent. Great news for your dividend! Because it is geared to this value!

Ladies and Gentlemen,

An important question for us is: How can we grow the value of your Deutsche Telekom by a further 50 billion euros? We are gathering the necessary momentum:

- With the best network. In all our markets.

- By unlocking the benefits provided by economies of scale.

- With maximum customer satisfaction. And profits. In every market and segment.

- With artificial intelligence. And new ideas. In all areas of our company. Which will propel us to become the leading digital telecommunications company.

- By taking responsibility. For people. And for the environment.

- Above all, through growth. With new products. In established markets. Like optical fiber in the United States. Or with the smartphone of the future.

The future is not far beyond the horizon. It is right in front of us. We are shaping this future. With every step. And it won’t stop at the horizon. We won’t stop.

Thank you.

\(^8\) Cash capex excluding spectrum.
\(^9\) Adj. EBITDA AL.
\(^10\) Free cash flow AL.
\(^11\) Recurring adjusted earnings per share.