

– Check against delivery –

**Press conference on the financial statements  
for the 2021 financial year  
February 24, 2022**

**Timotheus Höttges  
Chief Executive Officer  
Deutsche Telekom AG**

Thank you, Philipp!

Good morning, Ladies and Gentlemen.

From me, too, a very warm welcome to our press conference on Deutsche Telekom's financial statements. We can look back on a really good year. 2021 was a record year for us. But I have to admit, I am obviously concerned about recent developments, as I am sure you are too. And naturally, it is very worrying when the Federal Chancellor says that the situation is grave. Following the constant stream of pandemic news, the somber political news is rising to the fore. Despite all this, I will still offer you financial figures today. Figures that are a cause for celebration: Worldwide, we won 7.1 million new mobile contract customers and around 800,000 new broadband customers. This growth and the integration of Sprint in the United States have propelled our revenue clearly past the 100-billion-euro mark. We raised our guidance both for adjusted EBITDA AL and for free cash flow AL several times in the course of the year. In fact, earnings and free cash flow AL even exceeded this raised guidance. Adjusted earnings per share increased to 1.22 euros – our guidance was over 1.10 euros.

The bottom line is this: We remain on our growth course and have delivered more than just good year-end results. We also set the course for the future of our Company:

1. With agreements to increase our share in our U.S. subsidiary T-Mobile US to around 48.4 percent. Our goal is still to secure the majority shareholding in the long term.
2. We completed the sale of T-Mobile NL for an enterprise value of 5.1 billion euros.
3. We continued to build out our entire infrastructure. And we are accelerating the FTTH build-out in rural areas with the establishment of the joint venture GlasfaserPlus.

For 2022, we are raising the bar significantly higher: We want core adjusted EBITDA AL to increase by 5 percent. We want free cash flow to grow to around 10 billion euros. Ultimately, we want to lift adjusted earnings per share above 1.25 euros.

We have a clear goal: to further increase the value of our Company for our shareholders. And because I know that many of our employees are also following this webcast: A huge thank you to you all! Without you, our over 200,000 employees, this would not have been possible. So, from the entire Board of Management, thank you for a good 2021! I look forward to the next five years with you.

That is it for my brief introductory remarks. I will now hand you over to Christian Illek, who will take you through the figures for the full-year 2021.

*(Speech part Christian P. Illek)*

Thanks, Christian.

Ladies and Gentlemen,

As you just heard, 2021 was, financially speaking, successful for Deutsche Telekom. We earned ourselves a permanent spot in the Champions League of global digital businesses. That, in turn, also has a bearing on the perception of our Company. Let me give you three examples that corroborate this:

1. The Brand Finance ranking now lists us as one of the 20 most valuable companies in the world. Our brand value right now is 51.1 billion dollars. We are one of Germany's two most valuable brands, second only to Mercedes, and more valuable than international giants such as Disney and AT&T.
2. Today, we are an attractive proposition as a cooperation partner to global tech companies. We have agreed a long-term partnership with Google's parent company Alphabet on a new messaging service for our B2B business, the launch of the sovereign cloud for our business customers, new functions for our premium product MagentaTV One, and more besides. We are the only company in the telco industry to have entered into such a partnership of equals with Alphabet.
3. Our strategic partnership with SoftBank improves our standing in several respects. Last year, we acquired 45 million shares in T-Mobile US from SoftBank. This also made SoftBank one of our major shareholders with around 4.5 percent of our shares – which is testament to the confidence the world's biggest tech investor has in us. SoftBank sees the vast potential of our share – a fact validated by the takeover of 225 million T-Shares valued at 20 euros per share. At the same time, we have agreed a strategic alliance with the world's largest tech fund that is already bearing fruit in the shape of Magenta Advantage. This is a win-win deal for both companies.

Ladies and Gentlemen,

These positive developments are directly attributable to our employees. They are the first part of the formula for our sustained success.

The other two parts are:

1. Our networks. They are the best in the world. They change the meaning of “Learning from the best” to “Learning from Deutsche Telekom.”
2. Our customers. More and more people are choosing a contract with Deutsche Telekom. The long-term value of our business model is built on this bedrock.

Allow me to go into further detail here:

Deutsche Telekom’s ambition is to lead in everything we do. We want people to experience with us what premium connectivity means: seamless, stable, everywhere. If we can achieve that, our customers will stay loyal to us. That is why we work every day to become even better. And it does not stop there. Every year, we invest billions in our infrastructure: 18 billion euros worldwide in 2021, not including spectrum investments – more than ever before. A sizable portion of this in Germany: around 5.5 billion euros. That will rise to around 6 billion euros in the years to come. We want to keep offering our customers what they expect from us: the best networks. This means weaving networks so dense that they can handle the growing demands being placed on them.

- In 2021, we made excellent progress with this in the mobile sector. In Germany, we have the best 5G network by far. Today, we already cover 91 percent of the people in Germany with 5G, that is 24 percentage points more than last year. Over 4,000 antennas are now beaming 5G in the ultra-fast 3.6 GHz band. In just two years, we have brought 5G coverage to almost everyone in Germany. We continue to roll out to the places we have not yet reached. We won’t stop!
- In the United States, all of the network tests rank T-Mobile US as the nationwide 5G market leader. The network is better than Verizon’s, better than AT&T’s. More than 210 million people can use incredibly fast Ultra Capacity 5G in the 2.5 GHz band. That is double the number of last year. Including the lower band frequencies, T-Mobile US’ 5G network today covers 94 percent of

the U.S. population. This by far largest network is also the best basis for continuing to write our growth story.

- We also made great progress with mobile communications in Europe. Across all markets, our European subsidiaries now cover almost 30 percent of the population with 5G. That is an increase of 16 percentage points year-on-year, more than doubling our coverage. And we are making good progress here, considering that in some countries, for example, spectrum was awarded much later than in Germany.
- This brings me to the fiber-optic build-out. We paid particular attention to this last year. After completing the rollout of vectoring and supervectoring, FTTH is our clear focus. And the same goes here: We won't stop! In 2021, our technicians and engineers made 1.2 million new FTTH lines available in Germany as planned. Twice as many new lines as in the prior year. More than all of our competitors combined. We are playing our part in the digital transformation of our nation.
- FTTH for all households and businesses in Germany by 2030 is still our goal. Deutsche Telekom will build a large share of these lines. But we cannot achieve this singlehandedly – our competitors must also do their bit.
- Even so, this is an ambitious goal, which is why we are striking out in new, perhaps unconventional, directions to accelerate the fiber-optic build-out. To this end, we have established the joint venture GlasfaserPlus together with our Australian partner IFM Investors. The joint venture is to cover 4 million households in rural areas with FTTH. This is on top of our own build-out schedule targeting 8 million households in rural areas by 2030. As Deutsche Telekom, we will therefore cover a total of 12 million rural households, making us by far the largest contributor. We treat everyone as equals. Irrespective of where they live.
- Speed is undoubtedly a key factor in the digital transformation. Highspeed. And we believe we can speed up even further. We are therefore raising our

medium-term build-out target for optical fiber – by a significant margin. At the Capital Markets Day, we said: 10 million households were to be passed by Deutsche Telekom's fiber-optic network by 2024. With GlasfaserPlus and further partnerships in place, we now want to significantly exceed this target by 2024. Deutsche Telekom does not shirk its responsibility. We take it on, we pick up our spades, and we build!

- We give our competitors access to our fiber-optic network everywhere and at fair conditions. The principle of open access applies always and for every provider.
- Together with 1&1 we have now defined a common market standard for the shared use of our fiber-optic network. The negotiations were tough, as always. But the outcome benefits everyone. Here, too, the formula has three parts: More providers for the customers to choose from. More reach for other market players. And greater utilization of Deutsche Telekom's infrastructure.

Ladies and Gentlemen,

More and more people are benefiting from our network build-out efforts. Today, almost 300 million customers worldwide trust Deutsche Telekom to deliver the highest connection quality accompanied by perfect service.

In the United States, the employees of two former rival companies work shoulder to shoulder to become the number 1. That is a huge motivation. In 2021, the new T-Mobile US reached a landmark on its journey to the top by positioning itself between the incumbents Verizon and AT&T. The decisive factor in this: More and more people are choosing a contract in the best 5G mobile network in the United States. Postpaid customer additions totaled 5.5 million in 2021. That is another record number. And our "We won't stop" culture is spreading to the rest of the Group, too.

In Germany and Europe, growth was equally remarkable. More than 1.6 million people chose mobile offerings from us. That is 100,000 more than a year ago.

We won around 760,000 more customers for our broadband lines. Net customer additions were around 50,000 higher than in 2020. And some 350,000 people opted for our MagentaTV. The message is clear: The era of line losses is now well behind us. Demand for our products is growing steadily in all markets.

Ladies and Gentlemen,

Let us zoom in and look at how the figures have developed in each of the segments. First to our home market of Germany. Customer growth is especially encouraging: Around 84,000 broadband customer additions is just great. Our market share in terms of new customers is once again well in excess of 50 percent. That is 360,000 new customers over the year as a whole. At the same time, our strategy is paying off more and more – we began with the broad-based rollout of vectoring and supervectoring, and now the focus is on FTTH.

The proportion of our lines accounted for by broadband lines with at least 100 Mbit/s now stands at around one-third. That is almost 90 percent more than two years ago. We now have over 1.2 million supervectoring lines in our network, around 73 percent more than at the end of 2020.

More line bandwidth of course also means more opportunities to upsell our products and services, which is working better and better all the time. Revenue per line has increased by 1.70 euros over the last two years. Coupled with the higher number of broadband lines overall, this helped increase the total service revenue in the year just ended by 1.8 percent in organic terms. More positive news: Our line losses remain low – at 18,000 in the fourth quarter.

Mobile contract net adds totaled 202,000 in the fourth quarter. On this basis, we posted an increase in mobile service revenues in the fourth quarter of 2.3 percent.

How do this quarter and 2021 overall square with our guidance announced at the 2018 Capital Markets Day? We wanted adjusted EBITDA AL to rise on average by 2 to 2.5 percent per year in the years 2017 through 2021. And that is what we have

achieved. Our team in Germany has recorded growth in EBITDA AL for 21 quarters in succession, reaching around 9.5 billion euros in full-year 2021.

We want to continue this trend: In the years 2020 through 2024, we want to increase earnings by 2.5 to 3 percent a year on average. For 2022, our target is adjusted EBITDA AL of around 9.8 billion euros.

In the United States, we are making huge strides with the integration of the former Sprint. At the end of the fourth quarter of 2021, around 50 percent of all former Sprint customers had been migrated to the T-Mobile network. In 2021, we almost tripled the synergies unlocked from the combination of both companies year-on-year to 3.8 billion U.S. dollars. This brings us up to already around half of the anticipated 7.5 billion U.S. dollars in annual synergies.

The strong customer growth continued through 2021. In the fourth quarter alone, we won 1.75 million new branded postpaid customers. At the same time, the churn rate among postpaid customers remained very low at around 1.1 percent. Our integration schedule includes transforming the former Sprint's business model and scaling back the lease business with retail customers.

Christian Illek talked in depth about this, but I wanted to address it again here because it will have short-term and above all long-term implications for our business. Including this effect, adjusted core EBITDA grew again in the fourth quarter of 2021 by 3.2 percent. T-Mobile US expects further substantial growth in earnings for 2022. The customer base is expected to grow by 5 to 5.5 million postpaid customers – an outlook that was welcomed by the capital market. It sends the clear signal that our U.S. business remains dynamic, that our growth story is intact.

In our European subsidiaries, we once again posted strong organic customer growth in the fourth quarter. 224,000 people chose our convergent product bundles. Our mobile contract customer base grew year-on-year by 171,000 customers. We added 87,000 broadband customers. A further 58,000 customers chose our TV offering.



Our service revenues in the Europe segment have recorded a consistent upward trend since 2017. In 2021, organic growth was around 2 percent year-on-year. Adjusted EBITDA AL has now been higher year-on-year for 16 quarters in succession. In 2021, the growth was 5.4 percent in organic terms. We are targeting further growth for the coming years. Between 2020 and 2024, we want earnings to increase by 1.5 to 2.5 percent per year on average, in line with our guidance announced at the 2021 Capital Markets Day. And we are making good progress here.

Let us now move on to our Systems Solutions segment. In 2021, we posted further growth in our public cloud business, with a revenue increase of 19 percent, and in our digital solutions business, with an increase of 14 percent. I am especially pleased to report that our success story with digital healthcare continues. Following the Corona-Warn-App, T-Systems is now working on a solution for the World Health Organization. The WHO is digitalizing the international vaccination certificate for 196 countries – and T-Systems is providing the gateway for verifying the authenticity of these certificates. This solution can benefit billions of people around the globe.

By contrast, traditional IT business declined further. We are observing this general trend across the entire industry. T-Systems continues to work on its transformation and focuses systematically on growth areas. That means: In project business our focus is on those industries and markets where we see competitive advantages for T-Systems. Excluding the planned exit from certain sub-areas, such as the maintenance of desktop computers, the business would have grown by around 1 percent last year. All in all, a strategic shift in the revenue mix away from the traditional portfolio and towards the growth areas is in sight. Today, the growth areas account for almost 60 percent of revenue. That is an increase of over 10 percentage points against 2019.

Adjusted EBITDA AL grew by 6.1 percent organically in 2021. Our successful efforts to cut indirect costs by around 0.4 billion euros in the years 2017 through 2021 are increasingly paying off. In the coming years, we want to maintain this positive trend in our results. As we announced at the 2021 Capital Markets Day: We want adjusted

EBITDA AL to increase by more than 5 percent a year on average between 2020 and 2024.

In our Group Development segment, T-Mobile NL will remain consolidated within the Group until the sale closes. The company carried its growth course of recent years through into the fourth quarter of 2021, with the addition of 58,000 new mobile contract customers and 19,000 contracts for broadband. As you know, our portfolio strategy is to concentrate on convergent business models in Europe, and the sale constitutes a key element of this. T-Mobile NL is extremely successful, but still heavily weighted towards mobile communications. This business will flourish better in the hands of the new owners than in our Group.

Our cell tower sites grew in number to 40,600. Since 2017, we have built a total of 6,300 new cell sites, 1,400 of these in 2021 alone. Seven times the number of our closest competitor. In so doing, we continually strengthened business with customers from outside the Group. In the fourth quarter of 2021, around 24 percent of recurring lease revenues related to business with third parties, such as Vodafone. In organic terms, the year-on-year growth in this three-month period was 12.8 percent. Adjusted EBITDA increased on an organic basis by 5.9 percent. This was also the result of falling costs per cell site – in other words, we not only increased revenue, but also enhanced efficiency.

Ladies and Gentlemen,

In short: 2021 was another good year for our Company. We delivered. We proved that we can take challenges in our stride. We have laid important foundations for Deutsche Telekom's strategic further development. These are clear facts. Facts that make us bold, but not arrogant. This is also the approach we will take to tackle challenges in the future.

We want to continue on our path in 2022:

- Core adjusted EBITDA AL is expected to increase by around 5 percent to around 35.5 billion euros.
- Free cash flow AL is expected to increase by 18 percent to around 10 billion euros.
- Adjusted earnings per share is set to reach at least 1.25 euros.

This slots seamlessly into our medium-term targets announced at the 2021 Capital Markets Day. Just to remind you:

- We want to increase revenue in the years 2020 through 2024 by 1 to 2 percent a year on average.
- Adjusted EBITDA AL is to increase by an average of 3 to 5 percent in the same period.
- Free cash flow AL is set to grow by around 10 percent a year on average to over 18 billion euros in 2024.
- Adjusted earnings per share is to increase to more than 1.75 euros, from 1.22 euros in 2021.

We also want our shareholders to benefit from the success of the financial year just ended. For 2021, they are to receive a dividend of 64 eurocents per share – subject to the approval of the shareholders' meeting. You are aware of our dividend policy: The dividend is to track growth in adjusted earnings per share. We plan to pay out a dividend of between 40 and 60 percent of adjusted earnings per share. A clear way to ensure shareholders participate in our Company's success.

Thank you.