



 **TELUS**® International

+



WILLOWTREE®

TELUS International to acquire **WillowTree**

October 27, 2022

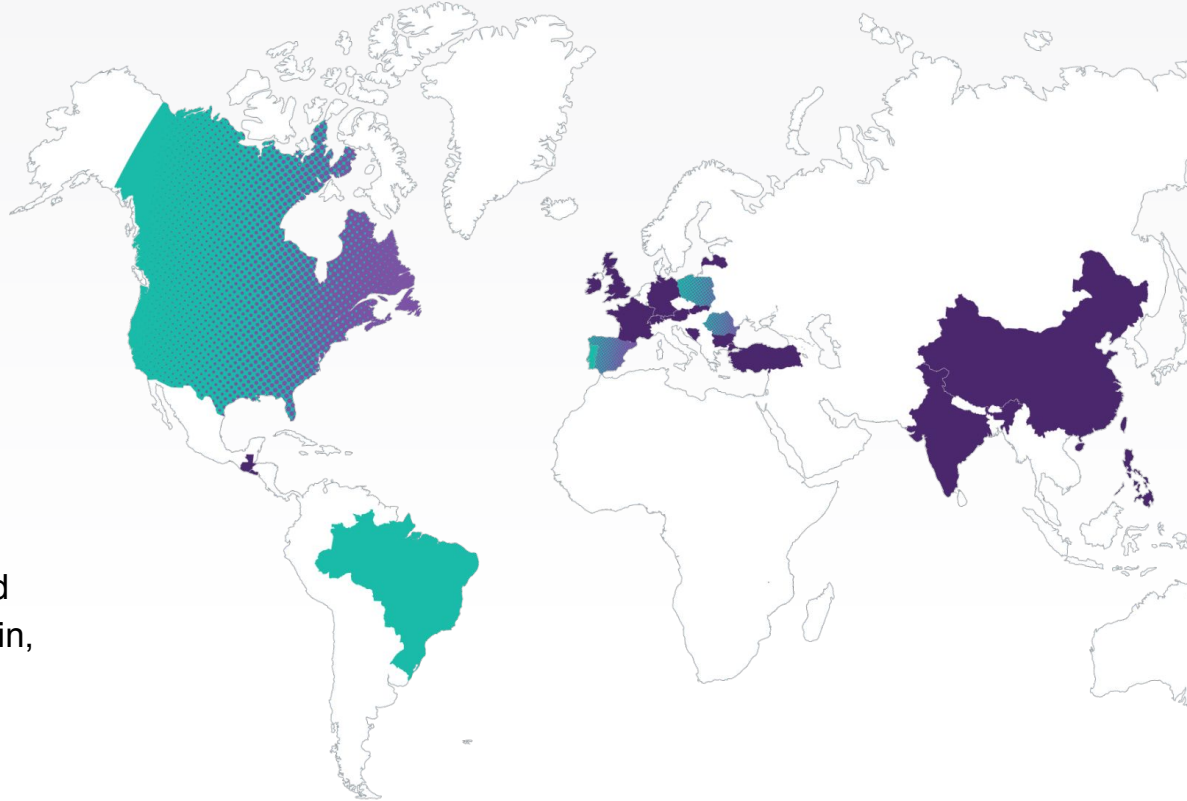
Forward-looking statements

This presentation contains statements about expected future events, including statements relating to the planned acquisition of WillowTree by TELUS International, the closing of the transaction and the expected timing thereof, the expected benefits and synergies of the transaction, the impact of the transaction on TELUS International's and WillowTree's businesses, including impact on financial results of TELUS International, TELUS International's expectations regarding rapid de-leveraging, the expected nature, terms and scope of financing of the transaction, the requirement to obtain certain regulatory approvals for the transaction and plans for its integration. By their nature, forward-looking statements require TELUS International to make assumptions and predictions and are subject to inherent risks and uncertainties. There can be no assurance that the acquisition will be completed and financed as expected or upon the terms and conditions described in this presentation, that required regulatory approvals will be obtained in a timely manner or at all, that the expected impact on the financial results of TELUS International will be achieved or that rapid de-leveraging would be possible, that the expected benefits and synergies of the transaction will be realized or that the integration of the businesses will be successful. There is significant risk that the forward-looking statements will not prove to be accurate as a result of risks, some of which are beyond the control of TELUS International, that include, but are not limited to: the risk that additional regulatory approvals may be required or any regulatory approval may be delayed, risks related to timing to consummate the transaction, risk that a condition to closing of the transaction may not be satisfied or that an event could occur that would give rise to the right of either or both of the transaction parties to terminate the acquisition agreement, risks related to the ability to achieve contemplated synergies and benefits and effectively integrate WillowTree within expected timeframes or at all and the possibility that such integration may be more difficult, time-consuming or costly than expected, failure of WillowTree to maintain levels of capital expenditures as a percent of revenue and free cash flow that are in line with its historical results and resulting inability to de-lever the business rapidly or at all, the diversion of attention of management of TELUS International and WillowTree to transaction-related issues, risks related to investor perceptions of the transaction parties and their respective businesses, operations, financial condition and industry, and risks related to the potential impact of general economic, political and market factors on the companies or the proposed transaction. The forward-looking statements contained in this presentation describe our expectations at the date of this presentation and, accordingly, are subject to change after such date. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause actual future events to differ materially from those expressed in the forward-looking statements. Accordingly, this presentation is subject to the disclaimer and qualified by the assumptions, qualifications and risk factors referred to in TELUS International's 2022 second quarter management's discussion and analysis and 2021 annual report, and in other TELUS International public disclosure documents and filings with securities commissions in the United States (on EDGAR at sec.gov) and in Canada (on SEDAR at sedar.com) as well as the risks applicable to WillowTree's business, some of which may not be anticipated by TELUS International. Except as required by law, TELUS International disclaims any intention or obligation to update or revise forward-looking statements.

About WillowTree



- A premier, full-service digital product provider focused on end user experiences
- Founded in Charlottesville, Virginia in 2008
- Over 1,000 highly engaged team members
- 13 global studios located in the United States, Canada, Brazil, Portugal, Spain, Poland and Romania



WillowTree | The future of tech innovation



1

Significantly enhances premium front-end design and build capabilities

2

Strong culture alignment with high team engagement

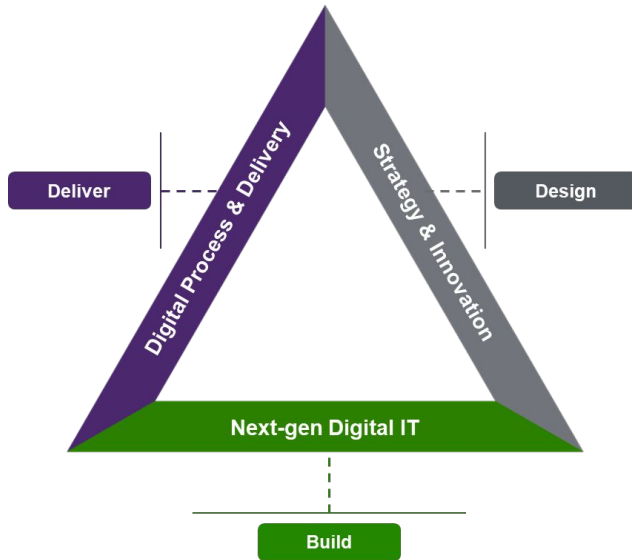
3

Enviably client mix promotes diversification and cross sell opportunities

4

Strong revenue growth and healthy margin profile

WillowTree | Turbocharging TI's end-to-end digital CX capabilities

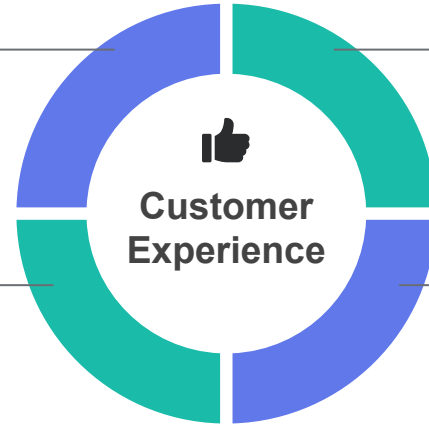


Strategy

Agile Delivery
Transformation
Innovation
Architecture
Research

Design

UX/UI / Motion
Design Systems
Content Design



Development

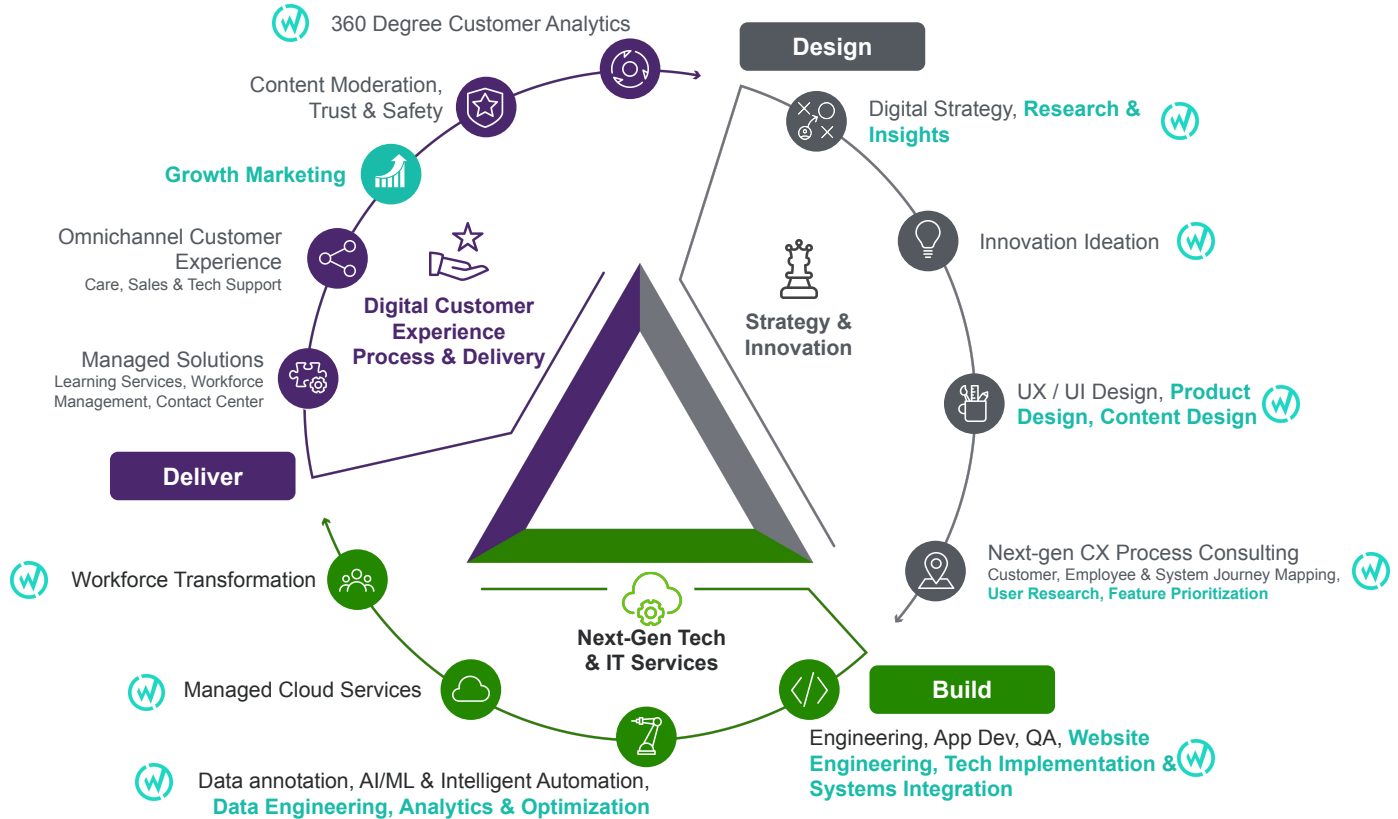
iOS & Android
Security
Web
Backend & Cloud

Growth Marketing & Data

Customer Retention
Campaign Automation
Data Science &
Engineering

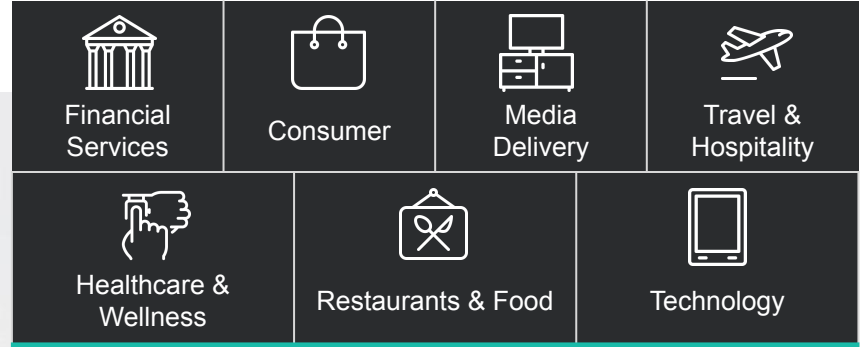
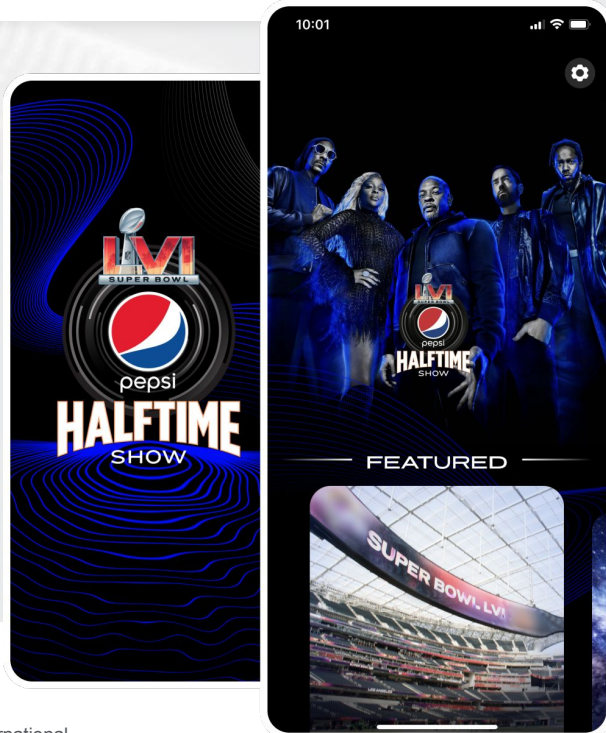
WillowTree designs and builds digital products by fusing strategy, data, customer-centric design, and high-quality engineering that deliver amazing customer experiences that drive loyalty & engagement

TI + WillowTree | The leading digital experience partner



WillowTree | Marquee clients unlock new growth opportunities

The Premium Digital Partner of
Choice for the Fortune 500's
Most Critical Digital Initiatives



Manulife

FOX



HBO

synchrony™



electrify
america

Marriott
INTERNATIONAL



Orangetheory
FITNESS

WillowTree | Unique delivery model

WillowTree's product development philosophy is rooted in a "build, measure, learn" framework, leveraging agile teams to deliver products that are optimized and offer enterprise-grade performance

WillowTree Utilizes a Disruptive Delivery Model

1

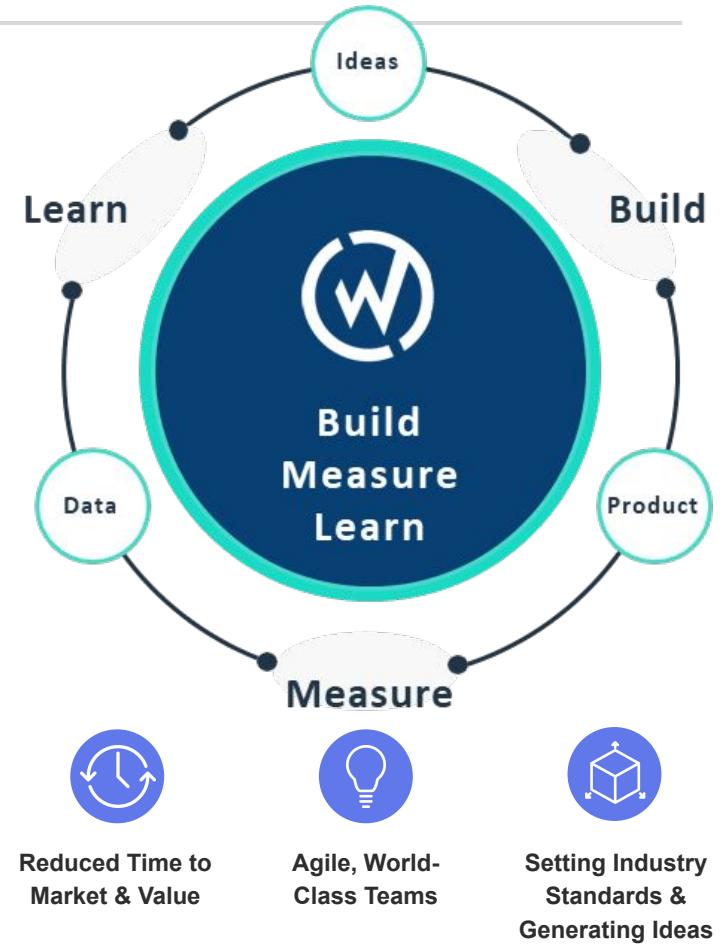
WillowTree deploys a unique blend of agile product development principles, frequent product releases, and risk reduction to ensure product flexibility, faster time to value, and high-confidence for clients

2

WillowTree employs a vertical development methodology whereby teams slice off product functionality along a vertical; each slice includes everything from backend API development to front-end user interface design to deliver fully functional and fully tested digital products and experiences

3

The team's agile, iterative approach enables WillowTree to reliably deliver quality products for clients faster than competitors



WillowTree | Strong culture, foundational to success



WillowTree has developed an **industry-leading company culture** that drives high team engagement



93%

Proud to Work at WillowTree

91%

WillowTree is an Inclusive Place to Work

Consistently Recognized for Outstanding Culture & Diversity



Consistently Recognized for Industry Leading Digital Expertise



WillowTree | Combined company enables strategic and financial benefits



- 2020 proforma revenue of \$94M
- 2021 proforma revenue of \$140M
- June YTD 2022 proforma revenue of \$94M
- Healthy profitability profile
- Low capital expenditures as percent of revenue



- Helps accelerate revenue growth
- Profitability focus and alignment
- Improves client diversification
- Cross-sell / up-sell opportunities
- Attractive cash flow profile allows for rapid de-levering

Note: Proforma based on historical acquisitions completed by WillowTree

WillowTree | Key transaction details

- Transaction enterprise value of US\$1.225 billion
- Anticipated to close in January, 2023 subject to customary closing conditions and regulatory approvals

Estimated financing structure (US\$ millions)

Uses	
Acquisition of WillowTree	\$1,015
WillowTree Debt	\$210
Total Uses	\$1,225
Sources	
TI Transaction Debt (including WillowTree debt)	\$940
TI subordinate voting shares	\$125
WillowTree management reinvestment	\$160
Total Sources	\$1,225

- Financing structure
 - \$125 million in TELUS International subordinate voting shares
 - \$160 million reinvested by certain eligible management team members
 - \$940 million in cash at closing from upsized and extended TELUS International credit facilities
- Financing expectations
 - Committed financing in place on consistent terms
 - Upon closing, TI's Net Debt to Adjusted EBITDA Leverage Ratio as per credit agreement expected to be approximately 3x

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