
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 OF THE
SECURITIES EXCHANGE ACT OF 1934

For the month of May 2024

Commission File Number 001-39968

TELUS International (Cda) Inc.
(Registrant's name)

Floor 7, 510 West Georgia Street
Vancouver, BC V6B 0M3
Tel.: (604) 695-3455

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F ☒ Form 40-F ☐

INCORPORATION BY REFERENCE

TELUS International (Cda) Inc.'s unaudited condensed interim consolidated financial statements for the three months ended March 31, 2024 and 2023 and management's discussion and analysis of the three months ended March 31, 2024 are attached as exhibits to this Report of Foreign Private Issuer on Form 6-K.

This report on Form 6-K shall be deemed to be incorporated by reference in TELUS International (Cda) Inc.'s registration statements on Form F-3 (File No. 333-264066) and Form S-8 (File No. 333-252685) and to be a part thereof from the date on which this report is filed, to the extent not superseded by documents or reports subsequently filed or furnished.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TELUS International (Cda) Inc.

Date: May 9, 2024

By: /s/ Gopi Chande

Name: Gopi Chande

Title: Chief Financial Officer

EXHIBIT

<u>Exhibit</u>	<u>Description of Exhibit</u>
99.1	<u>Condensed Interim Consolidated Financial Statements for the Three Months Ended March 31, 2024 and 2023</u>
99.2	<u>Management's Discussion and Analysis for the Three Months Ended March 31, 2024 and 2023</u>
99.3	<u>Form 52-109F2 Certificate of Interim Filings by CEO (pursuant to Canadian regulations)</u>
99.4	<u>Form 52-109F2 Certificate of Interim Filings by CFO (pursuant to Canadian regulations)</u>

TELUS INTERNATIONAL (CDA) INC.

**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

(UNAUDITED)

March 31, 2024

TELUS International (Cda) Inc.

Condensed Interim Consolidated Statements of Income and Other Comprehensive Income (Loss)
(unaudited)

Periods ended March 31 (millions except earnings per share)	Note	Three months	
		2024	2023
REVENUE	3	\$ 657	\$ 686
OPERATING EXPENSES			
Salaries and benefits		416	428
Goods and services purchased		116	103
Share-based compensation	4	1	14
Acquisition, integration and other		7	16
Depreciation	10	34	33
Amortization of intangible assets	11	45	46
		619	640
OPERATING INCOME		38	46
OTHER EXPENSES (INCOME)			
Changes in business combination-related provisions	12	(29)	—
Interest expense	5	35	33
Foreign exchange (gain) loss		(5)	1
INCOME BEFORE INCOME TAXES		37	12
Income tax expense (recovery)	6	9	(2)
NET INCOME		28	14
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that may subsequently be reclassified to income			
Change in unrealized fair value of derivatives designated as held-for-hedging		16	(12)
Exchange differences arising from translation of foreign operations		(31)	21
		(15)	9
COMPREHENSIVE INCOME		\$ 13	\$ 23
EARNINGS PER SHARE	7		
Basic		\$ 0.10	\$ 0.05
Diluted		\$ 0.05	\$ 0.05
TOTAL WEIGHTED AVERAGE SHARES OUTSTANDING (millions)			
Basic	7	274	273
Diluted	7	289	276

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

TELUS International (Cda) Inc.

**Condensed Interim Consolidated Statements of Financial Position
(unaudited)**

As at (millions)	Note	March 31, 2024	December 31, 2023
ASSETS			
Current assets			
Cash and cash equivalents		\$ 154	\$ 127
Accounts receivable	8	471	498
Due from affiliated companies	16(a)	47	62
Income and other taxes receivable		2	5
Prepaid and other assets		55	35
Current portion of derivative assets	9	17	16
		<u>746</u>	<u>743</u>
Non-current assets			
Property, plant and equipment, net	10	500	517
Intangible assets, net	11	1,501	1,546
Goodwill	11	1,951	1,963
Derivative assets	9	4	—
Deferred income taxes		28	29
Other long-term assets	17(b)	25	25
		<u>4,009</u>	<u>4,080</u>
Total assets		<u>\$ 4,755</u>	<u>\$ 4,823</u>
LIABILITIES AND OWNERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	17(b)	\$ 280	\$ 290
Due to affiliated companies	16(a)	179	178
Income and other taxes payable		63	57
Current portion of provisions	12	1	2
Current maturities of long-term debt	13	120	122
		<u>643</u>	<u>649</u>
Non-current liabilities			
Provisions	12	165	191
Long-term debt	13	1,593	1,628
Derivative liabilities	9	—	12
Deferred income taxes		285	290
Other long-term liabilities		19	16
		<u>2,062</u>	<u>2,137</u>
Total liabilities		<u>2,705</u>	<u>2,786</u>
Owners' equity		2,050	2,037
Total liabilities and owners' equity		<u>\$ 4,755</u>	<u>\$ 4,823</u>
Contingent liabilities	15		

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

TELUS International (Cda) Inc.

**Condensed Interim Consolidated Statements of Changes in Owners' Equity
(unaudited)**

(millions)	Note	Number of shares	Share capital	Contributed surplus	Retained earnings	Accumulated other comprehensive income (loss)	Total
Balance as at January 1, 2023		267	\$ 1,503	\$ 55	\$ 292	\$ (12)	\$ 1,838
Net income		—	—	—	14	—	14
Other comprehensive income		—	—	—	—	9	9
Common shares issued		6	125	—	—	—	125
Share-based compensation		—	9	5	—	—	14
Balance as at March 31, 2023		273	\$ 1,637	\$ 60	\$ 306	\$ (3)	\$ 2,000
Balance as at January 1, 2024		274	\$ 1,648	\$ 55	\$ 347	\$ (13)	\$ 2,037
Net income		—	—	—	28	—	28
Other comprehensive loss		—	—	—	—	(15)	(15)
Multiple Voting Shares converted to Subordinate Voting Shares	14	(3)	(11)	—	—	—	(11)
Subordinate Voting Shares converted from Multiple Voting Shares	14	3	11	—	—	—	11
Share-based compensation		1	9	(9)	—	—	—
Balance as at March 31, 2024		275	\$ 1,657	\$ 46	\$ 375	\$ (28)	\$ 2,050

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

TELUS International (Cda) Inc.

**Condensed Interim Consolidated Statements of Cash Flows
(unaudited)**

Periods ended March 31 (millions)	Note	Three months	
		2024	2023
OPERATING ACTIVITIES			
Net income		\$ 28	\$ 14
Adjustments:			
Depreciation and amortization		79	79
Interest expense		35	33
Income tax expense (recovery)		9	(2)
Share-based compensation		1	14
Changes in business combination-related provisions		(29)	—
Change in market value of derivatives and other		(6)	1
Net change in non-cash operating working capital	17(c)	11	(50)
Income taxes paid, net		(2)	(9)
Cash provided by operating activities		126	80
INVESTING ACTIVITIES			
Cash payments for capital assets	17(c)	(22)	(14)
Cash payments for acquisitions, net	11	(3)	(850)
Cash used in investing activities		(25)	(864)
FINANCING ACTIVITIES			
Shares issued		1	1
Withholding taxes paid related to net share settlement of equity awards	4(a)	(2)	(1)
Long-term debt issued	17(d)	45	963
Repayment of long-term debt	17(d)	(94)	(137)
Interest paid on credit facilities		(24)	(26)
Cash (used in) provided by financing activities		(74)	800
Effect of exchange rate changes on cash and cash equivalents		—	1
CASH POSITION			
Increase in cash and cash equivalents		27	17
Cash and cash equivalents, beginning of period		127	125
Cash and cash equivalents, end of period		\$ 154	\$ 142

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

TELUS International (Cda) Inc.

Notes to Condensed Interim Consolidated Financial Statements (unaudited)

TELUS International (Cda) Inc. (TELUS International) is a leading digital customer experience innovator that designs, builds and delivers next-generation solutions, including AI and content moderation, for global and disruptive brands.

TELUS International was incorporated under the *Business Corporations Act* (British Columbia) on January 2, 2016, and is a subsidiary of TELUS Corporation. TELUS International maintains its registered office at 510 West Georgia Street, Vancouver, British Columbia.

The terms *we*, *us*, *our* or *ourselves* are used to refer to TELUS International and, where the context of the narrative permits or requires, its subsidiaries.

Additionally, the term TELUS Corporation is a reference to TELUS Corporation, and where the context of the narrative permits or requires, its subsidiaries, excluding TELUS International.

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1. Condensed interim consolidated financial statements

(a) Basis of presentation

The notes presented in our condensed interim consolidated financial statements include only significant events and transactions and are not fully inclusive of all matters normally disclosed in our annual audited financial statements; thus, our interim consolidated financial statements are referred to as condensed. Our financial results may vary from period to period during any fiscal year. The seasonality in our business, and consequently, our financial performance, mirrors that of our clients. Our revenues are typically higher in the third and fourth quarters than in other quarters, but this can vary if there are material changes to our clients' operating environment, such as potential impacts of a recession and our clients' response to those impacts, or material changes in the foreign currency rates that we operate in.

These condensed interim consolidated financial statements should be read in conjunction with our audited consolidated financial statements for the year ended December 31, 2023, and are expressed in United States dollars and follow the same accounting policies and methods of their application as set out in our audited consolidated financial statements for the year ended December 31, 2023. The generally accepted accounting principles that we use are International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS-IASB). Our condensed interim consolidated financial statements comply with International Accounting Standard 34, *Interim Financial Reporting* and reflect all adjustments (which are of a normal recurring nature) that are, in our opinion, necessary for a fair statement of the results for the interim periods presented.

These condensed interim consolidated financial statements as at and for the three-month period ended March 31, 2024 were authorized by our Board of Directors for issue on May 9, 2024.

(b) Accounting policy developments

Initial application of standards, interpretations and amendments to standards and interpretations

In May 2023, the International Accounting Standards Board issued *International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12)*, which amended IAS 12, *Income Taxes*. The amendments provide, and we use, temporary relief from accounting for deferred income taxes arising from the Organisation for Economic Co-operation and Development's Pillar Two model rules (such rules ensuring that large multinational corporations would be subject to a minimum 15% income tax rate in every jurisdiction in which they operate). As different jurisdictions are expected to implement the OECD rules at different speeds and at different points in time, the amendments are intended to help ensure consistency within, and comparability across, financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. We have assessed the impacts of the amended standard, and our financial disclosure was not materially affected by the application of the amendments.

Standards, interpretations and amendments to standards and interpretations not yet effective and not yet applied

In April 2024, the International Accounting Standards Board issued IFRS 18, *Presentation and Disclosure in the Financial Statements*, which sets out the overall requirements for presentation and disclosures in the financial statements. The new standard will replace IAS 1, *Presentation of Financial Statements*. Although much of the substance of IAS 1, *Presentation of Financial Statements*, will carry over into the new standard, the new standard incrementally will:

- With a view to improving comparability amongst entities, require presentation in the statement of operations of a subtotal for operating profit and a subtotal for profit before financing and income taxes (both subtotals as defined in the new standard);
- Require disclosure and reconciliation, within a single financial statement note, of management-defined performance measures (e.g. measures and/or ratios that currently and commonly would be considered to be non-GAAP financial measures, supplementary financial measures and/or non-GAAP ratios) that are used in public communications to share management's views of various aspects of an entity's performance and which are derived from the statements of income and other comprehensive income;
- Enhance the requirements for aggregation and disaggregation of financial statement amounts; and
- Require limited changes to the statement of cash flows, including elimination of options for the classification of interest and dividend cash flows.

The new standard is effective for annual reporting periods beginning on or after January 1, 2027, with earlier adoption permitted. We are currently assessing the impacts of the new standard; while there will be a shift of where a number of the management-defined performance measures are disclosed and reconciled (primarily a shift from management's discussion and analysis to the financial statements), we do not expect that the totality of our financial disclosure will be materially affected by the application of the new standard.

2. Capital structure financial policies

Our objective when managing capital is to maintain a flexible capital structure that optimizes the cost and availability of capital at acceptable risk levels.

In the management of capital and in its definition, we include owners' equity (excluding accumulated other comprehensive income), long-term debt (including long-term credit facilities and any hedging assets or liabilities associated with our long-term debt, net of amounts recognized in accumulated other comprehensive income and excluding lease liabilities) and cash and cash equivalents. We manage capital by monitoring the financial covenants in our credit facility (*Note 13—Long-term debt*).

We manage our capital structure and make adjustments to it in light of changes in economic conditions and the risk characteristics of our business. In order to maintain or adjust our capital structure, we may issue new shares, issue new debt with different terms or characteristics, which may be used to replace existing debt, or pay down our debt balance with cash flows from operations.

3. Revenue

We earn revenue pursuant to contracts with our clients, who operate in various industry verticals. The following presents our earned revenue disaggregation for our five largest industry verticals for the following periods:

Periods ended March 31 (millions)	Three months	
	2024	2023
Tech and Games	\$ 278	\$ 287
Communications and Media	160	153
eCommerce and FinTech	68	79
Healthcare	49	40
Banking, Financial Services and Insurance	36	44
All others ¹	66	83
	\$ 657	\$ 686

1. All others includes, among others, travel and hospitality, energy and utilities, retail, and consumer packaged goods industry verticals.

We serve our clients, who are primarily domiciled in North America, from multiple delivery locations across various geographic regions. In addition, our TIAI Data Solutions business has clients that are largely supported by crowdsourced contractors that are globally dispersed and not limited to the physical locations of our delivery centres. The following table presents our earned revenue disaggregated by geographic region, based on location of our delivery centre or where service was provided, for the following periods:

Periods ended March 31 (millions)	Three months	
	2024	2023
Europe	\$ 196	\$ 215
North America	188	210
Asia-Pacific	153	155
Central America and others ¹	120	106
	\$ 657	\$ 686

1. Others includes South America and Africa geographic regions.

4. Share-based compensation

(a) Restricted share unit plan

We grant restricted share units (RSUs) and performance restricted share units (PSUs), which are accounted for as equity-settled, as this is the expected manner of their settlement when granted. All awards granted under the restricted share unit plan are nominally equal in value to one TELUS International subordinate voting share. Our PSU grants largely have the same features as our RSUs, but have a variable payout (0% — 200%) that depend upon the achievement of operating performance targets (non-market conditions), or total shareholder return on TELUS International subordinate voting shares relative to an international peer group of customer experience and digital IT services companies (market conditions). The grant-date fair value of our PSUs affected by the achievement of non-market conditions equals the share price of the corresponding TELUS International subordinate voting share as of the grant date. Reflecting a variable payout, we estimate the grant-date fair value of our PSUs affected by the relative total shareholder return performance condition using a Monte Carlo simulation.

The following table presents a summary of the activity related to our restricted share unit plan:

Period ended March 31, 2024	Three months		
	Number of units		Weighted average grant-date fair value
	Non-vested	Vested	
Outstanding, beginning of period	2,615,746	—	\$ 21.36
Granted	3,261,017	39,116	\$ 8.99
Vested	(434,358)	434,358	\$ 23.66
Exercised ¹	—	(473,474)	\$ 22.43
Forfeited	(203,821)	—	\$ 23.71
Outstanding, March 31, 2024	5,238,584	—	\$ 13.38

- During the three-month period ended March 31, 2024, 473,474 RSUs were exercised and settled with 282,672 subordinate voting shares issued from treasury and \$2 million in withholding taxes paid.

As at March 31, 2024, the outstanding restricted share units comprised of 3,976,440 RSUs, 988,023 PSUs (non-market conditions), and 274,121 PSUs (market conditions).

(b) Share option award plan

We grant share option awards, which are accounted for as equity-settled, as this is the expected manner of their settlement when granted. Share option awards grant the right to the employee recipient to purchase and receive a subordinate voting share of TELUS International for a pre-determined exercise price, and are generally exercisable for a period of ten years from the date of grant. The following table presents the activity related to our share option award plan:

Period ended March 31, 2024	Three months		
	Number of share option award units		Weighted average exercise price
	Non-vested	Vested	
Outstanding, beginning of period	220,100	2,316,683	\$ 10.39
Vested	(110,050)	110,050	\$ 25.00
Forfeited	(20,962)	(62,887)	\$ 25.00
Outstanding, March 31, 2024 ¹	89,088	2,363,846	\$ 9.89
Exercisable, March 31, 2024	—	2,363,846	\$ 9.32

- The exercise price for options outstanding as at March 31, 2024 ranged from \$4.87 to \$8.95 for 2,096,582 options with a weighted-average remaining contractual life of 2.7 years, and \$25.00 for 356,352 options with a weighted-average remaining contractual life of 6.9 years.

5. Interest expense

Periods ended March 31 (millions)	Three months	
	2024	2023
Interest expense		
Interest on long-term debt, excluding lease liabilities	\$ 24	\$ 24
Interest on lease liabilities	7	5
Amortization of financing fees and other	1	1
Interest accretion on provisions	3	3
	\$ 35	\$ 33

6. Income taxes

Periods ended March 31 (millions)	Three months	
	2024	2023
Current income tax expense (recovery)		
For current reporting period	\$ 13	\$ 13
Pillar Two global minimum tax	1	—
Adjustments recognized in the current period for income tax of prior periods	(2)	1
	<u>12</u>	<u>14</u>
Deferred income tax recovery		
Arising from the origination and reversal of temporary differences	(3)	(16)
	<u>(3)</u>	<u>(16)</u>
	<u>\$ 9</u>	<u>\$ (2)</u>

Our income tax expense (recovery) and effective income tax rate differ from that calculated by applying the applicable statutory rates for the following reasons:

Periods ended March 31 (millions except percentages)	Three months			
	2024		2023	
Income taxes computed at applicable statutory income tax rates	\$ 7	19.6 %	\$ (1)	(8.4)%
Non-deductible (taxable) items	(2)	(5.6)%	—	— %
Withholding and other taxes	5	13.2 %	6	50.0 %
Losses not recognized	1	2.7 %	1	8.3 %
Foreign tax differential	(1)	(2.7)%	(8)	(66.6)%
Adjustments recognized in the current period for income tax of prior periods	(2)	(5.6)%	1	8.3 %
Pillar Two global minimum tax	1	2.7 %	—	— %
Other	—	— %	(1)	(8.3)%
Income tax expense (recovery)	<u>\$ 9</u>	<u>24.3 %</u>	<u>\$ (2)</u>	<u>(16.7)%</u>

We are subject to the global minimum top-up income tax under Pillar Two tax legislation. The top-up income tax relates primarily to our operations in Bulgaria and Ireland, where the statutory income tax rate is 10% and 12.5%, respectively. During the three-month period ended March 31, 2024, the Company recognized a current income tax expense of \$1 million related to the Pillar Two tax.

We have applied a temporary mandatory relief from deferred income tax accounting for the impacts of the top-up income tax and it is recognized as a current income tax in the period it is incurred.

As at March 31, 2024, both Bulgaria and Ireland have enacted global minimum income tax into domestic tax legislation effective January 1, 2024. As a result, our Bulgarian and Irish subsidiaries will be liable for the top-up income tax rather than the ultimate Canadian parent company.

7. Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing net income by the total weighted average number of equity shares outstanding during the period.

Periods ended March 31 (millions except earnings per share)	Three months	
	2024	2023
Net income for the period	\$ 28	\$ 14
Weighted average number of equity shares outstanding	274	273
Basic earnings per share	\$ 0.10	\$ 0.05

(b) Diluted earnings per share

Diluted earnings per share is calculated to give effect to the potential dilutive effect that could occur if additional equity shares were assumed to be issued under securities or instruments that may entitle their holders to obtain equity shares in the future, which include share-based compensation awards (see *Note 4—Share-based compensation* for additional details) and provision for written put options (see *Note 14(c)—Intangible assets and goodwill—Business acquisitions* in our Annual Report and *Note 12—Provisions* for additional details). The number of additional shares for inclusion in the diluted earnings per share calculation was determined using the treasury stock method and, for our provision for written put options, the if-converted method.

Periods ended March 31 (millions except earnings per share)	Three months	
	2024	2023
Net income for the period	\$ 28	\$ 14
After-tax impact of provisions for written put options	(14)	—
Fully diluted net income	\$ 14	\$ 14
Weighted average number of equity shares outstanding	274	273
Dilutive effect of share-based compensation	2	3
Dilutive effect of provisions for written put options	13	—
Weighted average number of diluted equity shares outstanding	289	276
Diluted earnings per share	\$ 0.05	\$ 0.05

During the three-month periods ended March 31, 2024, 356,352 Share Options were anti-dilutive and excluded from the calculation of diluted earnings per share (March 31, 2023 - 440,201).

8. Accounts receivable

As at (millions)	March 31, 2024	December 31, 2023
Accounts receivable – billed	\$ 243	\$ 278
Accounts receivable – unbilled	204	194
Other receivables	29	28
	476	500
Allowance for doubtful accounts	(5)	(2)
Total	\$ 471	\$ 498

The following table presents an analysis of the age of customer accounts receivable. Any late payment charges are levied at a negotiated rate on outstanding non-current customer account balances.

As at (millions)	March 31, 2024	December 31, 2023
Customer accounts receivable – billed, net of allowance for doubtful accounts		
Less than 30 days past billing date	\$ 150	\$ 174
30-60 days past billing date	58	78
61-90 days past billing date	19	11
More than 90 days past billing date	11	13
	238	276
Accounts receivable – unbilled	204	194
Other receivables	29	28
Total	\$ 471	\$ 498

We maintain allowances for lifetime expected credit losses related to doubtful accounts. Current economic conditions (including forward-looking macroeconomic data), historical information (including credit agency reports, if available), reasons for the accounts being past due and line of business from which the customer accounts receivable arose are all considered when determining whether to make allowances for past-due accounts. The same factors are considered when determining whether to write off amounts charged to the allowance for doubtful accounts against the customer accounts receivable. The doubtful accounts expense is calculated on a specific-identification basis for customer accounts receivable over a specific balance threshold and on a statistically derived allowance basis for the remainder. No customer accounts receivable balances are written off directly to bad debt expense.

The following table presents a summary of the activity related to our allowance for doubtful accounts:

Periods ended March 31 (millions)	Three months	
	2024	2023
Balance, beginning of period	\$ 2	\$ 1
Additions	3	—
Balance, end of period	\$ 5	\$ 1

9. Financial instruments

General

The carrying values of cash and cash equivalents, due from or to affiliated companies, accounts receivable, accounts payable and accrued liabilities and certain provisions approximate their fair values due to the immediate or short-term maturity of these financial instruments. Our long-term debt, measured at amortized cost, approximates fair value as they bear interest at applicable market rates.

The fair values of the derivative financial instruments we use to manage our exposure to currency risks are estimated based upon quoted market prices in active markets for the same or similar financial instruments or on the current rates offered to us for financial instruments of the same maturity, as well as discounted future cash flows determined using current rates for similar financial instruments subject to similar risks and maturities (such fair value estimates being largely based on the European euro: US\$ and Philippine peso: US\$ forward exchange rates as at the statement of financial position dates).

Derivative

The derivative financial instruments that we measure at fair value on a recurring basis subsequent to initial recognition are as set out in the following table; all such items use significant other observable inputs (Level 2) for measuring fair value at the reporting date.

As at (millions)	Designation	March 31, 2024					December 31, 2023				
		Maximum maturity date	Notional amount		Fair value and carrying value	Price or rate	Maximum maturity date	Notional amount		Fair value and carrying value	Price or rate
Current assets ¹											
Derivatives used to manage											
Currency risks arising from Euro business acquisition	HFH ³	2025	\$ 22	\$ 14	USD:1.00 EUR:0.92	2024	\$ 22	\$ 12	USD:1.00 EUR: 0.92		
Currency risks arising from Philippine peso denominated purchases	HFT ²	2025	\$ 40	\$ —	USD:1.00 PHP:56.62	2024	\$ 81	\$ 2	USD:1.00 PHP:56.32		
Interest rate risk associated with non-fixed rate credit facility amounts drawn	HFH ³	2025	\$ 9	\$ 3	3.52 %	2024	\$ 9	\$ 2	3.52%		
Non-current assets ¹											
Derivatives used to manage											
Currency risks arising from Euro business acquisition	HFH ³	2028	\$ 403	\$ 4	USD:1.00 EUR:0.92	—	\$ —	\$ —	—		
Interest rate risk associated with non-fixed rate credit facility amounts drawn	HFH ³	2028	\$ 153	\$ —	3.52 %	—	\$ —	\$ —	—		
Current liabilities ¹											
Derivatives used to manage											
Currency risks arising from Philippine peso denominated purchases	HFT ²	2025	\$ 60	\$ —	USD:1.00 PHP:55.72	2024	\$ 17	\$ —	USD:1.00 PHP:54.94		
Non-current liabilities ¹											
Derivatives used to manage											
Currency risks arising from Euro business acquisition	HFH ³	—	\$ —	\$ —	—	2028	\$ 409	\$ 10	USD:1.00 EUR: 0.92		
Interest rate risk associated with non-fixed rate credit facility amounts drawn	HFH ³	—	\$ —	\$ —	— %	2028	\$ 155	\$ 2	3.52%		

1. Notional amounts of derivative financial assets and liabilities are not set off.
2. Foreign currency hedges are designated as held for trading (HFT) upon initial recognition; hedge accounting is not applied.
3. Designated as held for hedging (HFH) upon initial recognition (cash flow hedging item); hedge accounting is applied. Unless otherwise noted, hedge ratio is 1:1 and is established by assessing the degree of matching between the notional amounts of hedging items and the notional amounts of the associated hedged items.

10. Property, plant and equipment

(millions)	Note	Owned assets					Right-of-use lease assets	
		Network assets	Buildings and leasehold improvements	Computer equipment, furniture, and other	Assets under construction	Total	Buildings	Total
At cost								
As at January 1, 2024		\$ 59	\$ 159	\$ 308	\$ 37	\$ 563	\$ 487	\$ 1,050
Additions		—	—	2	11	13	6	19
Transfers		2	3	5	(10)	—	—	—
Foreign exchange		—	(1)	—	—	(1)	(3)	(4)
As at March 31, 2024		\$ 61	\$ 161	\$ 315	\$ 38	\$ 575	\$ 490	\$ 1,065
Accumulated depreciation								
As at January 1, 2024		\$ 39	\$ 75	\$ 197	\$ —	\$ 311	\$ 222	\$ 533
Depreciation		2	5	12	—	19	15	34
Foreign exchange		—	—	—	—	—	(2)	(2)
As at March 31, 2024		\$ 41	\$ 80	\$ 209	\$ —	\$ 330	\$ 235	\$ 565
Net book value								
As at December 31, 2023		\$ 20	\$ 84	\$ 111	\$ 37	\$ 252	\$ 265	\$ 517
As at March 31, 2024		\$ 20	\$ 81	\$ 106	\$ 38	\$ 245	\$ 255	\$ 500

11. Intangible assets and goodwill

(millions)	Note	Customer relationships	Crowdsource assets	Software	Brand and other	Total intangible assets	Goodwill	Total intangible assets and goodwill
At cost								
As at January 1, 2024		\$ 1,769	\$ 120	\$ 63	\$ 104	\$ 2,056	\$ 1,963	\$ 4,019
Additions		—	—	6	—	6	—	6
Additions from acquisition ¹		—	—	—	—	—	3	3
Foreign exchange		(11)	—	—	—	(11)	(15)	(26)
As at March 31, 2024		\$ 1,758	\$ 120	\$ 69	\$ 104	\$ 2,051	\$ 1,951	\$ 4,002
Accumulated amortization								
As at January 1, 2024		\$ 407	\$ 45	\$ 33	\$ 25	\$ 510	\$ —	\$ 510
Amortization		35	4	2	4	45	—	45
Foreign exchange		(5)	—	—	—	(5)	—	(5)
As at March 31, 2024		\$ 437	\$ 49	\$ 35	\$ 29	\$ 550	\$ —	\$ 550
Net book value								
As at December 31, 2023		\$ 1,362	\$ 75	\$ 30	\$ 79	\$ 1,546	\$ 1,963	\$ 3,509
As at March 31, 2024		\$ 1,321	\$ 71	\$ 34	\$ 75	\$ 1,501	\$ 1,951	\$ 3,452

- During the three-month period ended March 31, 2024, we acquired a business which expanded our customer experience delivery capabilities in the Asia-Pacific region for purchase consideration of \$3 million.

12. Provisions

(millions)	Employee related ¹	Written put options ²	Other ³	Total
As at January 1, 2024	\$ 1	\$ 188	\$ 4	\$ 193
Additions	3	—	—	3
Use	(4)	—	—	(4)
Revaluation	—	(29)	—	(29)
Interest effect and other	—	3	—	3
As at March 31, 2024	\$ —	\$ 162	\$ 4	\$ 166
Current	\$ —	\$ —	\$ 1	\$ 1
Non-current	—	162	3	\$ 165
As at March 31, 2024	\$ —	\$ 162	\$ 4	\$ 166

1. Related to personnel-related reorganization charges.
2. In connection with our acquisition of WillowTree in 2023, a provision for written put options to acquire the non-controlling interest in the WillowTree business retained by certain members of WillowTree management was established, measured at the present value of the estimated redemption amount. During the three-month period ended March 31, 2024, we revised our estimates of certain performance-based criteria tied to the WillowTree business, which resulted in a reduction of the written put option provision by \$29 million, included in Changes in business combination-related provisions in our condensed interim consolidated statements of income and other comprehensive income (loss).
3. Other provisions generally relate to legal and other activities that arise during the normal course of operations.

13. Long-term debt

(a) Details of long-term debt

As at (millions)	March 31, 2024	December 31, 2023
Credit facility	\$ 1,436	\$ 1,463
Deferred debt transaction costs	(11)	(11)
	\$ 1,425	\$ 1,452
Lease liabilities	288	298
Long-term debt	\$ 1,713	\$ 1,750
Current	\$ 120	\$ 122
Non-current	1,593	1,628
Long-term debt	\$ 1,713	\$ 1,750

(b) Credit facility

We have a credit facility secured by our assets with a syndicate of financial institutions, which includes TELUS Corporation as a lender, maturing on January 3, 2028. The credit facility is comprised of an \$800 million revolving credit facility and an amortizing \$1.2 billion term loan. As at March 31, 2024, the revolving credit facility and term loan had an effective interest rate of 7.43% (December 31, 2023 - 7.46%).

As at (millions)	March 31, 2024			December 31, 2023		
	Revolving component	Term loan component ¹	Total	Revolving component	Term loan component	Total
Available	\$ 504	\$ —	\$ 504	\$ 492	N/A	\$ 492
Outstanding						
Due to TELUS Corporation	\$ 21	\$ 82	\$ 103	\$ 22	\$ 83	\$ 105
Due to Other	275	1,058	1,333	286	1,072	1,358
	\$ 296	\$ 1,140	\$ 1,436	\$ 308	\$ 1,155	\$ 1,463
Total	\$ 800	\$ 1,140	\$ 1,940	\$ 800	\$ 1,155	\$ 1,955

1. We have entered into a receive-floating interest rate, pay-fixed interest rate exchange agreement that effectively converts a portion of our interest obligations on the debt to a fixed rate of 3.52% plus applicable margins.

The credit facility bears interest at prime rate, U.S. dollar base rate, a bankers' acceptance rate or Term Secured Overnight Financing Rate (SOFR) (all such terms as used or defined in the credit facility) plus applicable margins. The credit facility contains customary representations, warranties and covenants, including two financial quarter-end ratio tests. Net Debt to Adjusted EBITDA ratio, both measures as defined in our credit agreement, must not exceed 3.75:1.00 for each quarter in fiscal 2024 and 3.25:1.00 subsequently. The Adjusted EBITDA to Debt Service (interest and scheduled principal repayment) ratio must not be less than 1.50:1.00, all as defined in the credit facility. If an acquisition with an aggregate cash consideration in excess of \$250 million occurs in any twelve-month period, the maximum permitted Net Debt to Adjusted EBITDA ratio per credit agreement may be increased by 0.50:1.00 and shall return to the then applicable Net Debt to Adjusted EBITDA ratio after eight fiscal quarters.

The term loan of the credit facility is subject to an amortization schedule requiring that 1.25% of the original principal advanced be repaid each quarter with the balance due at maturity of the amended credit facility on January 3, 2028.

As at March 31, 2024, we were in compliance with all financial covenants, financial ratios and all of the terms and conditions of our credit facility and long-term debt agreement.

(c) Long-term debt maturities

Anticipated requirements to meet long-term debt repayments, calculated upon such long-term debts owing as at March 31, 2024, are as follows:

Composite long-term debt denominated in	U.S. dollars			European euros	Other currencies	
For each fiscal year ending December 31 (millions)	Long-term debt, excluding leases	Leases	Total	Leases	Leases	Total
2024 (remainder of year)	\$ 45	\$ 14	\$ 59	\$ 11	\$ 18	\$ 88
2025	60	18	78	14	22	114
2026	60	19	79	10	21	110
2027	60	16	76	5	17	98
2028	1,211	11	1,222	4	15	1,241
Thereafter	—	29	29	25	19	73
Future cash outflows in respect of composite long-term debt principal repayments	\$ 1,436	\$ 107	\$ 1,543	\$ 69	\$ 112	\$ 1,724
Future cash outflows in respect of associated interest and like carrying costs ¹	377	53	430	16	34	480
Undiscounted contractual maturities	\$ 1,813	\$ 160	\$ 1,973	\$ 85	\$ 146	\$ 2,204

1. Future cash outflows in respect of associated interest and carrying costs for amounts drawn under our credit facility (if any) have been calculated based upon the rates in effect at March 31, 2024.

14. Share capital

Our authorized and issued share capital as at March 31, 2024 is as follows:

As at (millions)	Authorized		Issued	
	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023
Preferred Shares	unlimited	unlimited	—	—
Equity Shares				
Multiple Voting Shares	unlimited	unlimited	164	167
Subordinate Voting Shares	unlimited	unlimited	111	107

On February 22, 2024, a former related party converted 3 million multiple voting shares in exchange for an equal number of subordinate voting shares.

As at March 31, 2024, there were 17 million authorized but unissued subordinate voting shares reserved for issuance under our share-based compensation plans, and 5 million authorized but unissued subordinate voting shares reserved for issuance under our employee share purchase plan.

15. Contingent liabilities

(a) Indemnification obligations

In the normal course of operations, we provide indemnification in conjunction with certain transactions. The terms of these indemnification obligations range in duration. These indemnifications would require us to compensate the indemnified parties for costs incurred as a result of failure to comply with contractual obligations or litigation claims or statutory sanctions or damages that may be suffered by an indemnified party. In some cases, there is no maximum limit on these indemnification obligations. The overall maximum amount of an indemnification obligation will depend on future events and conditions and therefore cannot be reasonably estimated. Where appropriate, an indemnification obligation is recorded as a liability. Other than obligations recorded as liabilities at the time of such transactions, if applicable, historically we have not made significant payments under these indemnifications. As at March 31, 2024, we had no liability recorded in respect of indemnification obligations (December 31, 2023 - \$nil).

(b) Claims and lawsuits

We are party to various legal proceedings and claims that arise in the ordinary course of business. The ultimate outcome of these matters is inherently uncertain. Therefore, if one or more of these matters were resolved against us for amounts in excess of management's estimates of loss, or if any outcome becomes more likely than not and estimable, our results of operations and financial condition could be adversely affected.

16. Related party transactions

(a) Transactions with TELUS Corporation

TELUS Corporation produces consolidated financial statements available for public use and is the ultimate parent and controlling party of TELUS International.

Recurring transactions

TELUS Corporation and its subsidiaries receive customer care, integrated business process outsourcing, information technology outsourcing, and digital product development services from us, and provide services (including people, network, finance, communications, and regulatory) to us. We also participate in defined benefit pension plans that share risks between TELUS Corporation and its subsidiaries.

Three months ended March 31 (millions)	2024			2023		
	TELUS Corporation (parent)	Subsidiaries of TELUS Corporation	Total	TELUS Corporation (parent)	Subsidiaries of TELUS Corporation	Total
Transactions with TELUS Corporation and subsidiaries						
Revenues from services provided to	\$ —	\$ 160	\$ 160	\$ —	\$ 131	\$ 131
Goods and services purchased from	—	(5)	(5)	—	(6)	(6)
	\$ —	\$ 155	\$ 155	\$ —	\$ 125	\$ 125
Receipts from related parties	—	(174)	(174)	—	(117)	(117)
Payments to related parties	—	7	7	—	13	13
Payments (made) collected by related parties on our behalf and other adjustments	—	1	1	(4)	(19)	(23)
Foreign exchange	(5)	—	(5)	—	—	—
Change in balance	\$ (5)	\$ (11)	\$ (16)	\$ (4)	\$ 2	\$ (2)
Accounts with TELUS Corporation and subsidiaries						
Balance, beginning of period	(151)	35	(116)	(91)	61	(30)
Balance, end of period	\$ (156)	\$ 24	\$ (132)	\$ (95)	\$ 63	\$ (32)
Accounts with TELUS Corporation and subsidiaries						
Due from affiliated companies	\$ 19	\$ 28	\$ 47	\$ 22	\$ 67	\$ 89
Due to affiliated companies	(175)	(4)	(179)	(117)	(4)	(121)
	\$ (156)	\$ 24	\$ (132)	\$ (95)	\$ 63	\$ (32)

In the condensed interim consolidated statement of financial position, amounts due from affiliates and amounts due to affiliates are generally due 30 days from billing and are cash-settled on a gross basis.

(b) Transactions with key management personnel

Our key management personnel have the authority and responsibility for overseeing, planning, directing and controlling our activities and consist of our Board of Directors and our Executive Leadership Team.

During the three-month period ended March 31, 2024, share-based compensation recovery of \$4 million was recognized due to a downward revision on the estimated achievement of certain non-market performance conditions on PSUs and award forfeitures. We granted 1,071,967 RSUs and 668,506 PSUs, with total grant-date fair value of \$16 million. 307,602 equity-settled awards were exercised and settled with subordinate voting shares issued from treasury.

17. Additional financial information

(a) Statements of income and other comprehensive income (loss)

During the three-month period ended March 31, 2024, we had two clients which each individually accounted for more than 10% of our consolidated revenue (March 31, 2023 - three clients). TELUS Corporation, our controlling shareholder and largest client during the three-month periods ended March 31, 2024 and 2023, accounted for 24.3% and 19.1% of our consolidated revenue, respectively. Google, our second largest client during the three-month period ended March 31, 2024 and third largest client during the three-month period ended March 31, 2023, accounted for 14.5% and 10.6% of our consolidated revenue, respectively. During the three-month period ended March 31, 2023, our second largest client, a large social media company, accounted for 12.6% of our consolidated revenue.

(b) Statements of financial position

As at (millions)	March 31, 2024	December 31, 2023
Other long-term assets		
Lease deposits and other	\$ 21	\$ 21
Other	4	4
	<u>\$ 25</u>	<u>\$ 25</u>
Accounts payable and accrued liabilities		
Trade accounts payable	\$ 41	\$ 37
Accrued liabilities	95	103
Payroll and other employee-related liabilities	132	135
Advance billings	1	4
Other	11	11
	<u>\$ 280</u>	<u>\$ 290</u>

(c) Statements of cash flows—operating activities and investing activities

Periods ended March 31 (millions)	Three months	
	2024	2023
Net change in non-cash operating working capital		
Accounts receivable	\$ 18	\$ (4)
Due to and from affiliated companies, net	16	2
Prepaid expenses	(21)	(21)
Accounts payable and accrued liabilities	(4)	(36)
Income and other taxes receivable and payable, net	—	(1)
Provisions	(1)	8
Other long-term liabilities	3	2
	<u>\$ 11</u>	<u>\$ (50)</u>
Cash payments for capital assets		
Capital asset additions		
Capital expenditures		
Property, plant and equipment, excluding right-of-use assets	\$ (13)	\$ (14)
Intangible assets	(6)	(1)
	<u>\$ (19)</u>	<u>\$ (15)</u>
Change in accrued payables related to the purchase of capital assets	(3)	1
	<u>\$ (22)</u>	<u>\$ (14)</u>

(d) Changes in liabilities arising from financing activities

Three-month period ended March 31, 2024 (millions)	Beginning of Period	Statements of cash flows		Non-cash changes		End of period
		Issued or received	Redemptions, repayments or payments	Foreign exchange movement	Other	
Long-term debt						
Credit facility	\$ 1,463	\$ 45	\$ (72)	\$ —	\$ —	\$ 1,436
Lease liabilities	298	—	(22)	(2)	14	288
Deferred debt transaction costs	(11)	—	—	—	—	(11)
	\$ 1,750	\$ 45	\$ (94)	\$ (2)	\$ 14	\$ 1,713

Three-month period ended March 31, 2023 (millions)	Beginning of Period	Statements of cash flows		Non-cash changes		End of period
		Issued or received	Redemptions, repayments or payments	Foreign exchange movement	Other	
Long-term debt						
Credit facility	\$ 742	\$ 963	\$ (30)	\$ —	\$ —	\$ 1,675
Debt assumed from acquisitions	—	—	(88)	—	88	—
Lease liabilities	236	—	(19)	2	34	253
Deferred debt transaction costs	(14)	—	—	—	1	(13)
	\$ 964	\$ 963	\$ (137)	\$ 2	\$ 123	\$ 1,915

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND
RESULTS OF OPERATIONS**

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Caution Regarding Forward-Looking Statements

The following is a discussion of the financial condition and financial performance of TELUS International (Cda) Inc. (TELUS International, TI, or the Company) for the three months ended March 31, 2024 and is dated May 9, 2024. This discussion and analysis of our financial condition and financial performance should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and the related notes thereto for the three months ended March 31, 2024 and the audited annual consolidated financial statements and the related notes thereto for the year ended December 31, 2023 and the risk factors identified under "Item 3D—Risk Factors" in the Company's Annual Report on Form 20-F for the year ended December 31, 2023 (Annual Report) filed with the SEC at www.sec.gov/edgar.shtml and on SEDAR+ at www.sedarplus.ca, as such risk factors are updated herein. This discussion is presented in U.S. dollars, except where otherwise indicated and based on financial information prepared in accordance with generally accepted accounting principles (GAAP). The GAAP that we use are the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), which might differ in material respects from accounting principles generally accepted in other jurisdictions, including the United States.

Information contained in this discussion, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. By their nature, forward-looking statements are subject to risks and uncertainties and are based on assumptions, including assumptions about future economic conditions, events and courses of action, many of which we do not control. These assumptions may ultimately prove to have been inaccurate and, as a result, our actual results or events may differ materially from expectations expressed in or implied by the forward-looking statements. You should review the section at the end of this discussion entitled "Special Note Regarding Forward-Looking Statements," and the risk factors identified under "Item 3D—Risk Factors" in our Annual Report for a discussion of important factors that could cause actual results to differ materially from the results projected, described in or implied by the forward-looking statements contained in the following discussion. In our discussion, we also use certain non-GAAP financial measures and non-GAAP ratios to evaluate our performance, monitor compliance with debt covenants and manage our capital structure. These measures are defined, qualified and reconciled with the most directly comparable GAAP measures in the "Non-GAAP Financial Measures and Non-GAAP Ratios" section below.

Overview of the Business

We are a leading digital customer experience (CX) innovator that designs, builds and delivers next-generation solutions, including artificial intelligence (AI) and content moderation, for global and disruptive brands. Our services support the full lifecycle of our clients' AI-fueled technology transformation journeys and enable them to more quickly embrace next-generation digital technologies to deliver better business outcomes. We work with our clients to shape their digital vision and strategies, design scalable processes and identify opportunities for innovation and growth. We bring to bear expertise in advanced technologies and processes, as well as a deep understanding of the challenges faced by all of our clients, including some of the largest global brands, when engaging with their customers. Over the last 19 years, we have built comprehensive, end-to-end capabilities with a mix of industry and digital technology expertise to support our clients in their customer experience and digital enablement transformations.

TELUS International was born out of an intense focus on customer service excellence, continuous improvement and a values-driven culture under the ownership of TELUS Corporation, a leading communications and information technology company in Canada. Since our founding, we have made a number of significant organic investments and acquisitions, with the goal of better serving our growing portfolio of global clients. We have expanded our agile delivery model to access highly qualified talent in multiple geographies, including Asia-Pacific, Central America, Europe, North America and Africa, and developed a broader set of complex, digital-centric capabilities.

We believe our ability to help clients realize better business outcomes begins with the talented team members we dedicate to supporting our clients because customer experience delivered by empathetic, highly skilled and engaged teams is key to providing a high-quality brand experience. We have a unique and differentiated culture that places people and a shared set of values at the forefront of everything we do. Over the past decade, we have made a series of investments in our people predicated upon the core philosophy that our "caring culture" drives sustainable team member engagement, retention and customer satisfaction.

We have expanded our focus across multiple industry verticals, targeting clients who believe exceptional customer experience is critical to their success. We believe we have a category-defining value proposition with a unique approach to combining both digital transformation and CX capabilities. We have built comprehensive, end-to-end capabilities with a mix of industry and digital technology expertise to support our clients in their customer experience and digital transformation journeys.

Our services support the full scope of our clients' digital transformations and enable clients to more quickly embrace next-generation technologies to deliver better business outcomes. We provide AI advisory, technology transformation, digital product engineering, AI data-annotation, trust and safety solutions, and CX process and delivery solutions to fuel our clients' growth. Our highly skilled and empathetic team members together with our deep expertise in customer experience processes, next-generation technologies and expertise within our industry verticals are core to our success. We combine these with our ability to discover, analyze and innovate with new digital technologies in our centres of excellence to continuously evolve and expand our solutions and services.

We have built an agile delivery model with global scale to support next-generation, digitally-led customer experiences. Substantially all of our delivery locations are connected through a carrier-grade infrastructure backed by cloud technologies, enabling globally distributed and virtualized teams. The interconnectedness of our teams and ability to seamlessly shift interactions between physical and digital channels enables us to tailor our delivery strategy to clients' evolving needs. As at March 31, 2024, we had over 74,000 team members in 68 delivery locations and global operations across 32 countries.

Our delivery locations are strategically selected based on a number of factors, including access to diverse, skilled talent, proximity to clients and ability to deliver our services over multiple time zones and in multiple languages. We have established a presence in key global markets, which supply us with qualified, cutting-edge technology talent and have been recognized as an employer of choice in many of these markets. In addition, TELUS International AI Data Solutions (TIAI) utilizes the services of crowdsourced contractors that are geographically dispersed across the globe.

Today, our clients include companies across multiple verticals, including Tech and Games, Communications and Media, eCommerce and FinTech, Healthcare, and Banking, Financial Services and Insurance, among others. Our relationship with TELUS Corporation, our largest client and controlling shareholder, has been instrumental to our success. TELUS Corporation provides us access to revenue visibility, stability and growth, as well as a strategic partnership for co-innovation within our Communications and Media and Healthcare industry verticals. For example, our co-development of the Fuel iX beta platform, which we launched in April 2024, establishes an enterprise-grade AI engine designed to help companies upgrade their generative AI pilots to production scale, deploy customized solutions faster, gain access to more than 100 large language models and implement future-proof generative AI applications. Our master services agreement with TELUS Corporation (TELUS MSA) provides for a term of ten years beginning in January 2021 and a minimum annual spend of \$200 million, subject to adjustment in accordance with its terms. For more information, see "Item 7B—Related Party Transactions—Our Relationship with TELUS—Master Services Agreement" in our Annual Report.

Factors Affecting Our Performance and Related Trends

A comprehensive list of risk factors that may impact our business performance is included under section "Item 3D-Risk Factors" in our Annual Report. We believe that the key factors affecting our business and financial performance include:

Our Ability to Expand and Retain Existing Client Relationships and Attract New Clients

We have a diverse base of clients, including leaders and disruptors across the industry verticals we serve. Through our commitment to customer experience and innovation, we have been able to sustain long-term partnerships with many clients, often expanding our relationship through multiple service offerings that we provide through a number of delivery locations.

To grow our revenue, we seek to continue to increase the number and scope of service offerings we provide to our existing clients. In addition, our continued revenue growth will depend on our ability to win new clients. We seek to partner with prospective clients that value premium digital IT and customer experience solutions and services.

Our ability to maintain and expand relationships with our clients, as well as to attract new clients, will depend on a number of factors, including: our ability to maintain a "customers-first" culture across our organization; our level of innovation, expertise and retention of team member talent; a consistently high level of service experience, as evidenced by, among others measures, the satisfaction ratings that our clients receive from their customers based on the services we provide; the technological advantages we offer; and our positive reputation, as a result of our corporate social responsibility initiatives and otherwise.

Our Ability to Attract and Retain Talent

As at March 31, 2024, we had over 74,000 team members located across 32 countries in various geographic regions, servicing clients in over 50 languages. In addition, our TIAI business utilizes the services of crowdsourced contractors that are geographically dispersed across the globe.

Ensuring that our team members feel valued and engaged is integral to our performance, as our team members enable us to provide our unique, “customer-first” and caring culture to our clients’ customers, which has driven our strong client retention, higher satisfaction scores and overall better experience for our clients’ customers. This has, in part, been responsible for our growth and differentiation in the marketplace, enabling us to enhance our existing client relationships and build new ones. As a result, we make significant investments to attract, select, retain and develop talent across our product and service offerings. We have devoted, and will continue to devote, substantial resources to creating engaging, inspiring, world-class physical workplaces; recruiting; cultivating talent selection proficiencies and proprietary methods of performance measurement; growing employee engagement including rewards and development; supporting our corporate sustainability initiatives; and acquiring new talent and capabilities to meet our clients’ evolving needs. Our ability to attract and retain team member talent will depend on a number of factors, including our ability to: compete for talent with competitive service providers in the geographies in which we operate; provide innovative compensation packages and benefits to our team members; retain and integrate talent from our acquisitions; and meet or exceed evolving expectations related to corporate sustainability.

Impact of Inflation, Higher Interest Rates, and Slower Economic Growth

The global economy remains in a period of uncertainty with respect to inflation, higher interest rates and slower economic growth. Some regions may experience a recessionary period and we cannot predict where or how long such conditions may last or what their ultimate impact may be on our business. Global economic conditions may adversely affect our liquidity and financial condition, and the liquidity and financial condition of our clients, increase the cost of borrowing and cause credit to become more limited, limit our ability to access financing or increase our cost of financing to meet liquidity needs or fund acquisitions, and affect the ability of our clients to use credit to purchase our services or to make timely payments to us, all of which could have a material adverse effect on our business, financial condition, financial performance and cash flows. Changes in the general level of economic activity, such as decreases in business and consumer spending, could result in pricing pressure on our services and a decrease or delay in demand for the products and services that our clients provide to their customers, and in turn, our clients’ demand for our own services. In addition, because the majority of our costs are fixed in the short-term, we may experience a temporary delay in our ability to immediately right-size our cost structure in response to lower client demand. During the three-month period ended March 31, 2024, persistent global macroeconomic pressures continued to result in certain of our clients continuing to cut their costs, which resulted in reductions and delays in demand for our services, as well as delays in converting opportunities into spend commitments, all of which reduced, and could continue to reduce, our revenues and profitability. We cannot predict the ultimate duration or scale of such demand reductions, delays and reduced growth from new clients, or the ultimate impact of these factors on our business. Continuing reduction or delay in demand from existing or potential clients could continue to reduce our revenue and profitability and factor into our decisions on workforce management.

Inflationary pressures have, and could continue to, drive up wage costs in many of the countries where we operate and we are not always able to, and may not be able to in the future, control such wage increases or pass them on to our clients in full or in significant part. In connection with potential future growth and inflation, as well as unexpected increases in the complexity of work, we may need to retrain team members or increase our team member compensation more rapidly than in the past to remain competitive in attracting and retaining the quality and number of team members that our business requires, even if we are unable to increase the prices of our services. To the extent that we are not able to control or sufficiently share wage increases with our clients, wage increases may continue to reduce our margins and cash flows.

Industry Trends

The industry trends affecting us and that may have an impact on our future performance and financial performance include the trends described in “Item 4B—Business Overview—Industry Background” in our Annual Report.

Seasonality

Our financial results may vary from period to period during any year. The seasonality in our business, and consequently, our financial performance, generally mirrors that of our clients. Our revenues are typically higher in the third and fourth quarters than in other quarters, but this can vary if there are material changes to our clients operating environment, such as potential impacts of a recession and our clients’ response to those impacts, or material changes in the foreign currency rates that we operate in.

Foreign Currency Fluctuations

While our primary operating currency is the U.S. dollar, we are also party to revenue contracts denominated in the European euro and other currencies and a significant portion of our operating expenses are incurred in currencies other than the U.S. dollar. Movements in the exchange rates between the U.S. dollar and these other currencies have an impact on our financial

results. The tables below outline revenue and expenses by currency and the percentage of each of the total revenue and operating expenses for each period.

(millions except percentages)	Three Months Ended March 31			
	2024		2023	
	Revenue	total	Revenue	total
U.S. dollar	\$ 471	72 %	\$ 461	68 %
European euro	144	22 %	167	24 %
Canadian dollar	33	5 %	42	6 %
Other	9	1 %	16	2 %
Total Revenue	<u>\$ 657</u>	<u>100 %</u>	<u>\$ 686</u>	<u>100 %</u>

(millions except percentages)	Three Months Ended March 31			
	2024		2023	
	Expenses	total	Expenses	total
U.S. dollar	\$ 239	39 %	\$ 252	39 %
European euro	94	15 %	118	19 %
Philippine peso	76	12 %	73	11 %
Canadian dollar	59	10 %	62	10 %
Other ¹	151	24 %	135	21 %
Total Operating Expenses	<u>\$ 619</u>	<u>100 %</u>	<u>\$ 640</u>	<u>100 %</u>

1. Includes currencies such as the Guatemalan quetzal, Bulgarian lev, Romanian leu, Indian rupee and Turkish lira, among others.

The following table presents information on the average foreign exchange rates between the U.S. dollars and the key currencies to which we have exposure:

	Three Months Ended March 31	
	2024	2023
European euro to U.S. dollar	1.0856	1.0727
Philippine peso to U.S. dollar	0.0179	0.0182
Canadian dollar to U.S. dollar	0.7417	0.7394

Results of Operations

(millions, except per share amounts and percentages)	Three Months Ended March 31			
	2024	2023	\$ change	% change
Revenue	\$ 657	\$ 686	\$ (29)	(4) %
Operating Expenses				
Salaries and benefits	416	428	(12)	(3) %
Goods and services purchased	116	103	13	13 %
Share-based compensation	1	14	(13)	(93) %
Acquisition, integration and other	7	16	(9)	(56) %
Depreciation	34	33	1	3 %
Amortization of intangible assets	45	46	(1)	(2) %
	\$ 619	\$ 640	\$ (21)	(3) %
Operating Income	\$ 38	\$ 46	\$ (8)	(17) %
Changes in business combination-related provisions	(29)	—	(29)	n/m
Interest expense	35	33	2	6 %
Foreign exchange (gain) loss	(5)	1	(6)	n/m
Income before Income Taxes	37	12	25	n/m
Income taxes expense (recovery)	9	(2)	11	n/m
Net Income	\$ 28	\$ 14	\$ 14	100 %
Earnings per Share				
Basic Earnings per Share	\$ 0.10	\$ 0.05	\$ 0.05	100 %
Diluted Earnings per Share	\$ 0.05	\$ 0.05	\$ —	— %
Other financial information				
Net Income Margin	4.3%	2.0%	—	2.3 pp
Adjusted Net Income ^{1,2}	\$ 65	\$ 63	\$ 2	3 %
Adjusted Basic Earnings per Share ^{1,2}	\$ 0.24	\$ 0.23	\$ 0.01	4 %
Adjusted Diluted Earnings per Share ^{1,2}	\$ 0.22	\$ 0.23	\$ (0.01)	(4) %
Adjusted EBITDA ^{1,2}	\$ 153	\$ 141	\$ 12	9 %
Adjusted EBITDA Margin ¹	23.3%	20.6%	—	2.7 pp
Cash provided by operating activities	\$ 126	\$ 80	\$ 46	58 %
Free Cash Flow ¹	\$ 107	\$ 65	\$ 42	65 %
Gross Profit ¹	\$ 158	\$ 185	\$ (27)	(15) %
Gross Profit Margin ¹	24.0%	27.0%	—	(3.0)pp
Adjusted Gross Profit ¹	\$ 237	\$ 264	\$ (27)	(10) %
Adjusted Gross Profit Margin ¹	36.1%	38.5%	—	(2.4)pp

Notations used in MD&A: n/m – not meaningful; pp – percentage points.

- Adjusted Net Income, Gross Profit, Adjusted Gross Profit, Adjusted EBITDA, and Free Cash Flow are non-GAAP financial measures. Adjusted Basic Earnings per Share, Adjusted Diluted Earnings per Share, Adjusted EBITDA Margin, Gross Profit Margin and Adjusted Gross Profit Margin are non-GAAP ratios. These non-GAAP financial measures and ratios do not have a standardized meaning under IFRS as issued by the IASB (IFRS-IASB), and are therefore unlikely to be comparable to similar measures presented by other issuers. See section *Non-GAAP Financial Measures and Non-GAAP Ratios* for a reconciliation to the most directly comparable GAAP measure.
- Beginning in the three-month period ended March 31, 2024, we revised our presentation of Adjusted Net Income, Adjusted Basic and Diluted EPS, and Adjusted EBITDA. All comparative financial information herein has been restated to conform

to the presentation adopted in the current period. See section *Non-GAAP Financial Measures and Non-GAAP Ratios* for a description of the change.

Revenue

We earn revenue pursuant to contracts with our clients that generally take the form of a master services agreement (MSA), or other service contracts. MSAs, which are framework agreements with terms generally ranging from three to five years, with the vast majority having a term of three years, are supplemented by statements of work (SOWs) that identify the specific services to be provided and the related pricing for each service. There are a number of factors that impact the pricing of the services identified in each SOW or service contract, including, but not limited to, the nature and scope of services being provided, service levels and, under certain of our MSAs, our ability to share, to a certain extent, our higher costs of services and foreign exchange risk arising from currency fluctuations. The majority of our revenue is earned based on a time and materials billing model.

Most of our contracts, other than with TELUS Corporation, do not commit our clients to a minimum annual spend or to specific volume of services. Although the contracts we enter into with our clients provide for terms that range from three to five years, the arrangements may be terminated by our clients for convenience with limited notice and without payment of a penalty or termination fee. Additionally, our clients may also delay, postpone, cancel or reduce the volume of certain of the services we provide without canceling the whole contract. Many of our contracts contain provisions that would require us to pay penalties to our clients and/or provide our clients with the right to terminate the contract if we do not meet pre-agreed service level requirements.

From period to period, the fluctuation in our revenue is primarily a function of changes to existing SOWs, new SOWs with existing clients, MSAs signed with new clients, and the impact of foreign exchange on non-U.S. dollar-denominated contracts. While we provide a discussion and analysis of our results of operations below, we are unable to quantify the effects of changes in price or volume in relation to our revenue growth. We do not track standard measures of a per-unit rate or volume, since our measures of price and volume are extremely complex. Each of our customers is unique, with varying needs and requirements that span our diverse services offerings, which is reflected in a customized services contract and pricing model that does not fit into standard comparability measurements. Revenue for our services is a function of the nature of each specific service to be provided as specified by each client, the jurisdiction where the service is to be performed, the skills required and/or the outcome sought, estimated costs to perform, contract terms and other factors.

Comparison of Three Months Ended March 31, 2024 and 2023. Our revenue decreased by \$29 million, or 4%, to \$657 million during the three months ended March 31, 2024. The decrease was due to lower revenues from a leading social media client and a reduction in revenue in other industry verticals notably in eCommerce and FinTech and Travel and Hospitality, reflecting macroeconomic conditions, which were partially offset by growth in services provided to existing clients, including TELUS Corporation and Google, as well as new clients added since the same period in the prior year. During the three months ended March 31, 2024, revenue included a favorable impact of less than 1% due to the higher average EUR:USD exchange rate associated with the weakening U.S. dollar against the European euro, as compared to the same period in the prior year. Revenue from our top 10 clients for the three months ended March 31, 2024 was 65%, compared to 60% in the comparative period.

During the three-month period ended March 31, 2024, we had two clients which each individually accounted for more than 10% of our consolidated revenue (March 31, 2023 - three clients). TELUS Corporation, our controlling shareholder and largest client during the three-month periods ended March 31, 2024 and 2023, accounted for 24.3% and 19.1% of our consolidated revenue, respectively. Google, our second largest client during the three-month period ended March 31, 2024 and third largest client during the three-month period ended March 31, 2023, accounted for 14.5% and 10.6% of our consolidated revenue, respectively. During the three-month period ended March 31, 2023, our second largest client, a large social media company, accounted for 12.6% of our consolidated revenue.

We deliver tailored solutions to a diverse set of clients active in various verticals from our delivery locations around the world. However, these services are marketed, sold and delivered to clients in an integrated manner in order to provide a unified, seamless sales and delivery experience. Our chief operating decision maker reviews financial information presented on a consolidated basis for the purposes of evaluating financial performance and making resource allocation decisions. Accordingly, we report our results and manage our business as a single operating and reporting segment.

We earn revenue pursuant to contracts with our clients, who operate in various industry verticals. The following table presents our earned revenue disaggregation for our five largest industry verticals:

(millions except percentages)	Three Months Ended March 31			
	2024	2023	\$ change	% change
Revenue by Industry Vertical				
Tech and Games	\$ 278	\$ 287	\$ (9)	(3)%
Communications and Media	160	153	7	5 %
eCommerce and FinTech	68	79	(11)	(14)%
Healthcare	49	40	9	23 %
Banking, Financial Services and Insurance	36	44	(8)	(18)%
All others ¹	66	83	(17)	(20)%
Total	<u>\$ 657</u>	<u>\$ 686</u>	<u>\$ (29)</u>	<u>(4)%</u>

1. All others includes, among others, travel and hospitality, energy and utilities, retail, and consumer packaged goods industry verticals.

During the three-month period ended March 31, 2024, compared to the three-month period ended March 31, 2023, revenue generated from the Tech and Games industry vertical decreased 3% primarily due to lower revenue from a leading social media client, partially offset by growth in revenue from Google and other clients within this industry vertical. Revenue generated from the Communications and Media industry vertical grew 5% due to higher revenue from TELUS Corporation, partially offset by lower service revenue from certain other telecommunication clients. Revenue generated from the eCommerce and FinTech industry vertical decreased 14% due to lower service volume demand from a large eCommerce client as well as certain FinTech clients. Increases in our Healthcare industry vertical were primarily due to additional services provided to the healthcare business unit of TELUS Corporation. Banking, Financial Services and Insurance industry vertical decreased 18%, primarily due to lower service volume demand from a global financial institution client. All other verticals decreased 20% due to lower revenue across various client accounts notably in the Travel and Hospitality industry vertical. The reported revenue growth rates for the three months ended March 31, 2024 were not materially impacted by foreign currency exchange rate movements compared to the same period in the prior year.

We serve our clients, who are primarily domiciled in North America and Europe, from multiple delivery locations across various geographic regions. In addition, our TIAI clients are largely supported by crowdsourced contractors that are globally dispersed and not limited to the physical locations of our delivery centres. During the three-month period ended March 31, 2024, the decline in revenue in Europe was primarily due to lower service volume demand from technology clients serviced from this region, while the decline in revenue in North America was primarily due to lower service volume demand from certain clients served from this region, as well as offshoring of certain client services to lower cost regions. The table below presents the revenue generated in each geographic region, based on the location of our delivery centre or where the services were provided from, for the periods presented.

(millions except percentages)	Three Months Ended March 31			
	2024	2023	\$ change	% change
Revenue by Geographic Region				
Europe	\$ 196	\$ 215	\$ (19)	(9)%
North America	188	210	(22)	(10)%
Asia-Pacific	153	155	(2)	(1)%
Central America and others ¹	120	106	14	13 %
Total	<u>\$ 657</u>	<u>\$ 686</u>	<u>\$ (29)</u>	<u>(4)%</u>

1. Others includes South America and Africa geographic regions.

Salaries and benefits

The principal components of salaries and benefits expense include all compensation and benefits, excluding share-based compensation, paid to our front-line and administrative employees.

Comparison of Three Months Ended March 31, 2024 and 2023. Salaries and benefits decreased by \$12 million, or 3%, to \$416 million during the three months ended March 31, 2024, due primarily to the lower average team member count resulting from our cost efficiency efforts in 2023 to align our team member count with the reduction in service demand from certain clients, partially offset by higher training costs as well as average salaries and wages. Salaries and benefits as a percentage of revenue was 63% in the current three-month period, compared to 62% in the prior year's comparative period. Total team count was 74,590 at March 31, 2024, compared to 76,752 as at March 31, 2023.

Goods and services purchased

Goods and services purchased include items such as software licensing costs that are required to support our operations, contracted labor costs, sales and marketing expenses associated with promoting and selling our services, compliance expenses such as legal and audit fees and business taxes, other IT expenditures, bad debt expenses and facility expenses.

Comparison of Three Months Ended March 31, 2024 and 2023. Goods and services purchased increased by \$13 million, or 13%, to \$116 million during the three months ended March 31, 2024. The increase was due to higher external contractor costs from the expansion in our TIAI business, and a prior year comparative reduction of certain sales tax reserves that did not reoccur.

Share-based compensation

Share-based compensation relates to restricted share unit awards and share option awards granted to employees, as well as performance-based share-based compensation awards granted in relation to our acquisitions. These awards include both liability-accounted awards, which requires a mark-to-market revaluation against our share price, and equity-settled awards.

Comparison of Three Months Ended March 31, 2024 and 2023. Share-based compensation decreased by \$13 million to \$1 million during the three months ended March 31, 2024, primarily due to a downward revision of the estimated achievement of certain non-market performance conditions on performance restricted share unit awards, an expense recovery on award forfeitures, and lower expense associated with share-based compensation awards granted in relation to our acquisitions.

Acquisition, integration and other

Acquisition, integration and other is comprised primarily of costs related to our business acquisitions, including transaction costs and integration activities, which could vary from year to year depending on the volume, nature and complexity of the transactions completed in each fiscal year. We also, from time to time, incur costs associated with streamlining our operations, including ongoing and incremental efficiency initiatives, which may include personnel-related costs and rationalization of real estate. Other costs may also include external costs that are unusual in their nature or significance, such as adverse litigation judgments or regulatory decisions, and other costs that do not contribute normally to the earning of revenues.

Comparison of Three Months Ended March 31, 2024 and 2023. Acquisition, integration and other decreased by \$9 million to \$7 million during the three months ended March 31, 2024, primarily due to lower personnel-related cost efficiency program costs.

Depreciation and amortization

Depreciation and amortization includes depreciation of property, plant and equipment and right-of-use leased assets as well as amortization expense for software and intangible assets recognized primarily in connection with acquisitions.

Comparison of Three Months Ended March 31, 2024 and 2023. Depreciation and amortization was steady at \$79 million during the three months ended March 31, 2024, due to higher depreciation and amortization associated with our investments in capital assets over the past 12 months, which are partially offset by timing of fully depreciated or amortized capital assets.

Changes in business combination-related provisions

Changes in business combination-related provisions reflects gains or losses recognized on the revaluation of provisions arising from our acquisitions, which includes our provisions for written put options recognized in connection with our acquisition of WillowTree.

Comparison of Three Months Ended March 31, 2024 and 2023. Changes in business combination-related provisions increased by \$29 million during the three months ended March 31, 2024, which was due to a downward revision to our estimates of certain performance-based criteria associated with the WillowTree business, resulting in a reduction of our provisions for written put options.

Interest expense

Interest expense includes interest expense on short-term and long-term borrowings and on our lease liabilities, and interest accretion on our provisions for written put options.

Comparison of Three Months Ended March 31, 2024 and 2023. Interest expense increased by \$2 million to \$35 million during the three months ended March 31, 2024, which was primarily driven by higher interest accretion on lease liabilities due to higher average interest rates and balances.

Foreign exchange

Foreign exchange is comprised of gains and losses recognized on certain derivatives, as well as foreign exchange gains and losses recognized on the revaluation and settlement of foreign currency transactions. See “Item 11—Quantitative and Qualitative Disclosures about Market Risk—Foreign Currency Risk” in our Annual Report for a discussion of our hedging programs.

Comparison of Three Months Ended March 31, 2024 and 2023. Foreign exchange was a gain of \$5 million during the three months ended March 31, 2024 compared to a loss of \$1 million in the prior year’s comparative period, reflecting the impact of changes in foreign exchange rates in the currencies in which we transact.

Income tax expense (recovery)

(millions except percentages)	Three Months Ended March 31	
	2024	2023
Income tax expense (recovery)	\$ 9	\$ (2)
Income taxes computed at applicable statutory income tax rates	19.6 %	(8.4)%
Effective tax rate	24.3 %	(16.7)%

Comparison of Three Months Ended March 31, 2024 and 2023. Income tax expense (recovery) increased by \$11 million during the three months ended March 31, 2024 and the effective tax rate increased from (16.7)% to 24.3%. The increase in the effective tax rate, calculated as tax expense as a proportion of net income before taxes, was primarily due to a change in income mix whereby proportionately more income was earned in higher tax jurisdictions, an increase in the foreign tax differential, partially offset by a decrease in withholding taxes.

Net income

Comparison of Three Months Ended March 31, 2024 and 2023. Net income increased by \$14 million to \$28 million during the three months ended March 31, 2024, which was driven by other income arising from business combination-related provisions, lower share-based compensation, and lower salaries and benefits, partially offset by lower revenues. Net income margin was 4.3% for the three months ended March 31, 2024, compared to 2.0% in the prior year’s comparative period.

Non-GAAP Financial Measures and Non-GAAP Ratios

We regularly review the non-GAAP financial measures and non-GAAP ratios presented below to evaluate our operating performance and analyze underlying business results and trends. We use these non-GAAP financial measures and non-GAAP ratios to manage our business by establishing budgets and operational goals against these measures. We also use these non-GAAP financial measures to monitor compliance with debt covenants, which are based on the same or similar financial metrics, and manage our capital structure. We believe these non-GAAP financial measures and non-GAAP ratios provide investors with a consistent basis on which to evaluate our operating performance with our comparative period results, and additionally provide supplemental information to the financial measures and ratios that are calculated and presented in accordance with GAAP. A reconciliation for each non-GAAP financial measure to the nearest GAAP measure is provided below. These non-GAAP financial measures or non-GAAP ratios do not have any standardized meaning as prescribed by the IFRS-IASB and therefore may not be comparable to GAAP measures or ratios and may not be comparable to similarly titled non-GAAP financial measures or non-GAAP ratios reported by other companies, including those within our industry and TELUS Corporation, our controlling shareholder. Consequently, our non-GAAP measures and ratios should not be evaluated in isolation, but rather, should be considered together with the most directly comparable GAAP measure or ratio and our consolidated financial statements for the periods presented. The non-GAAP financial measures and non-GAAP ratios we present in this discussion should not be considered a substitute for, or superior to, financial measures or ratios determined or calculated in accordance with GAAP.

Beginning in the three-month period ended March 31, 2024, the Company no longer excludes share-based compensation expense, changes in business combination-related provisions, and the tax effects of these items, as applicable, in our presentation of Adjusted Net Income, Adjusted Basic and Diluted EPS, and Adjusted EBITDA. We believe this presentation is more indicative of underlying business performance, and better aligns the presentation of these non-GAAP financial measures and ratios with comparable measures and ratios of TELUS Corporation, our parent company. All comparative financial information herein has been restated to conform to the current period presentation.

Adjusted Net Income, Adjusted Basic Earnings per Share and Adjusted Diluted Earnings per Share.

Adjusted Net Income is a non-GAAP financial measure, and Adjusted Basic Earnings per Share and Adjusted Diluted Earnings per Share (EPS) are non-GAAP ratios. We regularly monitor Adjusted Net Income, Adjusted Basic EPS and Adjusted Diluted EPS as they provide a consistent measure for management and investors to evaluate our period-over-period operating performance, to better understand our ability to manage operating costs and to generate profits. The following items are excluded from Adjusted Net Income: acquisition, integration and other, amortization of purchased intangible assets, interest accretion on written put options, foreign exchange gains or losses, and the related tax-effect of these adjustments. Adjusted Basic EPS is calculated by dividing Adjusted Net Income by the basic total weighted average number of equity shares outstanding during the period. Adjusted Diluted EPS is calculated by dividing Adjusted Net Income by the weighted average number of diluted equity shares outstanding during the period. Adjusted Basic EPS and Adjusted Diluted EPS are non-GAAP ratios used by management to assess the profitability of our business operations on a per share basis.

(millions, except per share amounts)	Three Months Ended March 31	
	2024	2023
Net income	\$ 28	\$ 14
Add back (deduct):		
Acquisition, integration and other ¹	7	16
Amortization of purchased intangible assets ²	42	44
Interest accretion on written put options ³	3	3
Foreign exchange (gain) loss ⁴	(5)	1
Tax effect of the adjustments above	(10)	(15)
Adjusted Net Income	\$ 65	\$ 63
Adjusted Basic Earnings Per Share	\$ 0.24	\$ 0.23
Adjusted Diluted Earnings Per Share	\$ 0.22	\$ 0.23

1. Acquisition, integration and other is comprised primarily of business acquisition transaction costs, integration expenses associated with these acquisitions, costs associated with streamlining our operations, and other costs as applicable. These costs do not form part of the costs to operate our ongoing operations, and may significantly fluctuate period-over-period depending on the size and timing of related acquisitions, and are not indicative of such costs in the future.

- Amortization of purchased intangible assets primarily relate to the amortization of acquired customer relationships, brand and crowdsource assets. Amortization of these intangible assets is excluded as it is a non-cash expense derived from purchase price allocations that incorporate significant and subjective valuation assumptions and estimates that are not comparable to the timing and investment had these assets been developed internally. We do not exclude the revenue generated by such purchased intangible assets from our revenues and, as a result, Adjusted Net Income includes revenue generated, in part, by such purchased intangible assets.
- Interest accretion on written put options arises from our acquisition of WillowTree, which is recorded at the present value of a future obligation, is non-cash in the period, and does not form part of the costs to conduct our ongoing operations.
- Foreign exchange gains or losses arise from fluctuations in foreign exchange rates of the currencies we transact in, which are driven by macro-economic conditions that are generally not reflective of our underlying business operations.

Comparison of Three Months Ended March 31, 2024 and 2023. Adjusted Net Income increased \$2 million, or 3%, during the three months ended March 31, 2024, primarily due to other income arising from business combination-related provisions and lower share-based compensation expense, which were offset by a decline in revenue outpacing the decline in operating expenses.

Gross Profit, Adjusted Gross Profit, Gross Profit Margin, and Adjusted Gross Profit Margin.

Gross Profit and Adjusted Gross Profit are non-GAAP financial measures, and Gross Profit Margin and Adjusted Gross Profit Margin are non-GAAP ratios. We regularly monitor these financial measures to assess how efficiently we are servicing our clients and to monitor the growth in our direct costs in comparison to growth in revenue. We calculate Gross Profit by deducting operating expenses net of indirect and administrative expenses from revenue. Indirect and administrative expenses are comprised of indirect salaries and benefits and goods and services purchased associated with our administrative and corporate employees, share-based compensation, and acquisition, integration and other. We calculate Adjusted Gross Profit by excluding depreciation and amortization charges from Gross Profit, because the timing of the underlying capital expenditures and other investing activities do not correlate directly with the revenue earned in a given reporting period. We calculate Gross Profit Margin by taking Gross Profit divided by revenue, and we calculate Adjusted Gross Profit Margin by taking Adjusted Gross Profit divided by revenue.

(millions, except percentages)	Three Months Ended March 31	
	2024	2023
Revenue	\$ 657	\$ 686
Less: Operating expenses	(619)	(640)
Add back: Indirect and administrative expenses	120	139
Gross Profit	158	185
Add back: Depreciation and amortization	79	79
Adjusted Gross Profit	\$ 237	\$ 264
Gross Profit Margin	24.0 %	27.0 %
Adjusted Gross Profit Margin	36.1 %	38.5 %

Comparison of Three Months Ended March 31, 2024 and 2023. During the three months ended March 31, 2024, Gross Profit Margin decreased from 27.0% to 24.0%, and Adjusted Gross Profit Margin decreased from 38.5% to 36.1%. Gross Profit Margin and Adjusted Gross Profit Margin decreased primarily due to higher service delivery costs associated with higher training costs incurred for our team members, higher average salaries and wages and the negative impacts on margin resulting from reductions in service demand and corresponding lead times required to adjust our team member count levels, which also included lower margin earned from a leading social media client.

Adjusted EBITDA and Adjusted EBITDA Margin.

Adjusted EBITDA is a non-GAAP financial measure. Adjusted EBITDA Margin is a non-GAAP ratio. We regularly monitor Adjusted EBITDA and Adjusted EBITDA Margin to evaluate our operating performance compared to established budgets, operational goals and the performance of industry peers. Adjusted EBITDA is commonly used by our industry peers and provides a measure for investors to compare and evaluate our relative operating performance. We use it to assess our ability to service existing and new debt facilities, and to fund accretive growth opportunities and acquisition targets. In addition, certain financial debt covenants associated with our credit facility are based on Adjusted EBITDA, which requires us to monitor this

non-GAAP financial measure in connection with our financial covenants. Certain items are adjusted for the same reasons described above in Adjusted Net Income. Adjusted EBITDA should not be considered an alternative to net income in measuring our financial performance, and it should not be used as a replacement measure of current and future operating cash flows. However, we believe a financial measure that presents net income adjusted for these items would enable an investor to better evaluate our underlying business trends, our operational performance and overall business strategy. Adjusted EBITDA Margin is calculated by dividing Adjusted EBITDA by consolidated revenue.

(millions, except percentages)	Three Months Ended March 31	
	2024	2023
Net income	\$ 28	\$ 14
Add back (deduct):		
Acquisition, integration and other ¹	7	16
Depreciation and amortization	79	79
Interest expense	35	33
Foreign exchange (gain) loss ²	(5)	1
Income tax expense (recovery)	9	(2)
Adjusted EBITDA	\$ 153	\$ 141
Net Income Margin	4.3 %	2.0 %
Adjusted EBITDA Margin	23.3 %	20.6 %

1. Acquisition, integration and other is comprised primarily of business acquisition transaction costs, integration expenses associated with these acquisitions, costs associated with streamlining our operations, and other costs as applicable. These costs do not form part of the costs to operate our ongoing operations, and may significantly fluctuate period-over-period depending on the size and timing of related acquisitions, and are not indicative of such costs in the future.
2. Foreign exchange gains or losses arise from fluctuations in foreign exchange rates of the currencies we transact in, which are driven by macro-economic conditions that are generally not reflective of our underlying business operations.

Comparison of Three Months Ended March 31, 2024 and 2023. Adjusted EBITDA increased \$12 million, or 9%, for the three months ended March 31, 2024, primarily due to other income arising from business combination-related provisions and lower share-based compensation expense, which were partially offset by lower revenue. Adjusted EBITDA margin increased during the three months ended March 31, 2024 due to the aforementioned factors, as well as changes in our revenue mix across industry verticals and geographic regions.

Free Cash Flow.

Free Cash Flow is a non-GAAP financial measure. We calculate Free Cash Flow by deducting capital expenditures from cash provided by operating activities, as we believe capital expenditures are a necessary ongoing cost to maintain our existing productive capital assets and support our organic business operations. We use Free Cash Flow to evaluate the cash flows generated from our ongoing business operations that can be used to meet our financial obligations, service debt facilities, reinvest in our business, and to fund, in part, potential future acquisitions.

(millions)	Three Months Ended March 31	
	2024	2023
Cash provided by operating activities	\$ 126	\$ 80
Less: capital expenditures	(19)	(15)
Free Cash Flow	\$ 107	\$ 65

Comparison of Three Months Ended March 31, 2024 and 2023. During the three months ended March 31, 2024, Cash provided by operating activities increased \$46 million, or 58%, and Free Cash Flow increased \$42 million, or 65%. The increase was primarily due to higher net inflows from working capital, which included higher cash receipts from TELUS Corporation, and lower income taxes paid. These increases were partially offset by lower operating profits and higher capital expenditures.

Summary of Consolidated Quarterly Results and Trends

The following table sets forth our unaudited quarterly statements of operations data for each of the last eight quarters ended March 31, 2024. The information for each of these quarters has been prepared on the same basis as the audited annual financial statements included in our Annual Report and, in the opinion of management, includes all adjustments, which include only normal recurring adjustments, necessary for the fair statement of the results of operations for these periods. This data should be read in conjunction with our audited consolidated financial statements and related notes thereto included in our Annual Report. These quarterly results of operations are not necessarily indicative of our future results of operations that may be expected for any future period.

(millions, except per share amounts)	2024 Q1	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4	2022 Q3	2022 Q2
REVENUE	\$ 657	\$ 692	\$ 663	\$ 667	\$ 686	\$ 630	\$ 615	\$ 624
OPERATING EXPENSES								
Salaries and benefits	416	406	403	427	428	349	346	356
Goods and services purchased	116	122	116	120	103	124	111	118
Share-based compensation	1	—	5	2	14	5	6	7
Acquisition, integration and other	7	7	11	21	16	23	7	6
Depreciation	34	39	36	33	33	36	29	30
Amortization of intangible assets	45	45	44	48	46	32	32	34
	619	619	615	651	640	569	531	551
OPERATING INCOME	38	73	48	16	46	61	84	73
OTHER EXPENSES (INCOME)								
Changes in business combination-related provisions	(29)	(20)	—	—	—	—	—	—
Interest expense	35	37	38	36	33	12	10	10
Foreign exchange (gain) loss	(5)	4	(2)	(3)	1	18	(11)	(14)
INCOME (LOSS) BEFORE INCOME TAXES	37	52	12	(17)	12	31	85	77
Income tax expense (recovery)	9	14	3	(10)	(2)	(3)	26	21
NET INCOME (LOSS)	\$ 28	\$ 38	\$ 9	\$ (7)	\$ 14	\$ 34	\$ 59	\$ 56
Basic earnings (loss) per share	\$ 0.10	\$ 0.14	\$ 0.03	\$ (0.03)	\$ 0.05	\$ 0.13	\$ 0.22	\$ 0.21
Diluted earnings (loss) per share	\$ 0.05	\$ 0.10	\$ 0.03	\$ (0.03)	\$ 0.05	\$ 0.13	\$ 0.22	\$ 0.21

The historical trend over the past eight quarters in consolidated revenue reflects growth in our organic customer base, changes in service volume demand from our existing clients, services provided to new clients, and growth from acquisitions, including our acquisition of WillowTree on January 3, 2023. During the year ended December 31, 2023, we experienced a reduction in service volume demand from some of our larger technology clients that was more significant than expected, particularly in Europe, which became more pronounced beginning in the second quarter of 2023. At the same time, several of our key clients also began to reduce their costs, which resulted in delays and near-term reductions in spending commitments.

Salaries and benefits expense increased due to the expansion of our team member base to service growing volumes from both our existing and new customers, including those arising from our acquisition of WillowTree, and higher average salaries and wages over time. Beginning in the second quarter of 2023, these increases were offset by employee-related cost efficiency initiatives resulting in decreases in our team member count in response to the reduction in service volume demand from some of our clients, a favorable mix of labor sourced from lower-cost jurisdictions, and adjustments to performance-based variable compensation expenses.

Goods and services purchased reflect changes in external labor requirements to support the growth in our digital services business, changes in our crowdsourced enabled workforce to support our AI business, increases in our software licensing costs associated with our growing team member base and increases in administrative expenses and facility costs to support overall business growth and acquisitions.

Share-based compensation fluctuates quarter-over-quarter, which generally reflects the timing of expense on awards granted in relation to our annual long-term incentive plan, which include performance-based share-based compensation awards that are impacted by changes in our estimates of the achievement of operating performance targets, and awards granted in relation to our acquisitions, which are impacted by changes in our estimates of acquired businesses' performance targets.

Acquisition, integration and other costs fluctuates quarter-over-quarter, and are dependent on the size of business acquisitions and the timing of associated transaction and integration costs, as well as costs associated with streamlining our operations, including ongoing and incremental cost efficiency efforts, which may include personnel-related costs.

Depreciation and amortization have generally increased over the past eight quarters due to growth in capital assets to support the expansion of our delivery sites required to service customer demand, and growth in intangible assets recognized in connection with business acquisitions, including our acquisition of WillowTree, which were partially offset by timing of full depreciation or amortization of capital assets.

The trend in net income (loss) reflects the items noted above, as well as the relative mix of income among the geographic areas and the associated tax rates for the countries within those areas and varying amounts of foreign exchange gains or losses. In the second quarter of 2023, we recognized a net loss due to higher operating expenses and interest expense outpacing revenue growth and lower income taxes. Historically, the trend in basic earnings (loss) per share and diluted earnings (loss) per share have been impacted by the same trends as net income (loss).

Related Party Transactions

Recurring Transactions with TELUS Corporation

In 2021, we entered into an amended and restated TELUS MSA, which provides for a ten-year master services agreement and we also entered into a ten-year transition and shared services agreement with TELUS Corporation. Revenues earned pursuant to the TELUS MSA are recorded as revenue and fees incurred in connection with the shared services agreement for certain shared services provided to us are recorded as goods and services purchased.

The following table summarizes the transactions with TELUS and its subsidiaries:

(millions)	Three Months Ended March 31	
	2024	2023
Revenue	\$ 160	\$ 131
Goods and services purchased	(5)	(6)
Total	\$ 155	\$ 125
Amounts Received from TELUS Corporation	\$ 174	\$ 117
Amounts Paid to TELUS Corporation	\$ 7	\$ 13

Amounts receivable from TELUS Corporation were \$47 million and \$89 million as at March 31, 2024 and March 31, 2023, respectively, and amounts payable to TELUS Corporation were \$179 million and \$121 million as at March 31, 2024 and March 31, 2023, respectively. We also participate in defined benefit pension plans that share risks between TELUS Corporation and its subsidiaries.

Liquidity and Capital Resources

Capital resources

As at March 31, 2024, we had \$658 million (December 31, 2023 - \$619 million) of available liquidity, comprised of cash and cash equivalents of \$154 million (December 31, 2023 - \$127 million), and available borrowings under our revolving credit facility of \$504 million (December 31, 2023 - \$492 million) (see *Note 13(b)—Long-term debt—Credit facility* in our condensed interim consolidated financial statements for the three months ended March 31, 2024 for additional details). Our objective when managing capital is to maintain a flexible capital structure that optimizes the cost and availability of capital at acceptable risk levels.

In the management of capital and in its definition, we include owners' equity (excluding accumulated other comprehensive income), long-term debt (including long-term credit facilities and any hedging assets or liabilities associated with long-term debt items, net of amounts recognized in accumulated other comprehensive income) and cash and cash equivalents. We manage capital by monitoring the financial covenants prescribed in our credit facility. For additional information, see *Note 13(b)—Long-term debt—Credit facility* in our condensed interim consolidated financial statements for the three months ended March 31, 2024 for additional details.

We manage our capital structure and make adjustments to it in light of changes in economic conditions and the risk characteristics of our business. In order to maintain or adjust our capital structure, we may issue new shares, issue new debt with different terms or characteristics which may be used to replace existing debt, or pay down our debt balance with cash flows from operations. We believe that our financial objectives are supportive of our long-term strategy.

We monitor capital utilizing the financial covenants prescribed in our credit facility agreements. As at March 31, 2024, we were in compliance with all of our covenants including maintaining a net debt to EBITDA ratio as calculated in accordance with the credit facility of less than 3.75:1.00. For additional information, see *Note 13(b)—Long-term debt—Credit facility* in our condensed interim consolidated financial statements for the three months ended March 31, 2024.

The following table presents a summary of our cash flows and ending cash balances for the three-month periods ended March 31, 2024 and 2023:

(millions)	Three Months Ended March 31	
	2024	2023
Cash provided by operating activities	\$ 126	\$ 80
Cash used in investing activities	(25)	(864)
Cash (used in) provided by financing activities	(74)	800
Effect of exchange rate changes on cash	—	1
Increase in cash position during the period	\$ 27	\$ 17
Cash and cash equivalents, beginning of period	\$ 127	\$ 125
Cash and cash equivalents, end of period	\$ 154	\$ 142

Operating activities

Comparison of Three Months Ended March 31, 2024 and 2023. During the three-month period ended March 31, 2024, we generated cash from operating activities of \$126 million, an increase of \$46 million from the prior year's comparative period, primarily due to higher net inflows from working capital, which included higher cash receipts from TELUS Corporation, and lower income taxes paid, partially offset by lower operating profits.

Investing activities

Comparison of Three Months Ended March 31, 2024 and 2023. During the three-month period ended March 31, 2024, we used \$25 million cash in investing activities, a decrease of \$839 million, compared to \$864 million in the prior year's comparative period, which was primarily due to the cash used to partially fund the acquisition of WillowTree.

Financing activities

Comparison of Three Months Ended March 31, 2024 and 2023. During the three-month period ended March 31, 2024, we used \$74 million of cash in financing activities, primarily for repayment of debt and interest payments, compared to \$800 million of cash generated in the prior year's comparative period, which included net borrowings under our credit facility to partially fund the acquisition of WillowTree.

Future Capital Requirements

We believe that our existing cash and cash equivalents combined with our expected cash flow from operations and liquidity available under our credit facilities will be sufficient to meet our projected operating and capital expenditure requirements for at least the next 12 months and we possess the financial flexibility to execute our strategic objectives, including the ability to make acquisitions and strategic investments in the foreseeable future. Our ability to generate cash, however, is subject to our performance, general economic conditions, industry trends and other factors. To the extent that existing cash and cash equivalents and operating cash flow are insufficient to fund our future activities and requirements, we may need to raise additional funds through equity or debt financing. If we raise funds through the issuance of additional debt, we may be subject to additional contractual restrictions on our business. There is no assurance that we would be able to raise additional funds on favorable terms or at all. See "Item 3D—Risk Factors—Risks Related to Our Business—We may need to raise additional funds

to pursue our growth strategy or continue our operations, and we may be unable to raise capital when needed or on acceptable terms, which could lead us to be unable to expand our business” in our Annual Report.

Net Debt and Adjusted EBITDA, both as per our credit agreement, are non-GAAP financial measures used to calculate our leverage ratio debt covenant (Net Debt to Adjusted EBITDA Leverage Ratio, a non-GAAP ratio), as presented below. We seek to maintain a Net Debt to Adjusted EBITDA Leverage Ratio in the range of 2-3x. As of March 31, 2024, our Net Debt to Adjusted EBITDA Leverage Ratio was 2.9x. We may deviate from our target Net Debt to Adjusted EBITDA Leverage Ratio to pursue acquisitions and other strategic opportunities that may require us to borrow additional funds and, additionally, our ability to maintain this targeted ratio depends on our ability to continue to grow our business, general economic conditions, industry trends and other factors.

The following table presents a calculation of our Net Debt to Adjusted EBITDA Leverage Ratio as at March 31, 2024 and December 31, 2023:

As at (millions except for ratio)	March 31, 2024	December 31, 2023
Outstanding credit facility	\$ 1,436	\$ 1,463
Contingent facility utilization	7	7
Liability related to provisions for written put options ¹	57	68
Cash balance ²	(150)	(127)
Net Debt as per credit agreement	\$ 1,350	\$ 1,411
Adjusted EBITDA (trailing 12 months)³	\$ 594	\$ 582
Adjustments required as per credit agreement	\$ (129)	\$ (84)
Net Debt to Adjusted EBITDA Leverage Ratio as per credit agreement	2.9	2.8

1. Reflects the undiscounted amount payable in cash on the estimated provisions for written put options arising from our acquisition of WillowTree.
2. Maximum cash balance permitted as a reduction to net debt, as per the credit agreement, is \$150 million.
3. Adjusted EBITDA is a non-GAAP financial measure, see section “—Non-GAAP Financial Measures and Non-GAAP Ratios” for more information.

Capital Expenditures

(millions)	Three Months Ended March 31	
	2024	2023
Capital expenditures	\$ 19	\$ 15

Comparison of Three Months Ended March 31, 2024 and 2023. Capital expenditures increased by \$4 million to \$19 million during the three months ended March 31, 2024. The increase was primarily due to facility build-outs in our Africa region, as well as additional investments in our digital solutions and AI businesses.

Contractual Obligations

Our principal sources of liquidity are cash generated from operations, our available credit facility, and to a lesser extent, our cash and cash equivalents. For the three months ended March 31, 2024, our cash provided by operations was \$126 million. As of March 31, 2024, available borrowings under the revolving credit facility of our amended credit facility were \$504 million, and our cash and cash equivalents balance was \$154 million.

Our primary uses of liquidity are cash used in our normal business operations such as employee compensation expense, goods and services purchased, and working capital requirements. In addition, we are required to meet the payment obligations under our credit facility and lease agreements. We expect that our cash flow from operations and our available cash and cash equivalents (including the revolving component of our credit facility) will be sufficient to meet our ongoing cash flow needs and operating requirements. The expected maturities of our undiscounted financial liabilities, excluding long-term-debt, do not differ significantly from the contractual maturities, other than as noted below. The contractual maturities of our undiscounted financial liabilities, as at March 31, 2024 including interest thereon (where applicable), are as set out in the following table:

For each fiscal year ending December 31, (millions)	Non-derivative				Derivative			
	Non- interest bearing financial liabilities	Due to affiliated companies	Composite long-term debt		Currency swap agreement amounts to be exchanged			Total
			Long- term debt, excluding leases	Leases	(Receive)	Pay	Interest rate swap agreement	
2024 (balance of year)	\$ 311	\$ 179	\$ 126	\$ 64	\$ (125)	\$ 113	\$ 2	\$ 670
2025	51	—	163	79	(56)	45	1	283
2026	61	—	159	70	(41)	32	—	281
2027	111	—	154	54	(39)	32	—	312
2028	44	—	1,211	39	(342)	339	—	1,291
Thereafter	11	—	—	85	—	—	—	96
Total	\$ 589	\$ 179	\$ 1,813	\$ 391	\$ (603)	\$ 561	\$ 3	\$ 2,933

Off-Balance Sheet Arrangements

We do not have any material obligations under guarantee contracts or other contractual arrangements other than as disclosed in *Note 15—Contingent liabilities* in the notes to our condensed interim consolidated financial statements for the three-month periods ended March 31, 2024, and *Note 17—Contingent liabilities* in the notes to our audited consolidated financial statements for the year ended December 31, 2023 included in our Annual Report. We have not entered into any transactions with unconsolidated entities where we have financial guarantees, subordinated retained interests, derivative instruments, or other contingent arrangements that expose us to material continuing risks, contingent liabilities, or any other obligation under a variable interest in an unconsolidated entity that provides financing, liquidity, market risk, or credit risk support to us, or engages in leasing, hedging, or research and development services with us.

Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

Amounts drawn on our long-term debt facilities expose us to changes in interest rates. Holding other variables constant, including the total amount of outstanding indebtedness, a 25-basis-point increase in interest rates on our variable-rate debt would cause an estimated decrease in net income of approximately \$3 million per year, based on the amounts outstanding as at March 31, 2024.

Foreign Currency Risk

Our condensed interim consolidated financial statements are reported in U.S. dollars but our international operating model exposes us to foreign currency exchange rate changes that could impact the translation of foreign denominated assets and liabilities into U.S. dollars and future earnings and cash flows from transactions denominated in different currencies. The European euro is the foreign currency to which we currently have the largest exposure. The sensitivity analysis of our exposure to foreign currency risk at the reporting date has been determined based upon a hypothetical change taking place at the relevant statement of financial position date. The European euro, Canadian dollar and Philippine peso denominated balances as at the statement of financial position dates have been used in the calculations below.

Three months ended March 31,	Net income		Other comprehensive income		Comprehensive income	
	2024	2023	2024	2023	2024	2023
Reasonably possible changes in market risks						
10% change in US\$: CDN\$ exchange rate						
US\$ appreciates	\$ 13	\$ 6	\$ —	\$ —	\$ 13	\$ 6
US\$ depreciates	\$ (13)	\$ (6)	\$ —	\$ —	\$ (13)	\$ (6)
10% change in US\$: Euro exchange rate						
US\$ appreciates	\$ 8	\$ 16	\$ (59)	\$ (45)	\$ (51)	\$ (29)
US\$ depreciates	\$ (8)	\$ (16)	\$ 59	\$ 45	\$ 51	\$ 29
10% change in US\$: Peso exchange rate						
US\$ appreciates	\$ (3)	\$ (2)	\$ —	\$ —	\$ (3)	\$ (2)
US\$ depreciates	\$ 3	\$ 2	\$ —	\$ —	\$ 3	\$ 2

We therefore face exchange rate risk through fluctuations in relative currency prices, which are unpredictable and costly to hedge. Appreciation of foreign currencies against the United States dollar will increase our cost of doing business and could adversely affect our business, financial condition or financial performance. Our foreign exchange risk management includes the use of swaps to manage the currency risk associated with European euro denominated inflows being used to service the United States dollar denominated debt, as well as foreign currency forward contracts to fix the exchange rates on short-term Philippine peso denominated transactions and commitments.

Changes in Internal Control over Financial Reporting

During the three-month period ended March 31, 2024, there were no changes in internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This discussion contains forward-looking statements concerning our business, operations and financial performance and condition, as well as our plans, objectives and expectations for our business, result of operations and financial condition. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as “aim”, “anticipate”, “assume”, “believe”, “contemplate”, “continue”, “could”, “due”, “estimate”, “expect”, “goal”, “intend”, “may”, “objective”, “plan”, “predict”, “potential”, “positioned”, “seek”, “should”, “target”, “will”, “would” and other similar expressions that are predictions of or indicate future events and future trends, or the negative of these terms or other comparable terminology. These forward-looking statements are based on our current expectations, estimates, forecasts and projections about our business and the industry in which we operate and management's beliefs and assumptions, including the non-occurrence of the risks and uncertainties that are described in the filings made with the SEC and the applicable Canadian securities regulators or other events occurring outside of our normal course of business, and are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors that are in some cases beyond our control. As a result, any or all of our forward-looking statements may turn out to be inaccurate. Factors that may cause actual results to differ materially from current expectations include, among other things, those factors listed under “Risk Factors” in our Annual Report for the year ended December 31, 2023, filed with the SEC on EDGAR and with the Canadian securities regulators on SEDAR+.

FORM 52-109F2

CERTIFICATION OF INTERIM FILINGS

FULL CERTIFICATE

TELUS International (Cda) Inc.

I, **Jeffrey Puritt, Chief Executive Officer of TELUS International (Cda) Inc.**, certify the following:

1. **Review:** I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of **TELUS International (Cda) Inc.** (the "issuer") for the interim period ended March 31, 2024.
2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.
3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.
4. **Responsibility:** The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, for the issuer.
5. **Design:** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer(s) and I have, as at the end of the period covered by the interim filings
 - (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that
 - (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and
 - (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
 - (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.
- 5.1 **Control framework:** The control framework the issuer's other certifying officer(s) and I used to design the issuer's ICFR is the Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.
- 5.2 N/A
- 5.3 N/A
6. **Reporting changes in ICFR:** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on January 1, 2024 and ended on March 31, 2024 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: May 9, 2024.

/s/ Jeffrey Puritt

Jeffrey Puritt

President and Chief Executive Officer

FORM 52-109F2

CERTIFICATION OF INTERIM FILINGS

FULL CERTIFICATE

TELUS International (Cda) Inc.

I, **Gopi Chande, Chief Financial Officer of TELUS International (Cda) Inc.**, certify the following:

1. **Review:** I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of **TELUS International (Cda) Inc.** (the "issuer") for the interim period ended March 31, 2024.
2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.
3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.
4. **Responsibility:** The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, for the issuer.
5. **Design:** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer(s) and I have, as at the end of the period covered by the interim filings
 - (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that
 - (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and
 - (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
 - (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.
- 5.1 **Control framework:** The control framework the issuer's other certifying officer(s) and I used to design the issuer's ICFR is the Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.
- 5.2 N/A
- 5.3 N/A
6. **Reporting changes in ICFR:** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on January 1, 2024 and ended on March 31, 2024 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: May 9, 2024.

/s/ Gopi Chande

Gopi Chande

Chief Financial Officer