



TELUS Corporation

First Quarter, 2022

Supplemental Investor Information

(UNAUDITED)

Financial information presented according to
International Financial Reporting Standards (IFRS)
as issued by the International Accounting Standards Board (IASB)

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TELUS Corporation
Selected Consolidated Data

<i>\$ in millions except shares, per share amounts, ratios and total telecom subscribers</i>	Quarterly					Mar YTD 2022	Annual 2021
	Q1/22	Q4/21	Q3/21	Q2/21	Q1/21		
Net Income	404	663	358	344	333	404	1,698
Adjusted Net Income ¹	414	331	392	348	359	414	1,430
Basic earnings per share (\$)	0.28	0.47	0.25	0.25	0.25	0.28	1.23
Adjusted Basic earnings per share (\$) ¹	0.30	0.23	0.29	0.26	0.27	0.30	1.07
Dividends declared per common share (\$)	0.3274	0.3274	0.3162	0.3162	0.3112	0.3274	1.2710
Return on common equity ²	11.4%	11.6%	9.3%	9.4%	9.3%	11.4%	11.6%
Earnings coverage (times)	4.0	3.9	3.3	3.2	3.1	4.0	3.9
EBITDA interest coverage ratio (times) ³	8.6	8.4	7.6	7.4	7.3	8.6	8.4
Cash provided by operating activities	1,135	896	1,309	1,244	939	1,135	4,388
Free cash flow ⁴	415	43	203	210	321	415	777
Long-term debt	21,319	20,852	20,533	19,932	19,772	21,319	20,852
Net debt ⁵	20,960	20,535	19,009	18,169	18,230	20,960	20,535
Net debt : EBITDA - excluding restructuring and other costs (times) ⁶	3.18	3.17	3.19	3.11	3.15	3.18	3.17
Outstanding shares at end of period (M)	1,376	1,370	1,361	1,355	1,349	1,376	1,370
Basic weighted average shares outstanding (M)	1,376	1,368	1,361	1,355	1,298	1,376	1,346
Total telecom subscribers (thousands) ^{(A)(B)(C)}	17,001	16,887	16,615	16,295	16,072	17,001	16,887

^(A)Total telecom subscribers may not balance due to rounding alignment to YTD figures.

^(B)Effective January 1, 2021, with retrospective application to January 1, 2020, in alignment with our segment reporting changes, we made a retroactive adjustment to remove internal network service revenue and approximately 29,000 subscribers from our mobile phone subscriber base. As well, effective January 1, 2021 on a prospective basis, following an in-depth review of customer accounts within a legacy subscriber provisioning system to be decommissioned, we adjusted our internet subscriber base to remove 16,000 subscribers.

^(C)Effective January 1, 2022 on a prospective basis, following an in-depth review of our definition of a subscriber, we adjusted our connected devices subscriber base to remove 34,000 subscribers within a legacy reporting system.

TELUS Corporation Segmented Data

<i>\$ in millions</i>	Quarter 1			
	2022	2021	Change	% Change
Operating revenues and other income				
TELUS technology solutions	3,642	3,494	148	4.2%
Digitally-led customer experiences - TELUS International	759	639	120	18.8%
Less: Intersegment revenue	(119)	(109)	(10)	(9.2%)
Operating revenues and other income	4,282	4,024	258	6.4%
EBITDA⁷				
TELUS technology solutions	1,400	1,336	64	4.8%
Digitally-led customer experiences - TELUS International	169	125	44	35.1%
Consolidated	1,569	1,461	108	7.4%
EBITDA margin				
TELUS technology solutions	38.4%	38.3%	0.1 pts.	
Digitally-led customer experiences - TELUS International	22.2%	19.5%	2.7 pts.	
Consolidated	36.6%	36.3%	0.3 pts.	
Capital expenditures				
TELUS technology solutions	802	662	140	21.1%
Digitally-led customer experiences - TELUS International	31	23	8	34.8%
Consolidated	833	685	148	21.6%
Capital expenditure intensity⁸				
TELUS technology solutions	22%	19%	3 pts.	
Digitally-led customer experiences - TELUS International	4%	4%	-	pts.
Consolidated	19%	17%	2 pts.	
EBITDA less capex				
TELUS technology solutions	598	674	(76)	(11.3%)
Digitally-led customer experiences - TELUS International	138	102	36	35.3%
Consolidated	736	776	(40)	(5.2%)
Adjusted EBITDA⁹				
TELUS technology solutions	1,435	1,365	70	5.1%
Digitally-led customer experiences - TELUS International	173	138	35	25.3%
Consolidated	1,608	1,503	105	7.0%
Adjusted EBITDA margin²¹				
TELUS technology solutions	39.4%	39.1%	0.3 pts.	
Digitally-led customer experiences - TELUS International	22.7%	21.6%	1.1 pts.	
Consolidated	37.6%	37.4%	0.2 pts.	

TELUS Corporation
Segmented Data - Historical Trend

<i>\$ in millions</i>	Quarterly					Mar YTD 2022	Annual 2021
	Q1/22	Q4/21	Q3/21	Q2/21	Q1/21		
Operating revenues and other income							
TELUS technology solutions	3,642	4,237	3,669	3,566	3,494	3,642	14,966
Digitally-led customer experiences - TELUS International	759	757	700	658	639	759	2,754
Less: Intersegment revenue	(119)	(122)	(118)	(113)	(109)	(119)	(462)
Operating revenues and other income	4,282	4,872	4,251	4,111	4,024	4,282	17,258
Revenues % change on prior year							
<i>TELUS Technology Solutions</i>	4.2%	17.9%	4.1%	10.6%	6.1%	4.2%	9.8%
<i>Digitally-led customer experiences - TELUS International</i>	18.8%	31.2%	23.2%	7.5%	28.1%	18.8%	22.1%
<i>Operating revenues and other income</i>	6.4%	20.0%	6.8%	10.3%	8.9%	6.4%	11.6%
EBITDA⁷							
TELUS technology solutions	1,400	1,721	1,355	1,323	1,336	1,400	5,735
Digitally-led customer experiences - TELUS International	169	161	141	128	125	169	555
Consolidated	1,569	1,882	1,496	1,451	1,461	1,569	6,290
EBITDA % change on prior year							
<i>TELUS Technology Solutions</i>	4.8%	40.9%	7.7%	10.5%	2.7%	4.8%	15.2%
<i>Digitally-led customer experiences - TELUS International</i>	35.1%	39.9%	6.7%	(20.8%)	15.4%	35.1%	7.3%
<i>Consolidated</i>	7.4%	40.8%	7.6%	6.8%	3.7%	7.4%	14.5%
EBITDA margin							
TELUS technology solutions	38.4%	40.6%	37.0%	37.1%	38.3%	38.4%	38.3%
Digitally-led customer experiences - TELUS International	22.2%	21.4%	20.0%	19.6%	19.5%	22.2%	20.2%
Consolidated	36.6%	38.6%	35.2%	35.3%	36.3%	36.6%	36.4%
Capital expenditures							
TELUS technology solutions	802	866	962	882	662	802	3,372
Digitally-led customer experiences - TELUS International	31	43	29	31	23	31	126
Consolidated	833	909	991	913	685	833	3,498
Capital expenditure intensity⁸							
TELUS technology solutions	22%	20%	26%	25%	19%	22%	23%
Digitally-led customer experiences - TELUS International	4%	6%	4%	5%	4%	4%	5%
Consolidated	19%	19%	23%	22%	17%	19%	20%
EBITDA less capex							
TELUS technology solutions	598	855	393	441	674	598	2,363
Digitally-led customer experiences - TELUS International	138	118	112	97	102	138	429
Consolidated	736	973	505	538	776	736	2,792
Adjusted EBITDA⁹							
TELUS technology solutions	1,435	1,348	1,410	1,353	1,365	1,435	5,476
Digitally-led customer experiences - TELUS International	173	169	149	137	138	173	593
Consolidated	1,608	1,517	1,559	1,490	1,503	1,608	6,069
Adjusted EBITDA % change on prior year							
<i>TELUS Technology Solutions</i>	5.1%	6.7%	7.4%	7.3%	1.8%	5.1%	5.7%
<i>Digitally-led customer experiences - TELUS International</i>	25.3%	14.6%	4.7%	36.5%	3.0%	25.3%	13.2%
<i>Consolidated</i>	7.0%	7.6%	7.1%	9.5%	1.9%	7.0%	6.4%
Adjusted EBITDA margin²¹							
TELUS technology solutions	39.4%	35.2%	38.4%	37.9%	39.1%	39.4%	37.6%
Digitally-led customer experiences - TELUS International	22.7%	22.5%	21.1%	20.9%	21.6%	22.7%	21.6%
Consolidated	37.6%	34.0%	36.6%	36.2%	37.4%	37.6%	36.0%

TELUS technology solutions Operations^(A)

<i>\$ in millions</i>	Quarter 1			
	2022	2021	Change	% Change
Operating revenues and other income				
Mobile network revenue	1,577	1,503	74	4.9%
Mobile equipment and other service revenues	440	473	(33)	(7.0%)
Fixed data services ^(B)	1,057	1,005	52	5.2%
Fixed voice services	200	214	(14)	(6.5%)
Fixed equipment and other service revenue	113	107	6	5.6%
Health services	140	123	17	13.8%
Agriculture services	85	62	23	37.1%
Operating revenues (arising from contracts with customers)	3,612	3,487	125	3.6%
Other income	26	2	24	n.m.
Total external revenue	3,638	3,489	149	4.3%
Intersegment revenue	4	5	(1)	(20.0%)
Total operating revenues and other income	3,642	3,494	148	4.2%
Goods and services purchased	1,561	1,533	28	1.8%
Employee benefits expense	681	625	56	9.0%
Total operating expense^(C)	2,242	2,158	84	3.9%
EBITDA⁷	1,400	1,336	64	4.8%
EBITDA margin	38.4%	38.3%	0.1 pts.	
Capital expenditures	802	662	140	21.1%
Capital expenditure intensity⁸	22%	19%	3 pts.	
EBITDA less capex	598	674	(76)	(11.3%)
Add: Restructuring and other costs included in total operating expense	35	28	7	n.m.
Add: Other equity losses related to real estate joint ventures	-	1	(1)	n.m.
Adjusted EBITDA⁹	1,435	1,365	70	5.1%
Adjusted EBITDA margin²¹	39.4%	39.1%	0.3 pts.	

^(A) May not balance due to rounding alignment to YTD figures.

^(B) Excludes health services and agriculture services.

^(C) Includes restructuring and other costs.

TELUS technology solutions
Operations - Historical Trend^(A)

<i>\$ in millions</i>	Q1/22	Q4/21	Q3/21	Q2/21	Q1/21	Mar YTD 2022	Annual 2021
Operating revenues and other income							
Mobile network revenue	1,577	1,591	1,588	1,526	1,503	1,577	6,208
Mobile equipment and other service revenues	440	627	523	501	473	440	2,124
Fixed data services ^(B)	1,057	1,054	1,043	1,033	1,005	1,057	4,135
Fixed voice services	200	207	208	214	214	200	843
Fixed equipment and other service revenue	113	103	101	100	107	113	411
Health services	140	141	130	127	123	140	521
Agriculture services	85	100	66	58	62	85	286
Operating revenues (arising from contracts with customers)	3,612	3,823	3,659	3,559	3,487	3,612	14,528
Other income	26	411	5	2	2	26	420
Total external revenue	3,638	4,234	3,664	3,561	3,489	3,638	14,948
Intersegment revenue	4	3	5	5	5	4	18
Total operating revenues and other income	3,642	4,237	3,669	3,566	3,494	3,642	14,966
<i>Mobile network revenue % change on prior year</i>	4.9%	5.0%	3.7%	3.7%	(0.5%)	4.9%	3.0%
<i>Fixed data services revenue % change on prior year^(B)</i>	5.2%	8.5%	9.5%	9.4%	5.8%	5.2%	8.3%
<i>Total external revenue % change on prior year</i>	4.3%	17.9%	4.1%	10.6%	6.0%	4.3%	9.7%
Goods and services purchased	1,561	1,834	1,635	1,591	1,533	1,561	6,593
Employee benefits expense	681	682	679	652	625	681	2,638
Total operating expense^(C)	2,242	2,516	2,314	2,243	2,158	2,242	9,231
EBITDA⁷	1,400	1,721	1,355	1,323	1,336	1,400	5,735
<i>EBITDA % change on prior year</i>	4.8%	40.9%	7.7%	10.5%	2.7%	4.8%	15.2%
EBITDA margin	38.4%	40.6%	37.0%	37.1%	38.3%	38.4%	38.3%
Capital expenditures	802	866	962	882	662	802	3,372
Capital expenditure intensity⁸	22%	20%	26%	25%	19%	22%	23%
EBITDA less capex	598	855	393	441	674	598	2,363
Add: Restructuring and other costs included in total operating expense	35	36	55	29	28	35	148
Add: Other equity losses related to real estate joint ventures	-	1	-	1	1	-	3
Deduct: Gain on disposition of financial solutions business	-	(410)	-	-	-	-	(410)
Adjusted EBITDA⁹	1,435	1,348	1,410	1,353	1,365	1,435	5,476
<i>Adjusted EBITDA % change on prior year</i>	5.1%	6.7%	7.4%	7.3%	1.8%	5.1%	5.7%
Adjusted EBITDA margin²¹	39.4%	35.2%	38.4%	37.9%	39.1%	39.4%	37.6%

^(A)May not balance due to rounding alignment to YTD figures.

^(B)Excludes health services and agriculture services.

^(C)Includes restructuring and other costs.

TELUS technology solutions Operating Statistics^(A)

	Quarter 1			
	2022	2021	Change	% Change
Mobile Phone¹⁰				
Additions (thousands)				
Gross additions	272	270	2	0.7%
Net additions	46	31	15	48.4%
Subscribers (thousands) ^(B)	9,336	8,954	382	4.3%
ARPU (\$) ^{11(B)}	\$56.45	\$56.10	\$0.35	0.6%
Churn, per month (%) ^{12(B)}	0.81%	0.89%	(0.08) pts.	
Connected Device (thousands)¹³				
Net additions	46	63	(17)	(27.0%)
Subscribers ^(C)	2,146	1,859	287	15.4%
Fixed (thousands)				
Internet net additions	30	33	(3)	(9.1%)
TV net additions	10	11	(1)	(9.1%)
Residential voice net losses	(10)	(10)	-	-%
Security net additions	26	17	9	52.9%
Total Fixed net additions	56	51	5	9.8%
Internet subscribers ^{14(D)}	2,301	2,155	146	6.8%
TV subscribers ¹⁵	1,275	1,226	49	4.0%
Residential voice subscribers ¹⁶	1,113	1,154	(41)	(3.6%)
Security subscribers ¹⁷	830	724	106	14.6%
Total Fixed subscribers ^(D)	5,519	5,259	260	4.9%
Total telecom net additions (thousands)	148	145	3	2.1%
Total telecom subscribers (thousands)^{(B)(C)(D)}	17,001	16,072	929	5.8%
Healthcare lives covered (millions)¹⁸	21.9	17.5	4.4	25.1%
Virtual care members (millions)¹⁹	3.3	2.0	1.3	65.0%
Digital health transactions (millions)²⁰	139.6	133.3	6.3	4.7%

^(A)May not balance due to rounding alignment to YTD figures.

^(B)Effective January 1, 2021, with retrospective application to January 1, 2020, in alignment with our segment reporting changes, we made a retroactive adjustment to remove internal network service revenue and approximately 29,000 subscribers from our mobile phone subscriber base and associated operating statistics (ARPU and churn). Internal network service revenue consists of earned revenue from both our internal mobile phone and connected devices subscribers, neither of which contribute to our restated subscriber base.

^(C)Effective January 1, 2022 on a prospective basis, following an in-depth review of our definition of a subscriber, we adjusted our connected devices subscriber base to remove 34,000 subscribers within a legacy reporting system.

^(D)Effective January 1, 2021 on a prospective basis, following an in-depth review of customer accounts within a legacy subscriber provisioning system to be decommissioned, we adjusted our internet subscriber base to remove 16,000 subscribers.

TELUS technology solutions
Operating Statistics - Historical Trend^(A)

	Quarterly					Mar YTD 2022	Annual 2021
	Q1/22	Q4/21	Q3/21	Q2/21	Q1/21		
Mobile Phone¹⁰							
Additions (thousands)							
Gross additions	272	398	380	305	270	272	1,353
Net additions	46	112	135	89	31	46	367
Subscribers (thousands) ^(B)	9,336	9,290	9,178	9,043	8,954	9,336	9,290
ARPU (\$) ^{11(B)}	\$56.45	\$57.45	\$58.13	\$56.56	\$56.10	\$56.45	\$57.07
ARPU % change on prior year ^(B)	0.6%	1.0%	-	0.2%	(3.7%)	0.6%	(0.6%)
Churn, per month (%) ^{12(B)}	0.81%	1.04%	0.90%	0.81%	0.89%	0.81%	0.91%
Connected Device (thousands)¹³							
Net additions	46	81	110	84	63	46	338
Subscribers ^(C)	2,146	2,134	2,053	1,943	1,859	2,146	2,134
Fixed (thousands)							
Internet net additions	30	40	46	30	33	30	149
TV net additions	10	18	10	11	11	10	50
Residential voice net losses	(10)	(10)	(11)	(10)	(10)	(10)	(41)
Security net additions	26	31	30	19	17	26	97
Total Fixed net additions	56	79	75	50	51	56	255
Internet subscribers ^{14(D)}	2,301	2,271	2,231	2,185	2,155	2,301	2,271
TV subscribers ¹⁵	1,275	1,265	1,247	1,237	1,226	1,275	1,265
Residential voice subscribers ¹⁶	1,113	1,123	1,133	1,144	1,154	1,113	1,123
Security subscribers ¹⁷	830	804	773	743	724	830	804
Total Fixed subscribers ^(D)	5,519	5,463	5,384	5,309	5,259	5,519	5,463
Total telecom net additions (thousands)	148	272	320	223	145	148	960
Total telecom subscribers (thousands)^{(B)(C)(D)}	17,001	16,887	16,615	16,295	16,072	17,001	16,887
Healthcare lives covered (millions)¹⁸	21.9	20.6	19.3	18.1	17.5	21.9	20.6
Virtual care members (millions)¹⁹	3.3	2.8	2.3	2.2	2.0	3.3	2.8
Digital health transactions (millions)²⁰	139.6	142.8	137.9	137.1	133.3	139.6	551.1

^(A)May not balance due to rounding alignment to YTD figures.

^(B)Effective January 1, 2021, with retrospective application to January 1, 2020, in alignment with our segment reporting changes, we made a retroactive adjustment to remove internal network service revenue and approximately 29,000 subscribers from our mobile phone subscriber base and associated operating statistics (ARPU and churn). Internal network service revenue consists of earned revenue from both our internal mobile phone and connected devices subscribers, neither of which contribute to our restated subscriber base.

^(C)Effective January 1, 2022 on a prospective basis, following an in-depth review of our definition of a subscriber, we adjusted our connected devices subscriber base to remove 34,000 subscribers within a legacy reporting system.

^(D)Effective January 1, 2021 on a prospective basis, following an in-depth review of customer accounts within a legacy subscriber provisioning system to be decommissioned, we adjusted our internet subscriber base to remove 16,000 subscribers.

Digitally-led customer experiences - TELUS International (DLCX) Operations^(A)

<i>\$ in millions</i>	Quarter 1			
	2022	2021	Change	% Change
Operating revenues and other income				
Operating revenues (arising from contracts with customers)	644	535	109	20.4%
Other income	-	-	-	-%
Total external revenue	644	535	109	20.4%
Intersegment revenue	115	104	11	10.6%
Total operating revenues and other income	759	639	120	18.8%
Goods and services purchased	152	124	28	22.6%
Employee benefits expense	438	390	48	12.3%
Total operating expense^(B)	590	514	76	14.8%
EBITDA⁷	169	125	44	35.1%
EBITDA margin	22.2%	19.5%	2.7 pts.	
Capital expenditures	31	23	8	34.8%
Capital expenditure intensity⁸	4%	4%	-	pts.
EBITDA less capex	138	102	36	35.3%
Add: Restructuring and other costs included in total operating expense	4	13	(9)	n.m.
Adjusted EBITDA⁹	173	138	35	25.3%
Adjusted EBITDA margin²¹	22.7%	21.6%	1.1 pts.	
Average CAD:USD FX rate^(C)	0.79	0.79	-	-%

^(A) May not balance due to rounding alignment to YTD figures.

^(B) Includes restructuring and other costs.

^(C) Represents a simple average of monthly average FX rates within the time period, per Bank of Canada posted rates.

Digitally-led customer experiences - TELUS International (DLCX)
Operations - Historical Trend^(A)

<i>\$ in millions</i>	Quarterly					Mar YTD	Annual
	Q1/22	Q4/21	Q3/21	Q2/21	Q1/21	2022	2021
Operating revenues and other income							
Operating revenues (arising from contracts with customers)	644	638	587	550	535	644	2,310
Other income	-	-	-	-	-	-	-
Total external revenue	644	638	587	550	535	644	2,310
Intersegment revenue	115	119	113	108	104	115	444
Total operating revenues and other income	759	757	700	658	639	759	2,754
<i>Operating revenues % change on prior year</i>	20.4%	36.0%	27.3%	25.9%	44.6%	20.4%	33.0%
<i>Total external revenue % change on prior year</i>	20.4%	36.0%	27.3%	8.3%	33.1%	20.4%	25.5%
Goods and services purchased	152	170	143	131	124	152	568
Employee benefits expense	438	426	416	399	390	438	1,631
Total operating expense^(B)	590	596	559	530	514	590	2,199
EBITDA⁷	169	161	141	128	125	169	555
<i>EBITDA % change on prior year</i>	35.1%	39.9%	6.7%	(20.8%)	15.4%	35.1%	7.3%
EBITDA margin	22.2%	21.4%	20.0%	19.6%	19.5%	22.2%	20.2%
Capital expenditures	31	43	29	31	23	31	126
Capital expenditure intensity⁸	4%	6%	4%	5%	4%	4%	5%
EBITDA less capex	138	118	112	97	102	138	429
Add: Restructuring and other costs included in total operating expense	4	8	8	9	13	4	38
Adjusted EBITDA⁹	173	169	149	137	138	173	593
<i>Adjusted EBITDA % change on prior year</i>	25.3%	14.6%	4.7%	36.5%	3.0%	25.3%	13.2%
Adjusted EBITDA margin²¹	22.7%	22.5%	21.1%	20.9%	21.6%	22.7%	21.6%
Average CAD:USD FX rate^(C)	0.79	0.79	0.79	0.81	0.79	0.79	0.80

^(A) May not balance due to rounding alignment to YTD figures.

^(B) Includes restructuring and other costs.

^(C) Represents a simple average of monthly average FX rates within the time period, per Bank of Canada posted rates.

Non-GAAP and Other Specified Financial Measures and definitions of key operating indicators

¹ **Adjusted Net income and adjusted basic earnings per share** These are Non-GAAP measures that do not have any standardized meaning prescribed by IFRS-IASB are therefore unlikely to be comparable to similar measures presented by other issuers. Adjusted Net income excludes the effects of restructuring and other costs, income tax-related adjustments, other equity losses related to real estate joint ventures, long-term debt prepayment premium, and the gain on disposition of our financial solutions business. Adjusted basic earnings per share is calculated as adjusted net income divided by basic weighted-average common shares outstanding. These measures should not be considered alternatives to Net income and basic earnings per share in measuring TELUS' performance.

Please refer to the Q1 2022 Management's Discussion & Analysis Section 11.1 for an explanation of how these measures provide useful information to investors and for which purposes management uses these measures, and quantitative reconciliation of Adjusted Net Income to Net Income. MD&A is made available on SEDAR (www.sedar.com).

² **Return on common equity** is Net income attributed to equity shares for a 12-month trailing period, divided by the average Common equity for the 12-month period.

³ **EBITDA interest coverage ratio** is defined as EBITDA (excluding restructuring and other costs), divided by net interest cost. Net interest cost is defined as financing costs, net of capitalized long-term debt interest, excluding employee defined benefit plans net interest, as well as recoveries on redemption and repayment of debt, calculated on a 12-month trailing basis. Any losses recorded on the redemption of debt are included in net interest. This measure is similar to the coverage ratio covenant in TELUS' credit facilities.

⁴ **Free cash flow** is a supplementary indicator of our operating performance, and there is no generally accepted industry definition of free cash flow. It should not be considered an alternative to the measures in the Consolidated statements of cash flows. Free cash flow excludes certain working capital changes (such as trade receivables and trade payables), proceeds from divested assets and other sources and uses of cash, as found in the Consolidated statements of cash flows. It provides an indication of how much cash generated by operations is available after capital expenditures (excluding purchases of spectrum licences) that may be used to, among other things, pay dividends, repay debt, purchase shares or make other investments. We exclude impacts of accounting standards that do not impact cash, such as IFRS 15 and IFRS 16. Free cash flow may be supplemented from time to time by proceeds from divested assets or financing activities.

Please refer to the Q1 2022 Management's Discussion & Analysis Section 11.1 for the quantitative reconciliation of free cash flow to cash provided by operating activities. MD&A is made available on SEDAR (www.sedar.com).

⁵ **Net debt** is defined as Long-term Debt (including current maturities of long-term debt) plus debt issue costs netted against long-term debt, Short-term borrowings and Accumulated other comprehensive income amounts arising from financial instruments used to manage interest rate and currency risks associated with U.S. dollar-denominated long-term debt (excluding tax effects), less Cash and temporary investments and net derivative assets. Net debt is a useful measure because it represents the amount of Short-term borrowings and long-term debt obligations that are not covered by available Cash and temporary investments. The nearest IFRS measure to net debt is Long-term debt, including Current maturities of Long-term debt.

⁶ **Net debt : EBITDA excluding restructuring and other costs** is defined as Net debt as at the end of the period divided by the 12-month trailing EBITDA excluding restructuring and other costs. Historically, Net debt : EBITDA excluding restructuring and other costs is similar to the Leverage Ratio covenant in TELUS' credit facilities.

⁷ **EBITDA (earnings before interest, income taxes, depreciation and amortization)** is an indicator we have issued guidance on and report EBITDA because it is a key measure used to evaluate performance at a consolidated level. EBITDA is commonly reported and widely used by investors and lending institutions as an indicator of a company's operating performance and ability to incur and service debt, and as a valuation metric. EBITDA should not be considered an alternative to Net income in measuring TELUS' performance, nor should it be used as a measure of cash flow. EBITDA as calculated by TELUS is equivalent to Operating revenues and other income less the total of Goods and services purchased expense and Employee benefits expense.

Please refer to the Q1 2022 Management's Discussion & Analysis Section 11.1 for the quantitative reconciliation of Net Income to EBITDA. MD&A is made available on SEDAR (www.sedar.com).

⁸ **Capital expenditure intensity** is calculated as capital expenditures (excluding spectrum licences) divided by total Operating revenues and other income.

⁹ **Adjusted EBITDA** is calculated to exclude items of an unusual nature that do not reflect our ongoing operations and should not, in our opinion, be considered in a long-term valuation metric or should not be included in an assessment of our ability to service or incur debt.

Please refer to the Q1 2022 Management's Discussion & Analysis Section 11.1 for the quantitative reconciliation of Net Income to Adjusted EBITDA. MD&A is made available on SEDAR (www.sedar.com).

Non-GAAP and Other Specified Financial Measures and definitions of key operating indicators, continued

¹⁰ **Mobile phone** means a TELUS subscriber on an active service plan with a recurring revenue-generating portable unit (e.g. feature phones and smartphones) that is connected to the TELUS network and provides voice, text and/or data connectivity.

¹¹ **Mobile phone Average revenue per subscriber per month (ARPU)** is calculated as network revenue derived from monthly service plan, roaming and usage charges; divided by the average number of mobile phone subscribers on the network during the period, and is expressed as a rate per month.

¹² **Mobile phone churn** is calculated as the number of subscribers deactivated during a given period divided by the average number of subscribers on the network during the period, and is expressed as a rate per month. Mobile phone churn refers to the aggregate average of both prepaid and postpaid mobile phone churn. A TELUS, Koodo or Public Mobile brand prepaid mobile phone subscriber is deactivated when the subscriber has no usage for 90 days following expiry of the prepaid credits.

¹³ **Connected device** means a TELUS subscriber on an active service plan with a recurring revenue-generating portable unit (e.g. tablets, internet keys, Internet of Things, wearables and connected cars) that is connected to the TELUS network and is intended for limited or no cellular voice capability.

¹⁴ **Internet subscriber** means a TELUS subscriber on an active internet plan with a recurring revenue-generating fixed unit that is connected to the TELUS network and provides internet connectivity.

¹⁵ **TV subscriber** means a TELUS subscriber on an active TV plan with a recurring revenue-generating fixed unit subscription for video services from a TELUS TV platform (e.g. Optik TV and Pik TV).

¹⁶ **Residential voice subscriber** means a TELUS subscriber on an active phone plan with a recurring revenue-generating fixed unit that is connected to the TELUS network and provides voice service.

¹⁷ **Security subscriber** means a TELUS subscriber on an active security plan with a recurring revenue-generating fixed unit that is connected to the TELUS security and automation platform.

¹⁸ **Healthcare lives covered** means the number of users (primary members and their dependents) enrolled in various health programs supported by TELUS Health services (e.g. virtual care, health benefits management, preventative care and personal health security).

¹⁹ **Virtual care member** means primary enrolment to receive services on an active TELUS Health virtual care plan.

²⁰ **Digital health transactions** mean the total number of health claims, dental claims, consultations or other paid transactions facilitated by TELUS Health services.

²¹ **Adjusted EBITDA margin** is a non-GAAP ratio that does not have any standardized meaning prescribed by IFRS-IASB and therefore is unlikely to be comparable to similar measures presented by other issuers. We report EBITDA margin and Adjusted EBITDA margin for our TTech and DLCX segments as these are key measures used to evaluate performance at the operating segment level.

Please refer to the Q1 2022 Management's Discussion & Analysis Section 11.1 for the composition of this measure and explanation of how these measures provide useful information to investors and for which purposes management uses these measures. MD&A is made available on SEDAR (www.sedar.com).