

TELUS CORPORATION

Management's discussion and analysis

2025 Q1

Caution regarding forward-looking statements

The terms *TELUS*, *the Company*, *we*, *us* and *our* refer to TELUS Corporation and, where the context of the narrative permits or requires, its subsidiaries.

This document contains forward-looking statements about expected events and our financial and operating performance. Forward-looking statements include any statements that do not refer to historical facts. They include, but are not limited to, statements relating to our objectives and our strategies to achieve those objectives, our expectations regarding trends in the telecommunications industry (including demand for data and ongoing subscriber base growth), and our financing plans (including our multi-year dividend growth program). Forward-looking statements are typically identified by the words *assumption*, *goal*, *guidance*, *objective*, *outlook*, *strategy*, *target* and other similar expressions, or verbs such as *aim*, *anticipate*, *believe*, *could*, *expect*, *intend*, *may*, *plan*, *predict*, *seek*, *should*, *strive* and *will*. These statements are made pursuant to the “safe harbour” provisions of applicable securities laws in Canada and the United States *Private Securities Litigation Reform Act of 1995*.

By their nature, forward-looking statements are subject to inherent risks and uncertainties and are based on assumptions, including assumptions about future economic conditions and courses of action. These assumptions may ultimately prove to have been inaccurate and, as a result, our actual results or other events may differ materially from expectations expressed in, or implied by, the forward-looking statements.

These risks and the assumptions underlying our forward-looking statements are described in additional detail in *Section 9 General trends, outlook and assumptions, and regulatory developments and proceedings* and *Section 10 Risks and risk management* in our 2024 annual Management's discussion and analysis (MD&A). Those descriptions are incorporated by reference in this cautionary statement but are not intended to be a complete list of the risks that could affect the Company, or of our assumptions. Updates to the assumptions on which our 2025 outlook is based are presented in *Section 9 Update to general trends, outlook and assumptions, and regulatory developments and proceedings* in this MD&A.

Risks and uncertainties that could cause actual performance or other events to differ materially from the forward-looking statements made herein and in other TELUS filings include, but are not limited to, the following:

- **Regulatory matters.** *We operate in a number of highly regulated industries and are therefore subject to a wide variety of laws and regulations domestically and internationally. Policies and approaches advanced by elected officials and regulatory decisions, reviews and other government activity may have strategic, operational and/or financial impacts (including on revenue and free cash flow).*

Risks and uncertainties include:

- potential changes to our regulatory regime or the outcomes of proceedings, cases or inquiries relating to its application, including, but not limited to, those set out in *Section 9.1 Communications industry regulatory developments and proceedings* in this MD&A;
- our ability to comply with complex and changing regulation of the healthcare, virtual care and medical devices industries in the jurisdictions in which we operate, including as an operator of health clinics; and

- our ability to comply with, or facilitate our clients' compliance with, numerous, complex and sometimes conflicting legal regimes, both domestically and internationally.

- **Competitive environment.** *Competitor expansion, activity and intensity (pricing, including discounting, bundling), as well as non-traditional competition, disruptive technology and disintermediation, may alter the nature of the markets in which we compete and impact our market share and financial results (including revenue and free cash flow). TELUS Health, TELUS Digital and TELUS Agriculture & Consumer Goods also face intense competition in their respective different markets.*
- **Technology.** *Consumer adoption of alternative technologies and changing customer expectations have the potential to impact our revenue streams and customer churn rates.*

Risks and uncertainties include:

- disruptive technologies, including software-defined networks in the business market, that may displace or cause us to reprice our existing data services, and self-installed technology solutions;
 - any failure to innovate, maintain technological advantages or respond effectively and in a timely manner to changes in technology;
 - the roll-out, anticipated benefits and efficiencies, and ongoing evolution of wireless broadband technologies and systems;
 - our reliance on wireless network access agreements, which have facilitated our deployment of mobile technologies;
 - our expected long-term need to acquire additional spectrum through future spectrum auctions and from third parties to meet growing demand for data, and our ability to utilize spectrum we acquire;
 - deployment and operation of new fixed broadband network technologies at a reasonable cost and the availability and success of new products and services to be rolled out using such network technologies; and
 - our deployment of self-learning tools and automation, which may change the way we interact with customers.
- **Security and data protection.** *Our ability to detect and identify potential threats and vulnerabilities depends on the effectiveness of our security controls in protecting our infrastructure and operating environment, and our timeliness in responding to attacks and restoring business operations. A successful attack may impede the operations of our network or lead to the unauthorized access to, interception, destruction, use or dissemination of, customer, team member or business information.*
 - **Generative AI (GenAI).** *GenAI exposes us to numerous risks, including risks related to the operational reliability, responsible AI usage, data privacy and cybersecurity, and the possibility that our use of AI may generate inaccurate or inappropriate content or create negative perceptions among customers, and regulation could also affect future implementation that could affect demand for our services.*
 - **Climate and the environment.** *Natural disasters, pandemics, disruptive events and climate change may impact our operations, customer satisfaction and team member experience.*

Our goals to achieve carbon neutrality and reduce our greenhouse gas (GHG) emissions in our operations are subject to our ability to identify, procure and implement solutions that reduce energy consumption and adopt cleaner sources of energy, our ability to identify and make suitable investments in renewable energy, including in the form of virtual power purchase agreements, and our ability to continue to realize significant absolute reductions in energy use and the resulting GHG emissions from our operations.

- **Operational performance and business combination.** *Investments and acquisitions present opportunities to expand our operational scope, but may expose us to new risks. We may be unsuccessful in gaining market traction/share and realizing benefits, and integration efforts may divert resources from other priorities.*

Risks include:

- our reliance on third-party cloud-based computing services to deliver our IT services; and
- economic, political and other risks associated with doing business globally (including war and other geopolitical developments).

- **Our systems and processes.** *Systems and technology innovation, maintenance and management may impact our IT systems and network reliability, as well as our operating costs.*

Risks and uncertainties include:

- our ability to maintain customer service and operate our network in the event of human error or human-caused threats, such as cyberattacks and equipment failures that could cause network outages;
- technical disruptions and infrastructure breakdowns;
- delays and rising costs, including as a result of government restrictions or trade actions; and
- the completeness and effectiveness of business continuity and disaster recovery plans and responses.

- **Our team.** *The rapidly evolving and highly competitive nature of our markets and operating environment, along with the globalization and evolving demographic profile of our workforce, and the effectiveness of our internal training, development, succession and health and well-being programs, may impact our ability to attract, develop and retain team members with the skills required to meet the changing needs of our customers and our business. Team members may face greater mental health challenges associated with the significant change initiatives at the organization, which may result in the loss of key team members through short-term and long-term disability. Integration of international business acquisitions and concurrent integration activities may impact operational efficiency, organizational culture and engagement.*

- **Suppliers.** *We may be impacted by supply chain disruptions and lack of resiliency in relation to global or local events. Dependence on a single supplier for products, components, service delivery or support may impact our ability to efficiently meet constantly changing and rising customer expectations while maintaining quality of service. Our suppliers' ability to*

maintain and service their product lines could affect the success of upgrades to, and evolution of, technology that we offer.

- **Real estate matters.** *Real estate investments are exposed to possible financing risks and uncertainty related to future demand, occupancy and rental rates, especially following the pandemic. Future real estate developments may not be completed on budget or on time and may not obtain lease commitments as planned.*
- **Financing, debt and dividends.** *Our ability to access funding at optimal pricing may be impacted by general market conditions and changing assessments in the fixed-income and equity capital markets regarding our ability to generate sufficient future cash flow to service our debt. Our current intention to pay dividends to shareholders could constrain our ability to invest in our operations to support future growth.*

Risks and uncertainties include:

- our ability to use equity as a form of consideration in business acquisitions is impacted by stock market valuations of TELUS Common Shares and TELUS International (Cda) Inc. subordinate voting shares;
- our capital expenditure levels and potential outlays for spectrum licences in auctions or purchases from third parties affect and are affected by: our broadband initiatives; our ongoing deployment of newer mobile technologies; investments in network technology required to comply with laws and regulations relating to the security of cyber systems, including bans on the products and services of certain vendors; investments in network resiliency and reliability; the allocation of resources to acquisitions and future spectrum auctions held by Innovation, Science and Economic Development Canada (ISED). Our capital expenditure levels could be impacted if we do not achieve our targeted operational and financial results or if there are changes to our regulatory environment; and
- lower than planned free cash flow could constrain our ability to invest in operations, reduce leverage or return capital to shareholders. Quarterly dividend decisions are made by our Board of Directors based on our financial position and outlook. There can be no assurance that our dividend growth program will be maintained through 2025 or renewed.
- TELUS Digital's ability to achieve targets or other guidance regarding its business, which if not achieved could affect TELUS' ability to achieve targets for the organization as a whole and could result in a decline in the trading price of the TELUS International (Cda) Inc. subordinate voting shares or the TELUS Common Shares or both. Factors that may affect TELUS Digital's financial performance are described in TELUS International (Cda) Inc. public filings available on SEDAR+ and EDGAR.
- **Tax matters.** *Complexity of domestic and foreign tax laws, regulations and reporting requirements that apply to TELUS and our international operating subsidiaries may impact financial results. International acquisitions and expansion of operations heighten our exposure to multiple forms of taxation.*

- **The economy.** *Changing global economic conditions, including a potential recession and alternating expectations about inflation, as well as our effectiveness in monitoring and revising growth assumptions and contingency plans, may impact the achievement of our corporate objectives, our financial results (including free cash flow), and our defined benefit pension plans. Geopolitical uncertainties and potential tariffs or non-tariff trade actions present a risk of recession and may cause customers to reduce or delay discretionary spending, impacting new service purchases or volumes of use, and consider substitution by lower-priced alternatives.*
- **Litigation and legal matters.** *Complexity of, and compliance with, laws, regulations, commitments and expectations may have a financial and reputational impact.*

Risks include:

- our ability to defend against existing and potential claims or our ability to negotiate and exercise indemnity rights or other protections in respect of such claims; and
- the complexity of legal compliance in domestic and foreign jurisdictions, including compliance with competition, anti-bribery and foreign corrupt practices laws.

Additional risks and uncertainties that are not currently known to us or that we currently deem to be immaterial may also have a material adverse effect on our financial position, financial performance, cash flows, business or reputation.

Except as otherwise indicated in this document, the forward-looking statements made herein do not reflect the potential impact of any non-recurring or special items or any mergers, acquisitions, dispositions or other business combinations or transactions that may be announced or that may occur after the date of this document.

Readers are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements in this document describe our expectations, and are based on our assumptions, as at the date of this document and are subject to change after this date. We disclaim any intention or obligation to update or revise any forward-looking statements except as required by law.

This cautionary statement qualifies all of the forward-looking statements in this MD&A.

Management's discussion and analysis (MD&A)

May 9, 2025

Contents

Section	Page	Subsection
1. Introduction	6	1.1 Preparation of the MD&A
	6	1.2 The environment in which we operate
	8	1.3 Consolidated highlights
2. Core business and strategy		
3. Corporate priorities for 2025	11	
4. Capabilities	13	4.1 Principal markets addressed and competition
	13	4.2 Operational resources
	14	4.3 Liquidity and capital resources
	15	4.4 Changes in internal control over financial reporting
5. Discussion of operations	15	5.1 General
	16	5.2 Summary of consolidated quarterly results and trends
	17	5.3 Consolidated operations
	19	5.4 TELUS technology solutions segment
	23	5.5 TELUS health segment
	25	5.6 TELUS digital experience segment
6. Changes in financial position	28	
7. Liquidity and capital resources	29	7.1 Overview
	30	7.2 Cash provided by operating activities
	30	7.3 Cash used by investing activities
	31	7.4 Cash provided (used) by financing activities
	32	7.5 Liquidity and capital resource measures
	33	7.6 Credit facilities
	35	7.7 Short-term borrowings
	35	7.8 Credit ratings
	35	7.9 Financial instruments, commitments and contingent liabilities
	36	7.10 Outstanding share information
	36	7.11 Transactions between related parties
8. Accounting matters	36	8.1 Critical accounting estimates and judgments
	36	8.2 Accounting policy developments

Section	Page	Subsection
9. Update to general trends, outlook and assumptions, and regulatory developments and proceedings	36	9.1 Communications industry regulatory developments and proceedings
10. Risks and risk management	40	
11. Definitions and reconciliations	40	11.1 Non-GAAP and other specified financial measures
	45	11.2 Operating indicators

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1. Introduction

The forward-looking statements in this section, including, for example, estimates regarding economic growth, inflation, unemployment, housing starts and immigration, are qualified by the *Caution regarding forward-looking statements* at the beginning of this Management's discussion and analysis (MD&A).

1.1 Preparation of the MD&A

The following sections provide a discussion of our consolidated financial position and financial performance for the three-month period ended March 31, 2025, and should be read together with our March 31, 2025 condensed interim consolidated statements of income and other comprehensive income, statements of financial position, statements of changes in owners' equity and statements of cash flows, and the related notes (collectively referred to as the interim consolidated financial statements). The generally accepted accounting principles (GAAP) that we use are International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards), and Canadian GAAP. In this MD&A, the term IFRS Accounting Standards refers to these standards. In our discussion, we also use certain non-GAAP and other specified financial measures to evaluate our performance, monitor compliance with debt covenants and manage our capital structure. These measures are defined, qualified and reconciled with their nearest GAAP measures, as required by National Instrument 52-112, *Non-GAAP and Other Financial Measures Disclosure*, in *Section 11.1*. All currency amounts are stated in Canadian dollars, unless otherwise specified.

Additional information relating to the Company, including our Annual Information Form and other filings with securities commissions or similar regulatory authorities in Canada, is available on SEDAR+ ([sedarplus.com](https://www.sedarplus.com)). Our information filed with or furnished to the Securities and Exchange Commission in the United States, including Form 40-F, is available on EDGAR ([sec.gov](https://www.sec.gov)). Additional information about our TELUS International (Cda) Inc. subsidiary (d.b.a. TELUS Digital Experience), including a discussion of its business and results, can be found in its public filings available on SEDAR+ and EDGAR; the legal name of the company remains TELUS International (Cda) Inc.

Our disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management on a timely basis, so that appropriate decisions can be made regarding public disclosure. This MD&A and the interim consolidated financial statements were reviewed by our Audit Committee and authorized by our Board of Directors (Board) for issuance on May 9, 2025.

In this MD&A, unless otherwise indicated, results for the first quarter of 2025 (three-month period ended March 31, 2025) are compared with results for the first quarter of 2024 (three-month period ended March 31, 2024).

Effective January 1, 2025, our segmented reporting structure was retrospectively restated. This change arose from the modification of our internal and external reporting processes, systems and internal controls from the acquisition, and ongoing integration, of LifeWorks® and the evolution of information regularly reported to our chief operating decision maker for purposes of allocating capital resources and assessing performance. The currently reported TELUS health results were previously included with the TELUS technology solutions results. Comparative TELUS technology solutions segment results have been restated to conform with the reportable segments presented in the current period. See *Section 5.1 General* for additional details.

1.2 The environment in which we operate

The success of our business and the challenges we face can best be understood with reference to the environment in which we operate, including broader economic conditions that affect both TELUS and our customers, and the competitive nature of our business operations.

TELUS technology solutions segment (TTech)

Across TTech, we are leveraging our leading technology and our social purpose to enable remarkable human outcomes. Our long-standing commitment to put our customers first fuels every aspect of our business across the full range of our differentiated solutions spanning mobile, data, IP, voice, TV, entertainment, video, and security and automation, delivered over our reliable, expansive, award-winning networks. Leveraging data analytics and artificial intelligence (AI) to enhance our services has strengthened our leading position in customer service excellence and loyalty, reducing already-low rates of customer churn and demonstrating our commitment to provide Canadians with access to superior technology that connects all of us to the people, resources and information that matter most. We are also implementing innovative technology solutions to help feed the world, putting data to work for customers in the agriculture, food and consumer goods sectors. This efficient and effective collaboration helps ensure the quality and safety of food and consumer goods.

TELUS health segment (TELUS Health)

TELUS Health operates at the forefront of modern healthcare innovation, where technology is fundamentally transforming how people access and receive health services. We stand at the critical intersection of digital innovation and human care, bridging traditional healthcare settings with virtual well-being platforms to support the mental, physical and financial health of organizations and individuals all over the world. As a global technology leader, we connect and empower all participants in the health

ecosystem from healthcare providers, payors and employers, to patients and individuals. We achieve our objective of enabling people to live healthier lives by making health information and support services easily accessible through advanced technology and data-driven insights. Our comprehensive approach integrates primary and preventive care with ongoing wellness support. By revolutionizing healthcare delivery and enhancing well-being, we are improving health outcomes and helping consumers, patients, healthcare professionals, employers and employees thrive in today's digital world.

TELUS digital experience segment (TELUS Digital)

We are dedicated to crafting unique and enduring experiences for customers and employees, and creating future-focused digital transformations that deliver value for our clients. Our portfolio of end-to-end, integrated capabilities is structured around four key service lines: customer experience management (CXM), digital solutions, AI and data solutions, and trust, safety and security. In CXM, the market is experiencing significant transformation driven by the adoption of digital solutions, including the use of generative AI (GenAI). In digital solutions, we address the ongoing digital transformation needs of organizations seeking future-oriented strategies and next-generation technology integration. For example, through Fuel iX™, we

enable organizations to manage, monitor, and maintain GenAI across the enterprise, offering both standardized capabilities and custom application development tools for creating tailored enterprise solutions. The AI and data solutions market continues to expand, driven by investments in foundational model development and growing industry demand for AI-powered solutions. TELUS Digital supports this expansion by providing services in more than 50 languages across multiple areas of expertise. The trust, safety and security market is seeing growing demand due to the exponential amount of user-generated content, and increasingly GenAI-created content, requiring sophisticated digital risk management solutions. The competitive landscape is global, fragmented, and rapidly evolving.

Economic estimates

Our estimates regarding our economic and operational environment, including economic growth, inflation, unemployment, housing starts and immigration, serve as important inputs for the assumptions on which our targets are based. The extent of the impact these estimates will have on us, and the timing of that impact, will depend upon the actual future outcomes in specific sectors of the Canadian economy.

Economic growth (percentage points)			Inflation (percentage points)		Unemployment (percentage points)			Housing starts (thousands of units)			Immigration (thousands)		
Estimated gross domestic product (GDP) growth rates		Our estimated GDP growth rates ¹	Estimated inflation rates	Our estimated annual inflation rates ¹	Unemployment rates		Our estimated annual unemployment rates ¹	Seasonally adjusted annual rate of housing starts ²	Our estimated annual rate of housing starts on an unadjusted basis ¹	Overall planned permanent resident and temporary resident admissions ³			
					For the month of			For the month of					
2025	2025		2025	2025	March 2025 ⁴	March 2024 ⁴	2025	March 2025	March 2024	2025	2025	2026	2027
Canada	0.8 to 1.6 ⁵	1.2	1.8 to 2.0 ⁵	2.3	6.7	6.1	7.0	214	242	232	1,069	897	909
B.C.	1.8 ⁶	1.5	2.2 ⁶	2.4	6.1	5.5	6.1	31	61	41	n/a	n/a	n/a
Alberta	1.8 ⁶	2.0	2.6 ⁶	2.3	7.1	6.3	7.3	53	40	46	n/a	n/a	n/a
Ontario	1.7 ⁶	1.0	2.1 ⁶	2.2	7.5	6.7	7.8	39	72	68	n/a	n/a	n/a
Quebec	1.1 ⁶	0.9	2.4 ⁶	2.1	5.7	5.0	6.1	58	47	49	n/a	n/a	n/a

n/a – not applicable

1 Assumptions are as of April 28, 2025 and are based on a composite of estimates from Canadian banks and other sources.

2 Source: Statistics Canada. Table 34-10-0158-01 Canada Mortgage and Housing Corporation, housing starts, all areas, Canada and provinces, seasonally adjusted at annual rates, monthly (x 1,000).

3 Source: canada.ca/en/immigration-refugees-citizenship/news/notices/supplementary-immigration-levels-2025-2027.html.

4 Source: Statistics Canada Labour Force Survey, March 2025 and March 2024, respectively.

5 Source: Bank of Canada Monetary Policy Report, April 2025.

6 Source: British Columbia Ministry of Finance, Budget and fiscal plan, 2025/26 – 2027/28, March 4, 2025; Alberta Ministry of Treasury Board and Finance, Fiscal Plan 2025 – 28, February 27, 2025; Ontario Ministry of Finance, 2024 Ontario Economic Outlook and Fiscal Review, October 30, 2024; and Ministère des Finances du Québec, Budget 2025 – 2026, March 25, 2025, respectively.

1.3 Consolidated highlights

Long-term debt issues

Subsequent to March 31, 2025, we issued \$1.1 billion of fixed-to-fixed rate junior subordinated Series CAR notes initially bearing interest at 6.25% and due July 2055 and \$500 million of fixed-to-fixed rate junior subordinated Series CAS notes initially bearing interest at 6.75% and due July 2055. For purposes of calculating leverage ratios and determining compliance with covenants, only one-half of the principal is included as debt. See *Note 26(e)* of the interim consolidated financial statements for additional details. The net proceeds from this issuance were used for the repayment of outstanding indebtedness, including the repayment of commercial paper, the reduction of cash amounts outstanding under an arm's-length securitization trust, the repayment of TELUS revolving credit facility amounts outstanding, and for other general corporate purposes.

Business acquisition – subsequent to March 31, 2025

On May 1, 2025, we acquired 100% of Workplace Options for cash of approximately \$500 million (US\$350 million), net of assumed debt of approximately \$100 million (US\$70 million). We have also signed a non-binding term sheet for a synergistic third-party's future investment in this

acquisition of approximately \$285 million (US\$200 million), which is expected to be completed prior to June 30, 2025. Workplace Options is a global provider of integrated employee well-being solutions. The investment was made with a view to growing our employee and family assistance programs business and will be consolidated within our TELUS Health segment.

Multi-year dividend growth program

On May 9, 2025, we announced our intention to target ongoing semi-annual dividend increases, with the annual increase in the range of 3 to 8% from 2026 through to the end of 2028. This announcement further extends our dividend program originally announced in May 2011 and extended for four additional terms in each of May 2013, May 2016, May 2019 and May 2022. Dividend decisions will continue to be subject to our Board's assessment and the determination of our financial situation and outlook on a quarterly basis. There can be no assurance that we will maintain a dividend growth program through 2028. See *Section 4.3 Liquidity and capital resources*.

Consolidated highlights

Three-month periods ended March 31 (\$ millions, except footnotes and unless noted otherwise)	2025	2024	Change
Consolidated statements of income			
Operating revenues and other income	5,057	4,932	3%
Operating income	752	575	31%
Income before income taxes	408	181	n/m
Net income	301	140	n/m
Net income attributable to Common Shares	321	127	n/m
Adjusted Net income ¹	388	390	(1)%
Earnings per share (EPS) (\$)			
Basic EPS	0.21	0.09	n/m
Adjusted basic EPS ¹	0.26	0.26	—%
Diluted EPS	0.21	0.09	n/m
Dividends declared per Common Share (\$)	0.4023	0.3761	7%
Basic weighted-average Common Shares outstanding (millions)	1,514	1,476	3%

Three-month periods ended March 31 (\$ millions, except footnotes and unless noted otherwise)	2025	2024	Change
Consolidated statements of cash flows			
Cash provided by operating activities	1,077	950	13%
Cash used by investing activities	(602)	(992)	(39)%
Acquisitions	(11)	(89)	(88)%
Capital expenditures ²	(587)	(725)	(19)%
Cash provided (used) by financing activities	(330)	1,342	n/m
Other highlights			
Telecom subscriber connections ³ (thousands)	20,297	19,168	6%
Earnings before interest, income taxes, depreciation and amortization ¹ (EBITDA)	1,744	1,638	6%
EBITDA margin ¹ (%)	34.5	33.2	1.3 pts.
Restructuring and other costs	97	218	(56)%
Adjusted EBITDA ¹	1,841	1,856	(1)%
Adjusted EBITDA margin ¹ (%)	36.4	37.6	(1.2) pts.
Free cash flow ¹	488	399	22%
Net debt to EBITDA – excluding restructuring and other costs ¹ (times)	3.9	3.8	0.1

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

1 These are non-GAAP and other specified financial measures. See *Section 11.1 Non-GAAP and other specified financial measures*.

2 Capital expenditures include assets purchased, excluding right-of-use lease assets, but not yet paid for, and consequently differ from Cash payments for capital assets, excluding spectrum licences, as reported in the interim consolidated financial statements. Refer to *Note 31* of the interim consolidated financial statements for further information.

3 The sum of active mobile phone subscribers, connected device subscribers, internet subscribers, residential voice subscribers, TV subscribers, and security and automation subscribers, measured at the end of the respective periods based on information in billing and other source systems. Effective January 1, 2025, we adjusted our mobile phone subscriber base to remove 30,000 subscribers on a prospective basis, following an in-depth review of customer accounts. Effective January 1, 2025, we adjusted our internet subscriber base to remove 66,000 subscribers on a prospective basis, due to a review of our subscriber base.

Operating highlights

- **Consolidated Operating revenues and other income** increased by \$125 million in the first quarter of 2025.

Service revenues increased by \$114 million in the first quarter of 2025, reflecting: (i) mobile, residential internet, security and automation, and TV subscriber growth; (ii) growth across multiple lines of business in health services, reflecting both business acquisitions and organic growth; (iii) higher external revenues in TELUS Digital; and (iv) higher agriculture and consumer goods services revenues. These factors were partially offset by: (i) rate reductions in mobile network services; and (ii) declines in fixed legacy voice and TV services revenues.

Equipment revenues increased by \$38 million in the first quarter of 2025, primarily driven by an increase in mobile equipment revenues due to higher-value smartphones volume in the sales mix, partially offset by a modest reduction in contracted volumes.

Other income decreased by \$27 million in the first quarter of 2025, largely due to lower net reversals of provisions related to business combinations and lower gains on real estate projects. These factors were partially offset by higher net gains from the divestiture of non-core assets as planned.

For additional details on Operating revenues and other income, see *Section 5.4 TELUS technology solutions segment*, *Section 5.5 TELUS health segment* and *Section 5.6 TELUS digital experience segment*.

- **Operating income** increased by \$177 million in the first quarter of 2025. (See *Section 5.3 Consolidated operations* for additional details.)

EBITDA increased by \$106 million in the first quarter of 2025. EBITDA also included a reduction of \$121 million in restructuring and other costs in the first quarter of 2025, related to prior year investments in cost efficiency and effectiveness programs, including real estate rationalization.

Adjusted EBITDA, which excludes restructuring and other costs, decreased by \$15 million in the first quarter of 2025. This decline reflects varied results across our reportable segments. TELUS Digital Adjusted EBITDA decreased by 38%, primarily due to lower net reversals of provisions related to business combinations and higher investments in corporate initiatives. These initiatives included the expansion of its commercial sales team and operational effectiveness programs. TTech, however, saw a 3% growth in Adjusted EBITDA. This growth was driven by several factors: (i) cost reduction efforts, including workforce reductions and increased leveraging of TELUS Digital resulting in competitive benefits given the lower cost structure in TELUS Digital, as well as savings in administrative and marketing costs; (ii) mobile, residential internet, security and automation, and TV subscriber growth; (iii) higher net gains from the divestiture of non-core assets as planned; (iv) higher agriculture and consumer goods margins; and (v) higher Other income. These factors were partially offset by: (i) lower mobile ARPU; (ii) lower mobile equipment margins; (iii) an increase in bad debt expense; (iv) declining fixed legacy voice and TV margins; (v) higher network operations costs; and (vi) increased costs of subscription-based licenses and cloud usage. Lastly, TELUS Health experienced a 30% increase in Adjusted EBITDA driven by organic growth across multiple revenue streams. (See *Section 5.3 Consolidated operations* for additional details.)

- **Income before income taxes** increased by \$227 million in the first quarter of 2025, reflecting growth in Operating income and lower Financing costs. The decrease in Financing costs largely reflected the impact of the change in accounting policy which prospectively applies hedge accounting to the unrealized changes in virtual power purchase agreements (VPPA) forward element. (See *Financing costs* in *Section 5.3*.)
- **Income tax** expense increased by \$66 million in the first quarter of 2025. The effective income tax rate increased from 22.9% to 26.2% in the first quarter of 2025, largely as a result of lower non-taxable amounts and an increased portion of income earned in jurisdictions with higher statutory income tax rates.
- **Net income attributable to Common Shares** increased by \$194 million in the first quarter of 2025, reflecting the after-tax impacts of growth in Operating income and a decrease in Financing costs.

Adjusted Net income excludes the effects of restructuring and other costs, income tax-related adjustments, real estate rationalization-related restructuring impairments, and VPPAs when accounted for as held for trading (see *Section 5.3*). Adjusted Net income decreased by \$2 million in the first quarter of 2025.

- **Basic EPS** increased by \$0.12 in the first quarter of 2025, reflecting the after-tax impacts of growth in Operating income and a decrease in Financing costs, as well as the effect of a higher number of Common Shares outstanding.

Adjusted basic EPS excludes the effects of restructuring and other costs, income tax-related adjustments, real estate rationalization-related restructuring impairments and VPPAs when accounted for as held for trading (see *Section 5.3*). Adjusted basic EPS was unchanged in the first quarter of 2025.

- **Dividends declared per Common Share** were \$0.4023 in the first quarter of 2025, an increase of 7% from one year earlier. On May 8, 2025, the Board declared a second quarter dividend of \$0.4163 per share on our issued and outstanding Common Shares, payable on July 2, 2025, to shareholders of record at the close of business on June 10, 2025. The second quarter dividend increased by \$0.0272 per share or 7% from the dividend of \$0.3891 per share declared one year earlier, consistent with our multi-year dividend growth program described in *Section 4.3 Liquidity and capital resources*.
- During the 12-month period ended on March 31, 2025, our total **telecom subscriber connections** increased by 1,129,000 or 6%. This reflected growth of 3% in mobile phone subscribers, 21% in connected device subscribers, 5% in internet subscribers excluding the first quarter 2025 internet subscriber base adjustment, 8% in TV subscribers, and 5% in security and automation subscribers, partially offset by a decline of 4% in residential voice subscribers. (See *Section 5.4 TELUS technology solutions segment* for additional details.)

Liquidity and capital resource highlights

- **Cash provided by operating activities** increased by \$127 million in the first quarter of 2025, primarily driven by EBITDA growth and other working capital changes, partially offset by increased income taxes paid and increased interest paid. (See *Section 7.2 Cash provided by operating activities*.)
- **Cash used by investing activities** decreased by \$390 million in the first quarter of 2025, largely attributable to lower cash payments for capital assets, lower cash payments for spectrum licences and lower cash payments for business acquisitions. (See *Section 7.3 Cash used by investing activities*.)
- **Cash used by financing activities** increased by \$1,672 million in the first quarter of 2025, primarily reflecting greater redemptions and repayment of long-term debt and lower issuances of long-term debt. (See *Section 7.4 Cash provided (used) by financing activities*.)

- **Net debt to EBITDA – excluding restructuring and other costs** ratio was 3.9 times at March 31, 2025, up from 3.8 times at March 31, 2024. Of the increase in the ratio, approximately 0.2 is the effect of the increase in net debt levels, primarily due to spectrum acquisitions and business acquisitions, which exceeded the effect of growth in EBITDA – excluding restructuring and other costs (TTech EBITDA growth decreased the ratio by approximately 0.1; TELUS Digital EBITDA decline increased the ratio by approximately 0.1); net debt levels were already elevated in the current and comparative periods due to our spectrum acquisitions and business acquisitions. As at March 31, 2025, the acquisition of spectrum licences increased the ratio by approximately 0.6. (See *Section 4.3 Liquidity and capital resources* and *Section 7.5 Liquidity and capital resource measures*.)
- **Free cash flow** increased by \$89 million in the first quarter of 2025, reflecting lower capital expenditures and higher EBITDA. These factors were partially offset by increased income taxes paid and increased interest paid. Our definition of free cash flow, for which there is no industry alignment, is unaffected by accounting standards that do not impact cash.

2. Core business and strategy

Our core business and our strategic imperatives were described in our 2024 annual MD&A.

3. Corporate priorities for 2025

Our annual corporate priorities are used to advance our long-term strategic imperatives and address near-term opportunities and challenges. The following table provides a discussion of activities and initiatives that relate to our 2025 corporate priorities.

<p>Elevating our customers, communities and social purpose by honouring our brand promise, Let’s make the future friendly™</p> <ul style="list-style-type: none">• During the first quarter of 2025 and throughout the year, we are celebrating our 25th brand anniversary and our legacy of giving back. For a quarter-century, TELUS, our team members and retirees have contributed \$1.8 billion in cash, in-kind contributions, time and programs, including 2.4 million days of volunteerism, to communities worldwide.• Throughout the first quarter of 2025, we continued to leverage our TELUS Connecting for Good® programs to support marginalized individuals by enhancing their access to both technology and healthcare, as well as our TELUS Wise® program to improve digital literacy and online safety knowledge. Since the
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<p>launch of these programs, they have provided support for 1.4 million Canadians.</p> <ul style="list-style-type: none">• During the quarter, we welcomed more than 3,500 new households to our Internet for Good® program. Since we launched the program in 2016, we have connected 67,000 households, making low-cost high-speed internet available to over 210,000 low-income seniors and members of low-income families, persons with disabilities, government-assisted refugees and youth leaving foster care.• Our Mobility for Good® program offers free or low-cost smartphones and mobility plans to youth aging out of foster care, low-income seniors and families, across Canada, as well as government-assisted refugees and Indigenous women at risk of, or experiencing violence. During the first three months of 2025, we added 2,200 marginalized individuals to the program. Since we launched Mobility for Good in 2017, the program has provided support for 64,000 people.• Through TELUS Health for Good®, we are removing healthcare barriers for low-income and marginalized Canadians, facilitating nearly 20,000 patient visits and counselling sessions over the quarter. Since the program launched in 2014, our mobile health clinics have delivered over 278,000 primary care and outreach visits across 27 Canadian communities, and we have provided 2,500 free counselling sessions through TELUS Health MyCare™.• During the quarter, our Tech for Good program provided access to personalized assessments, recommendations and training on mobile devices, computers, laptops and related assistive technology and/or access to discounted mobile plans for 1,300 Canadians living with disabilities, enabling them to make improvements in their quality of life and independence. Since its inception in 2017, we have provided support for 14,000 individuals in Canada who are living with disabilities, through the program and/or the TELUS Wireless Accessibility Discount.• During the first three months of 2025, close to 40,000 individuals in Canada and around the world participated in virtual TELUS Wise workshops and events to improve their digital literacy and online safety knowledge, bringing the total cumulative number of participants to 840,000 since the program launched in 2013.• Currently, we have 19 TELUS Community Boards, 13 operating in Canada and six internationally. Our Community Boards entrust local leaders to make recommendations on the allocation of grants in their communities. These grants support registered charities that offer health, education or technology programs to help youth. Since 2005, our 19 TELUS Community Boards and the TELUS Friendly Future Foundation® (the Foundation) have supported more than 35 million youth in need across Canada and around the world, by granting over \$138 million in cash donations to 10,800 charitable initiatives.• Working in close partnership with the 13 TELUS Community Boards in Canada, the Foundation distributes grants to charities that promote education, health and well-being for youth across the country. In addition, through the TELUS Student Bursary program, the Foundation provides bursaries for post-secondary students who face financial barriers and are committed to making a difference in their communities. During the first quarter of 2025, the Foundation provided support to 665,000 youth by granting \$3 million in cash donations and bursaries to more than 200 Canadian registered charities, community partners and projects. Since

its inception in 2018, the Foundation has directed more than \$60 million in cash donations to our communities and in bursary grants, helping over 17 million youth reach their full potential. For more information about the TELUS Student Bursary program, please visit friendlyfuture.com/bursary.

- Throughout the first quarter of 2025, we maintained our global leadership in sustainability, in line with our commitment to support a nature-positive future. Key milestones over the past quarter included:
 - Reaching a key milestone of 20 million trees planted across 13,300 hectares of land over the last 25 years.
 - Expanding the reach of our TELUS SmartEnergy service to the province of Quebec in February. Now available across Canada, this solution enables customers to save money on their energy bills and reduce their environmental footprint.
 - Ranking in the Corporate Knights 2025 Global 100 Most Sustainable Corporations in the World (January 2025) for the 13th time since its introduction in 2005.
 - Launching our 2024 Sustainability and ESG report in April 2025.
- In January 2025, Brand Finance valued our brand at US\$9.0 billion, up 4.6% year-over-year, in its *Global 500 2025 Ranking*. This ranks us as the most valuable telecom brand in Canada, the eighth most valuable Canadian brand overall and the 15th most valuable telecom brand in the world.

Leveraging TELUS' world-leading technology and AI innovation to drive superior growth across mobile, home and business services

- In January 2025, we announced a partnership with Movius, a leading global provider of secure communications software. This collaboration introduces TELUS Unified MultiLine, an advanced secure communications solution that enables employees to utilize a dedicated business identity across various communications platforms from any device, anywhere. Organizations can manage communications for compliance and corporate controls as they can access a complete archivable record of all customer communications. Also, organizations can benefit from improved employee productivity through streamlined communication channels.
- In February 2025, we began a 10-year partnership with the Calgary Airport Authority to transform YYC Calgary International Airport into Canada's first airport equipped with a high-performance 5G private wireless network. This deployment will create a leading wireless foundation, enhancing the passenger experience and streamlining airport operations while preparing for future technological innovations.
- In March 2025, we showcased our SmartHome+ solution at Mobile World Congress. SmartHome+ is the world's first device agnostic smart home platform that enables end users to leverage new and existing IoT devices, along with the latest in AI and machine learning to create truly smart homes. In collaboration with Amazon Web Service (AWS), SmartHome+ enables communication service providers across the globe to build smart home products and services with seamless device integration and valuable customer experiences.
- In March 2025, in collaboration with NVIDIA, we announced our plans to build a Sovereign AI Factory – a powerful and secure facility that will give Canadian businesses and researchers access to cutting-edge technology – helping them

develop smarter AI products, streamline operations and stay competitive. This collaboration will provide supercomputers and software needed to train AI while keeping data safe within Canada's borders.

Scaling our innovative digital capabilities in TELUS Health and TELUS Agriculture & Consumer Goods to build assets of consequence

TELUS Health

- In the first quarter of 2025, TELUS Health expanded our clinical services providing essential health screening and diagnostic services to women in B.C., supporting our focus on preventive care and healthcare innovation.

TELUS Agriculture & Consumer Goods

- In the first quarter of 2025, TELUS Agriculture and Consumer Goods made material advancements in integrating acquired assets and exceeded integration targets for Proagrica®. Additionally, we launched a single customer service platform and introduced a 24/7 global support desk to enhance our global customer service experience.
- Notable growth in bookings continued throughout the first quarter of 2025, leading to a substantial year-over-year increase across all lines of business within TELUS Agriculture & Consumer Goods.

Scaling our innovative digital capabilities in TELUS Digital to build an asset of consequence

- In February, TELUS Digital partnered with Sumsb to enhance remote employee verification and onboarding processes for our global workforce. This partnership provides a digital tool stack across different phases of the employee lifecycle, from recruitment to onboarding. The solution also includes features for routine logins throughout the workday, with an additional layer of security designed to protect our clients' interests.
- In February, TELUS Digital won a High Performance Partner of the Year award at the Five9 2024 Global Partner Awards. This award honours partners that consistently operate at an exceptional level within their region or area of expertise, demonstrating outstanding results and setting benchmarks for success.
- In February, TELUS Digital was recognized by IAOP by being named on the Global Outsourcing 100 list for the ninth consecutive year. This list reflects the best outsourcing providers across size and growth, customer references, awards and certifications, programs for innovation and corporate social responsibility.
- On March 18, 2025, TELUS Digital expanded its global AI research footprint with the launch of the TELUS Digital Research Hub at the University of Sao Paulo in Brazil. Through TELUS Digital's US\$1 million investment over three years, the state-of-the-art facility will serve as a collaborative research space, attracting global AI research talent to drive advancements in AI-fuelled CX.
- In March, TELUS Digital was named as a Finalist for the Artificial Intelligence Excellence Award by Business Intelligence Group for its asynchronous messaging solution. This award recognizes organizations leveraging AI technology to solve real-world problems.

4. Capabilities

The forward-looking statements in this section, including statements regarding our dividend growth program and our financial objectives in *Section 4.3*, are qualified by the *Caution regarding forward-looking statements* at the beginning of this MD&A.

4.1 Principal markets addressed and competition

For a discussion of our principal markets and an overview of competition, refer to *Section 4.1* in our 2024 annual MD&A.

4.2 Operational resources

TELUS technology solutions (TTech)

From mid-2013 through March 31, 2025, we invested approximately \$8.2 billion to acquire wireless spectrum licences in spectrum auctions and other private transactions. These investments have more than doubled our national spectrum holdings in support of our top priority to put customers first.

Mobile data consumption has been increasing rapidly and is expected to continue growing at a fast rate as the industry continues to transition to 5G. We have responded by investing in the coverage, capacity, performance and reliability of our network to ensure we are able to support additional data consumption and growth in our mobile subscriber base in a geographically diverse country, while maintaining the high quality of our network. This includes investments in wireless small cells connected directly to our TELUS PureFibre® technology to improve coverage and capacity utilized in our 5G network.

As at March 31, 2025, our 4G LTE technology covered 99% of Canada's population, consistent with March 31, 2024. We have continued to invest in the roll-out of our LTE advanced technology, which covered approximately 96% of Canada's population at March 31, 2025, up from over 95% one year earlier. Furthermore, our 5G network covered over 87% of Canada's population at March 31, 2025, up from approximately 86% at March 31, 2024.

We are continuing to invest in urban and rural communities across B.C., Alberta and Eastern Quebec with commitments to deliver broadband technology capabilities to as many Canadians in these communities as possible, including expanding our PureFibre footprint by connecting more homes and businesses directly to PureFibre. In addition, we have increased broadband internet speeds, expanded our IP TV video-on-demand library and high-definition content, including 4K TV and 4K HDR capabilities, and enhanced the marketing of data products and bundles. This has resulted in improved churn rates. Our PureFibre technology is also an essential component of our wireless access technology and has enabled our 5G

deployment. Our home and business security and automation solutions integrate safety and security monitoring with smart devices.

As at March 31, 2025, approximately 3.5 million households and businesses in B.C., Alberta and Eastern Quebec were connected to fibre-optic cable. This is up from more than 3.2 million households and businesses in the first quarter of 2024.

Our agriculture and consumer goods solutions include agronomy record-keeping and recommendations, rebate management services, supplier management, order management, index labelling, compliance management, animal agriculture solutions, food traceability and quality assurance, data management solutions and software solutions for trade promotion management, optimization and analytics (TPx), retail execution, supply chain solutions and analytics capabilities.

TELUS health (TELUS Health)

TELUS Health leverages the power of technology and passion of our team members to support the mental, physical and financial health and well-being of organizations and individuals around the globe. Our core areas of focus in the global healthcare marketplace are: employers (small, medium and large enterprise), payors (insurers, third-party payors and third-party administrators, and public sector), providers (clinics and physicians, pharmacists and allied health professionals) and consumer solutions. We offer a variety of integrated health and well-being products, solutions and services including: employee and family assistance programs (EFAP), cognitive behavioural therapy (CBT), absence and disability management, executive, preventive and occupational health services, corporate reward, recognition and perks programs, and training programs; pension and benefits administration solutions, and retirement and financial consulting; virtual care (encompassing comprehensive primary care, mental health support, wellness offerings, and pet care); virtual pharmacy, and pharmacy management systems (providing remote patient monitoring, personal emergency response and medication management services); personal health records and electronic medical records (EMR) management; claims management solutions; and curation of health content.

TELUS digital experience (TELUS Digital)

TELUS Digital provides digitally enabled customer experience solutions and creates future-focused digital transformations that can withstand disruption and deliver value for our clients. Our end-to-end capabilities address multiple client needs, including digital customer experience management and the digital transformation of IT and customer experience systems, as well as new and emerging client needs, such as digital trust, safety and security, AI data services and generative AI solutions in customer experience.

Over the years, we have grown through organic investments and acquisitions to serve our global clients, including the expansion of our delivery model in multiple regions, including Asia-Pacific, Europe, North

America and Central America, and developed a broader set of digital capabilities.

Our delivery locations are strategically selected based on factors, such as access to: diverse, skilled talent; proximity to clients; and ability to deliver our services over multiple time zones and in multiple languages. They are connected through a robust infrastructure backed by cloud technologies, enabling globally distributed and virtualized teams.

4.3 Liquidity and capital resources

Capital structure financial policies

Our objective when managing financial capital is to maintain a flexible capital structure that optimizes the cost and availability of capital at acceptable risk. In our definition of financial capital, we include:

- Common equity (excluding Accumulated other comprehensive income);
- Non-controlling interests;
- Long-term debt (including long-term credit facilities, commercial paper backstopped by 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);
- Cash and temporary investments;
- Short-term borrowings (including those arising from securitized trade receivables and unbilled customer finance receivables); and
- Other long-term debt.

We manage our financial 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 financial capital structure, we may:

- Adjust the amount of dividends paid to holders of Common Shares;
- Purchase Common Shares for cancellation pursuant to normal course issuer bid programs;
- Issue new shares (including Common Shares and TELUS International (Cda) Inc. subordinate voting shares);
- Issue new debt, issue new debt to replace existing debt with different characteristics; and/or
- Increase or decrease the amount of short-term borrowings arising from securitized trade receivables and unbilled customer finance receivables.

We monitor financial capital utilizing a number of measures, including net debt to EBITDA – excluding restructuring and other costs ratio, coverage ratios and dividend payout ratios. (See definitions in *Section 11.1 Non-GAAP and other specified financial measures*.)

Financing and capital structure management plans

Report on financing and capital structure management plans

Pay dividends to the holders of the Common Shares of TELUS Corporation under our multi-year dividend growth program

- On May 9, 2025, we announced our intention to target ongoing semi-annual dividend increases, with the annual increase in the range of 3 to 8% from 2026 through to the end of 2028, thereby extending the policy first announced in May 2011. Notwithstanding this target, dividend decisions will continue to be subject to our Board's assessment and the determination of our financial position and outlook on a quarterly basis. Our long-term Common Share dividend payout ratio guideline is 60 to 75% of free cash flow on a prospective basis. (See *Section 7.5 Liquidity and capital resource measures*.) There can be no assurance that we will maintain a dividend growth program or that it will be unchanged through 2028. (See *Caution regarding forward-looking statements – Financing, debt and dividends* and *Section 10.15 Financing, debt and dividends* in our 2024 annual MD&A.)
- On May 8, 2025, the Board elected to declare a second quarter dividend of \$0.4163 per share, payable on July 2, 2025, to shareholders of record at the close of business on June 10, 2025. The second quarter dividend for 2025 reflects a cumulative increase of \$0.0272 per share or 7% from the \$0.3891 per share dividend declared one year earlier.
- Our dividend reinvestment and share purchase (DRISP) plan trustee acquired shares from Treasury for the DRISP plan, rather than acquiring Common Shares in the stock market. We may, at our discretion, offer Common Shares at a discount of up to 5% from the market price under the DRISP plan. Effective with the dividends paid beginning on October 1, 2019, we offered Common Shares from Treasury at a discount of 2%. During the first quarter of 2025, our DRISP plan trustee acquired from Treasury approximately 10 million dividend reinvestment Common Shares for \$203 million. The DRISP participation rate for these dividends, calculated as the DRISP investment of \$203 million (including the employee share purchase plan) as a percentage of gross dividends, was approximately 34%. The DRISP participation rate for the dividends paid on April 1, 2025, calculated as the DRISP investment of \$205 million (including the employee share purchase plan) as a percentage of gross dividends, was approximately 34%.

Use proceeds from securitized receivables (Short-term borrowings), bank facilities and commercial paper as needed, to supplement free cash flow and meet other cash requirements

- Our issued and outstanding commercial paper was \$2.1 billion at March 31, 2025, all of which was denominated in U.S. dollars (US\$1.5 billion), compared to \$1.4 billion (US\$1.0 billion) at December 31, 2024, and \$1.2 billion (US\$0.9 billion) at March 31, 2024.
- Net draws due to a syndicate of financial institutions (excluding TELUS Corporation's participation) on the TELUS International (Cda) Inc. credit facility were US\$1.2 billion at March 31, 2025, compared to US\$1.2 billion at December 31, 2024, and US\$1.3 billion at March 31, 2024. The TELUS International (Cda) Inc. credit facility is non-recourse to TELUS Corporation.
- Proceeds from securitized trade receivables and unbilled customer finance

receivables were \$1.3 billion at March 31, 2025 and \$0.9 billion at December 31, 2024 under the current agreement, compared to \$0.1 billion at March 31, 2024 under the previous securitization agreement (see *Section 7.7*). Funding under the current agreement may be provided in either Canadian dollars or U.S. dollars. Foreign currency forward contracts are used to manage currency risk associated with funding denominated in U.S. dollars.

Maintain compliance with financial objectives

- Maintain investment-grade credit ratings – On May 9, 2025, investment-grade credit ratings from all rating agencies that cover TELUS were in the desired range. (See *Section 7.8 Credit ratings*.)
- Net debt to EBITDA – excluding restructuring and other costs ratio of 2.2 to 2.7 times – As measured at March 31, 2025, this ratio was 3.9 times, outside of the objective range, primarily due to the acquisition of spectrum licences (as spectrum is our largest indefinite-life asset) and business acquisitions. Given the cash demands of the 600 MHz auction held in 2019, the 3500 MHz auction held in 2021, the 3800 MHz auction held in 2023 (paid in fiscal 2024) and the upcoming auction for millimetre wave spectrum, the assessment of the guideline and timing of return to the objective range remains to be determined; however, it is our intent to return to a ratio of circa 2.7 in the medium term (following the spectrum auctions in 2021 and 2023, and the upcoming auction for millimetre wave spectrum), consistent with our long-term strategy. We have an objective of achieving a ratio of circa 3.0 in 2027. (See *Section 7.5 Liquidity and capital resource measures*.)
- Common Share dividend payout ratio of 60 to 75% of free cash flow on a prospective basis – Our objective range is on a prospective basis. The Common Share dividend payout ratio¹ we present in this MD&A is a historical measure utilizing the dividends declared in the most recent four quarters, net of dividend reinvestment plan effects, and free cash flow, and is presented on a retrospective basis for illustrative purposes in evaluating our objective range. As at March 31, 2025, the ratio was 76%, outside of the objective range. We estimate the ratio will be within the objective range on a prospective basis. (See *Section 7.5 Liquidity and capital resource measures*.)
- Generally maintain a minimum of \$1 billion in available liquidity – As at March 31, 2025, our available liquidity¹ was over \$1.9 billion. (See *Section 7.6 Credit facilities and Liquidity risk in Section 7.9*.)

¹ These are non-GAAP and other specified financial measures. See *Section 11.1 Non-GAAP and other specified financial measures*.

4.4 Changes in internal control over financial reporting

For the three-month period ended March 31, 2025, 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.

5. Discussion of operations

This section contains forward-looking statements, including those with respect to mobile phone average revenue per subscriber per month (ARPU) growth, products and services trends regarding loading and retention spending, equipment margins, subscriber growth and various future trends. There can be no assurance that we have accurately identified these trends based on past results or that these trends will continue. See *Caution regarding forward-looking statements* at the beginning of this MD&A.

5.1 General

Operating segments are components of an entity that engage in business activities from which they earn revenues and incur expenses (including revenues and expenses related to transactions with the other component(s)), the operations of which can be clearly distinguished and for which the operating results, and in particular, Adjusted EBITDA, are regularly reviewed by a chief operating decision-maker to make resource allocation decisions and to assess performance. Segmented information in *Note 5* of the interim consolidated financial statements is regularly reported to our Chief Executive Officer (CEO) (our chief operating decision-maker).

The TELUS technology solutions segment (TTech) includes: network revenues and equipment sales arising from mobile technologies; data revenues (which include internet protocol; television; hosting, managed information technology and cloud-based services; and home and business security and automation); agriculture and consumer goods services (software, data management and data analytics-driven smart-food chain and consumer goods technologies); voice and other telecommunications services revenues; and equipment sales.

We embarked upon the modification of our internal and external reporting processes, systems and internal controls arising from the acquisition, and ongoing integration, of LifeWorks; commencing with the three-month period ended March 31, 2025, we have transitioned to our new segmented reporting structure and have restated comparative amounts on a comparable basis. The TELUS health segment (TELUS Health), the results of which were included in TELUS technology solutions' results in the comparative periods, includes: healthcare services, software and technology solutions (including employee and family assistance programs and benefits administration).

The TELUS digital experience segment (TELUS Digital), which has the U.S. dollar as its primary functional currency, includes key service lines provided by our TELUS International (Cda) Inc. subsidiary: customer experience management; digital solutions; AI and data solutions; and trust, safety and security.

5.2 Summary of consolidated quarterly results and trends

Summary of quarterly results

(\$ millions, except per share amounts)	2025 Q1	2024 Q4	2024 Q3	2024 Q2	2024 Q1	2023 Q4	2023 Q3	2023 Q2
Operating revenues and other income	5,057	5,381	5,099	4,974	4,932	5,198	5,008	4,946
Operating expenses								
Goods and services purchased ¹	1,847	2,136	1,868	1,825	1,810	2,086	1,858	1,790
Employee benefits expense ¹	1,466	1,475	1,475	1,473	1,484	1,407	1,633	1,568
Depreciation and amortization	992	1,011	968	994	1,063	1,041	1,000	1,006
Total operating expenses	4,305	4,622	4,311	4,292	4,357	4,534	4,491	4,364
Operating income	752	759	788	682	575	664	517	582
Financing costs	344	321	479	382	394	278	352	323
Income before income taxes	408	438	309	300	181	386	165	259
Income taxes	107	118	52	79	41	76	28	63
Net income	301	320	257	221	140	310	137	196
Net income attributable to Common Shares	321	358	280	228	127	288	136	200
Net income per Common Share:								
Basic EPS	0.21	0.24	0.19	0.15	0.09	0.20	0.09	0.14
Adjusted basic EPS ²	0.26	0.25	0.28	0.25	0.26	0.24	0.25	0.19
Diluted EPS	0.21	0.24	0.19	0.15	0.09	0.20	0.09	0.14
Dividends declared per Common Share	0.4023	0.4023	0.3891	0.3891	0.3761	0.3761	0.3636	0.3636
Additional information:								
EBITDA	1,744	1,770	1,756	1,676	1,638	1,705	1,517	1,588
Restructuring and other costs	97	68	86	121	218	142	303	115
Adjusted EBITDA	1,841	1,838	1,842	1,797	1,856	1,847	1,820	1,703
Cash provided by operating activities	1,077	1,077	1,432	1,388	950	1,314	1,307	1,117
Free cash flow	488	534	568	481	399	595	359	279

1 Goods and services purchased and Employee benefits expense amounts include restructuring and other costs.

2 See Section 11.1 Non-GAAP and other specified financial measures.

Trends

For further discussion of trends related to revenues, EBITDA and Adjusted EBITDA, see Section 5.4 TELUS technology solutions segment, Section 5.5 TELUS health segment and Section 5.6 TELUS digital experience segment.

The trend of year-over-year decreases in Depreciation and amortization reflects lower real estate rationalization and fewer asset retirements. Our expenditures have supported the expansion of our broadband footprint, including our generational investment to connect homes and businesses to TELUS PureFibre and 5G technology coverage, as well as successful internet, TV, and security and automation subscriber loading. Investments in our PureFibre technology also support our technology strategy to improve network coverage and capacity, including the ongoing build-out of our 5G network.

The trend of general year-over-year increases in Financing costs reflects greater long-term debt outstanding and increases in effective interest rates attributable to both floating-rate debt and recent fixed-rate issuances, primarily associated with our investments in spectrum licences and PureFibre technology, as well as business acquisitions. Financing costs are net of capitalized interest related to spectrum licences acquired during the 3500 MHz spectrum auction held in 2021 and during the 3800 MHz spectrum auction held in 2023 (paid in fiscal 2024). Financing costs also include Interest accretion on provisions (asset retirement obligations and written put options) and Employee defined benefit plans net interest. Additionally, for the eight periods shown, Financing costs include varying amounts of foreign exchange gains or losses, varying amounts of interest income and unrealized changes in VPPA forward element, which contributed to income up to the third quarter of 2022 and to losses up to the fourth quarter of 2024. Effective for the first quarter of 2025, arising from a

prospective change in accounting policy (see *Note 2(a)* of the interim consolidated financial statements), fair value adjustments for VPPAs, which were previously included within Financing costs, are now included within Other comprehensive income.

5.3 Consolidated operations

The following is a discussion of our consolidated financial performance. Segment information in *Note 5* of the interim consolidated financial statements is regularly reported to our CEO. We discuss the performance of our segments in *Section 5.4 TELUS technology solutions segment*, *Section 5.5 TELUS health segment* and *Section 5.6 TELUS digital experience segment*.

Operating revenues

Three-month periods ended March 31 (\$ in millions)	2025	2024	Change
Operating revenues			
Service	4,443	4,329	3%
Equipment	575	537	7%
Operating revenues (arising from contracts with customers)	5,018	4,866	3%
Other income	39	66	(41)%
Operating revenues and other income	5,057	4,932	3%

Consolidated Operating revenues and other income increased by \$125 million in the first quarter of 2025.

- **Service revenues** increased by \$114 million in the first quarter of 2025, largely as a result of: (i) mobile, residential internet, security and automation, and TV subscriber growth; (ii) growth across multiple lines of business in health services, reflecting both business acquisitions and organic growth; (iii) higher external revenues in TELUS Digital inclusive of favourable foreign exchange rates; and (iv) higher agriculture and consumer goods services revenues, primarily attributable to business acquisitions, improved organic growth in consumer goods services and positive foreign exchange rates. These factors were partially offset by: (i) rate reductions in mobile network services; and (ii) declines in fixed legacy voice and TV services revenues due to technological substitution.
- **Equipment revenues** increased by \$38 million in the first quarter of 2025, primarily driven by an increase in mobile equipment revenues due to higher-value smartphones volume in the sales mix, partially offset by a modest reduction in contracted volumes.
- **Other income** decreased by \$27 million in the first quarter of 2025, largely due to lower net reversals of provisions related to business combinations and lower gains on real estate projects. These factors

were partially offset by higher net gains from the divestiture of non-core assets as planned.

Operating expenses

Three-month periods ended March 31 (\$ in millions)	2025	2024	Change
Goods and services purchased	1,847	1,810	2%
Employee benefits expense	1,466	1,484	(1)%
Depreciation	592	690	(14)%
Amortization of intangible assets	400	373	7%
Operating expenses	4,305	4,357	(1)%

Consolidated operating expenses decreased by \$52 million in the first quarter of 2025.

- **Depreciation** decreased by \$98 million in the first quarter of 2025, largely due to lower real estate rationalization and fewer asset retirements.
- **Amortization of intangible assets** increased by \$27 million in the first quarter of 2025, primarily driven by increased additions of software assets, amortization from new acquisitions, and unfavorable foreign exchange rates.

Operating income

Three-month periods ended March 31 (\$ in millions)	2025	2024	Change
TTech EBITDA ¹ (see <i>Section 5.4</i>)	1,570	1,416	11%
TELUS Health EBITDA ¹ (see <i>Section 5.5</i>)	67	35	90%
TELUS Digital EBITDA ¹ (see <i>Section 5.6</i>)	120	197	(39)%
Eliminations	(13)	(10)	30%
EBITDA	1,744	1,638	6%
Depreciation and amortization (discussed above)	(992)	(1,063)	(7)%
Operating income (consolidated earnings before interest and income taxes (EBIT))	752	575	31%

1 See *Section 11.1 Non-GAAP and other specified financial measures*.

Operating income increased by \$177 million in the first quarter of 2025, while EBITDA increased by \$106 million in the first quarter of 2025. In addition to the growth drivers discussed within *Adjusted EBITDA* below, EBITDA also reflected a reduction of \$121 million in restructuring and other costs in the first quarter of 2025, related to prior year investments in cost efficiency and effectiveness programs, including real estate rationalization.

Adjusted EBITDA

Three-month periods ended March 31 (\$ in millions)	2025	2024	Change
TTech Adjusted EBITDA ¹ (see Section 5.4)	1,649	1,600	3%
TELUS Health Adjusted EBITDA ¹ (see Section 5.5)	76	59	30%
TELUS Digital Adjusted EBITDA ^{1,2} (see Section 5.6)	129	207	(38)%
Eliminations	(13)	(10)	30%
Adjusted EBITDA	1,841	1,856	(1)%

1 See Section 11.1 Non-GAAP and other specified financial measures.

2 For certain financial metrics, there are definitional differences between TELUS and TELUS Digital reporting. These differences largely arise from TELUS Digital adopting definitions consistent with practice in its industry.

Adjusted EBITDA, decreased by \$15 million or 1% in the first quarter of 2025. This decline reflects varied results across our reportable segments. TELUS Digital Adjusted EBITDA decreased by 38%, primarily due to lower net reversals of provisions related to business combinations and higher investments in corporate initiatives. These initiatives included the expansion of its commercial sales team and operational effectiveness programs. TTech, however, saw a 3% growth in Adjusted EBITDA. This growth was driven by several factors: (i) cost reduction efforts, including workforce reductions and increased leveraging of TELUS Digital resulting in competitive benefits given the lower cost structure in TELUS Digital, as well as savings in administrative and marketing costs; (ii) mobile, residential internet, security and automation, and TV subscriber growth; (iii) higher net gains from the divestiture of non-core assets as planned; (iv) higher agriculture and consumer goods margins; and (v) higher Other income. These factors were partially offset by: (i) lower mobile ARPU; (ii) lower mobile equipment margins; (iii) an increase in bad debt expense; (iv) declining fixed legacy voice and TV margins; (v) higher network operations costs; and (vi) increased costs of subscription-based licenses and cloud usage. Lastly, TELUS Health experienced a 30% increase in Adjusted EBITDA driven by organic growth across multiple revenue streams.

Financing costs

Three-month periods ended March 31 (\$ in millions)	2025	2024	Change
<i>From transactions that <u>only</u> involve the raising of finance</i>			
Interest on long-term debt, excluding lease liabilities and other – gross	284	295	(4)%
Interest on long-term debt, excluding lease liabilities and other – capitalized	(9)	—	n/m
Interest on short-term borrowings and other	17	1	n/m
	292	296	(1)%
<i>From transactions that <u>do not only</u> involve the raising of finance</i>			
Interest on long-term debt – lease liabilities	41	40	3%
Interest on long-term debt – other	6	2	n/m
Employee defined benefit plans net interest	3	2	50%
Interest accretion on provisions	7	8	(13)%
	57	52	10%
Interest expense	349	348	0%
Foreign exchange gains	—	(9)	(100)%
Unrealized changes in virtual power purchase agreements forward element	—	66	(100)%
Interest income	(5)	(11)	(55)%
Financing costs	344	394	(13)%

Financing costs decreased by \$50 million in the first quarter of 2025, mainly due to the following factors:

- **Interest expense** increased by \$1 million in the first quarter of 2025, largely as a result of:
 - A decrease of \$11 million in gross interest expense on long-term debt, excluding lease liabilities and other in the first quarter of 2025. This was primarily driven by a decrease in the effective interest rate of average long-term debt (largely due to the floating-rate nature of commercial paper), partially offset by an increase in average long-term debt. Our weighted average interest rate on long-term debt (excluding commercial paper, TELUS bank credit facilities, the revolving components of the TELUS International (Cda) Inc. credit facility, lease liabilities and other long-term debt) was 4.40% at March 31, 2025, compared to 4.37% one year earlier. (See *Long-term debt issued and Redemptions and repayment of long-term debt* in Section 7.4.)
 - Capitalized long-term debt interest, excluding lease liabilities, is in respect of debt incurred for the purchase of spectrum licences during the 3800 MHz spectrum auction held in October to November 2023 by Innovation, Science and Economic Development Canada (ISED).
 - Interest on short-term borrowings and other increased by \$16 million in the first quarter of 2025 in relation to a new agreement

with an arm's-length securitization trust entered into in the second quarter of 2024. (See *Short-term borrowings* in *Section 7.7*.)

- **Unrealized changes in virtual power purchase agreements forward element** represent the estimated unrealized amounts recorded from our VPPAs with renewable energy projects. We have entered into VPPAs with renewable energy projects that develop solar and wind power facilities as part of our commitment to reduce our carbon footprint. Effective for the first quarter of 2025, arising from a prospective change in accounting policy, which applies hedge accounting, (see *Note 2(a)* of the interim consolidated financial statements), fair value adjustments, which were previously included within Financing costs, are now included within Other comprehensive income.

Income taxes

Three-month periods ended March 31 (\$ in millions, except tax rates)	2025	2024	Change
Income taxes computed at applicable statutory rates (%)	24.8	22.9	1.9 pts.
Adjustments recognized in the current period for income taxes of prior periods (%)	(1.2)	—	(1.2) pts.
Pillar Two global minimum tax (%)	0.2	0.6	(0.4) pts.
(Non-taxable) non-deductible amounts, net (%)	(0.2)	(6.1)	5.9 pts.
Withholding and other taxes (%)	2.2	3.9	(1.7) pts.
Losses not recognized (%)	0.2	0.6	(0.4) pts.
Foreign tax differential (%)	(0.2)	(1.1)	0.9 pts.
Other (%)	0.4	2.1	(1.7) pts.
Effective tax rate (%)	26.2	22.9	3.3 pts.
Income taxes computed at applicable statutory rates	101	41	n/m
Adjustments recognized in the current period for income taxes of prior periods	(5)	—	n/m
Pillar Two global minimum tax	1	1	— %
(Non-taxable) non-deductible amounts, net	(1)	(11)	(91)%
Withholding and other taxes	9	7	29%
Losses not recognized	1	1	— %
Foreign tax differential	(1)	(2)	(50)%
Other	2	4	(50)%
Income taxes	107	41	n/m

Total income tax expense increased by \$66 million in the first quarter of 2025. The effective tax rate increased from 22.9% to 26.2% in the first quarter of 2025, largely as a result of lower non-taxable amounts and an increased portion of income earned in jurisdictions with higher statutory income tax rates.

Comprehensive income

Three-month periods ended March 31 (\$ in millions)	2025	2024	Change
Net income	301	140	n/m
Other comprehensive income (net of income taxes):			
Items that may subsequently be reclassified to income	49	83	(41)%
Items never subsequently reclassified to income	3	36	(92)%
Comprehensive income	353	259	36%

Comprehensive income increased by \$94 million in the first quarter of 2025, largely driven by an increase in Net income. This was partially offset by the relative changes in foreign exchange rates, an unfavourable VPPA impact of \$13 million and relative changes in discount rates affecting employee defined benefit plan re-measurements. Items that may subsequently be reclassified to income include changes in the unrealized fair value of derivatives designated as cash flow hedges and foreign currency translation adjustments arising from translating financial statements of foreign operations. Items never subsequently reclassified to income include employee defined benefit plans re-measurement amounts and changes in measurement of investment financial assets.

5.4 TELUS technology solutions segment

TTech trends and seasonality

The historical trend over the past eight quarters of improvements in mobile network revenue primarily reflects growth in our mobile phone subscriber base, as well as an increase in Internet of Things (IoT) connections. The recent decelerated growth in immigration observed has slowed our ability to grow our subscriber base. Domestic ARPU declines were largely attributable to larger allotments of data for a given price point, as well as intense retail price competition, which has persisted since the second quarter of 2023. Roaming revenues continued to decline, driven by the adoption of North America wide plans and competitive roaming packages in the market.

Mobile equipment revenues have been growing largely as a result of the impact of higher-value smartphones in the sales mix. As a partial offset, sales volumes of mobile devices have been slowly declining, which was attributable to a combination of improvements in durability and cost increases that are prompting customers to defer upgrades and driving an increase in the adoption of bring-your-own-device (BYOD) plans. We continue to offer certified pre-owned devices and our Bring-It-Back[®] program, providing customers with alternative options for handset upgrades while also supporting a circular economy.

Our spectrum investments and capital expenditures to improve our network is enhancing its capacity, coverage and reliability, enabling us to drive revenue growth through net additions of new mobile phone and

connected device subscribers. Growth in our mobile phone subscriber base is attributable to: (i) industry-leading product offerings with continuous improvements in the speed, performance and reliability of our network, coupled with our enhanced digital capabilities; (ii) the success of our promotions, including our bundling of mobility and home services; (iii) our ability to attract a larger share of the Canadian population, with growth that is being driven by immigration (albeit slowing) and changing demographics, as well as ongoing growth in the number of customers with multiple devices; and (iv) our relatively low churn rate, which reflects our customers first efforts and upgrade volume programs.

Our connected device subscriber base has been growing, primarily in response to our expanded IoT offerings across various industries, including transportation, security, healthcare, smart buildings and smart cities, energy, retail and agriculture. Our investments in network infrastructure and the expansion of our IoT product portfolio have also allowed us to provide reliable and scalable IoT solutions to our customers.

Growth in our internet subscriber base has been supported by our continued investments in building out our fibre-optic infrastructure, as well as our relatively low customer churn rate. Our TV subscriber base has continued to grow, reflecting net subscriber additions in response to our diverse and flexible product offerings, which address the changing needs and preferences of consumers. Growth in our security and automation subscriber base is driven by the success of our bundled offerings of mobility and home services. Bundling increases our services per home and has a positive impact on churn for most services, supported by our effective self-install and virtual-install models. Residential voice subscriber losses have remained low as a result of the success of our bundled services and lower-priced offerings, as well as effective retention efforts to mitigate the ongoing substitution to mobile and internet-based services.

The trend of growth in our fixed data services revenue reflects the growth of our internet and security and automation subscriber bases, bolstered by sustained demand for faster internet speeds and larger bandwidth, as well as home and business security and automation offerings and other advanced applications, which are supported by investments in our fibre-optic footprint. The trend of declines in TV revenues and fixed voice revenues is a result of technological substitution and more intense competition. However, we are mitigating this trend with our bundled product and lower-priced offerings, product diversification and effective retention efforts. The migration of business product and service offerings to IP platforms and the entry of new competitors have resulted in inherently lower margins compared to some legacy business product and service offerings. However, we are continuing to refine and diversify our portfolio of innovative business offerings.

Previous trends of agriculture and consumer goods services were attributable to customer churn which hampered subscription growth and limited the sales funnel; however, our agriculture and consumer goods business showed improvement throughout 2024 and into 2025. With our global team and cloud-based solutions, we are able to serve a diverse client base, including growers, producers, agronomists, advisors, processors and retailers, by enabling more effective and agile decision-making that can address changing consumer demands, improve profitability and generate a better flow of information across the value chain. This improves the safety and sustainability of our outputs and drives efficiencies in the way we produce, distribute and consume food and consumer goods.

TTech operating indicators

At March 31	2025	2024	Change
Subscriber connections (thousands):			
Mobile phone ¹	10,137	9,846	3%
Connected device	3,877	3,215	21%
Internet ²	2,715	2,656	2%
TV	1,416	1,316	8%
Security and automation	1,135	1,078	5%
Residential voice	1,017	1,057	(4)%
Total telecom subscriber connections	20,297	19,168	6%
LTE population coverage ³ (millions)	36.7	36.7	—%
5G population coverage ³ (millions)	32.4	31.8	2%
Three-month periods ended March 31			
	2025	2024	Change
Mobile phone gross additions (thousands)	339	376	(10)%
Subscriber connection net additions (losses) (thousands):			
Mobile phone	20	45	(56)%
Connected device	148	101	47%
Internet	21	30	(30)%
TV	27	19	42%
Security and automation	15	22	(32)%
Residential voice	(13)	(8)	(63)%
Total telecom subscriber connection net additions	218	209	4%
Mobile phone ARPU, per month ^{1,4} (\$)	57.13	59.31	(3.7)%
Mobile phone churn, per month ^{1,5} (%)	1.06	1.13	(0.07) pts.

- 1 Effective January 1, 2025, we adjusted our mobile phone subscriber base to remove 30,000 subscribers on a prospective basis, following an in-depth review of customer accounts.
- 2 Effective January 1, 2025, we adjusted our internet subscriber base to remove 66,000 subscribers on a prospective basis, due to a review of our subscriber base.
- 3 Including network access agreements with other Canadian carriers.
- 4 This is an other specified financial measure. See *Section 11.1 Non-GAAP and other specified financial measures*. This is an industry measure useful in assessing operating performance of a mobile products and services company, but is not a measure defined under IFRS Accounting Standards.
- 5 See *Section 11.2 Operating indicators*.

- **Mobile phone gross additions** were 339,000 in the first quarter of 2025, reflecting a decrease of 37,000, driven by decelerating growth in the Canadian population, in addition to a greater emphasis on premium and profitable loading.
- Our **mobile phone churn rate** was 1.06% in the first quarter of 2025, compared to 1.13% in the first quarter of 2024, largely as a result of our ongoing focus on customer retention and our industry-leading service and network quality, along with successful promotions and bundled offerings.
- **Mobile phone net additions** were 20,000 in the first quarter of 2025, reflecting a decrease of 25,000, driven by lower mobile phone gross additions, partially offset by a lower mobile phone churn rate.
- **Mobile phone ARPU** was \$57.13 in the first quarter of 2025, a decrease of \$2.18 or 3.7%, attributable to the adoption of base rate plans with lower prices in response to more intense marketing and promotional price competition targeting both new and existing customers, and a decline in overage and roaming revenues, partially offset by higher IoT revenue. We are seeing a continuing increase in the adoption of unlimited data and Canada-U.S.-Mexico plans, which provide higher and more stable ARPU on a monthly basis while also giving customers cost certainty in lower roaming fees to the U.S. and Mexico, and lower data overage fees, respectively.
- **Connected device net additions** were 148,000 in the first quarter of 2025, an increase of 47,000, attributable to growth in IoT connections from customers in the transportation, smart security and connectivity industries.
- **Internet net additions** were 21,000 in the first quarter of 2025, a decrease of 9,000, reflecting lower market growth and heightened competitive pressures partially offset by the strength in our fibre optic offering.
- **TV net additions** were 27,000 in the first quarter of 2025, an increase of 8,000, attributable to our diverse offerings, including Stream+, which address the changing needs and preferences of consumers.
- **Security and automation net additions** were 15,000 in the first quarter of 2025, a decrease of 7,000, reflecting a higher churn rate related to shifts in consumer purchasing decisions, partially offset by the increasing demand for our bundled offerings and diverse suite of products and services.
- **Residential voice net losses** were 13,000 in the first quarter of 2025, an increase of 5,000 losses, reflecting lower gross additions, partially offset by leveraging our bundled product and lower-priced offerings which has been successful in mitigating losses and minimizing substitution to mobile and internet-based services.

Operating revenues and other income – TTech segment

Three-month periods ended March 31 (\$ in millions)	2025	2024 (restated)	Change
Mobile network revenue	1,732	1,746	(1)%
Mobile equipment and other service revenues	524	481	9%
Fixed data services ¹	1,192	1,159	3%
Fixed voice services	170	179	(5)%
Fixed equipment and other service revenues	122	117	4%
Agriculture and consumer goods services	98	82	20%
Operating revenues (arising from contracts with customers)	3,838	3,764	2%
Other income	39	27	44%
External Operating revenues and other income	3,877	3,791	2%
Intersegment revenues	6	5	20%
TTech Operating revenues and other income	3,883	3,796	2%

1 Excludes agriculture and consumer goods services.

TTech Operating revenues and other income increased by \$87 million in the first quarter of 2025.

Mobile network revenue decreased by \$14 million or 1% in the first quarter of 2025, largely due to lower mobile phone ARPU, partially offset by growth in our mobile phone subscriber base and an increase in IoT connections.

Mobile equipment and other service revenues increased by \$43 million in the first quarter of 2025, reflecting the impact of higher-value smartphones in the sales mix, partially offset by a modest reduction in contracted volumes.

Fixed data services revenues increased by \$33 million in the first quarter of 2025, driven by growth in our internet, security and automation and TV subscriber bases, paired with higher revenue per customer from internet and security and automation. These factors were partially offset by lower TV revenue per customer, reflecting an increase in the mix of customers selecting smaller TV combination packages and technological substitution.

Fixed voice services revenues decreased by \$9 million in the first quarter of 2025, reflecting the ongoing decline in legacy voice revenues as a result of technological substitution and shifts in consumer purchasing decisions. Declines were partially mitigated by the success of our bundled product offerings and our retention efforts.

Fixed equipment and other service revenues increased by \$5 million in the first quarter of 2025, largely driven by increases in security premises equipment sales.

Agriculture and consumer goods services revenues increased by \$16 million in the first quarter of 2025, primarily attributable to business

acquisitions, improved organic growth in consumer goods services and favourable foreign exchange rate impacts. These factors were partially offset by declines in animal agriculture solutions.

Other income increased by \$12 million in the first quarter of 2025, largely due to higher net gains from the divestiture of non-core assets as planned and higher net reversals of provisions related to business combinations, partially offset by lower gains on real estate projects.

Intersegment revenues represent services provided to the TELUS health and TELUS digital experience segments that are eliminated upon consolidation, together with the associated TELUS health and TELUS digital experience segment expenses.

Direct contribution – TTech segment

Three-month periods ended March 31 (\$ in millions)	Mobile products and services			Fixed products and services ¹			Total TTech		
	2025	2024	Change	2025	2024 (restated)	Change	2025	2024 (restated)	Change
Revenues									
Service	1,757	1,767	(1)%	1,507	1,464	3%	3,264	3,231	1%
Equipment	499	460	8%	75	73	3%	574	533	8%
Operating revenues (arising from contracts with customers)	2,256	2,227	1%	1,582	1,537	3%	3,838	3,764	2%
Expenses									
Direct expenses	737	656	12%	468	448	4%	1,205	1,104	9%
Direct contribution	1,519	1,571	(3)%	1,114	1,089	2%	2,633	2,660	(1)%

¹ Includes agriculture and consumer goods services.

The direct expenses included in the direct contribution calculations in the preceding table represent components of the Goods and services purchased and Employee benefits expense totals included in the table below and have been calculated in accordance with the accounting policies used to prepare the totals presented in the financial statements. TTech direct contribution decreased by \$27 million or 1% in the first quarter of 2025.

TTech mobile products and services direct contribution decreased by \$52 million in the first quarter of 2025, largely reflecting the impact of lower mobile phone ARPU and lower mobile equipment margin as a result of more intense competitive price discounting and lower contracted volumes. These factors were partially offset by mobile phone subscriber growth.

TTech fixed products and services direct contribution increased by \$25 million in the first quarter of 2025, primarily driven by continued internet and security and automation subscriber growth, and growth in agriculture and consumer goods revenues. These factors were partially offset by declines in legacy voice and TV margins attributable to technological substitution.

Operating expenses – TTech segment

Three-month periods ended March 31 (\$ in millions)	2025	2024 (restated)	Change
Goods and services purchased ¹	1,726	1,671	3%
Employee benefits expense ¹	587	709	(17)%
TTech operating expenses	2,313	2,380	(3)%

¹ Includes restructuring and other costs.

TTech operating expenses decreased by \$67 million in the first quarter of 2025. See *TTech Adjusted EBITDA* below for further details.

EBITDA – TTech segment

Three-month periods ended March 31 (\$ in millions, except margins)	2025	2024 (restated)	Change
EBITDA	1,570	1,416	11%
Add restructuring and other costs included in EBITDA	79	184	n/m
Adjusted EBITDA	1,649	1,600	3%
EBITDA margin ¹ (%)	40.4	37.2	3.2 pts.
Adjusted EBITDA margin ¹ (%)	42.4	42.1	0.3 pts.

¹ These are non-GAAP and other specified financial measures. See *Section 11.1 Non-GAAP and other specified financial measures*.

TTech EBITDA increased by \$154 million or 11% in the first quarter of 2025. In addition to the growth drivers discussed within *TTech Adjusted EBITDA*

below, EBITDA also reflected a reduction of \$105 million in restructuring and other costs in the first quarter of 2025, primarily related to prior year investments in cost efficiency and effectiveness programs, inclusive of real estate rationalization.

TTech Adjusted EBITDA increased by \$49 million or 3% in the first quarter of 2025, reflecting: (i) cost reduction efforts, including workforce reductions, and increased adoption of TELUS Digital's solutions across TTech operations, resulting in competitive benefits given the lower cost structure in TELUS Digital, as well as reductions in marketing and administrative costs; (ii) mobile, residential internet, security and automation, and TV subscriber growth; (iii) higher net gains from the divestiture of non-core assets as planned; and (iv) higher agriculture and consumer goods margins. These factors were partially offset by: (i) lower mobile phone ARPU; (ii) lower gains on real estate projects; (iii) lower mobile equipment margins; (iv) an increase in bad debt expense; (v) declining fixed legacy voice and TV margins; (vi) higher network operations costs; and (vii) increased costs of subscription-based licences and cloud usage.

TTech Adjusted EBITDA margin increased by 0.3 percentage points in the first quarter of 2025. This improvement was largely driven by our cost efficiency and effectiveness programs as described above.

Adjusted EBITDA less capital expenditures – TTech segment

Three-month periods ended March 31 (\$ in millions)	2025	2024 (restated)	Change
Adjusted EBITDA	1,649	1,600	3%
Capital expenditures	(515)	(663)	(22)%
Adjusted EBITDA less capital expenditures ¹	1,134	937	21%

¹ See Section 11.1 Non-GAAP and other specified financial measures.

TTech Adjusted EBITDA less capital expenditures increased by \$197 million in the first quarter of 2025. See Section 7.3 for further discussion of capital expenditures.

EBIT – TTech segment

Three-month periods ended March 31 (\$ in millions)	2025	2024 (restated)	Change
EBITDA	1,570	1,416	11%
Depreciation	(529)	(621)	(15)%
Amortization of intangible assets	(240)	(223)	8%
EBIT ¹	801	572	40%

¹ See Section 11.1 Non-GAAP and other specified financial measures.

TTech EBIT increased by \$229 million in the first quarter of 2025, in line with the increase in EBITDA. TTech depreciation decreased by \$92 million primarily driven by lower real estate rationalization and fewer asset

retirements. TTech amortization increased by \$17 million largely from increased additions of software assets.

5.5 TELUS health segment

TELUS Health trends

The trend of growth in health services revenues has been driven by growth in our employee and family assistance programs (EFAP), following our acquisition of several businesses globally throughout 2024. It also reflects continued organic growth in our existing health offerings, driven by increased adoption and expansion of our digital health solutions and the growing member base across our health services, which include: (i) employer solutions: provides physical, mental and financial well-being solutions focused on the global employer segment, including EFAP, total mental health, consulting and TELUS Health Wellbeing; (ii) payvider: delivers integrated health solutions to our payor and provider businesses – the payor business encompasses both the public and private sectors (health benefits management, e-claims, patient health records and public health managed services) and the provider business includes pharmacy software solutions, collaborative health medical records and virtual pharmacy; (iii) retirement and benefits solutions: work to improve the financial health and well-being of organizations and individuals with sustainable and flexible pensions and benefits administration and retirements solutions; (iv) TELUS Health care centres: oversees clinic operations and transformation, as well as medical and mental health clinical delivery; and (v) consumer health: offers market leading solutions for primary care, pet care, aging in place and chronic disease management. Growth in the number of lives covered is largely driven by the expansion of our EFAP.

TELUS Health operating indicators

Health services (millions)			
At March 31	2025	2024	Change
Healthcare lives covered	76.5	71.7	7%

- **Healthcare lives covered** were 76.5 million as of the end of the first quarter of 2025, an increase of 4.8 million over the past 12 months, mainly reflecting robust growth in our EFAP across all of our operating regions, in addition to continued demand for virtual solutions.

Operating revenues and other income – TELUS health segment

Three-month periods ended March 31 (\$ in millions)	2025	2024	Change
Health services	470	416	13%
Health equipment	1	4	(75)%
Operating revenues (arising from contracts with customers)	471	420	12%
Intersegment revenues	2	2	—%
TELUS Health Operating revenues and other income	473	422	12%

TELUS Health Operating revenues and other income increased by \$51 million in the first quarter of 2025.

Across TELUS Health, the reported rate of revenue growth was positively impacted by the strengthening of the U.S. dollar, the British pound and the European euro against the Canadian dollar compared to the same period in the prior year.

Our **health services** revenues increased by \$54 million in the first quarter of 2025, driven by: (i) global business acquisitions throughout 2024 in employer solutions as well as organic growth; (ii) growth in payvider, with strong performance in health benefits management services, collaborative health records and virtual pharmacy solutions; and (iii) growth in the retirement and benefits solutions business.

Health equipment revenues decreased by \$3 million in the first quarter of 2025, due to increased revenue in the prior period from a pharmacy hardware upgrade program in our payvider vertical.

Intersegment revenues represent services provided to the TTech segment that are eliminated upon consolidation, together with the associated TTech expenses.

Direct contribution – TELUS health segment

Three-month periods ended March 31 (\$ in millions)	2025	2024	Change
Revenues			
Service	470	416	13%
Equipment	1	4	(75)%
Operating revenues (arising from contracts with customers)	471	420	12%
Expenses			
Direct expenses	221	207	7%
Direct contribution	250	213	17%

The direct expenses included in the direct contribution calculations in the preceding table represent components of the Goods and services purchased and Employee benefits expense totals included in the table below and have been calculated in accordance with the accounting policies used to prepare the totals presented in the financial statements. The nature of the direct expenses are mainly counsellor network costs, clinicians, implementation and support costs. TELUS Health direct contribution increased by \$37 million in the first quarter of 2025, reflecting: (i) revenue growth as described in the revenue section; and (ii) cost reduction efforts, focused on lowering our cost to serve.

Operating expenses – TELUS health segment

Three-month periods ended March 31 (\$ in millions)	2025	2024	Change
Goods and services purchased ¹	189	181	4%
Employee benefits expense ¹	217	206	5%
TELUS Health operating expenses	406	387	5%

¹ Includes restructuring and other costs.

TELUS Health operating expenses increased by \$19 million in the first quarter of 2025, in line with revenue growth. See *TELUS Health direct contribution* above and *TELUS Health Adjusted EBITDA* below for further details.

EBITDA – TELUS health segment

Three-month periods ended March 31 (\$ in millions, except margins)	2025	2024	Change
EBITDA	67	35	90%
Add restructuring and other costs included in EBITDA	9	24	n/m
Adjusted EBITDA	76	59	30%
EBITDA margin ¹ (%)	14.2	8.4	5.8 pts.
Adjusted EBITDA margin ¹ (%)	16.2	14.0	2.2 pts.

¹ These are non-GAAP and other specified financial measures. See *Section 11.1 Non-GAAP and other specified financial measures*.

TELUS Health EBITDA increased by \$32 million or 90% in the first quarter of 2025. TELUS Health Adjusted EBITDA increased by \$17 million or 30% in the first quarter of 2025, reflecting revenue growth and cost reduction efforts as described in the direct contribution section, as well as continued realization of acquisition integration synergies. These factors were partially offset by higher indirect costs related to: (i) global business acquisitions throughout 2024; and (ii) the scaling of our digital capabilities, inclusive of increased subscription-based licences, contractor and cloud usage costs.

TELUS Health Adjusted EBITDA margin increased by 2.2 percentage points in the first quarter of 2025. This improvement was largely driven by our lower cost to serve and the continued realization of acquisition integration synergies, as previously described.

Adjusted EBITDA less capital expenditures – TELUS health segment

Three-month periods ended March 31 (\$ in millions)	2025	2024	Change
Adjusted EBITDA	76	59	30%
Capital expenditures	44	44	—%
Adjusted EBITDA less capital expenditures ¹	32	15	n/m

¹ See *Section 11.1 Non-GAAP and other specified financial measures*.

TELUS Health Adjusted EBITDA less capital expenditures increased by \$17 million in the first quarter of 2025. See *Section 7.3* for further discussion of capital expenditures.

EBIT – TELUS health segment

Three-month periods ended March 31 (\$ in millions)	2025	2024	Change
EBITDA	67	35	90%
Depreciation	(13)	(23)	(43)%
Amortization of intangible assets	(94)	(90)	4%
EBIT ¹	(40)	(78)	(49)%

1 See *Section 11.1 Non-GAAP and other specified financial measures*.

TELUS Health EBIT increased by \$38 million in the first quarter of 2025, in line with the increase in EBITDA. TELUS Health depreciation decreased by \$10 million primarily driven by lower real estate rationalization. TELUS Health amortization increased by \$4 million largely from amortization from business acquisitions.

5.6 TELUS digital experience segment

TELUS Digital trends

The historical trend over the past eight quarters in TELUS Digital revenue reflects changes in service volume demand from our existing clients and services provided to new clients. During 2024 and in the first quarter of 2025, we observed a stabilization in service volume demand after experiencing a notable reduction which became more pronounced beginning in the second quarter of 2023, arising from some of our larger technology clients, where the service volume reduction was more significant than expected, particularly in Europe. 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.

Goods and services purchased and Employee benefits expense increased, reflecting: (i) the expansion of our TELUS Digital team member base to service stabilizing volumes and increased complexity from both existing and new customers; (ii) higher average salaries and wages over time, and higher training costs due to elevated attrition levels; (iii) restructuring and other costs related to cost efficiency programs; (iv) changes in external labour requirements to support the growth in our digital services business; (v) changes in our crowdsourced-enabled workforce to support our AI and data solutions service line; (vi) increases in our software licensing costs associated with our growing team member base; and (vii) increases in administrative expenses and facility costs to support overall business growth. Beginning in the second quarter of 2023, Employee benefits expense was positively impacted by employee-related cost efficiency initiatives resulting in decreases in our team member count in

certain regions in response to the reduction in service volume demand from some clients, and a favourable mix of labour sourced from lower-cost jurisdictions.

Depreciation and amortization has increased, reflecting growth in capital assets such as facilities, platform development in our AI and data solutions service line, and capital costs to maintain our existing operations, partially offset by the timing of full depreciation or amortization of existing capital assets.

TELUS Digital operating indicators

Three-month periods ended March 31 (\$ in millions)	2025	2024	Change
Operating revenues by industry vertical			
Tech and games	405	374	8%
Communications and media	248	216	15%
eCommerce and fintech	83	92	(10)%
Healthcare	72	66	9%
Banking, financial services and insurance	57	49	16%
All others ¹	97	88	10%
	962	885	9%
Operating revenues by geographic region			
Europe	292	264	11%
North America	264	253	4%
Asia-Pacific ²	225	211	7%
Central America and others ²	181	157	15%
	962	885	9%

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

2 Effective for the first quarter of 2025, Asia-Pacific includes Africa geographic region and Central America and others includes South America geographic region. Comparative information has been restated to conform with the current period presentation.

Across all of our verticals, the reported rates of revenue growth were positively impacted by the strengthening of both the U.S. dollar and the European euro against the Canadian dollar compared to the same period in the prior year.

Revenue from our tech and games industry vertical increased by \$31 million in the first quarter of 2025, primarily due to higher revenue from a leading social media client and certain other technology clients, partially offset by a decrease in revenue from other clients within this industry vertical. Revenue from our communications and media industry vertical increased by \$32 million in the first quarter of 2025, driven primarily by more services provided to the TTech segment, partially offset by lower service revenue from certain other telecommunication clients. Revenue from our eCommerce and fintech industry vertical decreased by \$9 million in the first quarter of 2025, due to a decline in service volumes from a large eCommerce client as well as certain fintech clients. Revenue from our

healthcare industry vertical increased by \$6 million in the first quarter of 2025, primarily due to additional services provided to the TELUS health segment. Revenue from our banking, financial services and insurance industry vertical increased by \$8 million in the first quarter of 2025, primarily due to growth from certain Canadian-based banks and smaller regional financial services firms in North America and a global financial institution client. All other verticals increased by \$9 million in the first quarter of 2025, due to higher revenue across various client accounts.

We serve our clients, who are primarily domiciled in North America and Europe, from multiple delivery locations across various geographic regions. In addition, our AI and data solutions service line clients are largely supported by crowdsourced contractors that are globally dispersed and not limited to the physical locations of our delivery centres. During the first quarter of 2025, the increase in revenue earned in each of our geographic regions was primarily driven by the strengthening of both the U.S. dollar and the European euro against the Canadian dollar, which resulted in a favourable foreign currency impact on our TELUS Digital Operating revenues. The table above 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.

Operating revenues and other income – TELUS digital experience segment

Three-month periods ended March 31 (\$ in millions)	2025	2024	Change
Operating revenues (arising from contracts with customers)	709	682	4%
Other income	—	39	(100)%
External Operating revenues and other income	709	721	(2)%
Intersegment revenues	253	203	25%
TELUS Digital Operating revenues and other income	962	924	4%

TELUS Digital Operating revenues and other income increased by \$38 million in the first quarter of 2025.

Our **Operating revenues (arising from contracts with customers)** increased by \$27 million in the first quarter of 2025, primarily attributable to: (i) the strengthening of both the U.S. dollar and the European euro against the Canadian dollar, which resulted in a favourable foreign currency impact on our TELUS Digital operating results; (ii) growth in services provided to existing clients, including a leading social media client; and (iii) new clients added since the same period in the prior year. These increases were partially offset by lower revenues earned from certain technology and eCommerce clients.

Other income decreased by \$39 million in the first quarter of 2025, due to the prior period revision in our estimates of certain performance-based criteria associated with our provisions for written put options, which resulted in a reduction of our provisions for written put options.

Intersegment revenues represent services provided to the TTech and TELUS health segments. Such revenues are eliminated upon consolidation, together with the associated expenses, as well as the TELUS digital experience segment margin on costs capitalized within the TTech segment. Services have been provided to the TTech and TELUS health segments which include capital expenditures for software and contract acquisition costs that are deferred and amortized.

The increase in intersegment revenues reflects the competitive benefits TELUS derives from the lower cost structure in the TELUS digital experience segment and the significant amounts of value-generating digital, customer experience, telecommunications, health and consumer goods received, while maintaining control over the quality of the associated services delivered and, on a consolidated basis, retaining the margin that a third-party vendor would otherwise earn.

Operating expenses – TELUS digital experience segment

Three-month periods ended March 31 (\$ in millions)	2025	2024	Change
Goods and services purchased ¹	180	154	17%
Employee benefits expense ¹	662	573	16%
TELUS Digital operating expenses	842	727	16%

1 Includes restructuring and other costs.

TELUS Digital operating expenses increased by \$115 million in the first quarter of 2025. See *TELUS Digital Adjusted EBITDA* below for further details.

EBITDA – TELUS digital experience segment

Three-month periods ended March 31 (\$ in millions, except margins)	2025	2024	Change
EBITDA	120	197	(39)%
Add restructuring and other costs included in EBITDA	9	10	n/m
Adjusted EBITDA ¹	129	207	(38)%
EBITDA margin ² (%)	12.5	21.3	(8.8) pts.
Adjusted EBITDA margin ² (%)	13.4	22.4	(9.0) pts.

1 For certain metrics, there are definitional differences between TELUS and TELUS Digital reporting. These differences largely arise from TELUS Digital adopting definitions consistent with practice in its industry.

2 These are non-GAAP and other specified financial measures. See *Section 11.1 Non-GAAP and other specified financial measures*.

TELUS Digital EBITDA decreased by \$77 million or 39% in the first quarter of 2025. TELUS Digital Adjusted EBITDA decreased by \$78 million or 38% in the first quarter of 2025, while Adjusted EBITDA margin decreased by 9.0 percentage points in the first quarter of 2025. The decrease in Adjusted EBITDA was due to an increase in salaries and benefits and goods and services purchased outpacing revenue growth, as well as Other income generated in the prior year's comparative period associated with a reduction of our provisions for written put options, and higher share-based compensation.

Adjusted EBITDA less capital expenditures – TELUS digital experience segment

Three-month periods ended March 31 (\$ in millions)	2025	2024	Change
Adjusted EBITDA	129	207	(38)%
Capital expenditures	(41)	(26)	58%
Adjusted EBITDA less capital expenditures ¹	88	181	(51)%

¹ See Section 11.1 Non-GAAP and other specified financial measures.

TELUS Digital Adjusted EBITDA less capital expenditures decreased by \$93 million in the first quarter of 2025. See Section 7.3 for further discussion of capital expenditures.

EBIT – TELUS digital experience segment

Three-month periods ended March 31 (\$ in millions)	2025	2024	Change
EBITDA	120	197	(39)%
Depreciation	(50)	(46)	9%
Amortization of intangible assets	(66)	(60)	10%
EBIT ¹	4	91	(96)%

¹ See Section 11.1 Non-GAAP and other specified financial measures.

TELUS Digital EBIT decreased by \$87 million in the first quarter of 2025, in line with the decrease in EBITDA and in addition to higher depreciation and amortization expense.

6. Changes in financial position

Financial position at: (\$ millions)	Mar. 31 2025	Dec. 31 2024	Change	Change includes:
Current assets				
Cash and temporary investments, net	1,014	869	145	See <i>Section 7 Liquidity and capital resources</i>
Accounts receivable	3,498	3,689	(191)	An improvement in days sales outstanding primarily driven by a decrease in accounts receivable arising from sales volume from our dealer and retail channels and lower unbilled customer finance receivables
Income and other taxes receivable	224	146	78	Instalments to date are greater than the expense
Inventories	566	629	(63)	A decrease primarily driven by timing of inventory in transit and inventories at our dealer and retail channels; partially offset by an increase in used handsets
Contract assets	469	465	4	Refer to description in non-current contract assets
Costs incurred to obtain or fulfill contracts with customers	383	366	17	An increase driven by success-based initiatives increasing commissions
Prepaid expenses	509	403	106	An increase driven by the annual prepayment of maintenance contracts and statutory employee benefits
Current derivative assets	61	65	(4)	A decrease in the notional amount of hedging items.
Current liabilities				
Short-term borrowings	1,325	922	403	See <i>Note 22</i> of the interim consolidated financial statements
Accounts payable and accrued liabilities	3,314	3,630	(316)	A decrease primarily reflecting a reduction in liabilities associated with payroll and other employee-related accruals, accrued liabilities, as well as interest payable. See <i>Note 23</i> of the interim consolidated financial statements
Income and other taxes payable	167	142	25	Instalments to date are less than the expense
Dividends payable	610	605	5	Effects of an increase in the number of shares outstanding
Advance billings and customer deposits	1,027	1,039	(12)	A decrease in advance billings primarily due to inventory decreases across our dealer and retail distribution channels. See <i>Note 24</i> of the interim consolidated financial statements
Provisions	260	236	24	An increase primarily due to the reclassification of long-term written put options and contingent consideration; offset by a decrease in employee-related provisions
Current maturities of long-term debt	3,776	3,246	530	An increase in commercial paper outstanding, as well as an increase due to the reclassification of long-term debt related to the maturity of \$600 million Notes, Series CV, in March 2026; largely offset by the repayment of \$800 million Notes, Series CQ, in January 2025
Current derivative liabilities	9	11	(2)	A decrease primarily due to a smaller spread between hedged foreign exchange rate and actual exchange rate at the end of the period.
Working capital (Current assets subtracting Current liabilities)	(3,764)	(3,199)	(565)	TELUS normally has a negative working capital position. See <i>Financing and capital structure management plans</i> in <i>Section 4.3</i> and <i>Note 4(b)</i> of the interim consolidated financial statements.

Financial position at: (\$ millions)	Mar. 31 2025	Dec. 31 2024	Change	Change includes:
Non-current assets				
Property, plant and equipment, net	17,344	17,337	7	See <i>Capital expenditures</i> in Section 7.3 <i>Cash used by investing activities</i> and <i>Depreciation</i> in Section 5.3 <i>Consolidated operations</i>
Intangible assets, net	20,421	20,593	(172)	See <i>Capital expenditures</i> in Section 7.3 <i>Cash used by investing activities</i> and <i>Amortization of intangible assets</i> in Section 5.3 <i>Consolidated operations</i>
Goodwill, net	10,639	10,559	80	An increase primarily due to individually immaterial business acquisitions and fluctuations in foreign exchange rates. See <i>Note 18</i> of the interim consolidated financial statements
Contract assets	304	325	(21)	A decrease driven by a lower volume of subsidized devices offset by our Bring-It-Back and TELUS Easy Payment® programs
Other long-term assets	2,553	2,577	(24)	A decrease mainly driven by investments in associates, derivative assets, and refundable security deposits and other; partially offset by costs incurred to obtain or fulfill contracts with customers, and investments in real estate joint ventures.
Non-current liabilities				
Provisions	609	686	(77)	A decrease primarily due to the reclassification of long-term written put options and contingent consideration
Long-term debt	24,948	25,608	(660)	See Section 7.4 <i>Cash provided (used) by financing activities</i>
Other long-term liabilities	913	869	44	An increase primarily due to deferred capital expenditure government grants and deferred revenue. See <i>Note 27</i> of the interim consolidated financial statements
Deferred income taxes	4,241	4,231	10	An overall increase in temporary differences between the accounting and tax basis of assets and liabilities.
Owners' equity				
Common equity	15,607	15,620	(13)	See <i>Consolidated statements of changes in owners' equity</i> in the interim consolidated financial statements
Non-controlling interests	1,179	1,178	1	See <i>Consolidated statements of changes in owners' equity</i> in the interim consolidated financial statements.

7. Liquidity and capital resources

This section contains forward-looking statements, including those in respect of our TELUS Corporation Common Share dividend payout ratio and net debt to EBITDA – excluding restructuring and other costs ratio. See *Caution regarding forward-looking statements* at the beginning of this MD&A.

7.1 Overview

Our capital structure financial policies and financing and capital structure management plans are described in *Section 4.3*.

Cash flows

Three-month periods ended March 31 (\$ millions)	2025	2024	Change
Cash provided by operating activities	1,077	950	127
Cash used by investing activities	(602)	(992)	390
Cash provided (used) by financing activities	(330)	1,342	(1,672)
Increase in Cash and temporary investments, net	145	1,300	(1,155)
Cash and temporary investments, net, beginning of period	869	864	5
Cash and temporary investments, net, end of period	1,014	2,164	(1,150)

7.2 Cash provided by operating activities

Analysis of changes in cash provided by operating activities

Three-month periods ended March 31 (\$ millions)	2025	2024	Change
Operating revenues and other income (see <i>Section 5.3</i>)	5,057	4,932	125
Goods and services purchased (see <i>Section 5.3</i>)	(1,847)	(1,810)	(37)
Employee benefits expense (see <i>Section 5.3</i>)	(1,466)	(1,484)	18
Restructuring and other costs, net of disbursements	(36)	(11)	(25)
Share-based compensation expense, net of payments	42	27	15
Net employee defined benefit plans expense	15	17	(2)
Employer contributions to employee defined benefit plans	(5)	(8)	3
Gain on contributions of real estate to joint ventures	(8)	(34)	26
Unrealized changes in VPPAs (see <i>Section 5.3</i>)	—	66	(66)
Loss from equity accounted investments	—	5	(5)
Interest paid	(371)	(334)	(37)
Interest received	5	11	(6)
Income taxes paid, net of recoveries received	(154)	(80)	(74)
Other operating working capital changes	(155)	(347)	192
Cash provided by operating activities	1,077	950	127

Cash provided by operating activities increased by \$127 million in the first quarter of 2025.

- Restructuring and other costs, net of disbursements, represented a net change of \$25 million in the first quarter of 2025. We incurred lower restructuring and other costs disbursements related to improving our overall cost structure and operational effectiveness.
- Interest paid increased by \$37 million in the first quarter of 2025, largely due to: (i) the issuance of \$700 million of notes in the third quarter of 2024; (ii) increased interest paid on commercial paper as we had more commercial paper outstanding during the first quarter of 2025; and (iii) increased draws on the securitization trust.
- Income taxes paid, net of recoveries received, increased by \$74 million in the first quarter of 2025, primarily due to a one-time catch-up payment of prior year income taxes.
- For a discussion of other operating working capital changes, see *Section 6 Changes in financial position* and *Note 31(a)* of the interim consolidated financial statements.

7.3 Cash used by investing activities

Analysis of changes in cash used by investing activities

Three-month periods ended March 31 (\$ millions)	2025	2024	Change
Cash payments for capital assets, excluding spectrum licences	(654)	(812)	158
Cash payments for spectrum licences	—	(124)	124
Cash payments for acquisitions, net	(11)	(89)	78
Advances to, and investment in, real estate joint ventures and associates	—	(3)	3
Real estate joint venture receipts	1	2	(1)
Proceeds on disposition	66	14	52
Investment in portfolio investments and other	(4)	20	(24)
Cash used by investing activities	(602)	(992)	390

Cash used by investing activities decreased by \$390 million in the first quarter of 2025.

- The decrease in Cash payments for capital assets, excluding spectrum licences in the first quarter of 2025 was primarily composed of:
 - A reduction of \$138 million in capital expenditures (see *Capital expenditure measures* table and discussion below).
 - A reduction of \$20 million in capital expenditure payments with respect to payment timing differences.
- Cash payments for spectrum licences decreased by \$124 million in the first quarter of 2025 as cash payments for spectrum licences made in the first quarter of 2024 were related to deposits for the 3800 MHz spectrum auction.
- Cash payments for acquisitions, net, were \$78 million lower in the first quarter of 2025. In both the first quarter of 2025 and the first quarter of 2024, we made cash payments for individually immaterial business acquisitions; however, we made lower cash payments in the first quarter of 2025.
- Proceeds on disposition were \$52 million higher in the first quarter of 2025, driven by the divestiture of immaterial non-core assets as planned, which will allow us to enhance our strategic focus on core businesses. This compares to the sale of an associate in the comparative period.
- Investment in portfolio investments and other increased by \$24 million in the first quarter of 2025, primarily as a result of an increase in capital inventory. In addition, we received greater deferred capital expenditure government grants in the first quarter of 2024.

Capital expenditure measures

Three-month periods ended March 31 (\$ millions, except capital expenditure intensity)	2025	2024	Change
Capital expenditures¹			
TELUS technology solutions segment (TTech)			
TTech operations ²	507	649	(22)%
TTech real estate development	8	14	(43)%
	515	663	(22)%
TELUS health segment (TELUS Health)	44	44	—%
TELUS digital experience segment (TELUS Digital)	41	26	58%
Eliminations	(13)	(8)	63%
Consolidated	587	725	(19)%
TTech capital expenditure intensity ³ (%)	13	17	(4) pts.
TELUS Health capital expenditure intensity ³ (%)	9	10	(1) pt.
TELUS Digital capital expenditure intensity ³ (%)	4	3	1 pt.
Consolidated capital expenditure intensity ³ (%)	11	14	(3) pts.

1 Capital expenditures include assets purchased, excluding right-of-use lease assets, but not yet paid for. Consequently, capital expenditures differ from Cash payments for capital assets, excluding spectrum licences, as reported in the Consolidated statements of cash flows. Refer to *Note 31* of the interim consolidated financial statements for further information.

2 2024 restated.

3 See *Section 11.1 Non-GAAP and other specified financial measures*.

Consolidated capital expenditures decreased by \$138 million in the first quarter of 2025. Capital expenditures in support of TTech operations were \$142 million lower the first quarter of 2025, primarily as a result of prioritization and deferral of projects, the planned slowdown of our fibre and wireless network builds, and the evolution of our brownfield and new growth market fibre builds under a partner-build model. Our capital investments in TTech operations have enabled: (i) ongoing growth in our internet, TV and security and automation subscriber bases, as well as the connection of more premises to our fibre network; (ii) the extended coverage of our 5G network; and (iii) enhancement of our product and digital development to improve system capacity and reliability. By March 31, 2025, our 5G network covered approximately 32.4 million Canadians, representing over 87% of the population.

Capital expenditures in support of TTech real estate development decreased by \$6 million in the first quarter of 2025, driven by the completion of one of our commercial buildings, in addition to the completion of major procurements for our upcoming commercial buildings.

TELUS Health capital expenditures were unchanged in the first quarter of 2025. Our TELUS Health capital expenditures continue to invest in the expansion of our health product offerings and capabilities, as well as support for business integration.

TELUS Digital capital expenditures increased by \$15 million in the first quarter of 2025, primarily driven by the build out of facilities in Asia, Africa and Europe, to implement strategic customer experience capacity expansion and higher investments for the development of Fuel iX and AI platforms.

7.4 Cash provided (used) by financing activities**Analysis of changes in cash provided (used) by financing activities**

Three-month periods ended March 31 (\$ millions)	2025	2024	Change
Dividends paid to holders of Common Shares	(402)	(359)	(43)
Issue (repayment) of short-term borrowings, net	399	—	399
Long-term debt issued	1,663	2,567	(904)
Redemptions and repayment of long-term debt	(1,990)	(850)	(1,140)
Other	—	(16)	16
Cash provided (used) by financing activities	(330)	1,342	(1,672)

Cash used by financing activities increased by \$1,672 million in the first quarter of 2025.

Dividends paid to holders of Common Shares

Our dividend reinvestment and share purchase (DRISP) plan trustee acquired Common Shares from Treasury for the DRISP plan, rather than acquiring shares in the stock market. Effective with the dividends paid on October 1, 2019, we offered Common Shares from Treasury at a discount of 2%. Cash payments for dividends increased by \$43 million in the first quarter of 2025, reflecting higher dividend rates under our dividend growth program (see *Section 4.3*) and an increase in the number of shares outstanding. During the first quarter of 2025, our DRISP plan trustee acquired Common Shares for \$203 million.

In April 2025, we paid dividends of \$405 million to the holders of Common Shares and the trustee acquired dividend reinvestment Common Shares from Treasury for \$205 million, totalling \$610 million.

Issue (repayment) of short-term borrowings, net

In the second quarter of 2024, we entered into an agreement with an arm's-length securitization trust (see *Section 7.7 Short-term borrowings*). During the first quarter of 2025, we drew down \$0.4 billion.

Long-term debt issued and Redemptions and repayment of long-term debt

In the first quarter of 2025, long-term debt issued decreased by \$904 million, while redemptions and repayment of long-term debt increased by \$1.1 billion. These changes were primarily composed of:

- A net increase of \$0.7 billion in commercial paper outstanding, including foreign exchange effects to a balance of \$2.1 billion (US\$1.5 billion) at March 31, 2025, from a balance of \$1.4 billion (US\$1.0 billion) at December 31, 2024. Our commercial paper program provides funds at

a lower cost than our revolving credit facility and is fully backstopped by the revolving credit facility (see *Section 7.6 Credit facilities*).

- A decrease in net draws on the TELUS International (Cda) Inc. credit facility, including foreign exchange effects, of \$54 million. Net draws due to a syndicate of financial institutions (excluding TELUS Corporation's participation) on the TELUS International (Cda) Inc. credit facility were US\$1.2 billion at March 31, 2025, compared to US\$1.2 billion at December 31, 2024. The TELUS International (Cda) Inc. credit facility is non-recourse to TELUS Corporation.
- The repayment upon maturity of \$800 million of 3.75% Notes, Series CQ, due January 2025.

The average term to maturity of our long-term debt (excluding commercial paper, TELUS bank credit facilities, the revolving components of the TELUS International (Cda) Inc. credit facility, lease liabilities and other long-term debt) was 10.5 years at March 31, 2025, an increase from 10.4 years at December 31, 2024, and a decrease from 10.7 years at March 31, 2024. Additionally, the weighted average cost of our long-term debt (excluding commercial paper, TELUS bank credit facilities, the revolving components of the TELUS International (Cda) Inc. credit facility, lease liabilities and other long-term debt) was 4.40% at March 31, 2025, an increase from 4.37% at both December 31, 2024 and March 31, 2024.

Other

In the first quarter of 2024, we incurred debt issuance costs in connection with our three-tranche note issuance discussed in *Section 7.4* in our 2024 annual MD&A.

7.5 Liquidity and capital resource measures

Net debt was \$28.7 billion at March 31, 2025, an increase of \$1.4 billion compared to one year earlier, resulting mainly from: (i) the third quarter 2024 issuance of \$700 million of notes; (ii) short-term borrowings advanced to us under a new agreement with an arm's-length securitization trust (see *Section 7.7 Short-term borrowings*); (iii) an increase in commercial paper outstanding; and (iv) less Cash and temporary investments. These factors were partially offset by: (i) the repayment upon maturity of 3.35% Notes, Series CK, in the second quarter of 2024 and the repayment upon maturity of 3.75% Notes, Series CQ, in the first quarter of 2025; and (ii) the repayment of an unsecured non-revolving bank credit facility in the second quarter of 2024.

Fixed-rate debt as a proportion of total indebtedness, which excludes lease liabilities and other long-term debt, was 84% as at March 31, 2025, down from 86% one year earlier. The decrease was primarily due to: (i) the repayment upon maturity of 3.35% Notes, Series CK, in the second quarter of 2024 and the repayment upon maturity of 3.75% Notes, Series CQ, in the first quarter of 2025; (ii) an increase in our draw-down of amounts advanced to us from an arm's-length securitization trust, which is classified as floating-rate debt in this calculation; and (iii) an increase in commercial paper outstanding, which is classified as floating-rate debt in this calculation. These factors were partially offset by: (i) the second quarter 2024 repayment of the unsecured non-revolving syndicated \$1.1 billion bank credit facility, which is classified as floating-rate debt in this calculation; and (ii) the third quarter 2024 issuance of \$700 million of 4.65% Notes, Series CAQ.

Our **Net debt to EBITDA – excluding restructuring and other costs** ratio supports our financial objective of maintaining investment-grade credit ratings, which facilitates reasonable access to capital. This ratio was 3.9 times, as measured at March 31, 2025, up from 3.8 times one year earlier. Of the increase in the ratio, approximately 0.2 is the effect of the increase in net debt levels, primarily due to spectrum acquisitions and business acquisitions, which exceeded the effect of growth in EBITDA – excluding restructuring and other costs (TTech EBITDA growth decreased the ratio by approximately 0.1; TELUS Digital EBITDA decline increased the ratio by approximately 0.1); net debt levels were already elevated in the current and comparative periods due to our spectrum acquisitions and business acquisitions. As at March 31, 2025, the acquisition of spectrum licences increased the ratio by approximately 0.6. Our recent acquisitions of spectrum licences have increased our national spectrum holdings and represent an investment in building greater network capacity to support the ongoing growth in demand for data, as well as growth in our mobile subscriber base. Given the cash demands of the 600 MHz auction held in 2019, the 3500 MHz auction held in 2021, the 3800 MHz auction held in 2023 (paid in fiscal 2024) and the upcoming auction for millimetre wave spectrum, the assessment of the guideline and timing of return to the objective range remains to be determined; however, it is our intent to return to a ratio circa 2.7 in the medium term (following the spectrum auctions in 2021 and 2023, and the upcoming millimetre wave spectrum auction), consistent with our long-term strategy. We have an objective of achieving a ratio of circa 3.0 in 2027. While this ratio exceeds our long-term objective range, we are well in compliance with the leverage ratio covenant in our credit facilities, which states that we may not permit our leverage ratio to exceed 4.25 to 1.00 at March 31, 2025 (see *Section 7.6 Credit facilities*).

Liquidity and capital resource measures

As at, or for the 12-month periods ended, March 31	2025	2024	Change
Components of debt and coverage ratios (\$ millions)			
Long-term debt	28,724	29,366	(642)
Net debt ¹	28,682	27,280	1,402
Net income	1,099	783	316
EBITDA – excluding restructuring and other costs ¹	7,318	7,226	92
Financing costs	1,526	1,347	179
Net interest cost ¹	1,381	1,297	84
Debt ratios			
Fixed-rate debt as a proportion of total indebtedness (excluding lease liabilities and other long-term debt) (%)	84	86	(2) pts.
Average term to maturity of long-term debt (excluding commercial paper, TELUS bank credit facilities, the revolving components of the TELUS International (Cda) Inc. credit facility, lease liabilities and other long-term debt) (years)	10.5	10.7	(0.2)
Weighted average interest rate on long-term debt (excluding commercial paper, TELUS bank credit facilities, the revolving components of the TELUS International (Cda) Inc. credit facility, lease liabilities and other long-term debt) (%)	4.40	4.37	0.03 pts.
Net debt to EBITDA – excluding restructuring and other costs ¹ (times)	3.9	3.8	0.1
Coverage ratios¹ (times)			
Earnings coverage	2.1	1.8	0.3
EBITDA – excluding restructuring and other costs interest coverage	5.3	5.6	(0.3)
Other measures¹ (%)			
Determined using most comparable IFRS Accounting Standards measures			
Ratio of Common Share dividends declared to cash provided by operating activities – less capital expenditures	96	116	(20) pts.
Determined using management measures			
Common Share dividend payout ratio – net of dividend reinvestment plan effects	76	90	(14) pts.
1 See Section 11.1 Non-GAAP and other specified financial measures.			

Earnings coverage ratio for the 12-month period ended March 31, 2025 was 2.1 times, up from 1.8 times one year earlier. An increase in income before borrowing costs and income taxes raised the ratio by 0.6, while an increase in borrowing costs lowered the ratio by 0.3. Restructuring and other costs lowered the ratio by 0.2.

EBITDA – excluding restructuring and other costs interest coverage ratio for the 12-month period ended March 31, 2025 was

5.3 times, down from 5.6 times one year earlier. Growth in EBITDA – excluding restructuring and other costs increased the ratio by 0.1 and an increase of \$84 million in net interest costs decreased the ratio by 0.4.

Common Share dividend payout ratio: Actual Common Share dividend payout decisions will continue to be subject to our Board's assessment of our financial position and outlook, as well as our long-term Common Share dividend payout objective range of 60 to 75% of prospective free cash flow. So as to be consistent with the way we manage our business, our Common Share dividend payout ratio is presented as a historical measure calculated as the sum of the dividends declared in the most recent four quarters for Common Shares, as recorded in the financial statements, net of dividend reinvestment plan effects, divided by the sum of the most recent four quarters' free cash flow amounts for interim reporting periods. For fiscal years, the denominator is annual free cash flow. The historical measure for the 12-month period ended March 31, 2025 is presented for illustrative purposes in evaluating our objective range. As at March 31, 2025, the ratio was outside of the objective range. We estimate the ratio will be within the objective range on a prospective basis.

7.6 Credit facilities

At March 31, 2025, we had \$634 million of liquidity available from the TELUS revolving credit facility and \$794 million of liquidity available from the TELUS International (Cda) Inc. credit facility with a syndicate of financial institutions (excluding TELUS Corporation's participation). We are well within our objective of generally maintaining at least \$1 billion of available liquidity.

TELUS credit facilities

We have a \$2.75 billion (or U.S. dollar equivalent) unsecured revolving credit facility with a syndicate of financial institutions, expiring July 14, 2028. The revolving credit facility is used for general corporate purposes, including the backstop of commercial paper, as required.

As at March 31, 2025, we had incremental commitments for an unsecured non-revolving \$600 million (or U.S. dollar equivalent) bank credit facility, maturing April 2027, with a financial institution, which is to be used for general corporate purposes; subsequent to March 31, 2025, a definitive credit agreement was executed.

TELUS revolving credit facility at March 31, 2025

(\$ millions)	Expiry	Size	Drawn	Outstanding undrawn letters of credit	Backstop for commercial paper program	Available liquidity
Revolving credit facility ¹	July 14, 2028	2,750	—	—	(2,116)	634
1 Canadian dollars or U.S. dollar equivalent.						

Our credit facilities contain customary covenants, including a requirement that we not permit our consolidated leverage ratio to exceed 4.25 to 1.00 and that we not permit our consolidated coverage ratio to be less than 2.00 to 1.00 at the end of any financial quarter. As at March 31, 2025, our consolidated leverage ratio was 3.9 to 1.00 and our consolidated coverage ratio was 5.3 to 1.00. These ratios are expected to remain well within the covenants. There are certain minor differences in the calculation of the leverage ratio and coverage ratio under the revolving credit facility, as compared with the calculation of Net debt to EBITDA – excluding restructuring and other costs and EBITDA – excluding restructuring and other costs interest coverage. Historically, the calculations are substantially similar. The covenants are not impacted by revaluation, if any, of Property, plant and equipment, Intangible assets or Goodwill for accounting purposes. Continued access to our credit facilities is not contingent on maintaining a specific credit rating.

Junior subordinated notes

Subsequent to March 31, 2025, TELUS Corporation issued \$1.1 billion of fixed-to-fixed rate junior subordinated Series CAR notes initially bearing interest at 6.25% and due July 2055 and \$500 million of fixed-to-fixed rate junior subordinated Series CAS notes initially bearing interest at 6.75% and due July 2055. The notes are direct unsecured obligations and are subordinated to all existing and future senior indebtedness and are effectively subordinated to all existing and future indebtedness and obligations of, or guaranteed by, our subsidiaries. For purposes of calculating leverage ratios and determining compliance with covenants, only one-half of the principal is included as debt. See *Note 26(e)* of the interim consolidated financial statements for additional details. The net proceeds from this issuance were used for the repayment of outstanding indebtedness, including the repayment of commercial paper, the reduction of cash amounts outstanding under an arm's-length securitization trust, the repayment of TELUS revolving credit facility amounts outstanding, and for other general corporate purposes.

Commercial paper

TELUS Corporation has an unsecured commercial paper program, which is backstopped by our revolving credit facility, allowing us to issue commercial paper up to a maximum aggregate equivalent amount at any one time of

\$2.2 billion (US\$1.5 billion maximum) as at March 31, 2025. We use foreign currency forward contracts to manage currency risk arising from U.S. dollar-denominated commercial paper. The commercial paper program is used for general corporate purposes, including, but not limited to, capital expenditures and investments. Our ability to reasonably access the commercial paper market in the United States is dependent on our credit ratings (see *Section 7.8 Credit ratings*).

TELUS International (Cda) Inc. credit facility

As at March 31, 2025, TELUS International (Cda) Inc. had a credit facility, secured by its assets, expiring on January 3, 2028, with a syndicate of financial institutions, including TELUS Corporation. The credit facility is comprised of US\$800 million in revolving components and US\$1.2 billion in amortizing term loan components, with TELUS Corporation as approximately 7.2% lender in both components. The credit facility is non-recourse to TELUS Corporation. The outstanding revolving components and term loan components had a weighted average interest rate of 6.7% as at March 31, 2025.

The credit facility contains customary covenants, including a requirement that the TELUS International (Cda) Inc. quarter-end net debt to operating cash flow ratio is not permitted to exceed 3.75 to 1.00 through fiscal 2025 and 3.25 to 1.00 thereafter; and its quarter-end operating cash flow to debt service ratio is not permitted to be less than 1.50 to 1.00. As at March 31, 2025, TELUS International (Cda) Inc. was in compliance with these financial covenants.

The term loan components are subject to amortization schedules which require that a minimum of 5% of the principal advanced be repaid each year of the term of the agreement, with the balance due at maturity.

Other letter of credit facilities

At March 31, 2025, we had \$64 million of letters of credit outstanding issued under various uncommitted facilities. These letter of credit facilities are in addition to our ability to provide letters of credit under our committed revolving bank credit facility. Available liquidity under various uncommitted letter of credit facilities was \$121 million at March 31, 2025.

Other long-term debt

Other liabilities incur interest at 4.4%, are secured by the AWS-4 spectrum licences associated with these other liabilities, and are subject to amortization schedules, so that the principal is repaid over the periods to maturity, the last period ending March 31, 2035.

Lease liabilities

Lease liabilities are subject to amortization schedules, so that the principal is repaid over various periods, which include reasonably expected renewals. The weighted average interest rate on lease liabilities was approximately 5.9% as at March 31, 2025.

7.7 Short-term borrowings

On May 22, 2024, we entered into an agreement with an arm's-length securitization trust associated with a major Schedule I bank allowing us to borrow up to a maximum of \$1.6 billion, secured by certain trade receivables and unbilled customer finance receivables; the term of this revolving period securitization agreement ends May 22, 2027, and requires minimum cash advances of approximately \$920 million. Funding under the agreement may be provided in either Canadian dollars or U.S. dollars. Currency risk associated with funding denominated in U.S. dollars is managed through the use of foreign currency forward contracts. Available liquidity under this agreement was \$279 million as at March 31, 2025. (See *Note 22* of the interim consolidated financial statements.)

7.8 Credit ratings

In March 2025, Standard and Poor's Rating Services downgraded TELUS Corporation's issuer rating and the rating of our senior unsecured notes to BBB- from BBB, while our ratings remain unchanged at Moody's Investors Service and DBRS Ltd. at Baa2 and BBB, respectively.

We continued to have investment-grade ratings in the first quarter of 2025 and as at May 9, 2025. We believe adherence to most of our stated financial policies (see *Section 4.3*), coupled with our efforts to maintain a constructive relationship with banks, investors and credit rating agencies, continues to provide reasonable access to capital markets.

7.9 Financial instruments, commitments and contingent liabilities

Financial instruments

Our financial instruments, their accounting classification and the nature of certain risks to which they may be exposed were described in *Section 7.9* in our 2024 annual MD&A.

Liquidity risk

As a component of our capital structure financial policies, discussed in *Section 4.3 Liquidity and capital resources*, we manage liquidity risk by: maintaining a daily cash pooling process that enables us to manage our available liquidity and our liquidity requirements according to our actual needs; maintaining a short-term borrowing agreement associated with trade receivables and unbilled customer finance receivables; maintaining bilateral bank facilities and syndicated credit facilities; maintaining a supply chain financing program; maintaining a commercial paper program; maintaining in-effect shelf prospectuses; continuously monitoring forecast and actual cash flows; and managing maturity profiles of financial assets and financial liabilities.

As at March 31, 2025, TELUS Corporation could offer an unlimited amount of securities in Canada, and US\$3.5 billion of securities in the

United States, qualified pursuant to a Canadian shelf prospectus effective until September 2026. TELUS Digital Experience has a Canadian shelf prospectus effective until June 2026 under which an unlimited amount of debt or equity securities could be offered.

As at March 31, 2025, we had \$634 million of liquidity available from the TELUS revolving credit facility and \$794 million of liquidity available from the TELUS International (Cda) Inc. credit facility with a syndicate of financial institutions (excluding TELUS Corporation's participation) (see *Section 7.6 Credit facilities*), as well as \$279 million available under our trade receivables and unbilled customer finance receivables securitization program (see *Section 7.7 Short-term borrowings*). Excluding the TELUS International (Cda) Inc. credit facility and including cash and temporary investments of \$1,014 million, we had over \$1.9 billion of liquidity available at March 31, 2025 (see *Section 11.1 Non-GAAP and other specified financial measures*). This aligns with our objective of generally maintaining at least \$1 billion of available liquidity. We believe our investment-grade credit ratings contribute to reasonable access to capital markets.

Commitments and contingent liabilities

Purchase obligations

As at March 31, 2025, our contractual commitments related to the acquisition of Property, plant and equipment were \$252 million through to December 31, 2027, as compared to \$267 million over a period ending December 31, 2027 reported as at December 31, 2024. The decrease was primarily due to executing on our planned real estate development initiatives.

Claims and lawsuits

A number of claims and lawsuits (including class actions and intellectual property infringement claims) seeking damages and other relief are pending against us and, in some cases, other mobile carriers and telecommunications service providers. As well, we have received notice of, or are aware of, certain possible claims (including intellectual property infringement claims) against us and, in some cases, other mobile carriers and telecommunications service providers.

It is not currently possible for us to predict the outcome of such claims, possible claims and lawsuits due to various factors, including: the preliminary nature of some claims; uncertain damage theories and demands; an incomplete factual record; uncertainty concerning legal theories and procedures and their resolution by the courts, at both the trial and the appeal levels; and the unpredictable nature of opposing parties and their demands.

However, subject to the foregoing limitations, management is of the opinion, based upon legal assessments and information presently available, that it is unlikely that any liability, to the extent not provided for through insurance or otherwise, would have a material effect on our financial position

and the results of our operations, including cash flows, with the exception of the items disclosed in *Note 29* of the interim consolidated financial statements.

7.10 Outstanding share information

Outstanding shares (millions)	March 31, 2025	April 30, 2025
Common Shares	1,514	1,525
Common Share options	1	1
Restricted share units and deferred share units – equity-settled	15	16

7.11 Transactions between related parties

Transactions with key management personnel

Our key management personnel, consisting of our Board of Directors and our Executive Team, have authority and responsibility for overseeing, planning, directing and controlling our activities. Total compensation expense for key management personnel was \$19 million in the first quarter of 2025 compared to \$12 million in the first quarter of 2024. The increase in compensation expense for key management personnel was due to greater share-based compensation. See *Note 30(a)* of the interim consolidated financial statements for additional details.

Transactions with defined benefit pension plans

We provided our defined benefit pension plans with management and administrative services on a cost recovery basis and actuarial services on an arm's-length basis. Charges for these services were immaterial.

Transactions with real estate joint ventures and associate

During the first quarter of 2025, we had recurring transactions with real estate joint ventures, which are related parties, as set out in *Note 21* of the interim consolidated financial statements.

As at March 31, 2025, we held an equity interest in Miovision Technologies Incorporated. Our judgment is that we obtained significant influence over the associate concurrent with acquiring our initial equity interest.

8. Accounting matters

8.1 Critical accounting estimates and judgments

Our significant accounting policies are described in *Note 1* of the Consolidated financial statements for the year ended December 31, 2024. The preparation of financial statements in conformity with GAAP requires management to make estimates, assumptions and judgments that affect the reported amounts of assets and liabilities at the date of the financial

statements; the disclosure of contingent assets and liabilities at the date of the financial statements; and the reported amounts and classification of income and expense during the reporting period. Actual results could differ from those estimates. Our critical accounting estimates and significant judgments are generally discussed with the Audit Committee each quarter and are described in *Section 8.1* in our 2024 annual MD&A, which is hereby incorporated by reference.

8.2 Accounting policy developments

Our accounting policy developments were discussed in *Section 8.2 Accounting policy developments* in our 2024 annual MD&A. See *Note 2* of the interim consolidated financial statements for additional details.

9. Update to general trends, outlook and assumptions, and regulatory developments and proceedings

This section contains forward-looking statements, which should be read together with the *Caution regarding forward-looking statements* at the beginning of this MD&A.

The assumptions for our 2025 outlook, as described in *Section 9* in our 2024 annual MD&A, remain the same, except for the following:

- For our revised estimated economic growth rates, inflation rates, annual unemployment rates and annual rates of housing starts on an unadjusted basis, see *Section 1.2*. The extent to which these economic estimates affect us and the timing of their impact will depend upon the actual experience of specific sectors of the Canadian economy.

9.1 Communications industry regulatory developments and proceedings

Our telecommunications, broadcasting and radiocommunication services are regulated under federal laws by various authorities, including the Canadian Radio-television and Telecommunications Commission (CRTC), ISED, Canadian Heritage and the Competition Bureau.

The operations of our health business are also subject to various federal and provincial health laws and regulations, as well as policies, guidelines and directives issued by regulatory and administrative bodies. See *Section 10.3 Regulatory matters* in our 2024 annual MD&A.

The following is a summary of certain significant communications industry regulatory developments and proceedings that are relevant to our telecommunications and broadcasting business and our industry. This summary is not intended to be a comprehensive legal analysis or description

of all of the specific issues described. Although we have indicated those issues for which we do not currently expect the outcome of a development or proceeding to be material for us, there can be no assurance that the expected outcome will occur or that our current assessment of its likely impact on us will be accurate. See *Section 10.3 Regulatory matters* in our 2024 annual MD&A.

Radiocommunication licences and spectrum-related matters

ISED regulates, among other matters, the allocation and use of radio spectrum in Canada and licenses radio apparatus, frequency bands and/or radio channels within various frequency bands to service providers and private users. The department also establishes the terms and conditions that may attach to such radio authorizations, including restrictions on licence transfers, coverage obligations, research and development obligations, annual reporting, and obligations concerning mandated roaming and antenna site sharing with competitors.

Mobile spectrum licence fee framework

On March 7, 2025, ISED released *Decision on a Fee Framework and Amendments to Conditions of Licence for Certain Spectrum Licences Used to Provide Commercial Mobile Services Below 10 GHz*. This is a new licence fee framework that will apply to spectrum licences issued outside of an auction process or auctioned licences renewed beyond their initial term. This new framework is largely in line with the framework as proposed by ISED in December 2024 in the consultation that led to this decision. It makes some spectrum bands now applicable for fees, but we had expected that these bands would be subject to fees. The new ISED framework goes into effect in March 2026. The impact upon TELUS of the new fee structure is not expected to be material.

Millimetre wave (mmWave) spectrum auction to support 5G

On June 5, 2019, ISED released its *Decision on Releasing Millimetre Wave Spectrum to Support 5G*, repurposing several tranches of mmWave spectrum for mobile use. On June 6, 2022, ISED issued its *Consultation on a Policy and Licensing Framework for Spectrum in the 26, 28 and 38 GHz bands*, which is the first step in setting the auction framework rules, including competitive measures for these mmWave bands. On March 6, 2025, ISED issued *Consultation on the 26 GHz and 38 GHz Bands*, amending the June 2022 consultation to further develop the framework for an upcoming mmWave auction. There is a risk that the auction rules will favour certain carriers over us and impact our ability to acquire an adequate quantity of mmWave spectrum. ISED has not indicated when the mmWave auction will commence.

Regulatory and federal government reviews

The CRTC and the federal government have initiated public proceedings to review various matters. A number of key proceedings are discussed below.

Review of the wholesale high-speed access service framework

On August 13, 2024, the CRTC issued Telecom Regulatory Policy CRTC 2024-180 (TRP 2024-180), Competition in Canada's Internet service markets. TRP 2024-180 is the CRTC's final decision further to its consultation on the wholesale high-speed access framework in Canada, which has been ongoing since March 2023. In the March 2023 consultation document, the CRTC sought comment on a number of issues, including whether wholesale access to fibre-to-the-premises (FTTP) service should be offered on an aggregated basis and whether any further regulation, including retail regulation, is warranted.

In November 2023, the CRTC issued an interim decision imposing an interim wholesale mandate pending the final disposition of the proceeding. The interim order requires Bell to provide aggregated wholesale FTTP access in its incumbent Ontario and Quebec serving territories and requires us to provide the same service in our incumbent serving territory in Quebec. The CRTC did not make any similar order with respect to our incumbent serving territories in British Columbia or Alberta. Bell sought leave to appeal the interim order to the Federal Court of Appeal and a stay of the interim order pending the disposition of its leave application and appeal. Bell has also brought a petition to Canada's federal Cabinet to rescind the interim order and has sought alternative relief that would apply the decision nationwide and could exclude larger carriers from accessing the mandated service. In February 2024, the Federal Court of Appeal allowed Bell's application for leave to appeal but dismissed its application for a stay. Bell later discontinued its appeal on August 28, 2024. On November 6, 2024, further to Bell's petition, Canada's federal Cabinet issued an Order in Council directing the CRTC to reconsider within 90 days whether TELUS, Bell, and Rogers should be prohibited from using the interim mandated service in Ontario and Quebec. The order relates only to the interim decision, and does not directly affect the CRTC's final decision in this matter. On February 3, 2025, the CRTC issued Telecom Decision CRTC 2025-39, in which it stated that it had reconsidered this issue but determined not to vary its original decision. We have also brought an application for judicial review of the Order in Council, which remains pending before the Federal Court.

In TRP 2024-180, the CRTC ruled that TELUS, Bell, and SaskTel must provide aggregated wholesale access to their FTTP networks, effective February 13, 2025. The interim order will remain in effect until that date. As a result, all companies, including TELUS, will now be permitted to obtain wholesale FTTP access effective February 13, 2025, with two notable restrictions. First, incumbent telephone and cable companies will not be able to access the wholesale framework within their traditional wireline serving territories, but may access it outside those territories. Second, any new FTTP deployed by TELUS, Bell or SaskTel after August 13, 2024 will not be eligible for wholesale access until August 13, 2029. On October 25, 2024,

the CRTC set out interim rates for the wholesale aggregated FFTP service. The rates will remain in effect until the CRTC completes its cost study analysis and publishes final rates, likely at some point in 2025.

On September 12, 2024, SaskTel brought two court challenges to TRP 2024-180: an application for leave to appeal the decision pursuant to the *Telecommunications Act*, and an application for judicial review pursuant to the *Federal Courts Act*. The judicial review is being held in abeyance pending the disposition of the motion for leave to appeal.

In November 2024, multiple parties brought applications to the CRTC to review and vary TRP 2024-180. Among other things, the applications ask the CRTC to prohibit TELUS, Bell and Rogers from accessing wholesale FFTP service pursuant to TRP 2024-180. We participated in this consultation, which has now concluded. The matter is under reserve.

Review of mobile wireless services

On April 15, 2021, the CRTC released its decision in the *Wireless Regulatory Framework Review*. The CRTC determined that TELUS, Bell, Rogers and SaskTel must provide wholesale mobile virtual network operator (MVNO) access to facilities-based regional wireless providers in areas where those providers hold a mobile wireless spectrum licence. TELUS, Bell, Rogers and SaskTel each filed tariffs containing proposed MVNO terms and conditions and the Commission granted final tariff approval in Telecom Order 2023-133. TELUS, Bell, Rogers and SaskTel now have the MVNO service operational and available for use.

We appealed two determinations from the *Wireless Regulatory Framework Review* decision to the Federal Court of Appeal: (i) the requirement for the national mobile carriers, including us, to offer seamless roaming as an additional condition under which the existing mandated wholesale roaming service must be offered; and (ii) the ruling that sections 43 and 44 of the *Telecommunications Act* do not provide the CRTC with jurisdiction to adjudicate disputes involving mobile wireless transmission facilities. The appeal was heard in December 2022 and was dismissed on April 13, 2023. The Supreme Court of Canada heard our appeal of the matter in October 2024. On April 25, 2025, the Supreme Court dismissed our appeal, confirming that the sections 43 and 44 of the *Telecommunications Act*, as currently worded, do not give authority to the CRTC to adjudicate disputes concerning wireless transmission facilities on public lands.

Amendment of the CRTC MVNO mandate to include additional retail market segments

On October 9, 2024, the CRTC issued Telecom Decision CRTC 2024-238, *Facilities-based wholesale mobile virtual network operator (MVNO) access tariffs – Expanding the scope to include enterprise and Internet of Things customers*. In the decision, the CRTC amended existing regulations to allow regional wireless carriers to use wholesale MVNO access to serve

enterprise and IoT customers. The decision does not affect existing wholesale MVNO access agreements and final offer arbitration decisions, which remain in effect. Regional wireless carriers are now permitted to seek to negotiate an amendment to existing agreements or to negotiate separate agreements should they wish to do so, to include enterprise and IoT segments. Until and unless we sign any such agreements, it is too early to determine the impact of this decision on us. On January 25, 2025, Rogers filed an application to the CRTC seeking to review and vary the CRTC's decision. A decision on this application is not expected until late 2025.

Amendments to the Telecommunications Act

In June 2024, Parliament passed Bill C-69, the *Budget Implementation Act, 2024, No. 1*. The Bill makes a number of amendments to the *Telecommunications Act*, including requirements for providers to offer a self-service option to modify or cancel plans and to provide certain notices in advance of contract expiry. The Bill also prohibits providers from charging activation fees or certain other fees and requires the CRTC to set out details on how providers should comply with these amendments. While the Bill is now law, these provisions will only come into force at a later date, to be fixed by the Governor in Council. In November 2024, the CRTC issued Notices of Consultation CRTC 2024-293, 2024-294, and 2024-295, through which it will create regulatory frameworks to implement these amendments. The CRTC entertained submissions in February and March 2025, with decisions on these issues expected later in 2025.

Parliament also passed Bill C-288, a private member's bill, which amended the *Telecommunications Act* to require Canadian carriers to make certain information available in respect of the fixed broadband services that they offer, and obligates the CRTC to hold a public hearing to determine how carriers should comply with these amendments. In December 2024, the CRTC issued Notice of Consultation CRTC 2024-318, through which it will create the regulatory framework to implement these amendments. As required by the amendments, the CRTC will also hold a public hearing, presently scheduled for June 2025.

Until the CRTC issues determinations to set out the compliance requirements under these amendments, it is too early to determine their impact on us.

Review of domestic wholesale roaming rates and rate-setting approach

On May 19, 2022, Bragg Communications Inc., Cogeco Communications Inc., Videotron Ltd., Xplornet Communications Inc. and Xplore Mobile Inc. filed a joint application to the CRTC seeking a review of the tariffed rates currently charged by TELUS, Bell and Rogers for domestic wholesale roaming. The CRTC rendered its decision on October 7, 2024. In its decision, the CRTC moved away from the existing tariffed domestic roaming rates, and instead mandated parties to set rates using commercial

negotiation with recourse to final offer arbitration. The CRTC directed carriers to negotiate in good faith and conclude negotiations within 60 days of the submission of a wholesale roaming request by a regional carrier. The CRTC stated that it will publish certain rate benchmarks on an annual basis, including the weighted average retail revenue per gigabyte of data in Canada. Until we negotiate new agreements with regional carriers, it is too early to determine the impact of this decision on us.

In addition, the CRTC released Telecom Notice of Consultation CRTC 2024-235, where it set out a preliminary view that each of TELUS and Bell should be required to provide roaming access for their full national footprint areas for regional wireless carriers. This would mean, for example, that TELUS would be required to provide domestic roaming in the geographic areas where Bell is responsible for the radio access network, and vice versa. We participated in this proceeding by setting out why we disagree with the CRTC's preliminary view. Until the CRTC makes a determination in this proceeding, it is too early to determine its impact on us.

Review of international roaming options

On October 7, 2024, the CRTC sent a letter to TELUS, Bell and Rogers stating that it had conducted a review of roaming fees that Canadians pay when travelling internationally. The letter states that the CRTC found that Canadians lack choice when traveling internationally and that roaming rates are too high. The CRTC directed TELUS, Bell and Rogers to report back to the CRTC on November 4, 2024, on the steps they are taking to address the CRTC's concerns. The letter states that if the CRTC finds that sufficient action is not taken, it will launch a formal public proceeding. Accordingly, TELUS, Bell and Rogers, responded to the CRTC on November 4, 2024. On March 7, 2025, the CRTC determined that it will not launch a formal proceeding. However, the CRTC called on TELUS, Bell and Rogers to ensure that they continue to make progress on reducing roaming fees, and set an expectation to make their new international roaming offerings available to Canadians as soon as possible and to ensure that they are easily found on their websites. The CRTC also required TELUS, Bell and Rogers to file reports in May 2025 and November 2025. Each report will set out a list of new international roaming offerings that have been launched since the CRTC's October 2024 letter, along with other specified information.

Government of Canada and CRTC activities to improve Canadian network resiliency

On February 22, 2023, the CRTC issued *Call for comments – Development of a regulatory framework to improve network reliability and resiliency – Mandatory notification and reporting about major telecommunications service outages*, Telecom Notice of Consultation CRTC 2023-39, in which it sought comments on a notification and reporting regime for major service outages. In addition, the Commission mandated the implementation of an interim notification and reporting regime for major service outages while the

consultation is ongoing. We implemented the interim regime on March 8, 2023. We continue to participate in all follow-up initiatives as required. It is too early to determine if these initiatives will have a material impact until they are concluded.

Implementation of next-generation 9-1-1 service

On June 14, 2021, the CRTC issued Telecom Decision CRTC 2021-199, *Establishment of new deadlines for Canada's transition to next-generation 9-1-1* (NG9-1-1), where the CRTC stipulated revised implementation for NG9-1-1 service in Canada. We are now transiting live NG9-1-1 traffic over our NG9-1-1 network, but full implementation of NG9-1-1 in our NG9-1-1 territory is contingent on interconnections with 9-1-1 call centres and such implementation is dependent upon local government authorities. On February 28, 2025, in response to an application filed by the national associations of Chiefs of Police, Fire Chiefs and Paramedic Chiefs, the CRTC issued a decision to extend the deadline of NG9-1-1 implementation dates, from March 2025 to March 2027. We continue our work to fully implement NG9-1-1.

On February 28, 2025, the CRTC denied a request filed by a group of public safety answering points (PSAPs), the entities that receive 9-1-1 calls and dispatch emergency services, that would have required NG9-1-1 network providers, including us, to make available a NG9-1-1 network testing environment for PSAPs. We had opposed this application.

Federal and provincial privacy regulators investigate OpenAI and the X social media platform

On May 25, 2023, the privacy authorities for Canada, British Columbia, Alberta and Quebec announced a joint investigation of OpenAI, the company behind AI-powered chatbot ChatGPT. On February 27, 2025, the Privacy Commissioner of Canada opened an investigation into social media platform X concerning the platform's collection, use, and disclosure of Canadians' personal information to train AI models. These wide-ranging investigations will examine whether the organizations obtained valid and meaningful consent for the collection, use and disclosure of the personal information from individuals using their AI services; their obligations with respect to openness and transparency; and whether it collected, used and/or disclosed personal information for purposes that a reasonable person would consider appropriate. The findings of this investigation could materially impact our use of AI.

CRTC review of telecommunications services to the Far North

On January 16, 2025, the CRTC issued *Telecommunications in the Far North*, Telecom Regulatory Policy 2025-9, following a consultation. Major determinations include the creation of a new subsidy regime for retail Internet customers in the Far North paid via the national contribution fund, new quality and reliability requirements cast upon Northwestel Inc. and adjustments to Northwestel's wholesale connect service. On the same day,

the CRTC issued *Call for comments – Implementing a retail Internet service subsidy in the Far North*, Telecom Notice of Consultation 2025-10, where it is seeking comments on how the retail Internet subsidy regime should be implemented for the Far North. We are participating in this proceeding, with a decision not expected until 2026. Until the CRTC issues a decision on that proceeding, it is too early to determine its impact on us.

Proceeding regarding support structure relocation compensation

On January 16, 2023, we filed a proposed revision to our support structure tariff that allows support structure licensees to negotiate relocation terms and compensation directly with the party forcing the relocation, pursuant to the CRTC's direction in Telecom Decision CRTC 2022-311, *Rogers Communications Canada Inc. and Shaw Cablesystems G.P. – Application regarding compensation for transmission line relocation in British Columbia*. On June 5, 2024, the CRTC released Telecom Order 2024-122, directing us to file, within 30 days, a proposal to compensate attaching carriers through our Support Structure Tariff. On July 5, 2024, as directed by the CRTC, we filed a tariff application proposing a formula to compensate attaching carriers. If approved, it is expected that the impact will be limited in practice, as it is only applicable when we receive compensation from a public authority requesting a relocation of TELUS-owned poles. We are now awaiting a Commission decision on the tariff application.

Broadcasting and content-related issues

Regulatory plan to modernize Canada's broadcasting system

Parliament amended the *Broadcasting Act* in April 2023 to include online streaming services, and as a response, the CRTC has begun to update its regulatory framework through a multi-phase consultation process and has issued its first decisions on this matter. In September 2023, the CRTC determined that the large streaming companies, as well as traditional broadcasting undertakings like TELUS, must register their online services with the CRTC. In March 2024, the CRTC issued a decision requiring online streaming services to pay a portion of the broadcasting fees collected from the industry to cover the CRTC's operational expenditures. Because the regulations expand the pool of payors, we can expect our share of overall contributions to decrease. Most recently, on June 4, 2024, the CRTC determined that online undertakings that are not affiliated with traditional Canadian broadcasting undertakings (generally the large streaming companies) will be required to contribute 5% of their Canadian revenues to support the domestic broadcasting system. Online streaming services operated by TELUS and other traditional Canadian services are not subject to this requirement.

In November 2024, the CRTC launched a consultation to modernize the definition of Canadian content for television and online programming, and to review the contribution framework that will support the creation of Canadian content. The consultation will proceed to a hearing in May 2025.

On January 9, 2025, the CRTC launched a consultation to examine the market dynamics between small, medium, and large programming, distribution, and online services, and the tools available to ensure the sustainability and growth of Canada's broadcasting system. Among other things, the CRTC will consider the effectiveness of current regulations in light of evolving market dynamics, and in particular, the increasing prevalence of online streaming services. We are participating in this consultation. The CRTC accepted written submissions in February and March 2025, and will hold a public hearing starting on June 18, 2025. It is too early to assess the impact of this proceeding on us.

10. Risks and risk management

The principal risks and uncertainties that could affect our future business results and associated risk mitigation activities were described in our 2024 annual MD&A and have not materially changed since December 31, 2024. Reference is made as well to the summary of risks and uncertainties in the *Caution regarding forward-looking statements* at the beginning of this MD&A.

11. Definitions and reconciliations

11.1 Non-GAAP and other specified financial measures

We have issued guidance on and report certain non-GAAP measures that are used to evaluate the performance of TELUS, as well as to determine compliance with debt covenants and to manage our capital structure. As non-GAAP measures generally do not have a standardized meaning, they may not be comparable to similar measures presented by other issuers. For certain financial metrics, there are definitional differences between TELUS and TELUS Digital Experience reporting. These differences largely arise from TELUS Digital Experience adopting definitions consistent with practice in its industry. Securities regulations require such measures to be clearly defined, qualified and reconciled with their nearest GAAP measure. Certain of the metrics do not have generally accepted industry definitions.

Adjusted Net income and adjusted basic earnings per share (EPS):

These are non-GAAP measures that do not have any standardized meaning prescribed by IFRS Accounting Standards and are therefore unlikely to be comparable to similar measures presented by other issuers. Adjusted Net income excludes the effects of restructuring and other costs, real estate rationalization-related restructuring impairments, income tax-related adjustments, long-term debt prepayment premium, unrealized changes in virtual power purchase agreements forward element when accounted for as held for trading (see *Section 5.3*), and other adjustments (identified in the following tables). Adjusted basic EPS is calculated as adjusted Net income

divided by the basic weighted-average number of Common Shares outstanding. These measures are used to evaluate performance at a consolidated level and exclude items that, in management's view, may obscure underlying trends in business performance or items of an unusual nature that do not reflect our ongoing operations. They should not be considered alternatives to Net income and basic EPS in measuring TELUS' performance.

Reconciliation of adjusted Net income

(\$ millions)	Three-month periods ended March 31	
	2025	2024
Net income attributable to Common Shares	321	127
Add (deduct) amounts net of amount attributable to non-controlling interests:		
Restructuring and other costs	93	213
Tax effect of restructuring and other costs	(24)	(48)
Real estate rationalization-related restructuring impairments	3	68
Tax effect of real estate rationalization-related restructuring impairments	(1)	(18)
Income tax-related adjustments	(4)	—
Unrealized changes in virtual power purchase agreements forward element ¹	—	66
Tax effect of unrealized changes in virtual power purchase agreements forward element ¹	—	(18)
Adjusted Net income	388	390

1 Effective for the first quarter of 2025, arising from a prospective change in accounting policy, which applies hedge accounting, (see Note 2(a) of the interim consolidated financial statements), fair value adjustments, which were previously included within Financing costs, are now included within Other comprehensive income.

Reconciliation of adjusted basic EPS

(\$)	Three-month periods ended March 31	
	2025	2024
Basic EPS	0.21	0.09
Add (deduct) amounts net of amount attributable to non-controlling interests:		
Restructuring and other costs, per share	0.06	0.14
Tax effect of restructuring and other costs, per share	(0.01)	(0.03)
Real estate rationalization-related restructuring impairments, per share	—	0.04
Tax effect of real estate rationalization-related restructuring impairments, per share	—	(0.01)
Unrealized changes in virtual power purchase agreements forward element, per share ¹	—	0.04
Tax effect of unrealized changes in virtual power purchase agreements forward element, per share ¹	—	(0.01)
Adjusted basic EPS	0.26	0.26

1 Effective for the first quarter of 2025, arising from a prospective change in accounting policy, which applies hedge accounting, (see Note 2(a) of the interim consolidated financial statements), fair value adjustments, which were previously included within Financing costs, are now included within Other comprehensive income.

Available liquidity: This is a non-GAAP measure that does not have any standardized meaning prescribed by IFRS Accounting Standards and is therefore unlikely to be comparable to similar measures presented by other issuers. Available liquidity is calculated as the sum of Cash and temporary investments, net, amounts available from the revolving credit facility, and amounts available under our trade receivables and unbilled customer finance receivables securitization program, measured at the end of the period. We believe this to be a useful measure because it allows us to monitor compliance with our financial objectives. It should not be considered as an alternative to Cash and temporary investments, net, in measuring TELUS' performance.

Available liquidity reconciliation

As at March 31 (\$ millions)	2025	2024
Cash and temporary investments, net	1,014	2,164
Net amounts available from the TELUS Corporation revolving credit facility	634	1,578
Amounts available under trade receivables and unbilled customer finance receivables securitization program	279	—
Amounts available under previous securitization program	—	500
Available liquidity	1,927	4,242

Capital expenditure intensity: This measure is calculated as capital expenditures excluding real estate development divided by Operating revenues and other income. It provides a basis for comparing the level of capital expenditures to those of other companies of varying size within the same industry.

Calculation of Capital expenditure intensity

	TTech		TELUS Health		TELUS Digital		Eliminations		Total	
	2025	2024 (restated)	2025	2024	2025	2024	2025	2024 (restated)	2025	2024
Three-month periods ended March 31 (\$ millions, except ratio)										
Numerator – Capital expenditures excluding real estate development	507	649	44	44	41	26	(13)	(8)	579	711
Denominator – Operating revenues and other income	3,883	3,796	473	422	962	924	(261)	(210)	5,057	4,932
Capital expenditure intensity (%)	13	17	9	10	4	3	n/m	n/m	11	14

TELUS Corporation Common Share dividend payout ratio: This is a historical measure calculated as the sum of the most recent four quarterly dividends declared, as recorded in the financial statements, net of dividend reinvestment plan effects, divided by the sum of free cash flow amounts for the most recent four quarters for interim reporting periods. For fiscal years, the denominator is annual free cash flow. Our objective range for the annual TELUS Corporation Common Share dividend payout ratio is on a prospective basis, rather than on a trailing basis. (See *Section 4.3 Liquidity and capital resources* and *Section 7.5 Liquidity and capital resource measures*.)

Calculation of ratio of Common Share dividends declared to cash provided by operating activities less capital expenditures

Determined using most comparable IFRS Accounting Standards measures

For the 12-month periods ended March 31 (\$ millions, except ratio)	2025	2024
Numerator – Sum of the most recent four quarterly dividends declared	2,370	2,159
Cash provided by operating activities	4,974	4,688
Less:		
Capital expenditures	(2,497)	(2,834)
Denominator – Cash provided by operating activities less capital expenditures	2,477	1,854
Ratio (%)	96	116

Calculation of Common Share dividend payout ratio, net of dividend reinvestment plan effects

Determined using management measures

For the 12-month periods ended March 31 (\$ millions, except ratio)	2025	2024
Sum of the most recent four quarterly dividends declared	2,370	2,159
Sum of the amounts of the most recent four quarterly dividends declared reinvested in Common Shares	(791)	(692)
Numerator – Sum of the most recent four quarterly dividends declared, net of dividend reinvestment plan effects	1,579	1,467
Denominator – Free cash flow	2,071	1,632
Ratio (%)	76	90

Earnings coverage: This measure is defined in the Canadian Securities Administrators' National Instrument 41-101 and related instruments, and is calculated as follows:

Calculation of Earnings coverage

For the 12-month periods ended March 31 (\$ millions, except ratio)	2025	2024
Net income attributable to Common Shares	1,187	751
Income taxes (attributable to Common Shares)	338	199
Borrowing costs (attributable to Common Shares) ¹	1,333	1,226
Numerator	2,858	2,176
Denominator – Borrowing costs	1,333	1,226
Ratio (times)	2.1	1.8

¹ Interest on Long-term debt plus Interest on short-term borrowings and other plus long-term debt prepayment premium, adding capitalized interest and deducting borrowing costs attributable to non-controlling interests.

EBITDA (earnings before interest, income taxes, depreciation and amortization): 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 as 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.

We calculate EBITDA – excluding restructuring and other costs, as it is a component of the **EBITDA – excluding restructuring and other costs interest coverage** ratio and the **Net debt to EBITDA – excluding restructuring and other costs** ratio.

We also calculate **Adjusted EBITDA** 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.

EBIT (earnings before interest and income taxes) is calculated for our reportable segments because we believe it is a meaningful indicator of our operating performance, as it represents our earnings from operations before costs of capital structure and income taxes.

EBITDA and Adjusted EBITDA reconciliations

Three-month periods ended March 31 (\$ millions)	TTech		TELUS Health		TELUS Digital		Eliminations		Total	
	2025	2024 (restated)	2025	2024	2025	2024	2025	2024	2025	2024
Net income									301	140
Financing costs									344	394
Income taxes									107	41
EBIT	801	572	(40)	(78)	4	91	(13)	(10)	752	575
Depreciation	529	621	13	23	50	46	—	—	592	690
Amortization of intangible assets	240	223	94	90	66	60	—	—	400	373
EBITDA	1,570	1,416	67	35	120	197	(13)	(10)	1,744	1,638
Add restructuring and other costs included in EBITDA	79	184	9	24	9	10	—	—	97	218
EBITDA – excluding restructuring and other costs and Adjusted EBITDA	1,649	1,600	76	59	129	207	(13)	(10)	1,841	1,856
Combined TTech and TELUS Health Adjusted EBITDA			1,725	1,659						

Adjusted EBITDA less capital expenditures is calculated for our reportable segments, as it represents a performance measure that may be more comparable to similar measures presented by other issuers.

Adjusted EBITDA less capital expenditures reconciliation

Three-month periods ended March 31 (\$ millions)	TTech		TELUS Health		TELUS Digital		Eliminations		Total	
	2025	2024 (restated)	2025	2024	2025	2024	2025	2024	2025	2024
Adjusted EBITDA	1,649	1,600	76	59	129	207	(13)	(10)	1,841	1,856
Capital expenditures	(515)	(663)	(44)	(44)	(41)	(26)	13	8	(587)	(725)
Adjusted EBITDA less capital expenditures	1,134	937	32	15	88	181	—	(2)	1,254	1,131

We calculate **EBITDA margin** and **Adjusted EBITDA margin** to evaluate the performance of our operating segments and we believe these measures are also used by investors as indicators of a company's operating performance. We calculate EBITDA margin as EBITDA divided by Operating revenues and other income. Adjusted EBITDA margin is a non-GAAP ratio that does not have any standardized meaning prescribed by IFRS Accounting Standards and is therefore unlikely to be comparable to similar measures presented by other issuers. We calculate Adjusted EBITDA margin as Adjusted EBITDA divided by adjusted Operating revenues and other income.

Calculation of EBITDA margin

	TTech		TELUS Health		TELUS Digital		Eliminations		Total	
Three-month periods ended March 31 (\$ millions, except margin)	2025	2024 (restated)	2025	2024	2025	2024	2025	2024 (restated)	2025	2024
Numerator – EBITDA	1,570	1,416	67	35	120	197	(13)	(10)	1,744	1,638
Denominator – Operating revenues and other income	3,883	3,796	473	422	962	924	(261)	(210)	5,057	4,932
EBITDA margin (%)	40.4	37.2	14.2	8.4	12.5	21.3	n/m	n/m	34.5	33.2

Calculation of Adjusted EBITDA margin

	TTech		TELUS Health		TELUS Digital		Eliminations		Total	
Three-month periods ended March 31 (\$ millions, except margin)	2025	2024 (restated)	2025	2024	2025	2024	2025	2024 (restated)	2025	2024
Numerator – Adjusted EBITDA	1,649	1,600	76	59	129	207	(13)	(10)	1,841	1,856
Denominator – Operating revenues and other income	3,883	3,796	473	422	962	924	(261)	(210)	5,057	4,932
Adjusted EBITDA margin (%)	42.4	42.1	16.2	14.0	13.4	22.4	n/m	n/m	36.4	37.6

EBITDA – excluding restructuring and other costs interest coverage:

This measure is defined as EBITDA – excluding restructuring and other costs, divided by Net interest cost, calculated on a 12-month trailing basis. It is similar to the coverage ratio covenant in our credit facilities, as described in *Section 7.6 Credit facilities*.

Calculation of EBITDA – excluding restructuring and other costs interest coverage

For the 12-month periods ended March 31 (\$ millions, except ratio)	2025	2024
Numerator – EBITDA – excluding restructuring and other costs	7,318	7,226
Denominator – Net interest cost	1,381	1,297
Ratio (times)	5.3	5.6

Free cash flow: We report this measure as a supplementary indicator of our operating performance, and there is no generally accepted industry definition of free cash flow. It should not be considered as an alternative to the measures in the condensed interim 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 reported in the condensed interim consolidated statements of cash flows. It provides an indication of how much cash generated by operations is available after capital expenditures 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.

Free cash flow calculation

	Three-month periods ended March 31	
(\$ millions)	2025	2024
EBITDA	1,744	1,638
Restructuring and other costs, net of disbursements	(36)	(11)
Effects of contract asset, acquisition and fulfilment (IFRS 15 impact) and TELUS Easy Payment mobile device financing	28	34
Effects of lease principal (IFRS 16 impact)	(193)	(178)
Items from the condensed interim consolidated statements of cash flows:		
Share-based compensation, net of employee share purchase plan cash outflows	42	30
Net employee defined benefit plans expense	15	17
Employer contributions to employee defined benefit plans	(5)	(8)
Loss from equity accounted investments and other	—	5
Interest paid	(371)	(334)
Interest received	5	11
Capital expenditures ¹	(587)	(725)
Free cash flow before income taxes	642	479
Income taxes paid, net of refunds	(154)	(80)
Free cash flow	488	399

¹ Refer to *Note 31* of the interim consolidated financial statements for further information.

The following reconciles our definition of free cash flow with Cash provided by operating activities.

Reconciliation of free cash flow with Cash provided by operating activities

	Three-month periods ended March 31	
(\$ millions)	2025	2024
Free cash flow	488	399
Add (deduct):		
Capital expenditures ¹	587	725
Effect of lease principal	193	178
Net change in non-cash operating working capital not included in preceding line items and other individually immaterial items included in Net income neither providing nor using cash	(191)	(352)
Cash provided by operating activities	1,077	950

¹ Refer to *Note 31* of the interim consolidated financial statements for further information.

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.

Net debt: We believe that 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 Accounting Standards measure to net debt is Long-term debt, including Current maturities of Long-term debt. Net debt is a component of the **Net debt to EBITDA – excluding restructuring and other costs** ratio.

Net debt to EBITDA – excluding restructuring and other costs: This measure is defined as net debt at the end of the period divided by 12-month trailing EBITDA – excluding restructuring and other costs. (See discussion in *Section 7.5 Liquidity and capital resource measures*.) This measure is similar to the leverage ratio covenant in our credit facilities, as described in *Section 7.6 Credit facilities*.

Calculation of Net debt to EBITDA – excluding restructuring and other costs

For the 12-month periods ended March 31 (\$ millions, except ratio)	2025	2024
Numerator – Net debt	28,682	27,280
Denominator – EBITDA – excluding restructuring and other costs	7,318	7,226
Ratio (times)	3.9	3.8

Net interest cost: This measure is the denominator in the calculation of **EBITDA – excluding restructuring and other costs interest coverage**. Net interest cost is defined as financing costs, excluding capitalized long-term debt interest, employee defined benefit plans net interest, unrealized changes in virtual power purchase agreements forward element when accounted for as held for trading (see *Section 5.3*), and recoveries on redemption and repayment of debt, calculated on a 12-month trailing basis. Expenses recorded for the long-term debt prepayment premium, if any, are included in net interest cost.

Calculation of Net interest cost

For the 12-month periods ended March 31 (\$ millions)	2025	2024
Financing costs	1,526	1,347
Add (deduct):		
Employee defined benefit plans net interest	(10)	(7)
Interest on long-term debt, excluding lease liabilities and other – capitalized	30	4
Unrealized changes in virtual power purchase agreements forward element	(165)	(47)
Net interest cost	1,381	1,297

11.2 Operating indicators

The following measures are industry metrics that are useful in assessing the operating performance of a mobile and fixed telecommunications entity, but do not have a standardized meaning under IFRS Accounting Standards.

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.

Connected device subscriber means a subscriber on an active TELUS service plan with a recurring revenue-generating portable unit (e.g. tablets, internet keys, Internet of Things, wearables and connected cars) that is

supported by TELUS and is intended for limited or no cellular voice capability.

Mobile phone subscriber means a subscriber on an active TELUS service plan with a recurring revenue-generating portable unit (e.g. feature phones and smartphones) where TELUS provides voice, text and/or data connectivity.

Internet subscriber means a subscriber on an active TELUS internet plan with a recurring revenue-generating unit where TELUS provides internet connectivity.

Residential voice subscriber means a subscriber on an active TELUS phone plan with a recurring revenue-generating unit where TELUS provides voice service.

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

TV subscriber means a subscriber on an active TELUS TV plan with a recurring revenue-generating subscription for video services from a TELUS TV platform.

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, personal health security, and employee and family assistance programs). It is probable that some members and their dependents will be a user of multiple TELUS Health services.

TELUS CORPORATION
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
MARCH 31, 2025

condensed interim consolidated statements of income and other comprehensive income

(unaudited)

Periods ended March 31 (millions except per share amounts)	Note	Three months	
		2025	2024
OPERATING REVENUES			
Service		\$ 4,443	\$ 4,329
Equipment		575	537
Operating revenues (arising from contracts with customers)	6	5,018	4,866
Other income	7	39	66
Operating revenues and other income		5,057	4,932
OPERATING EXPENSES			
Goods and services purchased	16	1,847	1,810
Employee benefits expense	8, 16	1,466	1,484
Depreciation	17	592	690
Amortization of intangible assets	18	400	373
		4,305	4,357
OPERATING INCOME		752	575
Financing costs	9	344	394
INCOME BEFORE INCOME TAXES		408	181
Income taxes	10	107	41
NET INCOME		301	140
OTHER COMPREHENSIVE INCOME (LOSS)	11		
Items that may subsequently be reclassified to income			
Change in unrealized fair value of derivatives designated as cash flow hedges		(11)	59
Foreign currency translation adjustment arising from translating financial statements of foreign operations		60	24
		49	83
Items never subsequently reclassified to income			
Change in measurement of investment financial assets		4	1
Employee defined benefit plan re-measurements		(1)	35
		3	36
		52	119
COMPREHENSIVE INCOME		\$ 353	\$ 259
NET INCOME ATTRIBUTABLE TO:			
Common Shares		\$ 321	\$ 127
Non-controlling interests		(20)	13
		\$ 301	\$ 140
COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Common Shares		\$ 364	\$ 226
Non-controlling interests		(11)	33
		\$ 353	\$ 259
NET INCOME PER COMMON SHARE	12		
Basic		\$ 0.21	\$ 0.09
Diluted		\$ 0.21	\$ 0.09
TOTAL WEIGHTED AVERAGE COMMON SHARES OUTSTANDING			
Basic		1,514	1,476
Diluted		1,516	1,478

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



condensed interim consolidated statements of financial position

(unaudited)

As at (millions)	Note	March 31, 2025	December 31, 2024
ASSETS			
Current assets			
Cash and temporary investments, net		\$ 1,014	\$ 869
Accounts receivable	6(b)	3,498	3,689
Income and other taxes receivable		224	146
Inventories	1(c)	566	629
Contract assets	6(c)	469	465
Costs incurred to obtain or fulfill contracts with customers	20	383	366
Prepaid expenses		509	403
Current derivative assets	4(d)	61	65
		6,724	6,632
Non-current assets			
Property, plant and equipment, net	17	17,344	17,337
Intangible assets, net	18	20,421	20,593
Goodwill, net	18	10,639	10,559
Contract assets	6(c)	304	325
Other long-term assets	20	2,553	2,577
		51,261	51,391
		\$ 57,985	\$ 58,023

As at (millions)	Note	March 31, 2025	December 31, 2024
LIABILITIES AND OWNERS' EQUITY			
Current liabilities			
Short-term borrowings	22	\$ 1,325	\$ 922
Accounts payable and accrued liabilities	23	3,314	3,630
Income and other taxes payable		167	142
Dividends payable	13	610	605
Advance billings and customer deposits	24	1,027	1,039
Provisions	25	260	236
Current maturities of long-term debt	26	3,776	3,246
Current derivative liabilities	4(d)	9	11
		10,488	9,831
Non-current liabilities			
Provisions	25	609	686
Long-term debt	26	24,948	25,608
Other long-term liabilities	27	913	869
Deferred income taxes		4,241	4,231
		30,711	31,394
Liabilities		41,199	41,225
Owners' equity			
Common equity	28	15,607	15,620
Non-controlling interests		1,179	1,178
		16,786	16,798
		\$ 57,985	\$ 58,023

Contingent liabilities

29

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

condensed interim consolidated statements of changes in owners' equity

(unaudited)

		Common equity							
		Equity contributed			Accumulated other comprehensive income			Non-controlling interests	Total
		Common Shares (Note 28)		Contributed surplus	Retained earnings	Total			
(millions)	Note	Number of shares	Share capital						
Balance as at January 1, 2024		1,468	\$ 12,324	\$ 997	\$ 2,835	\$ (44)	\$ 16,112	\$ 1,190	\$ 17,302
Net income		—	—	—	127	—	127	13	140
Other comprehensive income (loss)	11	—	—	—	35	64	99	20	119
Dividends	13	—	—	—	(554)	—	(554)	—	(554)
Dividends reinvested and optional cash payments	13(b), 14(c)	8	191	—	—	—	191	—	191
Equity accounted share-based compensation		—	—	28	—	—	28	(6)	22
Issue of Common Shares in business combination		—	7	—	—	—	7	—	7
Change in ownership interests of subsidiaries	28(b)	—	—	(2)	—	—	(2)	8	6
Balance as at March 31, 2024		1,476	\$ 12,522	\$ 1,023	\$ 2,443	\$ 20	\$ 16,008	\$ 1,225	\$ 17,233
Balance as at January 1, 2025		1,504	\$ 13,124	\$ 1,081	\$ 1,520	\$ (105)	\$ 15,620	\$ 1,178	\$ 16,798
Net income		—	—	—	321	—	321	(20)	301
Other comprehensive income (loss)	11	—	—	—	(1)	44	43	9	52
Dividends	13	—	—	—	(610)	—	(610)	—	(610)
Dividends reinvested and optional cash payments	13(b), 14(c)	10	203	—	—	—	203	—	203
Equity accounted share-based compensation	14(b)	—	—	30	—	—	30	(1)	29
Change in ownership interests of subsidiaries	28(b)	—	—	—	—	—	—	13	13
Balance as at March 31, 2025		1,514	\$ 13,327	\$ 1,111	\$ 1,230	\$ (61)	\$ 15,607	\$ 1,179	\$ 16,786

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

condensed interim consolidated statements of cash flows

(unaudited)

Periods ended March 31 (millions)	Note	Three months 2025	2024
OPERATING ACTIVITIES			
Net income		\$ 301	\$ 140
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation and amortization		992	1,063
Deferred income taxes	10	(6)	(98)
Share-based compensation expense, net	14(a)	42	27
Net employee defined benefit plans expense	15(a)	15	17
Employer contributions to employee defined benefit plans	15(a)	(5)	(8)
Gain on contributions of real estate to joint ventures	7, 21	(8)	(34)
Loss from equity accounted investments	7, 21	—	5
Other		(11)	20
Net change in non-cash operating working capital	31(a)	(243)	(182)
Cash provided by operating activities		1,077	950
INVESTING ACTIVITIES			
Cash payments for capital assets, excluding spectrum licences	31(a)	(654)	(812)
Cash payments for spectrum licences	18(a)	—	(124)
Cash payments for acquisitions, net	18(b)	(11)	(89)
Advances to, and investment in, real estate joint ventures and associates	21	—	(3)
Real estate joint venture receipts	21	1	2
Proceeds on disposition		66	14
Investment in portfolio investments and other		(4)	20
Cash used by investing activities		(602)	(992)

Periods ended March 31 (millions)	Note	Three months 2025	2024
FINANCING ACTIVITIES			
Dividends paid to holders of Common Shares	31(b) 13(a)	(402)	(359)
Issue (repayment) of short-term borrowings, net		399	—
Long-term debt issued	26	1,663	2,567
Redemptions and repayment of long-term debt	26	(1,990)	(850)
Other		—	(16)
Cash provided (used) by financing activities		(330)	1,342
CASH POSITION			
Increase in cash and temporary investments, net		145	1,300
Cash and temporary investments, net, beginning of period		869	864
Cash and temporary investments, net, end of period		\$ 1,014	\$ 2,164
SUPPLEMENTAL DISCLOSURE OF OPERATING CASH FLOWS			
Interest paid		\$ (371)	\$ (334)
Interest received		\$ 5	\$ 11
Income taxes paid, net		\$ (154)	\$ (80)

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

MARCH 31, 2025

TELUS Corporation is one of Canada's largest telecommunications companies, providing a wide range of technology solutions, which include: mobile and fixed voice and data telecommunications services and products; healthcare services, software and technology solutions (including employee and family assistance programs and benefits administration); agriculture and consumer goods services (software, data management and data analytics-driven smart-food chain and consumer goods technologies); and digital experiences. Data services include: internet protocol; television; hosting, managed information technology and cloud-based services; and home and business security and automation.

TELUS Corporation was incorporated under the *Company Act* (British Columbia) on October 26, 1998, under the name BCT.TELUS Communications Inc. (BCT). On January 31, 1999, pursuant to a court-approved plan of arrangement under the *Canada Business Corporations Act* among BCT, BC TELECOM Inc. and the former Alberta-based TELUS Corporation (TC), BCT acquired all of the shares of BC TELECOM Inc. and TC in exchange for Common Shares and Non-Voting Shares of BCT, and BC TELECOM Inc. was dissolved. On May 3, 2000, BCT changed its name to TELUS Corporation and in February 2005, TELUS Corporation transitioned under the *Business Corporations Act* (British Columbia), successor to the *Company Act* (British Columbia). TELUS Corporation maintains its registered office at Floor 5, 510 West Georgia Street, Vancouver, British Columbia, V6B 0M3.

The terms "TELUS", "we", "us", "our" or "ourselves" refer to TELUS Corporation and, where the context of the narrative permits or requires, its subsidiaries. Our principal subsidiaries are: TELUS Communications Inc., in which, as at March 31, 2025, we have a 100% equity interest; and TELUS International (Cda) Inc. (d.b.a. TELUS Digital Experience), in which, as at March 31, 2025, we have a 57.3% equity interest, as discussed further in *Note 28(b)*, and which completed its initial public offering in February 2021.

Notes to consolidated financial statements	Page
General application	
1. Condensed interim consolidated financial statements	7
2. Accounting policy developments	8
3. Capital structure financial policies	10
4. Financial instruments	13
Consolidated results of operations focused	
5. Segment information	19
6. Revenue from contracts with customers	22
7. Other income	23
8. Employee benefits expense	23
9. Financing costs	23
10. Income taxes	24
11. Other comprehensive income	25
12. Per share amounts	26
13. Dividends per share	26
14. Share-based compensation	27
15. Employee future benefits	30
16. Restructuring and other costs	31
Consolidated financial position focused	
17. Property, plant and equipment	32
18. Intangible assets and goodwill	33
19. Leases	35
20. Other long-term assets	35
21. Real estate joint ventures and investments in associates	35
22. Short-term borrowings	37
23. Accounts payable and accrued liabilities	37
24. Advance billings and customer deposits	38
25. Provisions	39
26. Long-term debt	40
27. Other long-term liabilities	45
28. Owners' equity	45
29. Contingent liabilities	46
Other	
30. Related party transactions	47
31. Additional statement of cash flow information	49

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 condensed interim consolidated financial statements should be read in conjunction with our audited consolidated financial statements for the year ended December 31, 2024.

Our condensed interim consolidated financial statements are expressed in Canadian dollars and follow the same accounting policies and methods of their application as set out in our consolidated financial statements for the year ended December 31, 2024, other than as set out in *Note 2(a)*. The generally accepted accounting principles that we use are International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS® Accounting Standards) and Canadian generally accepted accounting principles. 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 consolidated financial statements for the three-month period ended March 31, 2025, were authorized by our Board of Directors for issue on May 9, 2025.

(b) Hedge accounting

General

We apply hedge accounting to the financial instruments used to establish: designated currency hedging relationships for certain U.S. dollar-denominated future purchase commitments and debt repayments; and, designated electrical power purchase price hedging relationships.

The purpose of hedge accounting, in respect of our designated hedging relationships, is to ensure that counterbalancing gains and losses are recognized in the same periods. We have chosen to apply hedge accounting, as we believe that it more faithfully depicts the economic substance of the underlying transactions.

The application of hedge accounting requires a high correlation (indicating effectiveness) in the offsetting changes in the risk-associated

values of the financial instruments (the hedging items) used to establish the designated hedging relationships and all, or a part, of the asset, liability or transaction with an identified risk exposure that we have taken steps to modify (the hedged items).

Hedge accounting – derivatives used to manage currency risk; derivatives used to manage interest rate risk

The anticipated effectiveness of designated hedging relationships is assessed at inception and their actual effectiveness is assessed for each subsequent reporting period. We consider a designated hedging relationship to be effective if the following critical terms match between the hedging item and the hedged item: the notional amount of the hedging item and the principal amount of the hedged item; maturity dates; payment dates; and interest rate index (if, and as, applicable).

Any ineffectiveness, such as arising from differences between the notional amount of the hedging item and the principal amount of the hedged item, or from a previously effective designated hedging relationship becoming ineffective, is reflected in the Consolidated statements of income and other comprehensive income as Financing costs if in respect of long-term debt and as Goods and services purchased if in respect of U.S. dollar-denominated future purchase commitments, as set out in *Note 4(e)*.

Hedge accounting – derivatives use to manage other price risk (see Note 2(a))

The anticipated effectiveness of designated hedging relationships is assessed at inception (January 1, 2025, for virtual power purchase agreements entered into prior to fiscal 2025) and their actual effectiveness is assessed for each subsequent reporting period. We consider a virtual power purchase agreement designated hedging relationship to be effective if the following critical terms match between the hedging item and the hedged item: the variable nature-dependent electricity notional amount of the hedging item and the variable notional amount of the hedged item; maturity dates; and payment dates.

Any ineffectiveness, such as arising from differences between electricity consumed that is priced using the Alberta Interconnected Electrical System pool price, and that which is priced otherwise, or from a previously effective designated hedging relationship becoming ineffective, is reflected in the Consolidated statements of income and other comprehensive income as Goods and services purchased, as set out in *Note 4(e)*.

Hedging assets and liabilities

In applying hedge accounting, a hedge value is recorded in the Consolidated statements of financial position representing the fair value of the hedging items. The net difference, if any, between amounts recognized in net income determination and amounts necessary to reflect the fair value of the designated cash flow hedging items recorded in the Consolidated statements of financial position is recognized as a component of Other comprehensive income, as set out in *Note 11*.

(c) Inventories

Inventories primarily consist of mobile handsets, parts and accessories, which totalled \$472 million as at March 31, 2025 (December 31, 2024 – \$528 million), and communications equipment held for resale. These inventories are valued at the lower of cost and net realizable value, with cost being determined on an average cost basis. Costs of goods sold for the three-month period ended March 31, 2025, totalled \$0.6 billion (2024 – \$0.5 billion).

2 accounting policy developments

(a) Initial application of standards, interpretations and amendments to standards and interpretations in the reporting period

- In December 2024, the International Accounting Standards Board issued *Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7*, which amended IFRS 9, *Financial Instruments*, and IFRS 7, *Financial Instruments, Disclosures*. These amendments, among other matters, will now allow for hedge accounting to be applied in instances where there is variability in the underlying amount of electricity because the source of electricity generation depends on uncontrollable natural conditions (for example, the weather). Specifically, if we were to choose to apply hedge accounting, this would affect the accounting for the unrealized forward element of our pre-existing virtual power purchase agreements, which were first entered into in 2022. The measurement of the fair value of the unrealized forward element of our virtual power purchase agreements is unaffected by the amendments. The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier adoption permitted.

In accordance with the permitted transitional provisions, effective January 1, 2025, we have prospectively designated our pre-existing virtual power purchase agreements, which are contracts for differences, as held for hedging and have applied hedge accounting; this will have

the effect of the net change in the unrealized forward element of our virtual power purchase agreements arising on or after January 1, 2025, being included in the determination of other comprehensive income. The transitional provisions did not permit retrospective designation of our pre-existing virtual power purchase agreements.

The effects on the consolidated statement of income and other comprehensive income line items are as set out in the following table.

Period ended March 31, 2025 (millions except per share amounts)	Excluding amendments to IFRS 9 and IFRS 7 effects	Amendments to IFRS 9 and IFRS 7 effects	As currently reported
THREE-MONTH			
OPERATING REVENUES	\$ 5,057	\$ —	\$ 5,057
OPERATING EXPENSES			
Goods and services purchased	1,848	(1)	1,847
Employee benefits expense	1,466	—	1,466
Depreciation	592	—	592
Amortization of intangible assets	400	—	400
	4,306	(1)	4,305
OPERATING INCOME	751	1	752
Financing costs	361	(17)	344
INCOME BEFORE INCOME TAXES	390	18	408
Income taxes	102	5	107
NET INCOME	\$ 288	\$ 13	\$ 301
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that may subsequently be reclassified to income			
Change in unrealized fair value of derivatives designated as cash flow hedges	\$ 2	\$ (13)	\$ (11)
COMPREHENSIVE INCOME	\$ 353	\$ —	\$ 353
NET INCOME ATTRIBUTABLE TO COMMON SHARES	\$ 308	\$ 13	\$ 321
NET INCOME PER COMMON SHARE			
Basic	\$ 0.20	\$ 0.01	\$ 0.21
Diluted	\$ 0.20	\$ 0.01	\$ 0.21

The effects on the consolidated statement of changes in owners' equity line items are as set out in the following table.

As at March 31, 2025 (millions)	Excluding amendments to IFRS 9 and IFRS 7 effects	Amendments to IFRS 9 and IFRS 7 effects	As currently reported
COMMON EQUITY			
Share capital	\$ 13,327	\$ —	\$ 13,327
Contributed surplus	1,111	—	1,111
Retained earnings	1,217	13	1,230
Accumulated other comprehensive income	(48)	(13)	(61)
	\$ 15,607	\$ —	\$ 15,607

The effects on the consolidated statement of cash flows line items are as set out in the following table.

Period ended March 31, 2025 (millions)	Excluding amendments to IFRS 9 and IFRS 7 effects	Amendments to IFRS 9 and IFRS 7 effects	As currently reported
THREE-MONTH			
OPERATING ACTIVITIES			
Net income	\$ 288	\$ 13	\$ 301
Deferred income taxes	(11)	5	(6)
Net-change in non-cash operating working capital	(225)	(18)	(243)
All other reconciling items within operating activities	1,025	—	1,025
Cash provided by operating activities	\$ 1,077	\$ —	\$ 1,077

(b) 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 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 statement 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 limited shift of where a number of our management-defined performance measures are disclosed and reconciled (primarily a shift from management's discussion and analysis to the financial statements) and where certain cash flows will be categorized in our statements of cash flows (primarily shifting interest paid from operating activities to financing activities), we do not expect that the totality of our financial disclosure will be materially affected by the application of the new standard.

- In May 2024, the International Accounting Standards Board issued *Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)*. The narrow-scope amendments are to address diversity in accounting practice in respect of: the classification of financial assets with environmental, social and corporate governance and similar features; and to clarify the date on which a financial asset or financial liability is de-recognized when using electronic payment systems. The new standard is effective for annual reporting periods beginning on or after January 1, 2026, with earlier adoption permitted. We are currently assessing the impacts of the new standard but do not expect to be materially affected by the application of the amendments.

3 capital structure financial policies

General

Our objective when managing financial capital is to maintain a flexible capital structure that optimizes the cost and availability of capital at an acceptable level of risk. In our definition of financial capital, we include:

- Common equity (excluding accumulated other comprehensive income);
- Non-controlling interests;
- Long-term debt (including long-term credit facilities, commercial paper backstopped by 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);
- Cash and temporary investments;
- Short-term borrowings (including those arising from securitized trade receivables and unbilled customer finance receivables); and
- Other long-term debt.

We manage our financial 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 financial capital structure, we may:

- Adjust the amount of dividends paid to holders of Common Shares;
- Purchase Common Shares for cancellation pursuant to normal course issuer bids;
- Issue new shares (including Common Shares and TELUS International (Cda) Inc. subordinate voting shares);
- Issue new debt, issue new debt to replace existing debt with different characteristics; and/or
- Increase or decrease the amount of short-term borrowings arising from securitized trade receivables and unbilled customer finance receivables.

During 2025, our financial objectives, which are reviewed annually, were unchanged from 2024. We believe that our financial objectives support our long-term strategy.

We monitor financial capital utilizing a number of measures, including: net debt to earnings before interest, income taxes, depreciation and amortization (EBITDA*) – excluding restructuring and other costs ratio; coverage ratios; and dividend payout ratios.

* EBITDA is not a standardized financial measure under IFRS Accounting Standards and might not be comparable to similar measures disclosed by other issuers; we define EBITDA as operating revenues and other income less goods and services purchased and employee benefits expense. We report

Debt and coverage ratios

Net debt to EBITDA – excluding restructuring and other costs is calculated as net debt at the end of the period, divided by 12-month trailing EBITDA – excluding restructuring and other costs. Historically, this measure is substantially similar to the leverage ratio covenant in our credit facilities. Net debt and EBITDA – excluding restructuring and other costs are measures that do not have any standardized meanings prescribed by IFRS Accounting Standards and are therefore unlikely to be comparable to similar measures presented by other issuers. The calculation of these measures is set out in the following table. Net debt is one component of a ratio used to determine compliance with certain debt covenants.

As at, or for the 12-month periods ended, March 31 (\$ in millions)	Objective	2025	2024
Components of debt and coverage ratios			
Net debt ¹		\$ 28,682	\$ 27,280
EBITDA – excluding restructuring and other costs ²		\$ 7,318	\$ 7,226
Net interest cost ³ (Note 9)		\$ 1,381	\$ 1,297
Debt ratio			
Net debt to EBITDA – excluding restructuring and other costs	2.2 – 2.7 ⁴	3.9	3.8
Coverage ratios			
Earnings coverage ⁵		2.1	1.8
EBITDA – excluding restructuring and other costs interest coverage ⁶		5.3	5.6

EBITDA because it is a key measure that management uses to evaluate the performance of our business, and it is also utilized to determine compliance with certain debt covenants.

- 1 Net debt and total managed capitalization are calculated as follows:

As at March 31	Note	2025	2024
Long-term debt	26	\$ 28,724	\$ 29,366
Debt issuance costs netted against long-term debt		118	127
Derivative (assets) liabilities used to manage interest rate and currency risks associated with U.S. dollar-denominated long-term debt, net		(71)	7
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		(400)	(160)
Cash and temporary investments, net		(1,014)	(2,164)
Short-term borrowings	22	1,325	104
Net debt		28,682	27,280
Common equity		15,607	16,008
Non-controlling interests		1,179	1,225
Less: accumulated other comprehensive income amounts included above in common equity and non-controlling interests		(19)	(38)
Total managed capitalization		\$ 45,449	\$ 44,475

- 2 EBITDA – excluding restructuring and other costs is calculated as follows:

	EBITDA (Note 5)	Restructuring and other costs (Note 16)	EBITDA – excluding restructuring and other costs
Add			
Three-month period ended March 31, 2025	\$ 1,744	\$ 97	\$ 1,841
Year ended December 31, 2024	6,840	493	7,333
Deduct			
Three-month period ended March 31, 2024	(1,638)	(218)	(1,856)
EBITDA – excluding restructuring and other costs	\$ 6,946	\$ 372	\$ 7,318

- 3 Net interest cost is defined as financing costs, excluding employee defined benefit plans net interest, unrealized changes in virtual power purchase agreements forward element when accounted for as held for trading (see Note 2(a)), and recoveries on long-term debt prepayment premium and repayment of debt, calculated on a 12-month trailing basis

(expenses recorded for long-term debt prepayment premium, if any, are included in net interest cost) (see Note 9).

- 4 Our long-term objective range for this ratio is 2.2 – 2.7 times. The ratio as at March 31, 2025, is outside the long-term objective range. We may permit, and have permitted, this ratio to go outside the objective range (for long-term investment opportunities), but we will endeavour to return this ratio to circa 2.7 in the medium term (following the spectrum auctions in 2021 and 2023, and the mmWave spectrum auction upcoming), consistent with our long-term strategy. We have an objective of achieving a ratio of circa 3.0 in 2027. We are in compliance with the leverage ratio covenant in our credit facilities, which states that we may not permit our net debt to operating cash flow ratio to exceed 4.25:1.00 (see Note 26(d)); the calculation of the debt ratio is substantially similar to the calculation of the leverage ratio covenant in our credit facilities.
- 5 Earnings coverage is defined in Canadian Securities Administrators National Instrument 41-101 as net income before borrowing costs and income tax expense, divided by borrowing costs (interest on long-term debt; interest on short-term borrowings and other; long-term debt prepayment premium), and adding back capitalized interest, all such amounts excluding those attributable to non-controlling interests.
- 6 EBITDA – excluding restructuring and other costs interest coverage is defined as EBITDA – excluding restructuring and other costs, divided by net interest cost. This measure is substantially similar to the coverage ratio covenant in our credit facilities.

Net debt to EBITDA – excluding restructuring and other costs was 3.9 times as at March 31, 2025, compared to 3.8 times one year earlier. The effect of the increase in net debt levels, primarily due to spectrum acquisitions and business acquisitions, exceeded the effect of growth in EBITDA – excluding restructuring and other costs; net debt levels were already elevated in the current and comparative periods due to our spectrum acquisitions and business acquisitions.

The earnings coverage ratio for the twelve-month period ended March 31, 2025, was 2.1 times, up from 1.8 times one year earlier. An increase in income before borrowing costs and income taxes raised the ratio by 0.6 and an increase in borrowing costs lowered the ratio by 0.3. The EBITDA – excluding restructuring and other costs interest coverage ratio for the twelve-month period ended March 31, 2025, was 5.3 times, down from 5.6 times one year earlier. Growth in EBITDA – excluding restructuring and other costs increased the ratio by 0.1 and an increase of \$84 million in net interest costs decreased the ratio by 0.4.

TELUS Corporation Common Share dividend payout ratio

So as to be consistent with the way we manage our business, our TELUS Corporation Common Share dividend payout ratio is presented as a historical measure calculated as the sum of the dividends declared in the most recent four quarters for TELUS Corporation Common Shares, as recorded in the financial statements, net of dividend reinvestment plan effects (see Note 13),

divided by the sum of free cash flow* amounts for the most recent four quarters for interim reporting periods (divided by annual free cash flow if the reported amount is in respect of a fiscal year). The historical measure for the twelve-month period ended March 31, 2025, is presented for illustrative purposes in evaluating our objective range.

For the 12-month periods ended March 31	Objective	2025	2024
Determined using most comparable IFRS Accounting Standards measures			
Ratio of TELUS Corporation Common Share dividends declared to cash provided by operating activities – less capital expenditures		96%	116%
Determined using management measures			
TELUS Corporation Common Share dividend payout ratio – net of dividend reinvestment plan effects	60%–75% ¹	76%	90%

1 Our objective range for the TELUS Corporation Common Share dividend payout ratio is 60%–75% of free cash flow on a prospective basis.
Our calculation of TELUS Corporation Common Share dividends declared, net of dividend reinvestment plan effects, is as follows:

For the 12-month periods ended March 31 (millions)	2025	2024
TELUS Corporation Common Share dividends declared	\$ 2,370	\$ 2,159
Amount of TELUS Corporation Common Share dividends declared reinvested in TELUS Corporation Common Shares	(791)	(692)
TELUS Corporation Common Share dividends declared – net of dividend reinvestment plan effects	\$ 1,579	\$ 1,467

Our calculation of free cash flow, and its reconciliation to cash provided by operating activities, is as follows:

For the 12-month periods ended March 31 (millions)	Note	2025	2024
EBITDA	5	\$ 6,946	\$ 6,448
Restructuring and other costs, net of disbursements		(59)	110
Effects of contract asset, acquisition and fulfilment and TELUS Easy Payment mobile device financing		(207)	(141)
Effect of lease principal	31(b)	(676)	(586)
Items from the Consolidated statements of cash flows:			
Share-based compensation, net of employee share purchase plan cash outflows	14	177	113
Net employee defined benefit plans expense	15	71	74
Employer contributions to employee defined benefit plans		(19)	(27)
Loss from equity accounted investments		13	31
Interest paid		(1,367)	(1,244)
Interest received		27	30
Capital expenditures (excluding acquisition from related party)		(2,404)	(2,834)
Capital expenditure for acquisition from related party		(93)	—
Related party construction credit facility repayment made concurrent with capital expenditure for acquisition from related party		94	—
Free cash flow before income taxes		2,503	1,974
Income taxes paid, net of refunds		(432)	(342)
Free cash flow		2,071	1,632
Add (deduct):			
Capital expenditures	5	2,497	2,834
Effect of lease principal		676	586
Net change in non-cash operating working capital not included in preceding line items and other individually immaterial items included in net income neither providing nor using cash		(270)	(364)
Cash provided by operating activities		\$ 4,974	\$ 4,688

* Free cash flow is not a standardized financial measure under IFRS Accounting Standards and might not be comparable to similar measures presented by other issuers; we define free cash flow as EBITDA (operating revenues and other income less goods and services purchased and employee benefits expense) excluding items that we consider to be of limited predictive value, including 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. We have issued guidance on, and report, free cash flow because it is a key performance measure that management and investors use to evaluate the performance of our business.

4 financial instruments

(a) Credit risk

Excluding credit risk, if any, arising from currency swaps settled on a gross basis, the best representation of our maximum exposure (excluding income tax effects) to credit risk, which is a worst-case scenario and does not reflect results we expect, is set out in the following table.

As at (millions)	March 31, 2025	December 31, 2024
Cash and temporary investments, net	\$ 1,014	\$ 869
Accounts receivable	4,126	4,319
Contract assets	773	790
Derivative assets	164	178
	\$ 6,077	\$ 6,156

Cash and temporary investments, net

Credit risk associated with cash and temporary investments is managed by ensuring that these financial assets are placed with: governments; major financial institutions that have been accorded strong investment grade ratings by a primary rating agency; and/or other creditworthy counterparties. An ongoing review evaluates changes in the status of counterparties.

Accounts receivable

Credit risk associated with accounts receivable is inherently managed through the size and diversity of our large customer base, which encompasses substantially all consumer and business sectors in Canada. A program of credit evaluations of customers is followed and the amount of credit extended is limited when we deem it to be necessary. Accounts are considered to be past due (in default) when customers have failed to make the contractually required payments when due, which is generally within 30 days of the billing date. Any late payment charges are levied at an industry-based market rate or a negotiated rate on outstanding non-current customer account balances.

Customer accounts receivable, net of allowance for doubtful accounts

As at (millions)	Note	Gross	Allowance	Net ¹
March 31, 2025				
Less than 30 days past billing date		\$ 992	\$ (22)	\$ 970
30-60 days past billing date		350	(18)	332
61-90 days past billing date		110	(21)	89
More than 90 days past billing date		201	(45)	156
Unbilled customer finance receivables		1,625	(33)	1,592
		\$ 3,278	\$ (139)	\$ 3,139
Current ²	6(b)	\$ 2,636	\$ (125)	\$ 2,511
Non-current ³	20	642	(14)	628
		\$ 3,278	\$ (139)	\$ 3,139
December 31, 2024				
Less than 30 days past billing date		\$ 975	\$ (20)	\$ 955
30-60 days past billing date		504	(18)	486
61-90 days past billing date		147	(20)	127
More than 90 days past billing date		202	(42)	160
Unbilled customer finance receivables		1,661	(34)	1,627
		\$ 3,489	\$ (134)	\$ 3,355
Current ²	6(b)	\$ 2,844	\$ (119)	\$ 2,725
Non-current ³	20	645	(15)	630
		\$ 3,489	\$ (134)	\$ 3,355

1 Net amounts represent customer accounts receivable for which an allowance had not been made as at the dates of the Consolidated statements of financial position (see Note 6(b)).

2 Presented in the Consolidated statements of financial position as Accounts receivable.

3 Presented in the Consolidated statements of financial position as Other long-term assets.

We maintain allowances for lifetime expected credit losses related to doubtful accounts. Factors considered when determining allowances for past-due accounts include: current economic conditions (including forward-looking macroeconomic data); historical information (including credit agency reports, if available); reasons for the accounts being past due; and the line of business from which the customer accounts receivable originated. These factors are also 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 balances above a specific threshold and on a statistically derived allowance basis for the remainder. No customer accounts receivable are written off directly to the doubtful accounts expense; the doubtful accounts expense is included in the

Consolidated statements of income and other comprehensive income as Goods and services purchased.

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

Periods ended March 31 (millions)	Three months	
	2025	2024
Balance, beginning of period	\$ 134	\$ 117
Additions (doubtful accounts expense)	49	34
Accounts written off ¹ less than recoveries	(48)	(27)
Other	4	(3)
Balance, end of period	\$ 139	\$ 121

1 For the three-month periods ended March 31, 2025, accounts that were written off but were still subject to enforcement activity totalled \$65 (2024 – \$52).

Contract assets

Credit risk associated with contract assets is inherently managed through the size and diversity of our large customer base, which encompasses substantially all consumer and business sectors in Canada. A program of credit evaluations of customers is followed and the amount of credit extended is limited when we deem it to be necessary.

Contract assets, net of impairment allowance

As at (millions)	Gross	Allowance	Net (Note 6(c))
March 31, 2025			
<i>To be billed and thus reclassified to accounts receivable during:</i>			
The 12-month period ending one year hence	\$ 626	\$ (17)	\$ 609
The 12-month period ending two years hence	264	(7)	257
Thereafter	48	(1)	47
	\$ 938	\$ (25)	\$ 913
December 31, 2024			
<i>To be billed and thus reclassified to accounts receivable during:</i>			
The 12-month period ending one year hence	\$ 634	\$ (20)	\$ 614
The 12-month period ending two years hence	287	(9)	278
Thereafter	48	(1)	47
	\$ 969	\$ (30)	\$ 939

We maintain allowances for lifetime expected credit losses related to contract assets. Factors considered when determining allowances include: current economic conditions; historical information (including credit agency

reports, if available); and the line of business from which the contract assets originated. These same factors are considered when determining whether to write off amounts charged to the impairment allowance for contract assets against contract assets.

Derivative assets (and derivative liabilities)

Counterparties to our material foreign exchange derivatives are major financial institutions that have been accorded investment grade ratings by a primary credit rating agency. Credit exposure to any single financial institution is limited and counterparties' credit ratings are monitored. We do not give or receive collateral on swap agreements and hedging items due to our credit rating and those of our counterparties. While we are exposed to the risk of credit losses due to the potential non-performance of our counterparties, we consider this risk remote. Our derivative liabilities do not have credit risk-related contingent features.

(b) Liquidity risk

As a component of our capital structure financial policies, discussed further in Note 3, we manage liquidity risk by:

- maintaining a daily cash pooling process that enables us to manage our available liquidity and our liquidity requirements according to our actual needs;
- maintaining a short-term borrowing agreement associated with trade receivables and unbilled customer finance receivables (Note 22), bilateral bank facilities (Note 22), a supply chain financing program (Note 23), a commercial paper program (Note 26(c)) and syndicated credit facilities (Note 26(d), (e));
- maintaining in-effect shelf prospectuses;
- continuously monitoring forecast and actual cash flows; and
- managing maturity profiles of financial assets and financial liabilities.

Our debt maturities in future years are disclosed in Note 26(i). As at March 31, 2025, unchanged from December 31, 2024, TELUS Corporation could offer an unlimited amount of securities in Canada, and US\$3.5 billion of securities in the United States, qualified pursuant to a Canadian shelf prospectus effective until September 2026, unchanged from December 31, 2024. We believe our investment grade credit ratings contribute to reasonable access to capital markets. TELUS Digital Experience has a Canadian shelf prospectus effective until June 2026, unchanged from

December 31, 2024, under which an unlimited amount of debt or equity securities could be offered.

We closely match the contractual maturities of our derivative financial liabilities with those of the risk exposures they are being used to manage.

The expected maturities of our undiscounted financial liabilities do not differ significantly from the contractual maturities, other than as noted in the accompanying tables. The contractual maturities of our undiscounted financial liabilities, including interest thereon (where applicable), are set out in the accompanying tables.

(c) Market risks

Net income and other comprehensive income for the three-month periods ended March 31, 2025 and 2024, could have varied if the Canadian dollar: U.S. dollar exchange rate, the U.S. dollar: European euro exchange rate, market interest rates and virtual power purchase agreement forward element valuation varied by reasonably possible amounts from their actual statement of financial position date amounts.

Our sensitivity analysis for currency risk exposure has been determined based upon a hypothetical change taking place at the relevant statement of financial position date. We used the U.S. dollar-denominated and European

As at March 31, 2025 (millions)	Non-derivative				Derivative					
	Non-interest bearing financial liabilities	Short-term borrowings ¹	Composite long-term debt				Other	Currency swap agreement amounts to be exchanged ³		Total
			Long-term debt, excluding leases ¹ (Note 26)	Leases (Note 26)	Currency swap agreement amounts to be exchanged			(Receive)	Pay	
					(Receive) ²	Pay				
2025 (remainder of year)	\$ 2,746	\$ 45	\$ 3,202	\$ 633	\$ (2,353)	\$ 2,300	\$ 4	\$ (854)	\$ 835	\$ 6,558
2026	304	60	2,545	717	(236)	209	7	(141)	139	3,604
2027	101	1,356	2,676	594	(1,803)	1,656	2	—	—	4,582
2028	64	—	4,200	392	(616)	604	—	—	—	4,644
2029	8	—	2,140	276	(124)	116	—	—	—	2,416
2030 - 2034	9	—	10,823	527	(1,806)	1,617	15	—	—	11,185
Thereafter	—	—	11,898	461	(2,940)	2,662	26	—	—	12,107
Total	\$ 3,232	\$ 1,461	\$ 37,484	\$ 3,600	\$ (9,878)	\$ 9,164	\$ 54	\$ (995)	\$ 974	\$ 45,096
			Total (Note 26(i))		\$ 40,370					

- Cash outflows in respect of interest payments on our short-term borrowings, commercial paper and amounts drawn under our credit facilities (if any) have been calculated based upon the interest rates and, if applicable, foreign exchange rates, in effect as at March 31, 2025.
- The amounts included in undiscounted non-derivative long-term debt in respect of U.S. dollar-denominated long-term debt, and the corresponding amounts in the long-term debt currency swap receive column, have been determined based upon the foreign exchange rates in effect as at March 31, 2025. The hedged U.S. dollar-denominated long-term debt contractual amounts at maturity, in effect, are reflected in the long-term debt currency swap pay column as gross cash flows are exchanged pursuant to the currency swap agreements.
- The amounts included in undiscounted short-term borrowings in respect of U.S. dollar-denominated short-term borrowings, and the corresponding derivative liability amounts, if any, included in the currency swap pay column amounts, have been determined based upon the foreign exchange rates in effect as at March 31, 2025. The derivative liability hedging amounts, if any, for the hedged U.S. dollar-denominated short-term borrowings contractual amounts are included in the currency swap pay column amounts as net cash flows are exchanged pursuant to the currency swap agreements.

As at December 31, 2024 (millions)	Non-derivative				Derivative						
	Non-interest bearing financial liabilities	Short-term borrowings ¹	Composite long-term debt				(Receive)	Pay	Total		
			Long-term debt, excluding leases ¹ (Note 26)	Leases (Note 26)	Currency swap agreement amounts to be exchanged					Currency swap agreement amounts to be exchanged ³	
					(Receive) ²	Pay				(Receive)	Pay
2025	\$ 3,228	\$ 40	\$ 3,629	\$ 837	\$ (1,670)	\$ 1,601	\$ (707)	\$ 685	\$ 7,643		
2026	233	40	2,544	700	(234)	207	—	—	3,490		
2027	103	942	2,677	550	(1,802)	1,654	—	—	4,124		
2028	64	—	4,234	349	(617)	585	—	—	4,615		
2029	8	—	2,141	249	(125)	116	—	—	2,389		
2030 - 2034	9	—	10,825	484	(1,808)	1,617	—	—	11,127		
Thereafter	—	—	11,902	408	(2,942)	2,662	—	—	12,030		
Total	\$ 3,645	\$ 1,022	\$ 37,952	\$ 3,577	\$ (9,198)	\$ 8,442	\$ (707)	\$ 685	\$ 45,418		
			Total			\$ 40,773					

- Cash outflows in respect of interest payments on our short-term borrowings, commercial paper and amounts drawn under our credit facilities (if any) have been calculated based upon the interest rates and, if applicable, foreign exchange rates in effect as at December 31, 2024.
- The amounts included in undiscounted non-derivative long-term debt in respect of U.S. dollar-denominated long-term debt, and the corresponding amounts in the long-term debt currency swap receive column, have been determined based upon the foreign exchange rates in effect as at December 31, 2024. The hedged U.S. dollar-denominated long-term debt contractual amounts at maturity, in effect, are reflected in the long-term debt currency swap pay column as gross cash flows are exchanged pursuant to the currency swap agreements.
- The amounts included in undiscounted short-term borrowings in respect of U.S. dollar-denominated short-term borrowings, and the corresponding derivative liability amounts, if any, included in the currency swap pay column amounts, have been determined based upon the foreign exchange rates in effect as at December 31, 2024. The derivative liability hedging amounts, if any, for the hedged U.S. dollar-denominated short-term borrowings contractual amounts are included in the currency swap pay column amounts as net cash flows are exchanged pursuant to the currency swap agreements.

euro-denominated balances and the notional amounts of our derivative financial instruments as at the relevant statement of financial position dates in these calculations.

The sensitivity analysis of our exposure to interest rate risk has been determined based upon a hypothetical change taking place at the beginning of the relevant fiscal year and being held constant through to the statement of financial position date. We used the principal and notional amounts as at the relevant statement of financial position dates in these calculations.

The sensitivity analysis of our exposure to wind discount risk and solar premium risk is based upon a hypothetical change taking place at the relevant statement of financial position date. The notional amounts of the virtual power purchase agreements as at the relevant statement of financial position dates have been used in these calculations.

In the sensitivity analysis, we reflected income tax expense on a net basis, calculated using the applicable statutory income tax rates for the reporting periods.

(d) Fair values

General

The carrying values of cash and temporary investments, accounts receivable, short-term obligations, short-term borrowings, accounts payable and certain provisions (including restructuring provisions) approximate their fair values due to their immediate or short-term maturity. The fair values are determined directly by reference to quoted market prices in active markets.

Three-month periods ended March 31 (increase (decrease) in millions)	Net income		Other comprehensive income		Comprehensive income	
	2025	2024	2025	2024	2025	2024
Reasonably possible changes in market risks ¹						
10% change in C\$: US\$ exchange rate						
Canadian dollar appreciates	\$ (6)	\$ (11)	\$ 93	\$ 107	\$ 87	\$ 96
Canadian dollar depreciates	\$ 6	\$ 11	\$ (93)	\$ (107)	\$ (87)	\$ (96)
10% change in US\$: € exchange rate						
U.S. dollar appreciates	\$ 15	\$ 13	\$ (72)	\$ (68)	\$ (57)	\$ (55)
U.S. dollar depreciates	\$ (15)	\$ (13)	\$ 72	\$ 68	\$ 57	\$ 55
25 basis point change in interest rates						
Interest rates increase						
Canadian interest rate	\$ (2)	\$ (5)	\$ 76	\$ 74	\$ 74	\$ 69
U.S. interest rate	\$ —	\$ —	\$ (64)	\$ (70)	\$ (64)	\$ (70)
Combined	\$ (2)	\$ (5)	\$ 12	\$ 4	\$ 10	\$ (1)
Interest rates decrease						
Canadian interest rate	\$ 2	\$ 5	\$ (79)	\$ (77)	\$ (77)	\$ (72)
U.S. interest rate	\$ —	\$ —	\$ 67	\$ 73	\$ 67	\$ 73
Combined	\$ 2	\$ 5	\$ (12)	\$ (4)	\$ (10)	\$ 1
20 basis point change in wind discount (Note 2(a))						
Wind discount increases	\$ —	\$ (40)	\$ (19)	\$ —	\$ (19)	\$ (40)
Wind discount decreases	\$ —	\$ 40	\$ 19	\$ —	\$ 19	\$ 40
20 basis point change in solar premium (Note 2(a))						
Solar premium increases	\$ —	\$ 24	\$ 11	\$ —	\$ 11	\$ 24
Solar premium decreases	\$ —	\$ (24)	\$ (11)	\$ —	\$ (11)	\$ (24)

1 These sensitivities are hypothetical and should be used with caution. Changes in net income and/or other comprehensive income generally cannot be extrapolated because the relationship of the change in assumption to the change in net income and/or other comprehensive income may not be linear. In this table, the effect of a variation in a particular assumption on the amount of net income and/or other comprehensive income is calculated without changing any other factors; in reality, changes in one factor may result in changes in another, which might magnify or counteract the sensitivities.

The sensitivity analysis assumes that we would realize the changes in exchange rates, market interest rates, wind discount and solar premium; in reality, the competitive marketplaces in which we operate would have an effect on this assumption.

The fair values of our investment financial assets are based on quoted market prices in active markets or other clear and objective evidence of fair value.

The fair value of our long-term debt, excluding leases, is based on quoted market prices in active markets.

For derivative financial instruments used to manage our exposure to currency risk, we estimated their fair values based on either quoted market prices in active markets for the same or similar financial instruments or 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 of similar maturities subject to similar risks (such fair value estimates being largely based on the Canadian dollar: U.S. dollar forward exchange rate as at the statements of financial position dates). The fair values of the derivative financial instruments we use to manage our exposure to price risk associated with the purchase of nature-dependent electricity are currently estimated using a discounted cash flow approach and are based on industry-standard forecasts from EDC Associates Ltd. utilizing observable market data. The significant

unobservable inputs used in the fair value measurement of the Level 3 derivative financial instruments were wind discount, reflecting 76% (December 31, 2024 – 76%) of the Alberta Interconnected Electrical System pool price, and solar premium, reflecting 108% (December 31, 2024 – 108%) of the Alberta Interconnected Electrical System pool price.

Derivative

The derivative financial instruments that we measure at fair value on a recurring basis subsequent to initial recognition are set out in the following table.

As at (\$ in millions except price or rate)		March 31, 2025				December 31, 2024			
Designation		Maximum maturity date	Notional amount	Fair value ¹ and carrying value	Price or rate	Maximum maturity date	Notional amount	Fair value ¹ and carrying value	Price or rate
Current derivative assets²									
<i>Derivatives used to manage currency risk associated with</i>									
U.S. dollar-denominated transactions	HFT ⁴	2026	\$ 122	\$ 2	US\$1.00: ₱58	2025	\$ 43	\$ —	US\$1.00: ₱58
U.S. dollar-denominated transactions	HFT ⁴	2025	\$ 72	1	US\$1.00: C\$1.43	2025	\$ 72	1	US\$1.00: C\$1.43
U.S. dollar-denominated purchases	HFH ³	2026	\$ 527	15	US\$1.00: C\$1.39	2025	\$ 410	20	US\$1.00: C\$1.36
U.S. dollar-denominated debt (Notes 22, 26(c))	HFH ³	2025	\$ 3,010	28	US\$1.00: C\$1.42	2025	\$ 1,201	31	US\$1.00: C\$1.40
European euro functional currency operations purchased with U.S. dollar-denominated long-term debt ⁷ (Note 26(e))	HFH ⁵	2028	\$ 47	14	€1.00: US\$1.09	2028	\$ 46	13	€1.00: US\$1.09
<i>Derivatives used to manage interest rate risk associated with</i>									
Non-fixed rate credit facility amounts drawn (Note 26(e))	HFH ³	2028	\$ 12	1	3.5%	2028	\$ 12	—	3.5%
				\$ 61				\$ 65	
Other long-term assets² (Note 20)									
<i>Derivatives used to manage currency risk associated with</i>									
U.S. dollar-denominated long-term debt ⁶ (Note 26(b))	HFH ³	2032	\$ 3,046	\$ 103	US\$1.00: C\$1.30	2032	\$ 3,069	\$ 86	US\$1.00: C\$1.30
European euro functional currency operations purchased with U.S. dollar-denominated long-term debt ⁷ (Note 26(e))	HFH ⁵	—	\$ —	—	—	2028	\$ 557	24	€1.00: US\$1.09
<i>Derivatives used to manage interest rate risk associated with</i>									
Non-fixed rate credit facility amounts drawn (Note 26(e))	HFH ³	2028	\$ 90	—	3.5%	2028	\$ 211	3	3.5%
				\$ 103				\$ 113	
Current derivative liabilities²									
<i>Derivatives used to manage currency risk associated with</i>									
U.S. dollar-denominated transactions	HFT ⁴	2026	\$ 60	\$ 1	US\$1.00: ₱57	2025	\$ 129	\$ 3	US\$1.00: ₱57
U.S. dollar-denominated transactions	HFT ⁴	2025	\$ 143	2	US\$1.00: C\$1.43	—	\$ —	—	—
U.S. dollar-denominated purchases	HFH ³	2026	\$ 51	—	US\$1.00: C\$1.43	—	\$ —	—	—
U.S. dollar-denominated debt (Notes 22, 26(c))	HFH ³	2025	\$ 436	1	US\$1.00: C\$1.44	2025	\$ 1,117	2	US\$1.00: C\$1.44
<i>Derivatives used to manage other price risk associated with</i>									
Purchase of electrical power	HFH ^{3,9}	2047	0.4 TWh ⁸	5	\$25.66/MWh ⁸	2047	0.4 TWh ⁸	6	\$31.76/MWh ⁸
				\$ 9				\$ 11	

notes to condensed interim consolidated financial statements

(unaudited)

As at (\$ in millions except price or rate)		March 31, 2025				December 31, 2024			
Designation		Maximum maturity date	Notional amount	Fair value ¹ and carrying value	Price or rate	Maximum maturity date	Notional amount	Fair value ¹ and carrying value	Price or rate
Other long-term liabilities² (Note 27)									
Derivatives used to manage currency risk associated with U.S. dollar-denominated long-term debt ⁶ (Note 26(c))	HFH ³	2049	\$ 3,378	\$ 71	US\$1.00: C\$1.32	2049	\$ 3,378	\$ 86	US\$1.00: C\$1.32
European euro functional currency operations purchased with U.S. dollar-denominated long-term debt ⁷ (Note 26(e))	HFH ⁵	2028	\$ 569	2	€1.00: US\$1.09	—	\$ —	—	—
Derivatives used to manage interest rate risk associated with Non-fixed rate credit facility amounts drawn (Note 26(e))	HFH ³	2028	\$ 118	—	3.5%	—	\$ —	—	—
Derivatives used to manage other price risk associated with Purchase of electrical power	HFH ^{3,9}	2047	5.8 TWh ⁸	50	\$36.47/MWh ⁸	2047	6.5 TWh ⁸	32	\$40.49/MWh ⁸
				\$ 123				\$ 118	

1 Fair value measured at the reporting date using significant other observable inputs (Level 2), except the fair value of virtual power purchase agreements (which we use to manage the price risk associated with the purchase of electrical power), which is measured at the reporting date using significant unobservable inputs (Level 3). Changes in the fair value of derivative financial instruments classified as Level 3 in the fair value hierarchy were as follows:

Periods ended March 31	Three months	
	2025	2024
Unrealized changes in virtual power purchase agreements forward element		
Included in net income, excluding income taxes (see (e))	\$ 1	\$ (66)
Included in other comprehensive income, excluding income taxes (see (e), Note 2(a))	(18)	—
Balance, beginning of period – asset (liability)	(38)	193
Balance, end of period – asset (liability)	\$ (55)	\$ 127

- 2 Caption reflects line item where derivative financial instruments are presented in the Consolidated statements of financial position. Derivative financial assets and liabilities are not set off.
- 3 Designated as held for hedging (HFH) upon initial recognition (cash flow hedging item), except for derivatives used to manage other price risk associated with the purchase of electrical power which were entered into prior to fiscal 2025 and which were designated as HFH on January 1, 2025 (see Note 2(a)); 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 (variable notional amounts of hedging items and the variable notional amounts of the associated hedged items in respect of virtual power purchase agreements (see Note 2(a)).
- 4 Designated as held for trading (HFT) and classified as fair value through net income upon initial recognition; hedge accounting is not applied.

- 5 Designated as a hedge of a net investment in a foreign operation; hedge accounting is applied. 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.
- 6 We designate only the spot element as the hedging item. As at March 31, 2025, the foreign currency basis spread included in the fair value of the derivative instruments, which is used for purposes of assessing hedge ineffectiveness, was \$(38) (December 31, 2024 – \$(22)).
- 7 We designate only the spot element as the hedging item. As at March 31, 2025, the foreign currency basis spread included in the fair value of the derivative instruments, which is used for purposes of assessing hedge ineffectiveness, was \$2 (December 31, 2024 – \$2).
- 8 Terawatt hours (TWh) are 1x10⁹ kilowatt hours and megawatt hours (MWh) are 1x10³ kilowatt hours.
- 9 As at December 31, 2024, these were designated as held for trading. We have implemented new amendments to IFRS Accounting Standards effective January 1, 2025, which newly allow for these to prospectively be designated as held for hedging (see Note 2(a)).

Non-derivative

Our long-term debt, which is measured at amortized cost, and the fair value thereof, are set out in the following table.

As at (millions)	March 31, 2025		December 31, 2024	
	Carrying value	Fair value	Carrying value	Fair value
Long-term debt, excluding leases (Note 26)	\$ 25,822	\$ 25,240	\$ 25,972	\$ 25,285

(e) Recognition of derivative gains and losses

The following table sets out the gains and losses, excluding income tax effects, arising from derivative instruments that are classified as cash flow

hedging items and their location within the Consolidated statements of income and other comprehensive income.

Credit risk associated with such derivative instruments, as discussed further in (b), would be the primary source of hedge ineffectiveness. Excepting the virtual power purchase agreement derivatives, there was no ineffective portion of the derivative instruments classified as cash flow hedging items for the periods presented. The ineffective portion of the virtual power purchase agreements arises due to them being considered off-market hedging instruments by the transition rules of the amendments to IFRS Accounting Standards in respect of nature-dependent electricity (see Note 2(a)).

Periods ended March 31 (millions)	Amount of gain (loss) recognized in other comprehensive income (effective portion) (Note 11)		Location	Gain (loss) reclassified from other comprehensive income to income (effective portion) (Note 11)	
	2025	2024		Amount	
	2025	2024		2025	2024
THREE-MONTH					
<i>Derivatives used to manage currency risk associated with</i>					
U.S. dollar- denominated purchases	\$ 1	\$ 10	Goods and services purchased	\$ 6	\$ —
U.S. dollar- denominated debt ¹ Notes 22,26(b)-(c)	40	170	Financing costs	(5)	131
Net investment in a foreign operation ²	(21)	25	Financing costs	5	5
	20	205		6	136
<i>Derivatives used to manage other market risks</i>					
Purchase of electrical power Note 2(a)	(16)	—	Goods and services purchased	2	—
Other	(2)	5	Financing costs	—	1
	(18)	5		2	1
	\$ 2	\$ 210		\$ 8	\$ 137

1 Amounts recognized in other comprehensive income are net of the change in the foreign currency basis spread (which is used for purposes of assessing hedge ineffectiveness) included in the fair value of the derivative instruments; such amounts for the three-month periods ended March 31, 2025, totalled \$(16) (2024 – \$(21)).

2 Amounts recognized in other comprehensive income are net of the change in the foreign currency basis spread (which is used for purposes of assessing hedge ineffectiveness) included in the fair value of the derivative instruments; such amounts for the three-month periods ended March 31, 2025, totalled \$NIL (2024 – \$NIL).

The following table sets out the ineffectiveness gains and losses included in Goods and services purchased in the Consolidated statements of income and other comprehensive income that arise from derivative instruments that are classified as held for hedging and that are designated as being in a hedging relationship.

Periods ended March 31 (millions)		Gain (loss) on derivatives recognized in income Three months	
		2025	2024
Derivatives used to manage other market risks (purchase of electrical power)	Note 2(a)	\$ 1	\$ —

The following table sets out the gains and losses included in Financing costs in the Consolidated statements of income and other comprehensive income that arise from derivative instruments that are classified as held for trading and that are not designated as being in a hedging relationship.

Periods ended March 31 (millions)		Gain (loss) on derivatives recognized in income Three months	
		2025	2024
Derivatives used to manage currency risk		\$ 1	\$ (1)
Unrealized changes in virtual power purchase agreements forward element	Note 2(a)	\$ —	\$ (66)

5 segment information

General

Operating segments are components of an entity that engage in business activities from which they earn revenues and incur expenses (including revenues and expenses related to transactions with the other component(s)), the operations of which can be clearly distinguished and for which the operating results are regularly reviewed by a chief operating decision-maker to make resource allocation decisions and to assess performance.

The TELUS technology solutions segment includes: network revenues and equipment sales arising from mobile technologies; data revenues (which include internet protocol; television; hosting; managed information technology and cloud-based services; and home and business security and automation); agriculture and consumer goods services (software, data management and data analytics-driven smart-food chain and consumer

goods technologies); voice and other telecommunications services revenues; and equipment sales.

We embarked upon the modification of our internal and external reporting processes, systems and internal controls arising from the acquisition, and ongoing integration, of LifeWorks Inc.; commencing with the three-month period ended March 31, 2025, we have transitioned to our new segmented reporting structure and have restated comparative amounts on a comparable basis. The TELUS health segment includes: healthcare services, software and technology solutions (including employee and family assistance programs and benefits administration).

The TELUS digital experience segment, which has the U.S. dollar as its primary functional currency, includes key service lines provided by our TELUS International (Cda) Inc. subsidiary: customer experience management; digital solutions; artificial intelligence and data solutions; and trust, safety and security.

Intersegment sales are recorded at the exchange value, which is the amount agreed to by the parties.

The segment information regularly reported to our Chief Executive Officer (our chief operating decision-maker), and the reconciliation thereof to our products and services view of revenues, other revenues and income before income taxes, are set out in the following table.

Three-month periods ended March 31 (millions)	TELUS technology solutions						TELUS health		TELUS digital experience		Eliminations		Total	
	Mobile 2025	2024	Fixed 2025	2024 (restated*)	Segment total 2025	2024 (restated*)	2025	2024	2025	2024	2025	2024 (restated*)	2025	2024
Operating revenues														
External revenues														
Service	\$ 1,757	\$ 1,767	\$ 1,507	\$ 1,464	\$ 3,264	\$ 3,231	\$ 470	\$ 416	\$ 709	\$ 682	\$ —	\$ —	\$ 4,443	\$ 4,329
Equipment	499	460	75	73	574	533	1	4	—	—	—	—	575	537
Revenues arising from contracts with customers	\$ 2,256	\$ 2,227	\$ 1,582	\$ 1,537	3,838	3,764	471	420	709	682	—	—	5,018	4,866
Other income (Note 7)					39	27	—	—	—	39	—	—	39	66
					3,877	3,791	471	420	709	721	—	—	5,057	4,932
Intersegment revenues					6	5	2	2	253	203	(261)	(210)	—	—
	\$ 3,883	\$ 3,796	\$ 473	\$ 422	\$ 962	\$ 924	\$ (261)	\$ (210)	\$ 5,057	\$ 4,932				
EBITDA¹	\$ 1,570	\$ 1,416	\$ 67	\$ 35	\$ 120	\$ 197	\$ (13)	\$ (10)	\$ 1,744	\$ 1,638				
Restructuring and other costs included in EBITDA (Note 16)					79	184	9	24	9	10	—	—	97	218
Adjusted EBITDA¹	\$ 1,649	\$ 1,600	\$ 76	\$ 59	\$ 129	\$ 207	\$ (13)	\$ (10)	\$ 1,841	\$ 1,856				
Capital expenditures²	\$ 515	\$ 663	\$ 44	\$ 44	\$ 41	\$ 26	\$ (13)	\$ (8)	\$ 587	\$ 725				
Adjusted EBITDA less capital expenditures¹	\$ 1,134	\$ 937	\$ 32	\$ 15	\$ 88	\$ 181	\$ —	\$ (2)	\$ 1,254	\$ 1,131				
Operating revenues – external, other income and intersegment (above)	\$ 3,883	\$ 3,796	\$ 473	\$ 422	\$ 962	\$ 924	\$ (261)	\$ (210)	\$ 5,057	\$ 4,932				
Goods and services purchased					1,726	1,671	189	181	180	154	(248)	(196)	1,847	1,810
Employee benefits expense					587	709	217	206	662	573	—	(4)	1,466	1,484
EBITDA (above)	1,570	1,416	67	35	120	197	(13)	(10)	1,744	1,638				
Depreciation					529	621	13	23	50	46	—	—	592	690
Amortization of intangible assets					240	223	94	90	66	60	—	—	400	373
Operating income (loss)	\$ 801	\$ 572	\$ (40)	\$ (78)	\$ 4	\$ 91	\$ (13)	\$ (10)	752	575				
											Financing costs		344	394
											Income before income taxes		\$ 408	\$ 181

* As required by IFRS Accounting Standards, comparative amounts have been restated to conform with the reportable segments presented in the current period. The currently reported TELUS health results were previously included with the TELUS technology solutions' "Fixed" and "Segment total" results.

- 1 Earnings before interest, income taxes, depreciation and amortization (EBITDA), both unadjusted and adjusted, are not standardized financial measures under IFRS Accounting Standards and may not be comparable to similar measures disclosed by other issuers (including those disclosed by TELUS Digital Experience); we define

EBITDA as operating revenues and other income less goods and services purchased and employee benefits expense. We calculate adjusted EBITDA to exclude items that do not reflect our ongoing operations and, in our opinion, should not be considered in a long-term valuation metric or included in an assessment of our ability to service or incur

debt. We report EBITDA, adjusted EBITDA and adjusted EBITDA less capital expenditures because they are key measures that management uses to evaluate the performance of our business, and EBITDA is also utilized in determining compliance with certain debt covenants.

- 2 See *Note 31(a)* for a reconciliation of capital asset additions, excluding spectrum licences, to cash payments for capital assets, excluding spectrum licences, reported in the Consolidated statements of cash flows.

6 revenue from contracts with customers

(a) Revenues

In the determination of the minimum transaction prices in contracts with customers, amounts are allocated to fulfilling, or the completion of fulfilling, future contracted performance obligations, which are largely in respect of services to be provided over the duration of the contract. The following table sets out our aggregate estimated minimum transaction prices allocated to remaining unfulfilled, or partially unfulfilled, future contracted performance obligations and the timing of when we might expect to recognize the associated revenues; actual amounts could differ from these estimates due to a variety of factors, including the unpredictable nature of: customer behaviour; industry regulation; the economic environments in which we operate; and competitor behaviour.

As at (millions)	March 31, 2025	December 31, 2024
Estimated minimum transaction price allocated to remaining unfulfilled, or partially unfulfilled, performance obligations to be recognized as revenue in a future period^{1,2}		
During the 12-month period ending one year hence	\$ 2,378	\$ 2,408
During the 12-month period ending two years hence	969	976
Thereafter	126	116
	\$ 3,473	\$ 3,500

- 1 Excludes constrained variable consideration amounts, amounts arising from contracts originally expected to have a duration of one year or less and, as a permitted practical expedient, amounts arising from contracts that are not affected by revenue recognition timing differences arising from transaction price allocation or from contracts under which we may recognize and bill revenue in an amount that corresponds directly with our completed performance obligations.
- 2 IFRS Accounting Standards require the explanation of when we might expect to recognize as revenue the amounts disclosed as the estimated minimum transaction price allocated to remaining unfulfilled, or partially unfulfilled, performance obligations. The estimated amounts disclosed are based upon contractual terms and maturities. Actual minimum transaction price revenues recognized, and the timing thereof, will differ from these estimates primarily due to the frequency with which the actual durations of contracts with customers do not match their contractual maturities.

(b) Accounts receivable

As at (millions)	Note	March 31, 2025	December 31, 2024
Customer accounts receivable		\$ 2,636	\$ 2,844
Allowance for doubtful accounts	4(a)	(125)	(119)
Billed customer accounts receivable, net of allowance for doubtful accounts		2,511	2,725
Accrued receivables – customer		630	604
Billed and unbilled customer accounts receivable, net of allowance for doubtful accounts		3,141	3,329
Accrued receivables – other		357	360
Accounts receivable – current		\$ 3,498	\$ 3,689

(c) Contract assets

Periods ended March 31 (millions)	Note	Three months 2025	2024
Balance, beginning of period		\$ 939	\$ 898
Net additions arising from operations		378	353
Amounts billed in the period and thus reclassified to accounts receivable		(409)	(390)
Change in impairment allowance, net	4(a)	5	5
Other		—	1
Balance, end of period ¹		\$ 913	\$ 867

Reconciliation of contract assets presented in the Consolidated statements of financial position – current

Gross contract assets		\$ 609	\$ 579
Reclassification to contract liabilities of contracts with contract assets less than contract liabilities	24	(17)	(13)
Reclassification from contract liabilities of contracts with contract liabilities less than contract assets	24	(123)	(132)
		\$ 469	\$ 434

1 Timing of amounts to be billed and thus reclassified to accounts receivable is set out in *Note 4(a)*.

7 other income

Periods ended March 31 (millions)	Note	Three months 2025	2024
Lease and other sublease revenue		\$ 4	\$ 1
Gain on contributions of real estate to joint ventures	21(a)	8	34
Investment income (loss), gain (loss) on disposal of assets and other		17	(10)
Interest income	21(a)	—	2
Changes in provisions related to business combinations	25	10	39
		\$ 39	\$ 66

8 employee benefits expense

Periods ended March 31 (millions)	Note	Three months 2025	2024
Employee benefits expense – gross			
Wages and salaries		\$ 1,418	\$ 1,388
Share-based compensation ¹	14	50	34
Pensions – defined benefit	15(a)	15	17
Pensions – defined contribution	15(b)	31	27
Restructuring costs ¹	16(a)	57	120
Employee health and other benefits		69	67
		1,640	1,653
Capitalized internal labour costs, net			
Contract acquisition costs	20		
Capitalized		(35)	(28)
Amortized		24	23
Contract fulfilment costs	20		
Capitalized		(6)	(7)
Amortized		2	1
Property, plant and equipment		(80)	(89)
Intangible assets subject to amortization		(79)	(69)
		(174)	(169)
		\$ 1,466	\$ 1,484

¹ For the three-month periods ended March 31, 2025, \$NIL (2024 – \$4) of share-based compensation in the TELUS technology solutions segment was included in restructuring costs.

9 financing costs

Periods ended March 31 (millions)	Note	Three months 2025	2024
Interest expense			
<i>From transactions that <u>only</u> involve the raising of finance</i>			
Long-term debt, excluding lease liabilities and other			
Gross		\$ 284	\$ 295
Capitalized ¹	18(a)	(9)	—
Net		275	295
Short-term borrowings and other		17	1
		292	296
<i>From transactions that <u>do not</u> only involve the raising of finance</i>			
Long-term debt – lease liabilities	19, 26(h)	41	40
Long-term debt – other	26(g)	6	2
Employee defined benefit plans net interest	15	3	2
Accretion on provisions	25	7	8
		57	52
		349	348
Other			
Foreign exchange		—	(9)
Unrealized changes in virtual power purchase agreements forward element	2(a)	—	66
		349	405
Interest income		(5)	(11)
		\$ 344	\$ 394
Net interest cost	3	\$ 350	\$ 326
Interest expense on long-term debt, excluding lease liabilities and other – capitalized ¹		(9)	—
Employee defined benefit plans net interest		3	2
Unrealized changes in virtual power purchase agreements forward element		—	66
		\$ 344	\$ 394

¹ Interest on long-term debt, excluding lease liabilities, at a composite rate of 5.3% (2024 – 3.1%) was capitalized to intangible assets with indefinite lives during the period.

10 income taxes

Expense composition and rate reconciliation

Periods ended March 31 (millions)	Three months	
	2025	2024
Current income tax expense		
For the current reporting period	\$ 117	\$ 138
Adjustments recognized in the current period for income taxes of prior periods	(5)	—
Pillar Two global minimum tax	1	1
	113	139
Deferred income tax expense		
Arising from the origination and reversal of temporary differences	(6)	(98)
	\$ 107	\$ 41

Our income tax expense and effective income tax rate differ from those computed by applying the applicable statutory rates for the following reasons:

Three-month periods ended March 31 (\$ in millions)	2025		2024	
Income taxes computed at applicable statutory rates	\$ 101	24.8%	\$ 41	22.9%
Adjustments recognized in the current period for income taxes of prior periods	(5)	(1.2)	—	—
Pillar Two global minimum tax	1	0.2	1	0.6
(Non-taxable) non-deductible amounts, net	(1)	(0.2)	(11)	(6.1)
Withholding and other taxes	9	2.2	7	3.9
Losses not recognized	1	0.2	1	0.6
Foreign tax differential	(1)	(0.2)	(2)	(1.1)
Other	2	0.4	4	2.1
Income tax expense per Consolidated statements of income and other comprehensive income	\$ 107	26.2%	\$ 41	22.9%

11 other comprehensive income

(millions)	Note	Accumulated balance, beginning of period	Three-month period ended March 31, 2024			Accumulated balance, end of period	Accumulated balance, beginning of period	Three-month period ended March 31, 2025			Accumulated balance, end of period
			Amount arising	Income taxes	Net			Amount arising	Income taxes	Net	
Items that may subsequently be reclassified to income											
Change in unrealized fair value of derivatives designated as cash flow hedges	4(e)										
<i>Derivatives used to manage currency risk</i>											
Unrealized gains (losses) arising			\$ 205	\$ 34				\$ 20	\$ 11		
Realized (gains) losses reclassified to net income			(136)	(21)				(6)	(1)		
		\$ (158)	69	13	\$ 56	\$ (102)	\$ (260)	14	10	\$ 4	\$ (256)
<i>Derivatives used to manage other market risks</i>											
Unrealized gains (losses) arising	2(a)		5	1				(18)	(4)		
Realized (gains) losses reclassified to net income			(1)	—				(2)	(1)		
		(2)	4	1	3	1	(1)	(20)	(5)	(15)	(16)
Total		(160)	73	14	59	(101)	(261)	(6)	5	(11)	(272)
Cumulative foreign currency translation adjustment		36	24	—	24	60	169	60	—	60	229
Item never reclassified to income											
Change in measurement of investment financial assets											
Unrealized gains (losses) arising			2	1				2	—		
Realized gains (losses)			—	—				3	1		
		78	2	1	1	79	58	5	1	4	62
Accumulated other comprehensive income (loss)		\$ (46)	99	15	84	\$ 38	\$ (34)	59	6	53	\$ 19
Attributable to:											
Common Shares		\$ (44)				\$ 20	\$ (105)				\$ (61)
Non-controlling interests		(2)				18	71				80
		\$ (46)				\$ 38	\$ (34)				\$ 19
Item never reclassified to income											
Employee defined benefit plan re-measurements	15(a)		47	12	35			(1)	—	(1)	
Other comprehensive income (loss)			\$ 146	27	\$ 119			\$ 58	6	\$ 52	

12 per share amounts

Basic net income per Common Share is calculated by dividing net income attributable to Common Shares by the total weighted average number of Common Shares outstanding during the period. Diluted net income per Common Share is calculated to give effect to share option awards and restricted share unit awards.

The following table presents reconciliations of the denominators of the basic and diluted per share computations. Net income was equal to diluted net income for all periods presented.

Periods ended March 31 (millions)	Three months	
	2025	2024
Basic total weighted average number of Common Shares outstanding	1,514	1,476
Effect of dilutive securities – Restricted share units	2	2
Diluted total weighted average number of Common Shares outstanding	1,516	1,478

For the three-month periods ended March 31, 2025 and 2024, no outstanding equity-settled restricted share unit awards were excluded in the calculation of diluted income per Common Share. For the three-month periods ended March 31, 2025, 1 million (2024 – approximately 1 million) TELUS Corporation share option awards were excluded in the calculation of diluted income per Common Share.

13 dividends per share

(a) TELUS Corporation Common Share dividends declared

Three-month periods ended
March 31 (millions except
per share amounts)

TELUS Corporation Common Share dividends	Declared		Paid to shareholders	Total
	Effective	Per share		
2025				
Quarter 1 dividend	Mar. 11, 2025	\$ 0.4023	Apr. 1, 2025	\$ 610
2024				
Quarter 1 dividend	Mar. 11, 2024	\$ 0.3761	Apr. 1, 2024	\$ 554

On May 8, 2025, the Board of Directors declared a quarterly dividend of \$0.4163 per share on issued and outstanding TELUS Corporation Common

Shares payable on July 2, 2025, to holders of record at the close of business on June 10, 2025. The final amount of the dividend payment depends upon the number of TELUS Corporation Common Shares issued and outstanding at the close of business on June 10, 2025.

(b) Dividend Reinvestment and Share Purchase Plan

We have a Dividend Reinvestment and Share Purchase Plan under which eligible holders of TELUS Corporation Common Shares may acquire additional TELUS Corporation Common Shares by reinvesting dividends and by making additional optional cash payments to the trustee. Under this plan, we have the option of offering TELUS Corporation Common Shares from Treasury or having the trustee acquire TELUS Corporation Common Shares in the stock market. At our discretion, under the plan, we may offer TELUS Corporation Common Shares at a discount of up to 5% from the market price. Effective with our dividends paid October 1, 2019, we have offered TELUS Corporation Common Shares from Treasury at a discount of 2%. During the three-month periods ended March 31, 2025, eligible shareholders who participated in the plan elected to reinvest dividends declared of \$191 million (2024 – \$110 million).

14 share-based compensation

(a) Details of share-based compensation expense

Included in Employee benefits expense in the Consolidated statements of income and other comprehensive income, and in Cash provided by operating activities in the Consolidated statements of cash flows, are the share-based compensation amounts set out in the accompanying table.

(b) Restricted share units

TELUS Corporation restricted share units

We also award restricted share units that largely have the same features as our general restricted share units, but have a variable payout (0% – 200%) that depends upon the achievement of: our total customer connections performance condition (with a weighting of 33-1/3%; 2024 and prior awards, 25%); our free cash flow* performance condition (with a weighting of 33-1/3%; 2024 and prior awards, NIL%); and the total shareholder return on TELUS Corporation Common Shares relative to international peer groups of telecommunications companies (with a weighting of 33-1/3%; 2024 and prior awards, 75%). The grant-date fair values of the notional subsets of our restricted share units affected by the total customer connections performance condition and the free cash flow performance condition equal the fair market value of the corresponding TELUS Corporation Common Shares at the grant date; we include these notional subsets in the presentation of our restricted share units with only service conditions. For the notional subset of our restricted share units affected by the relative total shareholder return performance condition, we estimate fair value using a Monte Carlo simulation due to the variable payout. Restricted share units granted in 2025 and 2024

Periods ended March 31 (millions)		2025			2024		
	Note	Employee benefits expense ¹	Associated operating cash outflows	Statement of cash flows adjustment	Employee benefits expense	Associated operating cash outflows	Statement of cash flows adjustment
THREE-MONTH							
Restricted share units	(b)	\$ 41	\$ —	\$ 41	\$ 30	\$ (3)	\$ 27
Employee share purchase plan	(c)	8	(8)	—	8	(8)	—
Share option awards	(d)	1	—	1	—	—	—
		\$ 50	\$ (8)	\$ 42	\$ 38	\$ (11)	\$ 27
TELUS technology solutions ²		\$ 36	\$ (7)	\$ 29	\$ 33	\$ (9)	\$ 24
TELUS health ²		3	—	3	3	—	3
TELUS digital experience ³		11	(1)	10	2	(2)	—
		\$ 50	\$ (8)	\$ 42	\$ 38	\$ (11)	\$ 27

1 Within employee benefits expense (see Note 8) for the three-month periods ended March 31, 2025, restricted share units expense of \$41 (2024 – \$26) is presented as share-based compensation expense and the balance is included in restructuring costs (see Note 16) of the TELUS technology solutions segment.

2 Comparative amounts have been adjusted for change in segmentation (see Note 5).

3 During the three-month period ended June 30, 2024, the written put options in respect of non-controlling interests associated with the WillowTree acquisition were renegotiated, which resulted in: a change in provisions for business combinations; the institution of a maximum payout for the non-controlling interests associated with the WillowTree acquisition; and the awarding of share-based compensation. The expense associated with these awards was \$2 (2024 - \$NIL) for the three-month periods ended March 31, 2025.

are accounted for as equity-settled, based on their expected settlement method when granted.

The following table presents a summary of outstanding TELUS Corporation non-vested restricted share units.

As at	March 31, 2025	December 31, 2024
Restricted share units without market performance conditions		
Restricted share units with service conditions only	11,056,492	6,896,228
Notional subset affected by non-market performance conditions	1,283,358	556,308
	12,339,850	7,452,536
Restricted share units with market performance conditions		
Notional subset affected by relative total shareholder return performance condition	1,939,512	1,513,481
Number of non-vested restricted share units	14,279,362	8,966,017

* Free cash flow is not a standardized financial measure under IFRS Accounting Standards and might not be comparable to similar measures presented by other issuers (see Note 3).

The following table presents a summary of the activity related to TELUS Corporation restricted share units without market performance conditions.

	Number of restricted share units ¹		Weighted average grant-date fair value
	Non-vested	Vested	
THREE-MONTH PERIOD			
Outstanding, January 1, 2025			
Non-vested	7,452,536	—	\$ 25.03
Vested	—	32,723	\$ 26.17
Granted			
Initial award	4,860,921	—	\$ 21.69
In lieu of dividends	152,093	675	\$ 19.50
Vested	(26,357)	26,357	\$ 25.04
Settled in cash	—	(26,879)	\$ 25.05
Forfeited	(99,343)	—	\$ 24.99
Outstanding, March 31, 2025			
Non-vested	12,339,850	—	\$ 23.64
Vested	—	32,876	\$ 26.11

1 Excluding the notional subset of restricted share units affected by the relative total shareholder return performance condition.

TELUS International (Cda) Inc. restricted share units

We also award restricted share units that largely have the same features as the TELUS Corporation restricted share units. One subset of these units has a variable payout (0% – 200%) that depends upon TELUS Digital Experience financial performance (with a weighting of 50%) and the total shareholder return of TELUS International (Cda) Inc. subordinate voting shares relative to an international peer group of customer experience and digital IT services companies (with a weighting of 50%). Another subset of these units has a variable payout (0% – 300%) that depends upon the financial performance of certain TELUS Digital Experience products and services. For the notional subset of units affected by financial performance conditions, the grant-date fair value equals the fair market value of the corresponding subordinate voting shares at the grant date. For the notional subset of our restricted share units affected by the relative total shareholder return performance condition, we estimate fair value using a Monte Carlo simulation due to the variable payout. Restricted share units granted in 2025 and 2024 are accounted for as equity-settled, based on their expected settlement method when granted.

The following table presents a summary of the activity related to TELUS International (Cda) Inc. restricted share units.

	Number of restricted share units		Weighted average grant-date fair value
	Non-vested	Vested	
THREE-MONTH PERIOD			
Outstanding, January 1, 2025	20,180,936	—	US\$ 6.33
Granted – initial award	8,779,159	—	US\$ 2.82
Vested	(3,061,816)	3,061,816	US\$ 7.38
Settled in equity	—	(1,763,617)	US\$ 10.62
Forfeited	(620,768)	—	US\$ 5.05
Outstanding, March 31, 2025	25,277,511	1,298,199	US\$ 4.92

(c) TELUS Corporation employee share purchase plan

We have an employee share purchase plan under which eligible employees can purchase TELUS Corporation Common Shares through regular payroll deductions. In respect of TELUS Corporation Common Shares held within the employee share purchase plan, dividends declared thereon during the three-month period ended March 31, 2025, of \$14 million (2024 – \$13 million) were to be reinvested in TELUS Corporation Common Shares acquired by the trustee from Treasury, with a discount applicable, as set out in *Note 13(b)*.

(d) Share option awards

TELUS Corporation share options

Employees may be granted share option awards to purchase TELUS Corporation Common Shares at an exercise price equal to the fair market value at the time of grant. Share option awards granted under the plan may be exercised over specific periods not to exceed seven years from the date of grant.

These share option awards have a net-equity settlement feature. The optionee does not have the choice of exercising the net-equity settlement feature; it is at our option whether the exercise of a share option award is settled as a share option or settled using the net-equity settlement feature.

The following table presents a summary of the activity related to the TELUS Corporation share option plan.

Period ended March 31,
2025

	Three months	
	Number of share options	Weighted average share option price
Outstanding, beginning of period	1,519,501	\$ 22.45
Exercised ²	(14,100)	\$ 21.19
Forfeited	(31,400)	\$ 22.11
Outstanding, end of period	1,474,001	\$ 22.47
Exercisable, end of period	1,474,001	\$ 22.47

1 The weighted average remaining contractual life is 2.2 years.

2 For the three-month periods ended March 31, 2025, the weighted average price at the dates of exercise was \$22.34.

TELUS International (Cda) Inc. share options

Employees may be granted equity share options (equity-settled) to purchase TELUS International (Cda) Inc. subordinate voting shares at an exercise price equal to, or a multiple of, the fair market value at the time of grant and/or phantom share options (cash-settled) that provide them with exposure to appreciation in the TELUS International (Cda) Inc. subordinate voting share price. Share option awards granted under the plan may be exercised over specific periods not to exceed ten years from the time of grant. All equity share option awards and most phantom share option awards have a variable payout (0% – 100%) that depends upon the achievement of TELUS Digital Experience financial performance and non-market quality-of-service performance conditions.

The following table presents a summary of the activity related to the TELUS International (Cda) Inc. share option plan.

Period ended March 31,
2025

	Three months	
	Number of share options	Weighted average share option price
Outstanding, beginning and end of period	5,352,728	US\$ 6.53
Exercisable, end of period	2,452,934	US\$ 9.89

1 For 2,899,794 share options, the price is \$3.69 per TELUS International (Cda) Inc. subordinated voting share and the weighted average remaining contractual life is 9.5 years; for 2,096,582 share options, the range of share option prices is US\$4.87 – US\$8.95 and the weighted average remaining contractual life is 1.7 years; for the balance of share options, the price is US\$25.00 and the weighted average remaining contractual life is 5.9 years.

15 employee future benefits

(a) Defined benefit pension plans – summary

Amounts in the primary financial statements related to defined benefit pension plans

Three-month periods ended March 31		2025			2024		
(millions)	Note	Plan assets	Defined benefit obligations accrued ¹	Net	Plan assets	Defined benefit obligations accrued ¹	Net
Employee benefits expense	8						
Benefits earned for current service		\$ —	\$ (18)		\$ —	\$ (20)	
Employees' contributions		4	—		4	—	
Administrative fees		(1)	—		(1)	—	
		3	(18)	\$ (15)	3	(20)	\$ (17)
Financing costs	9						
Notional income on plan assets ² and interest on defined benefit obligations accrued		107	(96)		105	(97)	
Interest effect on asset ceiling limit		(14)	—		(10)	—	
		93	(96)	(3)	95	(97)	(2)
DEFINED BENEFIT (COST) INCLUDED IN NET INCOME³				(18)			(19)
Other comprehensive income	11						
Difference between actual results and estimated plan assumptions ⁴		53	—		(2)	—	
Changes in plan financial assumptions ⁵		—	(50)		—	235	
Changes in the effect of limiting net defined benefit plan assets to the asset ceiling		(4)	—		(186)	—	
		49	(50)	(1)	(188)	235	47
DEFINED BENEFIT (COST) INCLUDED IN COMPREHENSIVE INCOME³				(19)			28
AMOUNTS INCLUDED IN OPERATING ACTIVITIES CASH FLOWS							
Employer contributions		5	—	5	8	—	8
BENEFITS PAID BY PLANS		(117)	117	—	(117)	117	—
PLAN ACCOUNT BALANCES⁶							
Change in period		33	(47)	(14)	(199)	235	36
Balance, beginning of period		8,262	(8,452)	(190)	8,352	(8,489)	(137)
Balance, end of period		\$ 8,295	\$ (8,499)	\$ (204)	\$ 8,153	\$ (8,254)	\$ (101)
FUNDED STATUS – PLAN SURPLUS (DEFICIT)							
Pension plans that have plan assets in excess of defined benefit obligations accrued ⁷	20	\$ 7,440	\$ (7,186)	\$ 254	\$ 7,318	\$ (7,002)	\$ 316
Pension plans that have defined benefit obligations accrued in excess of plan assets ⁸							
Funded		855	(1,086)	(231)	835	(1,039)	(204)
Unfunded		—	(227)	(227)	—	(213)	(213)
	27	855	(1,313)	(458)	835	(1,252)	(417)
		\$ 8,295	\$ (8,499)	\$ (204)	\$ 8,153	\$ (8,254)	\$ (101)

1 Defined benefit obligations accrued are the actuarial present values of benefits attributed to employee services rendered to a particular date.

2 The interest income on the plan assets portion of the employee defined benefit plans net interest amount included in Financing costs reflects a rate of return on plan assets equal to

the discount rate used in determining the defined benefit obligations accrued at the end of the immediately preceding fiscal year.

- 3 Excluding income taxes.
- 4 Financial assumptions in respect of plan assets (interest income on plan assets included in Financing costs reflects a rate of return on plan assets equal to the discount rate used in determining the defined benefit obligations accrued) and demographic assumptions in respect of the actuarial present values of the defined benefit obligations accrued, as at the end of the immediately preceding fiscal year for both.
- 5 The discount rate used to measure the defined benefit obligations accrued at March 31, 2025, was 4.60% (December 31, 2024 – 4.65%).
- 6 Effect of asset ceiling limit at March 31, 2025, was \$1,245 (December 31, 2024 – \$1,227).
- 7 Presented in the Consolidated statements of financial position as Other long-term assets.
- 8 Presented in the Consolidated statements of financial position as Other long-term liabilities.

(b) Defined contribution plans – expense

Our total defined contribution pension plan costs included as Employee benefits expense in the Consolidated statements of income and other comprehensive income are as follows:

Periods ended March 31 (millions)	Three months	
	2025	2024
Union pension plan contributions	\$ 3	\$ 3
Other defined contribution pension plans	28	24
	\$ 31	\$ 27

16 restructuring and other costs

(a) Details of restructuring and other costs

With the objective of reducing ongoing costs, we incur associated incremental non-recurring restructuring costs, as further discussed in (b) following. We may also incur atypical charges when undertaking major or transformational changes to our business or operating models or during post-acquisition business integration. In other costs, we include incremental atypical external costs incurred in connection with business acquisition or disposition activity; significant litigation costs in respect of losses or settlements; and adverse retrospective regulatory decisions.

Restructuring and other costs presented in the Consolidated statements of income and other comprehensive income are as follows:

Periods ended March 31 (millions)	Three months	
	2025	2024
Restructuring¹ (b)		
Goods and services purchased	\$ 34	\$ 97
Employee benefits expense	57	120
	91	217
Other (c)		
Goods and services purchased	6	1
Total		
Goods and services purchased	40	98
Employee benefits expense	57	120
	\$ 97	\$ 218

- 1 For the three-month period ended March 31, 2025, excludes real estate rationalization-related restructuring net impairments of property, plant and equipment of \$3 (2024 – \$68), which are included in depreciation.

(b) Restructuring provisions

Employee-related provisions and other provisions, as presented in Note 25, include amounts for restructuring activities. In 2025, restructuring activities included ongoing and incremental efficiency initiatives, some involving employee-related costs and real estate rationalization. These initiatives were intended to enhance our long-term operating productivity and competitiveness.

(c) Other

We incurred incremental external costs in connection with business acquisitions during the three-month periods ended March 31, 2025 and 2024. We have included in other costs the non-recurring atypical business integration expenditures associated with these business acquisitions, which qualify as neither restructuring costs nor part of the fair value of the net assets acquired.

17 property, plant and equipment

(millions)	Note	Owned assets							Right-of-use lease assets (Note 19)				Total
		Network assets	Buildings and leasehold improvements	Computer hardware and other	Land	Investment property	Assets under construction	Total	Network assets	Real estate	Other	Total	
AT COST													
Balance as at January 1, 2025		\$ 37,384	\$ 3,982	\$ 1,871	\$ 88	\$ 46	\$ 505	\$ 43,876	\$ 1,733	\$ 2,549	\$ 122	\$ 4,404	\$ 48,280
Additions		167	5	5	—	—	209	386	141	71	3	215	601
Assets under construction put into service		67	19	17	—	—	(103)	—	—	—	—	—	—
Dispositions, retirements and other		(256)	(21)	(7)	—	—	—	(284)	—	(9)	(4)	(13)	(297)
Net foreign exchange differences		—	3	6	—	—	—	9	—	4	—	4	13
Balance as at March 31, 2025		\$ 37,362	\$ 3,988	\$ 1,892	\$ 88	\$ 46	\$ 611	\$ 43,987	\$ 1,874	\$ 2,615	\$ 121	\$ 4,610	\$ 48,597
ACCUMULATED DEPRECIATION													
Balance as at January 1, 2025		\$ 25,519	\$ 2,467	\$ 1,328	\$ —	\$ —	\$ —	\$ 29,314	\$ 247	\$ 1,329	\$ 53	\$ 1,629	\$ 30,943
Depreciation ¹		381	39	45	—	—	—	465	57	65	5	127	592
Dispositions, retirements and other		(246)	(10)	(18)	—	—	—	(274)	—	(11)	(3)	(14)	(288)
Net foreign exchange differences		—	2	4	—	—	—	6	—	—	—	—	6
Balance as at March 31, 2025		\$ 25,654	\$ 2,498	\$ 1,359	\$ —	\$ —	\$ —	\$ 29,511	\$ 304	\$ 1,383	\$ 55	\$ 1,742	\$ 31,253
NET BOOK VALUE													
Balance as at December 31, 2024		\$ 11,865	\$ 1,515	\$ 543	\$ 88	\$ 46	\$ 505	\$ 14,562	\$ 1,486	\$ 1,220	\$ 69	\$ 2,775	\$ 17,337
Balance as at March 31, 2025		\$ 11,708	\$ 1,490	\$ 533	\$ 88	\$ 46	\$ 611	\$ 14,476	\$ 1,570	\$ 1,232	\$ 66	\$ 2,868	\$ 17,344

1 For the three-month period ended March 31, 2025, depreciation includes \$2 in respect of impairment of real estate right-of-use lease assets.

As at March 31, 2025, our contractual commitments for the property, plant and equipment acquisitions totalled \$252 million over a period ending December 31, 2027 (December 31, 2024 – \$267 million over a period ending December 31, 2027).

18 intangible assets and goodwill

(a) Intangible assets and goodwill, net

(millions)	Note	Intangible assets subject to amortization					Intangible assets with indefinite lives	Total intangible assets	Goodwill ¹	Total intangible assets and goodwill
		Customer contracts, related relationships and subscriber base	Software	Access to rights-of-way, crowdsource assets and other	Assets under construction	Total	Spectrum licences			
AT COST										
Balance as at January 1, 2025		\$ 5,742	\$ 8,649	\$ 622	\$ 474	\$ 15,487	\$ 13,206	\$ 28,693	\$ 10,923	\$ 39,616
Additions		5	27	2	167	201	—	201	—	201
Additions arising from business acquisitions	(b)	6	12	2	—	20	—	20	36	56
Assets under construction put into service		—	204	—	(204)	—	—	—	—	—
Dispositions, retirements and other (including capitalized interest)	9	(21)	(154)	2	—	(173)	9	(164)	—	(164)
Net foreign exchange differences		30	—	—	—	30	—	30	44	74
Balance as at March 31, 2025		\$ 5,762	\$ 8,738	\$ 628	\$ 437	\$ 15,565	\$ 13,215	\$ 28,780	\$ 11,003	\$ 39,783
ACCUMULATED AMORTIZATION										
Balance as at January 1, 2025		\$ 2,043	\$ 5,770	\$ 287	\$ —	\$ 8,100	\$ —	\$ 8,100	\$ 364	\$ 8,464
Amortization		120	262	18	—	400	—	400	—	400
Dispositions, retirements and other		2	(158)	—	—	(156)	—	(156)	—	(156)
Net foreign exchange differences		15	—	—	—	15	—	15	—	15
Balance as at March 31, 2025		\$ 2,180	\$ 5,874	\$ 305	\$ —	\$ 8,359	\$ —	\$ 8,359	\$ 364	\$ 8,723
NET BOOK VALUE										
Balance as at December 31, 2024		\$ 3,699	\$ 2,879	\$ 335	\$ 474	\$ 7,387	\$ 13,206	\$ 20,593	\$ 10,559	\$ 31,152
Balance as at March 31, 2025		\$ 3,582	\$ 2,864	\$ 323	\$ 437	\$ 7,206	\$ 13,215	\$ 20,421	\$ 10,639	\$ 31,060

- 1 Accumulated amortization of goodwill of \$364 is amortization recorded before 2002; there are no accumulated impairment losses in the accumulated amortization of goodwill.
- 2 As at March 31, 2025, relevant events and circumstances were not inconsistent with those existing at the time of the December 2024 annual test and were such that it was considered appropriate to test the carrying value of the TELUS digital experience cash-generating unit goodwill. As at March 31, 2025, the recoverable amount of the TELUS digital experience cash-generating unit was slightly in excess of its carrying amount. Such recoverable amount was determined based on a fair value less costs of disposal method (such method categorized as a Level 3 fair value measure) and used a discount rate of 9.8%, a perpetual growth rate of 3.0% and cash flow projections through the end of 2029. We validated the results of the recoverable amount through a market-comparable approach and an analytical review of industry facts and facts that are specific to us.

The fair value less costs of disposal method uses discounted cash flow projections that employ the following key assumptions: future cash flows and growth projections; associated economic risk assumptions and estimates of the likelihood of achieving key

operating metrics and drivers; and the future weighted average cost of capital. Had growth projections declined in the projection period by more than trivial amounts, or if the discount rate increased by more than a trivial amount, the March 31, 2025, estimate of the recoverable amount of the TELUS digital experience cash-generating unit would be less than its carrying amount; we believe that any reasonably possible change in other key assumptions on which our calculation of the recoverable amount of the TELUS digital experience cash-generating unit is based would not cause its carrying value to exceed its recoverable amount. If the future were to adversely differ from management's best estimates for the key assumptions and associated cash flows were to be materially adversely affected, we could potentially experience future material impairment charges in respect of the TELUS digital experience cash-generating unit's goodwill.

As at March 31, 2025, our contractual commitments for intangible asset acquisitions totalled \$39 million over a period ending December 31, 2026 (December 31, 2024 – \$37 million over a period ending December 31, 2026).

(b) Business acquisitions

Individually immaterial transactions

During the three-month period ended March 31, 2025, we acquired 100% ownership of businesses that were complementary to our existing lines of business. The primary factor that gave rise to the recognition of goodwill was the earnings capacity of the acquired businesses in excess of the net tangible and intangible assets acquired (such excess arising from the low level of tangible assets relative to the earnings capacity of the businesses). A portion of the amounts assigned to goodwill may be deductible for income tax purposes.

Acquisition-date fair values

Acquisition-date fair values assigned to the assets acquired and liabilities assumed are as follows:

(millions)	Total of individually immaterial transactions ¹
Assets	
Non-current assets	
Intangible assets subject to amortization ²	20
Liabilities	
Non-current liabilities	
Deferred income taxes	5
Net identifiable assets acquired	15
Goodwill	36
Net assets acquired	\$ 51
Acquisition effected by way of:	
Cash consideration	\$ 11
Provisions	20
Re-measured pre-acquisition interest at acquisition-date fair value ³	11
Pre-existing relationship effectively settled	9
	\$ 51

¹ The purchase price allocation, primarily in respect of customer contracts, related customer relationships and deferred income taxes, had not been finalized as of the date of issuance of these consolidated financial statements. As is customary in a business acquisition transaction, until the time of acquisition of control, we did not have full access to the books and records of

the acquired businesses. Upon having sufficient time to review the books and records of the acquired businesses, we expect to finalize our purchase price allocations.

- Customer contracts and customer relationships (including those related to customer contracts) are generally expected to be amortized over a period of 10-15 years, and other intangible assets are expected to be amortized over a period of 5-15 years.
- Re-measurement of previously held interest in associate did not result in the recognition of an acquisition-date gain.

(c) Business acquisitions – prior period

In 2024, we acquired businesses that were complementary to our existing lines of business. As at December 31, 2024, purchase price allocations had not been finalized. During the three-month period ended March 31, 2025, the preliminary acquisition-date fair values for income and other taxes receivable decreased by \$15 million and goodwill increased by \$15 million, respectively; as required by IFRS Accounting Standards, comparative amounts have been adjusted so as to reflect the increase (decrease) effective the date of acquisition.

(d) Business acquisition – subsequent to reporting period

Workplace Options

On May 1, 2025, we acquired 100% of Workplace Options for cash of approximately \$500 million (US\$350 million), net of assumed debt of approximately \$100 million (US\$70 million). We have also signed a non-binding term sheet for a synergistic third-party's future investment in this acquisition of approximately \$285 million (US\$200 million), which is expected to be completed prior to June 30, 2025. Workplace Options is a global provider of integrated employee well-being solutions. The investment was made with a view to growing our employee and family assistance programs business and will be consolidated within our TELUS Health segment.

Our initial fair value estimate for the net identifiable assets acquired is in the range of \$135 million – \$165 million; as is customary in a business acquisition transaction, until the time of acquisition of control, we did not have full access to the books and records of the acquired business. Upon having sufficient time to review the books and records of the acquired business, as well as obtaining new and additional information about the related facts and circumstances as of the acquisition date, we will adjust provisional amounts for identifiable assets acquired and liabilities assumed and thus finalize our purchase price allocation.

19 leases

Maturity analyses of lease liabilities are set out in *Note 4(b)* and *Note 26(i)*; the period interest expense in respect thereof is set out in *Note 9*. The additions to, depreciation charges for, and carrying amounts of, right-of-use lease assets are set out in *Note 17*. We have not currently elected to exclude low-value and short-term leases from lease accounting.

Periods ended March 31 (millions)	Note	Three months 2025	2024
Income from subleasing right-of-use lease assets			
Co-location sublease revenue included in Operating revenues – service		\$ 4	\$ 4
Other sublease revenue included in Other income	7	\$ 1	\$ 1
Lease payments¹		\$ 233	\$ 220

1 In the Consolidated statements of cash flows, the principal component of lease payments is included in Cash provided (used) by financing activities (see *Note 31(b)*) and the interest component of lease payments is included in Interest paid.

20 other long-term assets

As at (millions)	Note	March 31, 2025	December 31, 2024
Pension assets	15	\$ 254	\$ 257
Unbilled customer finance receivables	4(a)	628	630
Derivative assets	4(d)	103	113
Deferred income taxes		17	18
Costs incurred to obtain or fulfill contracts with customers		315	301
Investments in real estate joint ventures	21(a)	192	183
Investments in associates	21(b)	204	219
Portfolio investments ¹			
At fair value through net income		63	62
At fair value through other comprehensive income		591	594
Prepaid maintenance		34	39
Refundable security deposits and other		152	161
		\$ 2,553	\$ 2,577

1 Fair value measured at reporting date using significant other observable inputs (Level 2).

The costs incurred to obtain and fulfill contracts with customers are as follows:

(millions)	Costs incurred to		Total
	Obtain contracts with customers	Fulfill contracts with customers	
Balance as at January 1, 2025	\$ 603	\$ 64	\$ 667
Additions	123	7	130
Amortization	(97)	(2)	(99)
Balance as at March 31, 2025	\$ 629	\$ 69	\$ 698
Current	\$ 366	\$ 17	\$ 383
Non-current	263	52	315
	\$ 629	\$ 69	\$ 698

21 real estate joint ventures and investments in associates

(a) Real estate joint ventures

During 2025 and 2024, we partnered, as equals, with arm's-length parties in real estate redevelopment projects in British Columbia.

Summarized financial information

Periods ended March 31 (millions)	Three months 2025	2024
Revenue	\$ —	\$ 7
Interest expense	\$ —	\$ 3
Net income (loss) and comprehensive income (loss) ¹	\$ —	\$ (4)

- 1 Substantially all comparative information summarized in this table is in respect of operations that were held for sale by the TELUS Sky real estate joint venture.
- 2 As the real estate joint ventures are partnerships, no provision is made for income taxes in respect of the partners in determining the real estate joint ventures' net income and comprehensive income.

As at (millions)	March 31, 2025	December 31, 2024
ASSETS		
Current assets		
Cash and temporary investments, net	\$ 7	\$ 7
Other	1	1
	8	8
Non-current assets		
Investment property under development	374	356
Promissory notes ¹	333	320
	707	676
	\$ 715	\$ 684
LIABILITIES AND OWNERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 4	\$ 6
Non-current liabilities		
Long-term debt – mortgage	21	21
Liabilities	25	27
Owners' equity		
TELUS ²	345	329
Other partners ¹	345	328
	690	657
	\$ 715	\$ 684

1 Other partners' equity is gross of \$333 (December 31, 2024 – \$320) promissory notes issued to the joint ventures by the arm's-length parties in the real estate redevelopment projects in British Columbia; in the event of dissolution or other wind-up of the partnerships, the other partner's equity will first be reduced by any amounts of the promissory notes outstanding when determining the equity of the joint ventures. The primary intended method of repayment of the promissory notes is through contribution of in-kind development costs, but may optionally include cash payments.

2 The equity amounts recorded by the real estate joint ventures differ from those recorded by us by the amount of the deferred gains on our real estate contributed and the valuation provision we have recorded in excess of that recorded by the real estate joint ventures.

Our real estate joint ventures activity

Our real estate joint ventures investment activity is set out in the following table.

Periods ended (millions)	Equity ¹		Loans and receivables ²	
	March 31, 2025	March 31, 2024		
THREE-MONTH				
Balance, beginning of period	\$ 178	\$ 50	\$ 94	
Related to real estate joint ventures' statements of income and other comprehensive income				
Comprehensive income (loss) attributable to us ³	—	(1)	—	
Valuation provision reversal	3	—	—	
Related to real estate joint ventures' statements of financial position				
<i>Items not affecting currently reported cash flows</i>				
Construction credit facilities financing costs charged by us (Note 7)	—	—	2	
Our real estate contributed	17	76	—	
Deferred gains on our remaining interests in our real estate contributed	(8)	(32)	—	
<i>Cash flows in the current reporting period</i>				
Construction credit facilities				
Financing costs paid to us	—	—	(2)	
Funds we advanced or contributed, excluding construction credit facilities	—	3	—	
Funds repaid to us and earnings distributed	(1)	—	—	
Balance, end of period	\$ 189	\$ 96	\$ 94	

1 We account for our interests in the real estate joint ventures using the equity method of accounting and such interests are included in our Consolidated statements of financial position as Other long-term assets (see Note 20).

2 Loans and receivables are included in our Consolidated statements of financial position as Other long-term assets (see Note 20) and were comprised of advances under construction credit facilities.

3 As the real estate joint ventures are partnerships, no provision is made for income taxes in respect of the partners in determining the real estate joint ventures' net income and comprehensive income.

(b) Investments in associates

As set out in Note 20, we include our investments in associates in our Consolidated statements of financial position as Other long-term assets. As at March 31, 2025, and December 31, 2024, we held an equity interest in

Miovision Technologies Incorporated, a Canadian incorporated entity that is complementary to, and is viewed to grow, our existing Internet of Things business; our judgment is that we obtained significant influence over the associate when we acquired our initial equity interest. Miovision Technologies Incorporated is developing a suite of hardware and cloud-based solutions that provide cities with the data and tools they need to reduce traffic congestion, make better urban planning decisions and improve safety on their roads. Our aggregate interests in other individually immaterial associates as at March 31, 2025, totalled \$31 million (December 31, 2024 – \$44 million).

Miovision Technologies Incorporated

As at, or for the periods ended, (\$ in millions)	March 31, 2025	March 31, 2024	December 31, 2024
Statement of financial position¹			
Current assets	\$ 80		\$ 88
Non-current assets	\$ 422		\$ 408
Current liabilities	\$ 39		\$ 35
Non-current liabilities	\$ 61		\$ 61
Net assets	\$ 402		\$ 400
Statement of income and other comprehensive income¹			
THREE-MONTH			
Revenue and other income	\$ 44	\$ 32	
Net income (loss) and comprehensive income (loss)	\$ (11)	\$ (10)	
Reconciliation of statement of financial position summary financial information to carrying amounts			
Net assets (above)	\$ 402		\$ 400
Our interest	43.4%		43.4%
Our interest in net assets (our carrying amount)	\$ 173		\$ 175

1 As required by IFRS Accounting Standards, this summarized information is not just our share of these amounts.

22 short-term borrowings

On May 22, 2024, we entered into an agreement with an arm's-length securitization trust associated with a major Schedule I bank allowing us to borrow up to \$1.6 billion, secured by certain trade receivables and unbilled customer finance receivables; the term of this revolving-period securitization agreement ends May 22, 2027, and requires minimum cash advances of

\$920 million. Funding under the agreement may be provided in either Canadian dollars or U.S. dollars. Currency risk associated with funding denominated in U.S. dollars is managed through the use of foreign currency forward contracts.

Short-term borrowings of \$1.3 billion (December 31, 2024 – \$0.9 billion) are comprised of amounts advanced to us by the arm's-length securitization trust; all amounts advanced were denominated in U.S. dollars.

The balance of short-term borrowings (if any) is comprised of amounts drawn on bilateral bank facilities and/or other.

23 accounts payable and accrued liabilities

As at (millions)	March 31, 2025	December 31, 2024
Trade accounts payable ¹		
Supply chain financing – arm's-length third-party has paid supplier	\$ 16	\$ 84
Supply chain financing – eligible payable ²	9	2
Amounts that are a part of supply chain financing	25	86
Amounts that are not a part of supply chain financing	1,118	1,040
	1,143	1,126
Accrued liabilities	1,271	1,385
Payroll and other employee-related liabilities	528	710
Interest payable	226	262
Indirect taxes payable and other	146	147
	\$ 3,314	\$ 3,630

1 The composition of trade accounts payable fluctuates due to various factors, including suppliers' invoice timing, our data processing cycle timing and the seasonal nature of certain business activities, as well as whether the statement of financial position date falls on a business day. Trade accounts payable represent future payments for invoices received in respect of both operating and capital activities, and may include amounts for assessed and self-assessed government remittances.

2 Amounts eligible for suppliers to choose to be paid in advance of industry-standard payment terms.

In 2023, we introduced a supply chain financing program that allows suppliers with qualifying trade accounts payable to opt for early payment from an arm's-length third party, in advance of industry-standard payment terms; in turn, we reimburse the arm's-length third party for those payments when the trade accounts payable would originally have been due.

The weighted average due dates for trade accounts payable are largely similar, both within and outside the supply chain financing program, and generally payment is due within one quarter.

24 advance billings and customer deposits

As at (millions)	March 31, 2025	December 31, 2024
Advance billings	\$ 849	\$ 820
Deferred customer activation and connection fees	3	3
Customer deposits	18	15
Contract liabilities	870	838
Other	157	201
	\$ 1,027	\$ 1,039

Contract liabilities represent our future performance obligations to customers for services and/or equipment for which we have already received consideration or for which an amount is due from the customer. Our contract liability balances, and the changes in those balances, are as follows:

Periods ended March 31 (millions)	Note	Three months 2025	2024
Balance, beginning of period		\$ 1,102	\$ 974
Revenue deferred in previous period and recognized in current period		(631)	(631)
Net additions arising from operations		664	664
Additions arising from business acquisitions		—	16
Balance, end of period		\$ 1,135	\$ 1,023
Current		\$ 1,010	\$ 923
Non-current	27		
Deferred revenues		123	96
Deferred customer activation and connection fees		2	4
		\$ 1,135	\$ 1,023

Reconciliation of contract liabilities presented in the Consolidated statements of financial position – current

Gross contract liabilities		\$ 1,010	\$ 923
Reclassification to contract assets of contracts with contract liabilities less than contract assets	6(c)	(123)	(132)
Reclassification from contract assets of contracts with contract assets less than contract liabilities	6(c)	(17)	(13)
		\$ 870	\$ 778

25 provisions

Asset retirement obligations

We establish provisions for liabilities associated with the retirement of property, plant and equipment when these obligations result from the acquisition, construction, development and/or normal operation of the assets. We expect that the associated cash outflows in respect of the balance accrued as at the financial statement date will occur proximate to the retirement dates of these assets.

Employee-related

Our employee-related provisions are largely in respect of restructuring activities (as discussed further in *Note 16(b)*). The timing of the associated cash outflows in respect of the balance accrued as at the financial statement date is substantially short-term in nature.

Written put options and contingent consideration

In connection with certain business acquisitions, we have established provisions for written put options in respect of non-controlling interests. Some of these provisions are determined based on the net present value of estimated future earnings, requiring us to make key economic assumptions about the future. We have also established provisions for contingent consideration. We do not expect cash outflows in respect of the written put options to occur before their initial exercisability, nor do we expect cash outflows in respect of contingent consideration to occur before completion of the related earning periods; in some instances, we may settle the provision for written put options using equity instruments.

Other

The provisions for other include: legal claims; real estate rationalization and other non-employee-related restructuring activities; and contract termination

(millions)	Note	Asset retirement obligations ¹	Employee-related ²	Written put options and contingent consideration ³	Other ²	Total
Balance as at January 1, 2025		\$ 378	\$ 133	\$ 210	\$ 201	\$ 922
Additions		—	62	20	20	102
Reversals		(8)	(2)	(13)	—	(23)
Uses		(1)	(109)	—	(29)	(139)
Interest effects ⁴	9	4	—	3	—	7
Balance as at March 31, 2025		\$ 373	\$ 84	\$ 220	\$ 192	\$ 869
Current		\$ 17	\$ 81	\$ 83	\$ 79	\$ 260
Non-current		356	3	137	113	609
Balance as at March 31, 2025		\$ 373	\$ 84	\$ 220	\$ 192	\$ 869

- 1 Additions and reversals for Asset retirement obligations are included in the Consolidated statements of financial position as Property, plant and equipment, net. Uses, to the extent that such items include a flow of cash, are included net in Cash used by investing activities in the Consolidated statements of cash flows (see *Note 31(a)*).
- 2 Additions and reversals for Employee-related and Other are generally included in the Consolidated statements of income and other comprehensive income as Employee benefits expense and Goods and services purchased, respectively. Uses, to the extent that such items include a flow of cash, are generally included net in Cash provided by operating activities in the Consolidated statements of cash flows.
- 3 Additions and reversals for Written put options and contingent consideration are included in the Consolidated statements of financial position as Goodwill, net, and in the Consolidated statements of income and other comprehensive income as Other income, respectively. Uses, to the extent that such items include a flow of cash, are included in Cash used by investing activities in the Consolidated statements of cash flows.
- 4 Interest effects, excepting those arising from provision remeasurement due to change in discount rates are included in the Consolidated statements of income and other comprehensive income as Financing costs.

costs and onerous contracts related to business acquisitions. Except as noted below, we expect the cash outflows associated with the balance accrued as at the financial statement date to occur over an indeterminate multi-year period.

As discussed further in *Note 29*, we are involved in a number of legal claims and we are aware of certain other possible legal claims. We establish provisions for legal claims when warranted, considering legal assessments, current information, and the expected availability of recourse. We cannot reasonably determine the timing of cash outflows associated with legal claims.

In connection with business acquisitions, we have established provisions for contract termination costs and onerous contracts acquired.

26 long-term debt

(a) Details of long-term debt

As at (millions)	Note	March 31, 2025	December 31, 2024
Senior unsecured			
TELUS Corporation senior notes	(b)	\$ 21,277	\$ 22,077
TELUS Corporation commercial paper	(c)	2,116	1,404
TELUS Communications Inc. debentures		200	200
Secured			
TELUS International (Cda) Inc. credit facility	(f)	1,649	1,703
Other	(g)	580	588
		25,822	25,972
Lease liabilities	(h)	2,902	2,882
Long-term debt		\$ 28,724	\$ 28,854
Current		\$ 3,776	\$ 3,246
Non-current		24,948	25,608
Long-term debt		\$ 28,724	\$ 28,854

(b) TELUS Corporation senior notes

The notes are senior unsecured and unsubordinated obligations, ranking equally with all of our existing and future unsecured unsubordinated obligations, are senior in right of payment to all of our existing and future

subordinated indebtedness, and are effectively subordinated to all existing and future obligations of, or guaranteed by, our subsidiaries. The notes' indentures contain covenants that, among other things, limit our ability, and that of certain of our subsidiaries, to: grant security in respect of indebtedness; enter into sale-leaseback transactions; and incur new indebtedness.

Interest is payable semi-annually. Upon a change in control triggering event, as defined in the supplemental trust indenture, we must offer to repurchase the notes at a price equal to 101% of their principal amount plus accrued and unpaid interest to the repurchase date.

The notes issued before September 2023 are redeemable at our option, in whole at any time, or in part from time to time, on not fewer than 30 days' and not more than 60 days' prior notice before their respective maturity dates; for notes issued subsequent to August 2023, the notice period is not fewer than 10 days' and not more than 60 days' prior notice. On or after the respective redemption present value spread cessation dates set out in the table below, the notes issued before September 2023 are redeemable at our option, in whole but not in part, on not fewer than 30 days' and not more than 60 days' prior notice, at redemption prices equal to 100% of their principal amounts; for notes issued subsequent to August 2023, the notice period is not fewer than 10 days' and not more than 60 days' prior notice. Accrued and unpaid interest, if any, will be paid to the date fixed for redemption.

Series	Issued	Maturity	Issue price	Effective interest rate ¹	Principal face amount		Redemption present value spread	
					Originally issued	Outstanding at financial statement date	Basis points ²	Cessation date
3.75% Notes, Series CQ	September 2014	January 2025	\$997.75	3.78%	\$800 million	\$NIL	38.5	Oct. 17, 2024
3.75% Notes, Series CV	December 2015	March 2026	\$992.14	3.84%	\$600 million	\$600 million	53.5	Dec. 10, 2025
2.75% Notes, Series CZ	July 2019	July 2026	\$998.73	2.77%	\$800 million	\$800 million	33	May 8, 2026
2.80% U.S. Dollar Notes ³	September 2016	February 2027	US\$991.89	2.89%	US\$600 million	US\$600 million	20	Nov. 16, 2026
3.70% U.S. Dollar Notes ³	March 2017	September 2027	US\$998.95	3.71%	US\$500 million	US\$500 million	20	June 15, 2027
2.35% Notes, Series CAC	May 2020	January 2028	\$997.25	2.39%	\$600 million	\$600 million	48	Nov. 27, 2027
3.625% Notes, Series CX	March 2018	March 2028	\$989.49	3.75%	\$600 million	\$600 million	37	Dec. 1, 2027
4.80% Notes, Series CAO	February 2024	December 2028	\$998.95	4.83%	\$700 million	\$700 million	28	Nov. 15, 2028
3.30% Notes, Series CY	April 2019	May 2029	\$991.75	3.40%	\$1.0 billion	\$1.0 billion	43.5	Feb. 2, 2029
5.00% Notes, Series CAI	September 2022	September 2029	\$995.69	5.07%	\$350 million	\$350 million	46.5	July 13, 2029
3.15% Notes, Series CAA	December 2019	February 2030	\$996.49	3.19%	\$600 million	\$600 million	39.5	Nov. 19, 2029
5.60% Notes, Series CAM	September 2023	September 2030	\$998.85	5.62%	\$500 million	\$500 million	46	July 9, 2030
2.05% Notes, Series CAD	October 2020	October 2030	\$997.93	2.07%	\$500 million	\$500 million	38	July 7, 2030
4.95% Notes, Series CAP	February 2024	February 2031	\$997.07	5.00%	\$600 million	\$600 million	34.5	Dec. 18, 2030
4.65% Notes, Series CAQ	August 2024	August 2031	\$999.11	4.66%	\$700 million	\$700 million	38.5	June 13, 2031
2.85% Sustainability-Linked Notes, Series CAF	June 2021	November 2031	\$997.52	2.88% ⁴	\$750 million	\$750 million	34	Aug. 13, 2031



Series	Issued	Maturity	Issue price	Effective interest rate ¹	Principal face amount		Redemption present value spread	
					Originally issued	Outstanding at financial statement date	Basis points ²	Cessation date
3.40% U.S. Dollar Sustainability-Linked Notes ³	February 2022	May 2032	US\$997.13	3.43% ⁴	US\$900 million	US\$900 million	25	Feb. 13, 2032
5.25% Sustainability-Linked Notes, Series CAG	September 2022	November 2032	\$996.73	5.29% ⁴	\$1.1 billion	\$1.1 billion	51.5	Aug. 15, 2032
4.95% Sustainability-Linked Notes, Series CAJ	March 2023	March 2033	\$998.28	4.97% ⁴	\$500 million	\$500 million	54.5	Dec. 28, 2032
5.75% Sustainability-Linked Notes, Series CAK	September 2023	September 2033	\$997.82	5.78% ⁴	\$850 million	\$850 million	52	June 8, 2033
5.10% Sustainability-Linked Notes, Series CAN	February 2024	February 2034	\$996.44	5.15% ⁴	\$500 million	\$500 million	38.5	Nov. 15, 2033
4.40% Notes, Series CL	April 2013	April 2043	\$997.68	4.41%	\$600 million	\$600 million	47	Oct. 1, 2042
5.15% Notes, Series CN	November 2013	November 2043	\$995.00	5.18%	\$400 million	\$400 million	50	May 26, 2043
4.85% Notes, Series CP	Multiple ⁵	April 2044	\$987.91 ⁵	4.93% ⁵	\$500 million ⁵	\$900 million ⁵	46	Oct. 5, 2043
4.75% Notes, Series CR	September 2014	January 2045	\$992.91	4.80%	\$400 million	\$400 million	51.5	July 17, 2044
4.40% Notes, Series CU	March 2015	January 2046	\$999.72	4.40%	\$500 million	\$500 million	60.5	July 29, 2045
4.70% Notes, Series CW	Multiple ⁶	March 2048	\$998.06 ⁶	4.71% ⁶	\$325 million ⁶	\$475 million ⁶	58.5	Sept. 6, 2047
4.60% U.S. Dollar Notes ³	June 2018	November 2048	US\$987.60	4.68%	US\$750 million	US\$750 million	25	May 16, 2048
4.30% U.S. Dollar Notes ³	May 2019	June 2049	US\$990.48	4.36%	US\$500 million	US\$500 million	25	Dec. 15, 2048
3.95% Notes, Series CAB	Multiple ⁷	February 2050	\$997.54 ⁷	3.97% ⁷	\$400 million ⁷	\$800 million ⁷	57.5	Aug. 16, 2049
4.10% Notes, Series CAE	April 2021	April 2051	\$994.70	4.13%	\$500 million	\$500 million	53	Oct. 5, 2050
5.65% Notes, Series CAH	September 2022	September 2052	\$996.13	5.68%	\$550 million	\$550 million	61.5	Mar. 13, 2052
5.95% Notes, Series CAL	September 2023	September 2053	\$992.67	6.00%	\$400 million	\$400 million	61.5	Mar. 8, 2053

1 The effective interest rate represents the yield the notes would provide to an initial debt holder if held to maturity and, in respect of sustainability-linked notes, no trigger events or MFN step-ups occur.

2 For Canadian dollar-denominated notes, the redemption price is the greater of (i) the present value of the notes discounted at the Government of Canada yield plus the redemption present value spread calculated over the period to the cessation date, or (ii) 100% of the principal amount thereof.

For U.S. dollar-denominated notes, the redemption price is the greater of (i) the present value of the notes discounted at the U.S. Adjusted Treasury Rate (at the U.S. Treasury Rate for the 3.40% U.S. Dollar Sustainability-Linked Notes) plus the redemption present value spread calculated over the period to the cessation date, or (ii) 100% of the principal amount thereof.

3 We have entered into foreign exchange derivatives (cross currency interest rate exchange agreements) that effectively convert the principal payments and interest obligations to Canadian dollar obligations as follows:

Series	Interest rate fixed at	Canadian dollar equivalent principal	Exchange rate
2.80% U.S. Dollar Notes	2.95%	\$792 million	\$1.3205
3.70% U.S. Dollar Notes	3.41%	\$667 million	\$1.3348
3.40% U.S. Dollar Sustainability-Linked Notes	3.89%	\$1,148 million	\$1.2753
4.60% U.S. Dollar Notes	4.41%	\$974 million	\$1.2985
4.30% U.S. Dollar Notes	4.27%	\$672 million	\$1.3435

4 If we have not obtained a sustainability performance target verification assurance certificate for the fiscal year ending December 31, 2030, the sustainability-linked notes will incur increased interest rates from the trigger date through to their individual maturities. The interest rate on certain sustainability-linked notes may also increase (MFN step-up) if we fail to meet additional sustainability and/or environmental, social or governance targets specified in a sustainability-linked bond; the interest rate on these notes, however, in no event can exceed the initial rate by more than the combined MFN step-up and trigger event limit, regardless of whether as a result of not obtaining a sustainability performance target verification assurance certificate and/or any targets provided for in one or more future sustainability-linked bonds. Similarly, if we redeem any sustainability-linked notes without having obtained a sustainability performance target verification assurance certificate at the end of the fiscal year immediately preceding the redemption date, any interest accrued will be determined using the following rates:

Series	Sustainability performance target verification assurance certificate		Post-trigger event interest rate	Aggregate MFN step-up and trigger event limit	Redemption interest accrual rate if certificate not obtained
	Fiscal year	Trigger date			
2.85% Sustainability-Linked Notes, Series CAF	2030	Nov. 14, 2030	3.85%	N/A	3.85%

Series	Fiscal year	Trigger date	Sustainability performance target verification assurance certificate	Aggregate MFN step-up and trigger event limit	Redemption interest accrual rate if certificate not obtained
			Post-trigger event interest rate		
3.40% U.S. Dollar Sustainability-Linked Notes	2030	Nov. 14, 2030	4.40%	1.50%	4.40%
5.25% Sustainability-Linked Notes, Series CAG	2030	Nov. 15, 2030	6.00%	1.50%	6.00%
4.95% Sustainability-Linked Notes, Series CAJ	2030	Mar. 28, 2031	5.70%	1.50%	5.70%
5.75% Sustainability-Linked Notes, Series CAK	2030	Apr. 30, 2031	6.35%	1.20%	6.35%
5.10% Sustainability-Linked Notes, Series CAN	2030	Feb. 15, 2031	5.60%	1.00%	5.60%

5 \$500 million of 4.85% Notes, Series CP were issued in April 2014 at an issue price of \$998.74 and an effective interest rate of 4.86%. This series of notes was reopened in December 2015 and a further \$400 million of notes were issued at an issue price of \$974.38 and an effective interest rate of 5.02%.

6 \$325 million of 4.70% Notes, Series CW were issued in March 2017 at an issue price of \$990.65 and an effective interest rate of 4.76%. This series of notes was reopened in February 2018 and a further \$150 million of notes were issued in March 2018 at an issue price of \$1,014.11 and an effective interest rate of 4.61%.

7 \$400 million of 3.95% Notes, Series CAB were issued in December 2019 at an issue price of \$991.54 and an effective interest rate of 4.00%. This series of notes was reopened in May 2020 and a further \$400 million of notes were issued at an issue price of \$1,003.53 and an effective interest rate of 3.93%.

(c) TELUS Corporation commercial paper

TELUS Corporation has an unsecured commercial paper program, backstopped by our \$2.75 billion revolving syndicated credit facility (see (d)), which is used for general corporate purposes, including capital expenditures and investments. Subject to conditions related to debt ratings, this program allows us to issue commercial paper up to a maximum aggregate equivalent amount at any one time of \$2.2 billion (US\$1.5 billion maximum). We use foreign currency forward contracts to manage currency risk arising from U.S. dollar-denominated commercial paper. Although commercial paper debt matures within one year, we classify it as a current portion of long-term debt as these amounts are supported by the revolving credit facility and we expect that they will continue to be supported by the revolving credit facility, which has no repayment requirements within the next year. As at March 31, 2025, we had \$2.1 billion (December 31, 2024 – \$1.4 billion) of commercial

paper outstanding, all of which was denominated in U.S. dollars (US\$1.5 billion; December 31, 2024 – US\$1.0 billion), with an effective average interest rate of 4.8%, maturing through August 2025.

(d) TELUS Corporation credit facilities

As at March 31, 2025, TELUS Corporation had a \$2.75 billion unsecured revolving syndicated bank credit facility, expiring on July 14, 2028 (unchanged from December 31, 2024), with a syndicate of financial institutions, which is used for general corporate purposes, including the backstopping of commercial paper.

As at March 31, 2025, TELUS Corporation had incremental commitments for an unsecured non-revolving \$600 million (or US\$ equivalent) bank credit facility, maturing April 2027, with a financial institution, which is to be used for general corporate purposes; subsequent to March 31, 2025, a definitive credit agreement was executed.

The TELUS Corporation credit facilities incur interest at prime rate, U.S. Dollar Base Rate, Canadian Overnight Repo Rate Average (CORRA) or term secured overnight financing rate (SOFR) (as such terms are used or defined in the credit facilities), plus applicable margins. The credit facilities include customary representations, warranties and covenants, including two financial quarter-end ratio tests: our leverage ratio must not exceed 4.25:1.00; and our operating cash flow to interest expense ratio must not be less than 2.00:1.00, all as defined in the credit facilities.

TELUS Corporation's continued access to these credit facilities does not depend upon TELUS Corporation maintaining a specific credit rating.

As at (millions)	March 31, 2025	December 31, 2024
Net available	\$ 634	\$ 1,346
Backstop of commercial paper	2,116	1,404
Gross available revolving \$2.75 billion bank credit facility	\$ 2,750	\$ 2,750

As at March 31, 2025, we had \$64 million of letters of credit outstanding (December 31, 2024 – \$62 million), issued under various uncommitted facilities. These letter of credit facilities are in addition to our ability to provide letters of credit under our committed revolving bank credit facility.

(e) TELUS Corporation junior subordinated notes

Subsequent to March 31, 2025, TELUS Corporation issued \$1.1 billion of fixed-to-fixed rate junior subordinated Series CAR notes initially bearing interest at 6.25% and due July 2055 (issue price of \$999.65 and initial effective interest rate of 6.25%) and \$500 million of fixed-to-fixed rate junior

subordinated Series CAS notes initially bearing interest at 6.75% and due July 2055 (issue price of \$999.59 and initial effective interest rate of 6.75%). The notes are direct unsecured obligations and are subordinated to all existing and future senior indebtedness and are effectively subordinated to all existing and future indebtedness and obligations of, or guaranteed by, our subsidiaries. For purposes of calculating leverage ratios and determining compliance with covenants, only one-half of the principal is included as debt.

Interest is payable semi-annually and has a fixed rate reset at the interest payment date coinciding with the cessation of the no-call period and every five years thereafter; the rate reset is based upon a spread to the Five Year Government of Canada Bond Yield at the rate reset date, but the Series CAR notes will not reset below 6.25% and the Series CAS notes will not reset below 6.75%. Upon a rating event, as defined in the supplemental trust indenture, we must offer to repurchase the notes at a price equal to 102% of their principal amount plus accrued and unpaid interest to the repurchase date.

After the initial five-year no-call period in respect of the Series CAR notes, and after the initial ten-year no-call period in respect of the Series CAS notes, the notes are redeemable at our option, in whole at any time, or in part from time to time, on not fewer than 10 days' and not more than 60 days' prior notice on any interest payment date (prior to elapsing of the initial no-call periods, the notes are redeemable on not fewer than 10 days' and not more than 90 days' prior notice to, and for, each note's unique first rate reset date) at redemption prices equal to 100% of their principal amounts. Accrued and unpaid interest, if any, will be paid to the date fixed for redemption.

(f) TELUS International (Cda) Inc. credit facility

As at March 31, 2025, and December 31, 2024, TELUS International (Cda) Inc. had a credit facility, secured by its assets, expiring on January 3, 2028, with a syndicate of financial institutions, including TELUS Corporation. The facility is comprised of US\$800 million in revolving components and US\$1.2 billion in amortizing term loan components, with TELUS Corporation as approximately 7.2% lender in both components. The facility is non-recourse to TELUS Corporation. The outstanding revolving components and term loan components had a weighted average interest rate of 6.7% as at March 31, 2025.

The TELUS International (Cda) Inc. credit facility bears interest at prime rate, U.S. Dollar Base 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 includes customary representations, warranties and covenants, with two financial quarter-end ratio tests: the TELUS

International (Cda) Inc. quarter-end net debt to operating cash flow ratio must not exceed 3.75:1.00 through fiscal 2025 and 3.25:1.00 thereafter; and the quarter-end operating cash flow 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.

The term loan components are subject to amortization schedules which require that a minimum of 5% of the principal advanced be repaid each year of the term of the agreement, with the balance due at maturity.

As at (millions)	Revolving components	Term loan components ¹	Total
March 31, 2025			
Available	US\$ 595	US\$ —	US\$ 595
Outstanding			
Due to other	190	965	1,155
Due to TELUS Corporation	15	74	89
	US\$ 800	US\$ 1,039	US\$ 1,839
December 31, 2024			
Available	US\$ 611	US\$ —	US\$ 611
Outstanding			
Due to other	175	1,017	1,192
Due to TELUS Corporation	14	78	92
	US\$ 800	US\$ 1,095	US\$ 1,895

1 Relative to amounts owed to the syndicate of financial institutions, excluding TELUS Corporation, we have entered into foreign exchange derivatives (cross currency interest rate exchange agreements) that effectively convert an amortizing amount of US\$403 of principal payments, and associated interest obligations, to European euro obligations with an effective fixed interest rate of 2.6% and an effective fixed exchange rate of US\$1.088:€1.00 on the principal amount; the initial notional amount of these foreign exchange derivatives was US\$448. These have been accounted for as a net investment hedge in a foreign operation (see Note 4).

(g) Other

Other liabilities incur interest at 4.4%, are secured by the AWS-4 spectrum licences associated with these other liabilities, and are subject to amortization schedules, so that the principal is repaid over the periods to maturity, the last period ending March 31, 2035.

(h) Lease liabilities

Lease liabilities are subject to amortization schedules, so that the principal is repaid over various periods, which include reasonably expected renewals. The weighted average interest rate on lease liabilities was approximately 5.9% as at March 31, 2025.

(i) Long-term debt maturities

Anticipated requirements for long-term debt repayments, calculated for long-term debt owed as at March 31, 2025, are as follows:

Composite long-term debt denominated in	Canadian dollars			U.S. dollars					Other currencies	
	Long-term debt, excluding leases	Leases (Note 19)	Total	Long-term debt, excluding leases	Leases (Note 19)	Currency swap agreement amounts to be exchanged		Total	Leases (Note 19)	Total
Years ending December 31 (millions)						(Receive) ¹	Pay			
2025 (remainder of year)	\$ 237	\$ 435	\$ 672	\$ 2,176	\$ 28	\$ (2,180)	\$ 2,152	\$ 2,176	\$ 46	\$ 2,894
2026	1,450	500	1,950	80	35	(32)	32	115	52	2,117
2027	53	424	477	1,661	31	(1,614)	1,491	1,569	40	2,086
2028	1,955	270	2,225	1,441	21	(491)	488	1,459	30	3,714
2029	1,408	179	1,587	—	26	—	—	26	21	1,634
2030 - 2034	6,902	323	7,225	1,294	28	(1,294)	1,148	1,176	42	8,443
Thereafter	5,541	351	5,892	1,797	—	(1,798)	1,646	1,645	7	7,544
Future cash outflows in respect of composite long-term debt principal repayments	17,546	2,482	20,028	8,449	169	(7,409)	6,957	8,166	238	28,432
Future cash outflows in respect of associated interest and like carrying costs ²	8,776	572	9,348	2,713	70	(2,469)	2,207	2,521	69	11,938
Undiscounted contractual maturities (Note 4(b))	\$ 26,322	\$ 3,054	\$ 29,376	\$ 11,162	\$ 239	\$ (9,878)	\$ 9,164	\$ 10,687	\$ 307	\$ 40,370

¹ Where applicable, cash flows reflect foreign exchange rates as at March 31, 2025.

² Future cash outflows in respect of associated interest and like carrying costs for commercial paper and amounts drawn under our credit facilities (if any) have been calculated based upon the rates in effect as at March 31, 2025.

27 other long-term liabilities

As at (millions)	Note	March 31, 2025	December 31, 2024
Contract liabilities	24	\$ 123	\$ 112
Other		2	2
Deferred revenues		125	114
Pension benefit liabilities	15	458	447
Other post-employment benefit liabilities		91	86
Derivative liabilities	4(d)	123	118
Deferred capital expenditure government grants		71	49
Investment in real estate joint venture	21(a)	—	4
Other		43	48
		911	866
Deferred customer activation and connection fees	24	2	3
		\$ 913	\$ 869

28 owners' equity

(a) TELUS Corporation Common Share capital – general

Our authorized share capital is as follows:

As at	March 31, 2025	December 31, 2024
First Preferred Shares	1 billion	1 billion
Second Preferred Shares	1 billion	1 billion
Common Shares	4 billion	4 billion

Only holders of Common Shares may vote at our general meetings, with each holder entitled to one vote per Common Share held, provided that no less than 66-2/3% of the issued and outstanding Common Shares are owned by Canadians. With respect to priority in the payment of dividends and in the distribution of assets in the event of our liquidation, dissolution or winding-up, whether voluntary or involuntary, or any other distribution of our assets among our shareholders for the purpose of winding up our affairs, preferences are as follows: First Preferred Shares; Second Preferred Shares; and finally Common Shares.

As at March 31, 2025, we had reserved for issuance from Treasury: approximately 76 million Common Shares under a dividend reinvestment

and share purchase plan (see Note 13(b)); approximately 46 million Common Shares under a restricted share unit plan (see Note 14(b)); and approximately 12 million Common Shares under a share option plan (see Note 14(d)).

(b) Subsidiary with significant non-controlling interest

Our TELUS International (Cda) Inc. subsidiary is incorporated under the *Business Corporations Act* (British Columbia) and has geographically dispersed operations, with its principal places of business located in Asia, Central America, Europe and North America.

The following table presents changes in our economic and voting interests during the three-month periods ended March 31, 2025 and 2024, as reflected in the Consolidated statements of changes in owners' equity.

	Economic interest ¹		Voting interest ¹	
	2025	2024	2025	2024
Interest in TELUS International (Cda) Inc., beginning of period	57.6%	56.0%	87.0%	85.4%
Effect of				
Share-based compensation and other	(0.3)	(0.1)	(0.1)	—
Non-controlling interests conversion of multiple voting shares to subordinate voting shares	—	—	—	1.3
Interest in TELUS International (Cda) Inc., end of period	57.3%	55.9%	86.9%	86.7%

¹ Our economic and voting interests differ due to the voting rights associated with the multiple voting shares held by TELUS Corporation.

Summarized financial information

Summarized financial information for our TELUS International (Cda) Inc. subsidiary is set out in the accompanying table.

As at, or for the periods ended, (\$ in millions) ¹	March 31, 2025	March 31, 2024	December 31, 2024
Statement of financial position ¹			
Current assets	\$ 1,486		\$ 1,437
Non-current assets	\$ 5,471		\$ 5,493
Current liabilities	\$ 1,638		\$ 1,477
Non-current liabilities	\$ 2,508		\$ 2,639
Statement of income and other comprehensive income			
THREE-MONTH			
Revenue and other income	\$ 962	\$ 924	
Net income (loss)	\$ (35)	\$ 38	
Comprehensive income (loss)	\$ (12)	\$ 83	
Statement of cash flows			
THREE-MONTH			
Cash provided by operating activities	\$ 59	\$ 125	
Cash used by investing activities	\$ (39)	\$ (34)	
Cash provided (used) by financing activities	\$ (76)	\$ (55)	

¹ As required by IFRS Accounting Standards, this summarized financial information excludes inter-company eliminations.

29 contingent liabilities

Claims and lawsuits

General

A number of claims and lawsuits (including class actions and intellectual property infringement claims) seeking damages and other relief are pending against us and, in some cases, other mobile carriers and telecommunications service providers. As well, we have received notice of, or are aware of, certain possible claims (including intellectual property infringement claims) against us and, in some cases, other mobile carriers and telecommunications service providers.

It is not currently possible for us to predict the outcome of such claims, possible claims and lawsuits due to various factors, including: the preliminary nature of some claims; uncertain damage theories and demands; an incomplete factual record; uncertainty concerning legal theories and procedures and their resolution by the courts, at both the trial

and the appeal levels; and the unpredictable nature of opposing parties and their demands.

However, subject to the foregoing limitations, management is of the opinion, based upon legal assessments and information presently available, that it is unlikely that any liability, to the extent not provided for through insurance or otherwise, would have a material effect on our financial position and the results of our operations, including cash flows, with the exception of the following items.

Certified class actions

Certified class actions against us include the following:

System access fee class action

In 2004, a class action was brought in Saskatchewan against a number of past and present wireless service providers, including us, which alleged breach of contract, misrepresentation, unjust enrichment and violation of competition, trade practices and consumer protection legislation across Canada in connection with the collection of system access fees. In September 2007, a national opt-in class was certified by the Saskatchewan Court of Queen's Bench in relation to the unjust enrichment claim only. In February 2008, the Saskatchewan Court of Queen's Bench granted an order amending the certification order so as to exclude from the class of plaintiffs any customer bound by an arbitration clause with us. After a long period of dormancy, the Plaintiff sought, in 2024, to advance the class action. The defendants have applied to dismiss the class action for want of prosecution.

Per minute billing class action

In 2008, a class action was brought in Ontario against us alleging breach of contract, breach of the Ontario *Consumer Protection Act*, breach of the *Competition Act* and unjust enrichment, in connection with our practice of "rounding up" mobile airtime to the nearest minute and charging for the full minute. The action sought certification of a national class. In November 2014, an Ontario class only was certified by the Ontario Superior Court of Justice in relation to the breach of contract, breach of *Consumer Protection Act*, and unjust enrichment claims; all appeals of the certification decision have now been exhausted. At the same time, the Ontario Superior Court of Justice declined to stay the claims of our business customers, notwithstanding an arbitration clause in our customer service agreements with those customers. This latter decision was appealed and on May 31, 2017, the Ontario Court of Appeal dismissed our appeal. The Supreme Court of Canada granted

us leave to appeal this decision and on April 4, 2019, granted our appeal and stayed the claims of business customers. Notice of this certified class action was provided to potential class members in 2022. We have applied to decertify aggregate damages. The trial has been set to start on January 19, 2026.

Call set-up time class actions

In 2005, a class action was brought against us in British Columbia alleging that we have engaged in deceptive trade practices in charging for incoming calls from the moment the caller connects to the network, and not from the moment the incoming call is connected to the recipient. In 2011, the Supreme Court of Canada upheld a stay of all of the causes of action advanced by the plaintiff in this class action, with one exception, based on the arbitration clause that was included in our customer service agreements. The sole exception was the cause of action based on deceptive or unconscionable practices under the British Columbia *Business Practices and Consumer Protection Act*, which the Supreme Court of Canada declined to stay. In January 2016, the British Columbia Supreme Court certified this class action in relation to the claim under the *Business Practices and Consumer Protection Act*. The class is limited to residents of British Columbia who contracted mobile services with us in the period from January 21, 1999, to April 2010. We have appealed the certification decision. A companion class action was brought against us in Alberta at the same time as the British Columbia class action. The Alberta class action duplicates the allegations in the British Columbia action, but has not proceeded to date. Subject to a number of conditions, including court approval, we have now settled both the British Columbia and the Alberta class actions.

Uncertified class actions

Uncertified class actions against us include:

9-1-1 class actions

In 2008, a class action was brought in Saskatchewan against us and other Canadian telecommunications carriers alleging that, among other matters, we failed to provide proper notice of 9-1-1 charges to the public, have been deceitfully passing them off as government charges, and have charged 9-1-1 fees to customers who reside in areas where 9-1-1 service is not available. The plaintiffs advance causes of action in breach of contract, misrepresentation and false advertising and seek certification of a national class. A virtually identical class action was filed in Alberta at the same time, but the Alberta Court of Queen's Bench

declared that class action expired against us as of 2009. No steps have been taken in this proceeding since 2016.

Public Mobile class actions

In 2014, class actions were brought against us in Quebec and Ontario on behalf of Public Mobile's customers, alleging that changes to the technology, services and rate plans made by us contravene our statutory and common law obligations. In particular, the Quebec action alleges that our actions constitute a breach of the Quebec *Consumer Protection Act*, the Quebec *Civil Code*, and the Ontario *Consumer Protection Act*. On June 28, 2021, the Quebec Superior Court approved the discontinuance of this claim against TELUS. The Ontario class action alleges negligence, breach of express and implied warranty, breach of the *Competition Act*, unjust enrichment, and waiver of tort. No steps have been taken in this proceeding since it was filed and served.

Summary

We believe that we have good defences to the above matters. Should the ultimate resolution of these matters differ from management's assessments and assumptions, a material adjustment to our financial position and the results of our operations, including cash flows, could result. Management's assessments and assumptions include that reliable estimates of any such exposure cannot be made considering the continued uncertainty about: the nature of the damages that may be sought by the plaintiffs; the causes of action that are being, or may ultimately be, pursued; and, in the case of the uncertified class actions, the causes of action that may ultimately be certified.

30 related party transactions

(a) Transactions with key management personnel

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

Total compensation expense for key management personnel and its composition, included in the Consolidated statements of income and other comprehensive income as Employee benefits expense, is as follows:

Periods ended March 31 (millions)	Three months	
	2025	2024
Short-term benefits	\$ 4	\$ 4
Post-employment pension ¹ and other benefits	2	2
Share-based compensation ²	13	6
	\$ 19	\$ 12

- 1 The members of our Executive Team are members of our *Pension Plan for Management and Professional Employees of TELUS Corporation* and certain other non-registered, non-contributory supplementary defined benefit and defined contribution pension plans.
- 2 We accrue an expense for the notional subset of our restricted share units with market performance conditions using a fair value determined by a Monte Carlo simulation. Restricted share units with an equity settlement feature are accounted for as equity instruments. The expense in respect of restricted share units that do not ultimately vest is reversed against the expense that was previously recorded in their respect.

As disclosed in *Note 14*, we made awards of share-based compensation in 2025 and 2024 to our key management personnel, as set out in the following table. As most of these awards are cliff-vesting or graded-vesting with multi-year requisite service periods, the related expense is being recognized rateably over a period of years and thus only a portion of the 2025 and 2024 initial awards is included in the amounts in the table above.

Three-month periods ended March 31 (\$ in millions)	Number of units	Notional value ¹	Grant-date fair value ¹
2025			
TELUS Corporation			
Restricted share units	1,601,848	\$ 35	\$ 43
TELUS International (Cda) Inc.			
Restricted share units	1,229,346	5	5
		\$ 40	\$ 48
2024			
TELUS Corporation			
Restricted share units	1,465,459	\$ 35	\$ 41
TELUS International (Cda) Inc.			
Restricted share units	915,896	11	11
		\$ 46	\$ 52

- 1 The notional value of restricted share units is determined by multiplying the equity share price at the time of award by the number of units awarded; the grant-date fair value differs from the notional value because the fair values of some awards have been determined using a Monte Carlo simulation (see *Note 14(b)*).

Our *Directors' Deferred Share Unit Plan* provides that, in addition to his or her annual equity grant of deferred share units, a director may elect to receive his or her annual retainer and meeting fees in deferred share units, TELUS

Corporation Common Shares or cash. Deferred share units entitle directors to a specified number of TELUS Corporation Common Shares. Deferred share units are settled when a director ceases to be a director, for any reason, at a time elected by the director in accordance with the *Directors' Deferred Share Unit Plan*. As at March 31, 2025 and December 31, 2024, no share-based compensation awards accounted for as liabilities were outstanding.

Executive Team employment agreements typically provide for severance payments if an executive's employment is terminated without cause: generally, 18 months of base salary, benefits and accrual of pension service in lieu of notice, and 50% of base salary in lieu of an annual cash bonus. In the event of a change in control, Executive Team members are not entitled to treatment any different than that given to our other employees with respect to non-vested share-based compensation.

(b) Transactions with defined benefit pension plans

During the three-month period ended March 31, 2025, we provided our defined benefit pension plans with management and administrative services on a cost recovery basis and actuarial services on an arm's-length basis; the charges for these services amounted to \$3 million (2024 – \$3 million) and are included net in the Consolidated statements of income and other comprehensive income as Goods and services purchased.

(c) Transactions with real estate joint ventures and associate

During the three-month periods ended March 31, 2025 and 2024, we had recurring and non-recurring transactions with the real estate joint ventures, which are related parties, as set out in *Note 21*.

31 additional statement of cash flow information

(a) Statements of cash flows – operating activities and investing activities

Periods ended March 31 (millions)	Note	Three months 2025	2024
OPERATING ACTIVITIES			
Net change in non-cash operating working capital			
<i>Current</i>			
Accounts receivable		\$ 191	\$ 180
Inventories		63	(55)
Contract assets		(4)	11
Costs incurred to obtain or fulfill contracts with customers	20	(17)	(7)
Prepaid expenses		(106)	(128)
Unrealized change in held for trading derivatives	4(d)	(2)	12
Accounts payable and accrued liabilities		(249)	(225)
Income and other taxes receivable and payable, net		(53)	43
Advance billings and customer deposits	24	(12)	13
Provisions	25	6	(45)
		(183)	(201)
<i>Non-current</i>			
Contract assets		21	15
Unbilled customer finance receivables		2	(48)
Unrealized change in held for trading derivatives	4(d)	—	57
Costs incurred to obtain or fulfill contracts with customers	20	(14)	(16)
Prepaid maintenance		5	1
Refundable security deposits and other		—	5
Provisions	25	(84)	(7)
Contract liabilities	24, 27	10	12
Other post-employment benefit liabilities		5	(2)
Other long-term liabilities		(5)	2
		(60)	19
		\$ (243)	\$ (182)

Periods ended March 31 (millions)	Note	Three months 2025	2024
INVESTING ACTIVITIES			
Cash payments for capital assets, excluding spectrum licences			
Capital asset additions			
Gross capital expenditures			
Property, plant and equipment	17	\$ (601)	\$ (636)
Intangible assets subject to amortization	18	(201)	(235)
		(802)	(871)
Additions arising from leases	17	215	146
Capital expenditures	5	(587)	(725)
Other non-cash items included above			
Change in associated non-cash investing working capital		(67)	(87)
		\$ (654)	\$ (812)

notes to consolidated financial statements

(b) Changes in liabilities arising from financing activities

Three-month period ended March 31, 2024							Three-month period ended March 31, 2025					
(millions)	Beginning of period	Statement of cash flows		Non-cash changes			Beginning of period	Statement of cash flows		Non-cash changes		
		Issued or received	Redemptions, repayments or payments	Foreign exchange movement (Note 4(e))	Other	End of period		Issued or received	Redemptions, repayments or payments	Foreign exchange movement (Note 4(e))	Other	End of period
Dividends payable to holders of Common Shares	\$ 550	\$ —	\$ (550)	\$ —	\$ 554	\$ 554	\$ 605	\$ —	\$ (605)	\$ —	\$ 610	\$ 610
Dividends reinvested in shares from Treasury	—	—	191	—	(191)	—	—	—	203	—	(203)	—
	\$ 550	\$ —	\$ (359)	\$ —	\$ 363	\$ 554	\$ 605	\$ —	\$ (402)	\$ —	\$ 407	\$ 610
Short-term borrowings	\$ 104	\$ —	\$ —	\$ —	\$ —	\$ 104	\$ 922	\$ 392	\$ —	\$ 11	\$ —	\$ 1,325
Net-settled derivatives used to manage currency risk arising from U.S. dollar-denominated short-term borrowings – liability (asset)	—	—	—	—	—	—	2	7	—	(15)	—	(6)
	\$ 104	\$ —	\$ —	\$ —	\$ —	\$ 104	\$ 924	\$ 399	\$ —	\$ (4)	\$ —	\$ 1,319

Three-month period ended March 31, 2024							Three-month period ended March 31, 2025					
(millions)	Beginning of period	Statement of cash flows		Non-cash changes			Beginning of period	Statement of cash flows		Non-cash changes		
		Issued or received	Redemptions, repayments or payments	Foreign exchange movement (Note 4(e))	Other	End of period		Issued or received	Redemptions, repayments or payments	Foreign exchange movement (Note 4(e))	Other	End of period
Long-term debt												
TELUS Corporation senior notes	\$ 20,301	\$ 1,800	\$ —	\$ 105	\$ (12)	\$ 22,194	\$ 22,077	\$ —	\$ (800)	\$ (4)	\$ 4	\$ 21,277
TELUS Corporation commercial paper	1,021	711	(584)	24	—	1,172	1,404	1,462	(750)	—	—	2,116
TELUS Corporation credit facilities	1,144	—	—	—	—	1,144	—	—	—	—	—	—
TELUS Communications Inc. debentures	200	—	—	—	—	200	200	—	—	—	—	200
TELUS International (Cda) Inc. credit facility	1,781	56	(90)	45	(1)	1,791	1,703	201	(253)	(2)	—	1,649
Other	288	—	(6)	—	—	282	588	—	(8)	—	—	580
Lease liabilities	2,614	—	(178)	6	141	2,583	2,882	—	(193)	12	201	2,902
Derivatives used to manage currency risk arising from U.S. dollar-denominated long-term debt – liability (asset)	13	603	(595)	(143)	129	7	(68)	770	(756)	28	(39)	(65)
	27,362	3,170	(1,453)	37	257	29,373	28,786	2,433	(2,760)	34	166	28,659
To eliminate effect of gross settlement of derivatives used to manage currency risk arising from U.S. dollar-denominated long-term debt	—	(603)	603	—	—	—	—	(770)	770	—	—	—
	\$ 27,362	\$ 2,567	\$ (850)	\$ 37	\$ 257	\$ 29,373	\$ 28,786	\$ 1,663	\$ (1,990)	\$ 34	\$ 166	\$ 28,659