



TELUS Corporation

First Quarter, 2023

Supplemental Investor Information

(UNAUDITED)

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

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TELUS Corporation
Selected Consolidated Data

<i>\$ in millions except shares, per share amounts, and ratios</i>	Quarterly					Mar YTD 2023	Annual 2022
	Q1/23	Q4/22	Q3/22	Q2/22	Q1/22		
Net Income	224	265	551	498	404	224	1,718
Adjusted Net Income ¹	386	339	471	422	415	386	1,647
Basic earnings per share (\$)	0.15	0.17	0.37	0.34	0.28	0.15	1.16
Adjusted Basic earnings per share (\$) ¹	0.27	0.24	0.34	0.32	0.30	0.27	1.18
Dividends declared per common share (\$)	0.3511	0.3511	0.3386	0.3386	0.3274	0.3511	1.3557
Return on common equity ²	8.9%	10.1%	12.9%	12.1%	11.4%	8.9%	10.1%
Earnings coverage	3.1	3.6	4.4	4.2	4.0	3.1	3.6
EBITDA interest coverage ratio ³	7.1	7.8	9.1	8.9	8.6	7.1	7.8
Cash provided by operating activities	761	1,126	1,300	1,250	1,135	761	4,811
Free cash flow ⁴	535	323	331	205	415	535	1,274
Long-term debt	26,566	25,037	25,139	21,628	21,319	26,566	25,037
Net debt ⁵	26,250	24,152	23,689	21,693	20,960	26,250	24,152
Net debt : EBITDA - excluding restructuring and other costs (times) ⁶	3.85	3.63	3.44	3.23	3.18	3.85	3.63
Outstanding shares at end of period (M)	1,440	1,431	1,420	1,381	1,376	1,440	1,431
Basic weighted average shares outstanding (M)	1,439	1,429	1,398	1,381	1,376	1,439	1,396

TELUS Corporation Segmented Data

<i>\$ in millions</i>	Quarter 1			
	2023	2022	Change	% Change
Operating revenues and other income				
TELUS technology solutions	4,212	3,642	570	15.7%
Digitally-led customer experiences - TELUS International	928	759	169	22.3%
Less: Intersegment revenue	(176)	(119)	(57)	(47.9%)
Operating revenues and other income	4,964	4,282	682	15.9%
EBITDA⁷				
TELUS technology solutions	1,453	1,400	53	3.7%
Digitally-led customer experiences - TELUS International	168	169	(1)	(0.6%)
Consolidated	1,621	1,569	52	3.3%
EBITDA margin				
TELUS technology solutions	34.5%	38.4%	(3.9) pts.	
Digitally-led customer experiences - TELUS International	18.1%	22.2%	(4.1) pts.	
Consolidated	32.7%	36.6%	(3.9) pts.	
Adjusted EBITDA⁸				
TELUS technology solutions	1,593	1,435	158	11.0%
Digitally-led customer experiences - TELUS International	186	173	13	8.1%
Consolidated	1,779	1,608	171	10.7%
Adjusted EBITDA margin⁹				
TELUS technology solutions	37.8%	39.4%	(1.6) pts.	
Digitally-led customer experiences - TELUS International	20.1%	22.7%	(2.6) pts.	
Consolidated	35.9%	37.6%	(1.7) pts.	
Capital expenditures				
TELUS technology solutions operations	688	793	(105)	(13.2%)
TELUS technology solutions real estate development	5	9	(4)	(44.4%)
TELUS technology solutions	693	802	(109)	(13.6%)
Digitally-led customer experiences - TELUS International	20	31	(11)	(35.5%)
Consolidated	713	833	(120)	(14.4%)
Capital expenditure intensity¹⁰				
TELUS technology solutions	16%	22%	(6) pts.	
Digitally-led customer experiences - TELUS International	2%	4%	(2) pts.	
Consolidated	14%	19%	(5) pts.	
Adjusted EBITDA less capital expenditures				
TELUS technology solutions	900	633	267	42.2%
Digitally-led customer experiences - TELUS International	166	142	24	16.9%
Consolidated	1,066	775	291	37.5%

TELUS Corporation
Segmented Data - Historical Trend

<i>\$ in millions</i>	Quarterly					Mar YTD 2023	Annual 2022
	Q1/23	Q4/22	Q3/22	Q2/22	Q1/22		
Operating revenues and other income							
TELUS technology solutions	4,212	4,368	4,009	3,733	3,642	4,212	15,752
Digitally-led customer experiences - TELUS International	928	855	803	797	759	928	3,214
Less: Intersegment revenue	(176)	(165)	(141)	(129)	(119)	(176)	(554)
Operating revenues and other income	4,964	5,058	4,671	4,401	4,282	4,964	18,412
Revenues % change on prior year							
TELUS Technology Solutions	15.7%	3.1%	9.3%	4.7%	4.2%	15.7%	5.3%
Digitally-led customer experiences - TELUS International	22.3%	12.9%	14.7%	21.1%	18.8%	22.3%	16.7%
Operating revenues and other income	15.9%	3.8%	9.9%	7.1%	6.4%	15.9%	6.7%
EBITDA⁷							
TELUS technology solutions	1,453	1,423	1,457	1,417	1,400	1,453	5,697
Digitally-led customer experiences - TELUS International	168	175	189	176	169	168	709
Consolidated	1,621	1,598	1,646	1,593	1,569	1,621	6,406
EBITDA % change on prior year							
TELUS Technology Solutions	3.7%	(17.2%)	7.5%	7.1%	4.8%	3.7%	(0.6%)
Digitally-led customer experiences - TELUS International	(0.6%)	8.0%	35.1%	37.1%	35.1%	(0.6%)	27.7%
Consolidated	3.3%	(15.1%)	10.1%	9.8%	7.4%	3.3%	1.9%
EBITDA margin							
TELUS technology solutions	34.5%	32.6%	36.3%	37.9%	38.4%	34.5%	36.2%
Digitally-led customer experiences - TELUS International	18.1%	20.4%	23.6%	22.2%	22.2%	18.1%	22.1%
Consolidated	32.7%	31.6%	35.2%	36.2%	36.6%	32.7%	34.8%
Adjusted EBITDA⁸							
TELUS technology solutions	1,593	1,479	1,524	1,436	1,435	1,593	5,874
Digitally-led customer experiences - TELUS International	186	210	200	186	173	186	769
Consolidated	1,779	1,689	1,724	1,622	1,608	1,779	6,643
Adjusted EBITDA % change on prior year							
TELUS Technology Solutions	11.0%	9.9%	8.1%	6.1%	5.1%	11.0%	7.3%
Digitally-led customer experiences - TELUS International	8.1%	22.9%	35.5%	35.6%	25.3%	8.1%	29.5%
Consolidated	10.7%	11.3%	10.7%	8.9%	7.0%	10.7%	9.5%
Adjusted EBITDA margin⁹							
TELUS technology solutions	37.8%	33.9%	38.0%	38.4%	39.4%	37.8%	37.3%
Digitally-led customer experiences - TELUS International	20.1%	24.5%	24.9%	23.4%	22.7%	20.1%	23.9%
Consolidated	35.9%	33.4%	36.9%	36.9%	37.6%	35.9%	36.1%
Capital expenditures							
TELUS technology solutions operations	688	591	873	1,012	793	688	3,269
TELUS technology solutions real estate development	5	36	19	4	9	5	68
TELUS technology solutions	693	627	892	1,016	802	693	3,337
Digitally-led customer experiences - TELUS International	20	33	33	38	31	20	135
Consolidated	713	660	925	1,054	833	713	3,472
Capital expenditure intensity¹⁰							
TELUS technology solutions	16%	14%	22%	27%	22%	16%	21%
Digitally-led customer experiences - TELUS International	2%	4%	4%	5%	4%	2%	4%
Consolidated	14%	12%	19%	24%	19%	14%	18%
Adjusted EBITDA less capital expenditures							
TELUS technology solutions	900	852	632	420	633	900	2,537
Digitally-led customer experiences - TELUS International	166	177	167	148	142	166	634
Consolidated	1,066	1,029	799	568	775	1,066	3,171

TELUS technology solutions Operations^(A)

<i>\$ in millions</i>	Quarter 1			
	2023	2022	Change	% Change
Operating revenues and other income				
Mobile network revenue	1,697	1,577	120	7.6%
Mobile equipment and other service revenues	517	440	77	17.5%
Fixed data services	1,128	1,057	71	6.7%
Fixed voice services	192	200	(8)	(4.0%)
Fixed equipment and other service revenue	128	113	15	13.3%
Health services	423	140	283	n.m.
Agriculture and consumer goods services	84	85	(1)	(1.2%)
Operating revenues (arising from contracts with customers)	4,169	3,612	557	15.4%
Other income	39	26	13	50.0%
Total external revenue	4,208	3,638	570	15.7%
Intersegment revenue	4	4	-	—%
Total operating revenues and other income	4,212	3,642	570	15.7%
Goods and services purchased	1,810	1,561	249	16.0%
Employee benefits expense	949	681	268	39.4%
Total operating expense^(B)	2,759	2,242	517	23.1%
EBITDA⁷	1,453	1,400	53	3.7%
EBITDA margin	34.5%	38.4%	(3.9) pts.	
Add: Restructuring and other costs included in EBITDA	141	35	106	n.m.
(Deduct) Add: Other equity (income) losses related to real estate joint ventures	(1)	-	(1)	n.m.
Adjusted EBITDA⁸	1,593	1,435	158	11.0%
Adjusted EBITDA margin⁹	37.8%	39.4%	(1.6) pts.	
Operations capital expenditures	688	793	(105)	(13.2%)
Real estate development capital expenditures	5	9	(4)	(44.4%)
Capital expenditures	693	802	(109)	(13.6%)
Capital expenditure intensity¹⁰	16%	22%	(6) pts.	
Adjusted EBITDA less capital expenditures	900	633	267	42.2%

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

^(B)Includes restructuring and other costs.

TELUS technology solutions
Operations - Historical Trend^(A)

<i>\$ in millions</i>	Quarterly					Mar YTD 2023	Annual 2022
	Q1/23	Q4/22	Q3/22	Q2/22	Q1/22		
Operating revenues and other income							
Mobile network revenue	1,697	1,695	1,696	1,623	1,577	1,697	6,591
Mobile equipment and other service revenues	517	688	545	459	440	517	2,132
Fixed data services	1,128	1,116	1,099	1,079	1,057	1,128	4,351
Fixed voice services	192	194	198	201	200	192	793
Fixed equipment and other service revenue	128	122	125	121	113	128	481
Health services	423	411	225	137	140	423	913
Agriculture and consumer goods services	84	103	85	81	85	84	354
Operating revenues (arising from contracts with customers)	4,169	4,329	3,973	3,701	3,612	4,169	15,615
Other income	39	35	31	28	26	39	120
Total external revenue	4,208	4,364	4,004	3,729	3,638	4,208	15,735
Intersegment revenue	4	4	5	4	4	4	17
Total operating revenues and other income	4,212	4,368	4,009	3,733	3,642	4,212	15,752
<i>Mobile network revenue % change on prior year</i>	7.6%	6.5%	6.8%	6.4%	4.9%	7.6%	6.2%
<i>Fixed data services revenue % change on prior year</i>	6.7%	5.9%	5.4%	4.5%	5.2%	6.7%	5.2%
<i>Total external revenue % change on prior year</i>	15.7%	3.1%	9.3%	4.7%	4.3%	15.7%	5.3%
Goods and services purchased	1,810	2,061	1,785	1,609	1,561	1,810	7,016
Employee benefits expense	949	884	767	707	681	949	3,039
Total operating expense^(B)	2,759	2,945	2,552	2,316	2,242	2,759	10,055
EBITDA⁷	1,453	1,423	1,457	1,417	1,400	1,453	5,697
<i>EBITDA % change on prior year</i>	3.7%	(17.2%)	7.5%	7.1%	4.8%	3.7%	(0.6%)
EBITDA margin	34.5%	32.6%	36.3%	37.9%	38.4%	34.5%	36.2%
Add: Restructuring and other costs included in EBITDA	141	59	67	19	35	141	180
(Deduct) Add: Other equity (income) losses related to real estate joint ventures	(1)	(3)	-	-	-	(1)	(3)
Adjusted EBITDA⁸	1,593	1,479	1,524	1,436	1,435	1,593	5,874
<i>Adjusted EBITDA % change on prior year</i>	11.0%	9.9%	8.1%	6.1%	5.1%	11.0%	7.3%
Adjusted EBITDA margin⁹	37.8%	33.9%	38.0%	38.4%	39.4%	37.8%	37.3%
Operations capital expenditures	688	591	873	1,012	793	688	3,269
Real estate development capital expenditures	5	36	19	4	9	5	68
Capital expenditures	693	627	892	1,016	802	693	3,337
Capital expenditure intensity¹⁰	16%	14%	22%	27%	22%	16%	21%
Adjusted EBITDA less capital expenditures	900	852	632	420	633	900	2,537

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

^(B) Includes restructuring and other costs.

TELUS technology solutions

Operating Statistics^(A)

	Quarter 1			
	2023	2022	Change	% Change
<u>Mobile Phone</u> ¹¹				
Additions (thousands)				
Gross additions	300	272	28	10.3%
Net additions	47	46	1	2.2%
ARPU (\$) ¹²	\$58.61	\$56.45	\$2.16	3.8%
Churn, per month (%) ¹³	0.88%	0.81%	0.07 pts.	
<u>Connected Device</u> (thousands) ¹⁴				
Net additions	58	46	12	26.1%
<u>Fixed</u> (thousands)				
Internet net additions	35	30	5	16.7%
TV net additions	9	10	(1)	(10.0%)
Residential voice net losses	(8)	(10)	2	20.0%
Security net additions	22	26	(4)	(15.4%)
Total telecom net additions (thousands)	163	148	15	10.1%
Digital health transactions (millions) ¹⁵	148.9	139.6	9.3	6.7%

	As at Mar 31			
	2023	2022	Change	% Change
<u>Telecom subscribers</u> (thousands)				
Mobile phone subscribers ^{11(B)}	9,688	9,336	352	3.8%
Connected device subscribers ^{14(B)}	2,608	2,146	462	21.5%
Internet subscribers ^{16(C)}	2,518	2,301	217	9.4%
TV subscribers ¹⁷	1,334	1,275	59	4.6%
Residential voice subscribers ¹⁸	1,088	1,113	(25)	(2.2%)
Security subscribers ^{19(D)}	1,000	830	170	20.5%
Total telecom subscribers (thousands)	18,236	17,001	1,235	7.3%
Healthcare lives covered (millions) ^{20(E)}	67.0	21.9	45.1	n.m.
Virtual care members (millions) ²¹	5.2	3.3	1.9	57.6%

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

^(B)Effective January 1, 2023, on a prospective basis, we adjusted our mobile phone and connected device subscriber bases to remove 50,000 subscribers and add 82,000 subscribers, respectively, due to a review of our subscriber bases.

^(C)Effective January 1, 2023, on a prospective basis, we adjusted our internet subscriber base to add 70,000 subscribers as a result of business acquisitions.

^(D)During the second quarter of 2022, we adjusted our cumulative security subscriber connections to add approximately 75,000 subscribers as a result of a business acquisition.

^(E)During the third quarter of 2022, we added 36.9 million healthcare lives covered as a result of the LifeWorks acquisition.

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

	Quarterly					Mar YTD 2023	Annual 2022
	Q1/23	Q4/22	Q3/22	Q2/22	Q1/22		
Mobile Phone¹¹							
Additions (thousands)							
Gross additions	300	462	421	320	272	300	1,475
Net additions	47	112	150	93	46	47	401
ARPU (\$) ¹²	\$58.61	\$58.69	\$59.48	\$57.74	\$56.45	\$58.61	\$58.10
ARPU % change on prior year ^(B)	3.8%	2.2%	2.3%	2.1%	0.6%	3.8%	1.8%
Churn, per month (%) ¹³	0.88%	1.22%	0.95%	0.81%	0.81%	0.88%	0.95%
Connected Device (thousands)¹⁴							
Net additions	58	106	124	92	46	58	368
Fixed (thousands)							
Internet net additions	35	42	36	34	30	35	142
TV net additions	9	17	18	15	10	9	60
Residential voice net losses	(8)	(4)	(6)	(7)	(10)	(8)	(27)
Security net additions	22	28	25	20	26	22	99
Total telecom net additions (thousands)	163	301	347	247	148	163	1,043
Digital health transactions (millions)¹⁵	148.9	152.3	143.2	145.4	139.6	148.9	580.5
Telecom subscribers (thousands)							
	Q1/23	Q4/22	Q3/22	Q2/22	Q1/22	As at Mar 31, 2023	As at Dec 31, 2022
Mobile phone subscribers ^{11(B)}	9,688	9,691	9,579	9,429	9,336	9,688	9,691
Connected device subscribers ^{14(B)}	2,608	2,468	2,362	2,238	2,146	2,608	2,468
Internet subscribers ^{16(C)}	2,518	2,413	2,371	2,335	2,301	2,518	2,413
TV subscribers ¹⁷	1,334	1,325	1,308	1,290	1,275	1,334	1,325
Residential voice subscribers ¹⁸	1,088	1,096	1,100	1,106	1,113	1,088	1,096
Security subscribers ^{19(D)}	1,000	978	950	925	830	1,000	978
Total telecom subscribers (thousands)	18,236	17,971	17,670	17,323	17,001	18,236	17,971
Healthcare lives covered (millions)^{20(E)}	67.0	67.7	60.4	22.4	21.9	67.0	67.7
Virtual care members (millions)²¹	5.2	4.5	4.0	3.6	3.3	5.2	4.5

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

^(B)Effective January 1, 2023, on a prospective basis, we adjusted our mobile phone and connected device subscriber bases to remove 50,000 subscribers and add 82,000 subscribers, respectively, due to a review of our subscriber bases.

^(C)Effective January 1, 2023, on a prospective basis, we adjusted our internet subscriber base to add 70,000 subscribers as a result of business acquisitions.

^(D)During the second quarter of 2022, we adjusted our cumulative security subscriber connections to add approximately 75,000 subscribers as a result of a business acquisition.

^(E)During the third quarter of 2022, we added 36.9 million healthcare lives covered as a result of the LifeWorks acquisition.

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

<i>\$ in millions</i>	Quarter 1			
	2023	2022	Change	% Change
Operating revenues and other income				
Operating revenues (arising from contracts with customers)	756	644	112	17.4%
Intersegment revenue	172	115	57	49.6%
Total operating revenues and other income	928	759	169	22.3%
Goods and services purchased	169	152	17	11.2%
Employee benefits expense	591	438	153	34.9%
Total operating expense^(B)	760	590	170	28.8%
EBITDA⁷	168	169	(1)	(0.6%)
EBITDA margin	18.1%	22.2%	(4.1) pts.	
Add: Restructuring and other costs included in EBITDA	18	4	14	n.m.
Adjusted EBITDA⁸	186	173	13	8.1%
Adjusted EBITDA margin⁹	20.1%	22.7%	(2.6) pts.	
Capital expenditures	20	31	(11)	(35.5%)
Capital expenditure intensity¹⁰	2%	4%	(2) pts.	
Adjusted EBITDA less capital expenditures	166	142	24	16.9%
Average CAD:USD FX rate^(C)	0.74	0.79	(0.05)	(6.3%)

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

^(B)Includes restructuring and other costs.

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

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

<i>\$ in millions</i>	Quarterly					Mar YTD 2023	Annual 2022
	Q1/23	Q4/22	Q3/22	Q2/22	Q1/22		
Operating revenues and other income							
Operating revenues (arising from contracts with customers)	756	694	667	672	644	756	2,677
Intersegment revenue	172	161	136	125	115	172	537
Total operating revenues and other income	928	855	803	797	759	928	3,214
<i>Operating revenues % change on prior year</i>	<i>17.4%</i>	<i>8.8%</i>	<i>13.6%</i>	<i>22.2%</i>	<i>20.4%</i>	<i>17.4%</i>	<i>15.9%</i>
Goods and services purchased	169	186	150	157	152	169	645
Employee benefits expense	591	494	464	464	438	591	1,860
Total operating expense^(B)	760	680	614	621	590	760	2,505
EBITDA⁷	168	175	189	176	169	168	709
<i>EBITDA % change on prior year</i>	<i>(0.6%)</i>	<i>8.0%</i>	<i>35.1%</i>	<i>37.1%</i>	<i>35.1%</i>	<i>(0.6%)</i>	<i>27.7%</i>
EBITDA margin	18.1%	20.4%	23.6%	22.2%	22.2%	18.1%	22.1%
Add: Restructuring and other costs included in EBITDA	18	35	11	10	4	18	60
Adjusted EBITDA⁸	186	210	200	186	173	186	769
<i>Adjusted EBITDA % change on prior year</i>	<i>8.1%</i>	<i>22.9%</i>	<i>35.5%</i>	<i>35.6%</i>	<i>25.3%</i>	<i>8.1%</i>	<i>29.5%</i>
Adjusted EBITDA margin⁹	20.1%	24.5%	24.9%	23.4%	22.7%	20.1%	23.9%
Capital expenditures	20	33	33	38	31	20	135
Capital expenditure intensity¹⁰	2%	4%	4%	5%	4%	2%	4%
Adjusted EBITDA less capital expenditures	166	177	167	148	142	166	634
Average CAD:USD FX rate^(C)	0.74	0.74	0.77	0.78	0.79	0.74	0.77

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

^(B) Includes restructuring and other costs.

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

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

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

Please refer to the Q1 2023 Management's Discussion & Analysis Section 11.1 for an explanation of how these measures provide useful information to investors and for which purposes management uses these measures, and quantitative reconciliation of Adjusted Net Income to Net Income. MD&A is made available on SEDAR (www.sedar.com).

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

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

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

Please refer to the Q1 2023 Management's Discussion & Analysis Section 11.1 for the quantitative reconciliation of free cash flow to cash provided by operating activities. MD&A is made available on SEDAR (www.sedar.com).

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

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

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

Please refer to the Q1 2023 Management's Discussion & Analysis Section 11.1 for the quantitative reconciliation of Net Income to EBITDA. MD&A is made available on SEDAR (www.sedar.com).

⁸ **Adjusted EBITDA** is calculated to exclude items of an unusual nature that do not reflect our ongoing operations and should not, in our opinion, be considered in a long-term valuation metric or should not be included in an assessment of our ability to service or incur debt.

Please refer to the Q1 2023 Management's Discussion & Analysis Section 11.1 for the quantitative reconciliation of Net Income to Adjusted EBITDA. MD&A is made available on SEDAR (www.sedar.com).

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

⁹ **Adjusted EBITDA margin** is a non-GAAP ratio that does not have any standardized meaning prescribed by IFRS-IASB and therefore is unlikely to be comparable to similar measures presented by other issuers. We report EBITDA margin and Adjusted EBITDA margin for our TTech and DLCX segments as these are key measures used to evaluate performance at the operating segment level.

Please refer to the Q1 2023 Management's Discussion & Analysis Section 11.1 for the composition of this measure and explanation of how these measures provide useful information to investors and for which purposes management uses these measures. MD&A is made available on SEDAR (www.sedar.com).

¹⁰ **Capital expenditure intensity** is calculated as capital expenditures excluding real estate development divided by total Operating revenues and other income.

¹¹ **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.

¹² **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.

¹³ **Mobile phone churn** is calculated as the number of subscribers deactivated during a given period divided by the average number of subscribers on the network during the period, and is expressed as a rate per month. Mobile phone churn refers to the aggregate average of both prepaid and postpaid mobile phone churn. A TELUS, Koodo or Public Mobile brand prepaid mobile phone subscriber is deactivated when the subscriber has no usage for 90 days following expiry of the prepaid credits.

¹⁴ **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.

¹⁵ **Digital health transactions** mean the total number of health claims, dental claims, consultations or other paid transactions facilitated by TELUS Health services.

¹⁶ **Internet subscriber** means a subscriber on an active TELUS internet plan with a recurring revenue-generating unit where TELUS provides internet connectivity.

¹⁷ **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.

¹⁸ **Residential voice subscriber** means a subscriber on an active TELUS phone plan with a recurring revenue-generating unit where TELUS provides voice service.

¹⁹ **Security subscriber** means a subscriber on an active TELUS security plan with a recurring revenue-generating unit that is connected to the TELUS security and automation platform.

²⁰ **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.

²¹ **Virtual care member** means primary enrolment to receive services on an active TELUS Health virtual care plan.