

TELUS CORPORATION
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025

report of management on internal control over financial reporting

Management of TELUS Corporation (TELUS, or the Company) is responsible for establishing and maintaining adequate internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting.

TELUS' President and Chief Executive Officer and Executive Vice-president and Chief Financial Officer have assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2025, in accordance with the criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Internal control over financial reporting is a process designed by, or under the supervision of, the President and Chief Executive Officer and the Executive Vice-president and Chief Financial Officer and effected by the Board of Directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Due to its inherent limitations, internal control over financial reporting may not prevent or detect misstatements on a timely basis. Also, projections of any evaluation of the effectiveness of internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Based on the assessment referenced in the preceding paragraph, management has determined that the Company's internal control over financial reporting is effective as of December 31, 2025. In connection with this assessment, no material weaknesses in the Company's internal

control over financial reporting were identified by management as of December 31, 2025.

The Company acquired Workplace Options on May 1, 2025, as set out in *Note 18(b)* of the Consolidated financial statements, and management has excluded from its assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2025, Workplace Options internal control over financial reporting associated with less than 1%, less than 1%, 2% and 1% of the Company's consolidated current assets, consolidated current liabilities, consolidated non-current assets and consolidated non-current liabilities, respectively, and total revenue of \$132 million and net loss of \$40 million included in the Consolidated financial statements of the Company as of and for the year ended December 31, 2025.

Deloitte LLP, an Independent Registered Public Accounting Firm, audited the Company's Consolidated financial statements for the year ended December 31, 2025, and as stated in the Report of Independent Registered Public Accounting Firm, they have expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting as of December 31, 2025.

/s/ "Doug French"

Doug French
Executive Vice-president
and Chief Financial Officer
February 12, 2026

/s/ "Darren Entwistle"

Darren Entwistle
President
and Chief Executive Officer
February 12, 2026

To the Shareholders and the Board of Directors of TELUS Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of TELUS Corporation and subsidiaries (the Company) as at December 31, 2025 and 2024, the related consolidated statements of income and other comprehensive income, changes in owners' equity, and cash flows, for each of the two years in the period ended December 31, 2025, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for each of the two years in the period ended December 31, 2025, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 12, 2026, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining,

on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Goodwill Impairment – Refer to Note 1(f) and 18(e) to the financial statements

Critical Audit Matter Description

The Company assesses goodwill impairment by comparing the recoverable amounts of its cash-generating units to their carrying amounts. The Company determined the recoverable amount of the TELUS digital experience cash-generating unit ("TELUS digital experience") based on a fair value less costs of disposal calculation, which uses discounted cash flow projections that employ the following key assumptions: future cash flows and growth projections; weighted average cost of capital; and perpetual growth rate. Changes in these assumptions could have a significant impact on the recoverable amount. Management determined that the recoverable amount of TELUS digital experience as at June 30, 2025, was less than its carrying amount and therefore, a goodwill impairment was recognized.

Given the significant judgments made by management to determine the recoverable amount, auditing the key assumptions required a high degree of auditor judgment and an increased extent of effort, including the need to involve a fair value specialist.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the key assumptions used to determine the recoverable amount of TELUS digital experience included the following, among others:

- Evaluated the effectiveness of controls over the key assumptions used by management.
- Evaluated the reasonableness of management's forecasts of future cash flows and growth projections by considering:
 - Historical revenues, profit margin and earnings before interest, taxes, amortization and depreciation;
 - Analyst and industry reports for TELUS digital experience and certain of its peer companies;
 - Known changes in TELUS digital experience's operations, which are expected to impact future operating performance; and
 - Internal communications to management and the Board of Directors.
- With the assistance of a fair value specialist, evaluated the reasonableness of the weighted average cost of capital, growth projections and perpetual growth rate by:
 - Testing the source information underlying the determination of the weighted average cost of capital.
 - Developing a range of independent estimates for the weighted average cost of capital and growth projections and comparing those to the rates selected by management.
 - Benchmarking the perpetual growth rate to relevant market sources.

/s/ "Deloitte LLP"

Chartered Professional Accountants

Vancouver, Canada

February 12, 2026

We have served as the Company's auditor since 2002.

To the Shareholders and the Board of Directors of TELUS Corporation

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of TELUS Corporation and subsidiaries (the Company) as of December 31, 2025, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as at and for the year ended December 31, 2025, of the Company and our report dated February 12, 2026, expressed an unqualified opinion on those financial statements.

As described in the report of management on internal control over financial reporting, management excluded from its assessment the internal control over financial reporting at Workplace Options, which was acquired May 1, 2025, and whose financial statements constitute less than 1%, less than 1%, 2% and 1% of the Company's consolidated current assets, consolidated current liabilities, consolidated non-current assets and consolidated non-current liabilities, respectively, and total revenue of \$132 million and net loss of \$40 million included in the consolidated financial statements of the Company as at and for the year ended December 31, 2025. Accordingly, our audit did not include the internal control over financial reporting at Workplace Options.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying report of management on internal control over financial reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ "Deloitte LLP"

Chartered Professional Accountants
Vancouver, Canada
February 12, 2026

consolidated statements of income and other comprehensive income

Years ended December 31 (millions except per share amounts)	Note	2025	2024
OPERATING REVENUES			
Service		\$ 18,012	\$ 17,588
Equipment		2,334	2,551
Operating revenues (arising from contracts with customers)	6	20,346	20,139
Other income	7	160	247
Operating revenues and other income		20,506	20,386
OPERATING EXPENSES			
Goods and services purchased	16	7,706	7,639
Employee benefits expense	8, 16	5,878	5,907
Depreciation	17	2,454	2,513
Amortization of intangible assets	18	1,605	1,523
Impairment of goodwill	18	500	—
		18,143	17,582
OPERATING INCOME			
Financing costs	9	2,363	2,804
INCOME BEFORE INCOME TAXES		1,202	1,228
Income taxes	10	425	290
NET INCOME		777	938
OTHER COMPREHENSIVE INCOME			
Items that may subsequently be reclassified to income			
Change in unrealized fair value of derivatives designated as cash flow hedges		51	(101)
Foreign currency translation adjustment arising from translating financial statements of foreign operations		(19)	133
		32	32
Items never subsequently reclassified to income			
Change in measurement of investment financial assets		6	(20)
Employee defined benefit plan re-measurements		16	5
		22	(15)
		54	17
COMPREHENSIVE INCOME		\$ 831	\$ 955
NET INCOME ATTRIBUTABLE TO:			
Common Shares		\$ 1,113	\$ 993
Non-controlling interests		(336)	(55)
		\$ 777	\$ 938
COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Common Shares		\$ 1,178	\$ 937
Non-controlling interests		(347)	18
		\$ 831	\$ 955
NET INCOME PER COMMON SHARE			
Basic	12	\$ 0.73	\$ 0.67
Diluted		\$ 0.72	\$ 0.67
TOTAL WEIGHTED AVERAGE COMMON SHARES OUTSTANDING			
Basic		1,531	1,488
Diluted		1,535	1,493

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



consolidated statements of financial position

As at December 31 (millions)	Note	2025	2024
ASSETS			
Current assets			
Cash and temporary investments, net		\$ 2,621	\$ 869
Accounts receivable	6(b)	3,797	3,689
Income and other taxes receivable		173	146
Inventories	1(l)	482	629
Contract assets	6(c)	457	465
Costs incurred to obtain or fulfill contracts with customers	20	413	366
Prepaid maintenance and other		421	403
Current derivative assets	4(h)	8	65
		8,372	6,632
Non-current assets			
Property, plant and equipment, net	17	17,503	17,337
Intangible assets, net	18	20,328	20,593
Goodwill, net	18	10,460	10,564
Contract assets	6(c)	274	325
Other long-term assets	20	2,676	2,577
		51,241	51,396
		\$ 59,613	\$ 58,028

As at December 31 (millions)	Note	2025	2024
LIABILITIES AND OWNERS' EQUITY			
Current liabilities			
Short-term borrowings	22	\$ 920	\$ 922
Accounts payable and accrued liabilities	23	3,494	3,630
Income and other taxes payable		141	142
Dividends payable	13	649	605
Advance billings and customer deposits	24	1,053	1,039
Provisions	25	300	241
Current maturities of long-term debt	26	3,102	3,246
Current derivative liabilities	4(h)	30	11
		9,689	9,836
Non-current liabilities			
Provisions	25	661	686
Long-term debt	26	27,437	25,608
Other long-term liabilities	27	955	869
Deferred income taxes		4,292	4,231
		33,345	31,394
Liabilities		43,034	41,230
Owners' equity			
Common equity	28	15,775	15,620
Non-controlling interests		804	1,178
		16,579	16,798
		\$ 59,613	\$ 58,028

Contingent liabilities 29

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

Approved by the Directors:

/s/ "Thomas E. Flynn"

Thomas E. Flynn
Director

/s/ "John P. Manley"

John P. Manley
Director

consolidated statements of changes in owners' equity

(millions)	Note	Common equity							Non-controlling interests	Total
		Equity contributed			Retained earnings	Accumulated other comprehensive income (loss)	Total			
		Common Shares (Note 28)	Contributed surplus							
		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		—	—	—	993	—	993	(55)	938	
Other comprehensive income	11	—	—	—	5	(61)	(56)	73	17	
Dividends	13	—	—	—	(2,314)	—	(2,314)	—	(2,314)	
Dividends reinvested and optional cash payments	13(b), 14(c)	32	698	—	—	—	698	—	698	
Equity accounted share-based compensation		3	88	25	1	—	114	9	123	
Issue of Common Shares in business combination		1	14	—	—	—	14	—	14	
Change in ownership interests of subsidiaries	28(b)	—	—	59	—	—	59	(39)	20	
Balance as at December 31, 2024		1,504	13,124	1,081	1,520	(105)	15,620	1,178	16,798	
Net income		—	—	—	1,113	—	1,113	(336)	777	
Other comprehensive income	11	—	—	—	16	49	65	(11)	54	
Dividends	13	—	—	—	(2,532)	—	(2,532)	—	(2,532)	
Dividends reinvested and optional cash payments	13(b), 14(c)	42	861	—	—	—	861	—	861	
Equity accounted share-based compensation	14(b)	3	89	40	—	—	129	1	130	
Change in ownership interests of subsidiaries	28(b)	2	43	456	—	60	559	(28)	531	
Normal course issuer bid purchase of Common Shares	28(c)	(2)	(21)	—	(19)	—	(40)	—	(40)	
Balance as at December 31, 2025		1,549	\$ 14,096	\$ 1,577	\$ 98	\$ 4	\$ 15,775	\$ 804	\$ 16,579	

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

consolidated statements of cash flows

Years ended December 31 (millions)	Note	2025	2024
OPERATING ACTIVITIES			
Net income		\$ 777	\$ 938
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation and amortization		4,059	4,036
Impairment of goodwill	18	500	—
Deferred income taxes	10	(72)	(167)
Share-based compensation expense, net	14(a)	144	151
Net employee defined benefit plans expense	15(a)	60	73
Employer contributions to employee defined benefit plans	15(a)	(23)	(22)
Gain on contributions of real estate to joint ventures	7, 21	(44)	(110)
(Income) loss from equity accounted investments	7, 21	(1)	18
Gain on purchase of long-term debt	9, 26(b)	(303)	—
Other		(126)	(91)
Net change in non-cash operating working capital	31(a)	(105)	21
Cash provided by operating activities		4,866	4,847
INVESTING ACTIVITIES			
Cash payments for capital assets, excluding spectrum licences	31(a)	(2,515)	(2,750)
Cash payments for spectrum licences	18(a)	—	(637)
Cash payments for acquisitions, net	18(b)	(531)	(359)
Advances to, and investments in, real estate joint ventures and associates	21	(3)	(18)
Real estate joint venture receipts	21	1	109
Proceeds on disposition		114	21
Investment in portfolio investments and other		(106)	(66)
Cash used by investing activities		(3,040)	(3,700)

Years ended December 31 (millions)	Note	2025	2024
FINANCING ACTIVITIES			
Dividends paid to holders of Common Shares	31(b) 13(a)	(1,628)	(1,562)
Purchase of Common Shares for cancellation		(40)	—
Issue (repayment) of short-term borrowings, net		13	825
Long-term debt issued	18(b), 26	12,773	6,455
Redemptions and repayment of long-term debt	26	(11,631)	(6,818)
Equity of subsidiary issued to non-controlling interest	28(b)	1,261	—
Shares of subsidiary purchased from non-controlling interests, net	28(b)	(713)	(25)
Financing activity transaction costs and other		(109)	(17)
Cash used by financing activities		(74)	(1,142)
CASH POSITION			
Increase in cash and temporary investments, net		1,752	5
Cash and temporary investments, net, beginning of period		869	864
Cash and temporary investments, net, end of period		\$ 2,621	\$ 869
SUPPLEMENTAL DISCLOSURE OF OPERATING CASH FLOWS			
Interest paid		\$ (1,384)	\$ (1,330)
Interest received		\$ 53	\$ 33
Income taxes paid, net		\$ (480)	\$ (358)

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

notes to consolidated financial statements

DECEMBER 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 December 31, 2025, we have a 100% equity interest; TELUS Health Inc., in which, as at December 31, 2025, we have a 100% equity interest; and TELUS International (Cda) Inc. (d.b.a. TELUS Digital Experience), in which, as at December 31, 2025, we have a 100% equity interest, as discussed further in *Note 28(b)*.

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1 summary of significant accounting policies

Our consolidated financial statements are expressed in Canadian dollars. The generally accepted accounting principles that we apply are International Financial Reporting Standards, as issued by the International Accounting Standards Board (IFRS® Accounting Standards), and Canadian generally accepted accounting principles.

Generally accepted accounting principles require that we disclose the accounting policies we have selected in those instances in which we have been obligated to choose from among compliant policy options. In certain other instances, including those without a choice of policy options, we are also required to disclose how we have applied certain accounting policies. In the selection and application of accounting policies, our considerations include the fundamental qualitative characteristics of useful financial information, namely relevance and faithful representation. In our assessment, the accounting policy disclosures we are required to make are not all equally significant, as set out in the accompanying table; their relative significance for us will evolve over time, as we do.

These consolidated financial statements for each of the years ended December 31, 2025 and 2024, were authorized by our Board of Directors for issue on February 12, 2026.

(a) Consolidation

Our consolidated financial statements include our accounts and the accounts of all of our subsidiaries, of which the principal ones are: TELUS Communications Inc., TELUS Health Inc. and TELUS International (Cda) Inc. TELUS Communications Inc. includes substantially all of our mobile and fixed operations, excluding the digitally-led customer experience and digital enablement transformation provided through the customer care and business services business of TELUS International (Cda) Inc.

Our financing arrangements and those of our wholly owned subsidiaries do not impose restrictions on inter-corporate dividends.

On a continuing basis, we review our corporate organization and effect changes as appropriate so as to enhance the value of TELUS Corporation. This ongoing process can, and does, affect which of our subsidiaries are considered principal subsidiaries at any particular point in time.

Accounting policy requiring a more significant choice among policies and/or a more significant application of judgment

Accounting policy	Yes	No
General application		
(a) Consolidation		X
(b) Use of estimates and judgments	X	
(c) Financial instruments – recognition and measurement		X
(d) Hedge accounting		X
Results of operations focused		
(e) Revenue recognition	X	
(f) Depreciation, amortization and impairment	X	
(g) Translation of foreign currencies		X
(h) Income and other taxes	X	
(i) Share-based compensation		X
(j) Employee future benefit plans	X	
Financial position focused		
(k) Cash and temporary investments, net		X
(l) Inventories		X
(m) Property, plant and equipment; intangible assets	X	
(n) Investments		X

(b) Use of estimates and judgments

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Denotes accounting policy requiring, for us, a more significant choice among accounting policies and/or a more significant application of judgment.

notes to consolidated financial statements

Estimates

Examples of the significant estimates and assumptions that we make, and their relative significance and degree of difficulty, are set out in the graphic below.

	← Higher Degree of difficulty Lower →	
↑ Higher Significance Lower ↓	<ul style="list-style-type: none"> Recoverability of intangible assets with indefinite lives (see Note 18(e) for discussion of key assumptions) Recoverability of goodwill (see Note 18(e) for discussion of key assumptions) 	<ul style="list-style-type: none"> Certain actuarial and economic assumptions used in determining defined benefit pension costs and accrued pension benefit obligations (see Note 15(d) for discussion of key assumptions)
	<ul style="list-style-type: none"> Determination of amounts and composition of income and other tax assets and liabilities, including amounts of unrecognized tax benefits 	<ul style="list-style-type: none"> Estimated useful lives of assets (see (f) following) Certain economic assumptions used in provisioning for asset retirement obligations (see (m) following)
	<ul style="list-style-type: none"> Amounts for net identifiable assets acquired in business combinations and provisions related to business combinations Recoverability of long-term portfolio investments 	<ul style="list-style-type: none"> Recoverability of tangible and intangible assets subject to amortization
	<ul style="list-style-type: none"> Determination of allowances for doubtful accounts, unbilled customer finance receivables and contract assets Determination of allowance for inventory obsolescence 	

Judgments

Examples of our significant judgments, apart from those involving estimation, include the following:

- Assessments regarding whether line items are sufficiently material to warrant separate presentation in the primary financial statements and, if not, whether they are sufficiently material to warrant separate presentation in the notes to the financial statements. In the normal course, we make changes to our assessments regarding materiality for presentation so that they reflect current economic conditions. Due consideration is given to the view that it is reasonable to expect differing opinions of what is, and is not, material.

Specifically, in the context of the statement of financial position, absent specific IFRS Accounting Standards disclosure requirements, our presentation generally disaggregates categories of assets and liabilities in excess of 5% of total assets and 5% of total liabilities, respectively, except in the instance of current assets and current liabilities in which the denominators are total current assets and total current liabilities, respectively.
- In respect of revenue-generating transactions, we must make judgments that affect the timing of the recognition of revenue, as set out following:
 - We have millions of multi-year contracts with our customers and we must make judgments as to when we have satisfied our performance obligations to our customers, either over a period of time or at a specific point in time. Service revenues are recognized based on customers' access to, or usage of, our telecommunications infrastructure; we believe this method faithfully represents the transfer of the services, and thus the revenues are recognized as the services are made available and/or rendered. We consider our performance obligations arising from the sale of equipment to have been satisfied when the equipment has been delivered to, and accepted by, the end-user customers (see (e) following).
 - Principally in the context of revenue-generating transactions involving mobile handsets, we must make judgments as to whether third-party re-sellers that deliver equipment to our customers are acting in the transactions as principals or as our agents. After due consideration of the relevant indicators, we have concluded that considering the re-sellers to be acting, solely for accounting purposes, as our agents more accurately represents the economic substance of these

Denotes accounting policy requiring, for us, a more significant choice among accounting policies and/or a more significant application of judgment.

transactions, as we are the primary obligor to the end-user customers. As a result of this judgment, no equipment revenue is recognized when inventory is transferred to third-party re-sellers.

- We compensate third-party re-sellers and our employees for generating revenues, and we must make judgments as to whether such sales-based compensation amounts are costs incurred to obtain contracts with customers that should be capitalized (see *Note 20*). We believe that compensation amounts tangentially attributable to obtaining a contract with a customer, because the amount of such compensation could be affected in ways other than by simply obtaining that contract, should be expensed as incurred; compensation amounts directly attributable to obtaining a contract with a customer should be capitalized and amortized on a systematic basis, consistent with the satisfaction of the associated performance obligations.

We must also exercise judgment as to the capitalization of costs incurred to fulfill revenue-generating contracts with customers. These fulfilment costs are associated with setting up, activating or otherwise implementing services involving access to, or usage of, our telecommunications infrastructure but would not otherwise be capitalized as property, plant, equipment and/or intangible assets (see *Note 20*).

- The decision to depreciate and amortize any property, plant, equipment (including right-of-use lease assets) and intangible assets that are subject to amortization on a straight-line basis, as we believe that this method reflects the consumption of resources over the economic lifespan of those assets more faithfully than an accelerated method and is more representative of the economic substance of their underlying use.
- The preparation of financial statements in accordance with generally accepted accounting principles requires management to make judgments which affect the financial statement disclosure of information regularly reviewed by our chief operating decision-maker that is used to make resource allocation decisions and to assess performance (segment information, *Note 5*).

A significant judgment we have historically made is distinguishing between the operations and cash flows of our business units, including

the allocation of both direct and indirect expenses and capital expenditures. It is often inherently difficult and objectively impractical to clearly distinguish between the operations and cash flows of our business units, as well as the assets from which their cash flows arise. This combination of difficulty and impracticality demonstrates the interdependence of our business units. During the year ended December 31, 2025, the TELUS health cash-generating unit was distinguished from the TELUS technology solutions cash-generating unit and was thus separately identified for impairment testing purposes (see *Note 18(e)*). As our businesses continue to evolve, new cash-generating units may also develop.

- The view that the spectrum licences granted to us by Innovation, Science and Economic Development Canada (including spectrum licences that have been subordinated to us) will likely be renewed; that we intend to renew them; that we believe we have the financial and operational ability to renew them; and thus, that they have indefinite lives, as discussed further in *Note 18(d)*.
- During the annual impairment testing of intangible assets with indefinite lives and goodwill, judgment may be required in allocating our net assets (including shared corporate and administrative assets) to our cash-generating units when determining their carrying amounts.
- In respect of claims and lawsuits, as discussed further in *Note 29(a)*, the determination of whether an item is a contingent liability or whether an outflow of resources is probable and thus requiring the item be accounted for as a provision.

(c) Financial instruments – recognition and measurement

The following policies have been adopted in respect of the recognition and measurement of financial instruments:

- Regular-way purchases or sales of financial assets or financial liabilities (those that require actual delivery) are recognized on the settlement date. We have selected this method, as the benefits of using the trade date method were not expected to exceed the costs of implementation.
- Transaction costs, except for items held for trading, are added to the initial fair value of the acquired financial asset or financial liability. We have selected this method, as we believe that it results in better matching of the transaction costs with the periods benefiting from those costs.

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- A contract to receive renewable energy credits and the associated virtual power purchase agreement (which we enter into as part of our commitment to reduce our carbon footprint) are accounted for as distinct units of account. We have selected this method, as we believe the receipt of the renewable energy credits is an executory contract, while the virtual power purchase agreement meets the definition of a derivative.

(d) 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, as set out in *Note 4(a)* and *(d)*.

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 might arise 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(i)*.

Hedge accounting – derivatives used 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 might arise 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(i)*.

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 the determination of net income 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*.

(e) Revenue recognition

General

We earn the majority of our TELUS technology solutions service revenues from access to, and usage of, our telecommunications infrastructure, including:

- Mobile network (voice and data);

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notes to consolidated financial statements

- Fixed data services (which include: internet protocol; television; hosting, managed information technology and cloud-based services; and home and business security);
- Fixed voice services; and
- Health services.

The majority of the balance of our TELUS technology solutions revenues (mobile equipment and other services; fixed equipment and other services; agriculture and consumer goods services (which include: software, data management and data analytics-driven smart-food chain and consumer goods technologies)) arises from providing services and products facilitating access to, and usage of, telecommunications infrastructure. Service revenues in our TELUS digital experience segment arise from the provision of digital customer experience solutions, including artificial intelligence and content management solutions.

We offer complete and integrated solutions to meet our customers' needs. These solutions may involve deliveries of multiple services and products (our performance obligations) that occur at different points in time and/or over different periods of time; as referred to in (b), this is a significant judgment for us. As required, the performance obligations of these multiple-element arrangements are identified and the transaction price for the entire multiple-element arrangement is determined and allocated among the performance obligations based upon our relative stand-alone selling prices for each of them; our relevant revenue recognition policies are then applied, so that revenue is recognized when, or as, we satisfy the performance obligations. To the extent that variable consideration is included in determining the minimum transaction price, it is constrained to the "minimum spend" amount required in a contract with a customer. Service revenues arising from contracts with customers typically have variable consideration, because customers have the ongoing ability to both add and remove features and services, and because customer usage of our telecommunications infrastructure may exceed the base amounts provided for in their contracts.

For the purposes of IFRS 15, *Revenue from Contracts with Customers*, our contracts with customers are not considered to have significant financing components. With the exception of both equipment-related upfront payments that may be required under the terms of contracts with customers and in-store "cash and carry" sales of equipment and accessories, payments are typically due 30 days after the monthly billing date.

Multiple contracts with a single customer are normally accounted for as separate arrangements. When we enter into multiple contracts with a customer in a short period of time, the contracts are reviewed as a group to ensure that, as with multiple-element arrangements, their relative transaction prices are appropriate.

Lease accounting is applied to an accounting unit if it conveys the right to use a specific asset but does not convey the risks and/or benefits of ownership.

Revenues are recorded net of any value-added and/or sales taxes billed to the customer concurrent with a revenue-generating transaction.

We use the following revenue accounting practical expedients provided for in IFRS 15, *Revenue from Contracts with Customers*:

- No adjustment of the contracted amount of consideration for the effects of financing components when, at the inception of the contract, we expect that the effect of the financing component is not significant at the individual contract level.
- No deferral of contract acquisition costs when the amortization period for such costs would be one year or less.
- When estimating minimum transaction prices allocated to any remaining unfulfilled, or partially unfulfilled, performance obligations, exclusion of amounts arising from contracts originally expected to have a duration of one year or less, as well as amounts arising from contracts under which we may recognize and bill revenue in an amount that corresponds directly with our completed performance obligations.

Contract assets

Many of our multiple-element arrangements arise from bundling the sale of equipment (e.g. a mobile handset) with a contracted service period. Although the customer receives the equipment at contract inception and the revenue from the associated completed performance obligation is recognized at that time, the customer's payment for the equipment will effectively be received ratably over the contracted service period to the extent it is not received as a lump-sum amount at contract inception. The difference between the equipment revenue recognized and the associated amount cumulatively billed to the customer is recognized on the Consolidated statements of financial position as a contract asset and/or an unbilled customer finance receivable, depending upon the form of the contract.

Contract assets may also arise when we give consideration to a customer. When we receive no identifiable, separable benefit for

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consideration given to a customer, the amount of the consideration is recognized as a reduction of revenue rather than as an expense. Such amounts are included in the determination of transaction prices for allocation purposes in multiple-element arrangements.

- Some forms of consideration given to a customer, effectively at contract inception, such as rebates (including prepaid non-bank cards) and/or equipment, are considered to be performance obligations in a multiple-element arrangement. Although the performance obligation is satisfied at contract inception, the customer's payment associated with the performance obligation will effectively be received rateably over the associated contracted service period. The difference between the revenue arising from the satisfied performance obligation and the associated amount cumulatively billed to the customer is recognized on the Consolidated statements of financial position as a contract asset.
- Other forms of consideration given to a customer, either at contract inception or over a period of time, such as discounts (including prepaid bank cards), may result in us receiving no identifiable, separable benefit and thus are not considered performance obligations. Such consideration is recognized as a reduction of revenue rateably over the term of the contract. The difference between the consideration given and the associated amount recognized as a reduction of revenue is recognized on the Consolidated statements of financial position as a contract asset.

Contract liabilities

Advance billings are recorded when billing occurs before our provision of the associated services; such advance billings are recognized as revenue in the period in which the services and/or equipment are provided (see *Note 24*). Similarly, and as appropriate, upfront customer activation and connection fees are deferred and recognized over the average expected term of the customer relationship.

Costs of contract acquisition and contract fulfilment

Costs of contract acquisition (typically commissions) and costs of contract fulfilment are capitalized and recognized as an expense, generally over the life of the contract on a systematic and rational basis consistent with the pattern of the transfer of goods or services to which the contract asset relates. The amortization of such costs is included in the Consolidated statements of income and other comprehensive income as a component of Goods and

services purchased, with the exception of amounts paid to our employees, which are included as a component of Employee benefits expense.

The total cost of mobile equipment sold to customers and advertising and promotion costs related to initial customer acquisition are expensed as incurred; the cost of equipment we own that is situated at customers' premises and associated installation costs are capitalized as incurred. Costs of advertising production, advertising airtime and advertising space are expensed as incurred.

Voice and data

We recognize revenues on an accrual basis and include an estimate of revenues earned but unbilled. Mobile and fixed service revenues are recognized based upon access to, and usage of, our telecommunications infrastructure and upon contract fees.

Advance billings are recorded when billing occurs before our provision of the associated services; such advance billings are recognized as revenue in the period in which the services are provided. Similarly, and as appropriate, upfront customer activation and connection fees are deferred and recognized over the average expected term of the customer relationship.

We apply the liability method of accounting for the amounts of our quality-of-service rate rebates that arise from the jurisdiction of the Canadian Radio-television and Telecommunications Commission (CRTC).

Other and mobile equipment

We recognize product revenues, including amounts related to mobile handsets sold to re-sellers and customer premises equipment, when the products are both delivered to, and accepted by, the end-user customers, irrespective of which supply channel delivers the product. With respect to mobile handsets sold to re-sellers, we consider ourselves to be the principal and primary obligor to the end-user customers. Revenues from operating leases of equipment are recognized on a systematic and rational basis (normally a straight-line basis) over the term of the lease. We recognize revenues that arise from employee and family assistance programs and from software solutions (including benefits administration) in the accounting period in which they are provided.

We recognize revenues that arise from our provision of digital experience solutions, including artificial intelligence and content management solutions, in the accounting period in which they are provided, typically on a per-productive hour or per-transaction basis.

Denotes accounting policy requiring, for us, a more significant choice among accounting policies and/or a more significant application of judgment.

(f) Depreciation, amortization and impairment

Depreciation and amortization

Property, plant and equipment (including right-of-use lease assets) are depreciated on a straight-line basis over their estimated useful lives (lease terms for right-of-use lease assets), as determined by a continuing program of asset life studies. Depreciation includes the amortization of leasehold improvements, which are typically amortized over the shorter of their expected average service lives or lease terms. Intangible assets with finite lives (intangible assets subject to amortization) are amortized on a straight-line basis over their estimated useful lives, with annual reviews and adjustments made as appropriate. As referred to in (b), the use of a straight-line basis for depreciation and amortization is a significant judgment for us.

The estimated useful lives for the majority of our property, plant and equipment (including right-of-use lease assets) subject to depreciation and intangible assets subject to amortization are as follows:

	Estimated useful lives
Property, plant and equipment (including right-of-use lease assets) subject to depreciation	
Network assets	
Outside plant	17 to 40 years
Inside plant	4 to 25 years
Mobile site equipment	5 to 7 years
Real estate right-of-use lease assets	5 to 20 years
Balance of depreciable property, plant and equipment and right-of-use lease assets	3 to 40 years
Intangible assets subject to amortization	
Customer contracts and related customer relationships	4 to 15 years
Fixed subscriber base	25 years
Software	3 to 10 years
Access to rights-of-way, crowdsource assets and other	5 to 30 years

Impairment – general

Impairment testing involves comparing the carrying amounts of the assets or cash-generating units being tested with their recoverable amounts (defined as the greater of an asset's or a cash-generating unit's value in use or its fair value less costs of disposal); as referred to in (b), this is a significant estimate for us. Impairment losses are recognized immediately when the carrying amount exceeds the recoverable amount. Should the recoverable amounts of previously impaired assets or cash-generating units subsequently increase, the earlier impairment losses may be reversed, with the exception of any impairment losses related to goodwill. Such reversals are permitted only to the

extent that the reversal is not a result of “unwinding of the discount” and does not cause the resulting carrying amounts to exceed what they would have been if no impairment losses had been recognized previously.

Impairment – property, plant and equipment; intangible assets subject to amortization

A continuing program of asset life studies evaluates factors such as the timing of technological obsolescence, competitive pressures, future infrastructure utilization plans, and climate; these evaluations may indicate that an asset's carrying amount may not be recoverable, in which case an impairment loss is recognized.

Impairment – intangible assets with indefinite lives; goodwill

The carrying amounts of intangible assets with indefinite lives and goodwill are tested for impairment periodically. The frequency of testing is inversely related to the stability of relevant events and circumstances, with a minimum of annual testing being required; we have selected December as the time of our annual test.

Our intangible assets with indefinite lives are assessed by comparing the recoverable amounts of our cash-generating units to their carrying amounts, including allocated intangible assets with indefinite lives but excluding any allocated goodwill. To the extent that the carrying amount of a cash-generating unit, including allocated intangible assets with indefinite lives but excluding any allocated goodwill, exceeds its recoverable amount, the excess amount would be recorded as a reduction of the carrying amount of intangible assets with indefinite lives.

Following the assessment of intangible assets with indefinite lives, we assess goodwill by comparing the recoverable amounts of our cash-generating units (or group of cash-generating units) to their carrying amounts (including the intangible assets with indefinite lives and any allocated goodwill). To the extent that the carrying amount of a cash-generating unit, including the intangible assets with indefinite lives and the allocated goodwill, exceeds its recoverable amount, the excess amount would first be recorded as a reduction of the carrying amount of goodwill (see Note 18(e)) and any remaining amount would then be recorded as a reduction of the carrying amounts of the assets of the cash-generating unit on a pro-rated basis.

Denotes accounting policy requiring, for us, a more significant choice among accounting policies and/or a more significant application of judgment.

(g) Translation of foreign currencies

Trade transactions completed in foreign currencies are translated into Canadian dollars at the exchange rates prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate in effect at the statement of financial position date, with any resulting gains or losses recorded in the Consolidated statements of income and other comprehensive income as a component of Financing costs, as set out in *Note 9*. Hedge accounting is applied in specific instances, as discussed in *(d)* above.

For certain of our subsidiaries with functional currencies other than the Canadian dollar, foreign exchange gains and losses arising from the translation of their accounts into Canadian dollars are reported as a component of other comprehensive income, as set out in *Note 11*.

(h) Income and other taxes

We follow the liability method of accounting for income taxes; as referred to in *(b)*, this is a significant estimate for us. Under this method, current income taxes are recognized for the estimated income taxes payable for the current year. Deferred income tax assets and liabilities are recognized for temporary differences between the tax and accounting bases of assets and liabilities, and also for any benefits of losses and Investment Tax Credits available to be carried forward to future years for tax purposes that are more likely than not to be realized. The amounts recognized in respect of deferred income tax assets and liabilities are based upon the expected timing of the reversal of temporary differences or the usage of tax losses and the application of the substantively enacted tax rates at the time of reversal or use.

We account for any changes in substantively enacted income tax rates affecting deferred income tax assets and liabilities in full in the period in which the changes are substantively enacted. We account for changes in the estimates of tax balances for prior years as estimate revisions in the period in which changes in the estimates arise; we have selected this approach, as its emphasis on the statement of financial position is more consistent with the liability method of accounting for income taxes.

Our operations are complex and the related domestic and foreign tax interpretations, regulations, legislation and jurisprudence are continually changing. As a result, there are usually some tax matters in question that result in uncertain tax positions. We recognize the income tax benefit of an uncertain tax position only when it is more likely than not that the ultimate

determination of the tax treatment of the position will result in that benefit being realized; however, this does not mean that tax authorities cannot challenge these positions. We accrue an amount for interest charges on current tax liabilities that have not been funded, which would include interest and penalties arising from uncertain tax positions. We include such charges in the Consolidated statements of income and other comprehensive income as a component of Financing costs.

Our research and development activities may be eligible to earn Investment Tax Credits, for which the determination of eligibility is a complex matter. We recognize Investment Tax Credits only when there is reasonable assurance that the ultimate determination of the eligibility of our research and development activities will result in the Investment Tax Credits being received, at which time they are accounted for using the cost reduction method, whereby such credits are deducted from the expenditures or assets to which they relate, as set out in *Note 10(c)*.

(i) Share-based compensation

General

When share-based compensation vests in its entirety at a single point in time (cliff-vesting), we recognize the expense on a straight-line basis over the vesting period. When share-based compensation vests in tranches (graded-vesting), we recognize the expense using the accelerated attribution method. An estimate of forfeitures during the vesting period is made at the date of grant of share-based compensation; this estimate is adjusted to reflect actual experience.

Restricted share units

For restricted share units with neither an equity settlement feature nor market performance conditions, as set out in *Note 14(b)*, we accrue a liability equal to the product of the number of vesting restricted share units multiplied by the fair market value of the corresponding Common Shares at the end of the reporting period. Similarly, we accrue a liability for the notional subset of our restricted share units without an equity settlement feature and with market performance conditions, determining their fair value using a Monte Carlo simulation. Restricted share units with an equity settlement feature are accounted for as equity instruments. The expense for restricted share units that do not ultimately vest is reversed against the expense that was previously recorded in their respect.

Denotes accounting policy requiring, for us, a more significant choice among accounting policies and/or a more significant application of judgment.

Share option awards

A fair value for share option awards is determined at the date of grant and is recognized in the financial statements. When share option awards are exercised, both the proceeds and the recognized grant-date fair values are credited to share capital. As set out in *Note 14(d)*, share option awards that have a net-equity settlement feature are accounted for as equity instruments. We have selected the equity instrument fair value method of accounting for the net-equity settlement feature, as it is consistent with the accounting treatment applied to the associated share option awards.

(j) Employee future benefit plans

Defined benefit plans

We accrue amounts for our obligations under employee defined benefit plans and the related costs, net of plan assets. The cost of pensions and other retirement benefits is actuarially determined using the accrued benefit method pro-rated on service, based on management's best estimates of both the rate of future increases in compensation and the retirement ages of employees. In the determination of net income, net interest for each plan, which is the product of the plan's surplus (deficit) multiplied by the discount rate, is included as a component of Financing costs, as set out in *Note 9*.

An amount reflecting the difference between the discount rate and the actual rate of return on plan assets is included as a component of employee defined benefit plan re-measurements within Other comprehensive income, as set out in *Note 11* and *Note 15*. The maximum economic benefit available from the plans' assets is determined based on reductions in future contributions to the plans.

The defined benefit plan key assumptions are assessed and revised as appropriate at least annually; as referred to in *(b)*, these are significant estimates for us.

Defined contribution plans

We apply defined contribution accounting for the Telecommunication Workers Pension Plan and the British Columbia Public Service Pension Plan, which cover certain of our employees and provide defined benefits to their members. In the absence of any regulations governing the calculation of the share of the underlying financial position and plan performance attributable to each employer-participant, and in the absence of contractual agreements between the plans and the employer-participants related to the

financing of any shortfall (or distribution of any surplus), we account for these plans as defined contribution plans, in accordance with International Accounting Standard 19, *Employee Benefits*.

(k) Cash and temporary investments, net

Cash and temporary investments, which may include investments in money market instruments purchased three months or less from maturity, are presented net of outstanding items, including cheques written but not cleared by banks as at the statement of financial position date. When the total amount of all cheques written but not cleared by banks exceeds the amount of cash and temporary investments, the net amount is classified as a liability. This liability classification may also include overdraft amounts drawn on our bilateral bank facilities, which revolve daily and are discussed further in *Note 22*.

(l) Inventories

Inventories primarily consist of mobile handsets, parts and accessories, which totalled \$376 million as at December 31, 2025 (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 year ended December 31, 2025, totalled \$2.4 billion (2024 – \$2.5 billion).

(m) Property, plant and equipment; intangible assets

General

Property, plant and equipment and intangible assets are recorded at historical cost, which for self-constructed property, plant and equipment includes materials, direct labour and applicable overhead costs. For internally developed internal-use software, the historical cost recorded includes materials, direct labour and direct labour-related costs. Where property, plant and equipment construction projects are of sufficient size and duration, an amount is capitalized for the cost of funds used to finance construction, as set out in *Note 9*. The rate of interest used for calculating the capitalized financing cost is based on the weighted average cost of borrowing that we experience during the reporting period.

Upon the sale of property, plant and/or equipment, the net book value is netted against the sale proceeds and the resulting difference, as set out in *Note 7*, is included in the Consolidated statements of income and other comprehensive income as a component of Other income.

Denotes accounting policy requiring, for us, a more significant choice among accounting policies and/or a more significant application of judgment.

Asset retirement obligations

Provisions for liabilities, as set out in *Note 25*, are recognized for statutory, contractual or legal obligations, normally when incurred, associated with the retirement of property, plant and equipment (primarily certain items of outside plant and mobile site equipment) when those obligations result from the acquisition, construction, development and/or normal operation of the assets; as referred to in *(b)*, this is a significant estimate for us. The obligations are initially measured at fair value using present value methodology, with the resulting costs capitalized as a part of the carrying amount of the related asset. In subsequent periods, the provisions for these liabilities are adjusted for discount accretion, changes in market-based discount rates and changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is depreciated on the same basis as the related asset and the discount accretion, as set out in *Note 9*, is included in the Consolidated statements of income and other comprehensive income as a component of Financing costs.

(n) Investments

We account for our investments in companies over which we have significant influence, as discussed further in *Note 21*, using the equity method of accounting, whereby the investments are initially recorded at cost and subsequently adjusted to recognize our share of earnings or losses of the investee companies and any earnings distributions received. The excess of the cost of an equity investment over its underlying book value at the initial date of investment, excluding goodwill, is amortized over the estimated useful lives of the underlying assets to which the excess cost is attributed; subsequent investments in associates do not result in the attribution of excess cost.

Similarly, we account for our interests in the real estate joint ventures, as discussed further in *Note 21*, using the equity method. Unrealized gains and losses resulting from transactions with the real estate joint ventures, including non-monetary contributions, are deferred in proportion to our remaining interest in the real estate joint ventures.

Other long-term investments are accounted for at fair value, unless they are investment securities that do not have either quoted market prices in an active market or other clear and objective evidence of fair value. When we do not account for our other long-term investments at their fair values, we apply the cost basis of accounting, whereby the investments are initially recorded at

cost, and earnings from those investments are recognized only to the extent received or receivable. A significant or prolonged decline in the value of an investment that is classified as one of our other long-term investments results in an adjustment of its carrying value to its estimated fair value.

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, our accounting for the unrealized forward element of our pre-existing virtual power purchase agreements, which were first entered into in 2022, would be affected. 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 including the net change in the unrealized forward element of our virtual power purchase agreements arising on or after January 1, 2025, 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.

Denotes accounting policy requiring, for us, a more significant choice among accounting policies and/or a more significant application of judgment.

notes to consolidated financial statements

Year ended December 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
OPERATING REVENUES	\$ 20,506	\$ —	\$ 20,506
OPERATING EXPENSES			
Goods and services purchased	7,709	(3)	7,706
Employee benefits expense	5,878	—	5,878
Depreciation	2,454	—	2,454
Amortization of intangible assets	1,605	—	1,605
Impairment of goodwill	500	—	500
	18,146	(3)	18,143
OPERATING INCOME	2,360	3	2,363
Financing costs	1,151	10	1,161
INCOME BEFORE INCOME TAXES	1,209	(7)	1,202
Income taxes	427	(2)	425
NET INCOME	\$ 782	\$ (5)	\$ 777
OTHER COMPREHENSIVE INCOME			
Items that may subsequently be reclassified to income			
Change in unrealized fair value of derivatives designated as cash flow hedges	\$ 46	\$ 5	\$ 51
COMPREHENSIVE INCOME	\$ 831	\$ —	\$ 831
NET INCOME ATTRIBUTABLE TO COMMON SHARES	\$ 1,118	\$ (5)	\$ 1,113
NET INCOME PER COMMON SHARE			
Basic	\$ 0.73	\$ —	\$ 0.73
Diluted	\$ 0.73	\$ (0.01)	\$ 0.72

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

As at December 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	\$ 14,096	\$ —	\$ 14,096
Contributed surplus	1,577	—	1,577
Retained earnings	103	(5)	98
Accumulated other comprehensive income (loss)	(1)	5	4
	\$ 15,775	\$ —	\$ 15,775

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

Year ended December 31, 2025 (millions)	Excluding amendments to IFRS 9 and IFRS 7 effects	Amendments to IFRS 9 and IFRS 7 effects	As currently reported
OPERATING ACTIVITIES			
Net income	\$ 782	\$ (5)	\$ 777
Deferred income taxes	(70)	(2)	(72)
Net change in non-cash operating working capital	(112)	7	(105)
All other reconciling items within operating activities	4,266	—	4,266
Cash provided by operating activities	\$ 4,866	\$ —	\$ 4,866

(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 which are used in public communications to share management's views of various aspects of an entity's performance and 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 may 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 a shift of interest paid from operating activities to financing activities), we do not expect the totality of our financial disclosure to 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 to be 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 any hedging assets or liabilities associated with short-term borrowings, net of amounts recognized in accumulated other comprehensive income); 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;
- Adjust the discount at which Common Shares are offered under the Dividend Reinvestment and Share Purchase Plan;
- Purchase Common Shares for cancellation pursuant to normal course issuer bids;
- Issue new equity (including Common Shares and subsidiary equity);
- 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.

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 disclosed by other issuers. The calculation of these measures is set out in

* 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

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.

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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, December 31 (\$ in millions)	Objective	2025	2024
Components of debt and coverage ratios			
Net debt ¹		\$ 25,189	\$ 28,569
EBITDA – excluding restructuring and other costs ²		\$ 7,354	\$ 7,333
Net interest cost ³ (Note 9)		\$ 1,463	\$ 1,357
Debt ratio			
Net debt to EBITDA – excluding restructuring and other costs	2.2 – 2.7 ⁴	3.4	3.9
Coverage ratios			
Earnings coverage ⁵		2.1	2.0
EBITDA – excluding restructuring and other costs interest coverage ⁶		5.0	5.4

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

As at December 31	Note	2025	2024
Long-term debt	26	\$ 30,539	\$ 28,854
TELUS Corporation junior subordinated notes equity credit deducted in calculating net debt	26(g)	(3,625)	—
Debt issuance costs netted against long-term debt		167	120
Derivative (assets) liabilities used to manage interest rate and currency risks associated with U.S. dollar-denominated debt, net		71	(68)
Accumulated other comprehensive income (loss) amounts arising from financial instruments used to manage interest rate and currency risks associated with U.S. dollar-denominated debt – excluding tax effects		(262)	(390)
Cash and temporary investments, net		(2,621)	(869)
Short-term borrowings	22	920	922
Net debt		25,189	28,569
Common equity		15,775	15,620
Non-controlling interests		804	1,178
Add: TELUS Corporation junior subordinated notes equity credit deducted in calculating net debt		3,625	—
Less: accumulated other comprehensive (income) loss amounts included above in common equity and non-controlling interests		(4)	34
Total managed capitalization		\$ 45,389	\$ 45,401

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

Years ended December 31	Note	2025	2024
EBITDA	5	\$ 6,922	\$ 6,840
Restructuring and other costs	16	432	493
EBITDA – excluding restructuring and other costs		\$ 7,354	\$ 7,333

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)), recoveries on long-term debt prepayment premium and recoveries on 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 December 31, 2025, is outside the long-term objective range. We may permit, and have permitted, this

notes to consolidated financial statements

ratio to go outside the objective range (for long-term investment opportunities), but we will endeavour to return this ratio to circa 2.7 times 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 times 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 (including dividend obligations on preferred shares that are required to be accounted for as financial liabilities); interest on short-term borrowings and other; and 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 3.4 times as at December 31, 2025, compared to 3.9 times one year earlier. The decrease was largely due to the effect of the decrease in net debt levels, primarily due to the junior subordinated notes equity credit and the equity issued by our Terrion subsidiary to a non-controlling interest (see *Note 28(b)*), partially offset by business acquisitions; 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 December 31, 2025, was 2.1 times, up from 2.0 times one year earlier. An increase in income before borrowing costs and income taxes raised the ratio by 0.3 and an increase in borrowing costs lowered the ratio by 0.2. The EBITDA – excluding restructuring and other costs interest coverage ratio for the twelve-month period ended December 31, 2025, was 5.0 times, down from 5.4 times one year earlier. An increase of \$106 million in net interest costs lowered 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

* 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),

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 December 31, 2025, is presented for illustrative purposes in evaluating our objective range.

For the 12-month periods ended December 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		110%	105%
Determined using management measures			
TELUS Corporation Common Share dividend payout ratio – net of dividend reinvestment plan effects	60%–75% ¹	75%	81%

- 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 December 31 (millions)	2025	2024
TELUS Corporation Common Share dividends declared	\$ 2,532	\$ 2,314
Amount of TELUS Corporation Common Share dividends declared reinvested in TELUS Corporation Common Shares	(876)	(709)
TELUS Corporation Common Share dividends declared – net of dividend reinvestment plan effects	\$ 1,656	\$ 1,605

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

proceeds from divested assets, and other sources and uses of cash, as presented 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.

notes to consolidated financial statements

For the 12-month periods ended December 31 (millions)		2025			2024		
	Note	Cash provided by operating activities	Difference	Free cash flow	Cash provided by operating activities	Difference	Free cash flow
EBITDA	5	\$ 6,922	\$ —	\$ 6,922	\$ 6,840	\$ —	\$ 6,840
Restructuring and other costs, net of disbursements		43	—	43	(34)	—	(34)
Effects of contract asset, acquisition and fulfilment and TELUS Easy Payment mobile device financing		33	—	33	(201)	—	(201)
Effect of non-discretionary lease principal		—	(629)	(629)	—	(661)	(661)
Items from the Consolidated statements of cash flows:							
Share-based compensation, net of employee share purchase plan cash outflows	14	144	10	154	151	14	165
Net employee defined benefit plans expense	15	60	—	60	73	—	73
Employer contributions to employee defined benefit plans		(23)	—	(23)	(22)	—	(22)
Gain on contributions of real estate to joint ventures	7, 21	(44)	44	—	(110)	110	—
(Income) loss from equity accounted investments		(1)	—	(1)	18	—	18
Gain on purchase of long-term debt		(303)	303	—	—	—	—
Interest paid		(1,384)	—	(1,384)	(1,330)	—	(1,330)
Interest received		53	—	53	33	—	33
Other		(126)	126	—	(91)	91	—
Other working capital items		(28)	28	—	(122)	122	—
Capital expenditures (excluding acquisition from related party)	5	—	(2,566)	(2,566)	—	(2,542)	(2,542)
Capital expenditure for acquisition from related party	21, 30(c)	—	—	—	—	(93)	(93)
Related party construction credit facility repayment made concurrent with capital expenditure for acquisition from related party and similar	21, 30(c)	—	26	26	—	94	94
		5,346	(2,658)	2,688	5,205	(2,865)	2,340
Income taxes paid, net of refunds		(480)	—	(480)	(358)	—	(358)
		\$ 4,866	\$ (2,658)	\$ 2,208	\$ 4,847	\$ (2,865)	\$ 1,982

4 financial instruments

(a) Risks – overview

Our financial instruments, their accounting classification and the nature of certain risks to which they may be exposed are set out in the following table.

Financial instrument	Accounting classification	Risks				
		Credit (b)	Liquidity (c)	Market risks (g)		
				Currency (d)	Interest rate (e)	Other price (f)
Measured at amortized cost						
Accounts receivable	AC ¹	X		X		
Contract assets	AC ¹	X				
Short-term borrowings	AC ¹		X	X	X	
Accounts payable	AC ¹		X	X		
Provisions (including restructuring accounts payable)	AC ¹		X	X		X
Long-term debt	AC ¹		X	X	X	
Measured at fair value						
Cash and temporary investments	FVTPL ²	X		X	X	
Long-term investments (not subject to significant influence) ³	FVTPL/ FVOCI ³			X		X
Foreign exchange derivatives ⁴	FVTPL ²	X	X	X		
Virtual power purchase agreements ⁴	FVOCI ^{2,5}					X

- 1 For accounting recognition and measurement purposes, classified as amortized cost (AC).
- 2 For accounting recognition and measurement purposes, classified as fair value through net income (FVTPL). *Unrealized* changes in the fair values of financial instruments are included in net income unless the instrument is part of a cash flow hedging relationship. The effective portions of *unrealized* changes in the fair values of financial instruments held for hedging are included in other comprehensive income.
- 3 Long-term investments over which we do not have significant influence are measured at fair value if those fair values can be reliably measured. For accounting recognition and measurement purposes, on an investment-by-investment basis, long-term investments are classified as either fair value through net income or fair value through other comprehensive income (FVOCI).
- 4 Use of derivative financial instruments is subject to a policy which requires that no derivative transaction is to be entered into for the purpose of establishing a speculative or leveraged position (the corollary being that all derivative transactions are to be entered into

for risk management purposes only) and sets criteria for the creditworthiness of the transaction counterparties.

Derivatives that are part of an established and documented cash flow hedging relationship are accounted for as held for hedging. We believe that classification as held for hedging results in a better matching of the change in the fair value of the derivative financial instrument with the risk exposure being hedged.

For hedges of anticipated transactions, hedge gains/losses are included with the related expenditure and are expensed when the transaction is recognized in our results of operations. We have selected this method as we believe that it results in a better matching of the hedge gains/losses with the risk exposure being hedged.

Derivatives that are not part of a documented cash flow hedging relationship are accounted for as held for trading and thus are measured at fair value through net income. As at December 31, 2024, these were classified as FVTPL. We have implemented new amendments to IFRS Accounting Standards effective January 1, 2025, which newly allow for these to prospectively be classified as FVOCI, following the December 2024 issue of *Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7*, as set out in *Note 2(a)*.

5

Derivative financial instruments

We apply hedge accounting to financial instruments used to establish hedge accounting relationships for U.S. dollar-denominated transactions. We believe that our use of derivative financial instruments for hedging or arbitrage assists us in managing our financing costs and/or reducing the uncertainty associated with our financing or other business activities. Uncertainty associated with currency risk and other price risk is reduced through our use of foreign exchange derivatives that effectively swap floating rates for fixed rates and through our use of virtual power purchase agreements. When entering into derivative financial instrument contracts, we seek to align the cash flow timing of the hedging items with that of the hedged items. The effects of this risk management strategy and its application are set out in (i) following.

(b) 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 December 31 (millions)	2025	2024
Cash and temporary investments, net	\$ 2,621	\$ 869
Accounts receivable	4,383	4,319
Contract assets	731	790
Derivative assets	48	178
	\$ 7,783	\$ 6,156

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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 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 December 31 (millions)	Note	Gross	Allowance	Net ¹
2025				
Less than 30 days past billing date		\$ 1,002	\$ (23)	\$ 979
30-60 days past billing date		466	(19)	447
61-90 days past billing date		146	(21)	125
More than 90 days past billing date		206	(45)	161
Unbilled customer finance receivables		1,588	(35)	1,553
		\$ 3,408	\$ (143)	\$ 3,265
Current ²	6(b)	\$ 2,809	\$ (130)	\$ 2,679
Non-current ³	20	599	(13)	586
		\$ 3,408	\$ (143)	\$ 3,265

Customer accounts receivable, net of allowance for doubtful accounts

As at December 31 (millions)	Note	Gross	Allowance	Net ¹
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 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; doubtful accounts expense is included in the Consolidated statements of income and other comprehensive income as a part of Goods and services purchased.

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

notes to consolidated financial statements

Years ended December 31 (millions)	2025	2024
Balance, beginning of period	\$ 134	\$ 117
Additions (doubtful accounts expense)	163	173
Accounts written off ¹ less than recoveries	(161)	(160)
Other	7	4
Balance, end of period	\$ 143	\$ 134

1 For the year ended December 31, 2025, accounts that were written off but were still subject to enforcement activity totalled \$254 (2024 – \$254).

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 December 31 (millions)	Gross	Allowance	Net (Note 6(c))
2025			
<i>To be billed and thus reclassified to accounts receivable during:</i>			
The 12-month period ending one year hence	\$ 612	\$ (22)	\$ 590
The 12-month period ending two years hence	240	(9)	231
Thereafter	44	(1)	43
	\$ 896	\$ (32)	\$ 864
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 the amounts of these 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.

(c) 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));
- maintaining an in-effect shelf prospectus;
- 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(k). As at December 31, 2025, unchanged from December 31, 2024, TELUS Corporation could offer an unlimited amount of securities in Canada, and \$1.9 billion of securities in the United States, qualified pursuant to a Canadian shelf prospectus in effect until January 2029 (2024 – September 2026). We believe our investment grade credit ratings contribute to reasonable access to capital markets.

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



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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.

(d) Currency risk

Our functional currency is the Canadian dollar, but certain routine revenues and operating costs are denominated in U.S. dollars and certain inventory purchases and capital asset acquisitions are sourced internationally. The U.S. dollar is the only foreign currency to which we have significant exposure as at the statement of financial position date.

Our currency risk management includes the use of foreign currency forward contracts and currency options to fix the exchange rates on a varying percentage, typically in the range of 50% to 75%, of our domestic short-term U.S. dollar-denominated transactions and commitments, all U.S. dollar-denominated short-term securitization agreement borrowings and all U.S. dollar-denominated commercial paper. Other than in respect of U.S. dollar-denominated short-term securitization agreement borrowings and U.S. dollar-denominated commercial paper, we

As at December 31, 2025 (millions)	Non-derivative				Derivative					
	Non-interest bearing financial liabilities	Short-term borrowings ¹	Composite long-term debt		Currency swap agreement amounts to be exchanged		Currency swap agreement amounts to be exchanged ⁴		Total	
			Long-term debt, excluding leases ¹ (Note 26)	Leases ² (Note 26)	(Receive) ³	Pay	Other	(Receive)		Pay
2026	\$ 3,106	\$ 37	\$ 3,754	\$ 837	\$ (1,373)	\$ 1,356	\$ 3	\$ (845)	\$ 841	\$ 7,716
2027	108	939	2,799	739	(1,917)	1,841	3	(52)	47	4,507
2028	62	—	3,137	589	(373)	347	3	(469)	505	3,801
2029	8	—	2,519	422	(373)	347	3	—	—	2,926
2030	6	—	2,977	276	(1,332)	1,309	3	—	—	3,239
2031 - 2035	7	—	10,500	648	(4,512)	4,379	11	—	—	11,033
Thereafter	—	—	23,842	646	(3,023)	2,937	3	—	—	24,405
Total	\$ 3,297	\$ 976	\$ 49,528	\$ 4,157	\$ (12,903)	\$ 12,516	\$ 29	\$ (1,366)	\$ 1,393	\$ 57,627
										Total (Note 26(k))
						\$ 53,298				

- Cash outflows in respect of interest payments on our short-term borrowings, sustainability-linked notes, commercial paper, amounts drawn under our credit facilities (if any), other (unsecured) and junior subordinated notes have been calculated based upon the interest rates and, if applicable, foreign exchange rates, in effect as at December 31, 2025.
- As set out in Note 3, we may issue new debt to replace existing debt with different characteristics. Subsequent to December 31, 2025, as part of managing our capital structure, using a portion of cash provided from long-term debt (with different characteristics) issued for the repayment of indebtedness and for general corporate purposes in the year ended December 31, 2025, we chose to replace, and discretionarily prepay, \$732 of lease principal, which will have the effect of bringing forward lease principal payments of \$221, \$154, \$85 and \$17, from 2027, 2028, 2029 and 2030, respectively, to 2026.
- 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, 2025. The contractual amounts of hedged U.S. dollar-denominated long-term debt 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; however, the maturities and gross cash flows for the TELUS Corporation junior subordinated notes reflect the initial fixed-rate reset date.
- 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, 2025. The derivative liability hedging amounts, if any, for the contractual amounts of hedged U.S. dollar-denominated short-term borrowings are included in the currency swap pay column amounts as net cash flows are exchanged pursuant to the currency swap agreements. Gross cash flows are exchanged pursuant to European euro – U.S. dollar currency swaps and have been calculated based upon the interest rates and foreign exchange rates in effect as at December 31, 2025.

As at December 31, 2024 (millions)	Non-derivative				Derivative					
	Non-interest bearing financial liabilities	Short-term borrowings ¹	Composite long-term debt		Currency swap agreement amounts to be exchanged		Currency swap agreement amounts to be exchanged ³		Total	
			Long-term debt, excluding leases ¹	Leases	(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, sustainability-linked notes, 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 contractual amounts of hedged U.S. dollar-denominated long-term debt 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 contractual amounts of hedged U.S. dollar-denominated short-term borrowings are included in the currency swap pay column amounts as net cash flows are exchanged pursuant to the currency swap agreements.



designate only the spot element of these instruments as the hedging item, as the forward element is wholly immaterial; in respect of U.S. dollar-denominated short-term securitization agreement borrowings and U.S. dollar-denominated commercial paper, we designate the forward rate.

As discussed further in *Note 26(b)* and *Note 26(h)*, we are also, and have also been, exposed to currency risk in that the fair values or future cash flows of our U.S. Dollar Notes and our TELUS International (Cda) Inc. credit facility U.S. dollar borrowings could fluctuate because of changes in foreign exchange rates. Currency hedging relationships have been established for the related semi-annual interest payments and the principal payment at maturity in respect of the U.S. Dollar Notes; we designate only the spot element of these instruments as the hedging item, as the forward element is wholly immaterial. As the functional currency of our TELUS International (Cda) Inc. subsidiary is the U.S. dollar, changes in foreign exchange rates affecting its borrowings have been reflected as a foreign currency translation adjustment within other comprehensive income.

(e) Interest rate risk

Changes in market interest rates affect the fair values or future cash flows of temporary investments, short-term obligations, long-term debt and interest rate swap derivatives.

When we have temporary investments, they have short maturities and fixed interest rates and, as a result, their fair values will fluctuate with changes in market interest rates; absent monetization before maturity, the related future cash flows will not change due to changes in market interest rates.

We could be exposed to interest rate risk if the balance of temporary investments or short-term investments included dividend-paying equity instruments.

As short-term obligations arising from bilateral bank facilities, which typically have variable interest rates, are rarely outstanding for periods that exceed one calendar week, interest rate risk associated with this item is not material.

Borrowings arising from the arm's-length securitization trust are fixed-rate debts. Due to the short maturities of these borrowings, interest rate risk associated with this item is not material.

All of our currently outstanding long-term debt is fixed-rate debt, except commercial paper and amounts drawn on our credit facilities (*Note 26(c)-(d)*, (*h*)). The fair value of fixed-rate debt changes with market interest rates; absent early redemption and/or, if applicable, absent an increase in the interest rate for sustainability-linked notes if a sustainability performance target verification assurance certificate has not been obtained (*Note 26(b)*), the related future cash flows will not change. Due to the short

maturities of commercial paper, its fair value is not materially affected by changes in market interest rates, but the associated cash flows representing interest payments may be affected if commercial paper is rolled over.

Amounts drawn on our short-term and long-term credit facilities will be affected by changes in market interest rates in a manner similar to commercial paper.

(f) Other price risks

Virtual power purchase agreements

We have entered into virtual power purchase agreements with renewable energy projects that develop and operate solar and wind power generating facilities as part of our commitment to reduce our carbon footprint. The fair value of the forward elements of these agreements and their associated future cash flows will vary depending upon actual and estimated changes in electricity spot prices and the amount of nature-dependent electricity to be produced in the future under each agreement, referenced in the underlying cash-settled contracts for differences.

Long-term investments

We are exposed to equity price risk arising from investments classified as fair value through other comprehensive income. Such investments are held for strategic purposes rather than for trading.

(g) Market risks

Net income and other comprehensive income for the years ended December 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.

The sensitivity analysis of our exposure to currency risk 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 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.

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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, income tax expense is presented on a net basis, using the applicable statutory income tax rates for the reporting periods.

(h) 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.

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

Years ended December 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	\$ (7)	\$ (7)	\$ (49)	\$ 112	\$ (56)	\$ 105
Canadian dollar depreciates	\$ 7	\$ 7	\$ 56	\$ (112)	\$ 63	\$ (105)
10% change in US\$: € exchange rate						
U.S. dollar appreciates	\$ (38)	\$ 13	\$ (21)	\$ (72)	\$ (59)	\$ (59)
U.S. dollar depreciates	\$ 38	\$ (13)	\$ 21	\$ 72	\$ 59	\$ 59
25 basis point change in interest rates						
Interest rates increase						
Canadian interest rate	\$ (5)	\$ (6)	\$ 110	\$ 76	\$ 105	\$ 70
U.S. interest rate	\$ (3)	\$ —	\$ (98)	\$ (62)	\$ (101)	\$ (62)
Combined	\$ (8)	\$ (6)	\$ 12	\$ 14	\$ 4	\$ 8
Interest rates decrease						
Canadian interest rate	\$ 5	\$ 6	\$ (105)	\$ (79)	\$ (100)	\$ (73)
U.S. interest rate	\$ 2	\$ —	\$ 108	\$ 65	\$ 110	\$ 65
Combined	\$ 7	\$ 6	\$ 3	\$ (14)	\$ 10	\$ (8)
20 basis point change in wind discount (Note 2(a))						
Wind discount increases	\$ —	\$ (24)	\$ (24)	\$ —	\$ (24)	\$ (24)
Wind discount decreases	\$ —	\$ 24	\$ 23	\$ —	\$ 23	\$ 24
20 basis point change in solar premium (Note 2(a))						
Solar premium increases	\$ —	\$ 14	\$ 12	\$ —	\$ 12	\$ 14
Solar premium decreases	\$ —	\$ (14)	\$ (15)	\$ —	\$ (15)	\$ (14)

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.

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

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derivative financial instruments were wind discount, reflecting 76% (2024 – 76%) of the Alberta Interconnected Electrical System pool price, and solar premium, reflecting 82% (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 December 31 (\$ in millions except price or rate)										
Designation	Maximum maturity date	Notional amount	2025			2024				
			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	\$ 30	\$ —	US\$1.00: P\$59	2025	\$ 43	\$ —	US\$1.00: P\$58	
U.S. dollar-denominated transactions	HFT ⁴	—	\$ —	\$ —	—	2025	\$ 72	\$ 1	US\$1.00: C\$1.43	
U.S. dollar-denominated transactions	HFH ³	2026	\$ 134	1	US\$1.00: C\$1.35	2025	\$ 410	20	US\$1.00: C\$1.36	
U.S. dollar-denominated debt (Notes 22, 26(c))	HFH ³	2026	\$ 1,170	1	US\$1.00: C\$1.37	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(h))	HFT ^{5, 10}	2028	\$ 33	6	€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(h))	HFH ³	—	\$ —	—	—	2028	\$ 12	—	3.5%	
			\$ 8				\$ 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	\$ 4,219	\$ 40	US\$1.00: C\$1.32	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(h))	HFT ^{5, 10}	—	\$ —	—	—	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(h))	HFT ^{4, 10}	—	\$ —	—	—	2028	\$ 211	3	3.5%	
			\$ 40				\$ 113			
Current derivative liabilities²										
<i>Derivatives used to manage currency risk associated with</i>										
U.S. dollar-denominated transactions	HFT ⁴	2026	\$ 254	\$ 6	US\$1.00: P\$58	2025	\$ 129	\$ 3	US\$1.00: P\$57	
U.S. dollar-denominated transactions	HFH ³	2026	\$ 374	7	US\$1.00: C\$1.39	2025	\$ 30	—	US\$1.00: C\$1.42	
U.S. dollar-denominated debt (Notes 22, 26(c))	HFH ³	2026	\$ 733	10	US\$1.00: C\$1.39	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	0.3 TWh ⁸	7	\$32.41/MWh ⁸	2047	0.4 TWh ⁸	6	\$31.76/MWh ⁸	
			\$ 30				\$ 11			

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As at December 31 (\$ in millions except price or rate)	Designation	2025				2024			
		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)									
<i>Derivatives used to manage currency risk associated with U.S. dollar-denominated long-term debt⁶ (Note 26(c))</i>									
	HFH ³	2049	\$ 7,332	\$ 102	US\$1.00: C\$1.33	2049	\$ 3,378	\$ 86	US\$1.00: C\$1.30
<i>European euro functional currency operations purchased with U.S. dollar-denominated long-term debt⁷ (Note 26(h))</i>									
	HFT ^{5, 10}	2028	\$ 568	44	€1.00: US\$1.09	—	\$ —	—	—
<i>Derivatives used to manage other price risk associated with Purchase of electrical power</i>									
	HFH ^{3, 9}	2047	4.9 TWh ⁸	21	\$40.92/MWh ⁸	2047	6.5 TWh ⁸	32	\$40.49/MWh ⁸
				\$ 167			\$ 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:

Years ended December 31	2025	2024
Unrealized changes in virtual power purchase agreements forward element		
Included in net income, excluding income taxes (see (i))	\$ 3	\$ (231)
Included in other comprehensive income, excluding income taxes (see (i), Note 2(a))	7	—
Balance, beginning of period – asset (liability)	(38)	193
Balance, end of period – asset (liability)	\$ (28)	\$ (38)

- 2 Caption reflects line item in which 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 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 variable notional amounts of 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 December 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 \$(39) (2024 – \$(22)).

7 Prior to the hedge becoming ineffective, we had designated only the spot element as the hedging item. As at December 31, 2025, the foreign currency basis spread included in the fair value of the derivative instruments, which had been used for purposes of assessing hedge ineffectiveness, was \$NIL (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)).

10 As at December 31, 2024, these were designated as held for hedging. During the three-month period ended September 30, 2025, the hedged item was repaid (Note 26(h)), hedge accounting ceased and the derivatives were re-designated as held for trading.

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 December 31 (millions)	2025		2024	
	Carrying value	Fair value	Carrying value	Fair value
Long-term debt, excluding leases (Note 26)	\$ 27,225	\$ 27,507	\$ 25,972	\$ 25,285

(i) 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.

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Credit risk associated with such derivative instruments, as discussed further in (b), would be the primary source of hedge ineffectiveness. With the exception of the virtual power purchase agreement derivatives, there was no ineffective portion of derivative instruments classified as cash flow hedging items for the periods presented. The ineffective portion of the virtual power purchase agreements arises because they are 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)).

Years ended December 31 (millions)	Amount of gain (loss) recognized in other comprehensive income (effective portion) (Note 11)		Gain (loss) reclassified from other comprehensive income to income (effective portion) (Note 11) Amount		
	2025	2024		2025	2024
			Location		
<i>Derivatives used to manage currency risk associated with</i>					
U.S. dollar-denominated purchases	\$ (17)	\$ 34	Goods and services purchased	\$ 6	\$ 9
U.S. dollar-denominated debt ¹ Notes 22,26(b)-(c)	(125)	266	Financing costs	(289)	470
Net investment in a foreign operation ²	(57)	55	Financing costs	—	22
	(199)	355		(283)	501
<i>Derivatives used to manage other market risks</i>					
Purchase of electrical power Note 2(a)	10	—	Goods and services purchased	3	—
Other	—	6	Financing costs	—	4
	10	6		3	4
	\$ (189)	\$ 361		\$ (280)	\$ 505

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 year ended December 31, 2025, totalled \$(17) (2024 – \$(185)).

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 year ended December 31, 2025, totalled \$(2) (2024 – \$(1)).

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 classified as held for hedging and designated as being in a hedging relationship.

Years ended December 31 (millions)	Note	Gain (loss) on derivatives recognized in income	
		2025	2024
Derivatives used to manage other market risks (purchase of electrical power)	2(a)	\$ 3	\$ —

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 classified as held for trading and not designated as being in a hedging relationship.

Years ended December 31 (millions)	Note	Gain (loss) on derivatives recognized in income	
		2025	2024
Derivatives used to manage currency risk		\$ 17	\$ (6)
Unrealized changes in virtual power purchase agreements forward element	2(a)	\$ —	\$ (231)

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: digital solutions;

artificial intelligence and data solutions; trust, safety and security; and customer experience management. TELUS Corporation's acquisition of the TELUS International (Cda) Inc. non-controlling interests, as described in *Note 28(b)*, may affect our internal and external reporting processes, systems and internal controls, and thus our segmented reporting structure, in future periods.

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.

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Years ended December 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	\$ 7,080	\$ 7,099	\$ 6,035	\$ 5,989	\$ 13,115	\$ 13,088	\$ 2,036	\$ 1,768	\$ 2,861	\$ 2,732	\$ —	\$ —	\$ 18,012	\$ 17,588	
Equipment	2,051	2,256	278	284	2,329	2,540	5	11	—	—	—	—	2,334	2,551	
Revenues arising from contracts with customers	\$ 9,131	\$ 9,355	\$ 6,313	\$ 6,273	15,444	15,628	2,041	1,779	2,861	2,732	—	—	20,346	20,139	
Other income (Note 7)					147	161	12	3	1	83	—	—	160	247	
					15,591	15,789	2,053	1,782	2,862	2,815	—	—	20,506	20,386	
Intersegment					23	20	7	8	1,020	909	(1,050)	(937)	—	—	
					\$ 15,614	\$ 15,809	\$ 2,060	\$ 1,790	\$ 3,882	\$ 3,724	\$ (1,050)	\$ (937)	\$ 20,506	\$ 20,386	
EBITDA¹	\$ 6,336	\$ 6,073	\$ 322	\$ 219	\$ 343	\$ 598	\$ (79)	\$ (50)	\$ 6,922	\$ 6,840					
Restructuring and other costs included in EBITDA (Note 16)					239	361	32	71	161	61	—	—	432	493	
Adjusted EBITDA¹	\$ 6,575	\$ 6,434	\$ 354	\$ 290	\$ 504	\$ 659	\$ (79)	\$ (50)	\$ 7,354	\$ 7,333					
Capital expenditures²	\$ 2,225	\$ 2,331	\$ 243	\$ 209	\$ 171	\$ 143	\$ (73)	\$ (48)	\$ 2,566	\$ 2,635					
Adjusted EBITDA less capital expenditures¹	\$ 4,350	\$ 4,103	\$ 111	\$ 81	\$ 333	\$ 516	\$ (6)	\$ (2)	\$ 4,788	\$ 4,698					
Operating revenues – external, other income and intersegment (above)	\$ 15,614	\$ 15,809	\$ 2,060	\$ 1,790	\$ 3,882	\$ 3,724	\$ (1,050)	\$ (937)	\$ 20,506	\$ 20,386					
Goods and services purchased	7,058	7,110	759	718	801	693	(912)	(882)	7,706	7,639					
Employee benefits expense	2,220	2,626	979	853	2,738	2,433	(59)	(5)	5,878	5,907					
EBITDA (above)	6,336	6,073	322	219	343	598	(79)	(50)	6,922	6,840					
Depreciation	2,150	2,238	62	78	242	197	—	—	2,454	2,513					
Amortization of intangible assets	943	917	398	359	264	247	—	—	1,605	1,523					
Impairment of goodwill	—	—	—	—	500	—	—	—	500	—					
Operating income (loss)	\$ 3,243	\$ 2,918	\$ (138)	\$ (218)	\$ (663)	\$ 154	\$ (79)	\$ (50)	2,363	2,804					
													Financing costs	1,161	1,576
													Income before income taxes	\$ 1,202	\$ 1,228

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

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 previously 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



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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.

TELUS technology solutions capital expenditures include real estate development amounts of \$92 (2024 – \$193).

Geographical information

We attribute revenues from external customers to individual countries on the basis of the location in which the goods and/or services are provided; for the year ended December 31, 2025, we attributed approximately \$4.0 billion (2024 – \$3.7 billion) of our revenues to countries other than Canada (our country of domicile). We do not have significant amounts of property, plant and equipment located outside of Canada. As at December 31, 2025, on a historical cost basis, we had intangible assets and goodwill of approximately \$3.1 billion (2024 – \$3.2 billion) and approximately \$4.1 billion (2024 – \$4.2 billion), respectively, located outside of Canada.

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 December 31 (millions)	2025	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	\$ 2,399	\$ 2,408
During the 12-month period ending two years hence	972	976
Thereafter	127	116
	\$ 3,498	\$ 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 duration of contracts with customers does not match their contractual maturities.

(b) Accounts receivable

As at December 31 (millions)	Note	2025	2024
Customer accounts receivable		\$ 2,809	\$ 2,844
Allowance for doubtful accounts	4(b)	(130)	(119)
Billed customer accounts receivable, net of allowance for doubtful accounts		2,679	2,725
Accrued receivables – customer		658	604
Billed and unbilled customer accounts receivable, net of allowance for doubtful accounts		3,337	3,329
Accrued receivables – other		460	360
Accounts receivable – current		\$ 3,797	\$ 3,689

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(c) Contract assets

Years ended December 31 (millions)	Note	2025	2024
Balance, beginning of period		\$ 939	\$ 898
Net additions arising from operations		1,639	1,653
Amounts billed in the period and thus reclassified to accounts receivable		(1,715)	(1,614)
Change in impairment allowance, net	4(b)	(2)	1
Other		3	1
Balance, end of period ¹		\$ 864	\$ 939

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

Gross contract assets		\$ 590	\$ 614
Reclassification to contract liabilities of contracts with contract assets less than contract liabilities	24	(14)	(17)
Reclassification from contract liabilities of contracts with contract liabilities less than contract assets	24	(119)	(132)
		\$ 457	\$ 465

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

7 other income

Years ended December 31 (millions)	Note	2025	2024
Government assistance		\$ 5	\$ 5
Lease and other sublease revenue	19	56	8
Gain on contributions of real estate to joint ventures	21(a)	44	110
Investment income, gain on disposal of assets and other ¹		57	24
Interest income	21(a)	3	6
Changes in provisions related to business combinations	25	(5)	94
		\$ 160	\$ 247

¹ For the year ended December 31, 2024, includes a \$30 gain arising from the cessation of leases with the TELUS Sky real estate joint venture upon the acquisition of the commercial parcel of the TELUS Sky project (see Note 30(c)). Such gain excludes the real estate joint ventures' comprehensive income (loss) attributable to us (see Note 21(a)).

We receive government assistance, as defined by IFRS Accounting Standards, from a number of sources and, if not in respect of capital, we generally include

such amounts received in Other income. We recognize such amounts on an accrual basis as the subsidized services are provided or as the subsidized costs are incurred.

Government of Quebec

Salaries for qualifying employment positions in the province of Quebec, mainly in the information technology sector, are eligible for tax credits. In respect of such tax credits, for the year ended December 31, 2025, we recorded \$4 million (2024 – \$5 million).

8 employee benefits expense

Years ended December 31 (millions)	Note	2025	2024
Employee benefits expense – gross			
Wages and salaries		\$ 5,733	\$ 5,581
Share-based compensation ¹	14	176	195
Pensions – defined benefit	15(a)	60	73
Pensions – defined contribution	15(f)	127	122
Restructuring costs ¹	16(a)	249	305
Employee health and other benefits		271	287
		6,616	6,563

Capitalized internal labour costs, net

Contract acquisition costs	20		
Capitalized		(138)	(98)
Amortized		111	94
Contract fulfilment costs	20		
Capitalized		(28)	(32)
Amortized		10	6
Property, plant and equipment		(313)	(323)
Intangible assets subject to amortization		(380)	(303)
		(738)	(656)
		\$ 5,878	\$ 5,907

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

9 financing costs

Years ended December 31 (millions)	Note	2025	2024
Interest expense			
<i>From transactions that only involve the raising of finance</i>			
Long-term debt, excluding lease liabilities and other (secured)			
Gross		\$ 1,229	\$ 1,168
Capitalized ¹	17, 18(a)	(11)	(21)
Net		1,218	1,147
Short-term borrowings and other		75	41
Gain on purchase of long-term debt ²	26(b)	(303)	—
Long-term debt prepayment premium ³		48	—
		1,038	1,188
<i>From transactions that do not only involve the raising of finance</i>			
Long-term debt – lease liabilities	19, 26(j)	161	166
Long-term debt – other (secured)	26(i)	29	22
Employee defined benefit plans net interest	15	12	9
Accretion on provisions	25	28	29
		230	226
		1,268	1,414
Other			
Foreign exchange		(54)	(36)
Unrealized changes in virtual power purchase agreements forward element	2(a)	—	231
		1,214	1,609
Interest income		(53)	(33)
		\$ 1,161	\$ 1,576
Net interest cost	3	\$ 1,463	\$ 1,357
Interest expense on long-term debt, excluding lease liabilities and other – capitalized ¹		(11)	(21)
Gain on purchase of long-term debt		(303)	—
Employee defined benefit plans net interest		12	9
Unrealized changes in virtual power purchase agreements forward element		—	231
		\$ 1,161	\$ 1,576

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

2 The gain on purchase of long-term debt is net of a \$17 loss on the corresponding foreign exchange derivatives (cross currency interest rate swap agreements) terminated.

3 Long-term debt prepayment premium includes a \$38 effect due to a hedging relationship becoming ineffective.

10 income taxes

(a) Expense composition and rate reconciliation

Years ended December 31 (millions)	2025	2024
Current income tax expense		
For the current reporting period	\$ 603	\$ 492
Adjustments recognized in the current period for income taxes of prior periods	(107)	(37)
Pillar Two global minimum tax	1	2
	497	457
Deferred income tax expense		
Arising from the origination and reversal of temporary differences	(151)	(170)
Adjustments recognized in the current period for income taxes of prior periods	79	3
	(72)	(167)
	\$ 425	\$ 290

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

Years ended December 31 (\$ in millions)	2025		2024	
Income taxes computed at applicable statutory rates	\$ 297	24.8%	\$ 301	24.5%
Adjustments recognized in the current period for income taxes of prior periods	(28)	(2.3)	(34)	(2.8)
Pillar Two global minimum tax	1	0.1	2	0.2
Impairment of goodwill	107	8.9	—	—
(Non-taxable) non-deductible amounts, net	28	2.3	(23)	(2.0)
Withholding and other taxes	31	2.6	35	2.9
Losses not recognized	3	0.2	4	0.4
Foreign tax differential	(18)	(1.5)	(1)	(0.1)
Other	4	0.3	6	0.5
Income tax expense per Consolidated statements of income and other comprehensive income	\$ 425	35.4%	\$ 290	23.6%

The Organisation for Economic Co-operation and Development's Pillar Two model rules are intended to ensure that large multinational corporations are subject to a minimum income tax rate of 15% in every jurisdiction in which they operate. We are subject to the global minimum top-up income tax

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under Pillar Two tax legislation. The top-up income tax relates primarily to our operations in Bulgaria, where the statutory income tax rate is 10%. As at December 31, 2025, Bulgaria had enacted global minimum income tax into domestic tax legislation effective January 1, 2024. As a result, our Bulgarian subsidiary will be liable for the top-up income tax, rather than the ultimate Canadian parent company. During the year ended December 31, 2025, the Company recognized a current income tax expense of \$1 million (2024 – \$2 million) related to the Pillar Two tax.

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

(b) Temporary differences

We must make significant estimates in respect of the composition of our deferred income tax liability. Our operations are complex and the related income tax interpretations, regulations, legislation and jurisprudence are continually changing. As a result, there are usually some income tax matters in question.

Our estimates of the temporary differences comprising the net deferred income tax liability and the amounts of deferred income taxes recognized in the Consolidated statements of income and other comprehensive income and the Consolidated statements of changes in owners' equity are set out in the following table.

(millions)	Property, plant and equipment (owned) and intangible assets subject to amortization	Intangible assets with indefinite lives	Property, plant and equipment (leased), net of lease liabilities	Contract assets and liabilities	Net pension amounts	Provisions not currently deductible	Losses available to be carried forward ¹	Share-based compensation amounts and other	Net deferred income tax liability
Balance as at January 1, 2024	\$ 2,730	\$ 1,945	\$ 43	\$ 126	\$ (50)	\$ (204)	\$ (202)	\$ (36)	\$ 4,352
Deferred income tax expense recognized in									
Net income	(88)	80	(38)	42	(13)	(5)	(36)	(109)	(167)
Other comprehensive income	—	—	—	—	2	—	—	(47)	(45)
Deferred income taxes charged directly to owners' equity and other	51	—	—	—	—	(3)	(7)	32	73
Balance as at December 31, 2024	2,693	2,025	5	168	(61)	(212)	(245)	(160)	4,213
Deferred income tax expense recognized in									
Net income	(191)	116	(35)	25	(18)	65	(43)	9	(72)
Other comprehensive income	—	—	—	—	6	—	—	42	48
Deferred income taxes charged directly to owners' equity and other (Note 18(b))	41	—	—	—	—	—	(5)	(7)	29
Balance as at December 31, 2025	\$ 2,543	\$ 2,141	\$ (30)	\$ 193	\$ (73)	\$ (147)	\$ (293)	\$ (116)	\$ 4,218

¹ We expect to be able to utilize our non-capital losses before their expiry.

Temporary differences arise from the carrying value of investments in subsidiaries and partnerships exceeding their tax base, for which no deferred income tax liabilities have been recognized because the parent is able to control the timing of the reversal of the differences and it is probable that they will not reverse in the foreseeable future. In our specific instance, this is relevant to our investments in Canadian subsidiaries and Canadian partnerships. We are not required to recognize such deferred income tax liabilities, as we are in a position to control the timing and manner of the reversal of the temporary differences, which would not be expected to be exigible to income tax, and it is probable that such differences will not reverse in the foreseeable future. We are in a position to control the timing and manner of the reversal of the temporary differences in respect of our non-Canadian subsidiaries, and it is probable that such differences will not reverse in the foreseeable future.

(c) Other

We conduct research and development activities, which may be eligible to earn Investment Tax Credits. During the year ended December 31, 2025, we recorded Investment Tax Credits of \$40 million (2024 – \$51 million). Of this amount, \$31 million (2024 – \$48 million) was recorded as a reduction of property, plant and equipment and/or intangible assets and the balance was recorded as a reduction of goods and services purchased.

11 other comprehensive income

(millions)	Note	Accumulated balance, beginning of period	Year ended December 31, 2024			Accumulated balance, end of period	Year ended December 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(i)									
<i>Derivatives used to manage currency risk</i>										
			\$ 355	\$ 32			\$ (199)	\$ (4)		
			(501)	(76)			283	42		
		\$ (158)	(146)	(44)	\$ (102)	\$ (260)	84	38	\$ 46	\$ (214)
<i>Derivatives used to manage other market risks</i>										
	2(a)		6	2			10	3		
			(4)	(1)			(3)	(1)		
		(2)	2	1	1	(1)	7	2	5	4
Total		(160)	(144)	(43)	(101)	(261)	91	40	51	(210)
Cumulative foreign currency translation adjustment		36	133	—	133	169	(19)	—	(19)	150
Item never reclassified to income										
Change in measurement of investment financial assets										
			(14)	(2)			1	—		
			(10)	(2)			7	2		
		78	(24)	(4)	(20)	58	8	2	6	64
Accumulated other comprehensive income (loss)		\$ (46)	(35)	(47)	12	\$ (34)	80	42	38	\$ 4
Attributable to:										
Common Shares		\$ (44)				\$ (105)				\$ 4
Non-controlling interests		(2)				71				—
		\$ (46)				\$ (34)				\$ 4
Item never reclassified to income										
Employee defined benefit plan re-measurements	15(a)		7	2	5		22	6	16	
Other comprehensive income		\$ (28)	\$ (45)	\$ 17			\$ 102	\$ 48	\$ 54	

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.

Years ended December 31 (millions)	2025	2024
Basic total weighted average number of Common Shares outstanding	1,531	1,488
Effect of dilutive securities – Restricted share units	4	5
Diluted total weighted average number of Common Shares outstanding	1,535	1,493

For the years ended December 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 year ended December 31, 2025, 2 million (2024 – less than 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

Years ended December 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
Quarter 2 dividend	Jun. 10, 2025	0.4163	July 2, 2025	634
Quarter 3 dividend	Sept. 10, 2025	0.4163	Oct. 1, 2025	639
Quarter 4 dividend	Dec. 11, 2025	0.4184	Jan. 2, 2026	649
		\$ 1.6533		\$ 2,532

Years ended December 31
(millions except per share
amounts)

TELUS Corporation Common Share dividends	Declared		Paid to shareholders	Total
	Effective	Per share		
2024				
Quarter 1 dividend	Mar. 11, 2024	\$ 0.3761	Apr. 1, 2024	\$ 554
Quarter 2 dividend	Jun. 10, 2024	0.3891	July 2, 2024	577
Quarter 3 dividend	Sept. 10, 2024	0.3891	Oct. 1, 2024	578
Quarter 4 dividend	Dec. 11, 2024	0.4023	Jan. 2, 2025	605
		\$ 1.5566		\$ 2,314

On February 11, 2026, our Board of Directors declared a quarterly dividend of \$0.4184 per share on issued and outstanding TELUS Corporation Common Shares payable on April 1, 2026, to holders of record at the close of business on March 11, 2026. 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 March 11, 2026.

(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. During the year ended December 31, 2025, eligible shareholders who participated in the plan elected to reinvest dividends declared of \$819 million (2024 – \$655 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

General

We use restricted share units as a form of retention and incentive compensation. Each restricted share unit is nominally equal in value to one equity share and is entitled to notional dividends as if it were an issued and outstanding equity share. These notional dividends are recorded as additional issuances of restricted share units. Due to the notional dividend mechanism, the grant-date fair value of restricted share units equals the grant-date fair market value of the corresponding equity shares, other than for the restricted share units affected by the relative total shareholder return performance condition (for which a grant-date fair value is determined using a Monte Carlo simulation).

Restricted share units generally become payable when vesting is complete; TELUS Corporation restricted share units typically vest over a period of 33 months (the requisite service period) and TELUS International (Cda) Inc. restricted share units typically vested over a period of 48 months (the requisite service period). The vesting method of restricted share units, which is determined on or before the date of grant, may be either cliff or graded; the majority of TELUS Corporation restricted share units

Years ended December 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
Restricted share units	(b)	\$ 152	\$ (10)	\$ 142	\$ 164	\$ (14)	\$ 150
Employee share purchase plan	(c)	22	(22)	—	34	(34)	—
Share option awards	(d)	2	—	2	1	—	1
		\$ 176	\$ (32)	\$ 144	\$ 199	\$ (48)	\$ 151
TELUS technology solutions ²		\$ 131	\$ (23)	\$ 108	\$ 137	\$ (42)	\$ 95
TELUS health ²		17	—	17	13	—	13
TELUS digital experience ³		28	(9)	19	49	(6)	43
		\$ 176	\$ (32)	\$ 144	\$ 199	\$ (48)	\$ 151

1 Within employee benefits expense (see Note 8) for the year ended December 31, 2025, restricted share units expense of \$152 (2024 – \$160) 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 (recovery) associated with these awards was \$(1) (2024 – \$21) for the year ended December 31, 2025.

outstanding are cliff-vesting and the majority of TELUS International (Cda) Inc. restricted share units outstanding were graded-vesting.

Accounting for restricted share units, either as equity instruments or as liability instruments, is based upon the expected manner of their settlement when they are granted. Grants of TELUS Corporation restricted share units before fiscal 2019, and grants of TELUS International (Cda) Inc. restricted share units before fiscal 2021, were accounted for as liability instruments, as the associated obligations were normally expected to be cash-settled when granted.

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

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

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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 restricted share units affected by the relative total shareholder return performance condition, we estimate fair value using a Monte Carlo simulation due to their 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 outstanding TELUS Corporation non-vested restricted share units.

As at December 31	2025	2024
Restricted share units without market performance conditions		
Restricted share units with service conditions only	12,212,381	6,896,228
Notional subset affected by non-market performance conditions	1,148,939	556,308
	13,361,320	7,452,536
Restricted share units with market performance conditions		
Notional subset affected by relative total shareholder return performance condition	1,330,323	1,513,481
Number of non-vested restricted share units	14,691,643	8,966,017

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	
Outstanding, January 1, 2024			
Non-vested	6,198,319	—	\$ 28.68
Vested	—	32,521	\$ 28.97
Granted			
Initial award	4,471,168	—	\$ 23.88
In lieu of dividends	633,807	2,289	\$ 21.81
Vested	(3,207,355)	3,207,355	\$ 29.68
Settled			
In equity	—	(2,828,666)	\$ 30.05
In cash	—	(380,776)	\$ 27.18
Forfeited	(643,403)	—	\$ 26.21
Outstanding, December 31, 2024			
Non-vested	7,452,536	—	\$ 25.03
Vested	—	32,723	\$ 26.17
Granted			
Initial award	5,358,279	—	\$ 21.59
In lieu of dividends	870,210	2,606	\$ 20.99
Vested	(3,672,568)	3,672,568	\$ 23.61
Settled			
In equity	—	(3,553,739)	\$ 23.50
In cash	—	(100,639)	\$ 28.16
Forfeited	(605,692)	—	\$ 24.53
Exchange of restricted share units due to privatization of TELUS International (Cda) Inc. (Note 28(b))	3,958,555	—	\$ 20.57
Outstanding, December 31, 2025			
Non-vested	13,361,320	—	\$ 21.88
Vested	—	53,519	\$ 23.69

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 had awarded restricted share units that largely had the same features as the TELUS Corporation restricted share units. One subset of these units had a variable payout (0% – 200%) that depended upon TELUS Digital Experience financial performance (with a weighting of 50%) and the total shareholder return on 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 had a variable payout (0% – 300%) that depended 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 equalled 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 estimated the fair value using a Monte Carlo simulation due to the variable payout. Restricted share units granted in 2025 and 2024 have been 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 (such units being exchanged due to privatization, as discussed further in *Note 28(b)*).

	Number of restricted share units		Weighted average grant-date fair value
	Non-vested	Vested	
Outstanding, January 1, 2024	2,615,746	—	US\$ 21.36
Granted – initial award	19,933,019	528,234	US\$ 5.30
Vested	(1,187,336)	1,187,336	US\$ 16.85
Settled in equity	—	(1,715,570)	US\$ 12.72
Forfeited	(1,180,493)	—	US\$ 12.51
Outstanding, December 31, 2024	20,180,936	—	US\$ 6.33
Granted – initial award	9,772,565	—	US\$ 2.91
Vested	(3,964,562)	3,964,562	US\$ 7.09
Settled in equity	—	(3,957,585)	US\$ 7.10
Forfeited	(5,085,830)	(6,977)	US\$ 5.11
Exchange of restricted share units due to privatization of TELUS International (Cda) Inc. (<i>Note 28(b)</i>)	(20,903,109)	—	US\$ 4.88
Outstanding, December 31, 2025	—	—	US\$ -

(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 year ended December 31, 2025, of \$57 million (2024 – \$54 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

General

We use share option awards as a form of retention and incentive compensation. For these awards granted to officers and other employees,

we apply the fair value method of accounting. Typically share option awards have a three-year vesting period (the requisite service period). The vesting method of share option awards can be either cliff or graded, determined on or before the grant date; all TELUS Corporation share option awards granted after 2004 have been cliff-vesting.

The weighted average fair value of share option awards granted is calculated by using a Black-Scholes model (a closed-form option pricing model). The risk-free interest rate used in determining the fair value of the share option awards is based on a Government of Canada yield curve that is current at the time of grant. The expected lives of the share option awards are based on our historical share option award exercise data. Similarly, expected volatility considers the historical volatility in the price of our Common Shares in respect of TELUS Corporation share options and the average historical volatility in the prices of a peer group's shares, and in the price of TELUS International (Cda) Inc.'s subordinate voting shares, in respect of TELUS International (Cda) Inc. share options. The dividend yield is the annualized dividend current at the time of grant divided by the share option award exercise price. Dividends are not paid on unexercised share option awards and are not subject to vesting.

TELUS Corporation share option awards

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.

notes to consolidated financial statements

Year ended December 31	2025		2024	
	Number of share options	Weighted average share option price ¹	Number of share options	Weighted average share option price
Outstanding, beginning of period	1,519,501	\$ 22.45	1,778,901	\$ 22.35
Exercised ²	(45,747)	\$ 21.20	(101,700)	\$ 21.29
Forfeited	(83,600)	\$ 22.69	(157,700)	\$ 22.08
Exchange of share options due to privatization of TELUS International (Cda) Inc. (Note 28(b))	697,454	\$ 20.57	—	—
Outstanding, end of period	2,087,608	\$ 22.48	1,519,501	\$ 22.45
Exercisable, end of period	1,390,154	\$ 22.48	1,519,501	\$ 22.45

1 The weighted average remaining contractual life is 1.5 years.

2 For the year ended December 31, 2025, the weighted average price at the dates of exercise was \$22.36 (2024 – \$23.24).

TELUS International (Cda) Inc. share option awards

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 provided them with exposure to appreciation in the TELUS International (Cda) Inc. subordinate voting share price. Share option awards granted under the plan were exercisable over specific periods not to exceed ten years from the time of grant. All equity share option awards and most phantom share option awards had a variable payout (0% – 100%) that depended 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 TELUS International (Cda) Inc. share options (such share options being exchanged due to privatization, as discussed further in Note 28(b)).

Year ended December 31	2025		2024	
	Number of share options	Weighted average share option price	Number of share options	Weighted average share option price
Outstanding, beginning of period	5,352,728	US\$ 6.53	2,536,783	US\$ 10.39
Granted	—	US\$ —	2,909,788	US\$ 3.69
Forfeited	(400,676)	US\$ 12.69	(93,843)	US\$ 22.73
Exchange of share options due to privatization of TELUS International (Cda) Inc. (Note 28(b))	(4,952,052)	US\$ 6.03	—	—
Outstanding, end of period	—	US\$ —	5,352,728	US\$ 6.53
Exercisable, end of period	—	US\$ —	2,363,846	US\$ 9.32

15 employee future benefits

(a) Defined benefit pension plans – summary

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

Years ended December 31		2025			2024		
(\$ in 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		\$ —	\$ (69)		\$ —	\$ (78)	
Benefits earned for past service		—	(1)		—	(6)	
Employees' contributions		14	—		16	—	
Administrative fees		(4)	—		(5)	—	
		10	(70)	\$ (60)	11	(84)	\$ (73)
Financing costs	9						
Notional income on plan assets ² and interest on defined benefit obligations accrued		430	(385)		421	(387)	
Interest effect on asset ceiling limit		(57)	—		(43)	—	
		373	(385)	(12)	378	(387)	(9)
DEFINED BENEFIT (COST) INCLUDED IN NET INCOME³				(72)			(82)
Other comprehensive income	11						
Difference between actual results and estimated plan assumptions ⁴		163	(326)		279	(13)	
Changes in plan financial assumptions		—	251		—	11	
Changes in the effect of limiting net defined benefit plan assets to the asset ceiling		(67)	—		(270)	—	
		96	(75)	21	9	(2)	7
DEFINED BENEFIT (COST) INCLUDED IN COMPREHENSIVE INCOME³				(51)			(75)
AMOUNTS INCLUDED IN OPERATING ACTIVITIES CASH FLOWS							
Employer contributions		23	—	23	22	—	22
BENEFITS PAID BY PLANS		(506)	506	—	(510)	510	—
PLAN ACCOUNT BALANCES⁵							
Change in period		(4)	(24)	(28)	(90)	37	(53)
Balance, beginning of period		8,262	(8,452)	(190)	8,352	(8,489)	(137)
Balance, end of period		\$ 8,258	\$ (8,476)	\$ (218)	\$ 8,262	\$ (8,452)	\$ (190)

notes to consolidated financial statements

Years ended December 31		2025			2024		
(\$ in millions)	Note	Plan assets	Defined benefit obligations accrued ¹	Net	Plan assets	Defined benefit obligations accrued ¹	Net
FUNDED STATUS – PLAN SURPLUS (DEFICIT)							
Pension plans that have plan assets in excess of defined benefit obligations accrued ⁶	20	\$ 8,249	\$ (8,014)	\$ 235	\$ 7,409	\$ (7,152)	\$ 257
Pension plans that have defined benefit obligations accrued in excess of plan assets ⁷							
Funded		9	(231)	(222)	853	(1,076)	(223)
Unfunded		—	(231)	(231)	—	(224)	(224)
	27	9	(462)	(453)	853	(1,300)	(447)
		\$ 8,258	\$ (8,476)	\$ (218)	\$ 8,262	\$ (8,452)	\$ (190)
PBSR SOLVENCY POSITION⁸							
Pension plans that have plan assets in excess of defined benefit obligations accrued				\$ 2,489			\$ 2,180
Funded pension plans that have defined benefit obligations accrued in excess of plan assets				—			—
				\$ 2,489			\$ 2,180
DEFINED BENEFIT OBLIGATIONS ACCRUED OWED TO:							
Active members			\$ (1,531)		\$ (1,622)		
Deferred members			(412)		(403)		
Pensioners			(6,533)		(6,427)		
			\$ (8,476)		\$ (8,452)		

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, as 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 measurement date used to determine the plan assets and defined benefit obligations accrued was December 31.

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

7 Presented in the Consolidated statements of financial position as Other long-term liabilities.

8 The Office of the Superintendent of Financial Institutions, by way of the *Pension Benefits Standards Regulations, 1985* (PBSR) (see (e)), requires that a solvency valuation be performed on a periodic basis. The actual PBSR solvency positions are determined in conjunction with mid-year annual funding reports prepared by actuaries (see (e)); as a result, the PBSR solvency positions in this table as at December 31, 2025 and 2024, are interim estimates and updated estimates, respectively. The interim estimate as at December 31, 2024, was a net surplus of \$2,304.

Interim estimated solvency ratios as at December 31, 2025, ranged from 124% to 140% (2024 – updated estimate is 119% to 134%; interim estimate was 120% to 138%) and the estimated three-year average solvency ratios, adjusted as required by the PBSR,

ranged from 119% to 135% (2024 – updated estimate is 115% to 131%; interim estimate was 116% to 132%).

The solvency valuation effectively uses the fair value of the funded defined benefit pension plan assets, adjusted for theoretical wind-up expenses and excluding any asset ceiling limit effects, to measure the solvency valuation assets. While the defined benefit obligations accrued and the solvency valuation liabilities are calculated similarly, their assumptions differ, primarily in respect of retirement ages and discount rates. As well, the calculation of solvency valuation liabilities is required to assume that each plan is terminated on the valuation date, and thus the solvency valuation liabilities do not reflect assumptions about future compensation levels. Relative to the experience-based estimates of retirement ages used for purposes of determining the defined benefit obligations accrued, the minimum no-consent retirement age used for solvency valuation purposes may result in either a greater or lesser pension liability, depending upon the provisions of each plan. The solvency positions in this table reflect composite weighted average discount rates of 5.0% (2024 – 4.7%). A hypothetical decrease of 25 basis points in the composite weighted average discount rate would result in a \$187 decrease in the PBSR solvency position as at December 31, 2025 (2024 – \$198); these sensitivities are hypothetical, should be used with caution, are calculated without changing any other assumption and generally cannot be extrapolated because changes in amounts may not be linear.

(b) Pension plans and other defined benefit plans – overview

We have a number of defined benefit and defined contribution plans that provide pension and other retirement and post-employment benefits to most of our employees. As at December 31, 2025 and 2024, all registered defined benefit pension plans were closed to substantially all new participants and substantially all benefits had vested. The benefit plans in which our employees are participants reflect our corporate history.

TELUS Corporation Pension Plan

This contributory defined benefit pension plan covers management and professional employees in Alberta who joined us before January 1, 2001, and certain unionized employees who joined us before June 9, 2011. The plan comprises slightly more than one-half of our total defined benefit obligation accrued. The plan contains a supplemental benefit account that may provide indexation of up to 70% of the annual increase in a specified cost-of-living index. Pensionable remuneration is determined by calculating the average of the best five years of remuneration within the last ten consecutive years preceding retirement.

Pension Plan for Management and Professional Employees of TELUS Corporation

This defined benefit pension plan comprises approximately one-quarter of our total defined benefit obligation accrued and, with certain limited exceptions, ceased accepting new participants on January 1, 2006. The plan provides a non-contributory base level of pension benefits. Additionally, on a contributory basis, employees annually can choose increased and/or enhanced levels of pension benefits above the base level. At an enhanced level of pension benefits, the plan provides indexation of 100% of the annual increase in a specified cost-of-living index, to an annual maximum of 2%. Pensionable remuneration is determined by calculating the annualized average of the best 60 consecutive months of remuneration.

TELUS Québec Defined Benefit Pension Plan

This contributory defined benefit pension plan ceased accepting new participants on April 14, 2009. The plan covers any employee not governed by a collective agreement in Quebec who joined us before April 1, 2006, any non-supervisory employee governed by a collective agreement who joined us before September 6, 2006, and certain other unionized employees. The plan comprises approximately one-tenth of our total defined benefit obligation accrued. The plan has no indexation and pensionable remuneration is determined by calculating the average of the best four years of remuneration.

TELUS Edmonton Pension Plan

This contributory defined benefit pension plan ceased accepting new participants on January 1, 1998. Indexation is 60% of the annual increase in a specified cost-of-living index. Pensionable remuneration is determined by calculating the annualized average of the best 60 consecutive months of remuneration. The plan comprises less than one-tenth of our total defined benefit obligation accrued.

Other defined benefit pension plans

In addition to the foregoing plans, we have non-registered, non-contributory supplementary defined benefit pension plans, which have the effect of maintaining the pension benefit earned once the allowable maximums in the registered plans are reached. As is common with non-registered plans of this nature, they are typically funded only as benefits are paid. These plans comprise less than 5% of our total defined benefit obligation accrued.

Telecommunication Workers Pension Plan

A negotiated-cost, target-benefit union pension plan covers certain employees in British Columbia. Our contributions are determined in accordance with provisions of negotiated labour contracts, and are generally based on employee gross earnings. We are not required to guarantee the benefits or ensure the solvency of the plan, nor are we liable for other participating employers' obligations. For the years ended December 31, 2025 and 2024, our contributions comprised a significant proportion of the employer contributions to this union pension plan; similarly, our active and retired employees represented a significant proportion of the plan participants.

Defined contribution pension plans

We sponsor and primarily offer three contributory defined contribution pension plans, which are available to our non-unionized and certain of our unionized employees. For the years ended December 31, 2025 and 2024, employees could generally contribute between 3% and 10% of their pensionable earnings; generally, we match 100% of employee contributions up to 6% of their pensionable earnings. Membership in a defined contribution pension plan is generally voluntary until an employee's second-year service anniversary. When annual contributions exceed allowable maximums, excess amounts are in certain cases contributed to a non-registered supplementary defined contribution savings plan.

Other defined benefit plans

Other defined benefit plans, all of which are non-contributory and, as at December 31, 2025 and 2024, non-funded, included a healthcare plan for

retired employees and a life insurance plan, both of which ceased accepting new participants on January 1, 1997.

(c) Plan investment strategies and policies

Our primary goal for the defined benefit pension plans is to ensure the security of the retirement income and other benefits for plan members and their beneficiaries. A secondary goal is to maximize the long-term rate of return on the defined benefit plans' assets, while maintaining a level of risk that is acceptable to us.

Risk management

We prioritize absolute risk (the risk of contribution increases, inadequate plan surplus and unfunded obligations) over relative return risk. Accordingly, the defined benefit plans' designs, the nature and maturity of defined benefit obligations and the characteristics of the plans' memberships significantly influence investment strategies and policies. We manage risk by specifying allowable and prohibited investment types, setting diversification strategies and determining target asset allocations.

Allowable and prohibited investment types

Allowable and prohibited investment types, along with associated guidelines and limits, are set out in each plan's required Statement of Investment Policies and Procedures (SIP&P), which is reviewed and approved annually by the designated governing body. These SIP&P guidelines and limits are further governed by the permitted investments and lending limits set out in the *Pension Benefits Standards Regulations, 1985*. In addition to conventional investments, each fund's SIP&P may provide for the use of derivative financial instruments to facilitate investment operations and risk management, provided no short positions are taken and no SIP&P guidelines and limits are violated. Both internally and externally managed funds are prohibited from directly investing in our securities or those of our subsidiaries.

Diversification

Our investment strategy for equity securities is to be broadly diversified across individual securities, industry sectors and geographical regions. We allocate a meaningful portion (20% – 30% of total plan assets) to foreign equity securities, with the intent of further diversifying plan assets. Investments in debt securities may include a meaningful allocation of plan assets to mortgages, with the objective of enhancing cash flow and providing greater flexibility in the management of the bond component of the plan assets. Debt securities may also include real return bonds to provide inflation protection, consistent with the indexed nature of some defined benefit

obligations. Real estate investments are used to provide diversification of plan assets, hedging of potential long-term inflation and comparatively stable investment income.

Relationship between plan assets and benefit obligations

With the objective of lowering the long-term costs of our defined benefit pension plans, we intentionally mismatch plan assets and benefit obligations. This mismatching is effected by including equity investments in the long-term asset mix, as well as fixed income securities and mortgages with durations that differ from those of the benefit obligations.

As at December 31, 2025, the present value-weighted average timing of estimated cash flows for the obligations (duration) of the defined benefit pension plans was 11.8 years (2024 – 11.8 years). Compensation for liquidity issues that may otherwise have arisen from the asset-obligation mismatch is provided by broadly diversified investment holdings (including cash and short-term investments) and cash flows from dividends, interest and rents from those diversified investment holdings.

Fair value measurements

The following table presents information about the fair value measurements of our defined benefit pension plan assets, along with target asset allocations and actual asset allocations, shown in aggregate.

notes to consolidated financial statements

As at December 31 (\$ in millions)	2026	2025		2024		Fair value measurements at reporting date using				
		Target allocation of plan assets	Total	Percentage of plan assets at end of year	Total	Percentage of plan assets at end of year	Quoted prices in active markets for identical items		Other	
							2025	2024	2025	2024
Asset class										
Equity securities	25-55%		38%		37%					
Canadian		\$ 917		\$ 804		\$ 802	\$ 717	\$ 115	\$ 87	
Foreign		2,754		2,751		290	658	2,464	2,093	
Debt securities	40-75%		44%		50%					
Issued by national, provincial or local governments		2,590		2,645		2,447	2,505	143	140	
Corporate debt securities		772		1,159		—	—	772	1,159	
Asset-backed securities		22		3		—	—	22	3	
Commercial mortgages		813		911		—	—	813	911	
Cash, cash equivalents and other	0-15%		11%		4%					
Cash, cash equivalents and other		601		393		4	8	597	385	
Non-participating buy-in annuity		452		—		—	—	452	—	
Real estate	5-17%		7%		9%					
		688		823		—	—	688	823	
		9,609		9,489		\$ 3,543	\$ 3,888	\$ 6,066	\$ 5,601	
Effect of asset ceiling limit										
Beginning of year		(1,227)		(914)						
Interest effect on asset ceiling limit		(57)		(43)						
Change in the effect of limiting net defined benefit assets to the asset ceiling		(67)		(270)						
End of year		(1,351)		(1,227)						
		\$ 8,258		\$ 8,262						

As at December 31, 2025, pension benefit trusts that we administered held no TELUS Corporation Common Shares and no debt of TELUS Corporation (see (c) – *Allowable and prohibited investment types*). As at December 31, 2025 and 2024, pension benefit trusts that we administered did not lease real estate to us.

(d) Assumptions

As referred to in *Note 1(b)*, management is required to make significant estimates related to certain actuarial and economic assumptions that are used in determining defined benefit pension costs, defined benefit obligations accrued and pension plan assets. These significant estimates are long-term in nature, consistent with the nature of employee future benefits.

Demographic assumptions

In determining the defined benefit pension expense recognized in net income for the years ended December 31, 2025 and 2024, we utilized the Canadian Institute of Actuaries CPM 2014 mortality tables.

Financial assumptions

The discount rate, which is used to determine a plan's defined benefit obligations accrued, is based upon the yield on long-term, high-quality, fixed-term investments, and is set annually. We base the rate of future compensation increases on current benefits policies and economic forecasts.

notes to consolidated financial statements

The significant weighted average actuarial assumptions, derived from these estimates, that we use to determine our defined benefit obligations accrued are as follows:

	2025	2024
Mortality assumptions used to determine defined benefit obligations accrued as at December 31		
Life expectancy at 65 for a member currently at age 65 (years)	25.7	24.3
Discount rate ¹ used to determine:		
Net benefit costs for the year ended December 31	4.65%	4.65%
Defined benefit obligations accrued as at December 31	4.90%	4.65%
Current service cost in subsequent fiscal year	5.10%	4.80%
Rate of future increases in compensation used to determine:		
Net benefit costs for the year ended December 31	3.00%	3.00%
Defined benefit obligations accrued as at December 31	3.00%	3.00%

1 The discount rate disclosed in this table reflects the computation of an average discount rate that replicates the estimated timing of the obligation cash flows.

Sensitivity of key assumptions

The sensitivity of our key assumptions for our defined benefit pension plans was as follows:

Years ended, or as at, December 31	2025		2024	
Increase (decrease) (millions)	Change in obligations	Change in expenses	Change in obligations	Change in expenses
Sensitivity of key demographic assumptions to an increase of one year ¹ in life expectancy				
	\$ 214	\$ 2	\$ 242	\$ 2
Sensitivity of key financial assumptions to a decrease of 25 basis points ¹ in:				
Discount rate	\$ 244	\$ 4	\$ 250	\$ 4
Rate of future increases in compensation	\$ (18)	\$ (1)	\$ (20)	\$ (1)

1 These sensitivities are hypothetical and should be used with caution. Favourable hypothetical changes in the assumptions result in decreased amounts, and unfavourable hypothetical changes in the assumptions result in increased amounts, of obligations and expenses (both employee benefits expense and financing costs). Changes in amounts based on a variation in assumptions of one year or 25 basis points generally cannot be extrapolated because the relationship of the change in an assumption to the change in amounts may not be linear. Also, in this table, the effect of a variation in a particular assumption on the change in obligations or change in expenses is calculated without changing any other assumption; in reality, changes in one factor may result in changes in another (for example, an increase in the discount rate may result in changes in

expectations about the rate of future increases in compensation), which might magnify or counteract the sensitivities.

(e) Employer contributions

The determination of the minimum funding amounts necessary for substantially all of our registered defined benefit pension plans is governed by the *Pension Benefits Standards Act, 1985*, which requires that both going-concern and solvency valuations be performed on a specified periodic basis.

- Any excess of plan assets over plan liabilities determined in the going-concern valuation reduces our minimum funding requirement for current service costs. The going-concern valuation generally determines any excess of a plan's assets over its liabilities on a projected benefit basis.
- As of the date of these consolidated financial statements, the solvency valuation generally requires that if a plan's average solvency valuation liabilities exceed its assets (calculated as if the plan is terminated on the valuation date), the excess (if any) must be funded, at a minimum, in equal annual amounts over a period not exceeding five years. To manage the risk of overfunding the plans, which results from the solvency valuation utilizing average solvency ratios for funding purposes, our funding may include the provision of letters of credit. As at December 31, 2025 and 2024, there were no undrawn letters of credit securing certain defined benefit pension plan obligations.

Our best estimate of fiscal 2026 employer contributions to our registered defined benefit plans is \$NIL. This estimate is based upon the mid-year 2025 annual funding valuations that were prepared by actuaries using December 31, 2024, actuarial valuations. The funding reports are based on the pension plans' fiscal years, which are calendar years. The next annual funding valuations are expected to be prepared mid-year 2026.

Future benefit payments

Estimated future benefit payments from our funded and unfunded defined benefit pension plans, calculated as at December 31, 2025, are as follows:

Years ending December 31 (millions)	Funded	Unfunded	Total
2026	\$ 485	\$ 22	\$ 507
2027	489	28	517
2028	495	28	523
2029	500	29	529
2030	505	30	535
2031 - 2035	2,592	158	2,750

(f) 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:

Years ended December 31 (millions)	2025	2024
Union pension plan contributions	\$ 12	\$ 13
Other defined contribution pension plans	115	109
	\$ 127	\$ 122

We expect that our 2026 union pension plan and public service pension plan contributions will total approximately \$12 million.

(g) Other defined benefit plans

For the year ended December 31, 2025, the current service cost of our other defined benefit plans was \$11 million (2024 – \$10 million) and employee defined benefit plan re-measurements recognized in other comprehensive income were \$1 million (2024 – \$NIL). Estimated future benefit payments from our other defined benefit plans, calculated as at December 31, 2025, are \$1 million annually for the five-year period from 2026 to 2030 and \$4 million for the five-year period from 2031 to 2035.

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:

Years ended December 31 (millions)	2025	2024
Restructuring¹ (b)		
Goods and services purchased	\$ 140	\$ 178
Employee benefits expense	249	305
	389	483
Other (c)		
Goods and services purchased	43	16
Employee benefits expense	—	(6)
	43	10
Total		
Goods and services purchased	183	194
Employee benefits expense	249	299
	\$ 432	\$ 493

1 For the year ended December 31, 2025, excludes real estate rationalization-related restructuring net impairments of property, plant and equipment of \$21 (2024 – \$102), 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 combinations during the years ended December 31, 2025 and 2024. 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, have been included as a part of other costs.

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, 2024		\$ 37,154	\$ 3,830	\$ 1,842	\$ 83	\$ —	\$ 689	\$ 43,598	\$ 1,308	\$ 2,386	\$ 116	\$ 3,810	\$ 47,408
Additions ¹		881	108	56	9	—	568	1,622	725	258	32	1,015	2,637
Additions arising from business acquisitions		—	—	15	—	—	—	15	—	9	—	9	24
Assets under construction put into service		493	120	93	—	46	(752)	—	—	—	—	—	—
Transfers		248	93	45	—	—	—	386	(300)	(86)	—	(386)	—
Dispositions, retirements and other		(1,395)	(189)	(215)	(4)	—	—	(1,803)	—	(62)	(26)	(88)	(1,891)
Net foreign exchange differences		3	20	35	—	—	—	58	—	44	—	44	102
Balance as at December 31, 2024		37,384	3,982	1,871	88	46	505	43,876	1,733	2,549	122	4,404	48,280
Additions ¹		668	37	63	—	—	710	1,478	860	301	9	1,170	2,648
Additions arising from business acquisitions	18(b)	—	5	15	—	—	—	20	—	33	—	33	53
Assets under construction put into service		295	87	113	—	—	(495)	—	—	—	—	—	—
Transfers		406	—	22	—	—	—	428	(428)	—	—	(428)	—
Dispositions, retirements and other		(745)	(89)	(175)	(3)	—	—	(1,012)	(15)	(62)	(51)	(128)	(1,140)
Net foreign exchange differences		(3)	(4)	(11)	—	—	1	(17)	—	(3)	—	(3)	(20)
Balance as at December 31, 2025		\$ 38,005	\$ 4,018	\$ 1,898	\$ 85	\$ 46	\$ 721	\$ 44,773	\$ 2,150	\$ 2,818	\$ 80	\$ 5,048	\$ 49,821

notes to consolidated financial statements

(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
ACCUMULATED DEPRECIATION													
Balance as at January 1, 2024		\$ 25,254	\$ 2,404	\$ 1,226	\$ —	\$ —	\$ —	\$ 28,884	\$ 172	\$ 1,056	\$ 48	\$ 1,276	\$ 30,160
Depreciation ²		1,611	171	199	—	—	—	1,981	193	319	20	532	2,513
Transfers		89	23	28	—	—	—	140	(118)	(22)	—	(140)	—
Dispositions, retirements and other		(1,440)	(145)	(145)	—	—	—	(1,730)	—	(46)	(15)	(61)	(1,791)
Net foreign exchange differences		5	14	20	—	—	—	39	—	22	—	22	61
Balance as at December 31, 2024		25,519	2,467	1,328	—	—	—	29,314	247	1,329	53	1,629	30,943
Depreciation ²		1,546	160	177	—	1	—	1,884	256	292	22	570	2,454
Transfers		124	—	5	—	—	—	129	(129)	—	—	(129)	—
Dispositions, retirements and other		(777)	(72)	(110)	—	—	—	(959)	—	(70)	(55)	(125)	(1,084)
Net foreign exchange differences		(2)	1	(8)	—	—	—	(9)	—	14	—	14	5
Balance as at December 31, 2025		\$ 26,410	\$ 2,556	\$ 1,392	\$ —	\$ 1	\$ —	\$ 30,359	\$ 374	\$ 1,565	\$ 20	\$ 1,959	\$ 32,318
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 December 31, 2025		\$ 11,595	\$ 1,462	\$ 506	\$ 85	\$ 45	\$ 721	\$ 14,414	\$ 1,776	\$ 1,253	\$ 60	\$ 3,089	\$ 17,503

1 For the year ended December 31, 2025, additions include \$(80) (2024 – \$(2)) in respect of asset retirement obligations (see Note 25).

2 For the year ended December 31, 2025, depreciation includes \$18 (2024 – \$79) in respect of impairment of real estate right-of-use lease assets.

As at December 31, 2025, our contractual commitments for the property, plant and equipment acquisitions totalled \$184 million over a period ending December 31, 2027 (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				Total	Intangible assets with indefinite lives	Total intangible assets	Goodwill ¹	Total intangible assets and goodwill
		Customer contracts, related customer relationships and subscriber base	Software	Access to rights-of-way, crowdsourcing assets and other	Assets under construction		Spectrum licences			
AT COST										
Balance as at January 1, 2024		\$ 5,360	\$ 7,915	\$ 582	\$ 530	\$ 14,387	\$ 12,250	\$ 26,637	\$ 10,422	\$ 37,059
Additions		35	107	41	865	1,048	936	1,984	—	1,984
Additions arising from business acquisitions		191	31	5	—	227	—	227	339	566
Assets under construction put into service		—	921	—	(921)	—	—	—	—	—
Dispositions, retirements and other (including capitalized interest)	9	(3)	(331)	(32)	—	(366)	20	(346)	—	(346)
Net foreign exchange differences		159	6	26	—	191	—	191	167	358
Balance as at December 31, 2024		5,742	8,649	622	474	15,487	13,206	28,693	10,928	39,621
Additions		25	81	7	912	1,025	—	1,025	—	1,025
Additions arising from business acquisitions	(b)	286	102	2	—	390	—	390	414	804
Assets under construction put into service		19	850	—	(869)	—	—	—	—	—
Dispositions, retirements and other (including capitalized interest)	9	(83)	(282)	(33)	—	(398)	11	(387)	—	(387)
Net foreign exchange differences		(27)	(4)	(13)	—	(44)	—	(44)	(17)	(61)
Balance as at December 31, 2025		\$ 5,962	\$ 9,396	\$ 585	\$ 517	\$ 16,460	\$ 13,217	\$ 29,677	\$ 11,325	\$ 41,002
ACCUMULATED AMORTIZATION										
Balance as at January 1, 2024		\$ 1,533	\$ 5,136	\$ 247	\$ —	\$ 6,916	\$ —	\$ 6,916	\$ 364	\$ 7,280
Amortization		473	959	91	—	1,523	—	1,523	—	1,523
Dispositions, retirements and other		1	(330)	(61)	—	(390)	—	(390)	—	(390)
Net foreign exchange differences		36	5	10	—	51	—	51	—	51
Balance as at December 31, 2024		2,043	5,770	287	—	8,100	—	8,100	364	8,464
Amortization		495	1,041	69	—	1,605	—	1,605	—	1,605
Impairment	(e)	—	—	—	—	—	—	—	500	500
Dispositions, retirements and other		(44)	(276)	(35)	—	(355)	—	(355)	—	(355)
Net foreign exchange differences		9	(2)	(8)	—	(1)	—	(1)	1	—
Balance as at December 31, 2025		\$ 2,503	\$ 6,533	\$ 313	\$ —	\$ 9,349	\$ —	\$ 9,349	\$ 865	\$ 10,214
NET BOOK VALUE										
Balance as at December 31, 2024		\$ 3,699	\$ 2,879	\$ 335	\$ 474	\$ 7,387	\$ 13,206	\$ 20,593	\$ 10,564	\$ 31,157
Balance as at December 31, 2025		\$ 3,459	\$ 2,863	\$ 272	\$ 517	\$ 7,111	\$ 13,217	\$ 20,328	\$ 10,460	\$ 30,788

1 Accumulated amortization of goodwill of \$364 is amortization recorded before 2002 and an impairment of \$500 recorded in the year ended December 31, 2025, as set out in (e) following.

notes to consolidated financial statements

As at December 31, 2025, our contractual commitments for intangible asset acquisitions totalled \$70 million over a period ending December 31, 2027 (2024 – \$37 million over a period ending December 31, 2026).

The Innovation, Science and Economic Development Canada 2026 auction of residual spectrum licences occurred during January 2026. We were the successful auction participant for 103 spectrum licences with a total purchase price of \$318 million. Following the auction terms, 20% (\$64 million) is to be paid to Innovation, Science and Economic Development Canada before its due date, February 20, 2026, and the remainder on or before March 20, 2026. We may not commercially use the licences until such time as Innovation, Science and Economic Development Canada determines that we qualify as a radio communications carrier and comply with the *Canadian Ownership and Control* rules.

(b) Business acquisitions

Workplace Options

On May 1, 2025, we acquired 100% of Workplace Options, a global organization that delivers employee and family assistance programs and well-being services. The investment was made with a view to growing our employee and family assistance programs business and is consolidated within our TELUS Health segment.

The primary factor that contributed to the recognition of goodwill was the earnings capacity of the acquired business 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 business). The amount assigned to goodwill may be deductible for income tax purposes.

Individually immaterial transactions

During the year ended December 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)	Workplace Options	Individually immaterial transactions ¹	Total
Assets			
Current assets			
Cash	\$ 3	\$ 7	\$ 10
Accounts receivable	32	35	67
Other	4	6	10
	39	48	87
Non-current assets			
Property, plant and equipment			
Owned assets	9	11	20
Right-of-use lease assets	19	14	33
Intangible assets subject to amortization ²	330	60	390
Other	2	—	2
	360	85	445
Total identifiable assets acquired	399	133	532
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	46	28	74
Income and other taxes payable	10	1	11
Advance billings and customer deposits	23	—	23
Current maturities of long-term debt	96	25	121
	175	54	229
Non-current liabilities			
Long-term debt	21	9	30
Deferred income taxes	27	12	39
	48	21	69
Total liabilities assumed	223	75	298
Net identifiable assets acquired	176	58	234
Goodwill	290	124	414
Net assets acquired	\$ 466	\$ 182	\$ 648
Acquisition effected by way of:			
Cash consideration ³	\$ 453	\$ 88	\$ 541
Provisions	13	64	77
Re-measured pre-acquisition interest at acquisition-date fair value ⁴	—	11	11
Pre-existing relationship effectively settled	—	9	9
Bargain purchase gain	—	10	10
	\$ 466	\$ 182	\$ 648

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.

notes to consolidated financial statements

- 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.
- In respect of the Workplace Options acquisition, cash consideration effectively includes proceeds of \$280 (US\$200) arising from the issuance of preferred shares to a synergistic private equity investor (see *Note 26(e)*).
- Re-measurement of previously held interest in associate did not result in the recognition of an acquisition-date gain.

Pro forma disclosures

The following pro forma supplemental information represents certain results of operations as if the business acquisitions noted above had been completed at the beginning of the 2025 fiscal year.

Year ended December 31, 2025 (millions except per share amounts)	As reported ¹	Pro forma ²
Operating revenues and other income	\$ 20,506	\$ 20,713
Net income	\$ 777	\$ 745
Net income per Common Share		
Basic	\$ 0.73	\$ 0.71
Diluted	\$ 0.72	\$ 0.70

- Operating revenues and net income (loss) for the year ended December 31, 2025, include \$132 and \$(40), respectively, in respect of Workplace Options.
- Pro forma amounts for the year ended December 31, 2025, reflect the acquired businesses. The results of the acquired businesses have been included in our Consolidated statements of income and other comprehensive income effective the dates of acquisition.

The pro forma supplemental information is based on estimates and assumptions that are believed to be reasonable. The pro forma supplemental information is not necessarily indicative of our consolidated financial results in future periods or the actual results that would have been realized had the business acquisitions been completed at the beginning of the period presented. The pro forma supplemental information includes incremental property, plant and equipment depreciation, intangible asset amortization, financing and other charges as a result of the acquisitions, net of the related tax effects.

(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 year ended December 31, 2025, the preliminary acquisition-date fair values for income and other taxes receivable decreased by \$15 million and goodwill increased by \$20 million, respectively; as required by IFRS Accounting Standards, comparative

amounts have been adjusted to reflect the increase (decrease) effective the date of acquisition.

(d) Intangible assets with indefinite lives – spectrum licences

Our intangible assets with indefinite lives include spectrum licences granted by Innovation, Science and Economic Development Canada, which are used for the provision of both mobile and fixed wireless services. The spectrum licence policy terms indicate that the licences will likely be renewed. We expect our spectrum licences to be renewed every 20 years following a review of our compliance with licence terms. In addition to current usage, our licensed spectrum can be used for planned and new technologies. Based on our assessment of the combination of these significant factors, we currently consider our spectrum licences to have indefinite lives and, as referred to in *Note 1(b)*, this represents a significant judgment for us.

(e) Impairment testing of intangible assets with indefinite lives and goodwill

General

As referred to in *Note 1(f)*, we periodically test the carrying amounts of intangible assets with indefinite lives and goodwill for impairment and, as referred to in *Note 1(b)*, this test represents a significant estimate and requires significant judgments to be made. As also referred to in *Note 1(b)*, 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. and, with effect from January 1, 2025, transitioned to a new segment reporting structure as referred to in *Note 5*; concurrent with the transition to a new segment reporting structure, there was necessarily a redetermination of our cash-generating units and such redetermination, reflected in the disclosed December 2025 annual test cash-generating units used for intangible assets with indefinite lives and goodwill for impairment testing, aligned with the new segment reporting structure. The December 2024 annual test reflected the historical cash-generating unit distinction.

The carrying amounts allocated to the cash-generating units' intangible assets with indefinite lives and goodwill are as follows:

notes to consolidated financial statements

As at December 31 (millions)	2025	2024
Intangible assets with indefinite lives		
TELUS technology solutions	\$ 13,217	\$ 13,206
Goodwill		
TELUS technology solutions	7,024	7,628
TELUS health	935	—
TELUS digital experience	2,501	2,936
	10,460	10,564
	\$ 23,677	\$ 23,770

The estimates of the recoverable amounts of the cash-generating units' assets have been calculated using the fair value less costs of disposal method and are categorized as Level 3 fair value measures. There is a material degree of uncertainty with respect to the estimates of the recoverable amounts of the cash-generating units' assets, given the need to make key economic assumptions about the future.

To validate the results of our recoverable amounts calculations, we employ a market-comparable approach and an analytical review of industry facts and facts that are specific to us. The market-comparable approach uses current (at time of test) market consensus estimates and equity trading prices for U.S. and Canadian firms in the same industry. We also ensure that the combined valuation of our cash-generating units is reasonable based on our current (at time of test) market value.

Key assumptions

The fair value less costs of disposal calculation uses discounted cash flow projections that employ the following key assumptions: future cash flows and growth projections (including judgments about the allocation of future capital expenditures to support both mobile and fixed operations); associated economic risk assumptions and estimates of the likelihood of achieving key operating metrics and drivers; estimates of future generational infrastructure capital expenditures; and the future weighted average cost of capital. We consider a range of reasonably possible amounts for these key assumptions and select those that represent management's best estimates of market amounts. We regularly update these key assumptions so that they reflect current (at time of test) economic conditions, updates of historical information used to develop the key assumptions, and changes (if any) in our debt ratings.

The key assumptions for cash flow projections are based upon our approved financial forecasts, which span a period of three years and are discounted, for December 2025 annual impairment test purposes, at a consolidated post-tax notional rate of 6.2% (2024 – 6.7%) for the TELUS

technology solutions group cash-generating unit, 8.0% for the TELUS health cash-generating unit and 9.6% (2024 – 9.8%) for the TELUS digital experience cash-generating unit. These cash flow projections incorporate our established corporate targets with respect to operational net carbon neutrality, renewable energy, energy efficiency and waste reduction. For impairment testing valuations, cash flows subsequent to the three-year projection period are extrapolated, for December 2025 annual impairment test purposes, generally using perpetual growth rates of 1.95% (2024 – 1.99%) for the TELUS technology solutions group cash-generating unit, 2.5% for the TELUS health cash-generating unit and 2.5% (2024 – 3.0%) for the TELUS digital experience cash-generating unit; these growth rates do not exceed the long-term average growth rates observed in the markets in which we operate.

Test results – TELUS technology solutions cash-generating unit; TELUS health cash-generating unit

We do not believe that any *reasonably possible* changes in the key assumptions on which our calculation of the recoverable amounts of our TELUS technology solutions group cash-generating unit and TELUS health cash-generating unit are based would result in the carrying amounts of these cash-generating units (including the intangible assets with indefinite lives and goodwill allocated to the cash-generating units) exceeding their recoverable amounts.

If the future were to *adversely* differ from management's best estimates for the key assumptions and associated cash flows were materially adversely affected, we could potentially experience future material impairment charges in respect of our intangible assets with indefinite lives and goodwill.

Test results – TELUS digital experience cash-generating unit

As at June 30, 2025, relevant events and circumstances were not consistent with those prevailing at the time of the December 2024 annual test, such that it was considered appropriate to test the carrying amount of the TELUS digital experience cash-generating unit goodwill at that date. During the six-month period ended June 30, 2025, the competitive environment in which the TELUS digital experience cash-generating unit operates continued to experience prolonged macroeconomic pressures affecting the level and timing of customer demand, with commensurate impacts on our key future growth and operating metric assumptions and estimates; the June 2025 test, using an estimated recoverable amount of \$4.5 billion, resulted in a \$0.5 billion goodwill impairment. Such recoverable amount was determined based on a fair value less costs of disposal method, using a discount rate of 10.1%, a perpetual growth rate of 2.5% and cash flow projections through the end of 2029.

We do not believe that any *reasonably possible* change in the key assumptions on which our calculation of the recoverable amount of our TELUS digital experience cash-generating unit is based would result in its carrying amount of this cash-generating unit (including the goodwill allocated to the cash-generating unit) exceeding its recoverable amount.

If the future were to *adversely* differ from management's best estimates for the key assumptions and associated cash flows were materially adversely affected, we could potentially experience future material impairment charges in respect of our goodwill.

19 leases

We have the right of use of land, buildings and equipment under leases. Most of our leases for real estate that we use for office, retail or network (including mobile site) purposes typically have options to extend the lease terms, which we use to protect our investments in leasehold improvements (including mobile site equipment) and to mitigate relocation risk, and/or which reflect the importance of the underlying real estate right-of-use lease assets to our operations. Judgments about lease terms are determinative of the measurement of right-of-use lease assets and the associated lease liabilities. In respect of lease terms for leased real estate utilized in connection with our telecommunications infrastructure, more so than for any other right-of-use lease assets, our judgment routinely includes periods covered by options to extend the lease terms, as we are reasonably certain that we will choose to extend such leases.

In the normal course of operations, there are future non-executory cash outflows in respect of leases to which we are potentially exposed and which are not included in our lease liabilities as at the reporting date. A significant portion (approximately one-third) of our mobile site lease payments have consumer price index-based price adjustments and such adjustments will result in future periodic re-measurements of the lease liabilities, with commensurate adjustments to the associated real estate right-of-use lease assets (and associated future depreciation amounts); these adjustments would represent our current variable lease payments. Additionally, we routinely and necessarily commit to leases that have not yet commenced.

Innovation, Science and Economic Development Canada mandates that telecommunications companies allow, on their real estate assets owned, on their real estate right-of-use lease assets and/or on equipment they own that is situated on real estate right-of-use lease assets, competitors to co-locate telecommunications infrastructure equipment. Of our real estate

right-of-use lease assets used for situating telecommunications infrastructure equipment, less than one-fifth have co-location subleases which we, as lessor, account for as operating leases.

Maturity analyses of lease liabilities are set out in *Note 4(c)* and *Note 26(k)*; 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.

Years ended December 31 (millions)	Note	2025	2024
Income from subleasing			
right-of-use lease assets			
Co-location sublease revenue included in Operating revenues – service		\$ 27	\$ 17
Other sublease revenue included in Other income	7	\$ 7	\$ 8
Lease payments¹		\$ 907	\$ 826

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 December 31 (millions)	Note	2025	2024
Pension assets	15	\$ 235	\$ 257
Unbilled customer finance receivables	4(a)	586	630
Derivative assets	4(h)	40	113
Deferred income taxes	10	74	18
Costs incurred to obtain or fulfill contracts with customers		370	301
Investments in real estate joint ventures	21(a)	240	183
Investments in associates	21(b)	198	219
Portfolio investments ¹			
At fair value through net income		78	62
At fair value through other comprehensive income		648	594
Prepaid maintenance		38	39
Refundable security deposits and other		169	161
		\$ 2,676	\$ 2,577

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

notes to consolidated financial statements

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, 2024	\$ 476	\$ 39	\$ 515
Additions	477	34	511
Amortization	(350)	(9)	(359)
Balance as at December 31, 2024	603	64	667
Additions	531	29	560
Amortization	(433)	(11)	(444)
Balance as at December 31, 2025	\$ 701	\$ 82	\$ 783
Current	\$ 389	\$ 24	\$ 413
Non-current	312	58	370
	\$ 701	\$ 82	\$ 783

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

As at December 31 (millions)	2025	2024
ASSETS		
Current assets		
Cash and temporary investments, net	\$ 6	\$ 7
Other	2	1
	8	8
Non-current assets		
Investment property under development	466	356
Promissory notes ¹	411	320
	877	676
	\$ 885	\$ 684
LIABILITIES AND OWNERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 5	\$ 6
Non-current liabilities		
Long-term debt – mortgage	21	21
Liabilities	26	27
Owners' equity		
TELUS ²	430	329
Other partners ¹	429	328
	859	657
	\$ 885	\$ 684

1 Other partners' equity is gross of \$411 (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.

notes to consolidated financial statements

Years ended December 31 (millions)	2025	2024
Revenue ¹	\$ —	\$ (31)
Interest expense	\$ —	\$ 6
Net income (loss) and comprehensive income (loss) ²	\$ —	\$ (62)

- 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.
- 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.

Our real estate joint ventures activity

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

Years ended December 31 (millions)	Equity ¹		Loans and receivables ²
	2025	2024	
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	—	(20)	—
Valuation provision reversal	3	12	—
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)	—	—	6
Our real estate contributed	98	242	—
Deferred gains on our remaining interests in our real estate contributed	(44)	(110)	—
<i>Cash flows in the current reporting period</i>			
Construction credit facilities			
Amounts repaid	—	—	(94)
Financing costs paid to us	—	—	(6)
Funds we advanced or contributed, excluding construction credit facilities	3	13	—
Funds repaid to us and earnings distributed	(1)	(9)	—
Balance, end of period	\$ 237	\$ 178	\$ —

- 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).

- 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.
- 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 December 31, 2025, and 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 December 31, 2025, totalled \$29 million (2024 – \$44 million).

Miovision Technologies Incorporated

As at, or for the periods ended,

December 31 (\$ in millions)	2025	2024
Statement of financial position¹		
Current assets	\$ 82	\$ 88
Non-current assets	\$ 411	\$ 408
Current liabilities	\$ 74	\$ 35
Non-current liabilities	\$ 31	\$ 61
Net assets	\$ 388	\$ 400
Statement of income and other comprehensive income¹		
Revenue and other income	\$ 172	\$ 162
Net income (loss)	\$ (34)	\$ (27)
Comprehensive income (loss)	\$ (25)	\$ (27)
Reconciliation of statement of financial position summarized financial information to carrying amounts		
Net assets (above)	\$ 388	\$ 400
Our interest	43.4%	43.4%
Our interest in net assets (our carrying amounts)	\$ 169	\$ 175

- As required by IFRS Accounting Standards, this summarized financial 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 \$0.9 billion (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 December 31 (millions)	2025	2024
Trade accounts payable ¹		
Supply chain financing – arm's-length third party has paid supplier	\$ 16	\$ 84
Supply chain financing – eligible payable ²	11	2
Amounts that are part of supply chain financing	27	86
Amounts that are not part of supply chain financing	955	1,040
	982	1,126
Accrued liabilities	1,246	1,385
Payroll and other employee-related liabilities	651	710
Interest payable	389	262
Indirect taxes payable and other	226	147
	\$ 3,494	\$ 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, within and outside the supply chain financing program, and generally payment is due within one quarter.

24 advance billings and customer deposits

As at December 31 (millions)	2025	2024
Advance billings	\$ 877	\$ 820
Deferred customer activation and connection fees	3	3
Customer deposits	13	15
Contract liabilities	893	838
Other	160	201
	\$ 1,053	\$ 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:

notes to consolidated financial statements

Years ended December 31 (millions)	Note	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		667	737
Additions arising from business acquisitions	18(b)	23	22
Balance, end of period		\$ 1,161	\$ 1,102
Current		\$ 1,026	\$ 987
Non-current	27		
Deferred revenues		132	112
Deferred customer activation and connection fees		3	3
		\$ 1,161	\$ 1,102
Reconciliation of contract liabilities presented in the Consolidated statements of financial position – current			
Gross contract liabilities		\$ 1,026	\$ 987
Reclassification to contract assets of contracts with contract liabilities less than contract assets	6(c)	(119)	(132)
Reclassification from contract assets of contracts with contract assets less than contract liabilities	6(c)	(14)	(17)
		\$ 893	\$ 838

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

(millions)	Note	Asset retirement obligations ¹	Employee-related ²	Written put options and contingent consideration ³	Regulatory ²	Other ²	Total
Balance as at January 1, 2024		\$ 378	\$ 219	\$ 276	\$ 4	\$ 184	\$ 1,061
Additions		40	312	14	—	254	620
Reversals		—	(7)	(106)	—	(56)	(169)
Uses		(13)	(391)	—	—	(185)	(589)
Interest effects ⁴	9	(27)	—	14	—	—	(13)
Effects of foreign exchange, net ⁴		—	—	17	—	—	17
Balance as at December 31, 2024		378	133	215	4	197	927
Additions		13	233	41	146	196	629
Reversals		(1)	(3)	(17)	(6)	(28)	(55)
Uses		(11)	(253)	(11)	(3)	(191)	(469)
Interest effects ⁴	9	(78)	—	13	1	—	(64)
Effects of foreign exchange, net ⁴		—	—	(8)	—	1	(7)
Balance as at December 31, 2025		\$ 301	\$ 110	\$ 233	\$ 142	\$ 175	\$ 961
Current		\$ 15	\$ 105	\$ 87	\$ 41	\$ 52	\$ 300
Non-current		286	5	146	101	123	661
Balance as at December 31, 2025		\$ 301	\$ 110	\$ 233	\$ 142	\$ 175	\$ 961

- 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, Regulatory and Other are generally included in the Consolidated statements of income and other comprehensive income as Employee benefits expense, Goods and services purchased 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 re-measurement due to change in discount rates, and Effects of foreign exchange, net, are included in the Consolidated statements of income and other comprehensive income as Financing costs.

The difference of \$(92) (2024 – \$(42)) between the asset retirement obligation interest effects in this table and the amount included in *Note 9* is a result of the change in the discount rates applicable to the provision, with such difference included in the cost of the associated asset(s) by way of being included with (netted against) the additions detailed in *Note 17* and included in the Consolidated statements of financial position as Property, plant and equipment, net.

some instances, we may settle the provision for written put options using equity instruments.

Regulatory

The regulatory regime under which we operate as a telecommunications carrier in Canada sets out, among other matters, rates, terms and conditions for the provision of telecommunications services, and in turn, we may need

to record associated provisions. We cannot reasonably determine the timing of cash outflows in respect of regulatory accounts.

Other

The provisions for other include: legal claims; real estate rationalization and other non-employee-related restructuring activities; and contract termination costs and onerous contracts (including those 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(a)*, 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 in respect of 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 December 31 (millions)	Note	2025	2024
Senior unsecured			
TELUS Corporation senior notes	(b)	\$ 18,191	\$ 22,077
TELUS Corporation commercial paper	(c)	952	1,404
Other	(e)	295	—
TELUS Communications Inc. debentures	(f)	—	200
Junior unsecured			
TELUS Corporation junior subordinated notes	(g)	7,250	—
Secured			
TELUS International (Cda) Inc. credit facility	(h)	—	1,703
Other	(i)	537	588
		27,225	25,972
Lease liabilities	(j)	3,314	2,882
Long-term debt		\$ 30,539	\$ 28,854
Current		\$ 3,102	\$ 3,246
Non-current		27,437	25,608
Long-term debt		\$ 30,539	\$ 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.

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, 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.

notes to consolidated financial statements

TELUS Corporation senior note 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 ³	\$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 ⁴	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 ⁴	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% ⁵	\$750 million	\$750 million	34	Aug. 13, 2031
3.40% U.S. Dollar Sustainability-Linked Notes ⁴	February 2022	May 2032	US\$997.13	3.43% ⁵	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% ⁵	\$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% ⁵	\$500 million	\$500 million	54.5	Dec. 28, 2032
5.75% Sustainability-Linked Notes, Series CAK	September 2023	September 2033	\$997.82	5.78% ⁵	\$850 million	\$850 million	52	June 8, 2033
5.10% Sustainability-Linked Notes, Series CAN	February 2024	February 2034	\$996.44	5.15% ⁵	\$500 million	\$500 million	38.5	Nov. 15, 2033
4.40% Notes, Series CL	April 2013	April 2043	\$997.68	4.41%	\$600 million	\$129 million ⁷	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 ⁶	April 2044	\$987.91 ⁶	4.93% ⁶	\$500 million ⁶	\$900 million ⁶	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	\$60 million ⁷	60.5	July 29, 2045
4.70% Notes, Series CW	Multiple ⁸	March 2048	\$998.06 ⁸	4.71% ⁸	\$325 million ⁸	\$89 million ^{7,8}	58.5	Sept. 6, 2047
4.60% U.S. Dollar Notes ⁴	June 2018	November 2048	US\$987.60	4.68%	US\$750 million	US\$561 million ⁷	25	May 16, 2048
4.30% U.S. Dollar Notes ⁴	May 2019	June 2049	US\$990.48	4.36%	US\$500 million	US\$371 million ⁷	25	Dec. 15, 2048
3.95% Notes, Series CAB	Multiple ⁹	February 2050	\$997.54 ⁹	3.97% ⁹	\$400 million ⁹	\$73 million ^{7,9}	57.5	Aug. 16, 2049
4.10% Notes, Series CAE	April 2021	April 2051	\$994.70	4.13%	\$500 million	\$49 million ⁷	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, if 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 On December 16, 2025, we exercised our right to, and did, early redeem, on January 16, 2026, all of our 3.75% Notes, Series CV.

4 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:

notes to consolidated financial statements

TELUS Corporation senior note 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%	\$1.1 billion	\$1.2753
4.60% U.S. Dollar Notes	4.41%	\$728 million	\$1.2985
4.30% U.S. Dollar Notes	4.27%	\$498 million	\$1.3435

- 5 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, 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:

TELUS Corporation senior note 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%
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%

- 6 \$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%.

- 7 In the year ended December 31, 2025, we acquired TELUS Corporation senior notes pursuant to our June 2025 and December 2025 tender offers, as set out in the following table.

TELUS Corporation senior note series	Maturity	Tender offer principal face amount acquired (millions)		
		June 2025	Dec. 2025	Total
4.40% Notes, Series CL	April 2043	—	\$471	\$471
4.40% Notes, Series CU	Jan. 2046	\$267	\$173	\$440
4.70% Notes, Series CW	Mar. 2048	—	\$386	\$386
4.60% U.S. Dollar Notes	Nov. 2048	US\$189	—	US\$189
4.30% U.S. Dollar Notes	June 2049	US\$129	—	US\$129
3.95% Notes, Series CAB	Feb. 2050	\$695	\$32	\$727
4.10% Notes, Series CAE	April 2051	\$422	\$29	\$451

- 8 \$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%.
- 9 \$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 \$2.1 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 December 31, 2025, we had \$1.0 billion (2024 – \$1.4 billion) of commercial paper outstanding, all of which was denominated in U.S. dollars (US\$0.7 billion; 2024 – US\$1.0 billion), with an effective average interest rate of 4.8%, maturing through May 2026.

(d) TELUS Corporation credit facilities

As at December 31, 2025, TELUS Corporation had a \$2.75 billion unsecured revolving syndicated bank credit facility, expiring on August 21, 2030 (2024 – July 14, 2028), with a syndicate of financial institutions, which



is used for general corporate purposes, including the backstopping of commercial paper.

During the three-month period ended June 30, 2025, TELUS Corporation had an unsecured non-revolving \$600 million (or US\$ equivalent) bank credit facility with a financial institution that was to be used for general corporate purposes. We drew \$574 million (US\$415 million) on the credit facility during the three-month period ended June 30, 2025, all of which was repaid in the same period; in accordance with its non-revolving nature, the credit facility was subsequently terminated in June 2025.

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 December 31 (millions)	2025	2024
Net available	\$ 1,798	\$ 1,346
Backstop of commercial paper	952	1,404
Gross available revolving \$2.75 billion bank credit facility	\$ 2,750	\$ 2,750

As at December 31, 2025, we had letters of credit outstanding of \$67 million (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) Other (unsecured)

As at December 31, 2025, other (unsecured) included preferred shares issued by a wholly owned subsidiary to a private equity investor, in connection with the acquisition of Workplace Options, as set out in *Note 18(b)*, and IFRS Accounting Standards require that these financial instruments be accounted for as financial liabilities. The preferred shares were unsubordinated obligations, were senior in right of payment to all of our existing and future subordinated indebtedness, and were effectively subordinated to all existing and future obligations of, or guaranteed by, our subsidiaries.

As at December 31, 2025, \$274 million (2024 – \$NIL) of preferred shares had been issued, all of which were denominated in U.S. dollars

(US\$200 million; 2024 – US\$NIL), with a cumulative quarterly dividend (accounted for as interest) payable in cash or, at our quarterly option, through dividend reinvestment in the same series of preferred shares.

The preferred shares were redeemable, in whole but not in part, at our option and, after May 13, 2030, also at the holder's option. Change in control events, as defined in the preferred investment agreement, may also have required redemption of the preferred shares. The redemption price was generally equal to a multiple of invested capital. Any accrued and un-reinvested interest would have been included in determining the redemption amount.

Subsequent to December 31, 2025, the preferred shares were exchanged for a US\$200 million promissory note, which is senior in right of payment to all of our existing and future subordinated indebtedness, and is effectively subordinated to all existing and future obligations of, or guaranteed by, our subsidiaries.

The promissory note is redeemable, in whole but not in part, at our option and, after May 13, 2030, also at the holder's option. Change in control events, as defined in the preferred investment agreement, may also require redemption of the promissory note. The redemption price is generally equal to a multiple of invested principal. Any accrued interest would be included in determining the redemption amount.

(f) TELUS Communications Inc. debentures

The 8.80% Series B Debentures were issued in September 1995 for \$200 million at a price of \$995.10 by AGT Limited (a predecessor corporation of TELUS Communications Inc.), and were governed by a Trust Indenture dated August 24, 1994, and a supplemental trust indenture dated September 22, 1995. Interest was payable semi-annually. Before their maturity in September 2025, we could have redeemed these debentures at our option, in whole at any time, or in part from time to time, on not fewer than 30 days' prior notice. The redemption price would have been the greater of (i) the present value of the debentures discounted at the Government of Canada yield plus a 15 basis point redemption present value spread, or (ii) 100% of the principal amount. Any accrued and unpaid interest would have been paid to the redemption date.

These debentures became obligations of TELUS Communications Inc. pursuant to an amalgamation on January 1, 2001, were not secured and were governed by certain covenants, including a negative pledge and a limitation on additional debt issuance, subject to a debt to capitalization ratio and an interest coverage test. TELUS Corporation had guaranteed the payment of the debentures' principal and interest since June 12, 2009.

(g) TELUS Corporation junior subordinated notes

The notes are direct unsecured obligations, 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, only one-half of the principal is included as debt in the initial post-issuance decade.

Interest is payable semi-annually and has a fixed rate reset at the interest payment date coinciding with the cessation date of the no-call period and every five years thereafter. 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 no-call period, 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, on 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.

TELUS Corporation junior subordinated note series	Issued	Maturity	Issue price	Initial effective interest rate ¹	Principal face amount		No-call period cessation date	Rate reset minimum ²
					Originally issued	Outstanding at financial statement date		
6.25% Fixed-to-Fixed Rate, Series CAR	Multiple ³	July 2055	\$1,006.41 ³	6.09% ³	\$1.1 billion ³	\$1.5 billion ³	July 21, 2030	6.25%
6.75% Fixed-to-Fixed Rate, Series CAS	Multiple ⁴	July 2055	\$1,020.45 ⁴	6.46% ⁴	\$500 million ⁴	\$925 million ⁴	July 21, 2035	6.75%
U.S. Dollar 6.625% Fixed-to-Fixed Rate, Series A ⁵	June 2025	Oct. 2055	US\$1,000.00	6.625%	US\$700 million	US\$700 million	Oct. 15, 2030	6.625%
U.S. Dollar 7.000% Fixed-to-Fixed Rate, Series B ⁵	June 2025	Oct. 2055	US\$1,000.00	7.000%	US\$800 million	US\$800 million	Oct. 15, 2035	7.000%
U.S. Dollar 6.375% Fixed-to-Fixed Rate, Series C ⁵	Dec. 2025	June 2056	US\$1,000.00	6.375%	US\$800 million	US\$800 million	June 9, 2031	6.375%
U.S. Dollar 6.625% Fixed-to-Fixed Rate, Series D ⁵	Dec. 2025	June 2056	US\$1,000.00	6.625%	US\$700 million	US\$700 million	June 9, 2036	6.625%
5.375% Fixed-to-Fixed Rate, Series CAT	Dec. 2025	June 2056	\$1,000.00	5.375%	\$400 million	\$400 million	June 9, 2031	5.375%
5.875% Fixed-to-Fixed Rate, Series CAU	Dec. 2025	June 2056	\$1,000.00	5.875%	\$400 million	\$400 million	June 9, 2036	5.875%

- The effective interest rate represents the minimum yield the notes would provide to an initial debt holder if held to maturity.
- For the Series CAR, Series CAS, Series CAT and Series CAU Notes, the rate reset is based upon a spread to the Five Year Government of Canada Bond Yield at the rate reset date, but is subject to a rate reset minimum.
For the U.S. Dollar 6.625% Fixed-to-Fixed Rate, Series A, U.S. Dollar 7.000% Fixed-to-Fixed Rate, Series B, U.S. Dollar 6.375% Fixed-to-Fixed Rate, Series C and U.S. Dollar 6.625% Fixed-to-Fixed Rate, Series D Notes, the rate reset is based upon a spread to Five-Year U.S. Treasury Rate at the rate reset date, but is subject to a reset minimum.
- \$1.1 billion of 6.25% Fixed-to-Fixed Rate, Series CAR Notes were issued in April 2025 at an issue price of \$999.65 and an initial effective interest rate of 6.25%. This series of notes was reopened in June 2025 and a further \$375 million of notes were issued at an issue price of \$1,026.25 and an initial effective interest rate of 5.61%.
- \$500 million of 6.75% Fixed-to-Fixed Rate, Series CAS Notes were issued in April 2025 at an issue price of \$999.59 and an initial effective interest rate of 6.75%. This series of notes was reopened in June 2025 and a further \$425 million of notes were issued at an issue price of \$1,045.00 and an initial effective interest rate of 6.13%.
- We have entered into foreign exchange derivatives (cross currency interest rate exchange agreements) that, during the first no-call periods, effectively convert the principal payments and interest obligations to Canadian dollar obligations as follows:

TELUS Corporation junior subordinated note series	First no-call period interest rate fixed at	Canadian dollar equivalent principal	Exchange rate
U.S. Dollar 6.625% Fixed-to-Fixed Rate, Series A	5.79%	\$1.0 billion	\$1.3743
U.S. Dollar 7.000% Fixed-to-Fixed Rate, Series B	6.42%	\$1.1 billion	\$1.3743
U.S. Dollar 6.375% Fixed-to-Fixed Rate, Series C	5.64%	\$1.1 billion	\$1.3957
U.S. Dollar 6.625% Fixed-to-Fixed Rate, Series D	6.07%	\$1.0 billion	\$1.3955

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

As at December 31, 2024, TELUS International (Cda) Inc. had a credit facility, secured by its assets, which was to expire on January 3, 2028, with a syndicate of financial institutions, including TELUS Corporation; during the three-month period ended September 30, 2025, the credit facility was repaid. The facility was comprised of US\$800 million in revolving components and US\$1.2 billion in amortizing term loan components, with



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TELUS Corporation as approximately 7.2% lender in both components. The facility was non-recourse to TELUS Corporation.

The term loan components were subject to amortization schedules which required 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 December 31 (millions)	Revolving components	Term loan components ¹	Total
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 had entered into foreign exchange derivatives (cross currency interest rate exchange agreements) that effectively would have converted an amortizing amount of U.S. dollar-denominated 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 had been accounted for as a net investment hedge in a foreign operation (see *Note 4*). Upon repayment of the credit facility, the hedging relationships became ineffective and hedge accounting was discontinued.

(i) Other (secured)

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.

(j) 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 5.1% as at December 31, 2025.

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(k) Long-term debt maturities

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

Composite long-term debt denominated in	Canadian dollars			U.S. dollars				Other currencies		
	Long-term debt, excluding leases	Leases ¹ (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) ²	Pay			
2026	\$ 1,450	\$ 580	\$ 2,030	\$ 952	\$ 38	\$ (952)	\$ 966	\$ 1,004	\$ 60	\$ 3,094
2027	52	528	580	1,508	32	(1,507)	1,459	1,492	50	2,122
2028	1,955	416	2,371	—	33	—	—	33	40	2,444
2029	1,408	277	1,685	—	37	—	—	37	32	1,754
2030	1,655	162	1,817	274	38	(959)	962	315	20	2,152
2031 - 2035	5,262	372	5,634	1,234	32	(2,330)	2,247	1,183	61	6,878
Thereafter	6,270	499	6,769	5,389	—	(1,278)	1,227	5,338	3	12,110
Future cash outflows in respect of composite long-term debt principal repayments	18,052	2,834	20,886	9,357	210	(7,026)	6,861	9,402	266	30,554
Future cash outflows in respect of associated interest and like carrying costs ³	11,965	683	12,648	10,154	80	(5,877)	5,655	10,012	84	22,744
Undiscounted contractual maturities (Note 4(c))	\$ 30,017	\$ 3,517	\$ 33,534	\$ 19,511	\$ 290	\$ (12,903)	\$ 12,516	\$ 19,414	\$ 350	\$ 53,298

- As set out in Note 3, we may issue new debt to replace existing debt with different characteristics. Subsequent to December 31, 2025, as part of managing our capital structure, using a portion of cash provided from long-term debt (with different characteristics) issued for the repayment of indebtedness and for general corporate purposes in the year ended December 31, 2025, we chose to replace, and discretionarily prepay, \$732 of lease principal, which would have the effect of bringing forward lease principal payments of \$221, \$154, \$85 and \$17, from 2027, 2028, 2029 and 2030, respectively, to 2026.
- Where applicable, cash flows reflect foreign exchange rates as at December 31, 2025. Maturities and gross cash flows for the TELUS Corporation junior subordinated notes reflect the initial fixed rate reset date.
- Future cash outflows in respect of associated interest and like carrying costs for sustainability-linked notes, commercial paper, amounts drawn under our credit facilities (if any), other (unsecured) and junior subordinated notes have been calculated based upon the rates in effect as at December 31, 2025.

27 other long-term liabilities

As at December 31 (millions)	Note	2025	2024
Contract liabilities	24	\$ 132	\$ 112
Other		2	2
Deferred revenues		134	114
Pension benefit liabilities	15	453	447
Other post-employment benefit liabilities		98	86
Derivative liabilities	4(h)	167	118
Deferred capital expenditure government grants		66	49
Investment in real estate joint venture	21(a)	—	4
Other		34	48
		952	866
Deferred customer activation and connection fees	24	3	3
		\$ 955	\$ 869

28 owners' equity

(a) TELUS Corporation Common Share capital – general

Our authorized share capital is as follows:

As at December 31	2025	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 December 31, 2025, we had reserved for issuance from Treasury: approximately 45 million Common Shares under a dividend reinvestment and share purchase plan (see *Note 13(b)*); approximately 53 million Common Shares under restricted share unit plans (see *Note 14(b)*); and

approximately 12 million Common Shares under share option plans (see *Note 14(d)*).

(b) Subsidiaries with significant non-controlling interests

TELUS International (Cda) Inc.

As at December 31, 2025, our TELUS International (Cda) Inc. subsidiary was incorporated under the *Business Corporations Act* (British Columbia) and had 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 for the years ended December 31, 2025 and 2024.

	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				
TELUS Corporation acquisition of shares from non-controlling interests ²	43.0	2.0	7.3	0.3
Share-based compensation and other ³	(0.6)	(0.4)	(0.2)	—
Non-controlling interests conversion of multiple voting shares to subordinate voting shares	—	—	5.9	1.3
Interest in TELUS International (Cda) Inc., end of period	100.0%	57.6%	100.0%	87.0%

- 1 Our economic and voting interests differ due to the voting rights associated with the multiple voting shares held by TELUS Corporation.
- 2 Acquisition of shares from non-controlling interests resulted in a reduction in non-controlling interests of \$844 million (2024 – \$55 million), with the balance of the effects of consideration paid being allocated as set out in the *Privatization* section following.
- 3 Equity settlement of share-based compensation resulted in an increase in non-controlling interests of \$26 million (2024 – \$16 million), with the balance of consideration received credited to contributed surplus.

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The following table sets out the statement of income and other comprehensive income amounts allocated to non-controlling interests.

Years ended December 31 (millions)	2025 ¹	2024
Net income (loss)	\$ (346)	\$ (56)
Other comprehensive income	(11)	73
Comprehensive income (loss)	\$ (357)	\$ 17

¹ Amounts for the year ended December 31, 2025, reflect amounts allocated to non-controlling interests prior to privatization.

As at December 31, 2025, accumulated non-controlling interests totalled \$NIL (2024 – \$1,174 million).

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 years ended, December 31 (millions)	2025	2024
Statement of financial position¹		
Current assets		\$ 1,437
Non-current assets		\$ 5,493
Current liabilities		\$ 1,477
Non-current liabilities		\$ 2,639
Statement of income and other comprehensive income^{1,2}		
Revenue and other income	\$ 3,220	\$ 3,724
Net income (loss)	\$ (561)	\$ (84)
Comprehensive income (loss)	\$ (587)	\$ 85
Statement of cash flows^{1,2}		
Cash provided by operating activities	\$ (14)	\$ 537
Cash used by investing activities	\$ (225)	\$ (147)
Cash provided (used) by financing activities	\$ 307	\$ (321)

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

² Amounts for the year ended December 31, 2025, are prior to privatization.

Privatization

On June 12, 2025, TELUS Corporation announced that it had submitted a non-binding indication of interest to the board of directors of TELUS International (Cda) Inc. in respect of a proposed transaction pursuant to which TELUS Corporation would acquire all of the issued and outstanding subordinate voting shares and multiple voting shares of TELUS International

(Cda) Inc. not already owned by TELUS Corporation for a price per share of US\$3.40 to be paid in cash, Common Shares, or a combination of both.

Subsequent to receiving the proposal, the TELUS International (Cda) Inc. board of directors formed a special committee to review, evaluate and consider the proposal and any relevant alternatives. In addition, the special committee engaged independent legal, financial and valuation advisors.

On September 2, 2025, TELUS Corporation and TELUS International (Cda) Inc. announced that they had entered into a definitive agreement for TELUS Corporation to acquire all of the outstanding multiple voting shares and subordinate voting shares of TELUS International (Cda) Inc. not already owned by TELUS Corporation for a price per share of US\$4.50. The per share purchase price was payable by TELUS Corporation, at TELUS International (Cda) Inc. shareholders' election, in cash, Common Shares, or a combination of both. The transaction, which closed on October 31, 2025, was subject to a number of conditions customary for transactions of this nature, including shareholder, regulatory and stock exchange approvals, all of which were received, and was effected by way of a court-approved plan of arrangement under the *Business Corporations Act* (British Columbia).

The acquisition of shares from non-controlling interests is reflected in the consolidated statements of changes in owners' equity as set out in the accompanying table.

Years ended December 31 (millions)	2025	2024 ¹
Consolidated statement of changes in owners' equity effects (transactions with non-controlling interests)		
Common Share capital	\$ 43	\$ —
Contributed surplus	28	30
Accumulated other comprehensive income	60	—
Non-controlling interests	(844)	(55)
Consideration (acquisition of shares from non-controlling interests)		
Cash	(713)	(25)
Common Shares	(43)	—
	(756)	(25)
Other transaction costs² (charged to contributed surplus)	(30)	—
	\$ (786)	\$ (25)

¹ The acquisition of subordinate voting shares from non-controlling interests in the year ended December 31, 2024, was effected through the facilities of the Toronto Stock Exchange and was not in connection with the June 12, 2025, non-binding indication of interest and the related subsequent activity.

² Net of income taxes of \$1.

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Terrion

Our Terrion subsidiary was established under the *Partnership Act* (Ontario) on July 24, 2025, and its principal place of business is Canada. Terrion is a wireless tower infrastructure operator enabling wholesale access and co-location.

During the 160-day period (hereinafter referred to as “the year”) from the date of establishment of the partnership through December 31, 2025, Terrion capitalization activity included issuing equity in Terrion to a non-controlling interest. Subsequent to the capitalization activity, TELUS Corporation retained a 50.1% voting and economic interest in Terrion. TELUS has a call option, exercisable in whole but not in part, in respect of the non-controlling interest either in September 2027 (if there is a dispute among the partners) or after September 2057. The call option price is generally the greater of fair value and a multiple of invested capital.

The effects of issuing equity to a non-controlling interest is reflected in the Consolidated statements of changes in owners' equity, as set out in the accompanying table.

Year ended December 31, 2025 (millions)	Issue of equity	Other	Net
Net cash proceeds	\$ 1,261	\$ (15)	\$ 1,246
Income taxes	—	2	2
	\$ 1,261	\$ (13)	\$ 1,248
Contributed surplus			\$ 458
Non-controlling interest			790
			\$ 1,248

The following table sets out the Consolidated statements of income and other comprehensive income amounts allocated to non-controlling interests.

For the year ¹ ended December 31 (millions)	2025
Net income	\$ 9
Other comprehensive income	—
Comprehensive income	\$ 9

¹ The year ended December 31, 2025, is the 160-day period from the date of establishment, July 24, 2025, through December 31, 2025, inclusive.

As at December 31, 2025, the accumulated non-controlling interest totalled \$799 million. Partnership distributions to the non-controlling interest for the year ended December 31, 2025, were \$NIL.

Summarized financial information

Summarized financial information for Terrion is set out in the accompanying table.

As at, or for the year ¹ ended, December 31 (millions)	2025
Statement of financial position²	
Current assets	\$ 33
Non-current assets	\$ 658
Current liabilities	\$ 37
Non-current liabilities	\$ 314
Statement of income and other comprehensive income²	
Revenue and other income	\$ 54
Net income ³	\$ 18
Comprehensive income ³	\$ 18
Statement of cash flows¹	
Cash provided by operating activities	\$ 35
Cash used by investing activities ⁴	\$ (12)
Cash provided by financing activities	\$ (10)

- ¹ The year ended December 31, 2025, is the 160-day period from the date of establishment, July 24, 2025, through December 31, 2025, inclusive.
- ² As required by IFRS Accounting Standards, this summarized financial information excludes inter-company eliminations.
- ³ As Terrion is a partnership, no provision is made for income taxes in respect of the partners in determining Terrion's net income and comprehensive income.
- ⁴ Includes additions (excluding additions from leases) to property, plant and equipment of \$17 and change in associated non-cash investing working capital of \$(5).

(c) Purchase of Common Shares for cancellation pursuant to normal course issuer bid

As referred to in *Note 3*, we may purchase a portion of our Common Shares for cancellation pursuant to normal course issuer bids in order to maintain or adjust our capital structure. During the year ended December 31, 2025, we purchased a number of our Common Shares for cancellation, through the facilities of the Toronto Stock Exchange, the New York Stock Exchange and/or alternative trading platforms or otherwise as may be permitted by applicable securities laws and regulations, including privately negotiated block purchases, as set out in the following table.

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Year ended December 31
(millions)

	2025	
	Common Shares	Cost ¹
Normal course issuer bid period		
December 17, 2025 – December 16, 2026 ²	2	\$ 40

¹ Includes excise tax of \$NIL.

² On December 15, 2025, we announced that we had received approval for a normal course issuer bid to purchase and cancel up to 28 million of our Common Shares (up to a maximum of \$500) from December 17, 2025, to December 16, 2026. Additionally, we are able to enter into an automatic share purchase plan with a broker for the purpose of permitting us to purchase our Common Shares under the normal course issuer bid at times we would not otherwise be permitted to trade in our own Common Shares, including during regularly scheduled quarterly internal blackout periods. Such purchases will be determined by the broker in its sole discretion based on parameters we have established. We record a liability and charge share capital and retained earnings for purchases that may occur during such blackout periods based upon the parameters of the normal course issuer bid as at the statement of financial position date.

The excess of the purchase price over the average stated value of Common Shares purchased for cancellation is charged to retained earnings. We cease to consider the Common Shares to be outstanding on the date of our purchase of the Common Shares, although the actual cancellation of the Common Shares by the transfer agent and registrar occurs on a timely basis on a date shortly thereafter.

29 contingent liabilities

(a) 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. A summary judgment hearing has been set for February 1 to 19, 2027.

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. Court approval of the settlement of both class actions has been granted in 2025, and the notice of settlement approval and claims procedures have been disseminated.

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.

(b) Indemnification obligations

In the normal course of operations, we provide indemnification in conjunction with certain transactions. The terms of these indemnification obligations range in duration. These indemnifications would require us to compensate the indemnified parties for costs incurred as a result of failure to comply with contractual obligations, or litigation claims or statutory sanctions, or damages that may be suffered by an indemnified party. In some cases, there is no maximum limit on these indemnification obligations. The overall maximum amount of an indemnification obligation will depend on future events and conditions and therefore cannot be reasonably estimated. Where appropriate, an indemnification obligation is recorded as a liability. Other than obligations recorded as liabilities at the time of the related transactions, historically we have not made significant payments under these indemnifications. As at December 31, 2025, we had no liability recorded in respect of our indemnification obligations.

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:

Years ended December 31 (millions)	2025	2024
Short-term benefits	\$ 16	\$ 17
Post-employment pension ¹ and other benefits	7	10
Share-based compensation ²	59	43
	\$ 82	\$ 70

- 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.

Years ended December 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

Years ended December 31 (\$ in millions)	Number of units	Notional value ¹	Grant-date fair value ¹
2024			
TELUS Corporation			
Restricted share units	1,465,459	\$ 35	\$ 41
TELUS International (Cda) Inc.			
Restricted share units	1,054,899	12	12
		\$ 47	\$ 53

- 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 December 31, 2025 and 2024, no share-based compensation awards accounted for as liabilities were outstanding.

Executive Team members' 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 year ended December 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 \$12 million (2024 – \$11 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 years ended December 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*.

During the year ended December 31, 2024, we purchased the TELUS Sky project's commercial parcel for \$157 million in cash. The amount by which the purchase price exceeded the carrying value of our TELUS Sky right-of-use lease assets has been included in our property, plant and equipment additions. Inherent in the application of IFRS 16, *Leases*, combined with our accounting policy of depreciating right-of-use lease assets on a straight-line basis, the net book values of our TELUS Sky right-of-use lease assets were less than the associated lease liabilities owed to the joint venture; concurrent with our acquisition of the commercial parcel and the associated cessation of the leases upon applying consolidation accounting, we necessarily: recorded an associated gain of \$30 million, as set out in *Note 7* (such amount excludes the real estate joint ventures' comprehensive income (loss) attributable to us, as set out in *Note 21(a)*); reversed a provision for rationalization of real estate of \$37 million, as set out in *Note 16* and *Note 25*; and reversed a real estate right-of-use lease asset impairment of \$23 million, as set out in *Note 17*.

Prior to our purchase of the TELUS Sky project's commercial parcel, monthly cash payments were made in accordance with the lease agreements.

31 additional statement of cash flow information

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

Years ended December 31 (millions)	Note	2025	2024
OPERATING ACTIVITIES			
Net change in non-cash operating working capital			
<i>Current</i>			
Accounts receivable		\$ (41)	\$ (54)
Inventories		147	(145)
Contract assets		8	(20)
Costs incurred to obtain or fulfill contracts with customers	20	(47)	(69)
Prepaid maintenance and other		(8)	(12)
Unrealized change in held for trading derivatives	4(h)	(2)	24
Accounts payable and accrued liabilities		(113)	307
Income and other taxes receivable and payable, net		(39)	41
Advance billings and customer deposits	24	(9)	46
Provisions	25	35	(92)
		(69)	26
<i>Non-current</i>			
Contract assets		51	(22)
Unbilled customer finance receivables		44	7
Unrealized change in held for trading derivatives	4(h)	44	211
Costs incurred to obtain or fulfill contracts with customers	20	(69)	(83)
Prepaid maintenance		1	7
Refundable security deposits and other		(15)	(22)
Provisions	25	(110)	(131)
Contract liabilities	24, 27	20	27
Other post-employment benefit liabilities		12	10
Other long-term liabilities		(14)	(9)
		(36)	(5)
		\$ (105)	\$ 21

notes to consolidated financial statements

Years ended December 31
(millions)

	Note	2025	2024
INVESTING ACTIVITIES			
Cash payments for capital assets, excluding spectrum licences			
Capital asset additions			
Gross capital expenditures			
Property, plant and equipment	17	\$ (2,728)	\$ (2,639)
Intangible assets subject to amortization	18	(1,025)	(1,048)
		(3,753)	(3,687)
Additions arising from leases	17	1,170	1,015
Additions arising from non-monetary transactions		17	37
Capital expenditures ¹	5	(2,566)	(2,635)
Effect of asset retirement obligations		80	2
		(2,486)	(2,633)
Other non-cash items included above			
Change in associated non-cash investing working capital		51	(115)
Non-cash change in asset retirement obligation		(80)	(2)
		(29)	(117)
		\$ (2,515)	\$ (2,750)

1 Includes capital expenditures of \$17 (2024 – \$NIL) in respect of our Terrion subsidiary (see Note 28(b)).

notes to consolidated financial statements

(b) Changes in liabilities arising from financing activities

(millions)	Balance as at January 1, 2024	Year ended December 31, 2024				Balance as at December 31, 2024	Year ended December 31, 2025				Balance as at December 31, 2025
		Statement of cash flows		Non-cash changes			Statement of cash flows		Non-cash changes		
		Issued or received	Redemptions, repayments or payments	Foreign exchange movement (Note 4(i))	Other		Issued or received	Redemptions, repayments or payments	Foreign exchange movement (Note 4(i))	Other	
Dividends payable to holders of Common Shares	\$ 550	\$ —	\$ (2,259)	\$ —	\$ 2,314	\$ 605	\$ —	\$ (2,488)	\$ —	\$ 2,532	\$ 649
Dividends reinvested in shares from Treasury	—	—	697	—	(697)	—	—	860	—	(860)	—
	\$ 550	\$ —	\$ (1,562)	\$ —	\$ 1,617	\$ 605	\$ —	\$ (1,628)	\$ —	\$ 1,672	\$ 649
Purchase of Common Shares for cancellation	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (40)	\$ —	\$ 40	\$ —
Short-term borrowings	\$ 104	\$ 1,040	\$ (263)	\$ 41	\$ —	\$ 922	\$ 411	\$ (352)	\$ (61)	\$ —	\$ 920
Net-settled derivatives used to manage currency risk arising from U.S. dollar-denominated short-term borrowings – liability (asset)	—	63	(15)	(46)	—	2	29	(75)	44	—	—
	\$ 104	\$ 1,103	\$ (278)	\$ (5)	\$ —	\$ 924	\$ 440	\$ (427)	\$ (17)	\$ —	\$ 920

notes to consolidated financial statements

(millions)	Year ended December 31, 2024					Year ended December 31, 2025					
	Balance as at January 1, 2024	Statement of cash flows		Non-cash changes		Balance as at December 31, 2024	Statement of cash flows		Non-cash changes		Balance as at December 31, 2025
		Issued or received	Redemptions, repayments or payments	Foreign exchange movement (Note 4(i))	Other		Issued or received	Redemptions, repayments or payments	Foreign exchange movement (Note 4(i))	Other	
Long-term debt											
TELUS Corporation senior notes	\$ 20,301	\$ 2,500	\$ (1,100)	\$ 378	\$ (2)	\$ 22,077	\$ —	\$ (3,348)	\$ (226)	\$ (312)	\$ 18,191
TELUS Corporation commercial paper	1,021	3,601	(3,300)	82	—	1,404	3,573	(3,931)	(94)	—	952
TELUS Corporation credit facilities	1,144	—	(1,144)	—	—	—	770	(764)	(6)	—	—
Other (unsecured)	—	—	—	—	—	—	301	—	(6)	—	295
TELUS Communications Inc. debentures	200	—	—	—	—	200	—	(200)	—	—	—
TELUS Corporation junior subordinated notes	—	—	—	—	—	—	7,328	—	(16)	(62)	7,250
TELUS International (Cda) Inc. credit facility	1,781	354	(587)	152	3	1,703	801	(2,459)	(57)	12	—
Other (secured)	288	—	(70)	—	370	588	—	(168)	—	117	537
Lease liabilities	2,614	—	(661)	24	905	2,882	—	(746)	9	1,169	3,314
Derivatives used to manage currency risk arising from U.S. dollar-denominated long-term debt – liability (asset)	189	3,377	(3,333)	(499)	198	(68)	4,008	(4,023)	406	(252)	71
	27,538	9,832	(10,195)	137	1,474	28,786	16,781	(15,639)	10	672	30,610
To eliminate effect of gross settlement of derivatives used to manage currency risk arising from U.S. dollar-denominated long-term debt	—	(3,377)	3,377	—	—	—	(4,008)	4,008	—	—	—
	\$ 27,538	\$ 6,455	\$ (6,818)	\$ 137	\$ 1,474	\$ 28,786	\$ 12,773	\$ (11,631)	\$ 10	\$ 672	\$ 30,610

