CT-2022-

THE COMPETITION TRIBUNAL

IN THE MATTER OF the *Competition Act*, R.S.C. 1985, c.C-34;

AND IN THE MATTER OF the proposed acquisition by Rogers Communications Inc. of Shaw Communications Inc.; and

AND IN THE MATTER OF an Application by the Commissioner of Competition for an order pursuant to section 92 of the *Competition Act*;

AND IN THE MATTER OF an Application by the Commissioner of Competition for an interim order pursuant to section 104 of the *Competition Act*;

B E T W E E N:

COMMISSIONER OF COMPETITION

Applicant

- and -

ROGERS COMMUNICATIONS INC. AND SHAW COMMUNICATIONS INC.

Respondents

NOTICE OF APPLICATION FOR INTERIM ORDER
Volume 5

This is **Exhibit "201"** to the affidavit of Laura Sonley, affirmed remotely by Laura Sonley stated as being located in the city of Ottawa in the province of Ontario, before me at the city of Gatineau in the province of Quebec, on May 5, 2022, in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely.

Commissioner of Oaths etc.

Raha Araz Mohammad
Commissioner of Oaths etc.
Province of Ontario
LSO P15816.

Shaw)

NEWS RELEASE

Shaw Announces Second Quarter and Year-to-Date Fiscal 2021 Results

- **Shaw delivers second quarter financial performance and subscriber activity in line with expectations**
- **Reached an agreement with Rogers Communications Inc. to purchase all of Shaw's issued and outstanding Class A Shares and Class B Shares for $40.50 per share, subject to shareholder, court and regulatory approvals**
- **Share buybacks under the Company's normal course issuer bid (NCIB) program were suspended in connection with the announcement of the proposed transaction with Rogers**

Calgary, Alberta (April 14, 2021) – Shaw Communications Inc. ("Shaw" or the "Company") announces consolidated financial and operating results for the quarter ended February 28, 2021. Consolidated revenue increased by 1.8% to $1.39 billion, adjusted EBITDA[1] increased 6.2% year-over-year to $637 million and net income increased 29.9% to $217 million. Second quarter results do not include any costs or financial impacts from the proposed transaction with Rogers.

"Our country has been a leader in building and operating strong, robust networks that deliver innovative technology and services to our customers. If this past year has shown us anything, it is that we are resilient, and that strong, capable networks are not only essential to our health and well-being now, but are required to fuel economic growth and prosperity in the future. Today, we are on the cusp of a new technological era, with 5G representing limitless opportunities; however, there are significant investments required to fully capitalize on all of its potential. Under a combined Rogers and Shaw entity, we will enable the scale, assets and capabilities to accelerate unprecedented investment, to help close the connectivity gap faster in rural, remote and Indigenous communities, and to deliver new technology and more choice for consumers and businesses, more quickly than either could achieve on its own. All Canadians deserve world class connectivity," said Brad Shaw, Executive Chair & Chief Executive Officer.

Shaw and Rogers Transaction

On March 15, 2021, Shaw announced that it entered into an arrangement agreement (the "Arrangement Agreement") with Rogers Communications Inc. ("Rogers"), under which Rogers will acquire all of Shaw's issued and outstanding Class A Participating Shares ("Class A Shares") and Class B Non-Voting Participating Shares ("Class B Shares") in a transaction valued at approximately $26 billion, inclusive of approximately $6 billion of Shaw debt (the "Transaction"). Holders of Class A Shares and Class B Shares (other than the Shaw Family Living Trust, the controlling shareholder of Shaw, and related persons (collectively, the "Shaw Family Shareholders")) will receive $40.50 per share in cash. The Shaw Family Shareholders will receive 60% of the consideration for their shares in the form of Class B Non-Voting Shares of Rogers ("Rogers Shares") on the basis of the volume-weighted average trading price for the Rogers Shares for the 10 trading days ending March 12, 2021, and the balance in cash. As of March 13, 2021, when the Arrangement Agreement was signed, the value of the consideration attributable to the Class

[1] Adjusted EBITDA is a non-GAAP financial measure and should not be considered a substitute or alternative for GAAP measures. This is not a defined term under IFRS and does not have a standardized meaning, and therefore may not be a reliable way to compare us to other companies. Adjusted earnings before interest, taxes, depreciation and amortization ("adjusted EBITDA") is composed of revenue less operating, general and administrative expenses. See "Non-GAAP and additional financial measures" in the accompanying MD&A for more information about this measure, including quantitative reconciliations to the most comparable financial measure in the Company's Consolidated Financial Statements.

A Shares and Class B Shares held by the Shaw Family Shareholders (calculated using the volume-weighted average trading price for the Rogers Shares for the 10 trading days ending March 12, 2021) was equivalent to $40.50 per share.

The Transaction will be implemented by way of a court-approved plan of arrangement under the *Business Corporations Act* (Alberta). The Transaction requires the approval of two thirds of the votes cast by the holders of Shaw's Class A Shares and Class B Shares at a special shareholders meeting to be held on May 20, 2021 (the "Special Meeting"), voting separately as a class, as well as majority of the minority approval under Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("MI 61-101") of holders of the Class A Shares and Class B Shares (excluding the votes of the Shaw Family Shareholders and any other person required to be excluded for the purposes of MI 61-101), each voting separately as a class. The Shaw Family Shareholders have irrevocably agreed to vote all of their Class A Shares (representing approximately 79% of the outstanding Class A Shares) and Class B Shares (representing approximately 8% of the outstanding Class B Shares) in favour of the Transaction.

A Special Committee of independent directors of Shaw has unanimously recommended the Transaction, and Shaw's Board of Directors has unanimously (with Brad Shaw abstaining) approved the Transaction and unanimously recommends that Shaw shareholders (other than the Shaw Family Shareholders) vote to approve the Transaction. Shaw's Directors and senior management have agreed to vote all of their shares in favour of the Transaction.

The Transaction is subject to other customary closing conditions including court and stock exchange approval, as well as approvals from Canadian regulators. Rogers and Shaw intend to work cooperatively and constructively with the Competition Bureau, the Ministry of Innovation, Science and Economic Development (ISED) and the Canadian Radio-television and Telecommunications Commission (CRTC) to secure the requisite approvals. Subject to receipt of all required approvals, closing of the Transaction is expected to occur in the first half of 2022.

Under the terms of the Transaction, Rogers has the right to cause the Company to redeem its outstanding preferred shares on June 30, 2021 in accordance with their terms by providing written notice to Shaw. As of the date of this press release, Rogers has not exercised this right. The Company will continue to pay its regular monthly dividends of $0.098542 in cash per Class A Share and $0.09875 in cash per Class B Share, and its regular quarterly dividend on its preferred shares in accordance with their terms.

Further information regarding the Transaction will be contained in a management information circular that Shaw will prepare, file on SEDAR and mail to holders of its Class A Shares and Class B Shares, as of the close of business on April 6, 2021, in advance of the Special Meeting scheduled to be held on May 20, 2021. Copies of the Arrangement Agreement and voting support agreements are also available on Shaw's SEDAR profile at www.sedar.com and EDGAR profile at www.sec.gov/edgar.shtml.

Second Quarter Fiscal 2021

In the second quarter, the Company added approximately 82,300 new Wireless customers. Postpaid net additions of approximately 75,100 in the quarter include continued momentum with Shaw Mobile. Wireless service revenue growth of 8.5% is due to subscriber growth. As the Company continues to scale its lower revenue Shaw Mobile customer base, second quarter Wireless ARPU[2] decreased 4.2% from the prior year period to $36.82; however, household profitability of bundled customers increased and Internet migration to faster speed tiers continues to accelerate. Wireless postpaid churn[2] improved 32-basis points over the prior year period to 1.25%.

[2] ARPU, Wireless postpaid churn and RGUs are metrics used to measure the success of our strategic imperatives. These key performance drivers are not accounting measures and may not be comparable to similar measures presented by other issuers. See definitions and discussion under "Key Performance Drivers" in the accompanying MD&A.

In Wireline, the Company continues to focus on profitable Internet customer growth and retention, primarily through its bundling initiatives. In the quarter, Consumer RGU[2] losses of approximately 65,800 was an improvement over the first quarter of fiscal 2021, including Consumer Internet RGU losses of approximately 5,400 as more customers bundled their Internet and Wireless service together. Second quarter Wireline revenue declined 0.8% year-over-year to $1.05 billion and adjusted EBITDA increased 4.0% to $540 million, resulting in an adjusted EBITDA margin[3] of 51.2%.

Selected Financial Highlights

	Three months ended			Six months ended		
(millions of Canadian dollars except per share amounts)	**February 28, 2021**	February 29, 2020	Change %	**February 28, 2021**	February 29, 2020	Change %
Revenue	**1,387**	1,363	1.8	**2,757**	2,746	0.4
Adjusted EBITDA[(1)]	**637**	600	6.2	**1,244**	1,188	4.7
Adjusted EBITDA Margin[(1)]	**45.9%**	44.0%	4.3	**45.1%**	43.3%	4.2
Free Cash Flow[(2)]	**248**	191	29.8	**473**	374	26.5
Net income	**217**	167	29.9	**380**	329	15.5
Basic and diluted earnings per share	**0.43**	0.32		**0.74**	0.63	

(1) See "Non-GAAP and additional financial measures" in the accompanying MD&A.

(2) Free cash flow is a non-GAAP financial measure and should not be considered a substitute or alternative for GAAP measures. This is not a defined term under IFRS and does not have a standardized meaning, and therefore may not be a reliable way to compare us to other companies. Free cash flow is composed of adjusted EBITDA and then deducting capital expenditures (on an accrual basis and net of proceeds on capital dispositions) and equipment costs (net), interest, cash taxes paid or payable, interest on lease liabilities, lease payments relating to lease liabilities, dividends paid on the preferred shares, and recurring cash funding of pension amounts net of pension expense and adjusted to exclude share-based compensation expense or recovery. See "Non-GAAP and additional financial measures" in the accompanying MD&A for more information about this measure, including quantitative reconciliations to the most comparable financial measure in the Company's Consolidated Financial Statements.

In the quarter, the Company added approximately 82,300 net Wireless RGUs, consisting of approximately 75,100 postpaid additions and approximately 7,200 prepaid additions.

Wireless service revenue for the three-month period increased 8.5% to $218 million over the comparable period in fiscal 2020 due to the increased subscriber base, including significant Shaw Mobile additions in the quarter. Second quarter ARPU decreased 4.2% year-over-year to $36.82. Wireless equipment revenue for the three-month period increased 16.8% to $118 million mainly due to a higher mix of high-end device sales and lower subsidies. Second quarter Wireless adjusted EBITDA of $97 million grew 19.8% year-over-year, due to continued service revenue growth, lower acquisition related costs, and a $4 million decrease in bad debt expense, resulting in an increase in adjusted EBITDA margin to 28.9%.

Wireline RGUs declined by approximately 65,800 in the quarter compared to a loss of approximately 50,000 in the second quarter of fiscal 2020. The current quarter includes a sequential improvement in Consumer Internet RGUs with a loss of approximately 5,400 compared to a loss of 15,100 in the first quarter of fiscal 2021. The mature products within the Consumer division, including Video, Satellite and Phone declined in the aggregate by 60,400 RGUs. Through continued broadband product and distribution enhancements and Shaw Mobile bundling initiatives, the Company is focused on profitable subscriber growth and reducing household churn.

Second quarter Wireline revenue of $1.05 billion decreased 0.8% while adjusted EBITDA of $540 million increased 4.0% year-over-year. The current quarter increase in adjusted EBITDA was due primarily to proactive base management and decreased operating expenses, including lower employee related costs, partially offset by a decrease in Consumer revenue. The current quarter adjusted EBITDA benefited from

[3] Adjusted EBITDA margin is a non-GAAP ratio that is calculated by dividing adjusted EBITDA by revenue. Adjusted EBITDA margin is not a standardized measure under IFRS and may not be a reliable way to compare us to other companies. See "Non-GAAP and additional financial measures" in the accompanying MD&A for more information about this non-GAAP ratio.

an $8 million employee benefits provision release and a $2 million bad debt provision release based on claims and payment experience, respectively. Consumer revenue of $909 million decreased 1.1% compared to the prior year as growth in Internet revenue was offset by declines in Video, Satellite and Phone subscribers and revenue. Business revenue increased 0.7% to $145 million with Internet revenue growth and continued demand for the Smart suite of products, partially offset by lower video revenue primarily related to COVID-19. Shaw Business recently launched a 1.5 Gig Internet speed tier for its business customers giving businesses of all sizes the speed and bandwidth to leverage data-heavy applications and cloud services.

Capital expenditures in the second quarter of $250 million were $26 million, or 9.4%, lower than the prior year period. Wireline capital spending decreased $44 million compared to the second quarter of fiscal 2020 primarily due to a decrease in success-based capital, while Wireless spending increased by approximately $18 million year-over-year due to costs associated with spectrum deployment and investments related to our network.

Free cash flow for the quarter of $248 million compared to $191 million in the prior year period. The increase was primarily due to higher adjusted EBITDA and lower Wireline capital spending.

Net income for the second quarter of fiscal 2021 of $217 million compared to $167 million in the second quarter of fiscal 2020. The increase of $50 million was primarily due to a $37 million increase in adjusted EBITDA compared to a year ago and a $27 million fair value gain on private investments recorded in the current quarter.

Fiscal 2021 Guidance

The Company confirms that it remains on track to meet its fiscal 2021 guidance of adjusted EBITDA growth over fiscal 2020, consolidated capital investments of approximately $1.0 billion and free cash flow of approximately $800 million.

The severity and duration of impacts from the COVID-19 pandemic remain uncertain and management continues to focus on the safety of our people, most of whom continue to work from home, connectivity of our customer base, compliance with guidelines and requirements issued by various health authorities and government organizations, and continuity of other critical business operations. During the second quarter of fiscal 2021, the Company continued to experience a reduction in overall Wireline subscriber activity, an increase in wireline network usage as well as extended peak hours, increased demand for Wireless voice services, a decrease in Wireless roaming revenue, customer payments substantially in-line with historical trends, and an increase in credits provided for, as well as the reduction or cancellation of Shaw Business customer accounts.

While the financial impacts from COVID-19 in the second quarter of fiscal 2021 were not material, the situation is still uncertain in terms of its magnitude, outcome, duration, resurgence and/or subsequent waves. Consumer behavior impacts remain uncertain and could still change materially, including the potential downward migration of services, acceleration of cord-cutting and reduced ability of customers to pay their bills, all due to the challenging economic situation. Shaw Business primarily serves the small and medium sized market, which is also particularly vulnerable to the economic uncertainty in western Canada and COVID-19 related restrictions, including mandated closures, capacity restrictions, self-quarantines or further social distancing requirements.

The Company believes its business and facilities-based networks provide critical and essential services to Canadians which remained resilient throughout fiscal 2020 and will continue to be resilient in this dynamic and uncertain environment. Management continues to actively monitor the impacts to the business and make the appropriate adjustments to operating and capital expenditures to reflect the evolving environment. Considering the ongoing presence of COVID-19, the speed at which it develops and/or changes, and the continued uncertainty of the magnitude, outcome, duration, resurgence and/or subsequent waves of the pandemic or the potential efficacy and time frame for the availability and distribution of any COVID-19 vaccines, compounded by the continued economic uncertainty in western Canada, the current estimates of our operational and financial results which underlie our outlook for fiscal 2021 are subject to a significantly higher degree of uncertainty. Any estimate of the length and severity of these developments is therefore subject to uncertainty, as are our estimates of the extent to which the COVID-19 pandemic may, directly or indirectly, materially and adversely affect our operations, financial results, and condition in future periods.

The Transaction could cause the attention of management of the Company to be diverted from the day-to-day operations of the Company. These disruptions could be exacerbated by a delay in the completion of the Transaction and could have an adverse effect on the current and future business, operations, results of operations, financial condition and prospects of the Company. Because the completion of the Transaction is subject to significant uncertainty, officers and employees of the Company may experience uncertainty about their future roles with the Company, which may adversely affect the Company's ability to attract or retain key management and personnel in the period until the completion or termination of the Arrangement Agreement.

In addition, third parties with which the Company currently has business relationship or may have business relationships in the future, including industry partners, regulators, customers and suppliers, may experience uncertainty associated with the Transaction, including with respect to current or future relationships with the Company or Rogers. Such uncertainty could have a material and adverse effect on the current and future business, operations, results of operations, financial condition and prospects of the Company.

As at the end of February 28, 2021, the Company's net debt leverage ratio[4] of 2.4x was below its target leverage range of 2.5x to 3.0x. In the second quarter, Shaw repurchased 9,955,328 Class B Shares for approximately $225 million. For the six months ended February 28, 2021, the Company purchased 13,224,772 Class B Shares for cancellation for a total cost of approximately $300 million. In connection with the announcement of the proposed Transaction on March 15, 2021, the Company suspended share buybacks under its normal course issuer bid (NCIB) program.

On April 6, 2021, ISED published its list of applicants to participate in the 3500 MHz spectrum auction, which is currently scheduled to begin in June 2021. The list confirms that Shaw has elected not to participate in the auction.

Mr. Shaw concluded, "We continue to deliver our business plan in fiscal 2021 with our relentless focus on building the best networks, strong execution and on improving the customer experience. We are in the unique position to combine forces with Rogers in a truly transformational way to deliver Canadians world class connectivity, more choice and better value. By creating a robust national provider with the resources to build the next generation of wireline and wireless networks, we will improve how our country is connected for generations to come."

Shaw Communications Inc. is a leading Canadian connectivity company. The Wireline division consists of Consumer and Business services. Consumer serves residential customers with broadband Internet, Shaw Go WiFi, video and digital phone. Business provides business customers with Internet, data, WiFi, digital phone and video services. The Wireless division provides wireless voice and LTE data services.

[4] Net debt leverage ratio is a non-GAAP ratio that is calculated by dividing net debt by adjusted EBITDA. Net debt is a non-GAAP financial measure which is composed of the Company's short-term borrowings, current portion of long-term debt, current portion of lease liabilities, long-term debt, lease liabilities and 50% of outstanding preferred shares, less cash and cash equivalents. Net debt leverage ratio and net debt are not standardized measures under IFRS and may not be a reliable way to compare us to other companies. See "Non-GAAP and additional financial measures" in the accompanying MD&A for more information about this non-GAAP ratio and non-GAAP financial measure, including a quantitative reconciliation to the most comparable financial measure in the Company's Consolidated Financial Statements.

Shaw is traded on the Toronto and New York stock exchanges and is included in the S&P/TSX 60 Index (Symbol: TSX – SJR.B, SJR.PR.A, SJR.PR.B, NYSE – SJR, and TSXV – SJR.A). For more information, please visit www.shaw.ca

The accompanying MD&A forms part of this news release and the "Caution concerning forward-looking statements" applies to all the forward-looking statements made in this news release.

For more information, please contact:
Shaw Investor Relations
Investor.relations@sjrb.ca

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the three and six months ended February 28, 2021

April 14, 2021

Contents

Advisories

The following Management's Discussion and Analysis (MD&A) of Shaw Communications Inc. is dated April 14, 2021 and should be read in conjunction with the condensed interim Consolidated Financial Statements and Notes thereto for the three- and six-month periods ended February 28, 2021 and the 2020 Annual Consolidated Financial Statements, the Notes thereto and related MD&A included in the Company's 2020 Annual Report. The financial information presented herein has been prepared on the basis of International Financial Reporting Standards (IFRS) for interim financial statements and is expressed in Canadian dollars unless otherwise indicated. References to "Shaw," the "Company," "we," "us" or "our" mean Shaw Communications Inc. and its subsidiaries and consolidated entities, unless the context otherwise requires.

Caution concerning forward-looking statements

Statements included in this MD&A that are not historic constitute "forward-looking information" within the meaning of applicable securities laws. They can generally be identified by words such as "anticipate," "believe," "expect," "plan," "intend," "target," "goal" and similar expressions (although not all forward-looking statements contain such words). Forward looking statements in this MD&A may include, but are not limited to statements relating to:

- the expected impact of the continued economic uncertainty in western Canada and the COVID-19 pandemic;
- future capital expenditures;
- proposed asset acquisitions and dispositions;
- anticipated benefits of the Transaction (as defined below) to Shaw and its securityholders, including corporate, operational, scale and other synergies and the timing thereof;
- the ability to successfully integrate the businesses of Rogers and Shaw;

- the timing, receipt and conditions of required shareholder, regulatory, court, stock exchange or other third party approvals, including but not limited to the receipt of applicable approvals under the *Broadcasting Act* (Canada), the *Competition Act* (Canada) and the *Radiocommunication Act* (Canada) (collectively, the "Key Regulatory Approvals") related to the Transaction;
- the ability of the Company and Rogers to satisfy the other conditions to the closing of the Transaction and the anticipated timing for closing of the Transaction;
- Shaw's ability to redeem the preferred shares and the timing thereof;
- the expected operations and capital expenditure plans for the Company following completion of the Transaction;
- expected cost efficiencies;
- financial guidance and expectations for future performance;
- business and technology strategies and measures to implement strategies;
- the Company's equity investments, joint ventures, and partnership arrangements;
- expected growth in subscribers and the products/services to which they subscribe;
- competitive strengths and pressures;
- expected project schedules, regulatory timelines, completion/in-service dates for the Company's capital and other projects;
- the expected number of retail outlets;
- the expected impact of new accounting standards, recently adopted or expected to be adopted in the future;
- the effectiveness of any changes to the design and performance of the Company's internal controls and procedures;
- the expected impact of changes in laws, regulations, decisions by regulators or other actions by governments or regulators on the Company's business, operations and/or financial performance or the markets in which the Company operates;
- the expected impact of any emergency measures implemented by governments or regulators;
- timing of new product and service launches;
- the resiliency and performance of the Company's wireline and wireless networks;
- the deployment of: (i) network infrastructure to improve capacity and coverage and (ii) new technologies, including but not limited to next generation wireless and wireline technologies such as 5G and IPTV, respectively;
- expected changes in the Company's market share;
- the cost of acquiring and retaining subscribers and deployment of new services;
- expansion of and changes in the Company's business and operations and other goals and plans; and
- execution and success of the Company's current and long term strategic initiatives.

All of the forward-looking statements made in this MD&A are qualified by these cautionary statements.

Forward-looking statements are based on assumptions and analyses made by the Company in light of its experience and its perception of historical trends, current conditions and expected future developments as well as other factors it believes are appropriate in the circumstances as of the current date. The Company's management believes that its assumptions and analysis in this MD&A are reasonable and that the expectations reflected in the forward-looking statements contained herein are also reasonable based on the information available on the date such statements are made and the process used to prepare the information. Considering the ongoing economic uncertainty in western Canada and the uncertain and changing circumstances surrounding the COVID-19 pandemic and the related response from the Company, governments (federal, provincial and municipal), regulatory authorities, businesses and customers, there continues to be inherently more uncertainty associated with the Company's assumptions as compared to prior periods.

These assumptions, many of which are confidential, include but are not limited to management expectations with respect to:

- general economic conditions, which includes the impact on the economy and financial markets of (i) economic uncertainty in western Canada, and (ii) the COVID-19 pandemic and other health risks;
- the impact of (i) economic uncertainty in western Canada, and (ii) the COVID-19 pandemic and other health risks on the Company's business, operations, capital resources and/or financial results;
- anticipated benefits of the Transaction to the Company and its security holders;
- the timing, receipt and conditions of required shareholder, regulatory, court, stock exchange or other third-party approvals, including but not limited to the receipt of the Key Regulatory Approvals related to the Transaction;
- the ability of the Company and Rogers to satisfy the other conditions to closing of the Transaction in a timely manner and the completion of the Transaction on expected terms;
- the ability of Rogers to obtain the debt financing required to complete the Transaction through the satisfaction of the limited conditions of the debt commitment letter for the debt financing and the absence of events that would prevent Rogers from consummating the debt financing;
- the potential redemption of the preferred shares in a timely manner;
- the ability to successfully integrate the Company with Rogers in a timely manner;
- the impact of the announcement of the Transaction and the dedication of substantial Company resources to pursuing the Transaction on the Company's ability to maintain its current business relationships (including with current and prospective employees, customers and suppliers) and its current and future operations, financial condition and prospects;
- the ability to satisfy the other expectations and assumptions concerning the Transaction and the operations and capital expenditure plans for the Company following completion of the Transaction;
- future interest rates;
- previous performance being indicative of future performance;
- future income tax rates;
- future foreign exchange rates;
- technology deployment;
- future expectations and demands of our customers;
- subscriber growth;
- incremental costs associated with growth in wireless handset sales;
- pricing, usage and churn rates;
- availability and cost of programming, content, equipment, and devices;
- industry structure, conditions and stability;
- regulation, legislation or other actions by governments or regulators (and the impact or projected impact on the Company's business);
- the implementation of any emergency measures by governments or regulators (and the impact or projected impact on the Company's business, operations, and/or financial results);
- access to key suppliers and third-party service providers and their goods and services required to execute on the Company's current and long-term strategic initiatives on commercially reasonable terms;
- key suppliers performing their obligations within the expected timelines;
- retention of key employees;
- the Company being able to successfully deploy (i) network infrastructure required to improve capacity and coverage, and (ii) new technologies, including but not limited to next generation wireless and wireline technologies such as 5G and IPTV, respectively;
- the sustainability of results and objectives and cost reductions achieved through the Total Business Transformation (TBT) initiative and Voluntary Departure Program (VDP);
- operating expenses and capital cost estimates associated with the implementation of enhanced health and safety measures for the Company's offices, retail stores and employees to reduce the spread of COVID-19;
- the Company's access to sufficient retail distribution channels;

- the Company's access to the spectrum resources required to execute on its current and long-term strategic initiatives; and
- the Company being able to execute on its current and long term strategic initiatives.

You should not place undue reliance on any forward-looking statements. Many risk factors, including those not within the Company's control, may cause the Company's actual results to be materially different from the views expressed or implied by such forward-looking statements, including but not limited to:

- changes in general economic, market and business conditions including the impact of (i) economic uncertainty in western Canada, and (ii) the COVID-19 pandemic and other health risks, on the economy and financial markets which may have a material adverse effect on the Company's business, operations, capital resources and/or financial results;
- increased operating expenses and capital costs associated with the implementation of enhanced health and safety measures for the Company's offices, retail stores and employees in response to the COVID-19 pandemic;
- the failure of the Company and Rogers to receive, in a timely manner and on satisfactory terms, the necessary shareholder, regulatory, court, stock exchange and other third-party approvals, including but not limited to the Key Regulatory Approvals required to close the Transaction;
- the ability to satisfy, in a timely manner, the other conditions to the closing of the Transaction;
- the ability to complete the Transaction on the terms contemplated by the arrangement agreement (the "Arrangement Agreement") between the Company and Rogers;
- the ability to successfully integrate the Company with Rogers in a timely manner;
- the ability of Rogers to obtain the debt financing required to complete the Transaction through the satisfaction of the limited conditions of the debt commitment letter for the debt financing and the absence of events that would prevent Rogers from consummating the debt financing;
- the Company's failure to complete the Transaction for any reason could materially negatively impact the trading price of the Company's securities;
- the announcement of the Transaction and the dedication of substantial Company resources to pursuing the Transaction may adversely impact the Company's current business relationships (including with current and prospective employees, customers and suppliers) and its current and future operations, financial condition and prospects;
- the failure of the Company to comply with the terms of the Arrangement Agreement may, in certain circumstances, result in the Company being required to pay the termination fee to Rogers, the result of which will or could have a material adverse effect on the Company's financial position and results of operations and its ability to fund growth prospects and current operations;
- changes in interest rates, income taxes and exchange rates;
- changes in the competitive environment in the markets in which the Company operates and from the development of new markets for emerging technologies;
- changing industry trends, technological developments and other changing conditions in the entertainment, information and communications industries;
- changes in laws, regulations and decisions by regulators, or other actions by governments or regulators, that affect the Company or the markets in which it operates;
- any emergency measures implemented by governments or regulators;
- technology, privacy, cyber security and reputational risks;
- disruptions to service, including due to network failure or disputes with key suppliers;
- the Company's ability to execute its strategic plans and complete its capital and other projects by the completion date;
- the Company's ability to grow subscribers and market share;
- the Company's ability to have and/or obtain the spectrum resources required to execute on its current and long-term strategic initiatives;
- the Company's ability to gain sufficient access to retail distribution channels;
- the Company's ability to access key suppliers and third-party service providers and their goods and services required to execute on its current and long-term strategic initiatives on commercially reasonable terms;

- the ability of key suppliers to perform their obligations within expected timelines;
- the Company's ability to retain key employees;
- the Company's ability to achieve cost efficiencies;
- the Company's ability to sustain the results/objectives and cost reductions achieved through the TBT initiative and VDP;
- the Company's ability to complete the deployment of (i) network infrastructure required to improve capacity and coverage and (ii) new technologies, including but not limited to next generation wireless and wireline technologies such as 5G and IPTV, respectively;
- opportunities that may be presented to and pursued by the Company;
- the Company's ability to recognize and adequately respond to climate change concerns or public and governmental expectations on environmental matters;
- the Company's status as a holding company with separate operating subsidiaries; and
- other factors described in the Company's fiscal 2020 Annual MD&A under the heading "Known Events, Trends, Risks and Uncertainties."

The foregoing is not an exhaustive list of all possible risk factors. Should one or more of these risks materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described in the Company's fiscal 2020 Annual MD&A and this MD&A. This MD&A provides certain future-oriented financial information or financial outlook (as such terms are defined in applicable securities laws), including the financial guidance and assumptions disclosed under "Outlook." Shaw discloses this information because it believes that certain investors, analysts and others utilize this and other forward-looking information to assess Shaw's expected operational and financial performance, and as an indicator of its ability to service debt and pay dividends to shareholders. The Company cautions that such financial information may not be appropriate for this or other purposes.

Any forward-looking statement speaks only as of the date on which it was originally made and, except as required by law, the Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement to reflect any change in related assumptions, events, conditions or circumstances. All forward-looking statements contained in this MD&A are expressly qualified by this statement.

Additional Information

Additional information concerning the Company, including the Company's Annual Information Form, is available through the Internet on SEDAR which may be accessed at www.sedar.com. Copies of such information may also be obtained on the Company's website at www.shaw.ca, or on request and without charge from the Corporate Secretary of the Company, Suite 900, 630 – 3rd Avenue S.W., Calgary, Alberta, Canada T2P 4L4, telephone (403) 750-4500.

Non-GAAP and additional financial measures

Certain measures in this MD&A do not have standard meanings prescribed by GAAP and are therefore considered non-GAAP financial measures. These measures are provided to enhance the reader's overall understanding of our financial performance or current financial condition. They are included to provide investors and management with an alternative method for assessing our operating results in a manner that is focused on the performance of our ongoing operations and to provide a more consistent basis for comparison between periods. These measures are not in accordance with, or an alternative to, GAAP and do not have standardized meanings. Therefore, they are unlikely to be comparable to similar measures presented by other entities.

Please refer to "Non-GAAP and additional financial measures" in this MD&A for a discussion and reconciliation of non-GAAP financial measures, including adjusted EBITDA, free cash flow and net debt as well as net debt leverage ratio and adjusted EBITDA margin, which are non-GAAP ratios.

Introduction

At Shaw, we focus on delivering sustainable long-term growth by connecting customers to the world through a best-in-class seamless connectivity experience by leveraging our world class converged network. This includes driving operational efficiencies and executing on our strategic priorities through the delivery of an exceptional customer experience and a more agile operating model. Our strategic priorities include growing our customer relationships, identifying sustainable cost savings in our core Wireline business, and making the appropriate investments to capitalize on future growth, including network related investments to support continued broadband product enhancements and improve the wireless experience.

With the onset of the global COVID-19 pandemic in 2020, connectivity rapidly became a critical lifeline for Canadians and our economy. During this unprecedented period, our network performance was exceptional, and we remain focused on supporting our employees, customers and communities. Our robust facilities-based network, the result of years of significant investment, has showcased its strength in addressing our customers' need to stay connected to family, friends and colleagues and work from home throughout the COVID-19 pandemic. During the second quarter, the Company continued to experience the following key impacts related to COVID-19:

- a reduction in overall wireline subscriber activity,
- an increase in wireline network usage as well as extended peak hours,
- increased demand for wireless voice services,
- a decrease in wireless roaming revenue,
- customer payments substantially in-line with historical trends, and
- an increase in credits provided for, as well as the reduction or cancellation of, Shaw Business customer accounts.

While the pandemic has had an impact on our business, Shaw continues to be resilient, delivering solid financial and operating results, and we believe that we are well positioned to meet the rapidly changing and increasing demands of our customers. The financial impacts from COVID-19 in the second quarter were not material; however, the situation remains uncertain in terms of (i) its magnitude, outcome, duration, resurgences and/or subsequent waves, and (ii) the potential efficacy and time frame for the availability and distribution of any COVID-19 vaccines. Consumer behavior impacts remain uncertain and could still change materially, including the potential downward migration of services, acceleration of cord-cutting and reduced ability of customers to pay their bills, all due to the challenging economic situation. Shaw Business primarily serves the small and medium sized market, which is also particularly vulnerable to the economic uncertainty in western Canada and COVID-19 related restrictions, including mandated closures or further social distancing requirements.

As an ongoing risk, the duration and impact of the COVID-19 pandemic is still unknown, as is the efficacy and duration of the government interventions. Any estimate of the length and severity of these developments is therefore subject to significant uncertainty, and accordingly estimates of the extent to which the COVID-19 pandemic may materially and adversely affect the Company's operations, financial results and condition in future periods are also subject to significant uncertainty.

Shaw and Rogers Transaction

On March 15, 2021, Shaw announced that it entered into an Arrangement Agreement with Rogers Communications Inc. ("Rogers"), under which Rogers will acquire all of Shaw's issued and outstanding Class A Participating Shares ("Class A Shares") and Class B Non-Voting Participating Shares ("Class B Shares") in a transaction valued at approximately $26 billion inclusive of approximately $6 billion of Shaw debt (the "Transaction"). Holders of Class A Shares and Class B Shares (other than the Shaw Family Living Trust, the controlling shareholder of Shaw, and related persons (collectively the "Shaw Family Shareholders")) will receive $40.50 per share in cash. The Shaw Family Shareholders will receive 60% of the consideration for their shares in the form of Class B Non-Voting Shares of Rogers (the "Rogers Shares") on the basis of the volume-weighted average trading price for the Rogers Shares for the 10 trading days ending March 12, 2021, and the balance in cash. As of March 13, 2021, when the Arrangement Agreement was signed, the value of the consideration attributable to the Class A Shares and Class B Shares held by the Shaw Family Shareholders (calculated using the volume-weighted average trading price for the Rogers Shares for the 10 trading days ending March 12, 2021) was equivalent to $40.50 per share.

The Transaction will be implemented by way of a court-approved plan of arrangement under the *Business Corporations Act* (Alberta). The Transaction requires the approval of two thirds of the votes cast by the holders of Shaw's Class A Shares and Class B Shares at a special shareholders meeting to be held on May 20, 2021 (the "Special Meeting"), voting separately as a class, as well as majority of the minority approval under Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("MI 61-101") of holders of the Class A Shares and Class B Shares (excluding the votes of the Shaw Family Shareholders and any other person required to be excluded for the purposes of MI 61-101), each voting separately as a class. The Shaw Family Shareholders have irrevocably agreed to vote all of their Class A Shares (representing approximately 79% of the outstanding Class A Shares) and Class B Shares (representing approximately 8% of the outstanding Class B Shares) in favour of the Transaction.

A Special Committee of independent directors of Shaw has unanimously recommended the Transaction, and Shaw's Board of Directors has unanimously (with Brad Shaw abstaining) approved the Transaction and unanimously recommends that Shaw shareholders (other than the Shaw Family Shareholders) vote to approve the Transaction. Shaw's Directors and senior management have agreed to vote all of their shares in favour of the Transaction.

The Transaction is subject to other customary closing conditions including court and stock exchange approval, as well as approvals from Canadian regulators. Rogers and Shaw intend to work cooperatively and constructively with the Competition Bureau, the Ministry of Innovation, Science and Economic Development (ISED) and the Canadian Radio-television and Telecommunications Commission (CRTC) to secure the requisite approvals. Subject to receipt of all required approvals, closing of the Transaction is expected to occur in the first half of 2022.

Under the terms of the Transaction, Rogers has the right to cause the Company to redeem its outstanding preferred shares on June 30, 2021 in accordance with their terms by providing written notice to Shaw. As of the date of this MD&A, Rogers has not exercised this right. The Company will continue to pay its regular monthly dividends of $0.098542 in cash per Class A Share and $0.09875 in cash per Class B Share, and its regular quarterly dividend on its preferred shares in accordance with their terms.

Further information regarding the Transaction will be contained in a management information circular that Shaw will prepare, file on SEDAR and mail to holders of Class A Shares and Class B Shares, as of the close of business on April 6, 2021, in advance of the Special Meeting scheduled to be held on May 20, 2021. Copies of the Arrangement Agreement and voting support agreements are also available on Shaw's SEDAR profile at www.sedar.com and EDGAR profile at www.sec.gov/edgar.shtml.

Wireless

Our Wireless division currently operates in Ontario, Alberta and British Columbia, covering approximately 50% of the Canadian population.

On July 30, 2020, the Company launched Shaw Mobile, a new wireless service in western Canada that leverages Shaw's LTE and Fibre+ networks, along with Canada's largest WiFi service, to provide Shaw Internet customers with an innovative wireless experience. Shaw Mobile provides Shaw Internet customers with bundling opportunities to take advantage of unprecedented savings, combined with the ability to customize their mobile data requirements through two rate plans – By The Gig and Unlimited Data. Shaw

Mobile is a powerful example of how facilities-based service providers can compete and innovate to deliver true wireless affordability for Canadians. Shaw Mobile capitalizes on the long-term trend that shows the vast majority of Canadians' smart device data usage occurs on WiFi networks, a fact amplified by recent work-from-home trends.

Freedom Mobile continues to promote its Big Gig Unlimited and Absolute Zero offers. Paired with the most popular devices and ongoing improvements in the strength and capacity of its network, the Big Gig Unlimited and Absolute Zero plans continue to provide Canadians with an affordable option when choosing a wireless service provider.

Second quarter fiscal 2021 results include Wireless net additions of approximately 82,300. Wireless service revenue increased 8.5% to $218 million and adjusted EBITDA[1] increased 19.8% to $97 million compared to the second quarter of fiscal 2020, as a result of the increased service revenues and a $4 million decrease in bad debt expense, partially offset by reduced roaming revenue and Shaw Mobile related costs.

The Company made significant investments in its wireless network and customer service capabilities. The Company continues to modernize and expand its retail presence. Total wireless retail locations across its operating footprint, including corporate, dealer and national retail, are approximately 730, where Shaw Mobile is available in approximately 150 locations.

The Company continues to prioritize network investments as part of its converged network strategy and continues to leverage the coaxial cable (which transports both power and multi-gigabit data speeds) in its Fibre+ network for the rapid and flexible deployment of small cells, which will support densification efforts.

On April 6, 2021, ISED published its list of applicants to participate in the 3500 MHz spectrum auction, which is currently scheduled to begin in June 2021. The list confirms that Shaw has elected not to participate in the auction.

Wireline

In our Wireline business, we have cemented our status as a technology leader and western Canada's leader in gig speed Internet underpinned by our Fibre+ network. Through our digital transformation, we have made it easier to interact with our customers and are leveraging insights from customer data to better understand their preferences so we can provide them with the services they want. We continue to streamline and simplify manual processes to improve the customer experience and day-to-day operations for our employees.

Despite the unprecedented impact that the COVID-19 pandemic has had on the lives of our customers, and the corresponding impacts to the way we serve our customers, our focus remains on the execution and delivery of stable and profitable Wireline results. This includes growth in high quality Internet subscribers and improving overall customer account profitability by attracting and retaining higher value households with our best value proposition on 2-year ValuePlans for those who want faster Internet with a better customer experience in addition to Video and Wireless services.

The Company continues to deploy its Shaw Gateway modem, powered by Comcast, which enables faster Internet speeds, supports more devices and provides a stronger in-home WiFi connection. The Company

[1] Adjusted EBITDA is a non-GAAP financial measure and should not be considered a substitute or alternative for GAAP measures. Adjusted EBITDA is not a defined term under IFRS and does not have a standard meaning, and therefore may not be a reliable way to compare us to other companies. Adjusted earnings before interest, taxes, depreciation and amortization ("adjusted EBITDA") is composed of revenue less operating, general and administrative expenses. See "Non-GAAP and additional financial measures" for more information about this measure, including a quantitative reconciliation to the most comparable financial measure in the Company's Consolidated Financial Statements.

introduced Shaw Fibre+ Gig 1.5 in November 2020, designed to provide gamers, streamers and other heavy data users the speed and bandwidth they need for the many connected devices and data-heavy applications they use every day at home.

In the second quarter, Wireline RGUs[2] declined by approximately 65,800 compared to a decline of 50,000 in the prior year period. Consumer Internet losses of 5,400 in the current quarter marks a sequential improvement from the first quarter of fiscal 2021. Wireline revenue remained stable, decreasing 0.8% while our focus on profitable customer interactions, lower employee related costs and continued cost discipline in the ongoing COVID-19 environment, contributed to adjusted EBITDA growth of 4.0% and a strong Wireline adjusted EBITDA margin[3] of 51.2%. The current quarter adjusted EBITDA benefited from an $8 million employee benefits provision release and a $2 million bad debt provision release based on claims and payment experience, respectively.

Our Wireline Business division provides connectivity solutions to its customers by leveraging our Smart suite products which provide cost-effective enterprise grade managed IT and communications solutions that are increasingly valued by businesses of all sizes as the digital economy grows in scope and complexity. The COVID-19 pandemic, as well as continued economic uncertainty in western Canada, impacted the Business division by causing the crediting, as well as the reduction or cancellation, of a number of Business customer accounts and slowing revenue growth. In response to the changing needs of its customers during the pandemic, Shaw Business added a suite of collaboration tools and new Smart products, such as Microsoft 365, Smart Remote Office, SmartSecurity and SmartTarget. Shaw Business recently launched a 1.5 Gig Internet speed tier for its business customers giving businesses of all sizes the speed and bandwidth to leverage data-heavy applications and cloud services. Despite the continued uncertain environment, Shaw Business performance has been solid, including modest second quarter Business revenue growth of 0.7% to $145 million over the prior year period.

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[2] See "Key Performance Drivers."

[3] Adjusted EBITDA margin is a non-GAAP ratio that is calculated by dividing adjusted EBITDA by revenue. Adjusted EBITDA margin is not a standardized measure under IFRS and may not be a reliable way to compare us to other companies. See "Non-GAAP and additional financial measures" for more information about this non-GAAP ratio.

Selected financial and operational highlights

Financial Highlights

(millions of Canadian dollars except per share amounts)	Three months ended			Six months ended		
	February 28, 2021	February 29, 2020	Change %	**February 28, 2021**	February 29, 2020	Change %
Operations:						
Revenue	**1,387**	1,363	1.8	**2,757**	2,746	0.4
Adjusted EBITDA(1)	**637**	600	6.2	**1,244**	1,188	4.7
Adjusted EBITDA margin(1)	**45.9%**	44.0%	4.3	**45.1%**	43.3%	4.2
Funds flow from operations(2)	**539**	496	8.7	**1,027**	946	8.6
Free cash flow(1)	**248**	191	29.8	**473**	374	26.5
Net income	**217**	167	29.9	**380**	329	15.5
Per share data:						
Earnings per share						
Basic and diluted	**0.43**	0.32		**0.74**	0.63	
Weighted average participating shares for basic earnings per share outstanding during period (millions)	505	516		509	517	

(1) Adjusted EBITDA, adjusted EBITDA margin and free cash flow are non-GAAP financial measures or non-GAAP ratios and should not be considered substitutes or alternatives for GAAP measures. These are not defined terms under IFRS and do not have standardized meanings, and therefore may not be a reliable way to compare us to other companies. Free cash flow is composed of adjusted EBITDA and then deducting capital expenditures (on an accrual basis and net of proceeds on capital dispositions) and equipment costs (net), interest, cash taxes paid or payable, interest on lease liabilities, lease payments relating to lease liabilities, dividends paid on the preferred shares, and recurring cash funding of pension amounts net of pension expense and adjusted to exclude share-based compensation expense or recovery. See "Non-GAAP and additional financial measures" for more information about these measures including quantitative reconciliations to the most comparable financial measures in the Company's Consolidated Financial Statements.

(2) Funds flow from operations is before changes in non-cash balances related to operations as presented in the condensed interim Consolidated Statements of Cash Flows.

Key Performance Drivers

The Company measures the success of its strategies using a number of key performance drivers which are defined and described under "Key Performance Drivers – Statistical Measures" in the 2020 Annual MD&A and in this MD&A below, which includes a discussion as to their relevance, definitions, calculation methods and underlying assumptions. The following key performance indicators are not measurements in accordance with GAAP, should not be considered alternatives to revenue, net income or any other measure of performance under GAAP and may not be comparable to similar measures presented by other issuers.

Subscriber (or revenue generating unit (RGU)) highlights

The Company measures the count of its subscribers in its Consumer, Business, and Wireless divisions. For further details and discussion on subscriber counts for RGUs see "Key Performance Drivers – Statistical Measures – Subscriber Counts for RGUs" in the MD&A for the year ended August 31, 2020.

			Change Three months ended		Change Six months ended	
	February 28, 2021	August 31, 2020	**February 28, 2021**	February 29, 2020	**February 28, 2021**	February 29, 2020
Wireline – Consumer						
Video – Cable	**1,329,586**	1,390,520	**(26,497)**	**(19,310)**	**(60,934)**	(33,258)
Video – Satellite	**603,632**	650,727	**(13,508)**	**(13,211)**	**(47,095)**	(45,086)
Internet	**1,883,375**	1,903,868	**(5,425)**	**6,072**	**(20,493)**	11,720
Phone	**628,432**	672,610	**(20,418)**	**(23,547)**	**(44,178)**	(49,725)
Total Consumer	**4,445,025**	4,617,725	**(65,848)**	**(49,996)**	**(172,700)**	(116,349)
Wireline – Business						
Video – Cable	**37,809**	37,512	**330**	**(2,779)**	**297**	(1,157)
Video – Satellite	**36,464**	36,002	**(1,903)**	**1,099**	**462**	3,432
Internet	**179,830**	178,270	**369**	**(338)**	**1,560**	356
Phone	**391,104**	387,660	**1,022**	**1,509**	**3,444**	5,762
Total Business	**645,207**	639,444	**(182)**	**(509)**	**5,763**	8,393
Total Wireline	**5,090,232**	5,257,169	**(66,030)**	**(50,505)**	**(166,937)**	(107,956)
Wireless						
Postpaid	**1,644,540**	1,482,175	**75,069**	**54,289**	**162,365**	121,154
Prepaid	**360,300**	339,339	**7,228**	**(3,230)**	**20,961**	(12,184)
Total Wireless	**2,004,840**	1,821,514	**82,297**	**51,059**	**183,326**	108,970
Total Subscribers	**7,095,072**	7,078,683	**16,267**	**554**	**16,389**	1,014

In Wireless, the Company gained 82,297 net postpaid and prepaid subscribers in the quarter, consisting of 75,069 postpaid additions and 7,228 prepaid additions.

Wireline RGUs decreased by 66,030 compared to a 50,505 RGU loss in the second quarter of fiscal 2020. The current quarter includes a Consumer Internet RGU decline of 5,425, which compares to net additions of 6,072 a year ago but does include a sequential improvement in Consumer Internet RGUs when compared to a loss of 15,068 in the first quarter of fiscal 2021. The mature products within the Consumer division, including Video, Satellite and Phone, declined in the aggregate by 60,423 RGUs.

Wireless Postpaid Churn

Wireless postpaid subscriber or RGU churn ("postpaid churn") measures success in retaining subscribers. Wireless postpaid churn is a measure of the number of postpaid subscribers that deactivated during a period as a percentage of the average postpaid subscriber base during a period, calculated on a monthly basis. It is calculated by dividing the number of Wireless postpaid subscribers that deactivated (in a month) by the average number of postpaid subscribers during the month. When used or reported for a period greater than one month, postpaid churn represents the sum of the number of subscribers deactivating for each period incurred divided by the sum of the average number of postpaid subscribers of each period incurred.

Postpaid churn of 1.25% in the second quarter of fiscal 2021 improved 32-basis points from 1.57% in the second quarter of fiscal 2020.

Wireless average billing per subscriber unit (ABPU)

Wireless ABPU is an industry metric that is useful in assessing the operating performance of a wireless entity. We use ABPU as a measure that approximates the average amount the Company invoices an individual subscriber unit for service on a monthly basis. ABPU helps us to identify trends and measures the Company's success in attracting and retaining higher lifetime value subscribers. Wireless ABPU is calculated as service revenue (excluding allocations to wireless service revenue under IFRS 15) divided by the average number of subscribers on the network during the period and is expressed as a rate per month.

ABPU of $40.98 in the second quarter of fiscal 2021 compares to $43.84 in the second quarter of fiscal 2020, representing a decrease of 6.5%.

Wireless average revenue per subscriber unit (ARPU)

Wireless ARPU is calculated as service revenue divided by the average number of subscribers on the network during the period and is expressed as a rate per month. This measure is an industry metric that is useful in assessing the operating performance of a wireless entity. ARPU also helps to identify trends and measure the Company's success in attracting and retaining higher-value subscribers.

ARPU of $36.82 in the second quarter of fiscal 2021 compares to $38.45 in the second quarter of fiscal 2020, representing a decrease of 4.2%.

Overview

For detailed discussion of divisional performance see "Discussion of operations." Highlights of the consolidated second quarter financial results are as follows:

Revenue

Revenue for the **second quarter** of fiscal 2021 of $1.39 billion increased $24 million, or 1.8%, from $1.36 billion for the second quarter of fiscal 2020, highlighted by the following:

- Revenues in the Consumer division decreased by $10 million, or 1.1%, as the growth in Internet revenue was offset by declines in Video, Satellite and Phone subscribers and revenue.
- The Wireless division contributed $336 million and included a $34 million, or 11.3%, increase over the second quarter of fiscal 2020 reflecting a $17 million increase in service revenue due to the increased subscriber base, including significant Shaw Mobile additions in the quarter and an increase in equipment revenue of $17 million mainly due to a higher mix of high-end device sales and lower subsidies.
- The Business division had growth of $1 million, or 0.7%, in comparison to the second quarter of fiscal 2020 reflecting Internet revenue growth and continued demand for the Smart suite of products, partially offset by lower video revenue primarily related to COVID-19.

Compared to the first quarter of fiscal 2021, consolidated revenue for the quarter increased 1.2%, or $17 million. The increase in revenue over the prior quarter primarily relates to a $16 million increase in equipment revenue in the Wireless division while a $3 million increase in service revenue in the Wireless division reflects the impact of the increased subscriber base partially mitigated by a decrease in ABPU (down from $42.66 in the first quarter of fiscal 2021 to $40.98 in the current quarter). ARPU also decreased quarter over quarter (down from $38.25 in the first quarter of fiscal 2021 to $36.82 in the current quarter). Wireline revenues decreased by $2 million over the prior quarter.

Revenue for the **six-month period** ended February 28, 2021 of $2.76 billion increased $11 million, or 0.4%, from $2.76 billion for the comparable period in fiscal 2020.

- The year-over-year improvement in revenue was primarily due to the Wireless division contributing revenues of $653 million mainly due to an increase in service revenue of $36 million, or 9.1%, partially offset by a reduction in equipment revenue of $3 million, or 1.3%, compared to the comparable six-month period of fiscal 2020.
- The Business division contributed $3 million, or 1.0%, to the consolidated revenue improvements for the six-month period driven primarily by customer growth.
- Consumer division revenues decreased $23 million, or 1.2%, compared to the comparable six-month period of fiscal 2020 as growth in Internet revenues were fully offset by declines in Video, Satellite and Phone subscribers and revenues.

Adjusted EBITDA

Adjusted EBITDA for the **second quarter** of fiscal 2021 of $637 million increased by $37 million, or 6.2%, from $600 million for the second quarter of fiscal 2020, highlighted by the following:

- The year-over-year improvement in the Wireless division of $16 million, or 19.8%, is mainly due to continued service revenue growth, lower acquisition related costs, and a $4 million decrease in bad debt expense.
- The year-over-year increase in the Wireline division of $21 million, or 4.0%, was primarily due to proactive base management and decreased operating expenses, including lower employee related costs, partially offset by the decrease in Consumer revenue. The current quarter adjusted EBITDA benefited from an $8 million employee benefits provision release and a $2 million bad debt provision release based on claims and payment experience, respectively.

Consistent with the variances noted above, adjusted EBITDA margin for the **second quarter** of 45.9% increased 190-basis points compared to 44.0% in the second quarter of fiscal 2020.

Compared to the **first quarter** of fiscal 2021, adjusted EBITDA for the current quarter increased $30 million, or 4.9%, primarily due to a $22 million increase in the Wireless division as a result of higher equipment revenues and an $8 million increase in the Wireline division primarily due to lower employee related costs and a decrease in bad debts.

For the **six-month period** ended February 28, 2021, adjusted EBITDA of $1.24 billion increased $56 million, or 4.7%, from $1.19 billion for the comparable prior year period.

- Wireless adjusted EBITDA for the six-month period increased $20 million, or 13.2%, over the comparable period mainly due to an increase in service revenues partially offset by additional costs in connection with the expansion of the Shaw retail footprint in the current year.
- Wireline adjusted EBITDA for the six-month period increased $36 million, or 3.5%, over the comparable period mainly due to decreased operating costs, including lower employee related costs, travel expenses, and advertising, partially offset by a decrease in Consumer revenue.

Free cash flow

Free cash flow for the **second quarter** of fiscal 2021 of $248 million increased $57 million from $191 million in the second quarter of fiscal 2020, mainly due to a $37 million increase in adjusted EBITDA, a $26 million decrease in capital expenditures, and a $2 million decrease in interest on debt partially offset by an $8 million increase in cash taxes.

Net income (loss)

Net income of $217 million and $380 million for the three and six months ended February 28, 2021 respectively, compared to a net income of $167 and $329 million for the same periods in fiscal 2020. The changes in net income are outlined in the following table:

	February 28, 2021 net income compared to:		
	Three months ended		Six months ended
(millions of Canadian dollars)	November 30, 2020	February 29, 2020	February 29, 2020
Increased adjusted EBITDA[1]	30	37	56
Decreased (increased) restructuring costs[2]	11	(1)	(13)
Decreased (increased) amortization	3	(2)	(4)
Change in net other costs and revenue[3]	27	46	52
Increased income taxes	(17)	(30)	(40)
	54	50	51

(1) See "Non-GAAP and additional financial measures."

(2) During the first and second quarters of fiscal 2021, the Company made a number of changes to its organizational structure in an effort to streamline the business, consolidate certain functions and reduce redundancies between the Wireless and Wireline segments. In connection with the restructuring, the Company recorded costs of $12 million in the first quarter of fiscal 2021 and $1 million in the second quarter of fiscal 2021, in each case primarily related to severance and employee related costs.

(3) Net other costs and revenue include accretion of long-term liabilities and provisions, interest, debt retirement costs, realized and unrealized foreign exchange differences and other losses as detailed in the unaudited Consolidated Statements of Income. In the second quarter of fiscal 2021, the Company recorded a $27 million fair value gain on private investments in the category.

Outlook

The Company confirms that it remains on track to meet its fiscal 2021 guidance of adjusted EBITDA growth over fiscal 2020, consolidated capital investments of approximately $1.0 billion and free cash flow of approximately $800 million.

The severity and duration of impacts from the COVID-19 pandemic remain uncertain and management continues to focus on the safety of our people, most of whom continue to work from home, connectivity of our customer base, compliance with guidelines and requirements issued by various health authorities and government organizations, and continuity of other critical business operations. During the second quarter of fiscal 2021, the Company continued to experience a reduction in overall Wireline subscriber activity, an increase in wireline network usage as well as extended peak hours, increased demand for Wireless voice services, a decrease in Wireless roaming revenue, customer payments substantially in-line with historical trends, and an increase in credits provided for, as well as the reduction or cancellation of Shaw Business customer accounts.

While the financial impacts from COVID-19 in the second quarter of fiscal 2021 were not material, the situation is still uncertain in terms of its magnitude, outcome, duration, resurgence and/or subsequent waves. Consumer behavior impacts remain uncertain and could still change materially, including the potential downward migration of services, acceleration of cord-cutting and reduced ability of customers to pay their bills, all due to the challenging economic situation. Shaw Business primarily serves the small and medium sized market, which is also particularly vulnerable to the economic uncertainty in western Canada and COVID-19 related restrictions, including mandated closures, capacity restrictions, self-quarantines or further social distancing requirements.

The Company believes its business and facilities-based networks provide critical and essential services to Canadians which remained resilient throughout fiscal 2020 and will continue to be resilient in this dynamic and uncertain environment. Management continues to actively monitor the impacts to the business and make the appropriate adjustments to operating and capital expenditures to reflect the evolving environment. Considering the ongoing presence of COVID-19, the speed at which it develops and/or changes, and the continued uncertainty of the magnitude, outcome, duration, resurgence and/or subsequent waves of the pandemic or the potential efficacy and time frame for the availability and distribution of any COVID-19 vaccines, compounded by the continued economic uncertainty in western Canada, the current estimates of our operational and financial results which underlie our outlook for fiscal 2021 are subject to a significantly higher degree of uncertainty. Any estimate of the length and severity of these developments is therefore subject to uncertainty, as are our estimates of the extent to which the COVID-19 pandemic may, directly or indirectly, materially and adversely affect our operations, financial results, and condition in future periods.

The Transaction could cause the attention of management of the Company to be diverted from the day-to-day operations of the Company. These disruptions could be exacerbated by a delay in the completion of the Transaction and could have an adverse effect on the current and future business, operations, results of operations, financial condition and prospects of the Company. Because the completion of the Transaction is subject to significant uncertainty, officers and employees of the Company may experience uncertainty about their future roles with the Company, which may adversely affect the Company's ability to attract or retain key management and personnel in the period until the completion or termination of the Arrangement Agreement.

In addition, third parties with which the Company currently has business relationships or may have business relationships in the future, including industry partners, regulators, customers and suppliers, may experience uncertainty associated with the Transaction, including with respect to current or future relationships with the Company or Rogers. Such uncertainty could have a material and adverse effect on the current and future business, operations, results of operations, financial condition and prospects of the Company.

Under the Arrangement Agreement, the Company must generally use its reasonable best efforts to conduct its business in the Ordinary Course (as such term is defined in the Arrangement Agreement) and, prior to the completion of the Transaction or the termination of the Arrangement Agreement, the Company is subject to certain covenants which restrict it from taking certain actions without the prior consent of Rogers and which require it to take certain other actions. In either case, such covenants may delay or prevent the Company from pursuing business opportunities that may arise or preclude actions that would otherwise be advisable if the Company were to remain a standalone entity. The entering into of the Arrangement Agreement may also preclude the Company from participating in any auction by ISED for wireless spectrum licensing.

On April 6, 2021, ISED published its list of applicants to participate in the 3500 MHz spectrum auction, which is currently scheduled to begin in June 2021. The list confirms that Shaw has elected not to participate in the auction.

See "Caution concerning forward-looking statements."

Non-GAAP and additional financial measures

The Company's continuous disclosure documents may provide discussion and analysis of non-GAAP financial measures or ratios. These financial measures or ratios do not have standard definitions prescribed by IFRS and therefore may not be comparable to similar measures disclosed by other companies. The Company's continuous disclosure documents may also provide discussion and analysis of additional financial measures. Additional financial measures include line items, headings and sub-totals included in the financial statements.

The Company utilizes these measures in making operating decisions and assessing its performance. Certain investors, analysts and others utilize these measures in assessing the Company's operational and financial performance and as an indicator of its ability to service debt and return cash to shareholders. The non-GAAP financial measures, ratios and additional financial measures have not been presented as an alternative to revenue, net income or any other measure of performance required by GAAP.

Below is a discussion of the non-GAAP financial measures, ratios and additional financial measures used by the Company and provides a reconciliation to the nearest GAAP measure or provides a reference to such reconciliation.

Adjusted EBITDA

Adjusted earnings before interest, taxes, depreciation and amortization ("adjusted EBITDA") is calculated as revenue less operating, general and administrative expenses. It is intended to indicate the Company's ongoing ability to service and/or incur debt and is therefore calculated before items such as restructuring costs, equity income/loss of an associate or joint venture, amortization (a non-cash expense), taxes and interest. Adjusted EBITDA is one measure used by the investing community to value the business. Adjusted EBITDA has no directly comparable GAAP financial measure. Alternatively, the following table provides a reconciliation of net income to adjusted EBITDA:

	Three months ended		Six months ended	
(millions of Canadian dollars)	**February 28, 2021**	February 29, 2020	**February 28, 2021**	February 29, 2020
Net income	**217**	167	**380**	329
Add back (deduct):				
Restructuring costs	**1**	-	**13**	-
Amortization:				
Deferred equipment revenue	**(3)**	(5)	**(6)**	(9)
Deferred equipment costs	**12**	17	**25**	35
Property, plant and equipment, intangibles and other	**294**	288	**589**	577
Amortization of financing costs – long-term debt	**-**	1	**1**	2
Interest expense	**67**	68	**133**	139
Other losses (gains)	**(26)**	19	**(24)**	22
Current income tax expense	**44**	23	**80**	59
Deferred income tax expense	**31**	22	**53**	34
Adjusted EBITDA	**637**	600	**1,244**	1,188

Adjusted EBITDA margin

Adjusted EBITDA margin is a non-GAAP ratio that is calculated by dividing adjusted EBITDA by revenue. Adjusted EBITDA margin is also one of the measures used by the investing community to value the business.

	Three months ended			Six months ended		
	February 28, 2021	February 29, 2020	Change %	**February 28, 2021**	February 29, 2020	Change %
Wireline	**51.2%**	48.8%	4.9	**50.8%**	48.6%	4.5
Wireless	**28.9%**	26.8%	7.8	**26.3%**	24.5%	7.3
Combined Wireline and Wireless	**45.9%**	44.0%	4.3	**45.1%**	43.3%	4.2

Net debt

The Company uses this measure to perform valuation-related analysis and make decisions about the Company's capital structure. We believe this measure aids investors in analyzing the value of the business and assessing our leverage. Refer to "Liquidity and capital resources" for further detail.

Net debt leverage ratio

The Company uses this non-GAAP ratio to determine its optimal leverage ratio. Refer to "Liquidity and capital resources" for further detail.

Free cash flow

The Company utilizes this measure to assess the Company's ability to repay debt and pay dividends to shareholders.

Free cash flow is comprised of adjusted EBITDA and then deducting capital expenditures (on an accrual basis and net of proceeds on capital dispositions) and equipment costs (net), interest, cash taxes paid or payable, interest on lease liabilities, lease payments relating to lease liabilities, dividends paid on the preferred shares, and recurring cash funding of pension amounts net of pension expense and adjusted to exclude share-based compensation expense or recovery.

Free cash flow has not been reported on a segmented basis. Certain components of free cash flow, including adjusted EBITDA, continue to be reported on a segmented basis. Capital expenditures and equipment costs (net) are also reported on a segmented basis. Other items, including interest and cash taxes, are not generally directly attributable to a segment, and are reported on a consolidated basis.

Free cash flow is calculated as follows:

(millions of Canadian dollars)	Three months ended February 28, 2021	Three months ended February 29, 2020	Three months ended Change %	Six months ended February 28, 2021	Six months ended February 29, 2020	Six months ended Change %
Revenue						
Consumer	**909**	919	(1.1)	**1,820**	1,843	(1.2)
Business	**145**	144	0.7	**290**	287	1.0
Wireline	**1,054**	1,063	(0.8)	**2,110**	2,130	(0.9)
Service	**218**	201	8.5	**433**	397	9.1
Equipment	**118**	101	16.8	**220**	223	(1.3)
Wireless	**336**	302	11.3	**653**	620	5.3
	1,390	1,365	1.8	**2,763**	2,750	0.5
Intersegment eliminations	**(3)**	(2)	50.0	**(6)**	(4)	50.0
	1,387	1,363	1.8	**2,757**	2,746	0.4
Adjusted EBITDA						
Wireline	**540**	519	4.0	**1,072**	1,036	3.5
Wireless	**97**	81	19.8	**172**	152	13.2
	637	600	6.2	**1,244**	1,188	4.7
Capital expenditures and equipment costs (net):[1]						
Wireline	**179**	223	(19.7)	**340**	428	(20.6)
Wireless	**71**	53	34.0	**144**	108	33.3
	250	276	(9.4)	**484**	536	(9.7)
Free cash flow before the following	**387**	324	19.4	**760**	652	16.6
Less:						
Interest on debt	**(54)**	(56)	(3.6)	**(109)**	(114)	(4.4)
Interest on lease liabilities	**(11)**	(11)	–	**(22)**	(22)	–
Cash taxes	**(49)**	(41)	19.5	**(98)**	(83)	18.1
Lease payments relating to lease liabilities	**(27)**	(27)	–	**(58)**	(57)	1.8
Other adjustments:						
Non-cash share-based compensation	**1**	1	–	**1**	1	–
Pension adjustment	**3**	3	–	**3**	1	>100.0
Preferred share dividends	**(2)**	(2)	–	**(4)**	(4)	–
Free cash flow	**248**	191	29.8	**473**	374	26.5

(1) Per Note 3 to the unaudited interim Consolidated Financial Statements.

Discussion of operations

Wireline

(millions of Canadian dollars)	Three months ended **February 28, 2021**	February 29, 2020	Change %	Six months ended **February 28, 2021**	February 29, 2020	Change %
Consumer	**909**	919	(1.1)	**1,820**	1,843	(1.2)
Business	**145**	144	0.7	**290**	287	1.0
Wireline revenue	**1,054**	1,063	(0.8)	**2,110**	2,130	(0.9)
Adjusted EBITDA[(1)]	**540**	519	4.0	**1,072**	1,036	3.5
Adjusted EBITDA margin[(1)]	**51.2%**	48.8%	4.9	**50.8%**	48.6%	4.5

(1) See "Non-GAAP and additional financial measures."

In the **second quarter** of fiscal 2021, Wireline RGUs decreased by 66,030 compared to a 50,505 RGU loss in the second quarter of fiscal 2021. The current quarter includes a loss in Consumer Internet RGUs of 5,425 whereas the mature products within the Consumer division, including Video, Satellite and Phone declined in the aggregate by 60,423 RGUs.

Revenue highlights include:

- Consumer revenue for the **second quarter** of fiscal 2021 decreased by $10 million, or 1.1%, compared to the second quarter of fiscal 2020 as the growth in Internet revenue was offset by declines in Video, Satellite and Phone subscribers and revenue.
  - As **compared to the first quarter** of fiscal 2021, the current quarter revenue decreased by $2 million, or 0.2%.
- Business revenue of $145 million for the **second quarter** of fiscal 2021 increased $1 million, or 0.7%, compared to the second quarter of fiscal 2020, reflecting Internet revenue growth and demand for the Smart suite of products, partially offset by lower video revenue primarily related to COVID-19.
  - As **compared to the first quarter** of fiscal 2021, the current quarter revenue remained unchanged.
- Wireline revenue for the **first six months** of fiscal 2021 decreased $20 million, or 1.2%, compared to the first six months of fiscal 2020, primarily due to a $23 million decrease in Consumer revenue as the growth in Internet revenue was offset by declines in Video, Satellite and Phone subscribers and revenue. This was partially offset by a $3 million increase in Business revenue.

Adjusted EBITDA highlights include:

- Adjusted EBITDA for the **second quarter** of fiscal 2021 of $540 million increased 4.0%, or $21 million, from $519 million in the second quarter of fiscal 2020. The increase was primarily due to proactive base management and decreased operating expenses, including lower employee related costs, partially offset by the decrease in Consumer revenue. The current quarter adjusted EBITDA benefited from an $8 million employee benefits provision release and a $2 million bad debt provision release based on claims and payment experience, respectively.
  - As **compared to the first quarter** of fiscal 2021, Wireline adjusted EBITDA for the current quarter increased by $8 million, or 1.5%, primarily due to lower employee related costs and a decrease in bad debts.
- Adjusted EBITDA for the **first six months** of fiscal 2021 increased $36 million, or 3.5%, compared to the first six months of fiscal 2020, primarily due to decreased operating costs, including lower employee related costs, travel expenses, and advertising, partially offset by a decrease in Consumer revenue.

Wireless

(millions of Canadian dollars)	Three months ended **February 28, 2021**	February 29, 2020	Change %	Six months ended **February 28, 2021**	February 29, 2020	Change %
Service	**218**	201	8.5	**433**	397	9.1
Equipment and other	**118**	101	16.8	**220**	223	(1.3)
Wireless revenue	**336**	302	11.3	**653**	620	5.3
Adjusted EBITDA[(1)]	**97**	81	19.8	**172**	152	13.2
Adjusted EBITDA margin[(1)]	**28.9%**	26.8%	7.8	**26.3%**	24.5%	7.3

(1) See "Non-GAAP and additional financial measures."

The Wireless division added 82,297 RGUs in the **second quarter** of fiscal 2021 as compared to 51,059 RGUs gained in the second quarter of fiscal 2020. The net additions in the quarter consisted of 75,069 postpaid and 7,228 prepaid additions.

Revenue highlights include:

- Revenue of $336 million for the **second quarter** of fiscal 2021 increased $34 million, or 11.3%, over the second quarter of fiscal 2020. This was primarily due to an increase in service revenues of $17 million, or 8.5%, due to the increased subscriber base, including significant Shaw Mobile additions in the quarter and an increase in equipment revenue of $17 million, or 16.8%, mainly due to a higher mix of high-end device sales and lower subsidies. There was a 6.5% and 4.2% year-over-year decrease in ABPU to $40.98 and ARPU to $36.82, respectively.
  - As **compared to the first quarter** of fiscal 2021, the current quarter revenue increased $19 million, or 6.0%, due to increased equipment sales of $16 million combined with $3 million in higher service revenues, while ABPU of $40.98 decreased by $1.68, or 3.9% (ABPU of $42.66 in the first quarter of fiscal 2021), and ARPU of $36.82 decreased by $1.43, or 3.7% (ARPU of $38.25 in the first quarter of fiscal 2021).
- Revenue of $653 million for the **first six months** of fiscal 2021 increased $33 million, or 5.3%, over the first six months of fiscal 2020 mainly due to an increase in service revenue of $36 million, or 9.1%, due to the increased subscriber base, partially offset by a reduction in equipment revenue of $3 million, or 1.3%, as Shaw Mobile benefited from the vast majority of customers bringing their own device.

Adjusted EBITDA highlights include:

- Adjusted EBITDA of $97 million for the **second quarter** of fiscal 2021 improved by $16 million, or 19.8%, over the second quarter of fiscal 2020. The increase is primarily due to continued service revenue growth, lower acquisition related costs, and a $4 million decrease in bad debt expense.
  - As **compared to the first quarter** of fiscal 2020, adjusted EBITDA for the current quarter increased $22 million, or 29.3%, mainly due to a $16 million increase in equipment revenues, a $3 million increase in service revenues, and a $2 million decrease in bad debt expense.
- Adjusted EBITDA for the **first six months** of fiscal 2021 increased $20 million, or 13.2%, compared to the first six months of fiscal 2020, primarily due to an increase in service revenues partially offset by additional costs in connection with the expansion of the Shaw retail footprint in the current year.

Capital expenditures and equipment costs

(millions of Canadian dollars)	Three months ended **February 28, 2021**	February 29, 2020	Change %	Six months ended **February 28, 2021**	February 29, 2020	Change %
Wireline						
New housing development	**27**	31	(12.9)	**50**	66	(24.2)
Success-based	**34**	67	(49.3)	**78**	129	(39.5)
Upgrades and enhancements	**92**	82	12.2	**173**	162	6.8
Replacement	**8**	7	14.3	**15**	15	-
Building and other	**18**	36	(50.0)	**24**	56	(57.1)
Total as per Note 3 to the unaudited interim consolidated financial statements	**179**	223	(19.7)	**340**	428	(20.6)
Wireless						
Total as per Note 3 to the unaudited interim consolidated financial statements	**71**	53	34.0	**144**	108	33.3
Consolidated total as per Note 3 to the unaudited interim consolidated financial statements	**250**	276	(9.4)	**484**	536	(9.7)

In the **second quarter** of fiscal 2021, capital investment of $250 million decreased $26 million from the comparable period in fiscal 2020. Total Wireline capital spending of $179 million decreased $44 million compared to the prior year period primarily due to lower success-based capital, capitalized labour, and buildings and other costs partially offset by an increase in upgrades and enhancements. Wireless spending increased by approximately $18 million year-over-year primarily due to continued network and retail expansion, spectrum deployment, and higher IT related spending related to back office systems and digital initiatives.

Wireline highlights for the quarter include:

- For the quarter, investment in combined upgrades, enhancements and replacement categories was $100 million which is an increase of $11 million, or 12.4%, over the prior year period.
- Investments in new housing development were $27 million, a $4 million, or 12.9%, decrease over the prior year period, driven by lower residential and commercial customer network growth and acquisition in the current year.
- Success-based capital for the quarter of $34 million was $33 million lower than the second quarter of fiscal 2020 primarily due to lower equipment purchases in the period and decreased labour costs related to the increase in customer self-installation.
- Investments in buildings and other in the amount of $18 million was $18 million lower year-over year primarily due to higher corporate related costs in the comparable period.

Wireless highlights for the quarter include:

- Capital investment of $71 million in the second quarter increased relative to the second quarter of fiscal 2020 by $18 million, primarily due to continued network and retail expansion, spectrum deployment and higher IT related spending related to back office systems and digital initiatives. In fiscal 2021, the Company continues to focus on investment in the Wireless network and infrastructure, specifically the continued deployment of 700 MHz spectrum, 600 MHz spectrum, LTE and small cells as well as enhancements to the back-office systems, new retail locations and other corporate initiatives.

Other income and expense items

Restructuring costs

Restructuring costs generally include severance, employee related costs and other costs directly associated with a restructuring program. During the first and second quarters of fiscal 2021, the Company made a number of changes to its organizational structure in an effort to streamline the business, consolidate certain functions, and reduce redundancies between the Wireless and Wireline segments. In connection with the restructuring, the Company recorded costs of $12 million in the first quarter of fiscal 2021, and $1 million in the second quarter of fiscal 2021 primarily related to severance and employee related costs.

Amortization

	Three months ended			Six months ended		
(millions of Canadian dollars)	**February 28, 2021**	February 29, 2020	Change %	**February 28, 2021**	February 29, 2020	Change %
Amortization revenue (expense)						
Deferred equipment revenue	**3**	5	(40.0)	**6**	9	(33.3)
Deferred equipment costs	**(12)**	(17)	(29.4)	**(25)**	(35)	(28.6)
Property, plant and equipment, intangibles and other	**(294)**	(288)	2.1	**(589)**	(577)	2.1

Amortization of property, plant and equipment, intangibles and other increased 2.1% for both the three and six months ended February 28, 2021 when compared to the same periods in fiscal 2020. The increase in amortization reflects the amortization of new expenditures exceeding the amortization of assets that became fully amortized during the period.

Amortization of financing costs and interest expense

	Three months ended			Six months ended		
(millions of Canadian dollars)	**February 28, 2021**	February 29, 2020	Change %	**February 28, 2021**	February 29, 2020	Change %
Amortization of financing costs – long-term debt	**-**	1	(100.0)	**1**	2	(50.0)
Interest expense	**67**	68	(1.5)	**133**	139	(4.3)

Interest expense for the three and six months ended February 28, 2021 decreased 1.5% and 4.3%, respectively, over the comparable periods which primarily reflects the lower average outstanding debt balances in the period and the decrease in the weighted average interest rate.

Other gains/losses

This category generally includes realized and unrealized foreign exchange gains and losses on U.S. dollar denominated current assets and liabilities, gains and losses on disposal of property, plant and equipment, realized and unrealized gains and losses on private investments, and the Company's share of the operations of Burrard Landing Lot 2 Holdings Partnership. In the second quarter of fiscal 2021, the Company recorded a $27 million fair value gain on private investments in the category.

Income taxes

Income taxes are higher in the quarter compared to the second quarter of fiscal 2020 due mainly to the increase in net income and the recognition of previously unrecognized tax losses in fiscal 2020.

Supplementary quarterly financial information

	2021[3]		2020[3]				2019	
(millions of Canadian dollars except per share amounts)	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenue	**1,387**	1,370	1,349	1,312	1,363	1,383	1,349	1,322
Adjusted EBITDA[1]	**637**	607	594	609	600	588	534	528
Restructuring costs	**(1)**	(12)	–	(14)	–	–	10	–
Amortization	**(303)**	(305)	(312)	(302)	(300)	(303)	(250)	(263)
Amortization of financing costs	**–**	(1)	(1)	–	(1)	(1)	(1)	(1)
Interest expense	**(67)**	(66)	(68)	(67)	(68)	(71)	(66)	(62)
Other income (expense)	**26**	(2)	(1)	7	(19)	(3)	2	(36)
Income taxes	**(75)**	(58)	(37)	(49)	(45)	(48)	(63)	61
Net income[2]	**217**	163	175	184	167	162	166	227
Net income attributable to equity shareholders	**217**	163	175	184	167	162	166	225
Net income attributable to non-controlling interests	**–**	–	–	–	–	–	–	2
Earnings per share								
Basic and diluted	**0.43**	0.31	0.34	0.35	0.32	0.31	0.32	0.43
Other Information								
Cash flows from operating activities	**473**	300	632	588	361	339	435	432
Free cash flow[1]	**248**	225	152	221	191	183	42	174
Capital expenditures and equipment costs	**250**	234	307	268	276	260	382	280

(1) See "Non-GAAP and additional financial measures."
(2) Net income attributable to both equity shareholders and non-controlling interests.
(3) Fiscal 2021 and 2020 figures reflect the impact of the adoption and application of IFRS 16 while Fiscal 2019 figures do not and are not comparable. See "New Accounting Standards" as well as "Results of Operations" and "Segmented Operations Review" in the MD&A for the year ended August 31, 2020.

F21 Q2 vs F21 Q1	In the second quarter of fiscal 2021, net income increased $54 million compared to the first quarter of fiscal 2021 mainly due to a $30 million increase in adjusted EBITDA, an $11 million decrease in restructuring costs, and a $27 million fair value gain on private investments recorded in the second quarter, partially offset by a $9 million increase in deferred taxes and an $8 million increase in current taxes, all in the second quarter.
F21 Q1 vs F20 Q4	In the first quarter of fiscal 2021, net income decreased $12 million compared to the fourth quarter of fiscal 2020 mainly due to a $12 million increase in restructuring costs in the first quarter and a $27 million increase in deferred taxes, partially offset by a $13 million increase in adjusted EBITDA and a $6 million decrease in current taxes, all in the first quarter.
F20 Q4 vs F20 Q3	In the fourth quarter of fiscal 2020, net income decreased $9 million compared to the third quarter of fiscal 2020 mainly due to an $15 million decrease in adjusted EBITDA and a $23 million increase in current taxes in the fourth quarter as well an $8 million decrease in other gains (losses) as a result of an insurance claim recovery in the third quarter, partially offset by a $35 million decrease in deferred taxes and a $14 million decrease in restructuring costs in the fourth quarter.

F20 Q3 vs F20 Q2	In the third quarter of fiscal 2020, net income increased $17 million compared to the second quarter of fiscal 2020 mainly due to a $26 million increase in other gains (losses), which includes the impact of the $17 million payment related to the early redemption of $800 million in senior notes in the second quarter, a $6 million insurance claim recovery, a $9 million increase in adjusted EBITDA in the third quarter and a $4 million decrease in current taxes, partially offset by an $8 million increase in deferred taxes, also in the third quarter.
F20 Q2 vs F20 Q1	In the second quarter of fiscal 2020, net income increased $5 million compared to the first quarter of fiscal 2020 mainly due to a $13 million decrease in current taxes, a $12 million increase in adjusted EBITDA and a $3 million decrease in interest expense, all in the second quarter, partially offset by a $17 million payment related to the early redemption of $800 million in senior notes and a $10 million increase in deferred taxes, also in the second quarter.
F20 Q1 vs F19 Q4	In the first quarter of fiscal 2020, net income decreased $3 million compared to the fourth quarter of fiscal 2019 mainly due to a $23 million decrease in deferred taxes in the first quarter. This was partially offset by a $7 million increase in current taxes in the first quarter as well as the net impact of the adoption of IFRS 16 which resulted in a decrease to operating, general and administrative costs that was more than offset by increases to amortization of property, plant and equipment, intangibles and other and interest expense.
F19 Q4 vs F19 Q3	In the fourth quarter of fiscal 2019, net income decreased $63 million compared to the third quarter of fiscal 2019 mainly due to a $21 million increase in current taxes in the fourth quarter, a $41 million gain on the disposal of property, plant and equipment to a related party, a $15 million gain on the sale of a portfolio investment and the $102 million impact of a tax rate change on deferred taxes, partially offset by a $109 million loss on the disposal of the Company's entire equity investment in Corus, all recorded in the third quarter.
F19 Q3 vs F19 Q2	In the third quarter of fiscal 2019, net income increased $74 million compared to the second quarter of fiscal 2019 mainly due to a $41 million gain on the disposal of property, plant and equipment to a related party, a $15 million gain on the sale of a portfolio investment and the $102 million impact of a tax rate change on deferred taxes, partially offset by a $109 million loss on the disposal of the Company's entire equity investment in Corus, all recorded in the third quarter.

Financial position

Total assets were $15.9 billion at February 28, 2021 compared to $16.2 billion at August 31, 2020. The following is a discussion of significant changes in the Consolidated Statements of Financial Position since August 31, 2020.

Current assets decreased $254 million primarily due to a decrease in cash of $375 million which was partially offset by increases in accounts receivables of $62 million, inventories of $10 million, other current assets of $32 million and income taxes recoverable of $21 million. Cash decreased primarily due to the payment of $300 million in dividends, $300 million for share repurchases, as described below, and cash outlays for investing activities, partially offset by funds flow from operations. Refer to "Liquidity and capital resources" for more information.

Accounts receivable increased $62 million mainly due to timing, as the Company continues to migrate customers from two-month advance billing to one-month advance billing, and the impact of an $18 million capital project reimbursement accrual recorded in the period.

The current portion of contract assets decreased slightly over the period mainly due to a decrease in deferred Wireline costs as a result of lower onboarding promotional activity for new subscribers over the past year. Under IFRS 15, up-front promotional offers, such as onboarding or switch credits, offered to new two-year value-plan customers is recorded as a contract asset and amortized over the life of the contract against future service revenues.

Property, plant and equipment decreased $51 million as the amortization of capital and right-of-use assets exceeded the capital investments and additions to right-of-use assets in the period.

Current liabilities decreased $134 million during the period primarily due to a $64 million decrease in accounts payable and a decrease in income taxes payable of $57 million.

Accounts payable and accrued liabilities decreased due to the timing of payments and fluctuations in various payables including capital expenditures and tax remittances. The decrease in current provisions was mainly due to the payment of outstanding restructuring costs in the period, partially offset by an increase in regulatory provisions.

Lease liabilities increased $20 million mainly due to $78 million in new lease liabilities, partially offset by principal repayments of $58 million in the period.

Shareholders' equity decreased $196 million mainly due to a decrease in retained earnings. Retained earnings decreased as the current period income of $380 million was more than fully offset by dividends of $300 million and the impact of shares repurchased under the normal course issuer bid (NCIB) program of $184 million. Share capital decreased $115 million due to the impact of 13,224,772 Class B Shares repurchased under the terms of the Company's NCIB program which was partially offset by the issuance of 28,300 Class B Shares under the Company's stock option plan. Accumulated other comprehensive loss decreased $23 million due to the remeasurement recorded on employee benefit plans in the period.

As at March 31, 2021, there were 476,278,172 Class B Shares, 10,012,393 Cumulative Redeemable Rate Reset Class 2 Preferred Shares, Series A, 1,987,607 Cumulative Redeemable Floating Rate Class 2 Preferred Shares, Series B and 22,372,064 Class A Shares issued and outstanding. As at March 31, 2021, 7,801,230 Class B Shares were issuable on exercise of outstanding options. Shaw is traded on the Toronto and New York stock exchanges and is included in the S&P/TSX 60 Index (Trading Symbols: TSX – SJR.B, SJR.PR.A, SJR.PR.B, NYSE – SJR, and TSXV – SJR.A). For more information, please visit www.shaw.ca.

Liquidity and capital resources

In the six-month period ended February 28, 2021, the Company generated $473 million of free cash flow. Shaw used its free cash flow along with cash of $375 million and proceeds from the issuance of Class B Shares of $1 million to fund the net working capital change of $243 million, pay common share dividends of $300 million, repurchase $300 million in Class B Shares under the Company's NCIB program and pay $24 million in restructuring costs.

Debt structure and financial policy

The Company has an accounts receivable securitization program with a Canadian financial institution which allows it to sell certain trade receivables into the program. As at February 28, 2021, the proceeds of the sales were committed up to a maximum of $200 million (with $200 million drawn under the program as at February 28, 2021). The Company continues to service and retain substantially all of the risks and rewards relating to the trade receivables sold, and therefore, the trade receivables remain recognized on the Company's Consolidated Statements of Financial Position and the funding received is recorded as a current liability (revolving floating rate loans) secured by the trade receivables. The buyer's interest in the accounts receivable ranks ahead of the Company's interest and the program restricts it from using the trade receivables as collateral for any other purpose. The buyer of the trade receivable has no claim on any of the Company's other assets.

As at February 28, 2021, the net debt leverage ratio for the Company was 2.4x. Considering the prevailing competitive, operational and capital market conditions, the Board of Directors has determined that having this ratio in the range of 2.5x to 3.0x would be appropriate for the Company in the current environment. In addition, the terms of the Arrangement Agreement require Shaw to obtain Rogers' consent prior to incurring certain types of indebtedness.

The Company calculates net debt leverage ratio as follows(1):

(millions of Canadian dollars)	**February 28, 2021**	August 31, 2020
Short-term borrowings	**200**	200
Current portion of long-term debt	**1**	1
Current portion of lease liabilities	**108**	113
Long-term debt	**4,548**	4,547
Lease liabilities	**1,182**	1,157
50% of outstanding preferred shares	**147**	147
Cash and cash equivalents	**(388)**	(763)
(A) Net debt(2)	**5,798**	5,402
(B) Adjusted EBITDA(2)	**2,447**	2,391
(A/B) Net debt leverage ratio(3)	**2.4x**	2.3x

(1) The following contains a description of the Company's use of non-GAAP financial measures in the calculation of net debt leverage ratio, which is a non-GAAP ratio, and provides a reconciliation to the nearest GAAP measure or provides a reference to such reconciliation.

(2) See "Non-GAAP and additional financial measures."

(3) Net debt leverage ratio is a non-GAAP ratio and should not be considered as a substitute or alternative for a GAAP measure and may not be a reliable way to compare us to other companies. See "Non-GAAP and additional financial measures" for further information about this ratio.

On November 2, 2020, the Company announced that it had received approval from the TSX to establish an NCIB program. The program commenced on November 5, 2020 and will remain in effect until November 4, 2021. As approved by the TSX, the Company has the ability to purchase for cancellation up to 24,532,404

Class B Shares representing approximately 5% of all of the issued and outstanding Class B Shares as at October 22, 2020.

During the three and six months ended February 28, 2021, the Company purchased 9,955,328 and 13,224,772 Class B Shares for cancellation for a total cost of approximately $225 million and $300 million, respectively, under the NCIB program.

From March 1, 2021 to March 12, 2021, the Company purchased an additional 1,559,202 Class B Shares for cancellation for a total cost of approximately $36 million under the NCIB program. In connection with the announcement of the Transaction on March 15, 2021, the Company suspended share buybacks under its NCIB program.

Shaw's credit facilities are subject to customary covenants which include maintaining minimum or maximum financial ratios.

	Covenant as at February 28, 2021	Covenant Limit
Shaw Credit Facilities		
Total Debt to Operating Cash Flow[(1)] Ratio	1.83:1	< 5.00:1
Operating Cash Flow[(1)] to Fixed Charges[(2)] Ratio	10.99:1	> 2.00:1

(1) Operating Cash Flow, for the purposes of the covenants, is calculated as net earnings before interest expense, depreciation, amortization, restructuring, and current and deferred income taxes, excluding profit or loss from investments accounted for on an equity basis, less payments made with regards to lease liabilities for the most recently completed fiscal quarter multiplied by four, plus cash dividends and other cash distributions received in the most recently completed four fiscal quarters from investments accounted for on an equity basis.

(2) Fixed Charges are defined as the aggregate interest expense, excluding the interest related to lease liabilities, for the most recently completed fiscal quarter multiplied by four.

As at February 28, 2021, Shaw is in compliance with these covenants and based on current business plans, the Company is not aware of any condition or event that would give rise to non-compliance with the covenants over the life of the borrowings which currently mature in December of 2024.

Based on the aforementioned financing activities, available credit facilities and forecasted free cash flow, the Company expects to have sufficient liquidity to fund operations, obligations and working capital requirements, including maturing debt, during the upcoming fiscal year. The terms of the Arrangement Agreement require that the Company maintain sufficient liquidity to pay an $800 million termination fee payable by Shaw in certain circumstances.

Under the terms of the Arrangement Agreement, Rogers has the right to cause the Company to redeem its outstanding preferred shares on June 30, 2021 in accordance with their terms by providing written notice to Shaw. As of the date of this MD&A, Rogers has not exercised this right.

As at February 28, 2021, the Company had $388 million of cash on hand and its $1.5 billion bank credit facility was fully undrawn.

Cash Flow

Operating Activities

	Three months ended			Six months ended		
(millions of Canadian dollars)	**February 28, 2021**	February 29, 2020	Change %	**February 28, 2021**	February 29, 2020	Change %
Funds flow from operations	**539**	496	8.7	**1,027**	946	8.6
Net change in non-cash balances related to operations	**(66)**	(135)	51.1	**(254)**	(246)	(3.3)
	473	361	31.0	**773**	700	10.4

For the three months ended February 28, 2021, funds flow from operating activities increased over the comparable period in fiscal 2020 primarily due to a smaller decrease in the net change in non-cash balances related to operations and an increase in the funds flow from operations. The net change in non-cash balances related to operations fluctuated over the comparative period due to changes in accounts receivable, inventory and other current asset balances, and the timing of payment of current income taxes payable and accounts payable and accrued liabilities.

Investing Activities

	Three months ended			Six months ended		
(millions of Canadian dollars)	**February 28, 2021**	February 29, 2020	Decrease	**February 28, 2021**	February 29, 2020	Decrease
Cash used in investing activities	**(254)**	(294)	(40)	**(486)**	(604)	(118)

For the three months ended February 28, 2021, the cash used in investing activities decreased over the comparable period in fiscal 2020 primarily due to a decrease in additions to property, plant and equipment of $30 million and a decrease to additions to investment and other assets of $4 million, partially offset by an increase in proceeds on disposal of property, plant and equipment of $2 million received in the current period.

Financing Activities

The changes in financing activities during the comparative periods were as follows:

	Three months ended		Six months ended	
(millions of Canadian dollars)	**February 28, 2021**	February 29, 2020	**February 28, 2021**	February 29, 2020
Increase in short-term borrowings [note 7]	-	135	-	215
Issuance of long-term debt	-	800	-	800
Repayment of long-term debt	-	(818)	-	(2,068)
Debt arrangement costs	-	(9)	-	(10)
Payment of lease liabilities [note 6]	**(27)**	(27)	**(58)**	(57)
Issue of Class B Shares [note 10]	**1**	2	**1**	5
Purchase of Class B Shares	**(225)**	(80)	**(300)**	(105)
Dividends paid on Class A Shares and Class B Shares	**(149)**	(153)	**(301)**	(269)
Dividends paid on Preferred Shares	**(2)**	(2)	**(4)**	(4)
Payment of distributions to non-controlling interests	-	-	-	(2)
	(402)	(152)	**(662)**	(1,495)

Contractual Obligations

There has been no material change in the Company's contractual obligations, including commitments for capital expenditures, between August 31, 2020 and February 28, 2021.

Accounting standards

The MD&A included in the Company's August 31, 2020 Annual Report outlined critical accounting policies, including key estimates and assumptions that management has made under these policies, and how they affect the amounts reported in the 2020 Annual Consolidated Financial Statements. The MD&A also describes significant accounting policies where alternatives exist. See "Critical Accounting Policies and Estimates" in the Company's MD&A for the year ended August 31, 2020. The condensed interim Consolidated Financial Statements follow the same accounting policies and methods of application as the 2020 Annual Consolidated Financial Statements.

Related party transactions

The Company's transactions with related parties are discussed in its MD&A for the year ended August 31, 2020 under "Related Party Transactions" and under Note 29 of the Consolidated Financial Statements of the Company for the year ended August 31, 2020.

There has been no material change in the Company's transactions with related parties between August 31, 2020 and February 28, 2021.

Financial instruments

There has been no material change in the Company's risk management practices with respect to financial instruments between August 31, 2020 and February 28, 2021. See "Known Events, Trends, Risks and Uncertainties – Interest Rates, Foreign Exchange Rates and Capital Markets" in the Company's MD&A for the year ended August 31, 2020 and the section entitled "Financial Instruments" under Note 30 of the Consolidated Financial Statements of the Company for the year ended August 31, 2020.

Internal controls and procedures

Details relating to disclosure controls and procedures, and internal control over financial reporting (ICFR), are discussed in the Company's MD&A for the year ended August 31, 2020 under "Certification." As at February 28, 2021, there have been no changes in the Company's ICFR that have materially affected, or are reasonably likely to materially affect, the Company's ICFR in fiscal 2021.

Risks and uncertainties

The significant risks and uncertainties affecting the Company and its business are discussed in the Company's MD&A for the year ended August 31, 2020 under "Known Events, Trends, Risks and Uncertainties." The following is a list of the significant risks and uncertainties since that date.

Risks Related to the Transaction

The completion of the Transaction is subject to the satisfaction or waiver of several conditions precedent

The completion of the Transaction is subject to a number of conditions precedent, some of which are outside of the control of the Company and Rogers, including receipt of the Key Regulatory Approvals, receipt of the required shareholder approval, the granting of the interim and final orders by the court, stock exchange approvals, there not having occurred a Material Adverse Effect or Purchaser Material Adverse Effect (as such terms are defined in the Arrangement Agreement), and the satisfaction of certain other customary closing conditions. There can be no certainty, nor can the Company or Rogers provide any assurance, that all conditions precedent to the Transaction will be satisfied or waived, nor can there be any certainty of the timing of their satisfaction or waiver. In addition, shareholders are advised that the condition relating to the occurrence of a Purchaser Material Adverse Effect is enforceable by, and is for the benefit of, the Shaw Family Living Trust. Accordingly, the Shaw Family Living Trust, which may have interests in the Transaction different from, or in addition to, those of other shareholders, has the right to prevent or delay the completion of the Transaction should it determine that a Purchaser Material Adverse Effect has occurred.

If, for any reason, the Transaction is not completed or its completion is materially delayed and/or the Arrangement Agreement is terminated, the market price of the Shares may be materially adversely affected. In such circumstances, the Company's business, financial condition or results of operations could also be subject to various material adverse consequences. In addition, if the Transaction is not completed, in certain circumstances, the Company may be required to pay a termination fee of $800 million to Rogers, the result of which could have a material adverse effect on the Company's business, financial position and results of operations and its ability to fund growth prospects and current operations.

The Key Regulatory Approvals necessary to complete the Transaction may not be obtained or may only be obtained after substantial delay

To complete the Transaction, each of the Company and Rogers must make certain filings with and obtain certain consents and approvals from various governmental and regulatory authorities. In particular, the Company and Rogers have not yet obtained the Key Regulatory Approvals, all of which are required to complete the Transaction. In addition, governmental or regulatory agencies could deny permission for, or seek to block or challenge the Transaction or the transfer or deemed transfer of specific assets, including spectrum licenses, or impose material conditions relating to the Arrangement or any such transfer. If any one of the Key Regulatory Approvals is not obtained or any applicable law is in effect which makes the consummation of the Transaction illegal, the Transaction will not be completed.

In addition, a substantial delay in obtaining the Key Regulatory Approvals could result in the Transaction not being completed. In particular, if the Transaction is not completed by March 15, 2022 (subject to an extension of up to 90 days if required to obtain the Key Regulatory Approvals), either Shaw or Rogers may terminate the Arrangement Agreement, in which case the Transaction will not be completed.

Under certain circumstances, if the Key Regulatory Approvals are not obtained or any law (that relates to one or more of the Key Regulatory Approvals or the *Competition Act* (Canada)) is in effect which would make the consummation of the Transaction illegal and the failure to obtain the Key Regulatory Approvals is not caused by, and is not a result of, the failure by the Company to perform in all material respects any of its covenants or agreements under the Arrangement Agreement, then Rogers is obligated to pay the $1.2 billion reverse termination amount and holders of the Class A Shares and Class B Shares will not receive the consideration under the Arrangement Agreement (as the Transaction will not be completed).

Federal election could impact the regulatory reviews of the Transaction

The potential for a federal election to be called before the expected closing of the Transaction may have an unpredictable impact on the timing and outcome of the regulatory reviews of the Transaction.

The Transaction is subject to receipt of the Required Shareholder Approval

The Transaction requires that the shareholder resolution for the Transaction be approved by (a) not less than two-thirds of the votes cast by holders of Class A Shares, voting separately as a class, present in person (including virtually) or by proxy at the Special Meeting, (b) not less than two-thirds of the votes cast by holders of Class B Shares, voting separately as a class, present in person (including virtually) or by proxy at the Special Meeting, (c) a majority of the votes cast by holders of Class A Shares, voting separately as a class, present in person (including virtually) or by proxy at the Special Meeting, excluding for this purpose votes attached to the Class A Shares held by persons described in items (a) through (d) of section 8.1(2) of MI 61-101; and (d) a majority of the votes cast by holders of Class B Shares, voting separately as a class, present in person (including virtually) or by proxy at the Special Meeting, excluding for this purpose votes attached to the Class B Shares held by persons described in items (a) through (d) of section 8.1(2) of MI 61-101.

There can be no certainty, nor can the Company provide any assurance, that the required shareholder approval will be obtained. If such approval is not obtained and the Transaction is not completed, the market price of Shaw's securities may decline to the extent that the current market price reflects a market assumption that the Transaction will be completed. If the Transaction is not completed, the Controlling

Shareholder Voting Support Agreement (as defined in the Arrangement Agreement) may also limit the Company's ability to seek another merger or business combination prior to June 13, 2022. Subject to the terms of the Controlling Shareholder Voting Support Agreement, if the Company's Board decides to seek another merger or business combination, there can be no assurance that it will be able to find a party willing to pay an equivalent or greater price for all of Shaw's issued and outstanding Class A Shares and Class B Shares than the price to be paid by Rogers pursuant to the Transaction.

The Arrangement Agreement may be terminated in certain circumstances

The Transaction may be terminated by the Company or Rogers in certain circumstances, in which case the Transaction will not be completed. Accordingly, there is no certainty, nor can the Company provide any assurance, that the Arrangement Agreement will not be terminated by the Company or Rogers prior to the completion of the Transaction. The failure to complete the Transaction could materially negatively impact the market price of Shaw's securities. Moreover, if the Arrangement Agreement is terminated and the Company's Board determines to pursue another merger or business combination, there is no assurance that the Company's Board will be able to find a party willing to pay an equivalent or greater price for all of Shaw's issued and outstanding Class A Shares and Class B Shares than the price to be paid by Rogers pursuant to the Transaction.

The failure to complete the Transaction could negatively impact the Company and have a material adverse effect on the current and future operations, financial condition and prospects of the Company

If the Transaction is not completed for any reason, there are risks that the announcement of the Transaction and the dedication of substantial resources of the Company to the completion thereof could have a negative impact on the Company's current business relationships (including with future and prospective employees, customers, suppliers and partners) and could have a material adverse effect on the current and future business, operations, results of operations, financial condition and prospects of the Company. In addition, failure to complete the Transaction for any reason could materially negatively impact the market price of Shaw's securities.

The entering into of the Arrangement Agreement may also preclude the Company from participating in any auction by ISED for wireless spectrum licenses.

On April 6, 2021, ISED published its list of applicants to participate in the 3500 MHz spectrum auction, which is currently scheduled to begin in June 2021. The list confirms that Shaw has elected not to participate in the auction.

If the Transaction is not completed, the inability of the Company to participate in any wireless spectrum auction and to acquire licenses thereunder could have a material adverse effect on the current and future operations, financial condition and prospects of the Company.

The Company will incur significant costs and, in certain circumstances, may be required to pay a Termination Fee

Certain costs relating to the Transaction, such as legal, accounting, tax and financial advisory fees, must be paid by the Company even if the Transaction is not completed. In addition, if the Transaction is not completed for certain reasons, the Company may be required to pay a termination fee of $800 million to Rogers, the result of which could have a material adverse effect on the Company's business, financial position and results of operations and its ability to fund growth prospects and current operations.

The Controlling Shareholder Voting Support Agreement and the Termination Fee may discourage third parties from attempting to acquire the Company

The Controlling Shareholder Voting Support Agreement (as defined in the Arrangement Agreement) may significantly reduce the likelihood that any third party will express any interest in acquiring the Company. In particular, pursuant to the terms of the Controlling Shareholder Voting Support Agreement, the Shaw Family Living Trust has agreed to, among other things, vote in favour of the Transaction and against any matter that could reasonably be expected to impede, interfere with, delay, discourage, prevent, adversely affect, inhibit or frustrate the timely consummation of the Transaction. The voting obligations of the Shaw Family Living Trust under the Controlling Shareholder Voting Support Agreement are "irrevocable" in that they do not terminate upon the termination of the Arrangement Agreement (subject to certain exceptions) and the Arrangement Agreement does not permit the Company or the Company's Board to terminate the Arrangement Agreement in order to enter into an agreement providing for, or to complete, an Acquisition Proposal, even if such Acquisition Proposal constitutes a Superior Proposal (as such terms are defined in the Arrangement Agreement). The Shaw Family Living Trust has also agreed to not solicit, assist, initiate, encourage or otherwise knowingly facilitate any inquiry, proposal or offer (whether public or otherwise) that constitutes or could reasonably be expected to constitute or lead to an Acquisition Proposal or enter into, engage in, continue or otherwise participate in any discussions or negotiations regarding any inquiry, proposal or offer (whether public or otherwise) that constitutes or could reasonably be expected to constitute or lead to an Acquisition Proposal. The effect of these provisions is that a competing offer for the Company may be less likely than in other transactions of a similar nature.

In addition, if the Transaction is not completed for certain reasons, the Company may be required to pay a termination fee of $800 million to Rogers, which may discourage other parties from making an Acquisition Proposal, even if such Acquisition Proposal could provide better value to Shaw's Class A and Class B shareholders than the Transaction. Even if the Arrangement Agreement is terminated without payment of a termination fee by the Company to Rogers, the Company may, in the future, be required to pay a termination fee in certain circumstances. Accordingly, if the Transaction is not consummated and the Arrangement Agreement is terminated, the Company may not be able to consummate another Acquisition Proposal that would otherwise provide greater value than what is provided for under the Arrangement Agreement without paying the termination fee to Rogers.

The Arrangement Agreement contains provisions that restrict the ability of the Company and the Company's Board to pursue alternatives to the Transaction

The Arrangement Agreement contains non-solicitation provisions that restrict the ability of the Company and the Company's Board to solicit, initiate, knowingly encourage or otherwise knowingly facilitate any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to an Acquisition Proposal. In addition, the Arrangement Agreement does not permit the Company or the Company's Board to terminate the Arrangement Agreement in order to enter into an agreement providing for, or to complete, another Acquisition Proposal (even if such Acquisition Proposal constitutes a Superior Proposal) and could provide better value to Shaw's Class A and Class B shareholders than the Transaction.

The Transaction may divert the attention of management of the Company, impact the Company's ability to attract or retain key personnel or impact the Company's third party business relationships

The Transaction could cause the attention of the Company's management to be diverted from the day-to-day operations of the Company. These disruptions could be exacerbated by a delay in the completion of the Transaction and could have an adverse effect on the current and future business, operations, results of operations, financial condition and prospects of the Company. Because the completion of the Transaction is subject to uncertainty, officers and employees of the Company may experience uncertainty about their future roles with the Company, which may adversely affect the Company's ability to attract or retain key management and personnel in the period until the completion or termination of the Transaction.

In addition, third parties with which the Company currently has business relationships or may have business relationships in the future, including industry partners, regulators, customers and suppliers, may experience uncertainty associated with the Transaction, including with respect to current or future relationships with the Company or Rogers. Such uncertainty could have a material and adverse effect on the current and future business, operations, results of operations, financial condition and prospects of the Company.

The Company's directors, officers and employees may have interests in the Transactions that are different from those of Shaw's shareholders

Certain directors, officers and employees of the Company may have interests in the Transaction that are different from, or in addition to, the interests of Company's Class A and Class B shareholders generally.

The Arrangement Agreement contains certain restrictions on the ability of the Company to conduct its business

Under the Arrangement Agreement, the Company must generally use its reasonable best efforts to conduct its business in the ordinary course and, prior to the completion of the Transaction or the termination of the Arrangement Agreement, the Company is subject to certain covenants which restrict it from taking certain actions without the prior consent of Rogers and which require it to take certain other actions. In either case, such covenants may delay or prevent the Company from pursuing business opportunities that may arise or preclude actions that would otherwise be advisable if the Company were to remain a standalone entity.

The financing of the Transaction

Although the Arrangement Agreement does not contain a financing condition and Rogers has received the debt commitment letter to provide for the debt financing in order to finance the Transaction, the obligation of the lenders under the debt commitment letter to provide the debt financing is subject to certain limited conditions. In the event that the Transaction cannot be completed due to the failure of Rogers to obtain financing required to close the Transaction either because the limited conditions to the financing are not satisfied or other events arise which prevent Rogers from consummating the Debt Financing, the Company expects that Rogers may be unable to fund the Consideration required to complete the Arrangement, in which case Rogers will be required to pay a reverse termination fee of $1.2 billion to the Company and the holders of the Class A Shares and Class B Shares will not receive the consideration under the Arrangement Agreement (as the Transaction will not be completed).

Government regulations and regulatory developments

See our MD&A in the Annual Report for the year ended August 31, 2020 for a discussion of the significant regulations that affected our operations as of October 30, 2020. The following is a list of the significant regulatory developments since that date.

For a discussion of the regulatory approval processes related to the Transaction, see "Introduction – Shaw and Rogers Transaction" and "Risks and uncertainties – Risks Related to the Transaction – *The Key Regulatory Approvals necessary to complete the Transaction may not be obtained or may only be obtained after substantial delay* and a *Federal election could impact the regulatory reviews of the Transaction*" of this MD&A.

Broadcasting Act

Potential for new or increased fees

On November 3, 2020, the Minister of Heritage introduced a bill to amend the *Broadcasting Act* (Bill C-10). Bill C-10 does not introduce material new obligations applicable to or fees payable by the Company's cable, Direct-to-Home (DTH), Satellite Relay Distribution or digital media services. However, the Bill remains subject to amendment, pursuant to the parliamentary process, prior to its passage. In addition, the Canadian Radio-television and Telecommunications Commission ("CRTC" or "Commission") will, subsequent to any royal assent to Bill C-10, engage in one or more proceedings to align Canadian broadcasting regulation with the amended *Broadcasting Act.* Furthermore, the Minister of Heritage has indicated that the Commission's subsequent regulatory processes will be subject to a Direction by the Governor-in-Council that sets out the Government's expectations with respect to how the newly-incorporated amendments to the *Broadcasting Act* should be reflected in regulation, which Direction may also specify the requirement that new regulations be brought into force within a relatively short timeframe. On February 16, 2021, Bill C-10 passed Second Reading and was referred to the Standing Committee on Canadian Heritage for study. The implementation of new regulatory measures in connection with Bill C-10 could impact the Company's cable and DTH services if regulatory fees and obligations are not applied symmetrically as between licensed and unlicensed entities.

Telecommunications Act

Telecom Order CRTC 2019-288

On August 15, 2019, the CRTC issued Telecom Order 2019-288 (the "Order"), which set Shaw's final wholesale high-speed access (HSA) service rates. The final rates are significantly lower than the interim rates set in October 2016, and retroactive to January 31, 2017. For a detailed summary regarding all proceedings and decisions issued between August 15, 2019 and October 30, 2020 related to the Company's multiple routes of appeal of the Order, see "Government Relations and Regulatory Developments – Third Party Internet Access" of the Company's Annual Report for the year ended August 31, 2020.

On November 12, 2020, the Company, together with Cogeco, Eastlink, Rogers and Videotron (collectively, the "Cable Carriers"), filed an application with the Supreme Court of Canada (SCC), seeking leave to appeal the Federal Court of Appeal's decision dated September 10, 2020 denying the Company's appeal of the Order. On February 25, 2021, the application for leave to appeal was dismissed.

If the CRTC does not review and vary the rates set by the Order, this could significantly reduce the amount that the Company can charge for aggregated HSA services and negatively impact the Company's broadband Wireline revenues and investments, as well as its ability to compete with Resellers and other facilities-based HSA providers.

Compliance and Enforcement and Telecom Notice of Consultation CRTC 2021-9

On January 13, 2021, the Commission initiated a proceeding to develop a network-level blocking framework to limit botnet traffic targeting Canadians. Shaw has recommended a limited role for the Commission. If, however, the Commission implements more onerous obligations, this could result introduce additional costs to the Company and a risk of penalties in connection with any non-compliance.

36-Month Device Financing

On March 4, 2021, the Commission released its decision regarding 36-month device financing plans (also referred to as equipment installment plans), in which it confirmed that plans longer than 24-months violate the Wireless Code. The Commission also ordered all wireless service providers to update their contracts, sales, training material, and any other documentation, to ensure that the offering of device financing plans complies with the Wireless Code's limitation on rules applicable to contract length and early cancellation fees. The Company has never offered device financing plans longer than 24-months.

Copyright Act

Interpretation of s.2.4(1.1)

In June 2020, the Federal Court of Appeal overturned the Copyright Board's interpretation of the scope and meaning of the "making available" provision (section 2.4(1.1) of the *Copyright Act*). The Copyright Board determined that section 2.4(1.1) expands the scope of the performance right and the Society of Composers, Authors and Music Publishers of Canada's (SOCAN) entitlement to royalties. On November 12, 2020, SOCAN filed an application for leave to appeal to the SCC. If leave is granted and the SCC restores the Copyright Board's interpretation, it could lead to new claims by rights holders in connection with Company technologies that facilitate downloading.

Personal Information Protection and Electronic Documents Act (PIPEDA)

On November 17, 2020, the Minister of Innovation, Science and Industry introduced Bill C-11 – *the Digital Charter Implementation Act* ("DCIA"), which, when passed and brought into force, will repeal and replace PIPEDA. Bill C-11 is comprised of two parts: (1) the *Consumer Privacy Protection Act* (the "CCPA"), which establishes protections and parameters for the collection, use and disclosure of personal information (PI), including enhanced rights for individuals with respect to their privacy and data; enhanced accountabilities for organizations with respect to consent gathering and data usage; and significant penalties (up to 5% of an organization's gross revenue the previous year) for breaches of rights and responsibilities; and (2) the *Personal Information and Data Protection Tribunal Act* (the "PIDPTA"), which creates a new administrative tribunal to oversee enforcement of the CCPA. As of April 14, 2021, Bill C-11 remains in Second Reading before the House of Commons.

Changes to privacy laws and regulations resulting from the passage of Bill C-11 will require Shaw to incur costs to adjust its policies and practices related to privacy, as well as data collection and management. Such changes could: result in significant new costs payable by the Company to ensure compliance; limit the Company's ability to utilize data in support of its business, as well as preserve and expand its customer base; and expose the Company to the risk of significant penalties and claims (including pursuant to a proposed right of private action) in connection with any non-compliance. The Government will be consulting on Bill C-11, and the timing of its coming into force will be set at the time the legislation is passed.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(unaudited)

(millions of Canadian dollars)	**February 28, 2021**	**August 31, 2020**
ASSETS		
Current		
Cash and cash equivalents	**388**	763
Accounts receivable	**330**	268
Income taxes recoverable	**21**	-
Inventories	**70**	60
Other current assets *[note 4]*	**309**	277
Current portion of contract assets *[note 12]*	**128**	132
	1,246	1,500
Investments and other assets *[note 5 & 16]*	**70**	42
Property, plant and equipment	**6,091**	6,142
Other long-term assets	**159**	163
Contract assets *[note 12]*	**35**	40
Deferred income tax assets	**2**	1
Intangibles *[note 17]*	**8,005**	7,997
Goodwill *[note 17]*	**280**	280
	15,888	16,165
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Short-term borrowings *[note 7]*	**200**	200
Accounts payable and accrued liabilities	**935**	999
Provisions *[note 8]*	**97**	101
Income taxes payable	**-**	57
Current portion of contract liabilities *[note 12]*	**206**	211
Current portion of long-term debt *[notes 9 and 16]*	**1**	1
Current portion of lease liabilities *[note 6]*	**108**	113
Current portion of derivatives	**7**	6
	1,554	1,688
Long-term debt *[notes 9 and 16]*	**4,548**	4,547
Lease liabilities *[note 6]*	**1,182**	1,157
Other long-term liabilities	**44**	72
Provisions *[note 8]*	**80**	80
Deferred credits	**398**	406
Contract liabilities *[note 12]*	**15**	14
Deferred income tax liabilities	**2,030**	1,968
	9,851	9,932
Shareholders' equity *[notes 10 and 14]*		
Common and preferred shareholders	**6,037**	6,233
	15,888	16,165

See accompanying notes.

CONSOLIDATED STATEMENTS OF INCOME
(unaudited)

	Three months ended		Six months ended	
(millions of Canadian dollars)	**February 28, 2021**	February 29, 2020	**February 28, 2021**	February 29, 2020
Revenue *[notes 3 and 12]*	**1,387**	1,363	**2,757**	2,746
Operating, general and administrative expenses *[note 13]*	**(750)**	(763)	**(1,513)**	(1,558)
Restructuring costs *[notes 8 and 13]*	**(1)**	-	**(13)**	-
Amortization:				
Deferred equipment revenue	**3**	5	**6**	9
Deferred equipment costs	**(12)**	(17)	**(25)**	(35)
Property, plant and equipment, intangibles and other	**(294)**	(288)	**(589)**	(577)
Operating income	**333**	300	**623**	585
Amortization of financing costs – long-term debt	**-**	(1)	**(1)**	(2)
Interest expense	**(67)**	(68)	**(133)**	(139)
Other gains (losses)	**26**	(19)	**24**	(22)
Income before income taxes	**292**	212	**513**	422
Current income tax expense *[note 3]*	**44**	23	**80**	59
Deferred income tax expense	**31**	22	**53**	34
Net income	**217**	167	**380**	329
Net income attributable to:				
Equity shareholders	**217**	**167**	**380**	**329**
Earnings per share: *[note 11]*				
Basic and diluted	**0.43**	**0.32**	**0.74**	**0.63**

See accompanying notes.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(unaudited)

	Three months ended		Six months ended	
(millions of Canadian dollars)	**February 28, 2021**	February 29, 2020	**February 28, 2021**	February 29, 2020
Net income	**217**	167	**380**	329
Other comprehensive income *[note 14]*				
Items that may subsequently be reclassified to income:				
Change in unrealized fair value of derivatives designated as cash flow hedges	**(1)**	-	**(2)**	-
Adjustment for hedged items recognized in the period	**1**	-	**2**	-
	-	-	**-**	-
Items that will not subsequently be reclassified to income:				
Remeasurements on employee benefit plans	**28**	(10)	**23**	(5)
	28	(10)	**23**	(5)
Comprehensive income	**245**	157	**403**	324
Comprehensive income attributable to:				
Equity shareholders	**245**	157	**403**	324

See accompanying notes.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(unaudited)

Six months ended February 28, 2021

(millions of Canadian dollars)	Share capital	Contributed surplus	Retained earnings	Accumulated other comprehensive loss	Total	Equity attributable to non controlling interest	Total equity
	Attributable to equity shareholders						
Balance as at September 1, 2020	**4,602**	**27**	**1,703**	**(99)**	**6,233**	**-**	**6,233**
Net income	**-**	**-**	**380**	**-**	**380**	**-**	**380**
Other comprehensive income	**-**	**-**	**-**	**23**	**23**	**-**	**23**
Comprehensive income	**-**	**-**	**380**	**23**	**403**	**-**	**403**
Dividends	**-**	**-**	**(300)**	**-**	**(300)**	**-**	**(300)**
Shares issued under stock option plan	**1**	**-**	**-**	**-**	**1**	**-**	**1**
Shares repurchased *[note 10]*	**(116)**	**-**	**(184)**	**-**	**(300)**	**-**	**(300)**
Balance as at February 28, 2021	**4,487**	**27**	**1,599**	**(76)**	**6,037**	**-**	**6,037**

Six months ended February 29, 2020

(millions of Canadian dollars)	Share capital	Contributed surplus	Retained earnings	Accumulated other comprehensive loss	Total	Equity attributable to non controlling interest	Total equity
	Attributable to equity shareholders						
Balance as at September 1, 2019	4,605	26	1,723	(94)	6,260	3	6,263
Net income	-	-	329	-	329	-	329
Other comprehensive income	-	-	-	(5)	(5)	-	(5)
Comprehensive income	-	-	329	(5)	324	-	324
Dividends	-	-	(272)	-	(272)	-	(272)
Dividend reinvestment plan	37	-	(37)	-	-	-	-
Distributions declared to non-controlling interest	-	-	-	-	-	(3)	(3)
Shares issued under stock option plan	6	(1)	-	-	5	-	5
Shares repurchased	(35)	-	(70)	-	(105)	-	(105)
Share-based compensation	-	1	-	-	1	-	1
Balance as at February 29, 2020	4,613	26	1,673	(99)	6,213	-	6,213

See accompanying notes.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	Three months ended		Six months ended	
(millions of Canadian dollars)	**February 28, 2021**	February 29, 2020	**February 28, 2021**	February 29, 2020
OPERATING ACTIVITIES				
Funds flow from operations *[note 15]*	**539**	496	**1,027**	946
Net change in non-cash balances	**(66)**	(135)	**(254)**	(246)
	473	361	**773**	700
INVESTING ACTIVITIES				
Additions to property, plant and equipment *[note 3]*	**(218)**	(248)	**(414)**	(518)
Additions to equipment costs (net) *[note 3]*	**(5)**	(7)	**(12)**	(18)
Additions to other intangibles *[note 3]*	**(34)**	(36)	**(76)**	(64)
Net additions to investments and other assets	**-**	(4)	**(1)**	(5)
Proceeds on disposal of property, plant and equipment	**3**	1	**17**	1
	(254)	(294)	**(486)**	(604)
FINANCING ACTIVITIES				
Increase in short-term borrowings *[note 7]*	**-**	135	**-**	215
Issuance of long-term debt	**-**	800	**-**	800
Repayment of long-term debt	**-**	(818)	**-**	(2,068)
Debt arrangement costs	**-**	(9)	**-**	(10)
Payment of lease liabilities *[note 6]*	**(27)**	(27)	**(58)**	(57)
Issue of Class B Shares *[note 10]*	**1**	2	**1**	5
Purchase of Class B Shares *[note 10]*	**(225)**	(80)	**(300)**	(105)
Dividends paid on Class A Shares and Class B Shares	**(149)**	(153)	**(301)**	(269)
Dividends paid on Preferred Shares	**(2)**	(2)	**(4)**	(4)
Payment of distributions to non-controlling interests	**-**	-	**-**	(2)
	(402)	(152)	**(662)**	(1,495)
Decrease in cash	**(183)**	(85)	**(375)**	(1,399)
Cash, beginning of the period	**571**	132	**763**	1,446
Cash, end of the period	**388**	47	**388**	47

See accompanying notes.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

February 28, 2021 and February 29, 2020
[all amounts in millions of Canadian dollars, except share and per share amounts]

1. CORPORATE INFORMATION

Shaw Communications Inc. (the "Company") is a diversified Canadian connectivity company whose core operating business is providing: Cable telecommunications, Satellite video services and data networking to residential customers, businesses and public-sector entities ("Wireline"); and wireless services for voice and data communications ("Wireless"). The Company's shares are listed on the Toronto Stock Exchange (TSX), TSX Venture Exchange (TSXV) and New York Stock Exchange (NYSE) (Symbol: TSX - SJR.B, SJR.PR.A, SJR.PR.B, NYSE - SJR, and TSXV - SJR.A).

2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

Statement of compliance

These condensed interim consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) and in compliance with International Accounting Standard (IAS) 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board (IASB).

The condensed interim consolidated financial statements of the Company for the three and six months ended February 28, 2021 were authorized for issue by the Board of Directors on April 14, 2021.

Basis of presentation

These condensed interim consolidated financial statements have been prepared primarily under the historical cost convention except as detailed in the significant accounting policies disclosed in the Company's consolidated financial statements for the year ended August 31, 2020 and are expressed in millions of Canadian dollars unless otherwise indicated. The condensed interim consolidated statements of income are presented using the nature classification for expenses.

The notes presented in these condensed interim consolidated financial statements include only significant events and transactions occurring since the Company's last fiscal year end and are not fully inclusive of all matters required to be disclosed by IFRS in the Company's annual consolidated financial statements. As a result, these condensed interim consolidated financial statements should be read in conjunction with the Company's consolidated financial statements for the year ended August 31, 2020.

The condensed interim consolidated financial statements follow the same accounting policies and methods of application as the most recent annual consolidated financial statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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3. BUSINESS SEGMENT INFORMATION

The Company's chief operating decision makers are the Executive Chair & Chief Executive Officer, the President, and the Executive Vice President, Chief Financial & Corporate Development Officer and they review the operating performance of the Company by segments, which are comprised of Wireline and Wireless. The chief operating decision makers utilize adjusted earnings before interest, income taxes, depreciation and amortization ("adjusted EBITDA") for each segment as a key measure in making operating decisions and assessing performance.

The Wireline segment provides Cable telecommunications services including Video, Internet, WiFi, Phone, Satellite Video and data networking through a national fibre-optic backbone network to Canadian consumers, North American businesses and public-sector entities. The Wireless segment provides wireless services for voice and data communications serving customers in Ontario, British Columbia and Alberta through Freedom Mobile and in British Columbia and Alberta through Shaw Mobile.

Both of the Company's reportable segments are substantially located in Canada. Information on operations by segment is as follows:

Operating information

	Three months ended		Six months ended	
	February 28, 2021	February 29, 2020	**February 28, 2021**	February 29, 2020
Revenue				
Wireline	**1,054**	1,063	**2,110**	2,130
Wireless	**336**	302	**653**	620
	1,390	1,365	**2,763**	2,750
Intersegment eliminations	**(3)**	(2)	**(6)**	(4)
	1,387	1,363	**2,757**	2,746
Adjusted EBITDA[(1)]				
Wireline	**540**	519	**1,072**	1,036
Wireless	**97**	81	**172**	152
	637	600	**1,244**	1,188
Restructuring costs	**(1)**	-	**(13)**	-
Amortization	**(303)**	(300)	**(608)**	(603)
Operating income	**333**	300	**623**	585
Current taxes				
Operating	**43**	22	**78**	54
Other/non-operating	**1**	1	**2**	5
	44	23	**80**	59

(1) Adjusted EBITDA does not have any standardized meaning prescribed by IFRS and is therefore unlikely to be comparable to similar measures presented by other issuers; the Company defines adjusted EBITDA as revenues less operating, general and administrative expenses.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

February 28, 2021 and February 29, 2020
[all amounts in millions of Canadian dollars, except share and per share amounts]

Capital expenditures

	Three months ended		Six months ended	
	February 28, 2021	February 29, 2020	**February 28, 2021**	February 29, 2020
Capital expenditures accrual basis				
Wireline	**174**	216	**328**	410
Wireless	**71**	53	**144**	108
	245	269	**472**	518
Equipment costs (net of revenue)				
Wireline	**5**	7	**12**	18
Capital expenditures and equipment costs (net)				
Wireline	**179**	223	**340**	428
Wireless	**71**	53	**144**	108
	250	276	**484**	536
Reconciliation to Consolidated Statements of Cash Flows				
Additions to property, plant and equipment	**218**	248	**414**	518
Additions to equipment costs (net)	**5**	7	**12**	18
Additions to other intangibles	**34**	36	**76**	64
Total of capital expenditures and equipment costs (net) per Consolidated Statements of Cash Flows	**257**	291	**502**	600
Decrease in working capital and other liabilities related to capital expenditures	**(4)**	(14)	**(1)**	(63)
Less: Proceeds on disposal of property, plant and equipment	**(3)**	(1)	**(17)**	(1)
Total capital expenditures and equipment costs (net) reported by segments	**250**	276	**484**	536

4. OTHER CURRENT ASSETS

	February 28, 2021	August 31, 2020
Prepaid expenses	**93**	89
Deferred commission costs(1)	**63**	61
Wireless handset receivables(2)	**153**	127
	309	277

(1) Costs incurred to obtain or fulfill a contract with a customer are capitalized and subsequently amortized as an expense over the average life of a customer.

(2) As described in the revenue and expenses accounting policy detailed in the significant accounting policies disclosed in the Company's consolidated financial statements for the year ended August 31, 2020, these amounts relate to the current portion of wireless handset receivables.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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[all amounts in millions of Canadian dollars, except share and per share amounts]

5. INVESTMENTS AND OTHER ASSETS

	February 28, 2021	August 31, 2020
Investments in private entities	**70**	42

The Company has a portfolio of investments in various private entities. In the second quarter of fiscal 2021, the Company recorded a net fair value adjustment of $27 relating to these investments. This gain is included in other gains (losses) on the Consolidated Statements of Income.

6. LEASE LIABILITIES

Below is a summary of the activity related to the Company's lease liabilities.

August 31, 2020	1,270
Net additions	78
Interest on lease liabilities	22
Interest payments on lease liabilities	(22)
Principal payments of lease liabilities	(58)
Other	-
Balance as at February 28, 2021	**1,290**
Current	113
Long-term	1,157
Balance as at August 31, 2020	1,270
Current	**108**
Long-term	**1,182**
Balance as at February 28, 2021	**1,290**

7. SHORT-TERM BORROWINGS

A summary of our accounts receivable securitization program is as follows:

	Three months ended		Six months ended	
	February 28, 2021	February 29, 2020	**February 28, 2021**	February 29, 2020
Accounts receivable securitization program, beginning of period	**200**	120	**200**	40
Proceeds received from accounts receivable securitization	**-**	80	**-**	160
Repayment of accounts receivable securitization	**-**	-	**-**	-
Accounts receivable securitization program, end of period	**200**	200	**200**	200

	February 28, 2021	August 31, 2020
Trade accounts receivable sold to buyer as security	**485**	446
Short-term borrowings from buyer	**(200)**	(200)
Over-collateralization	**285**	246

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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[all amounts in millions of Canadian dollars, except share and per share amounts]

8. PROVISIONS

	Asset retirement obligations $	Restructuring [(1)(2)] $	Other $	Total $
Balance as at August 31, 2020	79	13	89	181
Additions	-	13	9	22
Accretion	1	-	-	1
Reversal	-	-	(3)	(3)
Payments	-	(24)	-	(24)
Balance as at February 28, 2021	**80**	**2**	**95**	**177**
Current	-	13	88	101
Long-term	79	-	1	80
Balance as at August 31, 2020	79	13	89	181
Current	-	2	95	97
Long-term	80	-	-	80
Balance as at February 28, 2021	**80**	**2**	**95**	**177**

(1) During fiscal 2018 the Company offered a voluntary departure program to a group of eligible employees as part of a total business transformation initiative and in fiscal 2020 restructured certain operations within the Wireline segment and announced a realignment of the senior leadership team. A total of $12 has been paid in fiscal 2021 relating to these initiatives. The remaining costs are expected to be paid out within the next 11 months.

(2) During fiscal 2021, the Company made a number of changes to its organizational structure in an effort to streamline the business, consolidate certain functions, and reduce redundancies between the Wireless and Wireline segments. In connection with the restructuring, the Company recorded $1 in the second quarter and $12 in the first quarter primarily related to severance and employee related costs, of which $12 has been paid as at February 28, 2021. The remaining costs are expected to be paid within the next 11 months.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

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9. LONG-TERM DEBT

	February 28, 2021				August 31, 2020		
	Effective interest rates	Long-term debt at amortized cost[1]	Adjustment for finance costs [1]	Long-term debt repayable at maturity	Long-term debt at amortized cost[1]	Adjustment for finance costs [1]	Long-term debt repayable at maturity
	%	$	$	$	$	$	$
Corporate							
Cdn fixed rate senior notes-							
3.80% due November 2, 2023	3.80	**498**	**2**	**500**	498	2	500
4.35% due January 31, 2024	4.35	**499**	**1**	**500**	499	1	500
3.80% due March 1, 2027	3.84	**299**	**1**	**300**	298	2	300
4.40% due November 2, 2028	4.40	**496**	**4**	**500**	496	4	500
3.30% due December 10, 2029	3.41	**496**	**4**	**500**	495	5	500
2.90% due December 9, 2030	2.92	**496**	**4**	**500**	496	4	500
6.75% due November 9, 2039	6.89	**1,421**	**29**	**1,450**	1,421	29	1,450
4.25% due December 9, 2049	4.33	**296**	**4**	**300**	296	4	300
		4,501	**49**	**4,550**	4,499	51	4,550
Other							
Burrard Landing Lot 2 Holdings Partnership	Various	**48**	**-**	**48**	49	-	49
Total consolidated debt		**4,549**	**49**	**4,598**	4,548	51	4,599
Less current portion[2]		**1**	**-**	**1**	1	-	1
		4,548	**49**	**4,597**	4,547	51	4,598

(1) Long-term debt is presented net of unamortized discounts and finance costs.
(2) Current portion of long-term debt includes amounts due within one year in respect of the Burrard Landing loans.

10. SHARE CAPITAL

Changes in share capital during the six months ended February 28, 2021 are as follows:

	Class A Shares		Class B Shares		Series A Preferred Shares		Series B Preferred Shares	
	Number	$	Number	$	Number	$	Number	$
August 31, 2020	22,372,064	2	490,632,833	4,307	10,012,393	245	1,987,607	48
Issued upon stock option plan exercises	-	-	28,300	1	-	-	-	-
Issued upon restricted share unit exercises	-	-	6,423	-	-	-	-	-
Shares repurchased	-	-	(13,224,772)	(116)	-	-	-	-
February 28, 2021	**22,372,064**	**2**	**477,442,784**	**4,192**	**10,012,393**	**245**	**1,987,607**	**48**

Normal Course Issuer Bid

On November 2, 2020, the Company announced that it had received approval from the TSX to establish a normal course issuer bid (NCIB) program. The program commenced on November 5, 2020 and will remain in effect until November 4, 2021. As approved by the TSX, the Company has the ability to purchase for cancellation up to 24,532,404 Class B Non-Voting Participating Shares (“Class B Shares”) representing approximately 5% of all of the issued and outstanding Class B Shares as at October 22, 2020.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

February 28, 2021 and February 29, 2020
[all amounts in millions of Canadian dollars, except share and per share amounts]

During the six months ended February 28, 2021, the Company purchased 13,224,772 Class B Shares for cancellation for a total cost of approximately $300 under the NCIB program. The average book value of the shares repurchased was $8.77 per share and was charged to share capital. The excess of the market price over the average book value, including transaction costs, was approximately $184 and was charged to retained earnings.

From March 1, 2021 to March 12, 2021, the Company purchased an additional 1,559,202 Class B Shares for cancellation for a total cost of approximately $36 under the NCIB program. In connection with the announcement of the Transaction on March 15, 2021 (as discussed in more detail in Note 18), the Company suspended share buybacks under its NCIB program.

11. EARNINGS PER SHARE

Earnings per share calculations are as follows:

	Three months ended		Six months ended	
	February 28, 2021	February 29, 2020	**February 28, 2021**	February 29, 2020
Numerator for basic and diluted earnings per share ($)				
Net income	**217**	167	**380**	329
Deduct: dividends on Preferred Shares	**(2)**	(2)	**(4)**	(4)
Net income attributable to common shareholders	**215**	165	**376**	325
Denominator (millions of shares)				
Weighted average number of Class A Shares and Class B Shares for basic earnings per share	**505**	516	**509**	517
Effect of dilutive securities (1)	**-**	-	**-**	-
Weighted average number of Class A Shares and Class B Shares for diluted earnings per share	**505**	516	**509**	517
Basic earnings per share ($)				
Basic and diluted	**0.43**	0.32	**0.74**	0.63

(1) The earnings per share calculation does not take into consideration the potential dilutive effect of certain stock options since their impact is anti-dilutive. For the three and six months ended February 28, 2021, 8,199,698 (February 29, 2020 – 5,852,922) and 7,852,637 (February 29, 2020 – 5,719,981) options were excluded from the diluted earnings per share calculation, respectively.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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[all amounts in millions of Canadian dollars, except share and per share amounts]

12. REVENUE

Contract assets and liabilities

The table below provides a reconciliation of the significant changes to the current and long-term portion of contract assets and liabilities balances during the year.

	Contract Assets	Contract Liabilities
Balance as at August 31, 2020	172	225
Increase in contract assets from revenue recognized during the year	**81**	**-**
Contract assets transferred to trade receivables	**(81)**	**-**
Contract terminations transferred to trade receivables	**(9)**	**-**
Revenue recognized included in contract liabilities at the beginning of the year	**-**	**(215)**
Increase in contract liabilities during the year	**-**	**211**
Balance as at February 28, 2021	**163**	**221**

	Contract Assets	Contract Liabilities
Current	132	211
Long-term	40	14
Balance as at August 31, 2020	172	225
Current	**128**	**206**
Long-term	**35**	**15**
Balance as at February 28, 2021	**163**	**221**

Deferred commission cost assets

The table below provides a summary of the changes in the deferred commission cost assets recognized from the incremental costs incurred to obtain contracts with customers during the six months ended February 28, 2021. We believe these amounts to be recoverable through the revenue earned from the related contracts. The deferred commission cost assets are presented within other current assets (when they will be amortized into net income within twelve months of the date of the financial statements) or other long-term assets.

August 31, 2020	98
Additions to deferred commission cost assets	**39**
Amortization recognized on deferred commission cost assets	**(41)**
Balance as at February 28, 2021	**96**

Current	61
Long-term	37
Balance as at August 31, 2020	98
Current	**63**
Long-term	**33**
Balance as at February 28, 2021	**96**

Commission costs are amortized over a period ranging from 24 to 36 months.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

February 28, 2021 and February 29, 2020
[all amounts in millions of Canadian dollars, except share and per share amounts]

Disaggregation of revenue

	Three months ended		Six months ended	
	February 28, 2021	February 29, 2020	**February 28, 2021**	February 29, 2020
Services				
Wireline - Consumer	**909**	919	**1,820**	1,843
Wireline - Business	**145**	144	**290**	287
Wireless	**218**	201	**433**	397
	1,272	1,264	**2,543**	2,527
Equipment and other				
Wireless	**118**	101	**220**	223
	118	101	**220**	223
Intersegment eliminations	**(3)**	(2)	**(6)**	(4)
Total revenue	**1,387**	1,363	**2,757**	2,746

Remaining performance obligations

The following table includes revenues expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) as at February 28, 2021.

	Within 1 year	**Within 2 years**	**Within 3 years**	**Within 4 years**	**Within 5 years**	**Thereafter**	**Total**
Wireline	1,553	672	159	88	28	1	2,501
Wireless	415	137	-	-	-	-	552
Total	**1,968**	**809**	**159**	**88**	**28**	**1**	**3,053**

When estimating minimum transaction prices allocated to the remaining unfilled, or partially unfulfilled, performance obligations, Shaw applied the practical expedient to not disclose information about remaining performance obligations that have original expected duration of one year or less and for those contracts where we bill the same value as that which is transferred to the customer. The estimated amounts disclosed are based upon contractual terms and maturities. Revenues recognized based on actual minimum transaction price, and the timing thereof, will differ from these estimates due to the frequency with which the actual durations of contracts with customers do not match their contractual maturities.

13. OPERATING, GENERAL AND ADMINISTRATIVE EXPENSES AND RESTRUCTURING COSTS

	Three months ended		Six months ended	
	February 28, 2021	February 29, 2020	**February 28, 2021**	February 29, 2020
Employee salaries and benefits[(1)]	**154**	160	**307**	317
Purchase of goods and services	**597**	603	**1,219**	1,241
	751	763	**1,526**	1,558

[(1)] For the three and six months ended February 28, 2021, employee salaries and benefits include $1 (2020 - $nil) and $13 (2020 - $nil) in restructuring costs respectively.

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14. OTHER COMPREHENSIVE INCOME AND ACCUMULATED OTHER COMPREHENSIVE LOSS

Components of other comprehensive income and the related income tax effects for the three months ended February 28, 2021 are as follows:

	Amount	Income taxes	Net
Items that may subsequently be reclassified to income			
Change in unrealized fair value of derivatives designated as cash flow hedges	**(1)**	**-**	**(1)**
Adjustment for hedged items recognized in the period	**1**	**-**	**1**
	-	**-**	**-**
Items that will not be subsequently reclassified to income			
Remeasurements on employee benefit plans	**38**	**(10)**	**28**
	38	**(10)**	**28**

Components of other comprehensive income and the related income tax effects for the six months ended February 28, 2021 are as follows:

	Amount	Income taxes	Net
Items that may subsequently be reclassified to income			
Change in unrealized fair value of derivatives designated as cash flow hedges	**(2)**	**-**	**(2)**
Adjustment for hedged items recognized in the period	**2**	**-**	**2**
	-	**-**	**-**
Items that will not be subsequently reclassified to income			
Remeasurements on employee benefit plans	**31**	**(8)**	**23**
	31	**(8)**	**23**

Components of other comprehensive income and the related income tax effects for the three months ended February 29, 2020 are as follows:

	Amount	Income taxes	Net
Items that may subsequently be reclassified to income			
Change in unrealized fair value of derivatives designated as cash flow hedges	-	-	-
Adjustment for hedged items recognized in the period	-	-	-
	-	-	-
Items that will not be subsequently reclassified to income			
Remeasurements on employee benefit plans	(14)	4	(10)
	(14)	4	(10)

Components of other comprehensive income and the related income tax effects for the six months ended February 29, 2020 are as follows:

	Amount	Income taxes	Net
Items that may subsequently be reclassified to income			
Change in unrealized fair value of derivatives designated as cash flow hedges	-	-	-
Adjustment for hedged items recognized in the period	-	-	-
	-	-	-
Items that will not be subsequently reclassified to income			
Remeasurements on employee benefit plans	(7)	2	(5)
	(7)	2	(5)

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Accumulated other comprehensive loss is comprised of the following:

	February 28, 2021	August 31, 2020
Items that may subsequently be reclassified to income		
Change in unrealized fair value of derivatives designated as cash flow hedges	**(5)**	(5)
Items that will not be subsequently reclassified to income		
Remeasurements on employee benefit plans	**(71)**	(94)
	(76)	(99)

15. CONSOLIDATED STATEMENTS OF CASH FLOWS

(i) Funds flow from operations

	Three months ended		Six months ended	
	February 28, 2021	February 29, 2020	**February 28, 2021**	February 29, 2020
Net income from continuing operations	**217**	167	**380**	329
Adjustments to reconcile net income to funds flow from operations:				
Amortization	**303**	301	**609**	605
Deferred income tax expense	**31**	22	**53**	34
Share-based compensation	**1**	1	**1**	1
Defined benefit pension plans	**3**	3	**3**	1
Net change in contract asset balances	**13**	(17)	**8**	(45)
Fair value adjustments for private investments	**(27)**	-	**(27)**	-
Other	**(2)**	19	**-**	21
Funds flow from operations	**539**	496	**1,027**	946

(ii) Interest and income taxes paid and interest received and classified as operating activities are as follows:

	Three months ended		Six months ended	
	February 28, 2021	February 29, 2020	**February 28, 2021**	February 29, 2020
Interest paid	**35**	31	**110**	140
Income taxes paid (net of refunds)	**64**	68	**158**	102
Interest received	**1**	1	**3**	5

(iii) Non-cash transactions:

The Consolidated Statements of Cash Flows exclude the following non-cash transactions:

	Six months ended	
	February 28, 2021	February 29, 2020
Issuance of Class B Non-Voting Shares:		
Dividend reinvestment plan	**-**	37

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16. FAIR VALUE

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Financial instruments

The fair value of financial instruments has been determined as follows:

(i) Current assets and current liabilities

The fair value of financial instruments included in current assets and current liabilities approximates their carrying value due to their short-term nature.

(ii) Investments and other assets and other long-term assets

The fair value of publicly traded investments is determined by quoted market prices. Investments in private entities which do not have quoted market prices in an active market and whose fair value cannot be readily measured are carried at approximate fair value. No published market exists for such investments. These equity investments have been made as they are considered to have the potential to provide future benefit to the Company and accordingly, the Company has no current intention to dispose of these investments in the near term. The fair value of long-term receivables approximates their carrying value as they are recorded at the net present values of their future cash flows, using an appropriate discount rate.

(iii) Long-term debt

The carrying value of long-term debt is at amortized cost based on the initial fair value as determined at the time of issuance or at the time of a business acquisition. The fair value of publicly traded notes is based upon current trading values. The fair value of finance lease obligations is determined by discounting future cash flows using a rate for loans with similar terms, conditions and maturity dates. The carrying value of bank credit facilities approximates fair value as the debt bears interest at rates that fluctuate with market values. Other notes and debentures are valued based upon current trading values for similar instruments.

The carrying value and estimated fair value of long-term debt are as follows:

	February 28, 2021		August 31, 2020	
	Carrying value	**Estimated fair value**	Carrying value	Estimated fair value
Liabilities				
Long-term debt (including current portion)[1]	**4,549**	**5,378**	4,548	5,613

[1] Level 2 fair value – determined by valuation techniques using inputs based on observable market data, either directly or indirectly, other than quoted prices.

(iv) Other long-term liabilities

The fair value of contingent consideration arising from a business acquisition is determined by calculating the present value of the probability weighted assessment of the likelihood that revenue targets will be met and the estimated timing of such payments.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

February 28, 2021 and February 29, 2020
[all amounts in millions of Canadian dollars, except share and per share amounts]

(v) Derivative financial instruments

The fair value of US currency forward purchase contracts is determined by an estimated credit-adjusted mark-to-market valuation using observable forward exchange rates at the end of reporting periods and contract forward rates.

17. INTANGIBLES AND GOODWILL

Impairment testing of indefinite-life intangibles and goodwill

The Company conducted its annual impairment test on goodwill and indefinite-life intangibles as at February 1, 2021 and the recoverable amount of the cash generating units exceeded their carrying value.

A hypothetical decline of 10% in the recoverable amount of the broadcast rights and licences for the Cable cash generating unit as at February 1, 2021 would not result in any impairment loss. A hypothetical decline of 10% in the recoverable amount of the broadcast rights and licences for the Satellite cash generating unit as at February 1, 2021 would not result in an impairment loss. A hypothetical decline of 10% in the recoverable amount of the Wireless generating unit as at February 1, 2021 would not result in any impairment loss.

Any changes in economic conditions since the impairment testing conducted as at February 1, 2021 do not represent events or changes in circumstance that would be indicative of impairment at February 28, 2021.

Significant estimates inherent to this analysis include discount rates and the terminal value. At February 1, 2021, the estimates that have been utilized in the impairment tests reflect any changes in market conditions and are as follows:

		Terminal value	
	Post-tax discount rate	Terminal growth rate	Terminal adjusted EBITDA multiple
Cable	5.0%	0.0%	9.7x
Satellite	6.0%	-8.0%	6.5x
Wireless	6.0%	1.0%	6.1x

A sensitivity analysis of significant estimates is conducted as part of every impairment test. With respect to the impairment tests performed in the second quarter, the estimated decline in recoverable amount for the sensitivity of significant estimates is as follows:

	Estimated decline in recoverable amount		
		Terminal value	
	1% increase in discount rate	1% decrease in terminal growth rate	0.5 times decrease in terminal adjusted EBITDA multiple
Cable	16.4%	13.8%	1.9%
Satellite	6.5%	4.2%	3.6%
Wireless	21.9%	13.5%	2.1%

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

February 28, 2021 and February 29, 2020
[all amounts in millions of Canadian dollars, except share and per share amounts]

18. SUBSEQUENT EVENT

On March 15, 2021, the Company announced that it had entered into an arrangement agreement (the "Arrangement Agreement") with Rogers Communications Inc. ("Rogers"), under which Rogers will acquire all of Shaw's issued and outstanding Class A Participating Shares ("Class A Shares") and Class B Shares in a transaction valued at approximately $26 billion, inclusive of approximately $6 billion of Shaw debt (the "Transaction"). Holders of Shaw Class A Shares and Class B Shares (other than the Shaw Family Living Trust, the controlling shareholder of Shaw, and related persons (collectively the "Shaw Family Shareholders")) will receive $40.50 per share in cash. The Shaw Family Shareholders will receive 60% of the consideration for their shares in the form of Class B Non-Voting Shares of Rogers (the "Rogers Shares") on the basis of the volume-weighted average trading price for the Rogers Shares for the 10 trading days ending March 12, 2021, and the balance in cash. The Transaction is subject to the approval of shareholders as well as other customary closing conditions including court and stock exchange approval and approvals from Canadian regulators. In connection with the announcement of the Transaction on March 15, 2021, the Company suspended share buybacks under its normal course issuer bid (NCIB) program. Subject to receipt of all required approvals, the Transaction is expected to close in the first half of 2022.

Under the terms of the Arrangement Agreement, Rogers has the right to cause the Company to redeem its outstanding preferred shares on June 30, 2021 in accordance with their terms by providing written notice to Shaw. As of the date of these financial statements, Rogers has not exercised this right.

This is **Exhibit "202"** to the affidavit of Laura Sonley, affirmed remotely by Laura Sonley stated as being located in the city of Ottawa in the province of Ontario, before me at the city of Gatineau in the province of Quebec, on May 5, 2022, in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely.

Commissioner of Oaths etc.

Raha Araz Mohammad
Commissioner of Oaths etc.
Province of Ontario
LSO P15816.

This is **Exhibit "203"** to the affidavit of Laura Sonley, affirmed remotely by Laura Sonley stated as being located in the city of Ottawa in the province of Ontario, before me at the city of Gatineau in the province of Quebec, on May 5, 2022, in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely.

Commissioner of Oaths etc.

Raha Araz Mohammad
Commissioner of Oaths etc.
Province of Ontario
LSO P15816.

This is **Exhibit "204"** to the affidavit of Laura Sonley, affirmed remotely by Laura Sonley stated as being located in the city of Ottawa in the province of Ontario, before me at the city of Gatineau in the province of Quebec, on May 5, 2022, in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely.

Commissioner of Oaths etc.

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Commissioner of Oaths etc.
Province of Ontario
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This is **Exhibit "205"** to the affidavit of Laura Sonley, affirmed remotely by Laura Sonley stated as being located in the city of Ottawa in the province of Ontario, before me at the city of Gatineau in the province of Quebec, on May 5, 2022, in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely.

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This is **Exhibit "206"** to the affidavit of Laura Sonley, affirmed remotely by Laura Sonley stated as being located in the city of Ottawa in the province of Ontario, before me at the city of Gatineau in the province of Quebec, on May 5, 2022, in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely.

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Commissioner of Oaths etc.
Province of Ontario
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This is **Exhibit "207"** to the affidavit of Laura Sonley, affirmed remotely by Laura Sonley stated as being located in the city of Ottawa in the province of Ontario, before me at the city of Gatineau in the province of Quebec, on May 5, 2022, in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely.

Commissioner of Oaths etc.

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This is **Exhibit "208"** to the affidavit of Laura Sonley, affirmed remotely by Laura Sonley stated as being located in the city of Ottawa in the province of Ontario, before me at the city of Gatineau in the province of Quebec, on May 5, 2022, in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely.

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This is **Exhibit "209"** to the affidavit of Laura Sonley, affirmed remotely by Laura Sonley stated as being located in the city of Ottawa in the province of Ontario, before me at the city of Gatineau in the province of Quebec, on May 5, 2022, in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely.

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This is **Exhibit "212"** to the affidavit of Laura Sonley, affirmed remotely by Laura Sonley stated as being located in the city of Ottawa in the province of Ontario, before me at the city of Gatineau in the province of Quebec, on May 5, 2022, in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely.

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This is **Exhibit “218”** to the affidavit of Laura Sonley, affirmed remotely by Laura Sonley stated as being located in the city of Ottawa in the province of Ontario, before me at the city of Gatineau in the province of Quebec, on May 5, 2022, in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely.

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Raha Mohammad

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Raha Mohammad

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Province of Ontario
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Canadian Radio-television and Telecommunications Commission

Conseil de la radiodiffusion et des télécommunications canadiennes

Canada

Annual highlights of the telecommunications sector 2020

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The Canadian Radio-television and Telecommunications Commission (CRTC)
Ottawa, Ontario
Canada
K1A ON2
Tel: 819-997-0313
Toll-free: 1-877-249-2782 (in Canada only)
https://applications.crtc.gc.ca/contact/eng/library

Aussi disponible en français

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Figures, Infographics and Tables

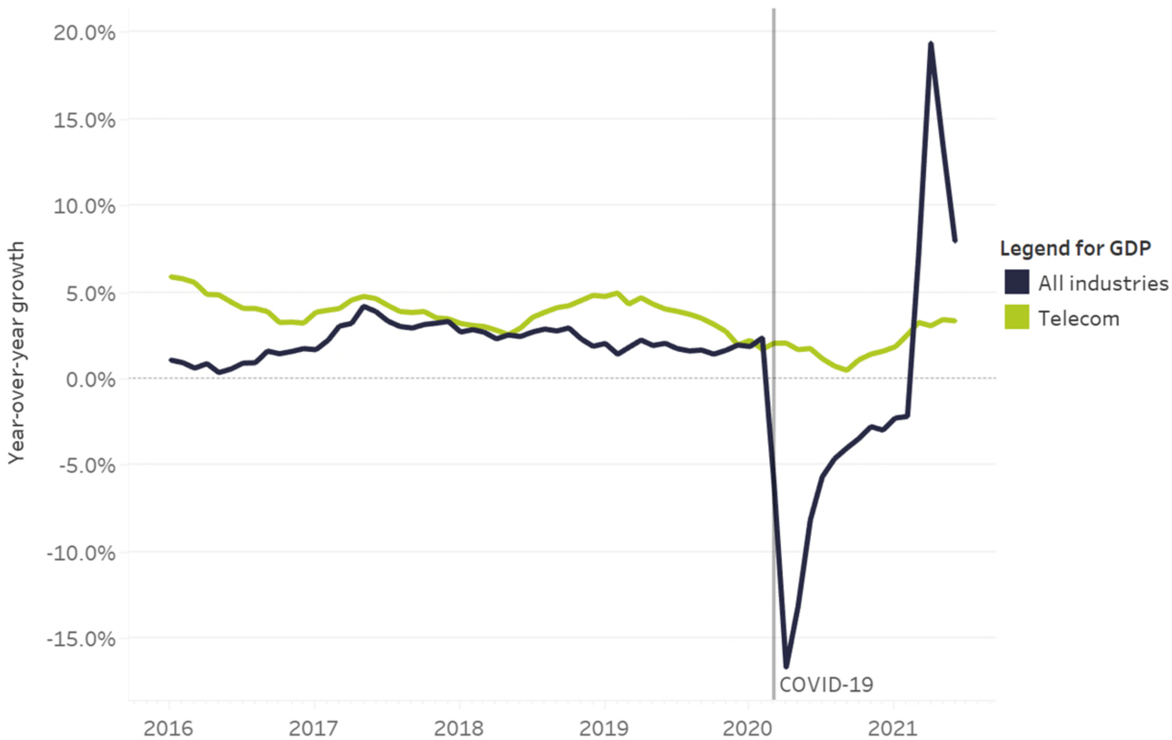
Highlights of the Telecommunications Sector

This report contains highlights of the telecommunications sector for calendar year 2020.

i Executive summary

The year 2020 was marked by the COVID-19 pandemic and telecommunications became more important than ever. As non-essential travel was curtailed and many Canadians worked from home, the telecommunications industry recorded higher volumes of wireline voice calling, an exceptional surge in Internet data usage and a decreases in mobile roaming. The telecommunications sectors contribution to GDP slowed in 2020 but fared better in contrast to the economy as a whole, which declined sharply before starting to recover (see Figure 1).

Figure 1 Gross domestic product (GDP) growth rate (%) in Canada



Source: Statistics Canada Table 36-10-0434-01

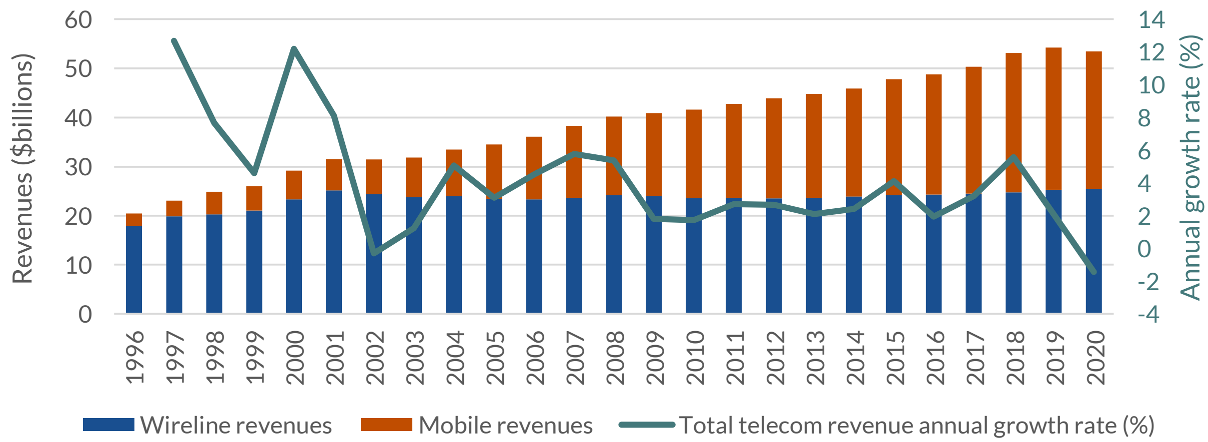
The telecommunications sector experienced a 1.4% decrease in total revenues in 2020 when compared to 2019, the largest revenue decrease since the CRTC has been publishing the *Communications Market Reports* (CMR, formerly referred to as the *Communications Monitoring Report*) (see Figure 2). The only other decrease was recorded in 2002 at the end of the dot-com bubble, which resulted in a less significant 0.3% revenue drop. The decrease in total Canadian telecommunications revenues in 2020 is primarily due to the almost $1B drop in mobile revenues, as total mobile declined 3.3%, decreasing for the first time since the CRTC has been publishing the CMR.

Despite the decline in revenues, wireless carriers, as a group, reported slightly higher EBITDA margin, lower churn rates, and increased capital investments on 5G networks. From the consumer perspective, the average subscriber used more data than ever before and subscribers continued to subscribe to larger data plans.

The retail fixed Internet sector performed relatively well compared to other telecom sectors, growing 4.3% to 14.1 billion of dollars. Continued residential subscriber movement towards higher speed packages drove this growth despite business Internet revenues being impacted by business closures during the pandemic. In addition, with the ongoing pandemic, Internet service is a necessity for Canadians for remote work and education, access news and information, as well as for entertainment. This was evident as data usage surged substantially while many schools and workplaces transitioned online. It was also evident from significant increase in capital investments from fixed wireless service providers who worked to expand access to the Internet.

Lastly, telecommunications service providers recorded an increase in call volumes (partially offset by a lower ARPU) which led to a 0.2% decline in retail long distance revenues in 2020 in a sector that has experienced recent annual declines of about 7%.

Figure 2 Total telecommunications revenues ($ billions) and growth rates (%)

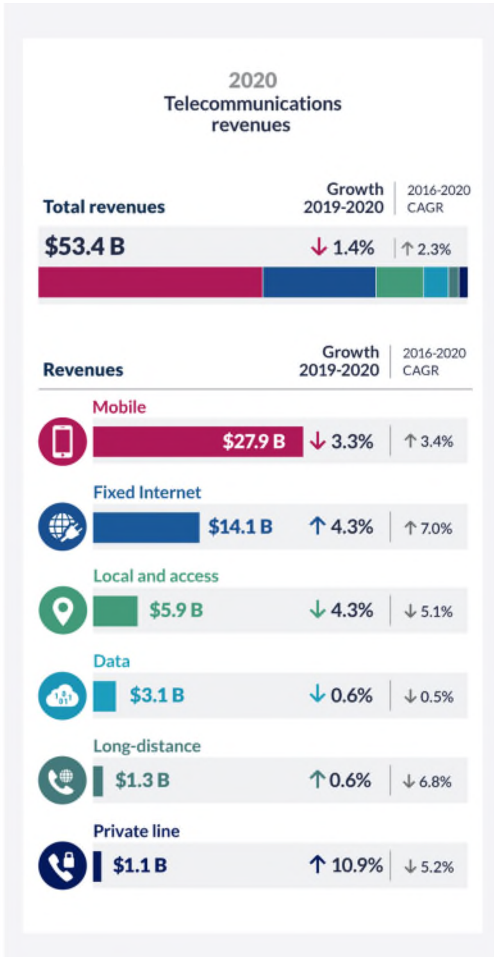


Source: CRTC monitoring reports and data collection

ii Market composition

Canadian telecommunications revenues totalled $53.4 billion in 2020, as Canadians used ever-increasing amounts of data through both fixed Internet and mobile services. (“Data usage” includes the use of data for video streaming services such as Netflix and YouTube, as well as for audio streaming services such as Spotify and various radio applications via mobile devices or fixed Internet services.)

Infographic 1 Overview of total telecommunications revenues



Source: CRTC data collection

Total telecommunications revenues is calculated from exact amounts and may appear to differ from total sector revenues due to rounding.

Data may change from year to year for a number of reasons, including economic growth or decline, merger and acquisition activity, industry reclassification, changes in methodology, and revisions to the data.

Service providers are divided into two broad categories: incumbent telecommunications service providers (incumbent TSPs), which provided local telecommunications services on a monopoly basis prior to the introduction of competition, and alternative service providers, which encompass all other types of entities.

Alternative service providers include cable-based carriers, which are the former cable monopolies that currently also provide telecommunications services; other facilities-based service providers; and wholesale-based service providers, which are companies providing services primarily using other companies' facilities.

Incumbent TSPs, along with cable-based carriers, own and operate the majority of the infrastructure used by other service providers.

Refer to the methodology section for more details.

Table 1 Total revenue market share (%) by type of service provider

Type of TSP	Revenue share (%)	Growth (%) 2019-2020	CAGR (%) 2016-2020
Large incumbent TSPs	56.7	-1.5	1.4
Cable-based carriers	35.1	-1.8	3.8
Other facilities-based carriers	3.7	9.3	4.0
Wholesale-based service providers	3.5	-8.4	1.9
Small incumbent TSPs	1.0	2.8	2.4

Source: CRTC data collection

Examples of large incumbent TSPs include Bell, SaskTel, and TELUS.
Examples of small incumbent TSPs include Execulink and Sogetel.
Examples of cable-based carriers include Rogers, Shaw, and Vidéotron.
Examples of other facilities-based carriers TSPs include Allstream Business and Xplornet.
Examples of wholesale-based service providers include Distributel and TekSavvy.

Growth and CAGR are calculated from the revenues in billions of dollars.

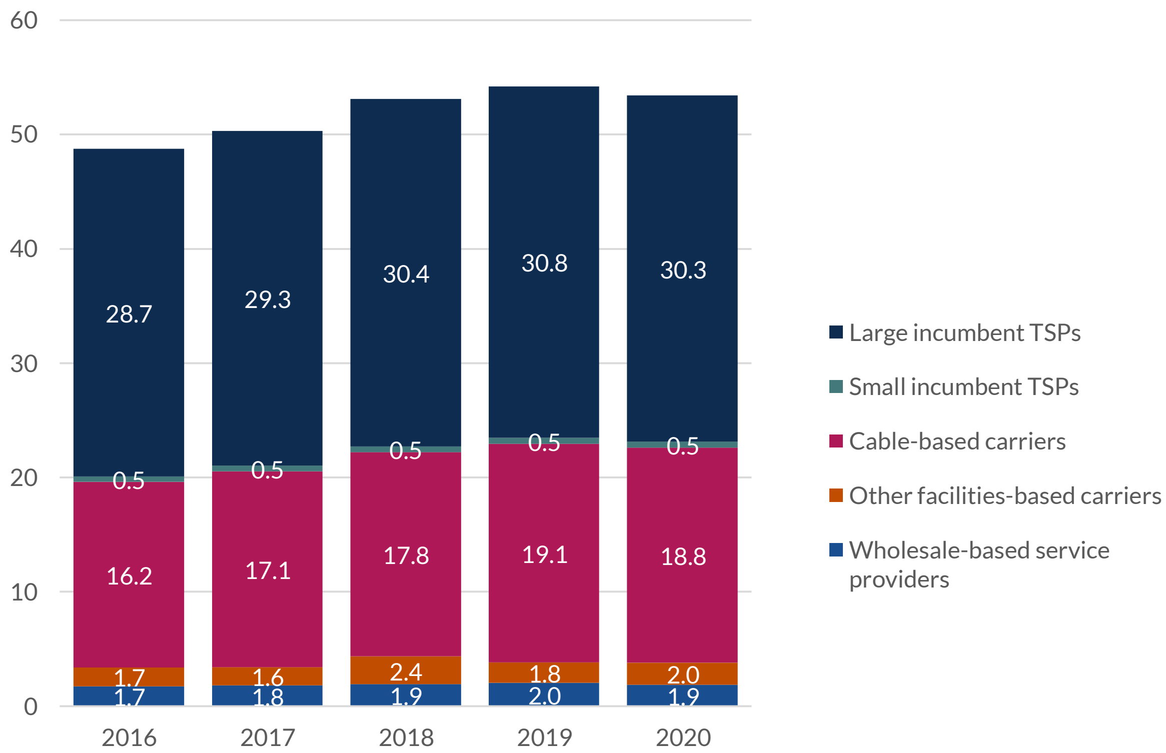
The five largest providers of telecommunications services (including affiliates) accounted for 86.9% of total revenues in 2020. These company groups are Bell, Rogers, Telus, Shaw, and Quebecor. They are a mix of incumbent TSPs and cable-based carriers, and all are facilities-based service providers. The percentage of revenues represented by the top five changes slightly from year to year. Significant changes are usually due to factors such as ownership transfers.

Generally, since 2016, the share of large and small incumbent TSPs' revenues has been declining by about one or two percentage points per year on average. During the same period, the revenue market share of cable-carriers increased by approximately two percentage points to 35.1% in 2020.

While large incumbent TSPs represented 0.6% of all telecommunications providers[1] in 2020, they generated 56.7% of revenues. Cable-based carriers made up 7.1% of the total number of telecommunication providers and generated 35.1% of revenues. With relatively lower barriers to entry, wholesale-based service providers comprised nearly 66.5% of service providers while generating 3.5% of revenues.

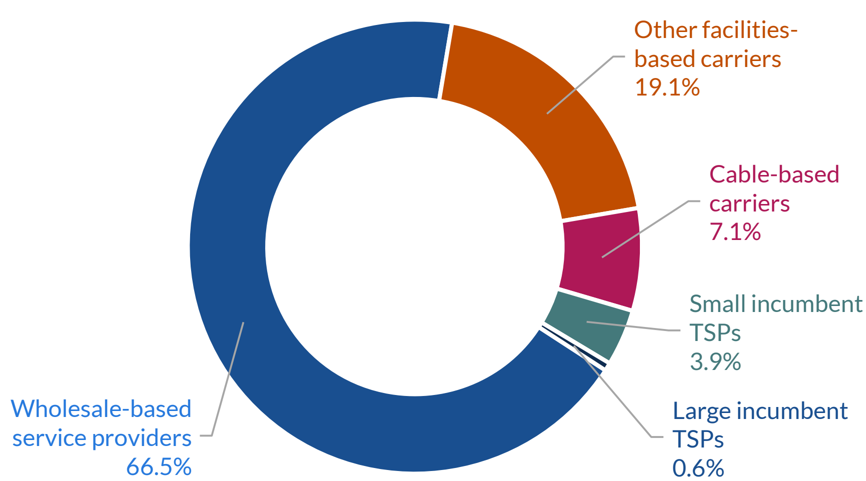
[1] Based on the number of entities submitting data to the CRTC.

Figure 3 Total revenues by type of TSP ($ billions)



Source: CRTC data collection

Figure 4 Companies providing telecommunications services by type of TSP (%)

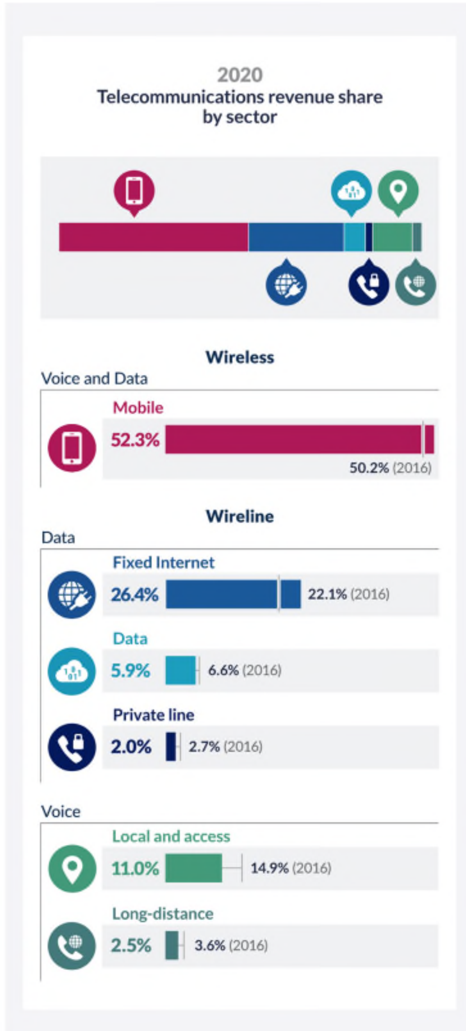


Source: CRTC data collection

iii Revenues

In the *Communications Market Report*, telecommunications services are divided into six sectors:

Infographic 2 Telecom revenue share by sector (%)

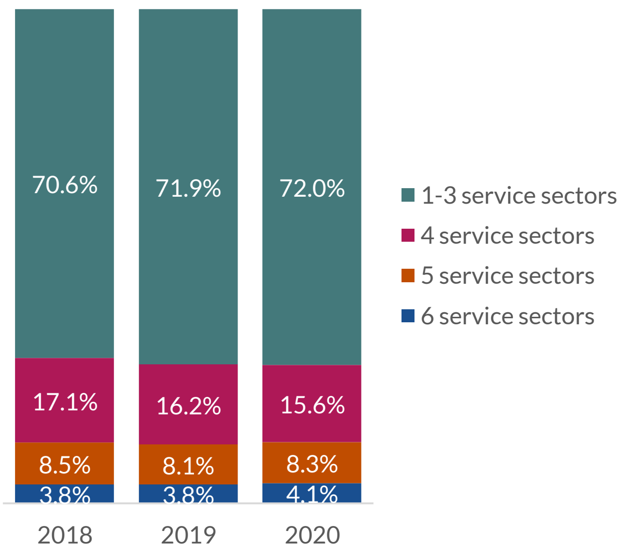


Source: CRTC data collection

In 2020, nine company groupings[2] offered services in all six telecommunications sectors, accounting for 85.7% of total telecommunications revenues in Canada. These large, facilities-based entities tend to offer a wider array of services than their smaller counterparts. At the other end, companies providing services from one to three service sectors generally offered Internet access, local phone service, or long-distance phone services. These smaller entities, often wholesale-based service providers, represented 72% of all TSPs and generated 4.7% of telecommunications revenues in 2020.

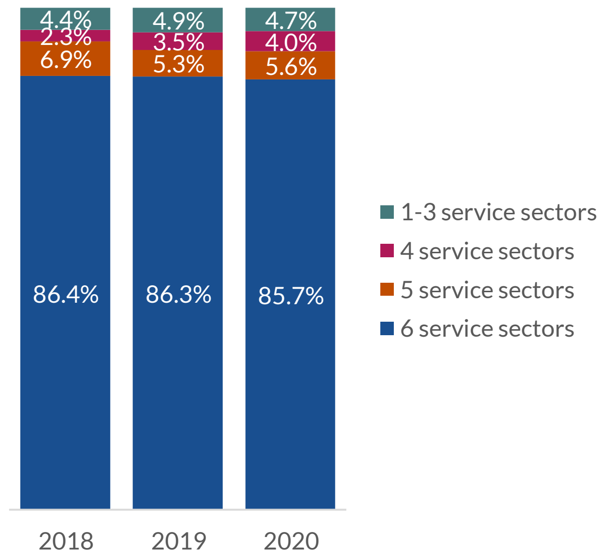
[2] Company groupings include entities and their affiliates.

Figure 5 Distribution of TSPs by the number of sectors with services offered (%)



Source: CRTC data collection

Figure 6 TSPs' revenue share grouped by the number of sectors with services offered (%)



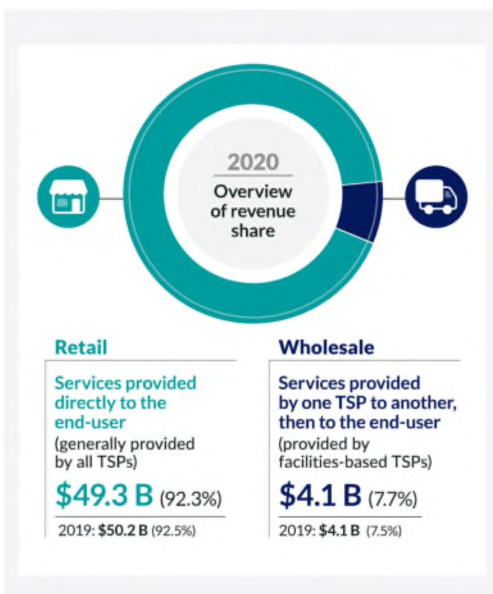
Source: CRTC data collection

The six service categories include: Local and access, Long distance, Data, Private line, Internet and Mobile.

Retail versus wholesale

Telecommunications services revenues come from both retail sales (i.e., sales to residential consumers and business customer) and wholesale sales (i.e., sales to other providers of telecommunications services).

Infographic 3 Overview of retail vs wholesale revenue share (%)



Source: CRTC data collection

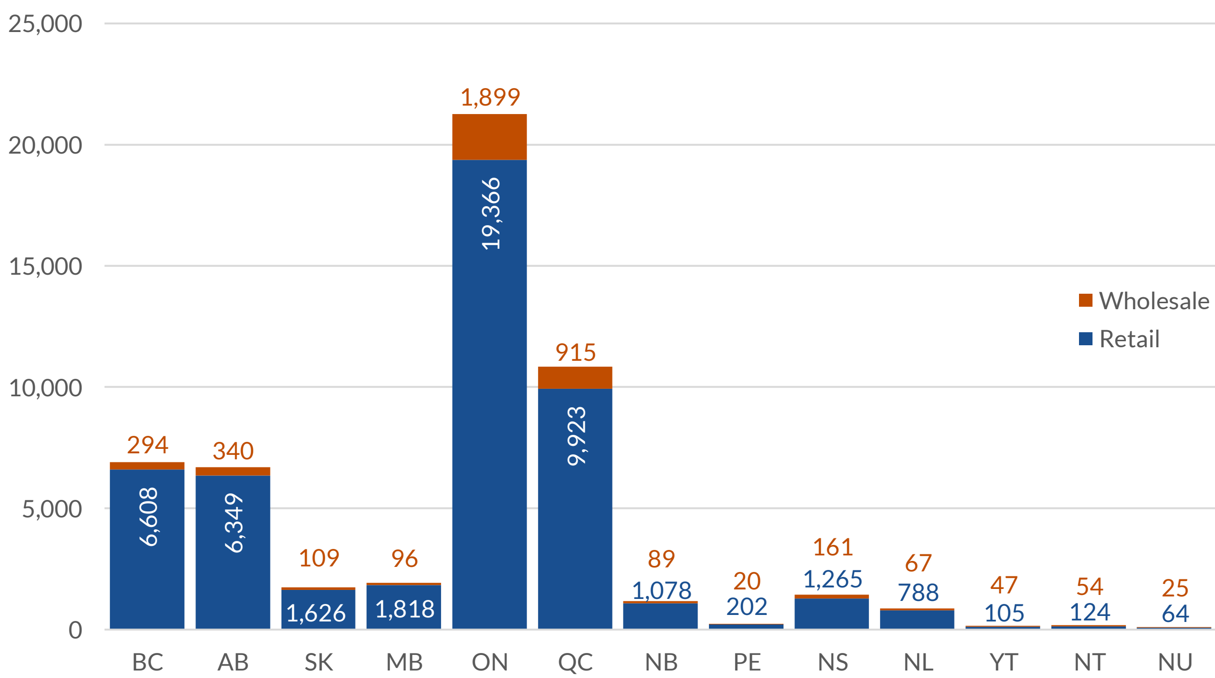
Retail revenues decreased slightly to account for 92.3% of total telecommunications revenues in 2020, hovering around 92% to 93% over the past five years. 95.8% of mobile revenues were generated from retail services, compared to 88.5% for wireline. Those numbers have remained virtually unchanged since 2013.

Retail and wholesale mobile roaming[3] revenues were severely impacted by COVID-19. The retail mobile roaming and other revenues represented approximately 4% of total retail mobile revenues in 2019 compared to approximately 3% of in 2020. Total wholesale mobile roaming revenues dropped by approximately 13% in 2020. Roaming revenues were largely generated from subscribers who used mobile services in the United States. Short Message Service (SMS) and Multimedia Messaging Service (MMS) revenues were excluded from the data revenue component of this figure.

Canadian retail telecommunications service revenues decreased 1.7% to $49.3 billion in 2020. In Ontario, these services had the largest share (36.2% or $19.4 billion) of all telecommunication revenues amongst the provinces and territories. Quebec had the second largest retail revenue share at 18.6% ($9.9 billion), followed by British Columbia at 12.4% ($6.6 billion) and Alberta at 11.9% ($6.3 billion).

The wholesale telecommunications market saw a similar trend, with Ontario leading the provinces/territories at 3.6% ($1.9 billion) of all telecommunication revenues, followed by Quebec at 1.7% ($0.9 billion) and the prairies region with 1.0% ($0.5 billion).

Figure 7 Telecommunications revenues by category and province/territory ($ millions)



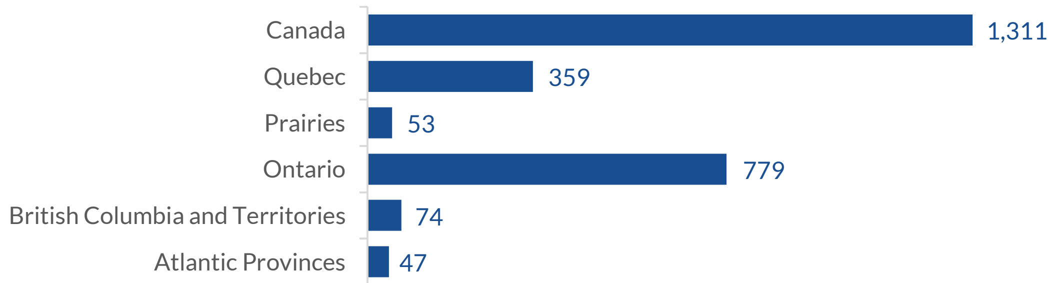
Source: CRTC data collection

The number of wholesale Internet lines increased in 2020, growing by 0.1% to over 1.3 million lines across Canada. Ontario maintained the highest share of wholesale lines with 0.8 million lines (59.4%); Quebec trailed behind with 0.4 million (27.4%), and the rest of Canada totaled approximately 0.2 million (13.3%).

[3] Mobile providers extend their coverage to include areas where they do not have facilities by making arrangements with other providers who do in order to offer service to their end users. When a subscriber uses the facilities of another provider, the subscriber is said to be "roaming."

The Atlantic region (Newfoundland and Labrador, New Brunswick, Prince Edward Island, and Nova Scotia) saw significant growth in the number of wholesale lines, growing from approximately 37,000 to 47,000 lines (26.1%). This increase can be largely attributed to the continued growth in Nova Scotia, which added over 7,000 wholesale lines in 2020.

Figure 8 Wholesale high-speed access enabled lines by region (thousands)



Source: CRTC data collection

Information in this figure regarding Internet wholesale lines is from the larger ISPs. They reported approximately 98% of total Internet wholesale lines in 2020.

Forborne services

Over time, the Commission has refrained from regulation when it finds that a service is subject to sufficient competition or where refraining from regulation is consistent with the Canadian telecommunications policy objectives, as outlined in section 7 of the *Telecommunications Act*. This is referred to as forbearance. Where a service is forborne from regulation, the provider is generally relieved of the obligation to provide the service pursuant to a Commission-approved tariff. The Commission generally does not regulate retail rates.

Table 2 Percentage of telecommunications revenues generated by forborne services (%)

Sector	2016	2017	2018	2019	2020
Local and access	82.0	83.0	83.0	83.6	83.1
Long distance	98.2	98.4	98.4	98.6	98.7
Data	95.9	96.0	96.0	96.0	96.0
Private line	71.6	71.9	71.9	75.5	74.1
Internet	96.7	97.2	97.2	97.0	96.4
Mobile	99.9	99.8	99.8	99.8	99.8
Overall	95.4	95.6	95.6	96.5	96.3

Source: CRTC data collection

In 2020, approximately 96.3% of telecommunications revenues have been generated from forborne services. The percentage of revenues derived from forborne services ranged from a low of 74.1% in private line, to a high of 99.8% in mobile.

Canadian ownership

Section 16 of the *Telecommunications Act* addresses the eligibility of Canadian companies to operate as telecommunications common carriers.

Subject to certain exceptions, section 16 requires that telecommunications companies that own or operate telecommunications transmission equipment and have Canadian telecommunications revenues greater than $5.3 billion (10% of total Canadian telecommunications revenues) be Canadian-owned and controlled.

For the purposes of applying the provisions of section 16, the Commission has determined that total annual revenues from the provision of telecommunications services in Canada was $53.4 billion in 2020.

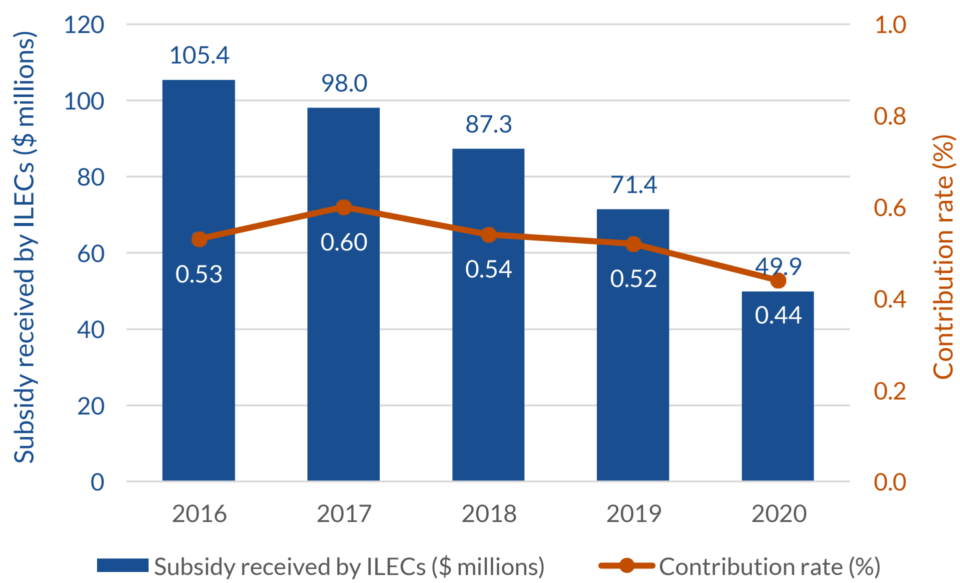
Contribution – subsidization of high-cost residential local telephone service

The total amount of subsidies paid to local exchange carriers (LECs) was $49.9 million in 2020, down from $71.4 million (30.2% decrease) in 2019.

This subsidy represents revenue contributions toward the provision of residential telephone service in high-cost serving areas (HCSAs) by TSPs, or groups of related TSPs that have a minimum of $10 million in annual Canadian telecommunications revenues. HCSAs are areas where the cost of providing service is substantially higher than in other parts of an incumbent LEC's territory. HCSAs are often remote or rural areas.

In Telecom Regulatory Policy 2016-496, the Commission stated that in order to help meet the new universal service objective, it would begin to shift the focus of its regulatory frameworks from wireline voice services to broadband Internet access services.

Figure 9 Subsidy paid to incumbent local exchange carriers ($ millions) and contribution rate (%)

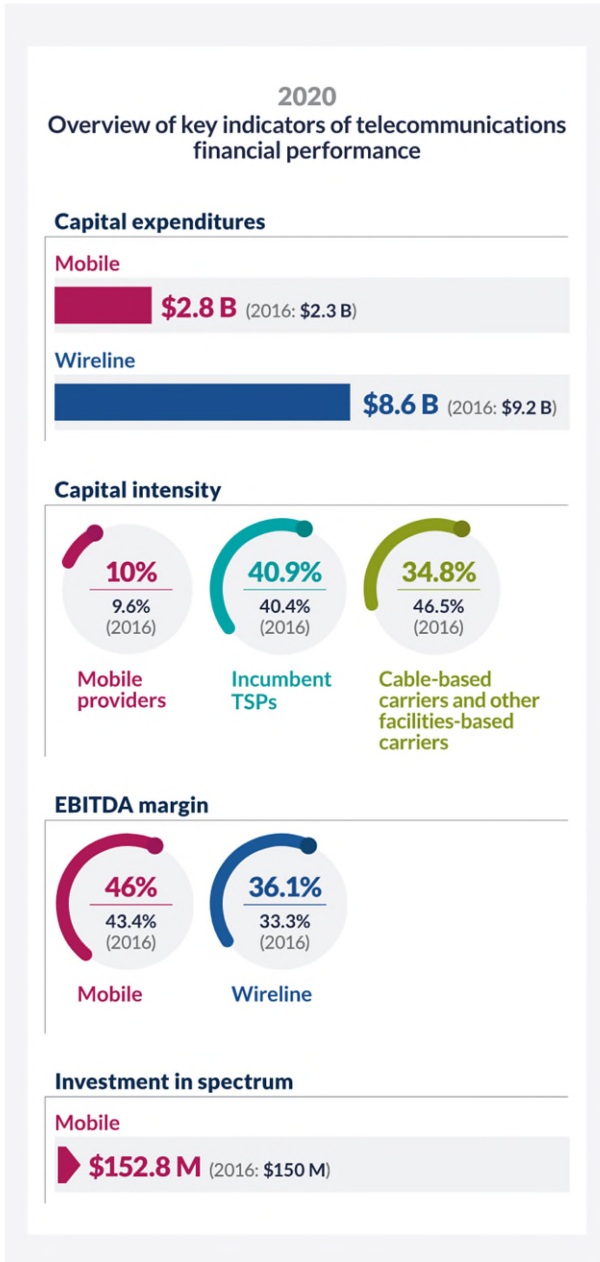


Source: CRTC data collection

iv Financial performance

This section of the highlights of the telecommunications sector focuses on metrics such as capital expenditures made into acquiring spectrum, capital intensity, earnings before interest, taxes, depreciation and amortization (EBITDA). These are key indicators that can be used to evaluate the financial performance of the Canadian telecommunication industry by showing the amount of capital that is being reinvested back into maintaining and improving telecommunications networks. Looking at churn, despite the different lens of retail and business subscriptions, also provides an interesting perspective.

Infographic 4 Overview of key indicators of telecommunications financial performance



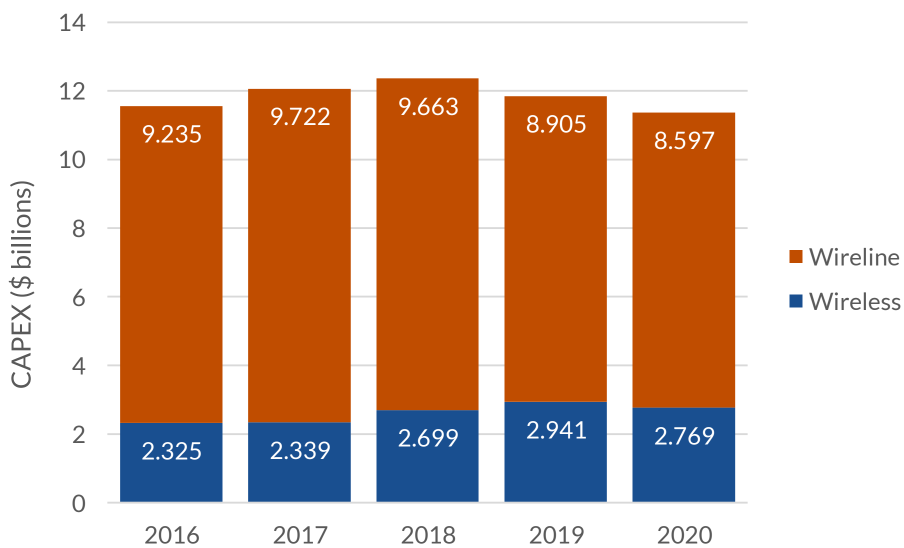
Source: CRTC data collection

Capital expenditures and capital intensity

Capital expenditures, or CAPEX, are investments made primarily to maintain or upgrade telecommunications networks. As such, it is a leading indicator for economic and business conditions of the telecommunications industry in Canada. With COVID-19 restrictions and their impacts, many companies had slowed the flow of capital investments. In 2020, total capital expenditures dropped 3.9% with wireline and wireless reporting a 3.5% and 5.0% decline, respectively. Despite the drop in overall wireless expenditures, $480 million was invested for 5G networks which represented approximately 17.7% of the total wireless capital spent in 2020. As COVID-19 restrictions are gradually lifted, we will continue to monitor the overall level of capital expenditures in Canada with a keen eye on 5G capital investments.

Between 2016 and 2020, wireline CAPEX decreased at an average annual rate of 1.8%. The large incumbent TSPs' share of wireline CAPEX has seen an increase from 59.8% to 63.8% over the same period. The wireline CAPEX share of cable-based carriers has decreased from 38.4% in 2016 to 30.9% in 2020. Telecommunications service providers with over $100 million in revenues spent $11.4 billion on CAPEX, $8.6 billion of which was spent on wireline networks.

Figure 10 Telecommunications capital expenditures by type ($ billions)



Source: CRTC data collection

The telecommunications industry is capital intensive, taking considerable investment to build, maintain, and, upgrade extensive network infrastructure. In 2020, the capital intensity of the telecommunications industry was 22.7%, behind the utilities industry, educational services, health care and social assistance industry, and transportation and warehousing industry.

The capital intensity of the Top 5 groups (Bell, Rogers, Shaw, TELUS, and Quebecor) was 22.5%. These TSPs accounted for 90.5% of the total telecommunications CAPEX in 2020, a decrease from 92.6% in 2019.

Figure 11 Capital intensity for industries with the highest capital intensity ratios (%)

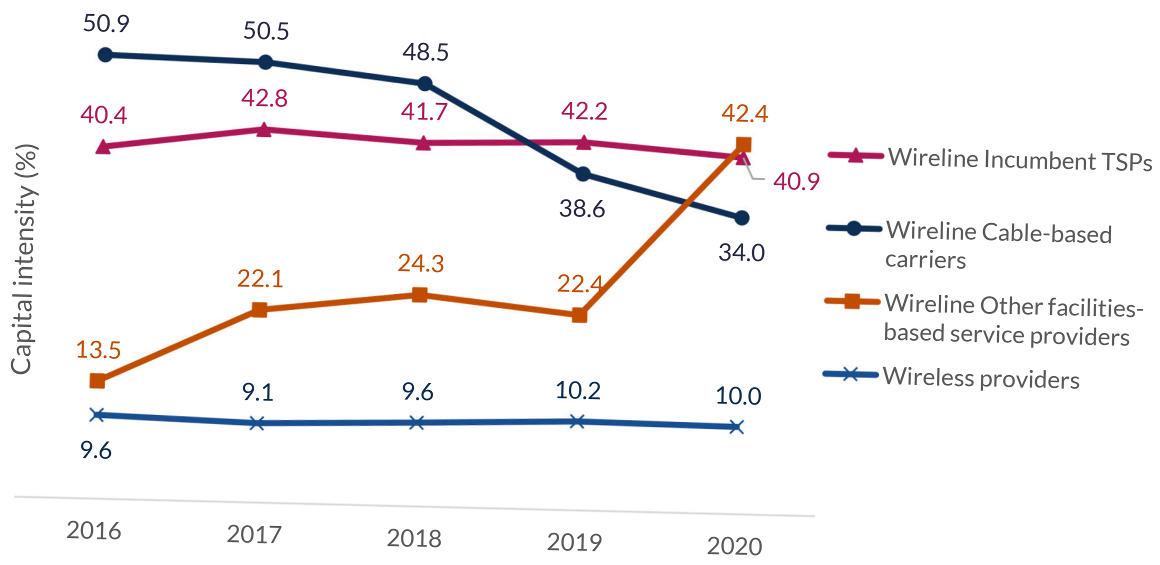
Source: CRTC data collection and Statistics Canada Tables 34-10-0035-01 and 33-10-0226-01

Since many carriers do not recognize and report spectrum as a CAPEX, the investments made in spectrum were not included in the figure above.

Wireline capital intensity (the ratio of capital expenditures to revenues) can fluctuate. It was on the decline for both the incumbent TSPs and cable-based carriers, decreasing from approximately 43.9% in 2016 to 38.4% in 2020. However, capital intensity of wireline other facilities-based service providers increased from 22.4% in 2019 to 42.4% in 2020. This rise was driven by a significant increase in wireline other facilities-based service provider capex to expand and enhance networks.

Wireless capital intensity for mobile providers remained stable. It was around 9.6% in 2016 compared to 10.0% in 2020.

Figure 12 Telecommunications capital intensity (%), by type of TSP



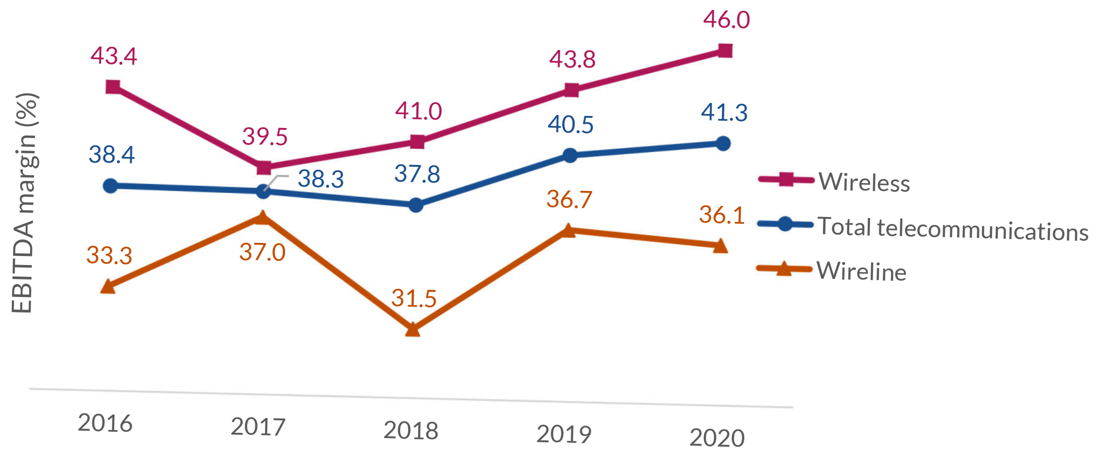
Source: CRTC data collection

Earnings before interest, taxes, depreciation and amortization (EBITDA)

EBITDA margins (i.e., EBITDA as a percentage of total telecommunications revenues) are instrumental in assessing the financial performance of a company or group of companies. Margins are calculated for TSPs with at least 80% of their total revenues represented by telecommunications services. For more details about how EBITDA was derived, see the methodology section.

Over the 2016-2020 period, margins for wireless services were consistently above those for wireline, with the difference widening to approximately 9.9% as wireless margins reached 46.0%, in 2020.

Figure 13 EBITDA margins by sector (%)



Source: CRTC data collection

Over the 2016-2020 period, the average EBITDA margins were at around 43.1% for the cable-based carriers and 39.2% for the incumbents.

Investment in spectrum

Annual investments in spectrum from 2014 to 2020 were $5.26 billion (2014), $2.96 billion (2015), $0.15 billion (2016), $0.44 billion (2017), $0.12 billion (2018), $3.5 billion (2019), and $0.15 billion (2020) respectively[4]. Investments made from 2014 to 2020 reflect investments made by mobile carriers to acquire Advanced Wireless Services-3 (AWS-3), Personal Communications Services-GSM bands (PCS-G), and 700 megahertz (MHz), 2300 MHz, 2500 MHz, and 600 MHz spectrum.

Churn

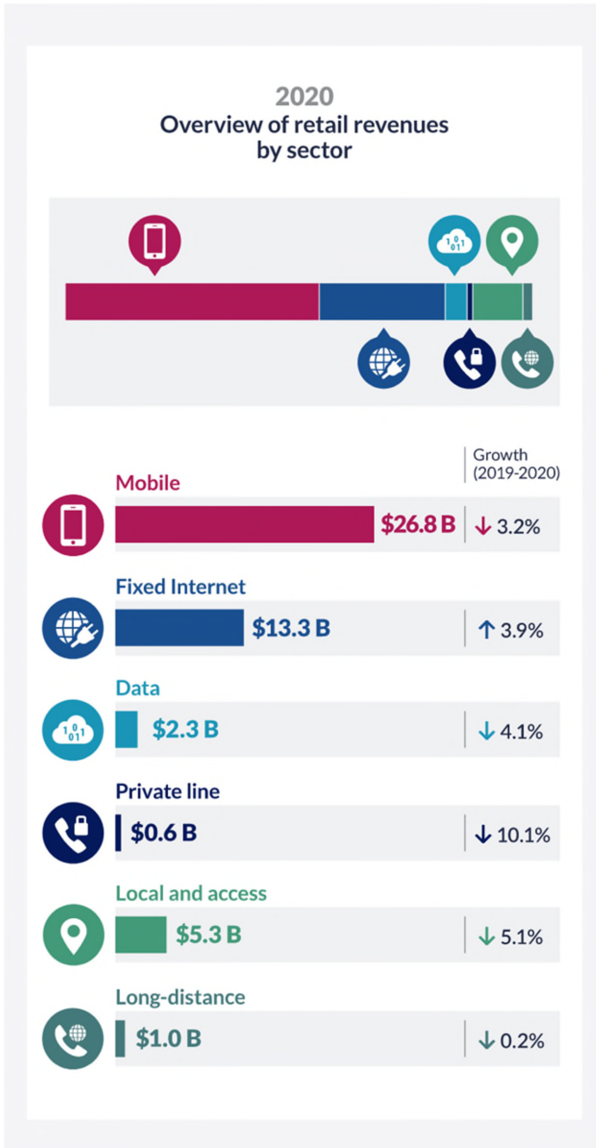
The average churn rate is a measure of subscriber turnover. A high churn rate suggests that customers are leaving their existing providers for a number of reasons, including dissatisfaction with the service, pricing issues or a desire to take advantage of competitive offers. Conversely, low churn rates indicate that customers are not switching providers, which may indicate that customers see value in remaining with their current provider or that there are a lack of incentives motivating them to switch providers, including a lack of alternatives. Average monthly mobile churn rates have been steadily decreasing over the past four years, going from 1.5% in 2016 to 1.1% in 2020. Average monthly residential Internet churn rates have decreased from 1.8% in 2019 to 1.6% in 2020. Similarly, average monthly business Internet subscription churn has decreased from 1.3% to 1.2% over the same period.

[4] To reduce regulatory burden, only TSPs with revenues over $100 million were surveyed.

v Sector summaries

In 2020, total Canadian telecommunications revenues experienced a negative growth rate for the first time in over a decade, decreasing 1.4% to $53.4 billion. Total retail telecommunications revenues, which represent the vast majority of telecommunications revenues, totaled $49.3 billion in 2020, decreasing 1.7% from 2019 to 2020, and, on average, growing 2.5% annually from 2016 to 2020. The only sector that recorded revenue growth was fixed Internet services which saw a 3.9% increase in 2020.

Infographic 5 Overview of retail revenues by sector



Source: CRTC data collection

In terms of retail revenues, the mobile sector was the main contributor to the overall loss in total retail telecommunications revenues in 2020. For the first time ever, mobile reported a negative growth rate which saw the sector shed approximately $900 million or 3.2% in 2020, but still remained the largest sector, accounting for over half (54.2%) of all retail telecommunications revenues in 2020. The fixed Internet sector made up over a quarter (27.0%) of all retail revenues and was the only sector to grow in revenues over the previous year, increasing 3.9%. Revenues of all remaining sectors continued to decline over the past five years.

Average residential fixed Internet revenue per subscriber increased from $55.43 in 2016 to $62.61 in 2020 as users migrated to higher speeds and plans with more data.

This section will provide a brief summary of the six retail sectors (mobile, fixed Internet, local access, long-distance, data, and private line) and the wholesale market within the Canadian telecommunications industry. Additional data for all markets can be found in Open Data.

Retail mobile sector – A focus on mobile phone

In 2020, CRTC revamped the data collections for the mobile sector to capture mobile services in three distinct categories: 1. Mobile phone 2. Mobile broadband and 3. Other plans for mobile connected devices. This restructure will help to align reporting changes in the industry, provide a clearer and more accurate representation of the various segments, specifically mobile phone services, within the mobile sector and will assist in the monitoring efforts of new and innovative mobile solutions for industrial applications, M2M, etc., delivered on 5G mobile networks and beyond. Due to reporting limitations, some estimates were made when deriving each of the three mobile service categories. Furthermore, some previous metrics cannot be reported in 2020. As a result, many of the 2020 metrics will not be comparable to previous years' data and therefore, growth and cumulative growth rates will not be applicable and will be identified as “NA”. For a description of the three distinct mobile service categories, see the methodology section.

In addition, there will be limited reporting on aggregate mobile statistics in the retail mobile sector, instead, the focus will be on “Mobile phone” services; this will be identified as “MP” which indicates that only mobile phone statistics were included unless specified otherwise.

Metrics that were reported prior to 2020 will be left unchanged, but the 2020 metrics will be impacted. Many metrics that were closely monitored in previous CMR reports have been modified in 2020, including the methodologies. For example, the average monthly data usage per user reported prior to 2020 will remain as is, but in 2020, this metric has been reclassified and reported as the average monthly data usage per mobile phone (MP) data subscriber. Similarly, the average revenue per user (ARPU) was reclassified as the average revenue per user for mobile phone (ARPU-MP).

Table 3 Overview of retail mobile sector

Retail mobile	2019	2020	2020 (MP)
Total mobile sector revenues ($ billions)	$27.6 B	$26.8 B	NA
Mobile phone revenues ($ billions)	NA	NA	$25.9 B
Mobile broadband revenues ($ billions)	NA	$0.4 B	NA
Other plans for mobile connected devices revenues ($ billions)	NA	$0.4 B	NA
Subscribers (millions)	34.4 M	NA	32.4 M
Annual revenue growth (%)	2.0%	-3.2%	NA
Revenue CAGR (%) 2016-2020	5.3%	3.6%	NA
Subscribers with data plans (%)	90.0%	NA	84.6%
Average mobile data subscriber monthly data usage (GB)	2.9 GB/month	NA	3.7 GB/month
Monthly ARPU ($)	$68.17	NA	$66.70
Blended prepaid/postpaid average churn rate of Canada's Top 3 mobile service providers (%)	1.38%	NA	1.20%

Source: CRTC data collection

Churn is a measure of the number of customers a service provider loses on a monthly basis relative to that service provider's total subscriber base. It is calculated by dividing the number of customers who have cancelled their service in a month by the total number of subscribers for that service provider over the same period.

Due to the changes to mobile reporting, for 2020, mobile phone (MP) ARPU was calculated by dividing the whole-year total revenue by the number of subscribers from the current year. The number of subscribers is taken from year end data.

Table 4 Retail mobile and paging service revenue components ($ millions)

Component	2016	2017	2018	2019	2020 (MP)	Growth (%) 2019-2020	CAGR (%) 2016-2020
Basic voice	8,834.3	9,219.7	7,747.3	7,718.4	7,055.1	NA	NA
Long-distance	547.0	481.9	417.4	367.5	366.3	NA	NA
Paging	11.1	8.9	9.0	4.2	1.7	NA	NA
Terminal equipment (including handheld devices)	1,911.1	1,896.1	6,961.9	7,121.8	6,330.5	NA	NA
Data	10,980.5	11,832.4	10,857.0	11,284.0	11,355.4	NA	NA
Roaming and other	960.0	1,047.2	1,125.0	1,151.3	794.0	NA	NA
Data, roaming, and other – subtotal	11,940.4	12,879.6	11,982.0	12,435.2	12,149.4	NA	NA
Total	23,243.9	24,486.2	27,117.7	27,647.1	25,903.0	NA	NA

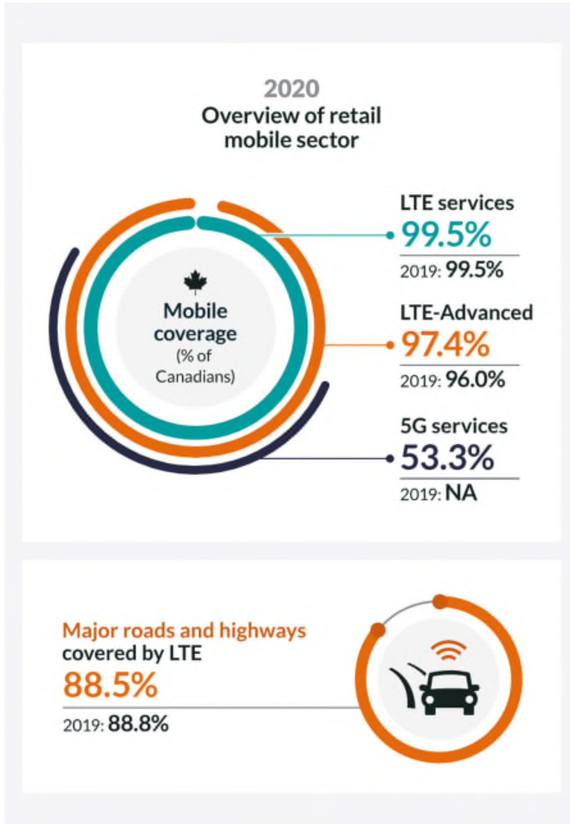
Source: CRTC data collection

IFRS 15 came into effect on 1 January 2018 for all Canadian publicly accountable enterprises. Under the new accounting standards, revenues are recognized upon control of goods or services, impacting mainly the terminal equipment revenues in 2018.

In 2020, the retail mobile sector was not immune to the negative impacts of COVID-19 which put extensive financial pressures across many industries and sectors within the Canadian economy in 2020. For the first time ever, total retail mobile experienced negative revenue growth. Revenues declined from $27.6 billion in 2019 to $26.8 billion in 2020 or a negative 3.2% growth rate. The decline could be attributed to several key factors such as more people worked from home who may have resorted to alternative voice solutions i.e. home phone service, skype, zoom, MS Teams, etc. and the drop in international roaming revenues as global travel restrictions were imposed and enforced throughout 2020. Also, with the restrictions to retail stores and malls, this had a direct impact on mobile equipment and device sales as store traffic was severely reduced or halted altogether. Despite all these challenges, mobile still remained the largest sector, representing over 54.2% of all retail telecommunications revenues in 2020 and the average subscriber consumed more data than ever; this illustrated the resilience of Canada's mobile operators and Canadians reliance on mobile communications.

There were 32.4 million mobile phone (MP) subscribers in 2020, with mobile networks covering approximately one-fifth of Canada's geographic land mass and reaching 99.7% of Canadians. In 2020, advanced wireless networks such as LTE-A, continued to deliver higher speeds than previous generation networks. LTE-A was available to approximately 97.4% of Canadians in 2020, compared to 96.0% in the previous year. In 2020, 5G networks were launched and were available to 53.3% of Canadians; there were a total of four 5G operators who offered 5G services, mostly, in selective urban cities and centres.

Infographic 6 Highlights of mobile coverage

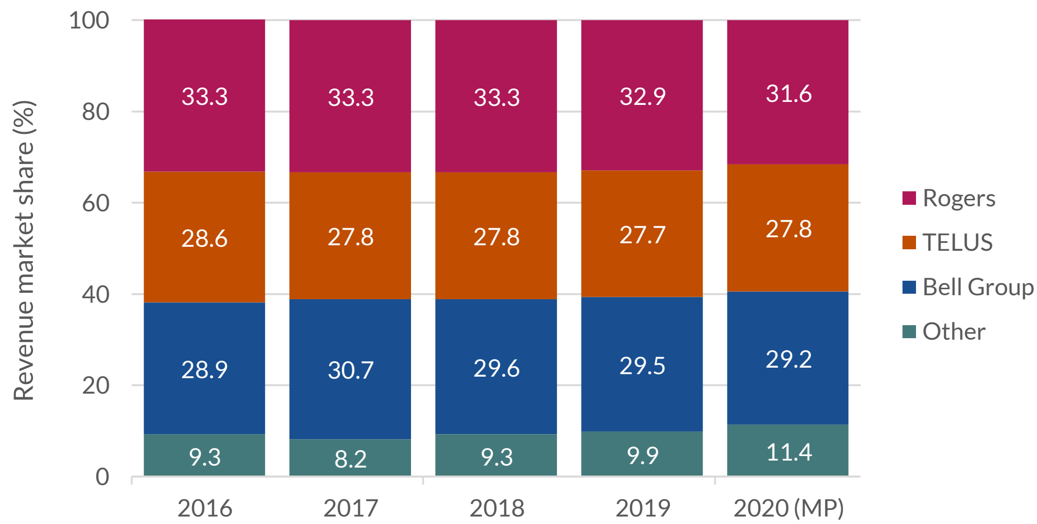


Source: Innovation, Science and Economic Development Canada (ISED) and CRTC data collection

The mobile sector continued to be dominated by the three largest mobile service providers (Top 3), Bell Group[5], Rogers, and TELUS. In 2020, these entities accounted for 88.6% of retail mobile phone (MP) revenues. The Top 3 held the majority of mobile phone (MP) revenue share in each province/territory, except in Saskatchewan where the other providers captured 60.7% of the mobile phone (MP) sector.

[5] The Bell Group includes Bell Canada, Bell Mobility, KMTS, Latitude Wireless, NorthernTel, Northwestel Mobility, and Télébec. In 2017, MTS Inc. was incorporated into the Bell Group.

Figure 14 Retail mobile revenue market share (%)



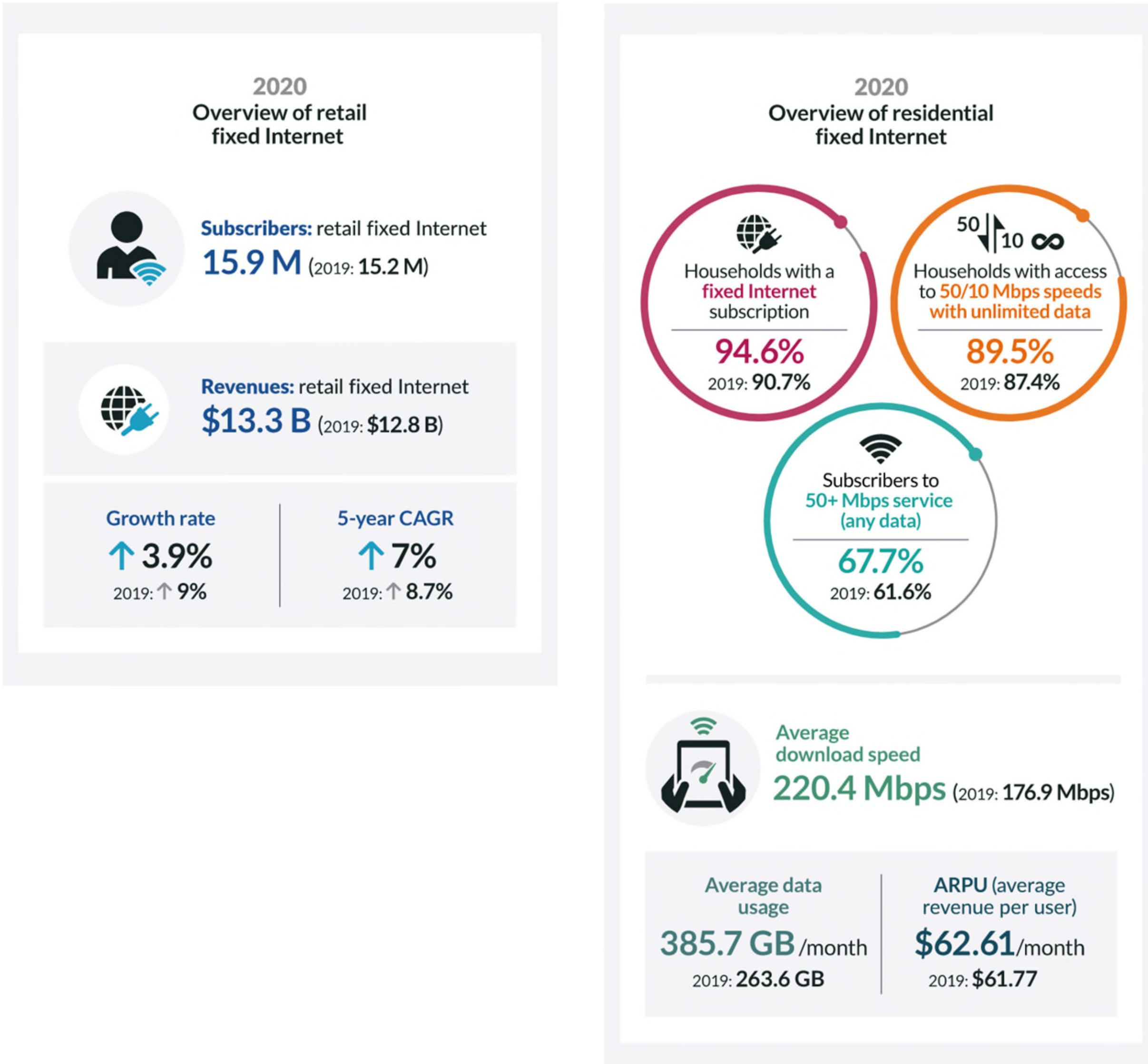
Source: CRTC data collection

Other mobile providers include SaskTel, Freedom Mobile, Vidéotron, and Bragg Communications and wholesale-based service providers.

More data on mobile and other telecommunications services can be found in Open Data and their respective sections of the *Communications Market Reports*.

Retail fixed Internet sector

Infographic 7 Overview of retail fixed Internet sector



Source: Innovation, Science and Economic Development Canada (ISED) and CRTC data collection

Table 5 Retail Internet service revenues ($ millions)

Type	Component	2016	2017	2018	2019	2020	Growth (%) 2019-2020	CAGR (%) 2016-2020
Residential	Access	8,090.5	8,804.2	9,385.0	9,992.9	10,562.7	5.7	6.9
	Applications, equipment, and other Internet-related services	289.5	314.1	419.6	505.5	555.6	9.9	17.7
	Total	8,380.0	9,118.3	9,804.6	10,498.4	11,118.3	5.9	7.3
Business	Access and transport	1,442.0	1,501.5	1,575.7	1,894.0	1,838.3	-2.9	6.3
	Applications, equipment, and other Internet-related services	356.5	347.2	385.1	437.6	379.6	-13.3	1.6
	Total	1,798.4	1,848.7	1,960.8	2,331.7	2,217.9	-4.9	5.4
All	Total	10,178.4	10,967.0	11,765.4	12,830.1	13,336.2	3.9	7.0

Source: CRTC data collection

Fixed Internet service continue to be an important service. This has been especially evident during the COVID-19 pandemic where Canadians relied on their Internet service for remote work and education, access news and information, as well as for entertainment. This was evident as data usage surged substantially while many schools and workplaces transitioned online. Canada's broadband networks showed resiliency and flexibility in managing increased demand and maintaining service throughout this challenging and unprecedented period.

The retail fixed Internet sector was the only retail telecommunications sector to experience revenue growth in 2020, growing 3.9% to $13.3 billion. This growth is mainly attributed to the increase in residential Internet access revenues which grew from $10.0 billion in 2019 to $10.6 billion in 2020 (or 5.7% growth). Residential Internet revenues increased as households increasingly subscribed to Internet packages with faster speeds and higher usage limits.

Business Internet revenues were impacted by closures of small-medium sized businesses during the pandemic. This caused total business fixed Internet revenues to experience a negative growth rate for the first time in the past ten years, decreasing from $2.3 billion in 2019 to $2.2 billion in 2020 (or -4.9% growth).

The number of residential subscribers continued to grow, reaching approximately 14.4 million subscriptions (or 94.6% of Canadian households) in 2020, a 4.8% increase from 2019 and more than eight times the population growth rate (0.6%). Cable-based carriers and incumbent TSPs accounted for the majority of subscribers (85.2%), while other entities accounted for 14.8%, up from 12.6% in 2016.

Migration towards higher speed Internet packages continued as the needs of Canadians changed during the pandemic and expanded deployment of fibre and enhanced fixed wireless technologies improved accessibility to these types of packages. The proportion of residential subscriptions to services offering speeds of 100 Mbps or faster grew from 41.7% in 2019 to 47.8% in 2020. 8.3% of subscriptions were for services offering speeds of at least a gigabit in 2020 compared to 5.6% in 2019.

In 2020, there was an abnormal growth in data consumption as Canadians are spending more time online for school, work, and play. The average amount of data downloaded by residential Internet subscribers increased by more than 100GB/month over the past year, from 243.9 GB per month in 2019 to 353.4GB per month in 2020 (44.9% growth). The average upload amounts also grew considerably, from 19.6 GB/month to 32.4 GB/month over the same period (or 64.9% growth). Increased adoption of video teleconferencing services and large file sharing may have contributed to this growth in upload usage.

Retail wireline voice sector

Table 6 Overview of retail fixed wireline voice sector

	2019	2020
Retail wireline voice revenues	$6.5 B	$6.2 B
Retail wireline voice subscribers	13.6 M	13.3 M
Revenue growth rate	-8.0%	-4.1%
Revenue CAGR (5 year)	-6.7%	-5.6%

Source: CRTC data collection

Table 7 Local and long distance retail revenues ($ millions)

Service	2016	2017	2018	2019	2020	Growth (%) 2019-2020	CAGR (%) 2016-2020
Gross local revenues	6,635	6,474	6,086	5,584	5,296	-5.2	-5.5
Less: contribution revenues	105	98	87	71	50	-30.2	-17.1
Retail local revenues	6,529	6,376	5,999	5,513	5,246	-4.8	-5.3
Retail long distance revenues	1,287	1,095	1,052	970	968	-0.2	-6.9
Total local and long distance retail revenues	7,817	7,471	7,051	6,483	6,214	-4.1	-5.6

Source: CRTC data collection

In 2020, the retail wireline voice sector reported $6.2 billion in revenues, with a 5.6% average annual decline since 2016. Local revenues (excluding contributions) accounted for 84.0% of retail wireline voice revenues in 2020. Long-distance revenues were approximately $968 million, declining by an average annual rate of 6.9% since 2016.

Increased call volumes related to COVID-19 led to a flattening of long distance revenues in 2020, as compared to recent annual declines of about 10%. COVID-related impacts could be seen in increased voice and video call volumes and additional demand for teleconference bridges and 1-800 numbers.

From 2016 to 2020, residential wireline voice revenues per line decreased by $3.94 to $31.37 per month, while business revenues decreased by $3.89 to $51.07 per month. This is, however, a slight increase from 2019 when business revenues were $50.45.

The incumbent carriers accounted for 66.4% of the residential sector of retail wireline revenues, essentially unchanged from 2019, and 76.1% of the business sector, a 1.1% decrease since 2019. Residential revenue shares for facilities-based non-incumbent service providers represented 27.1% of residential retail wireline revenues, in 2020.

Introduction of access-independent VoIP services[6] has opened the wireline voice sector to non-traditional providers. There were approximately 850,000 subscribers to access-independent VoIP in 2020,

[6] Access-independent VoIP services are VoIP services delivered through the public Internet as opposed to a dedicated or managed network.

representing 17% of retail VoIP. This percentage has increased over the last several years with the introduction of new participants.

There were 28,000 payphones in 2020, generating an average of $311 in annual revenues per unit, compared to 58,000 payphones generating $385 per unit in 2016. The number of payphones dropped by over 3,000 or 10.8% from 2019 to 2020, while the average revenue per phone decreased by $63 or 16.8%.

Retail data and private line sector

Table 8 Overview of retail data and private line sector

	2019	2020
Retail data and private line revenues	$3.1 B	$3.0 B
Revenue growth rate	-3.2%	-5.4%
Revenue CAGR (5 year)	-2.4%	-2.9%

Source: CRTC data collection

Table 9 Data and private line retail revenues ($ millions)

Sector	Subsector	2016	2017	2018	2019	2020	Growth (%) 2019-2020	CAGR (%) 2016-2020
Data	Data protocols	1,870	1,864	1,845	1,739	1,691	-2.8	-2.5
	Other	731	694	690	698	647	-7.3	-3.0
	Total	2,600	2,558	2,535	2,436	2,338	-4.1	-2.6
Private line	Total	738	721	700	695	624	-10.1	-4.1
Total	Total	3,339	3,279	3,235	3,131	2,962	-5.4	-2.9

Source: CRTC data collection

Data and private line services refers to services sold by TSPs to business customers for the transmission of data, video and voice traffic. These services provide private and highly secure communications channels between locations. Data and private line revenues have been in decline since 2014.

Data services are packet-based services that intelligently switch data through carrier networks. They make use of newer data protocols such as Ethernet and Internet Protocol (IP), or legacy data protocols such as X.25, asynchronous transfer mode (ATM), and frame relay to transmit data. Legacy services make up less than 0.4% of revenues. The subcategory “Other” includes network management and networking equipment.

Private line services provide non-switched, dedicated communications connections between two or more points to transport data, video and/or voice traffic.

Data posted a 4.1% loss in 2020, on par with 2019, but a higher loss than the 2016-2020 average of 2.6%.

Private line with a 10% loss in 2020 exceeded the 2016-2020 average decline of 4.1%.

Incumbent TSPs accounted for approximately 65.5% of retail data revenues and 61.0% of retail private line revenues in 2020, compared to 64.2% and 74.3% for data and private line in 2016.

Wholesale

Table 10 Overview of wholesale market

	2018	2019	2020
Wholesale revenues	$3.844 B	$4.053 B	$4.115 B
Revenue growth rate	-4.4%	5.4%	1.5%
Revenue CAGR (5 year)	0.4%	0.8%	0.4%

Source: CRTC data collection

Table 11 Wholesale telecommunications revenues by sector ($ millions)

Type	Sub-type	Sector	2016	2017	2018	2019	2020	Growth (%) 2019-2020	CAGR (%) 2016-2020
Wireline	Voice	Local and access	615.1	598.9	570.5	564.7	586.9	3.9	-1.2
		Long-distance	457.9	406.8	300.2	339.0	348.4	2.8	-6.6
		Subtotal	1,073.0	1,005.6	870.8	903.7	935.3	3.5	-3.4
	Non-voice	Internet	588.8	557.6	571.4	674.1	751.5	11.5	6.3
		Data	600.0	633.7	683.8	716.9	797.2	11.2	7.4
		Private line	593.2	545.7	524.9	510.6	450.0	-11.9	-6.7
		Subtotal	1,782.1	1,737.0	1,780.1	1,901.5	1,998.7	5.1	2.9
	All	Wireline	2,855.1	2,742.7	2,650.9	2,805.2	2,934.0	4.6	0.7
Mobile	All	Mobile	1,200.0	1,277.1	1,193.4	1,247.3	1,180.8	-5.3	-0.4
All	Total	Total	4,055.1	4,019.8	3,844.3	4,052.5	4,114.8	1.5	0.4

Source: CRTC data collection

Wholesale services are services provided by one TSP to another, usually when the latter does not have end-to-end facilities of its own.

In 2020, the wholesale telecommunications sector was worth $4.1 billion, of which 28.7% was for the provision of mobile services and 71.3% for wireline services. From 2016 to 2020, wholesale mobile revenues decreased at an average annual rate of 0.4%, comparable to the little or no change for wholesale wireline revenues (despite fluctuations between 2016 and 2020).

Wholesale voice revenues declined, on average, by 3.4% annually from 2016 to 2020, whereas wireline non-voice revenues increased, on average, by 2.9% annually during the same period.

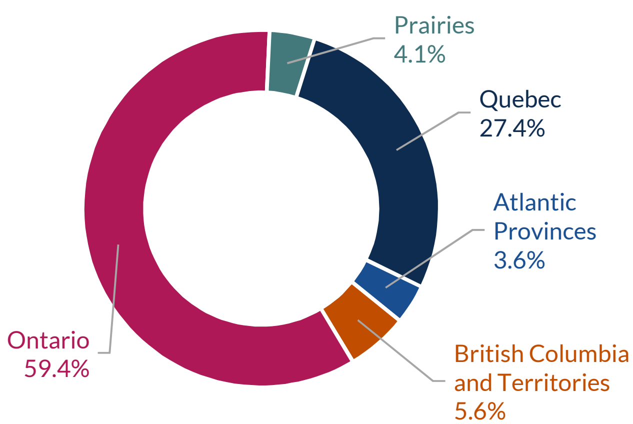
With 69.9% of wholesale wireline revenues, incumbent TSPs maintained the largest share of the wholesale wireline sector, which has decreased slightly from 70.8% in 2019.

Independent ISPs[7] frequently depend on access services offered by the incumbent TSPs and the cable-based carriers to connect to their customers. Over the years, sales of cable-based access services, known as third-party Internet access (TPIA) services, to independent ISPs have increased, growing at an annual rate of 10.3% since 2016.

The number of wholesale high-speed Internet access lines and revenues grew in 2020. Ontario had the largest share of wholesale lines (59.4%) and revenues (63.0%) in 2020.

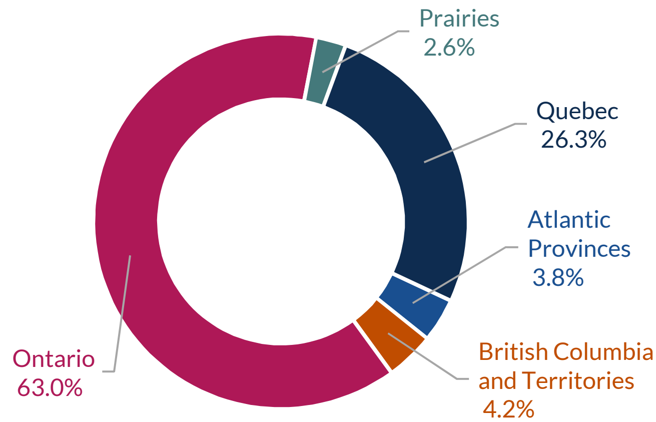
[7] Independent ISPs are defined as ISPs that are not cable-based carriers or incumbent TSPs.

Figure 15 Percentage of high-speed Internet wholesale lines by region (%)



Source: CRTC data collection

Figure 16 Percentage of high-speed Internet wholesale revenues share by region (%)



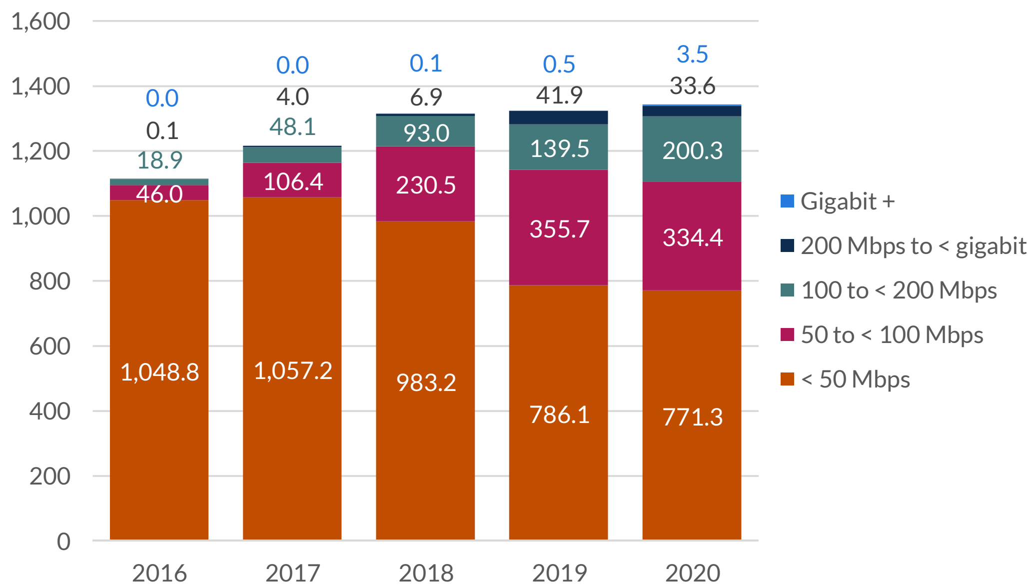
Source: CRTC data collection

Information in the above figures regarding high-speed Internet wholesale lines and revenues is from a sample of the larger ISPs. They reported approximately 80% of total wholesale Internet service revenues in 2020.

As mentioned earlier, the number of wholesale Internet lines has exceeded 1.3 million, growing at an annual rate of 4.8% from 2016 to 2020. While the number of wholesale Internet lines with download speeds of 50 Mbps and above have been increasing, the majority of wholesale Internet lines still fall under 50 Mbps (57.4% share or 0.77 million lines).

Wholesale Internet lines with download speeds of a gigabit per second and above saw the largest growth (600.0%), more than seven times the number of wholesale lines from the previous year.

Figure 17 Wholesale high-speed access enabled lines by download speed (thousands)



Source: CRTC data collection

vi Datasets available on Open Data

There are four Excel workbooks and CSV zips related to this report that have been published on the Open Data portal. They contain the data found in the figures and tables in this section of the CMR, in addition to supplementary datasets (T-S1 to T-S5, W1 to W18, LLD1 to LLD11 and DPL1 to DPL9) that originate from earlier editions of the CMR.

Instructions: Use the table below to search for datasets available on Open Data that are related to this section of the CMR. When you have found the dataset, go to the Find a CMR Dataset page and download the workbooks **Data - Telecommunications sector, Data - Wholesale (telecommunications), Data - Local and long distance, and Data - Data and private line**. Search for the 'tab name' in the Excel workbook tabs to locate the data.

Table 12 List of datasets available in the Data - Telecommunications sector, Data - Wholesale (telecommunications), Data - Local and long distance, and Data - Data and private line workbooks

Workbook	Tab name	Title
Data - Telecommunications sector	T-I1	Overview of total telecommunications revenues
Data - Telecommunications sector	T-I2	Telecom revenue share by sector (%)
Data - Telecommunications sector	T-I3	Overview of retail vs wholesale revenue share (%)
Data - Telecommunications sector	T-I4	Overview of key indicators of telecommunications financial performance
Data - Telecommunications sector	T-I5	Overview of retail revenues by sector
Data - Telecommunications sector	T-I6	Highlights of mobile coverage
Data - Telecommunications sector	T-I7	Overview of retail fixed Internet sector
Data - Telecommunications sector	T-F1	Gross domestic product (GDP) growth rate (%) in Canada
Data - Telecommunications sector	T-F2	Total telecommunications revenues ($ billions) and growth rates (%)
Data - Telecommunications sector	T-F3	Total revenues by type of TSP ($ billions)
Data - Telecommunications sector	T-F4	Companies providing telecommunications services by type of TSP (%)
Data - Telecommunications sector	T-F5	Distribution of TSPs by the number of sectors with services offered (%)
Data - Telecommunications sector	T-F6	TSPs' revenue share grouped by the number of sectors with services offered (%)
Data - Telecommunications sector	T-F7	Telecommunications revenues by category and province/territory ($ millions)
Data - Telecommunications sector	T-F8	Wholesale high-speed access enabled lines by region (thousands)
Data - Telecommunications sector	T-F9	Subsidy paid to incumbent local exchange carriers ($ millions) and contribution rate (%)
Data - Telecommunications sector	T-F10	Telecommunications capital expenditures by type ($ billions)
Data - Telecommunications sector	T-F11	Capital intensity for industries with the highest capital intensity ratios (%)
Data - Telecommunications sector	T-F12	Telecommunications capital intensity (%), by type of TSP
Data - Telecommunications sector	T-F13	EBITDA margins by sector (%)
Data - Telecommunications sector	T-F14	Retail mobile revenue market share (%)
Data - Telecommunications sector	T-F15	Percentage of high-speed Internet wholesale lines by region (%)
Data - Telecommunications sector	T-F16	Percentage of high-speed Internet wholesale revenues share by region (%)
Data - Telecommunications sector	T-F17	Wholesale high-speed access enabled lines by download speed (thousands)
Data - Telecommunications sector	T-T1	Total revenue market share (%) by type of service provider
Data - Telecommunications sector	T-T2	Percentage of telecommunications revenues generated by forborne services (%)
Data - Telecommunications sector	T-T3	Overview of retail mobile sector
Data - Telecommunications sector	T-T4	Retail mobile and paging service revenue components ($ millions)
Data - Telecommunications sector	T-T5	Retail Internet service revenues ($ millions)
Data - Telecommunications sector	T-T6	Overview of retail fixed wireline voice sector
Data - Telecommunications sector	T-T7	Local and long distance retail revenues ($ millions)
Data - Telecommunications sector	T-T8	Overview of retail data and private line sector
Data - Telecommunications sector	T-T9	Data and private line retail revenues ($ millions)
Data - Telecommunications sector	T-T10	Overview of wholesale market
Data - Telecommunications sector	T-T11	Wholesale telecommunications revenues by sector ($ millions)
Data - Telecommunications sector	T-S1	Telecommunications revenue distribution by region ($ billions)
Data - Telecommunications sector	T-S2	Percentage of retail telecommunications revenues generated by forborne services (%)
Data - Telecommunications sector	T-S3	Telecommunications investments made in plant and equipment, by type of provider of telecommunications service ($ billions)
Data - Telecommunications sector	T-S4	Total 9-1-1 service revenues ($ millions)
Data - Telecommunications sector	T-S5	Wireline retail telecommunications revenue market share (%) by type of service provider
Data - Wholesale (telecommunications)	W1	Wholesale telecommunications revenues by market sector ($ millions)

Data - Wholesale (telecommunications)	W2	Local wholesale telecommunications revenues, by major component ($ millions)
Data - Wholesale (telecommunications)	W3	Local wholesale telecommunications revenues, by province ($ millions)
Data - Wholesale (telecommunications)	W4	Wholesale high-speed access (HSA) based subscriptions across Canada, in percentage of total subscriptions
Data - Wholesale (telecommunications)	W5	Internet-related wholesale revenues by type of service ($ millions)
Data - Wholesale (telecommunications)	W6	Wholesale HSA revenues by service component ($ millions)
Data - Wholesale (telecommunications)	W7	DSL and cable wholesale HSA service subscriptions by type of service (thousands)
Data - Wholesale (telecommunications)	W8	DSL and cable wholesale HSA monthly revenue per enabled subscription ($)
Data - Wholesale (telecommunications)	W9	Wholesale HSA-enabled subscriptions by service speed in Mbps (thousands)
Data - Wholesale (telecommunications)	W10	Data protocol wholesale revenues, by service category ($ millions)
Data - Wholesale (telecommunications)	W11	Wholesale mobile wireless revenues, by type of service ($ millions)
Data - Wholesale (telecommunications)	W12	Local and access lines, by type of TSP (thousands)
Data - Wholesale (telecommunications)	W13	Wireline wholesale telecommunications revenue market share, by type of TSP (%)
Data - Wholesale (telecommunications)	W14	Wholesale local and access revenues, by type of TSP ($ millions)
Data - Wholesale (telecommunications)	W15	Wholesale long distance revenues by type of TSP ($ millions)
Data - Wholesale (telecommunications)	W16	Percentage of wholesale telecommunications revenues generated by forborne services (%)
Data - Wholesale (telecommunications)	W17	Wholesale wireline telecommunications service revenues by type of service (%)
Data - Wholesale (telecommunications)	W18	Inter-provider expenses per revenue dollar for wireline services ($)
Data - Local and long distance	LLD1	Residential local telephone and long distance service revenues by type of TSP ($ millions)
Data - Local and long distance	LLD2	Business local telephone and long distance revenues by type of TSP ($ millions)
Data - Local and long distance	LLD3	Number of retail managed and non-managed local telephone lines (thousands)
Data - Local and long distance	LLD4	Residential and business local telephone lines by type of TSP (thousands)
Data - Local and long distance	LLD5	Residential and business, local and long distance monthly revenues ($), per line
Data - Local and long distance	LLD6	Local telephone retail service monthly revenues ($) per line, by type of TSP
Data - Local and long distance	LLD7	Large incumbent TSPs' retail long distance revenue market share (%), by region
Data - Local and long distance	LLD8	Large incumbent TSPs' payphone revenues
Data - Local and long distance	LLD9	Large incumbent TSPs' payphone quantities
Data - Local and long distance	LLD10	Retail VoIP local lines, access-dependent and access-independent, by market (millions)
Data - Local and long distance	LLD11	Long distance residential and business monthly revenues ($), per line
Data - Data and private line	DPL1	Retail data service revenues by classification of data protocol used ($ millions)
Data - Data and private line	DPL2	Breakdown of newer data service revenues, by protocol used (%)
Data - Data and private line	DPL3	Private line retail revenues by type of service provider ($ millions)
Data - Data and private line	DPL4	Retail data and private line revenue market share (%), by type of TSP
Data - Data and private line	DPL5	Retail data service revenue market share (%), by type of TSP
Data - Data and private line	DPL6	Retail data service revenue market share (%), by type of service provider and classification of data protocol used
Data - Data and private line	DPL7	Retail private line revenue market share (%)
Data - Data and private line	DPL8	Forborne private line routes
Data - Data and private line	DPL9	Forborne data and private line revenues (%)

vii Methodology

Capital expenditures and capital intensity

Capital expenditures (CAPEX) are the costs associated with procuring, constructing, and installing new assets of telecommunications networks, to replace or add to existing assets, or to lease to others. The capital expenditures metric in this report includes data only from companies which supplied both telecom revenue and capital expenditure data.

Capital intensity is the ratio of capital expenditures to revenues. The capital intensity metric of the telecommunications industry found in this report was derived by dividing the total annual capital expenditures by the annual telecommunications revenues of companies that reported capital expenditures. The capital intensity of the Top 5 TSPs was calculated by dividing the sum of their capital expenditures of the Top 5 TSPs by the year-end telecommunications revenues of these TSPs. These TSPs accounted for 90.5% of all capital expenditures in 2020.

The capital intensity for all other industries found in Figure 11 was calculated by dividing the industry CAPEX by the full-year industry revenue. Industry CAPEX and industry revenue can be found in Statistics Canada Tables 34-10-0035-01 and 33-10-0226-01.

Churn rate

The average monthly churn rate is derived by dividing the number of subscribers that have left their service provider in a month by the total number of service subscribers over the same period. The higher the number, the more subscribers are leaving the provider.

Earnings before interest, taxes, depreciation, and amortization

Earnings before interest, taxes, depreciation, and amortization (EBITDA) is the operating revenue after having subtracted operating expenses but before subtracting charges for interest payments, taxes, depreciation, and amortization. The EBITDA margins were determined by dividing the total EBITDA by the total operating revenues. The EBITDA margins were calculated for companies for whom at least 80% of their total revenues are represented by Canadian telecommunications services.

Internet usage: methodology

All information in the residential fixed Internet section regarding usage of gigabytes per month, and subscriptions by advertised speed and advertised download capacity, is from data collected through surveying the larger ISPs. These larger ISPs are assigned forms which report details of the residential Internet access high-speed plans that they provide and offer. These ISPs accounted for approximately 88% of the total number of residential high-speed Internet service subscriptions in 2020.

Assignment of forms/surveys is based on the size of the entity. As such, to reduce regulatory burden, small ISPs are not required to submit this information.

Wholesale Internet lines and revenues by province/territory and region

All information in this section regarding provincial wholesale Internet lines and revenues is from data collected through surveying the larger ISPs. These larger ISPs are telecom providers that have historically provided regulated telecom services (such as WHSA, unbundled loops, and Content Delivery Network

[CDN] services). They are assigned forms that report details of their wholesale high-speed Internet access lines and revenues.

These ISPs accounted for approximately 66% of total wholesale Internet revenues in 2020.

Definitions

An **alternative service provider** is any entity that is not an incumbent TSP. Examples of alternative service providers include Distributel, Rogers, Shaw, TekSavvy, and Vidéotron.

Average revenue per user (ARPU) is a measure of revenue generated per subscriber. This is calculated by dividing the whole-year total revenue by the average number of subscribers from the current and previous year. The number of subscribers is taken from year end data.

Cable-based carriers are former cable monopolies that also provide telecommunications services (e.g. wireline voice, Internet, data and private line, and wireless services). Examples of cable-based carriers include Rogers, Shaw, and Vidéotron.

Average **churn rate** is a measure of subscriber turnover represented as an average monthly rate.

Earnings before interest, taxes, depreciation and amortization (EBITDA), or Operating Margin is a metric used to measure financial performance. It is expressed as a percentage of total revenues.

The **estimated number of households in Canada** is calculated by dividing the 4th quarter population estimate for Canada by Statistics Canada by the population to dwelling ratio. In turn, the population to dwelling ratio is calculated by dividing the population of Canada by the number of households found in the Statistics Canada Census 2016.

Facilities-based service providers are any entity that has its own facilities. Examples of facilities-based service providers include Bell Canada, Rogers, SaskTel, Shaw, TELUS, and Vidéotron.

Fibre-to-the-home (FTTH) refers to fibre optic communication delivery system where fibre extends from a concentrator, remote or central office to a residence.

Fibre-to-the-premises (FTTP) is the equivalent of FTTH but refers to fibre extending to a business instead of a residence.

Fixed-Internet services refers to Internet access service via dial-up, DSL, cable, fibre, fixed wireless, satellite, and other technologies such as Wi-Fi where access is provided to a precise and geographically constrained location; Internet transport service; and other non-connectivity Internet-related services such as equipment, web hosting, data centre services, etc.

Fixed wireless service providers are any entity that provides its services over a wireless network that uses either licensed or unlicensed spectrum to provide communications services, where the service is intended to be used in a fixed location. Examples of fixed wireless service providers include SSi Canada and Xplornet.

HSPA, HSPA+, LTE, LTE-Advanced (LTE-A), 5G: High-Speed Packet Access (HSPA) and Long-Term Evolution (LTE) are the protocols or standards used for communications between a mobile phone and cell towers in mobile networks. HSPA is also referred to as 3G (third generation) cellular while LTE is referred to a 4G (fourth generation) cellular. HSPA+, or evolved High-Speed Packet Access, is a form of HSPA that uses technical measures to provide faster transmission speeds. LTE is the current standard that is now widely deployed in most mobile networks, while LTE-Advanced (LTE-A) is an enhancement of the LTE standard. 5G (NR) New Radio is a new radio access technology (RAT) that is referred to as the fifth generation. These networks promise to deliver significantly faster speeds, lower latency, and gains in spectral efficiency than prior generational networks, among other benefits

Incumbent local exchange carrier (ILECs) are incumbent entities providing local voice services. Examples of incumbent local exchange carriers include Bell Canada, Execulink, SaskTel, Sogetel, and TELUS.

An **Incumbent Telecommunications Service Provider (TSP)** is a company that provides local telecommunications services on a monopoly basis prior to the introduction of competition. These can be further categorized as large and small incumbent TSPs.

An **independent Internet service provider (ISP)** refers to ISPs that are not cable-based carriers or incumbent TSPs. Examples of independent ISPs include Distributel, TekSavvy, Verizon Canada, and Xplornet.

Large incumbent TSPs serve relatively large geographical areas, usually including both rural and urban populations, and provide wireline voice, Internet, data and private line, wireless, and other services. Examples of large incumbent TSPs include Bell, SaskTel and TELUS.

Mobile Phone revenues and subscribers are derived from handheld devices that are used mainly for voice and data communications, such as cellphones and smartphones.

Mobile Broadband revenues and subscribers include built-in and portable access devices such as hubs, dongles, tablets, laptops and netbooks; excluding revenues derived in relation to internet access over mobile phone or handheld devices such as blackberries, iPhone and other smartphones from this category

Other plans for mobile connected devices should include revenues and the number of plans for all other connected peripherals and devices, M2M services (cars, smart meters, trains, consumer electronics/connected ancillary devices) that are not included in or part of the mobile phones and mobile broadband categories.

Other facilities-based carriers refers to providers of telecommunications services that are not incumbent providers but which own and operate telecommunications networks. Examples of other facilities-based carriers include Allstream Business and Xplornet.

Small incumbent TSPs serve relatively small geographical areas. Due to the limited size of their serving areas, these companies do not typically provide facilities-based long distance services. However, they provide a range of wireline voice, Internet, data and private line, and wireless services. Examples of small incumbent TSPs include Execulink and Sogetel.

Tariff services are services whose rates, terms, and conditions are set out in a Commission-approved tariff. Non-tariff services are those telecommunications services whose rates, terms, and conditions are not set out in a Commission-approved tariff. Off-tariff services are those whose prices are filed with the Commission but for which the parties have agreed to an alternate price.

A **telecommunications service provider (TSP)** refers to any entity providing telecommunications services.

The **top three mobile service providers (Top 3)**, in terms of revenues and subscribers, consists of the Bell Group, Rogers and TELUS. The Bell Group includes Bell Canada, Bell Mobility, Bell MTS, KMTS, Latitude Wireless, NorthernTel Limited Partnership, Northwestel Mobility and Télébec, Limited Partnership. In 2017, MTS Inc.'s figures were included with those of the Bell Group. In 2015, Data & Audio Visual Enterprises Wireless Inc.'s (i.e. Mobilicity, which then became Chatr) figures were included with those of Rogers. From 2013 on, Public Mobile's figures were included with those of TELUS. Throughout this section, the flanker brands are a subset of the Top 3, unless otherwise stated.

Wholesale-based service providers or **non-facilities-based service carriers** refers to companies that generally acquire telecommunications services from other providers and either resell those services or create their own network from which to provide services to their customers. A company that owns a small number of facilities but has the vast majority of its operations on leased facilities may also be classified as non-facilities-based. Examples of wholesale-based service providers and non-facilities-based carriers include Distributel and TekSavvy.

A **wireless service provider (WSP)** is any entity providing wireless services. Examples of wireless service providers include Bell, Rogers, SaskTel, Shaw, TELUS and Vidéotron.

This is **Exhibit "244"** to the affidavit of Laura Sonley, affirmed remotely by Laura Sonley stated as being located in the city of Ottawa in the province of Ontario, before me at the city of Gatineau in the province of Quebec, on May 5, 2022, in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely.

Commissioner of Oaths etc.

Raha Araz Mohammad
Commissioner of Oaths etc.
Province of Ontario
LSO P15816.

This is **Exhibit "245"** to the affidavit of Laura Sonley, affirmed remotely by Laura Sonley stated as being located in the city of Ottawa in the province of Ontario, before me at the city of Gatineau in the province of Quebec, on May 5, 2022, in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely.

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Commissioner of Oaths etc.

Raha Araz Mohammad
Commissioner of Oaths etc.
Province of Ontario
LSO P15816.

This is **Exhibit "247"** to the affidavit of Laura Sonley, affirmed remotely by Laura Sonley stated as being located in the city of Ottawa in the province of Ontario, before me at the city of Gatineau in the province of Quebec, on May 5, 2022, in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely.

Commissioner of Oaths etc.

Raha Araz Mohammad
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Province of Ontario
LSO P15816.

This is **Exhibit "248"** to the affidavit of Laura Sonley, affirmed remotely by Laura Sonley stated as being located in the city of Ottawa in the province of Ontario, before me at the city of Gatineau in the province of Quebec, on May 5, 2022, in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely.

Commissioner of Oaths etc.

Raha Araz Mohammad
Commissioner of Oaths etc.
Province of Ontario
LSO P15816.

This is **Exhibit "249"** to the affidavit of Laura Sonley, affirmed remotely by Laura Sonley stated as being located in the city of Ottawa in the province of Ontario, before me at the city of Gatineau in the province of Quebec, on May 5, 2022, in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely.

Commissioner of Oaths etc.

Raha Araz Mohammad
Commissioner of Oaths etc.
Province of Ontario
LSO P15816.

This is **Exhibit "250"** to the affidavit of Laura Sonley, affirmed remotely by Laura Sonley stated as being located in the city of Ottawa in the province of Ontario, before me at the city of Gatineau in the province of Quebec, on May 5, 2022, in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely.

Commissioner of Oaths etc.

Raha Araz Mohammad
Commissioner of Oaths etc.
Province of Ontario
LSO P15816.

Rogers Terms of Service and Other Important Information

To learn more about Rogers products and services, visit **rogers.com**

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ROGERS™

ROGERS TERMS OF SERVICE

ROGERS TERMS OF SERVICE

1. Introductory Information

a. How do the Rogers Terms of Service apply to me?

These Rogers Terms of Service (“**Terms**”) govern your use of:

i. the Rogers services that you subscribe to or purchase under a service agreement or receive from or through Rogers, including wireless and residential services (“**Services**”); and

ii. any device or equipment used to access the Services or used with the Services (“**Equipment**”).

In these Terms, “**Rogers**”, “**us**”, “**we**” and “**our**” means the Rogers entity named in the service agreement for the specific Service you subscribe to. These Terms do not apply to services offered by Rogers Media Inc. or its subsidiaries.

b. How do the Rogers Terms of Service work with my service agreement and other materials made available to me?

These Terms work together with the following materials to form your complete agreement (“**Agreement**”) with us, and provide you with the important information you need to help you fully understand your Services:

i. Your **service agreement** for the specific Service you subscribe to (such as a wireless service agreement or residential service agreement).

ii. Our **Acceptable Use Policy**, which sets out the rules, policies and limits you must abide by when using the Services. Our Acceptable Use Policy lists examples of prohibited activities and unlawful or inappropriate content and gives us the right to remove content and/or suspend or terminate your Services if you violate the policy.

iii. Our **Privacy Policy**, which sets out our policies in relation to the collection, use and disclosure of your personal information. Our Privacy Policy details why we collect customer information, how we use it and how we share it, and specifies how to contact us if you would like more information on our personal information handling practices.

iv. Any **additional terms and conditions** that may apply to a specific Service that you subscribe to or use.

v. Any **Rogers material describing your Services or products you purchase**.

Your Agreement, with any amendments, is the entire agreement between you and Rogers for the applicable Services. If there is any inconsistency between the materials listed above and these Terms, these Terms will prevail.

c. Who is responsible for complying with the Agreement?

You, as account holder, are responsible for complying with the Agreement. Among other things, you are responsible for:

i. all charges on your account;

ii. ensuring that anyone who uses Services under your account or with your authorization complies with the Agreement;

iii. ensuring that others do not gain unauthorized access to your account and your Services, including by protecting the security of any user names or passwords relating to your account;

iv. ensuring that any information you have provided to us is up-to-date and accurate, and to let us know if it changes.

d. May I transfer my Agreement to someone else?

You will need our prior permission if you want to assign or transfer an Agreement. We may assign or transfer an Agreement or any of our rights or responsibilities under an Agreement without your permission.

2. Service Term, Changes and Cancellation

a. What are the categories of Services covered by my Agreement?

The Services are categorized as follows:

i. “**Term Services**” are Services that you subscribe to for a committed period of time as indicated on your applicable service agreement (“**Term**”);

ii. “**Month-to-Month Services**” are Services that you subscribe to on an ongoing basis, but not with a Term; and

iii. “**Pay-Per-Use Services**” are Services that you use on a per-usage basis (which may be a one-time usage, or usage for a set period of time, such as one day or one week), but not on an ongoing basis.

b. What is the term of my Agreement?

The term of each Agreement starts on the initial activation date of the Services or the Equipment, whichever is earlier (“**Activation Date**”). On your Term expiry date for a Term Service, the Service will automatically become a Month-to-Month Service and you will keep your existing Service and Agreement with us until they are changed or cancelled in accordance with these Terms.

c. Can Rogers change my Services or my Agreement?

Yes, Rogers may change your Services or Agreement as described below.

For wireless Services:

We may change any aspect of a Month-to-Month Service and the corresponding Agreement, as long as we give you at least **30** days' prior written notice. We may also change aspects of a Term Service and the corresponding Agreement, other than a key term as defined in the Canadian Radio-television and Telecommunications Commission's (CRTC) Wireless Code, upon at least **30** days' prior written notice to you. In either case, we will send you the written notice by bill message, text message, letter, e-mail or by message to your MyRogers account inbox available at rogers.com, and it will explain the change and when it will take effect.

For internet Services:

We may change any aspect of a Month-to-Month Service and the corresponding Agreement, as long as we give you at least: (i) **60** days' prior written notice for a change to a key term (as defined in the CRTC's Internet Code), or (ii) **30** days' prior written notice for a change to any other term. We may also change aspects of a Term Service and the corresponding Agreement, other than a key term, upon at least **30** days' prior written notice to you. In either case, we will send you the written notice by bill message, text message, letter, email or by message to your MyRogers account inbox available at rogers.com, and it will explain the change and when it will take effect.

For other Services:

Not applicable to residents of Newfoundland* or residents of Québec:** We may change any aspect of a Month-to-Month Service or Term Service as well as any term or provision of an Agreement, upon prior written notice to you by bill message, text message, letter, e-mail or by message to your MyRogers account inbox available at rogers.com. If you do not accept the change, your remedy will be to cancel the affected Services or Agreement by providing us with notice of cancellation under Section 2(e) below within **30** days of receiving our notice of change (unless we specify a different notice period or different remedy).

Applicable only to residents of Newfoundland* or residents of Québec:** We may change any aspect of a Month-to-Month Service and the corresponding Agreement, as long as we give you at least **30** days' prior written notice. We may also change a Term Service and the corresponding Agreement upon at least **30** days' prior written notice, but will not change the price, term, nature or any other essential elements of that Term Service or that Agreement. In either case, we will send you the written notice by bill message, text message, letter, e-mail or by message to your MyRogers account inbox available at rogers.com, and it will contain the new or amended term or provision, the former version of that term or provision (if applicable), the date that the amendment will come into force, and your rights. If a change to a Month-to-Month Service or a Term Service entails an increase in your obligations or a decrease in our obligations and if you do not accept that change, your remedy will be to cancel the affected Services or Agreement without an Early Cancellation Fee (defined below) by providing us with notice of cancellation under Section 2(e) below no later than **30** days after the amendment takes effect.

For Pay-Per-Use Services: Pay-Per-Use Services are subject to availability and may be changed or cancelled by Rogers at any time without prior notice to you.

d. May I change my Services?

You may change your Services at any time by contacting us in any of the ways set out in Section 10(e) below. You may be subject to an administrative charge in accordance with Section 3(e) below. Please note that if you wish to change a Service, you may only be able to change to a Service that is currently available in market. Also please note that any Service you remove may no longer be available for the price that you currently pay, or at all.

e. How can I cancel my Services and when does cancellation take effect?

You may cancel any or all of your Services and any corresponding Agreement at any time by calling us at the telephone number set out in Section 10(e) below. Cancellation takes effect on the day that Rogers receives notice of the cancellation, or a future date specified in that notice (if applicable), whichever is later. Applicable charges continue until that date. However, if you only cancel an add-on, cancellation will take effect on your next billing date for that add-on and applicable charges will continue to apply until your next billing date for that add-on, unless otherwise indicated.

f. Will I be charged an early cancellation fee if I cancel my Service(s)?

If you subscribe to a Term Service that you cancel before the end of its Term, you will be charged an early cancellation fee as described in the service agreement for that Term Service ("**Early Cancellation Fee**").

g. What happens if I transfer my Service(s) to another service provider?

Transferring your Service(s) to another service provider is a cancellation of the applicable Service(s) and an Early Cancellation Fee may apply if the transfer results in the cancellation of a Term Service before the end of its Term. Any Service remaining on your account may be removed and/or transferred to a comparable Service plan if the Service or pricing becomes unavailable as a result of the transfer.

h. Can Rogers cancel my Services and when does cancellation take effect?

Rogers may cancel any or all of your Services or accounts and any corresponding Agreement, as long as we give you at least **30** days' prior written notice (if you are a resident of Québec or Newfoundland, **60** days'). Applicable charges continue until the cancellation date. For residents of Newfoundland: (i) if you have subscribed to a Term Service then we may cancel that Service only if we no longer have the technical ability to provide that Term Service; and (ii) if your account has a credit balance over **$10** on your final bill, then we will refund that balance to you within **60** days of the date of that bill. Discretionary credits will not be refunded.

i. Can Rogers suspend or cancel my Services without notice?

We may restrict, suspend, block, disconnect or cancel any or all of your Services, Equipment, accounts or identifiers in any way, including 9-1-1 service, without notice or liability to you, if:

i. you are in breach of an Agreement, including for non-payment;

ii. you exceed your credit limit;

iii. you fail to provide or maintain a reasonable security deposit or other credit requirement when we ask you to;

iv. you agree to a deferred payment arrangement with us and fail to comply with its terms;

v. you exceed our reasonable usage limits;

vi. you have given us false, misleading or outdated information;

vii. we reasonably suspect or determine that any of your account, identifiers, Services or Equipment is the subject of fraudulent, unlawful or improper usage or usage that adversely affects our operations or the use of our services, facilities or networks or those of third parties with whom we have roaming or network sharing agreements;

viii. you harass, threaten or abuse us or our employees or agents;

ix. you fraudulently or improperly seek to avoid payment to us;

x. we need to install, maintain, inspect, test, repair, remove, replace, investigate, protect, modify, upgrade or improve the operation of the Services, the Equipment or our facilities or networks;

xi. any account or service on which your Services depend is cancelled for any reason; or

xii. we reasonably believe that there is an emergency or extreme circumstance that would warrant that action.

If we restrict, suspend, block, disconnect or cancel your Services or accounts:

i. you must pay any amounts owing;

ii. we may also restrict, suspend, block, disconnect or cancel, without notice or liability, your Services under any other agreement or account that you may have with us or a related Rogers entity (including accounts that may be in good standing);

iii. you may be charged for any costs incurred by us or any related Rogers entity in connection with your breach of these Terms, including costs incurred to enforce your compliance;

iv. your access to emergency or accessibility services (e.g., 9-1-1) may also be restricted, suspended, blocked, disconnected or cancelled;

v. your rates for services with related Rogers entities may change in accordance with the terms of those services; and/or

vi. recurring service charges continue to apply during any suspension of Services.

j. Will these Terms still apply once my Services are cancelled?

Certain provisions of these Terms may still apply as they may still be relevant even after cancellation of all your Services. Specifically, Sections 1(b)-(d), 2(e)-(j), 4(b)-(c), 5(c), 6(d) and (f), 9, 10(b)-(d) and the arbitration provisions of Section 10(a) will continue to apply to you after cancellation of your Agreement.

3. Account, Charges and Billing Information

a. How does Rogers bill me for Services?

Service charges will start on the Activation Date and are billed in advance. Unless we both agree to a different arrangement, your billing period runs for one month, and ends on the bill date noted on the top of your bill. Your Activation Date and billing period won't always start on the same day. When this happens, your Service charges and allotted usage are pro-rated for the period between your Activation Date and your bill date. Usage charges, such as additional data, airtime, long distance, movie or event purchases and roaming are billed after you use them. We may bill you for a charge up to **6** months from the date the charge was incurred.

b. When is my bill payment due?

Charges on your account are due and payable in full from the date of your bill. If you are paying by mail or through a financial institution, please allow adequate time for your payment to reach us before the required payment date. You are responsible for all charges on your account.

c. What if I don't pay my bill on time?

If we do not receive payment of an amount due on your account by the specified required payment date, it will be subject to a late payment charge of **3%** per month. This late payment charge will accrue on a daily basis and will be calculated and compounded monthly on the outstanding amount (**42.58%** per year) from the date of the first bill on which it appears until the date we receive that amount in full. You agree that we can charge any unpaid and outstanding amount, including any late payment charges, on any pre-authorized payment method on your account (e.g., a credit card or bank account withdrawal).

d. Will Rogers ever assign my account to a collection agency?

Yes, if your account has an unpaid final balance, then we may assign your account to a collection agency after your account has been cancelled:

i. at any time, if the contact information for your account is no longer valid;

ii. no earlier than **25** days after the cancellation date, if your account was cancelled for non-payment; or

iii. no earlier than **35** days after the cancellation date, if your account was cancelled for any other reason, and you have an unpaid final balance of **$75** or more or you have not returned rental Equipment.

e. Will I be subject to any administrative charges?

We may apply administrative charges in connection with your account, including as a result of the following:

i. price plan change;

ii. phone number (or other identifier) change;

iii. transfer of Service;

iv. bill reprint requests;

Not applicable to residents of Québec:**

v. collection efforts due to non-payment;

vi. returned or rejected payments; and/or

vii. the restoral or suspension of Service.

A list of these charges is available on request, or at **rogers.com/charges,** and forms part of these Terms.

f. What if I do not understand or disagree with a charge on my bill?

Any questions or discrepancies regarding charges must be reported to us within **90** days of the date of the applicable bill. Failure to notify us within this time period means that you have accepted those charges. If any of those discrepancies resulted in unauthorized or incorrect charges on your account, then we will reverse those charges within **30** days of receiving notice from you.

If you have reported a billing discrepancy to us, then we will wait at least **10** days before cancelling your service in accordance with Section 2(h) or Section 2(i).

g. How do discounts and promotions work?

We will apply a discount, promotion or benefit to your account as long as you remain eligible for it. We may check your eligibility from time to time, and if you become ineligible to receive that discount, promotion or benefit for any reason, we may remove it, and/or transfer your Service to a comparable Service plan, without prior notice.

h. How is wireless local and long distance airtime charged?

Local and long distance airtime charges are rounded up to the next full minute. A one-minute minimum charge applies to every completed call (made or received). The airtime for the entire call is charged based on the applicable rate at the beginning of the call. Airtime charges (plus long distance, if applicable) apply to completed or answered calls from the moment you press SEND until you press END and includes the ring time. For international calls or while roaming, you may be charged regardless of whether the call is completed.

i. How does Rogers determine if I'm on a long distance wireless call?

Wireless local calling areas are the areas in which you can make or receive calls without incurring long distance charges. Wireless calls are defined as local or long distance based on local calling areas. Your location at the time of the call, your wireless phone number and the phone number called are all important factors in determining local calling areas and wireless long distance. Your "Incoming Local Calling Area" is based on the geographical location associated with your wireless number. All calls that you receive while you are in your Incoming Local Calling Area are local. All calls that you receive while you are outside your Incoming Local Calling Area are long distance. Your "Outgoing Local Calling Area" is determined by your physical location. If you dial a number that is local to your physical location, then it is a local call. If you dial a number that is long distance to your physical location, then it is a long distance call. When using Call Forwarding, long distance charges apply when the number to which you forward the call is outside the geographical location associated with your wireless number, regardless of your physical location. Visit rogers.com/longdistance for current long distance rates.

j. How is home phone long distance calling charged and how does Rogers determine if I'm on a long distance home phone call?

Long distance charges are rounded up to the next full minute. A one-minute minimum charge applies to every completed long distance call you make. For international calls, you may be charged regardless of whether the call is completed. For home phone Services, calls are defined as local or long distance based on local calling areas, and your local calling area depends on your home phone number. If you dial a number that is long distance to your home phone number, then it is a long distance call. When using Call Forwarding, long distance charges apply when the number to which you forward the call is outside your local calling area.

4. Deposit and Credit Requirements

a. Does Rogers require security deposits or other payment or credit requirements?

Yes, we may require a security deposit or impose other payment or credit requirements such as interim payments, mandatory prepayments, or pre-authorized payments.

b. How are security deposits used?

Any security deposit you provide to us will be kept for at least **12** months, unless your Services are cancelled sooner. After **12** months, we may release and apply the security deposit against your account balance if we determine that your payment history has been satisfactory or that you have otherwise met our financial criteria for the return of the security deposit. We may apply your security deposit toward your account if you do not pay your bill and we may require you to replenish the security deposit after use. We will notify you when we apply all or part of any security deposit. We will return to you any security deposit with applicable interest within **30** days of cancellation of your Services or once we have determined that the conditions for returning the security deposit have been met.

c. Will I earn any interest on security deposits?

Yes, you will earn interest on your security deposit with us, using the Bank of Canada's overnight rate in effect at the time, plus **1** percent, on the basis of the actual number of days in a year, accruing on a monthly basis. Interest is earned starting from the date we collect a security deposit from you (but no earlier than required under applicable legislation or regulation) until the date we return it to you.

d. Will Rogers impose a credit limit on my account?

Upon notice to you, we may assign or change a credit limit on your account at any time. Service may be suspended at any time to any and all of your accounts if your balance, including unbilled usage and pending charges, fees and adjustments, exceeds this limit. Recurring service charges continue to apply during any suspension of Services.

5. Your Use of the Services

a. Do I own my phone number?

You do not own any phone number, e-mail address or other identifier assigned to you. We may change or remove an identifier at any time.

b. Does Rogers monitor the content that I transmit when I use the Services?

We have the right, but not the obligation, to monitor or investigate any content that is transmitted using the Services (other than voice Services) or the Equipment. We may also access or preserve content or information to comply with legal process in Canada or foreign jurisdictions, operate the Services, ensure compliance with an Agreement, or protect ourselves, our customers or the public.

c. What are my responsibilities relating to the Services, and Rogers or third party software or content?

All trademarks, copyright, brand concepts, names, logos and designs that we use are intellectual property assets, registered or otherwise, of or used under license by Rogers Communications Inc. or of one of its affiliates. All are recognized as valuable assets of their respective owners, and you may not display, copy or use them in any manner for commercial or any other purpose.

The Services and any software or content that you receive or purchase through Rogers or our third party storefronts is for your own personal, lawful, non-commercial use. You agree that you will only use the Services and this software and content in accordance with your applicable Agreement and any applicable licence agreements.

Without limiting the previous paragraph, please note that you may not:

i. copy, distribute, transfer or sell any of the Services or this software or content;

ii. modify, alter or tamper with any of the Services or this software or content;

iii. reverse engineer, decompile or disassemble any of this software;

iv. attempt to defeat, avoid, by-pass, remove, deactivate or otherwise circumvent any software protection mechanisms.

The Services and this software and content remains our property or that of our licensors or content providers, as applicable. Except for the limited rights explicitly granted to you, all right, title, interest and intellectual property rights in and to the Services and this software and content are retained by their respective owners and are protected by applicable trademark, copyright and/or other intellectual property laws and treaties. You must take reasonable steps to protect the Services and this software and content from theft, loss or damage.

Please be aware that software or content may from time to time automatically and, without notice to you, cause your Equipment to access the internet incurring data usage and/or overage charges.

d. What do I need to know about the Yahoo! Services available to me?

Yahoo!, through its corporate entities may provide Rogers internet Service customers with access to a collection of resources, including various communications tools and content (the "**Yahoo! Services**"). When you use the Yahoo! Services, Yahoo!'s terms of service, guidelines and rules ("**Yahoo! Terms**") applicable to such services that are posted on the pages where you access these services govern your use of the Yahoo! Services. With respect to Rogers internet Services and the Yahoo! Services, the obligations of Rogers and Yahoo! are several and not joint. Information about how your personal information is treated when using the Rogers internet Services and Yahoo! Services is available at **policies.yahoo.com/ca/en/rogers/privacy/index.htm**.

6. Equipment

a. Is Equipment new or refurbished?

Equipment that you purchase from us is new, unless otherwise indicated. Equipment that you rent from us is refurbished, unless otherwise indicated, and is based on availability. If you have purchased Equipment from us and have received a subsidy on that Equipment resulting in a charge of **$0**, please note that Equipment has been provided to you as a subsidized good and not a free good.

b. May I upgrade my Equipment?

You may upgrade your Equipment at any time by contacting us in any of the ways set out in Section 10(e) below. You may be subject to an administrative charge in accordance with Section 3(e) above. If, in connection with your Equipment upgrade, you are subscribing to a new Term and cancelling a previous Term early, you will be charged an Early Cancellation Fee. Please note that if you wish to upgrade your Equipment, you may also be required to change to a Service that is currently available in market. Also please note that any Service or Equipment you remove may no longer be available.

c. Is my Equipment restricted to the Rogers network or Services?

For wireless Services:

Your wireless device is not locked to the Rogers network. If your wireless device is or becomes locked to the Rogers network, please contact us and we will provide you with the means to unlock it at no charge. Please note that for the first **90** days following the Activation Date, if you are roaming off the Rogers network, your Service will be restricted from placing outgoing calls to destinations other than those that have a North American area code (including Canada and the USA) and the destination at which you are located while placing the call (not applicable to prepaid service).

For residential Services:

Purchased and rental Equipment are to be used only with Rogers Services at the service address identified on your account. If you attempt to tamper with any Equipment, it may become permanently unusable and may violate the software licence agreement for that Equipment.

d. Will Rogers ever need access to my property?

You authorize us and our representatives to enter or have access to your premises as necessary upon reasonable notice from us to install, maintain, inspect, repair, remove, replace, investigate, protect, modify, upgrade or improve the operation of our services, the Equipment or our facilities or networks, whether for your benefit or the benefit of others. If any of your Services or accounts have been cancelled, then you authorize us and our representatives to enter or have access to your premises to disconnect the Services and remove our Equipment, as applicable.

e. Who is responsible for ensuring that my Equipment is compatible and up to date?

Equipment and related software may have to meet certain minimum requirements and be maintained in certain ways and in certain locations in order to access the Services or for the proper operation of the Services (e.g., 9-1-1 services). Those requirements may change from time to time without notice and you are responsible for updating or maintaining your Equipment and software as necessary to meet those requirements. We may provide software updates for the Equipment for the continued operation of the Services or the Equipment. Likewise, from time to time we may have to modify or remove previous software features in order to introduce new features to ensure that the Equipment remains compatible with technological advancements. If your Equipment or software is not up to date, we may not be able to provide you with applicable customer support.

If you use Equipment that you did not purchase or rent from Rogers, your access to and the proper operation of the Services (e.g., 9-1-1 services and public alerts) may be limited. We recommend that you use Equipment provided by Rogers.

f. What are my responsibilities relating to the Equipment?

You are solely responsible for:

i. any access to the Equipment;

ii. providing any additional connections, as well as inside wiring and home phone terminal equipment, that are not provided by us;

iii. reconnecting any of your equipment and facilities as necessary after cancellation of your Services;

iv. maintaining the security and privacy of your property and your transmissions using the Services, the Equipment or our facilities or networks;

v. protecting against any breaches of security or privacy or other risks involved in installing, using, maintaining or changing the Services or the Equipment; and

vi. ensuring that there are no unauthorized attachments to the Equipment or our cable (e.g., for television Equipment, only **1** television may be attached to any outlet).

Except for Equipment that you have purchased, all Equipment we install or provide to you remains our property. For all Equipment we own, you must:

i. take reasonable care of it;

ii. not sell, lease, mortgage, transfer, assign or encumber it;

iii. not re-locate it without our knowledge and permission; and

iv. return it to us at your own expense upon cancellation of the Services to which the Equipment is related.

If our Equipment is lost, damaged, stolen, sold, leased, mortgaged, transferred, assigned, encumbered or not returned, you must immediately notify us. You agree to pay us the undiscounted retail value of that Equipment, together with any costs we incur in seeking possession of it.

7. Prepaid Wireless Service

a. If I am a Rogers prepaid wireless customer, how can I check my prepaid wireless account balance?

You can check your account balance from your prepaid wireless device by calling *611 (it's a free call).

b. If I change my mind about adding to my prepaid wireless balance, can I get a refund?

No. Deposits into your account for prepaid wireless Services are non-refundable.

c. What if I don't use my prepaid wireless Service on a regular basis?

If your prepaid wireless account balance remains at **$0** for **6** consecutive months or if required payments towards your account are not made or are returned, for any reason, your prepaid wireless identifier (e.g., phone number or PIN number) will be deactivated. Please also note any prepaid wireless balance may have an expiry date as indicated.

d. Other than usage charges, are there any additional fees associated with prepaid wireless Service?

We will deduct a 9-1-1 Emergency Access Fee (non-government fee) for the provision of access to 9-1-1 service and any applicable 9-1-1 provincial government fee, once per month from your prepaid wireless account (there is no airtime charge for calls made from your wireless device to 9-1-1). For more information, please visit **rogers.com/911**.

8. Your Privacy

a. How does Rogers protect my privacy?

Rogers is committed to protecting your privacy and we take all reasonable steps to ensure that your personal information is safe and secure in compliance with applicable privacy laws and regulations. For more information, please see the Rogers Commitment to Protecting Customer Privacy and our full Privacy Policy available at **rogers.com/privacy**.

9. Warranties and Limitation of Liability

Please note that the term "**Rogers Parties**" includes Rogers and its affiliates, partners, licensors, dealers, representatives, suppliers and agents (and their respective employees, officers, directors, shareholders and representatives).

a. Are there any warranties on the Equipment?

The Equipment may be covered by a manufacturer's or other warranty. Please see the materials accompanying your Equipment for warranty information and details, including coverage, duration and how you may make a claim under the warranty. There may also be optional Equipment protection programs made available to you from time to time.

b. Are there any warranties on the Services?

The Services that Rogers provides may be impacted by factors beyond Rogers' reasonable control. For this reason, you acknowledge and understand that the Services or access to the Services, including 9-1-1, public alerts or accessibility services, may not function correctly or at all in the following circumstances:

i. if your Equipment fails, is not configured correctly or does not meet Rogers' requirements;

ii. if you install certain third party applications on your Equipment;

iii. in the event of a network outage or power failure;

iv. if you tamper with or, in some cases, move the Equipment; or

v. following suspension or cancellation of your Services or account.

To the maximum extent permitted by applicable law:

i. the Rogers Parties do not guarantee or warrant the performance, availability, coverage, uninterrupted use, security, pricing or operation of the Services, the Equipment **(except towards residents of Québec** in accordance with statutory warranties)** or any products, content, applications, software, services, facilities, connections or networks used or provided by us or third parties (collectively, the "**Offering**");

ii. Rogers may limit the amount of an Offering that you may purchase;

iii. you bear the entire risk as to the use, access, transmission, availability, reliability, timeliness, quality, security and performance of the Offering;

iv. the Rogers Parties do not make any express or implied representations, warranties or conditions, including warranties of title or non-infringement, or implied warranties of merchantable quality or fitness for a particular purpose, with regard to the Offering.

Not applicable to residents of Québec:**

v. all representations, warranties and conditions of any kind, express or implied, are excluded;

vi. no advice or information, whether oral or written, that you obtain from the Rogers Parties creates any term, condition, representation or warranty not expressly stated in an Agreement.

c. How does Rogers limit its liability?

Unless otherwise specifically set out in an Agreement, to the maximum extent permitted by applicable law, and **except towards residents of Québec** for damages resulting from a Rogers Party's own act**, the Rogers Parties will not be liable to you or to any third party for:

i. **Not applicable to residents of Québec**:** any direct, indirect, special, consequential, incidental, economic or punitive damages (including loss of profit or revenue; financial loss; loss of business opportunities; loss, destruction or alteration of data, files or software; breach of privacy or security; property damage; personal injury; death; or any other foreseeable or unforeseeable loss, however caused) resulting or relating directly or indirectly from or relating to the Offering or any advertisements, promotions or statements relating to any of the foregoing, even if we were negligent or were advised of the possibility of such damages;

ii. **Applicable only to residents of Québec**:** any damages (including loss of profit or revenue; financial loss; loss of business opportunities; loss, destruction or alteration of data, files or software; breach of privacy or security; or property damage) resulting or relating directly or indirectly from or relating to the Offering;

iii. any Offering provided to you or accessible by you through the Services, any charges incurred in connection with such Offering or anything that is or can be done with such Offering even if you are billed for such Offering;

iv. the performance, availability, reliability, timeliness, quality, coverage, uninterrupted use, security, pricing or operation of the Offering;

v. any error, inclusion or omission relating to any telephone listings or directories;

vi. the denial, restriction, blocking, disruption or inaccessibility of any Services, including 9-1-1, public alerts or accessibility services, Equipment or identifiers (including phone numbers);

vii. any lost, stolen, damaged or expired Equipment, identifiers, passwords, codes, benefits, discounts, rebates or credits;

viii. any unauthorized access or changes to your account or Equipment, or the use of your account or Equipment by others to authenticate, access or make changes to an account you may have with a third party, such as a social media or financial account, including changing passwords or transferring or withdrawing funds.

ix. any error, omission or delay in connection with the transfer of phone numbers to or from another telecommunications service provider, or any limitation connected to that transfer or that telecommunications service provider;

x. any acts or omissions of a telecommunications carrier whose facilities are used to establish connections to points that we do not serve; or

xi. any claims or damages resulting directly or indirectly from any claim that the use, intended use or combination of the Offering or any material transmitted through the Services infringes the intellectual property, industrial, contractual, privacy or other rights of a third party.

Not applicable to residents of Québec:** These limits are in addition to any other limits on the Rogers Parties' liability set out elsewhere in an Agreement and apply to any act or omission of the Rogers Parties, whether or not the act or omission would otherwise be a cause of action in contract, tort or pursuant to any statute or other doctrine of law.

d. Are there any additional limitations of liability that apply, including in relation to 9-1-1 emergency services?

For wireless Services:

We are not liable for:

i. libel, slander, defamation or the infringement of copyright arising from material or messages transmitted over our network from your property or premises or recorded by your equipment or our equipment;

ii. damages arising out of your act, default, neglect or omission in the use or operation of equipment that we provide;

iii. damages arising out of the transmission of material or messages over our network on your behalf, which is in any way unlawful; or

iv. any act, omission or negligence of other companies or telecommunications systems when their facilities are used in establishing connections to or from your facilities and equipment. Except in cases where negligence on our part results in physical injury, death or damage to your property or premises, our liability for negligence related to the provision of 9-1-1 emergency services on a mandatory basis is limited to the greater of **$20** and **3** times the amount, if any, you would otherwise be entitled to receive as a refund for the provision of defective Service under an Agreement. However, our liability is not limited by this Section in cases of deliberate fault, gross negligence or anticompetitive conduct on our part or in cases of breach of contract where the breach results from our gross negligence.

For home phone Services:

In order for 9-1-1 emergency services to function properly with home phone Services, you must use the adapter which forms part of the Equipment we have provided you ("**Adaptor**") and other Equipment at your service address. We will not be liable to you or to any third party for your failure to comply with this requirement. The home phone Services may not function correctly, or at all, in the following circumstances:

i. if your Adaptor or other Equipment fails or is not configured correctly;

ii. in the event of a cable network outage or power failure;

iii. if you tamper with or move your Adaptor or other Equipment to a location other than your service address; or

iv. following suspension or cancellation of your Services or account.

We will not be liable to you or to any third party for any inability to use the home phone Services or to obtain access to 9-1-1 emergency services as a result of the limitations described in this Section.

e. Are there any circumstances under which I would have to compensate Rogers?

You will indemnify and hold harmless the Rogers Parties from and against any claims, losses, damages, costs and expenses (including, without limitation, reasonable legal fees and other litigation expenses) incurred by the Rogers Parties relating to your violation, alleged violation or misappropriation of any intellectual property, industrial, contractual, privacy or other rights of a third party or any alleged libel or slander by a third party against you.

10. General

a. How can I resolve a complaint or dispute with Rogers?

If you have a concern that was not resolved, then we invite you to submit a Share a Concern form (located at **rogers.com/contactus**) and we'll respond within **1** business day. If you're not satisfied with the resolution by one of our management team members, then you also have the option to speak to our Office of the President or even directly with the Ombudsman office.

Not applicable to residents of Québec: To the extent permitted by applicable law,** unless we agree otherwise, any claim or dispute, whether in contract or tort, under statute or regulation, or otherwise, and whether pre-existing, present or future, arising out of or relating to the following items will be determined by final and binding arbitration to the exclusion of the courts:

i. an Agreement;

ii. the Services or Equipment;

iii. oral or written statements, advertisements or promotions relating to an Agreement, the Services or Equipment; or

iv. the relationships that result from an Agreement.

Where applicable, arbitration will be conducted in the province in which you reside, on a simplified and expedited basis by **1** arbitrator under the current laws and rules relating to commercial arbitration in the province or jurisdiction in which you reside on the date of the notice. Rogers will pay all reasonable costs associated with that arbitration. Any arbitration will be conducted in accordance with our Arbitration Protocol, which is available at **rogers.com/terms**.

b. What happens if part of an Agreement becomes unenforceable or doesn't apply?

If any portion of an Agreement is unenforceable, the remaining provisions continue in full force. Our failure to enforce strict performance of any provision of an Agreement does not mean we have waived any provision or right. Neither the course of conduct between us nor trade practice modifies any provision of an Agreement.

c. What if I would prefer to have a copy of these Terms in French?

These Terms have been drawn up in the English language at the express request of the parties. Les présentes modalités ont été rédigées en anglais à la demande expresse des parties. If you would like a copy of these Terms in French, please visit **rogers.com/modalites,** or request a copy in store.

d. What laws apply to these Terms and the rest of my Agreement?

Each Agreement is governed by any applicable laws of Canada and by the laws of the province in which your billing address is located and you submit to the jurisdiction of the courts of that province. However, if your billing address is outside of Canada, that Agreement is governed by the laws of the province of Ontario and you submit to the jurisdiction of the courts of Ontario. **Rights and remedies may vary by province.**

e. How can I contact Rogers?

To contact us:

i. visit a Rogers store;

ii. call 1 888 ROGERS1 (1 888 764-3771) or, from your Rogers wireless phone, call *611 (it's a free call);

iii. go online at **rogers.com/contactus** to use our live chat;

iv. send a fax to 1 800 219-6473; or

v. write to Rogers Customer Service, 100 Westmorland Street, Moncton, NB E1C 0G1.

Any notice of a claim must be given to the Rogers Legal Department, 333 Bloor Street East, Toronto, ON M4W 1G9 and will be deemed to have been given on the date on which it was sent by the party giving the notice.

* "**residents of Newfoundland**" means residents of Newfoundland and Labrador who enter into an Agreement to which the *Consumer Protection and Business Practices Act* (Newfoundland and Labrador) applies.

** "**residents of Québec**" means residents of Québec who enter into an Agreement to which the *Consumer Protection Act* (Québec) applies.

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ACCEPTABLE USE POLICY

Please direct any questions or comments regarding this Acceptable Use Policy (**"AUP"**) and complaints of violations of this AUP by subscribers to **abuse@rogers.com.** Except where otherwise indicated, **"you"** and **"your"** means you and every person who uses the Services through your account.

Introduction

When using our services, the Equipment, our facilities or networks and any products, content, applications or services in conjunction with the Services or Equipment, you must comply with all applicable laws, and our policies, rules and limits including this AUP. This AUP supplements and is incorporated into the Rogers Terms of Service (the "**Terms**"), which accompanies this AUP. It is also available at **http://www.rogers.com/terms.** Unless otherwise defined in this AUP, defined terms have the meanings given to them in the Terms. **IF YOU DO NOT AGREE TO BE BOUND BY THE TERMS AND THIS AUP, AS AMENDED FROM TIME TO TIME, YOU SHOULD IMMEDIATELY STOP USING THE SERVICES AND NOTIFY ROGERS THAT YOU ARE TERMINATING THE SERVICES.**

Prohibited Activities

Without limitation, you may not use (or allow anyone else to use) our Services to:

i. use, possess, post, upload, transmit, disseminate or otherwise make available content that is unlawful or violates the copyright or other intellectual property rights of others (as described in more detail below);

ii. participate in any illegal soliciting or gaming schemes;

iii. attempt to use the Services in such a manner so as to avoid incurring charges for usage;

iv. participate in any fraudulent activities, including impersonating any person or entity or forging anyone else's digital or manual signature. You assume all risks regarding the determination of whether material is in the public domain;

v. access the Internet via the Services using Internet Protocol (IP) addresses other than the IP address(es) assigned to you by us;

vi. invade another person's privacy, collect or store personal data about other users, or stalk or harass another person or entity;

vii. access any computer, software, data or any confidential, copyright-protected or patent-protected material of any other person, without the knowledge and consent of that person, or use any tools designed to facilitate access, such as **"packet sniffers"**;

viii. upload, post, publish, deface, modify, transmit, reproduce, distribute in any way or otherwise make available information, software or other material protected by copyright or other proprietary or contractual right (such as a non-disclosure agreement) or related derivative works, without obtaining permission of the copyright owner or rightholder;

ix. use, reproduce, distribute, sell, resell or otherwise exploit the Services or content we provide or which you obtain through the Services for any commercial purposes;

x. copy, distribute, sub-license or otherwise make available any software or content we provide or make available to you or which you obtain through the Services, except as authorized by us;

xi. alter, reproduce, or tamper with the Services or any function, component or identifier of your Equipment, such as the Electronic Serial Number (ESN) or the International Mobile Equipment Identity (IMEI) that is not meant to be altered, reproduced or tampered with;

xii. restrict, inhibit or interfere with the ability of any person to access, use or enjoy the Internet, the Services or any Equipment used to connect to the Services, or create an unusually large burden on our networks or third party networks for which we have roaming or network sharing agreements, including, without limitation, posting, uploading, transmitting or otherwise making available information or software containing a virus, lock, key, bomb, worm, Trojan horse or other harmful, limiting, destructive or debilitating feature, distributing mass or unsolicited e-mail (**"spam"**) or other messages, or otherwise generating levels of traffic sufficient to impede others' ability to send or retrieve information, or to use the Services in an abusive manner in connection with any unlimited packages, options or promotions;

xiii. disrupt any backbone network nodes or network service, or otherwise restrict, inhibit, disrupt or impede our ability to monitor or deliver the Services, any transmissions or data;

xiv. interfere with computer networking or telecommunications service to or from any Internet user, host, provider or network, including, without limitation, denying service attacks, overloading a service, improperly seizing or abusing operator privileges (**"hacking"**), or attempting to **"crash"** a host;

xv. use the Services for anything other than your own personal purposes (such as reselling the Services, providing Internet access or any other feature of the Services to any third party) or share or transfer your Services without our express consent;

xvi. operate a server in connection with the Services, including, without limitation, mail, news, file, gopher, telnet, chat, Web, or host configuration servers, multimedia streamers or multi-user interactive forums;

xvii. impersonate any person or entity, including, without limitation, a Rogers official, forum leader, guide or host, or falsely state or otherwise misrepresent your affiliation with a person or entity;

xviii. forge headers or otherwise manipulate identifiers in order to disguise the origin of any content transmitted through the Services; or

xix. port scan a person's computer or wireless device without that person's consent, or use any tools designed to facilitate these scans.

Unlawful or Inappropriate Content

Any Rogers Party reserves the right to move, remove or refuse to post any content, in whole or in part, that it, in its sole discretion, decide are unacceptable, undesirable or in violation of the Terms or this AUP. This includes, without limitation:

i. obscene, profane, pornographic content;
ii. defamatory, fraudulent or deceptive statements;
iii. threatening, intimidating, abusive or harassing statements;
iv. content that violates the privacy rights or intellectual property rights of others;
v. content that unlawfully promotes or incites hatred;
vi. content that is otherwise offensive or objectionable; or
vii. any transmissions constituting or encouraging conduct that would constitute a criminal offence, give rise to civil liability or otherwise violate any municipal, provincial, federal or international law, order or regulation.

For purposes of this AUP, **"content"** refers to all forms of communications including, without limitation, text, graphics (including photographs, illustrations, images, drawings, logos), executable programs, audiovisual recordings, and audio recordings.

Security

As set out above, you are responsible for any misuse of the Services, by you or by any other person with access to the Services through your Equipment or your account. Therefore, you must take steps to ensure that others do not gain unauthorized access to the Services through any means, including, without limitation, wireless networking and wired networking. The Services may not be used to breach the security of another user or to attempt to gain access to any other person's equipment, software or data, without the knowledge and consent of such person. Additionally, the Services may not be used in any attempt to circumvent the user authentication or security of any host, network, or account, including, without limitation, accessing data not intended for you, logging into or making use of a server or account you are not expressly authorized to access, or probing the security of other networks. Use or distribution of tools designed for compromising security, such as password guessing programs, cracking tools, packet sniffers or network probing tools, is prohibited. You may not disrupt the Services. The Services also may not be used to interfere with computer networking or telecommunications services to any user, host or network, including, without limitation, denial of service attacks, flooding of a network, overloading a service, improper seizing and abuse of operator privileges and attempts to **"crash"** a host. The transmission or dissemination of any information or software that contains a virus or other harmful feature is also prohibited. You are solely responsible for the security of any device you choose to connect to the Services, including any data stored on that device. In particular, Rogers recommends against enabling file or printer sharing of any sort. Rogers recommends that any files or services you do choose to make available for remote access be protected with a strong password or as otherwise appropriate. You agree to treat as confidential all access codes, personal identification numbers and/or other passwords that we may provide to you for use with the Services.

Unsolicited Communications

As set out above, the Services may not be used to send unsolicited, bulk or commercial messages or for any other unsolicited communications. This includes, without limitation, using automatic dialing and announcing devices to or otherwise make unsolicited voice or facsimile calls and bulk mailing of commercial advertising, informational announcements, charity requests, petitions for signatures and political or religious messages. Such communications may only be directed to those who have explicitly requested it. The Services may not be used to send messages to any individual who has indicated that he/she does not wish to receive messages from you. The Services may not be used to collect responses from unsolicited e-mail messages sent from accounts on other Internet hosts or e-mail services that violate this AUP or the acceptable use policy of any other Internet service provider. Moreover, unsolicited e-mail messages may not direct the recipient to any web site or other resource that uses the Services. Forging, altering or removing e-mail headers is prohibited. You may not reference any Rogers network (for example, by including "Organization: Rogers" in the header or by listing an IP address that belongs to a Rogers network) in any unsolicited e-mail even if that e-mail is not sent through a Rogers network. **"Mail bombing"** is prohibited. That is, you may not send numerous copies of the same or substantially similar messages, nor may you send very large messages or files to a recipient with the intent to disrupt a server or account. The propagation of chain letters is similarly prohibited, whether or not the recipient wishes to receive such mailings. Rogers is not responsible for the forwarding of e-mail sent to any account that has been suspended or terminated. Such e-mail will be returned to sender, ignored, deleted, or stored temporarily, at Rogers' sole discretion.

User-Generated Content Services

"User-Generated Content Services" or **"UGC Services"** refers to any services that allow an end user to post, upload or generate content online to be shared with a limited or unlimited number of recipients and may include, without limitation: newsgroups, online forums, message boards, chat programs, wiki's, photo sharing services, customer review sites, video sharing services, blogs and web hosting.

Any User-Generated Content Services accessed through the Services must be used in accordance with the following:

i. you must comply with the UGC Service's written charter, policies or FAQs;
ii. you may only post advertisements, solicitations, or other commercial messages in the UGC Service if that service's charter, policies or FAQs explicitly permit them;
iii. you are responsible for determining the policies of the UGC Service before using it;
iv. you must adhere to daily volume, file size and format restrictions of any UGC Service;
v. unless otherwise specified in the UGC Service's charter, policies or FAQs, you must not forge, alter or remove any information from the UGC Service;

vi. the Rogers Parties have no obligation to monitor the content of any UGC Service and the Rogers Parties are not liable for any claims, losses, actions, proceedings, suits, liabilities, damages, settlements, penalties, fines, costs and expenses arising out of or relating to the content of any such service;

vii. you must not use the UGC Service to perform **"flooding"**, which refers to deliberately repeating actions in quick succession in order to fill the screens of other Internet users with text or other content;

viii. any computer or other device connected through the Services may not maintain more than two simultaneous chat connections including, without limitation, the use of automated programs, such as **"bots"** or **"clones"**. Automated programs may not be used when the account holder is not physically present at the device;

ix. you must not use the Services to send messages that disrupt another user's equipment, software, hardware or user display; and

x. you must not forge, alter or obscure your identity (other than using a nickname) while participating in the UGC Service.

Usage, Data Storage and Other Limitations

You must comply with the then current usage, data storage and other limitations on your applicable Services. You must also ensure that your activity does not improperly restrict, inhibit, or degrade any other subscriber's use of the Services, nor represent (in the sole judgment of Rogers) an unusually large burden on our networks or third party networks for which we have roaming or network sharing agreements. In addition, you must ensure that your activity does not improperly restrict, inhibit, disrupt, degrade or impede Rogers' ability to deliver the Services, and monitor and investigate the Services, backbone, network nodes, and/or other network services or components. You may not resell, share, or otherwise distribute the Services or any portion thereof to any third party without the written consent of Rogers. For example, you cannot provide Internet access to others through a dial up connection, host shell accounts over the Internet, provide e-mail or news service, or send a news feed. The Services are consumer products designed for personal purposes. For example, the Services do not provide the type of security, upstream performance and total downstream throughput capability typically associated with commercial use. You may not run a server in connection with the Services. You may not provide network services to others via the Services. In addition, you are prohibited from running servers for mail, http, ftp, irc, and dhcp, and multi-user interactive forums.

Your use of the Services may be subject to a usage limit, as set out in your Agreement. If you exceed that limit, you may be subject to additional usage charges.

Network Management

We reserve the right to manage our networks (or third party networks for which we have roaming or network sharing agreements) in order to optimize their efficiency for the benefit of our subscribers, including, without limitation, by way of the following: rate limiting (speed), rejection or removal of spam or otherwise unsolicited bulk e-mail, anti-virus mechanisms, and protocol filtering. We may take any other action we deem appropriate in order to help ensure the integrity of the network experience for all subscribers. For details on our network management practices, visit **http://www.rogers.com/networkpolicy**.

Violation of this Acceptable Use Policy

As set out in the Terms, we have the right, but not the obligation, to monitor or investigate any content that is transmitted using the Services (other than voice Services) or the Equipment; and to access or preserve content or information in accordance with the Terms. We prefer to advise subscribers of inappropriate behavior and any necessary corrective action. However, if the Services are used in a way that we, in our sole discretion, believe violates this AUP, any of the Rogers Parties may take any responsive actions they deem appropriate. Such actions may include, without limitation, temporary or permanent removal of content, cancellation of newsgroup posts, filtering of Internet transmissions, and/or the immediate suspension or termination of all or any portion of the Services or your account. The Rogers Parties will have no liability for any such responsive actions. The above described actions are not exclusive remedies and the Rogers Parties may take any other legal or technical action deemed appropriate. Upon termination of an account, any of the Rogers Parties are authorized to delete any files, programs, data and e-mail messages associated with such account. The failure to enforce this AUP, for whatever reason, shall not be construed as a waiver of any right to do so at any time. If any portion of this AUP is held invalid or unenforceable, that portion will be construed consistent with applicable law as nearly as possible, and the remaining portions will remain in full force and effect. This AUP shall be exclusively governed by, and construed in accordance with the governing law provision set out in the Terms.

Complaints

Please direct any complaints of violations of this AUP to **abuse@rogers.com** or contact us at 1-888-ROGERS1. Questions or complaints, concerning third party content should be addressed to the applicable content provider.

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ROGERS PRIVACY POLICY

At Rogers, we are committed to protecting the privacy of the personal information of our customers and users of our digital properties. We take all reasonable steps to ensure that this information is safe and secure, including putting in place rigorous policies and procedures to fully comply with all Canadian privacy laws and regulations.

This Policy covers the following information:

- Scope and application;
- How we obtain your consent to collect, use and disclose your personal information;
- How and why we collect, use and disclose your personal information;
- Details on where your information is stored, secured and how long it is kept for;
- How to access your personal information that we hold; and
- Who to contact for queries about your privacy.

Scope & Application of this Policy

Who does this policy apply to? All customers and users of the products, services, websites, apps, and other digital services offered by Rogers and other members and affiliates of the Rogers Communications Inc. organization. These include our wireless services (Rogers, Fido, Chatr, Cityfone and its branded entities), Rogers Media brands, our Connected Home services (TV, Internet, Home Phone and Smart Home Monitoring), and Rogers for Business.

In some instances, our products and services or those offered by a third-party service provider to our customers or users have their own specific privacy policies.

Who does this policy not apply to? This policy does not apply to those who are interacting with the Toronto Blue Jays or customers of Rogers Bank.

What information does this Privacy Policy apply to? This policy applies to all personal information that we collect, use, or disclose about our customers and users of our digital platforms.

This includes your name, address, email, how you pay for your services, how you use our products including our websites, network use, and information gathered from third parties, such as credit bureaus. It also includes IP addresses, URLs, data transmission information, as well as the time you spend on websites, what advertisements you follow, and your time on and use of our apps.

What information does this policy not apply to? Any information that we de-identify, aggregate or anonymize to identify trends, manage our business, develop statistical information, understand how we are performing, or develop relevant products, services or offers.

Such information may also be shared with third parties for other analytical purposes but will not personally identify any individual.

Consent

How does Rogers obtain consent?

Your consent to the collection, use, or disclosure of personal information may be implied or express, through written, oral, electronic or any other method.

For example, when you provide us your address, it is implied that it is used for billing purposes and service provisioning. However, if we are dealing with more sensitive information, such a performing a credit check, we will seek your express consent. We will also obtain your express consent for marketing purposes.

Withdrawing Consent

The choice to provide Rogers with your consent is always yours, however, your decision to withhold such consent may limit our ability to provide you with certain products, services, or offers.

How & Why We Collect Personal Information

How does Rogers collect my personal information?

We primarily collect information about you, from you. We do this when you sign-up for new products or services, when you make changes to your account, when you get in touch with us by phone, email or chat, when you visit one of our stores, websites or apps, when you fill out a survey or enter a competition, when you participate in our online forums, or when using our networks. Your information may be collected in the following ways:

- ***Automatically:*** When you use a product or service that we supply to you.
- ***From technology used at our retail stores or other company premises:*** When you visit a store, we may collect your information via a range of methods, including point of sale tools, or video.
- ***From other sources:*** In certain circumstances we may need to collect information about you from other sources, such as credit agencies, but we will endeavor to obtain your consent to do so.
- ***From our digital channels like our websites and mobile apps:*** When you interact with us via digital channels we will collect your personal information in different ways such as through use of cookies or web beacons.

Why does Rogers collect my personal information?

Rogers collects personal information for many different reasons in order to provide you with the products and services we offer, including but not limited to the following:

- To deliver you the products and services you have purchased from us, and to bill you and collect payment for those products and services.
- To understand your needs and offer you products and services from members of the Rogers Communications Inc. organization including Rogers, Rogers Bank and our agents, dealers and related companies, or trusted third parties that may be of interest to you.
- To provide tailored service to you. For example, we may use account information about you to improve your interactions with us or provide a positive and personalized customer experience.
- To provide geo-location services that will send you offers and promotions from carefully chosen third parties based on your current and historical personal location information.
- To perform analytics, administer surveys, or request feedback to improve and manage our relationship with you.
- To ensure the Rogers networks are functioning and protect the integrity of our networks.
- To confirm or authenticate your identity and ensure your information is correct and up-to-date.
- To ensure compliance with our Terms of Service and Acceptable Use Policy.
- To comply with legal obligations and regulatory requirements.

We may collect information to manage credit and business risks, collect an outstanding debt, detect, prevent, manage, and investigate fraud or other unauthorized or illegal activity. This may require us obtain information from credit agencies or members or affiliates of the Rogers Communications Inc. organization, such as Rogers Bank.

Your information may also be collected to evaluate eligibility for other Rogers' products and services, and to assist members or affiliates of the Rogers Communications Inc. organization, to assess your eligibility for their products or services.

From time-to-time, information may also be collected for other purposes, or as permitted or required by law. We will always identify any additional purpose prior to, or at the time, of collection.

Disclosure

When is my personal information disclosed?

Unless we have your express consent or pursuant to a legal power, we will only disclose your personal information to organizations outside Rogers without your consent in the following limited circumstances:

- To a person who, in our reasonable judgement, is seeking the information as your agent.
- To another telephone company, when the information is required for the provision of home phone service and disclosure is made confidentially.
- To a service provider or other agent retained by us, such as a credit reporting agency, for account management, the collection of past due bills on your account, or to evaluate your creditworthiness.
- To a service provider or third party that is performing administrative functions for us to manage our customer accounts.
- To another organization for fraud prevention, detection or investigation if seeking consent from you would compromise the investigation.
- To a law enforcement agency whenever we have reasonable grounds to believe that you have knowingly supplied us with false or misleading information or are otherwise involved in unlawful activities.
- To a public authority or agent of a public authority if it appears that there is imminent danger to life or property which could be avoided or minimized by disclosure of the information.
- To a public authority or agent of a public authority, for emergency public alerting purposes, if a public authority has determined that there is an imminent or unfolding danger that threatens the life, health or security of an individual and that the danger could be avoided or minimized by disclosure of the information.
- To a third party who may be interested in buying Rogers assets and personal customer information must be shared to assess the business transaction.
- We will disclose information about your credit behaviour to credit reporting agencies or parties collecting outstanding debt.
- Your personal information may also be shared with members or affiliates of the Rogers Communications Inc. organization, such as Rogers Bank.

Storage, Security & Retention

Where will my personal information be stored?

Personal information about our customers or users of our digital properties may be stored or processed in or outside Canada. The information will be protected with appropriate safeguards, but may be subject to the laws of the jurisdiction where it is held.

How will Rogers ensure my personal information is kept safe?

Rogers has rigorous security and safeguard processes and procedures to ensure the information we have about our customers and users of our digital properties remains safe from theft, loss, or unauthorized access.

Rogers Chief Privacy Officer and delegates ensure that Rogers is responsible for all personal information of our customers and users of our digital properties in our possession and control. We ensure that there is a comparable level of protection for information that is processed for us by third parties.

How long will Rogers retain my personal information?

Rogers will only retain your personal information for as long as necessary to fulfill the purpose for which it was collected or for sufficient time to allow you access to the information if it was used to make a decision about you or your account. Information that is no longer required by us will be destroyed or de-identified.

Access

How to access your personal information

You may access or review the information we have about you. You can challenge its accuracy and completeness and request amendments, as appropriate, by contacting us at **privacy@rci.rogers.com** or in writing at Chief Privacy Officer, Rogers Communications Inc., 333 Bloor St. E., Toronto, ON, M4W 1G9.

You can also visit the privacy pages on rogers.com/privacy for more information.

If you remain concerned about your Privacy after contacting Rogers:

The Office of the Privacy Commissioner of Canada oversees Rogers' personal information handling practices. If your privacy concerns are not addressed to your satisfaction by Rogers, you may contact the Office of the Privacy Commissioner of Canada for further guidance:

- Website: www.priv.gc.ca
- By Phone: 1-800-282-1376 or 819-994-5444
- By Fax: 819-994-5424
- By TTY: 819-994-6591

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9-1-1 EMERGENCY SERVICE

Any wireless phone registered on the Rogers wireless network can be used to dial 9-1-1 for assistance in the case of an emergency. 9-1-1 calls are automatically routed to the most appropriate public safety agency.

When calling 9-1-1 always provide your name, wireless phone number and the specific location you are calling from. And remember, it's important to speak clearly. Unlike wireline-based 9-1-1, the emergency operator does not necessarily know your actual location until you provide this information. Stay on the line for as long as the 9-1-1 operator requires. Calls to 9-1-1 are free so take all the time that you need. Leave your handset turned on after hanging up in case the 9-1-1 operator needs to call you back. Please do not program 9-1-1 into your speed dial. This can lead to accidental calls that take up valuable emergency resources.

Calls to 9-1-1 from your wireless phone are subject to the same limitations as regular wireless calls. For example, if you are underground or too far from a wireless network antenna, the quality of your call may be affected, or you may not be able to connect to the network.

Phase One of Enhanced 9-1-1

Phase One of Enhanced 9-1-1 or E9-1-1 is designed to help 9-1-1 operators react more quickly and accurately in emergency situations. E9-1-1 provides emergency operators with the phone number of the caller and the location of the wireless network antenna receiving the call but not the caller's exact location. The caller must still provide this information. The caller's phone number allows the emergency operator to re-establish contact with the caller if the connection is lost. The wireless network antenna location helps emergency operators identify the most appropriate emergency services to dispatch.

Phase Two of Enhanced 9-1-1

Phase Two of Enhanced 9-1-1 is designed to provide more accurate location information than Phase One. E9-1-1 emergency operators that have the necessary systems deployed will not only receive the caller's phone number, but will also receive geographic coordinates associated with the caller's approximate location.

A caller's location will be automatically determined using special technology enabled in the Rogers network and in certain handsets and will help ensure that callers get the proper help as quickly as possible.

Any customer registered on the Rogers wireless network in an area served by E9-1-1 that has the necessary systems deployed will have access to Phase One and Two. This includes Rogers wireless customers in their local area and Rogers wireless customers visiting an area in Canada served by E9-1-1. For more information about E9-1-1 and to verify if Phase Two is deployed in your area, please visit rogers.com/911.

HOW TO REPORT AN EMERGENCY	
1	Immediately tell the operator that you're calling from a wireless phone and provide your 10-digit phone number.
2	Give details of the emergency.
3	Give as much information about your current location as you can, such as highway/street name, floor level and landmarks. Unlike landline-based E9-1-1, the emergency operator does not know your specific civic address, which could be more accurate than your geographic coordinates.
4	Remain on the line and follow all instructions provided by the emergency operator.
5	After the emergency operator ends the call, leave your wireless phone turned on in case the emergency operator needs to call you back.

12/17

CT-2022-

THE COMPETITION TRIBUNAL

IN THE MATTER OF the Competition Act, R.S.C. 1985, c. C-34;

AND IN THE MATTER OF the proposed acquisition by Rogers Communications Inc. or an affiliate thereof of Shaw Communications Inc.;

AND IN THE MATTER OF an application by the Commissioner of Competition for one or more orders pursuant to section 92 of the *Competition Act;*

AND IN THE MATTER OF an Application by the Commissioner of Competition for an interim order pursuant to section 104 of the *Competition Act;*

B E T W E E N:

THE COMMISSIONER OF COMPETITION

Applicant

- and -

ROGERS COMMUNICATIONS INC.
SHAW COMMUNICATIONS INC

Respondents

NOTICE OF APPLICATION FOR INTERIM ORDER
(Volume 5)