

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis (MD&A) contains important information about our business and our performance for the three and six months ended June 30, 2021, as well as forward-looking information about future periods. This MD&A should be read in conjunction with our Second Quarter 2021 Interim Condensed Consolidated Financial Statements and notes thereto, which have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board (IASB); our 2020 Annual MD&A; our 2020 Annual Audited Consolidated Financial Statements and notes thereto, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB; and our other recent filings with Canadian and US securities regulatory authorities, including our Annual Information Form, which are available on SEDAR at sedar.com or EDGAR at sec.gov, respectively.

For more information about Rogers, including product and service offerings, competitive market and industry trends, our overarching strategy, key performance drivers, and objectives, see "Understanding Our Business", "Our Strategy, Key Performance Drivers, and Strategic Highlights", and "Capability to Deliver Results" in our 2020 Annual MD&A.

We, us, our, Rogers, Rogers Communications, and the Company refer to Rogers Communications Inc. and its subsidiaries. *RCI* refers to the legal entity Rogers Communications Inc., not including its subsidiaries. Rogers also holds interests in various investments and ventures.

All dollar amounts in this MD&A are in Canadian dollars unless otherwise stated and are unaudited. All percentage changes are calculated using the rounded numbers as they appear in the tables. This MD&A is current as at July 20, 2021 and was approved by the Audit and Risk Committee of RCI's Board of Directors (the Board) on that date. This MD&A includes forward-looking statements and assumptions. See "About Forward-Looking Information" for more information.

We are publicly traded on the Toronto Stock Exchange (TSX: RCI.A and RCI.B) and on the New York Stock Exchange (NYSE: RCI).

In this MD&A, *this quarter, the quarter, or second quarter* refer to the three months ended June 30, 2021, the *first quarter* refers to the three months ended March 31, 2021, and *year to date* refers to the six months ended June 30, 2021 unless the context indicates otherwise. All results commentary is compared to the equivalent period in 2020 or as at December 31, 2020, as applicable, unless otherwise indicated. References to *COVID-19* are to the pandemic from the outbreak of this virus and to its associated impacts in the jurisdictions in which we operate and globally, as applicable.

TMRogers and related marks are trademarks of Rogers Communications Inc. or an affiliate, used under licence. All other brand names, logos, and marks are trademarks and/or copyright of their respective owners. ©2021 Rogers Communications

Reportable segments

We report our results of operations in three reportable segments. Each segment and the nature of its business is as follows:

Segment	Principal activities
Wireless	Wireless telecommunications operations for Canadian consumers and businesses.
Cable	Cable telecommunications operations, including Internet, television, telephony (phone), and smart home monitoring services for Canadian consumers and businesses, and network connectivity through our fibre network and data centre assets to support a range of voice, data, networking, hosting, and cloud-based services for the business, public sector, and carrier wholesale markets.
Media	A diversified portfolio of media properties, including sports media and entertainment, television and radio broadcasting, specialty channels, multi-platform shopping, and digital media.

Wireless and Cable are operated by our wholly owned subsidiary, Rogers Communications Canada Inc. (RCCI), and certain of our other wholly owned subsidiaries. Media is operated by our wholly owned subsidiary, Rogers Media Inc., and its subsidiaries.

Where to find it

2	Operating Environment and Strategic Highlights	25	Commitments and Contractual Obligations
4	Quarterly Financial Highlights	26	Regulatory Developments
5	Shaw Transaction	26	Updates to Risks and Uncertainties
6	Summary of Consolidated Financial Results	29	Critical Accounting Policies and Estimates
7	Results of our Reportable Segments	30	Key Performance Indicators
13	Review of Consolidated Performance	32	Non-GAAP Measures and Related Performance Measures
15	Managing our Liquidity and Financial Resources	35	Other Information
19	Overview of Financial Position	37	About Forward-Looking Information
20	Financial Condition		
22	Financial Risk Management		

Operating Environment and Strategic Highlights

COVID-19 continues to significantly impact Canadians and economies around the world as a third wave affected Canada and other locations globally this quarter. For much of the first half of 2021, extensive public health restrictions have been in place to varying degrees across the country. We remain focused on keeping our employees safe and our customers connected. While COVID-19 continues to have a significant worldwide impact, we remain confident we have the right team, a strong balance sheet, and the world-class networks that will allow us to get through the pandemic having maintained our long-term focus on growth and doing the right thing for our customers.

Our six company priorities guide our work and decision-making as we further improve our operational execution and make well-timed investments to grow our core businesses and deliver increased shareholder value. Below are some highlights.

Create best-in-class customer experiences by putting our customers first in everything we do

- Achieved strong Wireless postpaid churn of 0.80%.
- Continued to accelerate our digital-first plan to make it easier for customers, with digital adoption at 86.5% and virtual assistant conversations up by 40% since last year.
- Expanded our *Premium Device Protection*[™] program to include AppleCare services for Rogers[™] and Fido[™] customers, offering customers more protection and choice.
- *Rogers for Business*[™] teamed up with Apple to help small and medium-sized Canadian businesses improve team communication and collaboration, by offering certain iPhone 12 models on Rogers 5G at no upfront cost.
- Improved self-serve capabilities on chatr[™], allowing customers to use SMS to easily review account information, balance details, and top up their account.
- Transformed 19 retail stores into dual-door locations that offer both Rogers and Fido brands, growing our distribution footprint nationally.
- Launched Express Pickup at more retail locations, bringing more choice and convenience to our customers.

Invest in our networks and technology to deliver leading performance, reliability, and coverage

- Awarded Best In Test and recognized as Canada's most reliable 4G and 5G network by umlaut, the global leader in mobile network benchmarking, for the third year in a row in July. We won in British Columbia, Alberta, Ontario, Nova Scotia, New Brunswick, and Quebec, including Vancouver, Edmonton, Calgary, Toronto, Ottawa, and Montreal.
- Recognized in July as Canada's most consistent national wireless and broadband provider, with the fastest Internet in Ontario, New Brunswick, and Newfoundland and Labrador, by Ookla, the global leader in fixed broadband and mobile network testing applications.
- Expanded Canada's largest and most reliable 5G network¹, which now reaches more than 700 communities and over 50% of the population, including Selkirk and Steinbach, Manitoba; St. Catharines, Ontario; Saint John, New Brunswick; and Halifax, Nova Scotia. We will extend our 5G network to more than 1,000 communities, reaching over 70% of the Canadian population, by the end of 2021.
- Over the past year and a half, we enabled and enhanced connectivity to more than 1,000 communities, faster than at any time in our history, and we are accelerating the pace of our network rollout to reach 750 more communities by the end of 2021. Our investments will bring reliable Internet to more than 500,000 households in rural and underserved communities by the end of the year.

¹ Rogers was ranked first in the umlaut Mobile Data Performance audit in major Canadian cities in Q4, 2020. Visit www.umlaut.com/en/benchmarking/canada.

- Announced partnerships with the British Columbia government, to expand 5G service along Highways 95 and 97, and with the City of Calgary, on its Wireless Infrastructure Development Program to bring the benefits of 5G to residents, visitors, and businesses located in the city.
- Partnered with the Mississaugas of the Credit First Nation (MCFN) to deliver fibre-to-the-home across 30 square kilometres, servicing more than 275 homes and businesses in the community.
- Partnered with the Government of Canada's Universal Broadband Fund (UBF) to bring high-speed Internet to Carlsbad Springs and Simcoe County, Ontario, and announced that Cable Cable, powered by Rogers, is partnering with UBF to bring high-speed Internet to Kirkfield and Rosedale, Ontario.
- Announced Ruralwave, powered by Rogers, will partner with the Government of Canada to bring reliable Internet connectivity to rural communities across Durham Region.
- Launched 5G-enabled fixed wireless access to provide our home Internet services to more neighbourhoods, giving customers access to a stronger connection as we expand our 5G network to more communities.
- Provided 5G connectivity for Canada's first driverless 5G shuttle bus with the University of Waterloo, and Canada's first 5G drone flight with the University of British Columbia and InDro Robotics.

Drive market-leading growth in each of our lines of business

- Launched *Ignite Internet*[™] Gigabit 1.5 in select areas, giving customers access to even faster Internet service.
- Announced that Rogers for Business will bring high-speed fibre connectivity to more than 2,500 small and medium-sized businesses, enterprises, and public sector customers located in Calgary.
- Launched three new apps on *Ignite TV*[™] and *Ignite*[™] SmartStream[™]: Spotify, iFood.tv, and Fawesome.tv.
- Launched a Cloud Unified Communications product in Rogers for Business, a feature-rich, cloud-based phone system for enterprise business customers with complex needs.
- Launched 5G outbound roaming nationally in the United States via AT&T on June 24, and launched inbound roaming for AT&T customers nationally in Canada on July 8.
- Delivered record-breaking viewership of the 2021 Stanley Cup Playoffs, including Sportsnet's most-watched Stanley Cup Final in history with an average audience of 3.6 million viewers tuning in to see the Montreal Canadiens and Tampa Bay Lightning compete for the Stanley Cup. Overall, the 2021 Stanley Cup Playoffs reached 26 million Canadians, 70% of the Canadian population.
- Announced the construction of a new interactive NHL production studio by Sportsnet[™], including cutting-edge technology and infrastructure, at our Toronto campus for the 2021-2022 season.

Drive best-in-class financial outcomes for our shareholders

- Attracted 99,000 net Wireless postpaid subscribers, 9,000 net Internet subscribers (including 15,000 net broadband subscribers), and 66,000 net *Ignite TV* subscribers.
- Grew total service revenue by 12% and adjusted EBITDA by 6%.
- Generated free cash flow of \$302 million and cash flow from operating activities of \$1,016 million.

Develop our people, drive engagement, and build a high-performing and inclusive culture

- Named one of Canada's Greenest Employers 2021, in April, by Mediacorp Canada Inc. in recognition of our commitment as a socially and environmentally responsible leader.
- Selected as one of Canada's Top 25 Companies to work for, in April, by LinkedIn, in recognition of our strong culture, winning employee experience, and commitment to growth and development.
- Continued our commitment to our 2021 Inclusion & Diversity action plan, including focused events and programming marking Asian Heritage Month, Indigenous History Month, National AccessAbility Week, and Pride.

Be a strong, socially and environmentally responsible leader in our communities

- Expanded Internet plans for the *Connected for Success*[™] program, with an additional plan priced at \$14.99/month for 50 Mbps download speeds. *Connected for Success* now offers four download speed tiers with plans starting at \$9.99/month for 25 Mbps, up to \$34.99/month for 150 Mbps. The program is available to subsidized tenants, seniors, families with children, and individuals receiving disability and income support.
- Awarded more than 375 students from the Class of 2021 with Ted Rogers Scholarships to support their post-secondary studies and help them achieve their highest potential; these students represent 125 Canadian communities and nearly three-quarters self-identify as being members of equity-deserving groups (BIPOC, LGBTQ2S+, and women).
- Expanded our phone and plan program to provide thousands of phones and tablets to more than 325 women's shelters and transition houses across Canada. We also extended thousands of donated phone plans to the end of 2021 for more than 400 organizations helping vulnerable Canadians during COVID-19.
- Partnered with the Toronto Region Board of Trade to support the Recovery Activation Program, which provides support to small and medium-sized enterprises as they evolve and develop a digital transformation strategy.

- Employee volunteers successfully met the 60,000 Hours Challenge, launched in 2020, by safely volunteering their time to make a meaningful impact in communities across Canada.

Quarterly Financial Highlights

Our solid financial position enables us to prioritize the actions we need to take as a result of COVID-19, continue to make high priority investments in our network, and ensure customers stay connected during this critical time.

Revenue

Total revenue increased by 14% this quarter, with growth achieved in each of our businesses.

Wireless service revenue increased by 2% this quarter, mainly as a result of a larger postpaid subscriber base, and higher roaming revenue as global travel restrictions were generally less strict than last year at the onset of COVID-19, partially offset by lower overage revenue, primarily as a result of the continued adoption of our *Rogers Infinite™* unlimited data plans. Wireless equipment revenue increased as a result of higher device upgrades by existing subscribers and higher gross additions.

Cable revenue increased by 5% this quarter as a result of disciplined promotional activity, service pricing changes in late 2020, and increases in our Internet and Ignite TV subscriber bases.

Media revenue increased by 84% this quarter, primarily as a result of higher advertising and *Toronto Blue Jays™* revenue due to the resumption of live sports as COVID-19 restrictions were eased.

Adjusted EBITDA and margins

Consolidated adjusted EBITDA increased 6% this quarter and our adjusted EBITDA margin decreased by 260 basis points driven by the impact of Media.

Wireless adjusted EBITDA increased by 10%, primarily as a result of lower bad debt expense as we recorded a provision in the prior year due to the economic uncertainty relating to COVID-19, and the flow-through of service revenue growth. This gave rise to an adjusted EBITDA service margin of 62.4%, an improvement of 420 basis points from last year.

Cable adjusted EBITDA increased by 8% this quarter, primarily as a result of higher service revenue, as discussed above. This gave rise to an adjusted EBITDA margin of 48.6% this quarter, up 160 basis points from last year.

Media adjusted EBITDA decreased by 114%, or \$40 million this quarter, primarily due to higher sports programming and production costs and Toronto Blue Jays player payroll due to the resumption of live sports with significant limitations on game day revenues, partially offset by higher revenue as discussed above.

Net income and adjusted net income

Net income and adjusted net income increased this quarter by 8% and 25%, respectively, primarily as a result of higher adjusted EBITDA, partially offset by higher income tax expense. Net income was also affected by an increase in restructuring, acquisition and other costs.

Cash flow and available liquidity

This quarter, we generated cash flow from operating activities of \$1,016 million, down 29%, and free cash flow of \$302 million, down 35%, as a result of increases in cash income taxes and capital expenditures.

As at June 30, 2021, we had \$6.9 billion of available liquidity, including \$0.9 billion in cash and cash equivalents and a combined \$6.0 billion available under our bank credit facilities and receivables securitization program. This quarter, we entered into a US\$1.6 billion non-revolving credit facility and also increased the limit on our existing revolving credit facility to \$4 billion. See "Managing our Liquidity and Financial Resources" for more information.

We also returned \$252 million in dividends to shareholders this quarter and we declared a \$0.50 per share dividend on July 20, 2021.

Shaw Transaction

On March 15, 2021, we announced an agreement with Shaw Communications Inc. (Shaw) to acquire all of Shaw's issued and outstanding Class A Participating Shares and Class B Non-Voting Participating Shares for a price of \$40.50 per share in cash, with the exception of the shares held by the Shaw Family Living Trust, the controlling shareholder of Shaw, and related persons (Shaw Family Shareholders). The Shaw Family Shareholders will receive 60% of the consideration for their shares in the form of RCI Class B Non-Voting common shares on the basis of the volume-weighted average trading price for such shares for the ten trading days ended March 12, 2021, and the balance in cash. The acquisition (Transaction) is valued at approximately \$26 billion, including the assumption of approximately \$6 billion of Shaw debt.

The Transaction will be implemented through a court-approved plan of arrangement under the *Business Corporations Act (Alberta)*. On May 20, 2021, Shaw shareholders voted to approve the Transaction at a special shareholders meeting. The Court of Queen's Bench of Alberta issued a final order approving the Transaction on May 25, 2021. The Transaction is subject to other customary closing conditions, including receipt of applicable approvals and expiry of certain waiting periods under the *Broadcasting Act (Canada)*, the *Competition Act (Canada)*, and the *Radiocommunication Act (Canada)* (collectively, Key Regulatory Approvals). Subject to receipt of all required approvals, the Transaction is expected to close in the first half of 2022.

The combined entity will have the scale, assets, and capabilities needed to deliver unprecedented wireline and wireless broadband and network investments, innovation, and growth in new telecommunications services, and greater choice for Canadian consumers and businesses. As part of the Transaction, the combined company will invest \$2.5 billion to build 5G networks across Western Canada over the next five years and Rogers will commit to establishing a new \$1 billion Rogers Rural and Indigenous Connectivity Fund dedicated to connecting rural, remote, and indigenous communities across Western Canada to high-speed Internet and closing critical connectivity gaps faster for underserved areas.

In connection with the Transaction, we entered into a binding commitment letter for a committed credit facility with a syndicate of banks in an original amount up to \$19 billion. This quarter, we entered into a \$6 billion non-revolving credit facility (Shaw term loan facility), which served to reduce the amount available under the committed credit facility to \$13 billion. See "Managing Our Liquidity and Financial Resources" for more information on the committed facility and the Shaw term loan facility. We also expect that RCI will either assume Shaw's senior notes or provide a guarantee of Shaw's payment obligations under those senior notes upon closing the Transaction and, in either case, RCCI will guarantee Shaw's payment obligations under those senior notes.

The Transaction is subject to a number of additional risks. For more information, see "Updates to Risks and Uncertainties - Shaw Transaction".

Summary of Consolidated Financial Results

(In millions of dollars, except margins and per share amounts)	Three months ended June 30			Six months ended June 30		
	2021	2020	% Chg	2021	2020	% Chg
Revenue						
Wireless	2,064	1,934	7	4,138	4,011	3
Cable	1,013	966	5	2,033	1,939	5
Media	546	296	84	986	708	39
Corporate items and intercompany eliminations	(41)	(41)	–	(87)	(87)	–
Revenue	3,582	3,155	14	7,070	6,571	8
Total service revenue ¹	3,131	2,797	12	6,152	5,846	5
Adjusted EBITDA ²						
Wireless	1,008	918	10	2,021	1,944	4
Cable	492	454	8	979	907	8
Media	(75)	(35)	114	(134)	(120)	12
Corporate items and intercompany eliminations	(51)	(43)	19	(101)	(102)	(1)
Adjusted EBITDA ²	1,374	1,294	6	2,765	2,629	5
Adjusted EBITDA margin ²	38.4 %	41.0 %	(2.6 pts)	39.1 %	40.0 %	(0.9 pts)
Net income	302	279	8	663	631	5
Basic earnings per share	\$0.60	\$0.55	9	\$1.31	\$1.25	5
Diluted earnings per share	\$0.60	\$0.54	11	\$1.31	\$1.21	8
Adjusted net income ²	387	310	25	781	677	15
Adjusted basic earnings per share ²	\$0.77	\$0.61	26	\$1.55	\$1.34	16
Adjusted diluted earnings per share ²	\$0.76	\$0.60	27	\$1.54	\$1.30	18
Capital expenditures	719	559	29	1,203	1,152	4
Cash provided by operating activities	1,016	1,429	(29)	1,695	2,388	(29)
Free cash flow ²	302	468	(35)	696	930	(25)

¹ As defined. See "Key Performance Indicators".

² Adjusted EBITDA, adjusted net income, and free cash flow are non-GAAP measures and should not be considered substitutes or alternatives for GAAP measures. These are not defined terms under IFRS and do not have standard meanings, so may not be a reliable way to compare us to other companies. See "Non-GAAP Measures and Related Performance Measures" for information about these measures, including how we calculate them and the ratios in which they are used.

Results of our Reportable Segments

WIRELESS

Wireless Financial Results

(In millions of dollars, except margins)	Three months ended June 30			Six months ended June 30		
	2021	2020	% Chg	2021	2020	% Chg
Revenue						
Service revenue	1,616	1,578	2	3,225	3,290	(2)
Equipment revenue	448	356	26	913	721	27
Revenue	2,064	1,934	7	4,138	4,011	3
Operating expenses						
Cost of equipment	455	337	35	921	711	30
Other operating expenses	601	679	(11)	1,196	1,356	(12)
Operating expenses	1,056	1,016	4	2,117	2,067	2
Adjusted EBITDA	1,008	918	10	2,021	1,944	4
Adjusted EBITDA service margin ¹	62.4 %	58.2 %	4.2 pts	62.7 %	59.1 %	3.6 pts
Adjusted EBITDA margin ²	48.8 %	47.5 %	1.3 pts	48.8 %	48.5 %	0.3 pts
Capital expenditures	424	254	67	649	535	21

¹ Calculated using service revenue.

² Calculated using total revenue.

Wireless Subscriber Results ¹

(In thousands, except churn, blended ABPU, and blended ARPU)	Three months ended June 30			Six months ended June 30		
	2021	2020	Chg	2021	2020	Chg
Postpaid						
Gross additions	332	216	116	633	473	160
Net additions (losses)	99	(1)	100	143	(7)	150
Total postpaid subscribers ²	9,826	9,431	395	9,826	9,431	395
Churn (monthly)	0.80 %	0.77 %	0.03 pts	0.84 %	0.85 %	(0.01 pts)
Prepaid						
Gross additions	107	119	(12)	213	260	(47)
Net losses	(28)	(66)	38	(84)	(132)	48
Total prepaid subscribers ²	1,176	1,270	(94)	1,176	1,270	(94)
Churn (monthly)	3.75 %	4.73 %	(0.98 pts)	4.06 %	4.86 %	(0.80 pts)
Blended ABPU (monthly)	\$62.40	\$61.57	\$0.83	\$62.25	\$63.37	(\$1.12)
Blended ARPU (monthly)	\$49.16	\$49.09	\$0.07	\$49.12	\$50.98	(\$1.86)

¹ Subscriber counts, subscriber churn, blended ABPU, and blended ARPU are key performance indicators. See "Key Performance Indicators".

² As at end of period.

Service revenue

The 2% increase in service revenue and the stable blended ARPU this quarter was primarily a result of:

- a larger postpaid subscriber base; and
- higher roaming revenue as global travel restrictions were generally less strict than last year at the onset of COVID-19; partially offset by
- a decrease in overage revenue as a result of strong customer adoption of our Rogers Infinite unlimited data plans.

The 2% decrease in service revenue and the 4% decrease in blended ARPU year to date was affected by lower roaming revenue as stricter travel restrictions were in place for the first quarter of 2021.

The 1% increase in blended ABPU this quarter was a result of the increased roaming revenue. The 2% decrease year to date was primarily a result of the declines in overage and roaming revenue, partially offset by a general ongoing shift as subscribers finance new, higher-value device purchases.

The increase in postpaid gross additions, the higher postpaid net additions, and the solid postpaid churn this quarter and year to date were a result of strong execution and an increase in market activity by Canadians.

Equipment revenue

The 26% increase in equipment revenue this quarter and 27% increase year to date were a result of:

- higher device upgrades by existing customers; and
- higher gross additions.

Operating expenses

Cost of equipment

The 35% increase in the cost of equipment this quarter and 30% increase year to date were a result of the same factors discussed in equipment revenue above.

The ongoing shift to customers financing their device purchases is reflected in the general trend of improvement in our equipment margin.

Other operating expenses

The 11% decrease in other operating expenses this quarter and 12% decrease year to date were primarily a result of:

- lower bad debt expense as we recorded a provision in the prior year due to the economic uncertainty relating to COVID-19; and
- various cost efficiencies and productivity initiatives.

Adjusted EBITDA

The 10% increase in adjusted EBITDA this quarter and 4% increase year to date were a result of the revenue and expense changes discussed above.

CABLE

Cable Financial Results

(In millions of dollars, except margins)	Three months ended June 30			Six months ended June 30		
	2021	2020	% Chg	2021	2020	% Chg
Revenue						
Service revenue	1,010	964	5	2,028	1,935	5
Equipment revenue	3	2	50	5	4	25
Revenue	1,013	966	5	2,033	1,939	5
Operating expenses	521	512	2	1,054	1,032	2
Adjusted EBITDA	492	454	8	979	907	8
Adjusted EBITDA margin	48.6 %	47.0 %	1.6 pts	48.2 %	46.8 %	1.4 pts
Capital expenditures	227	245	(7)	439	496	(11)

Cable Subscriber Results ¹

(In thousands, except ARPA and penetration)	Three months ended June 30			Six months ended June 30		
	2021	2020	Chg	2021	2020	Chg
Internet ²						
Net additions	9	5	4	23	22	1
Total Internet subscribers ³	2,621	2,556	65	2,621	2,556	65
Ignite TV						
Net additions	66	18	48	124	109	15
Total Ignite TV subscribers ³	668	435	233	668	435	233
Homes passed ³	4,611	4,517	94	4,611	4,517	94
Customer relationships						
Net additions (losses)	7	(7)	14	13	(5)	18
Total customer relationships ³	2,543	2,505	38	2,543	2,505	38
ARPA (monthly)	\$132.83	\$128.12	\$4.71	\$133.40	\$128.53	\$4.87
Penetration ³	55.2 %	55.5 %	(0.3 pts)	55.2 %	55.5 %	(0.3 pts)

¹ Subscriber results are key performance indicators. See "Key Performance Indicators".

² Internet subscriber results include Smart Home Monitoring subscribers.

³ As at end of period.

Service revenue

The 5% increases in service revenue this quarter and year to date were a result of:

- 4% increases this quarter and year to date in ARPA as a result of disciplined promotional activity and Internet and legacy television service pricing changes in late 2020; and
- the increase in total customer relationships over the past year, due to growth in our Internet and Ignite TV subscriber bases; partially offset by
- declines in our legacy television and home phone subscriber bases.

We remain focused on our Connected Home roadmap, driven by our Ignite TV product. During the past year, we have achieved significant growth in our Ignite TV subscriber base. The next steps on our roadmap to help keep our customers connected include adding more apps and content to Ignite TV and launching more new products.

Operating expenses

The 2% increases in operating expenses this quarter and year to date were a result of higher costs related to the increased revenue. In the second quarter of 2020, operating expenses were also impacted by a higher bad debt expense associated with elevated risk from COVID-19.

Adjusted EBITDA

The 8% increases in adjusted EBITDA this quarter and year to date were a result of the service revenue and expense changes discussed above.

MEDIA

Media Financial Results

(In millions of dollars, except margins)	Three months ended June 30			Six months ended June 30		
	2021	2020	% Chg	2021	2020	% Chg
Revenue	546	296	84	986	708	39
Operating expenses	621	331	88	1,120	828	35
Adjusted EBITDA	(75)	(35)	114	(134)	(120)	12
Adjusted EBITDA margin	(13.7)%	(11.8)%	(1.9 pts)	(13.6)%	(16.9)%	3.3 pts
Capital expenditures	36	13	177	54	25	116

Revenue

The 84% increase in revenue this quarter and 39% increase year to date were a result of:

- higher advertising and Toronto Blue Jays revenue as a result of the resumption of live sports as COVID-19 restrictions were eased; and
- higher *Today's Shopping Choice*TM revenue.

Operating expenses

The 88% increase in operating expenses this quarter and 35% increase year to date were a result of:

- higher programming and production costs and Toronto Blue Jays player payroll as a result of the resumption of live sports; and
- higher cost of sales at *Today's Shopping Choice* in line with higher revenue as discussed above.

Adjusted EBITDA

The decreases in adjusted EBITDA this quarter and year to date were a result of the revenue and expense changes discussed above.

CAPITAL EXPENDITURES

(In millions of dollars, except capital intensity)	Three months ended June 30			Six months ended June 30		
	2021	2020	% Chg	2021	2020	% Chg
Wireless	424	254	67	649	535	21
Cable	227	245	(7)	439	496	(11)
Media	36	13	177	54	25	116
Corporate	32	47	(32)	61	96	(36)
Capital expenditures ¹	719	559	29	1,203	1,152	4
Capital intensity ²	20.1 %	17.7 %	2.4 pts	17.0 %	17.5 %	(0.5 pts)

¹ Includes additions to property, plant and equipment net of proceeds on disposition, but does not include expenditures for spectrum licences or additions to right-of-use assets.

² As defined. See "Key Performance Indicators".

Wireless

The increases in capital expenditures in Wireless this quarter and year to date were a result of investments made to upgrade our wireless network to continue delivering reliable performance for our customers. We continued to emphasize our 5G deployments in the 600 MHz band and other bands as we have deployed our 5G network in more than 700 communities and we continued rolling out our 5G standalone core network in Montreal, Ottawa, Toronto, and Vancouver.

Cable

The decreases in capital expenditures in Cable this quarter and year to date were a result of lower investments in our network infrastructure as we recognized capital efficiencies and improved capital intensity. We have continued upgrading our network infrastructure, including additional fibre deployments to increase our fibre-to-the-home and fibre-to-the-curb distribution. These upgrades will lower the number of homes passed per node and incorporate the latest technologies to help deliver more bandwidth and an even more reliable customer experience as we progress in our Connected Home roadmap, including service footprint expansion and upgrades to our DOCSIS 3.1 platform to offer increased download speeds over time.

Media

The increases in capital expenditures in Media this quarter and year to date were primarily a result of higher broadcast infrastructure expenditures, including investments in new production studios.

Corporate

The decreases in corporate capital expenditures this quarter and year to date were a result of lower investments in our real estate facilities.

Capital intensity

The increase in capital intensity this quarter and decrease year to date were a result of the revenue and capital expenditure changes discussed above.

Review of Consolidated Performance

This section discusses our consolidated net income and other income and expenses that do not form part of the segment discussions above.

(In millions of dollars)	Three months ended June 30			Six months ended June 30		
	2021	2020	% Chg	2021	2020	% Chg
Adjusted EBITDA ¹	1,374	1,294	6	2,765	2,629	5
Deduct (add):						
Depreciation and amortization	647	650	–	1,285	1,289	–
Restructuring, acquisition and other	115	42	174	160	63	154
Finance costs	206	214	(4)	424	434	(2)
Other (income) expense	(7)	7	n/m	(6)	(7)	(14)
Income tax expense	111	102	9	239	219	9
Net income	302	279	8	663	631	5

n/m - not meaningful

¹ Adjusted EBITDA is a non-GAAP measure and should not be considered a substitute or alternative for GAAP measures. It is not a defined term under IFRS and does not have a standard meaning, so may not be a reliable way to compare us to other companies. See "Non-GAAP Measures and Related Performance Measures" for information about this measure, including how we calculate it.

Depreciation and amortization

(In millions of dollars)	Three months ended June 30			Six months ended June 30		
	2021	2020	% Chg	2021	2020	% Chg
Depreciation of property, plant and equipment	582	594	(2)	1,159	1,182	(2)
Depreciation of right-of-use assets	61	54	13	119	102	17
Amortization	4	2	100	7	5	40
Total depreciation and amortization	647	650	–	1,285	1,289	–

Restructuring, acquisition and other

This quarter and year to date, we incurred \$115 million and \$160 million (2020 - \$42 million and \$63 million), respectively, in restructuring, acquisition and other expenses. In 2021, these expenses consisted of severance costs associated with the targeted restructuring of our employee base, certain contract termination costs, certain costs relating to the Shaw Transaction, and other costs. In 2020, these costs were primarily incremental and temporary employee compensation costs incurred in response to COVID-19.

Finance costs

(In millions of dollars)	Three months ended June 30			Six months ended June 30		
	2021	2020	% Chg	2021	2020	% Chg
Interest on borrowings ¹	181	197	(8)	373	389	(4)
Interest on lease liabilities	18	18	–	36	35	3
Interest on post-employment benefits liability	3	4	(25)	7	7	–
(Gain) loss on foreign exchange	(7)	(23)	(70)	(10)	109	n/m
Change in fair value of derivative instruments	7	17	(59)	12	(109)	n/m
Capitalized interest	(3)	(5)	(40)	(7)	(10)	(30)
Other	7	6	17	13	13	–
Total finance costs	206	214	(4)	424	434	(2)

¹ Interest on borrowings includes interest on short-term borrowings and on long-term debt.

Income tax expense

(In millions of dollars, except tax rates)	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
Statutory income tax rate	26.5 %	26.6 %	26.5 %	26.6 %
Income before income tax expense	413	381	902	850
Computed income tax expense	109	101	239	226
Increase (decrease) in income tax expense resulting from:				
Non-deductible (taxable) stock-based compensation	4	(1)	3	(3)
Non-deductible portion of equity losses	1	3	4	2
Other items	(3)	(1)	(7)	(6)
Total income tax expense	111	102	239	219
Effective income tax rate	26.9 %	26.8 %	26.5 %	25.8 %
Cash income taxes paid	175	75	500	168

Cash income taxes increased this quarter and year to date primarily due to the timing of installment payments and our transition to a device financing business model, which results in earlier recognition of equipment revenue for income tax purposes.

Net income

(In millions of dollars, except per share amounts)	Three months ended June 30			Six months ended June 30		
	2021	2020	% Chg	2021	2020	% Chg
Net income	302	279	8	663	631	5
Basic earnings per share	\$0.60	\$0.55	9	\$1.31	\$1.25	5
Diluted earnings per share	\$0.60	\$0.54	11	\$1.31	\$1.21	8

Adjusted net income

We calculate adjusted net income from adjusted EBITDA as follows:

(In millions of dollars, except per share amounts)	Three months ended June 30			Six months ended June 30		
	2021	2020	% Chg	2021	2020	% Chg
Adjusted EBITDA ¹	1,374	1,294	6	2,765	2,629	5
Deduct:						
Depreciation and amortization	647	650	–	1,285	1,289	–
Finance costs	206	214	(4)	424	434	(2)
Other (income) expense	(7)	7	n/m	(6)	(7)	(14)
Income tax expense ²	141	113	25	281	236	19
Adjusted net income ¹	387	310	25	781	677	15
Adjusted basic earnings per share ¹	\$0.77	\$0.61	26	\$1.55	\$1.34	16
Adjusted diluted earnings per share ¹	\$0.76	\$0.60	27	\$1.54	\$1.30	18

¹ Adjusted EBITDA and adjusted net income are non-GAAP measures and should not be considered substitutes or alternatives for GAAP measures. These are not defined terms under IFRS and do not have standard meanings, so may not be a reliable way to compare us to other companies. See "Non-GAAP Measures and Related Performance Measures" for information about these measures, including how we calculate them and the ratios in which they are used.

² Income tax expense excludes recoveries of \$30 million and \$42 million (2020 - recoveries of \$11 million and \$17 million) for the three and six months ended June 30, 2021 related to the income tax impact for adjusted items.

Managing our Liquidity and Financial Resources

Operating, investing, and financing activities

(In millions of dollars)	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
Cash provided by operating activities before changes in net operating assets and liabilities, income taxes paid, and interest paid	1,195	1,255	2,602	2,639
Change in net operating assets and liabilities	194	447	7	315
Income taxes paid	(175)	(75)	(500)	(168)
Interest paid	(198)	(198)	(414)	(398)
Cash provided by operating activities	1,016	1,429	1,695	2,388
Investing activities:				
Capital expenditures	(719)	(559)	(1,203)	(1,152)
Additions to program rights	(11)	(7)	(23)	(22)
Changes in non-cash working capital related to capital expenditures and intangible assets	148	(25)	32	(154)
Other	22	(9)	16	(28)
Cash used in investing activities	(560)	(600)	(1,178)	(1,356)
Financing activities:				
Net repayments of short-term borrowings	(25)	(310)	(3)	(1,727)
Net (repayment) issuance of long-term debt	—	(345)	(1,450)	2,540
Net (payments) proceeds on settlement of debt derivatives and forward contracts	(3)	(10)	(5)	80
Transaction costs incurred	(11)	(5)	(11)	(21)
Principal payments of lease liabilities	(61)	(48)	(123)	(98)
Dividends paid	(252)	(252)	(504)	(505)
Cash (used in) provided by financing activities	(352)	(970)	(2,096)	269
Change in cash and cash equivalents	104	(141)	(1,579)	1,301
Cash and cash equivalents, beginning of period	801	1,936	2,484	494
Cash and cash equivalents, end of period	905	1,795	905	1,795

Operating activities

The 29% decreases in cash provided by operating activities this quarter and year to date were primarily a result of higher income taxes paid and lower funding provided by net operating assets with the impacts of COVID-19 taking hold last year.

Investing activities

Capital expenditures

During the quarter and year to date, we incurred \$719 million and \$1,203 million, respectively, on capital expenditures before changes in non-cash working capital items. See "Capital Expenditures" for more information.

Financing activities

During the quarter and year to date, we paid net amounts of \$39 million and \$1,469 million (2020 - paid \$670 million and received \$872 million), respectively, on our short-term borrowings, long-term debt, and related derivatives, net of transaction costs paid. See "Financial Risk Management" for more information on the cash flows relating to our derivative instruments.

Short-term borrowings

Our short-term borrowings consist of amounts outstanding under our receivables securitization program and under our US dollar-denominated commercial paper (US CP) program. Below is a summary of our short-term borrowings as at June 30, 2021 and December 31, 2020.

(In millions of dollars)	As at June 30 2021	As at December 31 2020
Receivables securitization program	800	650
US commercial paper program (net of the discount on issuance)	407	571
Total short-term borrowings	1,207	1,221

The tables below summarize the activity relating to our short-term borrowings for the three and six months ended June 30, 2021 and 2020.

(In millions of dollars, except exchange rates)	Three months ended June 30, 2021			Six months ended June 30, 2021		
	Notional (US\$)	Exchange rate	Notional (Cdn\$)	Notional (US\$)	Exchange rate	Notional (Cdn\$)
Proceeds received from US commercial paper	300	1.233	370	820	1.254	1,028
Repayment of US commercial paper	(320)	1.234	(395)	(940)	1.256	(1,181)
Net repayment of US commercial paper			(25)			(153)
Proceeds received from receivables securitization			-			150
Net proceeds received from receivables securitization			-			150
Net repayment of short-term borrowings			(25)			(3)

(In millions of dollars, except exchange rates)	Three months ended June 30, 2020			Six months ended June 30, 2020		
	Notional (US\$)	Exchange rate	Notional (Cdn\$)	Notional (US\$)	Exchange rate	Notional (Cdn\$)
Proceeds received from US commercial paper	189	1.413	267	2,867	1.333	3,823
Repayment of US commercial paper	(412)	1.400	(577)	(4,097)	1.355	(5,550)
Net repayment of US commercial paper			(310)			(1,727)
Net repayment of short-term borrowings			(310)			(1,727)

Concurrent with our US CP issuances, we entered into debt derivatives to hedge the foreign currency risk associated with the principal and interest components of the borrowings. See "Financial Risk Management" for more information.

This quarter, we entered into non-revolving credit facilities with an aggregate limit of US\$1.6 billion that mature in June 2022. Any borrowings under these facilities will be recorded as short-term borrowings as they will be due within 12 months. Borrowings under the facilities are unsecured, guaranteed by RCCI, and rank equally in right of payment with all of our senior notes and debentures. As at June 30, 2021, we had not borrowed against these facilities.

During the first quarter, in connection with the Transaction, we entered into a binding commitment letter for a committed credit facility with a syndicate of banks in an amount up to \$19 billion. The commitment remains subject to the satisfaction of conditions to effectiveness and drawing, including, without limitation, the completion of credit documentation in respect of such commitment and the completion of the Transaction. The commitment is only available to be drawn to fund part of the acquisition cost of the Transaction and to pay fees and expenses related to the Transaction. If drawn, any drawings must be repaid within 364 days. If undrawn, the facility terminates on the closing date of the acquisition. As a result of entering into the Shaw term loan facility (see "Long-term debt" below),

the maximum amount we could draw on this facility decreased to \$13 billion. As at June 30, 2021, we had not drawn against the facility.

Long-term debt

Our long-term debt consists of amounts outstanding under our bank credit facilities and the senior notes and debentures we have issued. The tables below summarize the activity relating to our long-term debt for the three and six months ended June 30, 2021 and 2020.

(In millions of dollars, except exchange rates)	Three months ended June 30, 2021			Six months ended June 30, 2021		
	Notional (US\$)	Exchange rate	Notional (Cdn\$)	Notional (US\$)	Exchange rate	Notional (Cdn\$)
Senior note repayments (Cdn\$)			–			(1,450)
Net repayment of long-term debt			–			(1,450)

(In millions of dollars, except exchange rates)	Three months ended June 30, 2020			Six months ended June 30, 2020		
	Notional (US\$)	Exchange rate	Notional (Cdn\$)	Notional (US\$)	Exchange rate	Notional (Cdn\$)
Credit facility borrowings (US\$)	–	–	–	970	1.428	1,385
Credit facility repayments (US\$)	(970)	1.406	(1,364)	(970)	1.406	(1,364)
Net (repayments) borrowings under credit facilities			(1,364)			21
Senior note issuances (Cdn\$)			–			1,500
Senior note issuances (US\$)	750	1.359	1,019	750	1.359	1,019
Net issuance of senior notes			1,019			2,519
Net (repayment) issuance of long-term debt			(345)			2,540

(In millions of dollars)	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
Long-term debt net of transaction costs, beginning of period	16,613	19,825	18,201	15,967
Net (repayment) issuance of long-term debt	–	(345)	(1,450)	2,540
(Gain) loss on foreign exchange	(165)	(470)	(307)	516
Deferred transaction costs incurred	(11)	(5)	(11)	(21)
Amortization of deferred transaction costs	5	3	9	6
Long-term debt net of transaction costs, end of period	16,442	19,008	16,442	19,008

This quarter, we entered into a \$6 billion Shaw term loan facility consisting of three tranches of \$2 billion each. The facility cannot be drawn upon until the closing date of the Transaction. The first tranche matures three years after the Transaction closing date and subsequent tranches mature in years four and five thereafter, respectively. At tranche maturity, any outstanding borrowings under that tranche must be repaid.

In April 2021, we amended our revolving credit facility to, among other things, increase the total credit limit and extend the maturity dates. We increased the total credit limit from \$3.2 billion to \$4 billion by increasing the limits of the two tranches to \$3 billion and \$1 billion (from \$2.5 billion and \$700 million), respectively. We also extended the maturity date of the \$3 billion tranche to April 2026 and the \$1 billion tranche to April 2024, both from March 2022.

Issuance of senior notes and related debt derivatives

In June 2020, we issued US\$750 million floating rate senior notes due 2022 at a rate of three-month LIBOR plus 0.60% per annum. Concurrent with the issuance, we entered into debt derivatives to convert all interest and principal payment obligations to Canadian dollars and convert our floating rate to a fixed rate of 0.955% until maturity. As a result, we received net proceeds of \$1.0 billion from the issuances.

In March 2020, we issued \$1.5 billion senior notes due 2027 at a rate of 3.65%.

Repayment of senior notes and related derivative settlements

In March 2021, we repaid the entire outstanding principal amount of our \$1.45 billion 5.34% senior notes at maturity. There were no derivatives associated with these senior notes.

Dividends

Below is a summary of the dividends declared and paid on RCI's outstanding RCI Class A Voting common shares (Class A Shares) and RCI Class B Non-Voting common shares (Class B Non-Voting Shares) in 2021 and 2020. On July 20, 2021, the Board declared a dividend of \$0.50 per Class A Share and Class B Non-Voting Share to be paid on October 1, 2021 to shareholders of record on September 9, 2021.

Declaration date	Record date	Payment date	Dividend per share (dollars)	Dividends paid (in millions of dollars)
January 27, 2021	March 10, 2021	April 1, 2021	0.50	252
April 20, 2021	June 10, 2021	July 2, 2021	0.50	253
January 21, 2020	March 10, 2020	April 1, 2020	0.50	252
April 21, 2020	June 10, 2020	July 2, 2020	0.50	253
July 21, 2020	September 9, 2020	October 1, 2020	0.50	253
October 21, 2020	December 10, 2020	January 4, 2021	0.50	252

Free cash flow

(In millions of dollars)	Three months ended June 30			Six months ended June 30		
	2021	2020	% Chg	2021	2020	% Chg
Adjusted EBITDA ¹	1,374	1,294	6	2,765	2,629	5
Deduct:						
Capital expenditures ²	719	559	29	1,203	1,152	4
Interest on borrowings, net of capitalized interest	178	192	(7)	366	379	(3)
Cash income taxes ³	175	75	133	500	168	198
Free cash flow ¹	302	468	(35)	696	930	(25)

¹ Adjusted EBITDA and free cash flow are non-GAAP measures and should not be considered substitutes or alternatives for GAAP measures. These are not defined terms under IFRS and do not have standard meanings, so may not be a reliable way to compare us to other companies. See "Non-GAAP Measures and Related Performance Measures" for information about these measures, including how we calculate them and the ratios in which they are used.

² Includes additions to property, plant and equipment net of proceeds on disposition, but does not include expenditures for spectrum licences or additions to right-of-use assets.

³ Cash income taxes are net of refunds received.

Free cash flow decreased this quarter and year to date primarily as a result of higher cash income taxes and higher capital expenditures, partially offset by higher adjusted EBITDA.

Overview of Financial Position

Consolidated statements of financial position

(In millions of dollars)	As at June 30 2021	As at December 31 2020	\$ Chg	% Chg	Explanation of significant changes
Assets					
Current assets:					
Cash and cash equivalents	905	2,484	(1,579)	(64)	See "Managing our Liquidity and Financial Resources".
Accounts receivable	3,164	2,856	308	11	Primarily reflects the increase in financing receivables.
Inventories	467	479	(12)	(3)	n/m
Current portion of contract assets	230	533	(303)	(57)	Reflects our transition of consumer offerings to device financing agreements.
Other current assets	530	516	14	3	n/m
Current portion of derivative instruments	85	61	24	39	Primarily reflects changes in the market values of our equity derivatives as a result of the increase in the share price of Class B Non-Voting Shares. See "Financial Risk Management".
Total current assets	5,381	6,929	(1,548)	(22)	
Property, plant and equipment	14,150	14,018	132	1	Primarily reflects capital expenditures and additions to right-of-use assets partially offset by depreciation expense.
Intangible assets	8,922	8,926	(4)	–	n/m
Investments	2,849	2,536	313	12	Primarily reflects fair value increases for certain publicly traded investments.
Derivative instruments	1,331	1,378	(47)	(3)	Primarily reflects changes in the market values of certain debt derivatives as a result of changes in the interest rate environment.
Financing receivables	741	748	(7)	(1)	n/m
Other long-term assets	311	346	(35)	(10)	n/m
Goodwill	3,991	3,973	18	–	n/m
Total assets	37,676	38,854	(1,178)	(3)	
Liabilities and shareholders' equity					
Current liabilities:					
Short-term borrowings	1,207	1,221	(14)	(1)	n/m
Accounts payable and accrued liabilities	2,715	2,714	1	–	n/m
Income tax payable	224	344	(120)	(35)	Reflects a decrease in taxes owed as a result of the final 2020 installment payment, partially offset by current tax expense.
Other current liabilities	521	243	278	114	Primarily reflects changes in the market value of certain interest rate derivatives as a result of changes in the interest rate environment.
Contract liabilities	364	336	28	8	n/m
Current portion of long-term debt	1,530	1,450	80	6	Reflects the reclassifications to current of our US\$750 million senior notes due March 2022 and our \$600 million senior notes due June 2022, partially offset by the repayment of \$1,450 million senior notes in March 2021 and the appreciation of the Cdn\$ relative to the US\$.
Current portion of lease liabilities	309	278	31	11	n/m
Total current liabilities	6,870	6,586	284	4	
Provisions	43	42	1	2	n/m
Long-term debt	14,912	16,751	(1,839)	(11)	Reflects the reclassifications to current of our US\$750 million senior notes due March 2022 and our \$600 million senior notes due June 2022, partially offset by the appreciation of the Cdn\$ relative to the US\$.
Lease liabilities	1,614	1,557	57	4	Reflects liabilities related to new leases.
Other long-term liabilities	1,051	1,149	(98)	(9)	Primarily reflects changes in market values of certain debt derivatives as a result of changes in the Canadian and US interest rate environment.
Deferred tax liabilities	3,086	3,196	(110)	(3)	Primarily reflects a decrease in temporary differences between the accounting and tax bases for certain assets and liabilities.
Total liabilities	27,576	29,281	(1,705)	(6)	
Shareholders' equity	10,100	9,573	527	6	Reflects changes in retained earnings and equity reserves.
Total liabilities and shareholders' equity	37,676	38,854	(1,178)	(3)	

Financial Condition

Below is a summary of our total available liquidity under our cash and cash equivalents, bank credit facilities, letter of credit facilities, and short-term borrowings as at June 30, 2021 and December 31, 2020.

As at June 30, 2021 (In millions of dollars)	Total available	Drawn	Letters of credit	US CP program ¹	Net available
Bank credit facilities:					
Revolving	4,000	–	9	409	3,582
Non-revolving	1,983	–	–	–	1,983
Outstanding letters of credit	432	–	432	–	–
Total bank credit facilities	6,415	–	441	409	5,565
Receivables securitization	1,200	800	–	–	400
Cash and cash equivalents	905	–	–	–	905
Total	8,520	800	441	409	6,870

¹ The US CP program amounts are gross of the discount on issuance.

As at December 31, 2020 (In millions of dollars)	Total available	Drawn	Letters of credit	US CP program ¹	Net available
Bank credit facilities:					
Revolving	3,200	–	8	573	2,619
Outstanding letters of credit	101	–	101	–	–
Total bank credit facilities	3,301	–	109	573	2,619
Receivables securitization	1,200	650	–	–	550
Cash and cash equivalents	2,484	–	–	–	2,484
Total	6,985	650	109	573	5,653

¹ The US CP program amounts are gross of the discount on issuance.

In addition to the sources of available liquidity noted above, we held \$1,869 million of marketable securities in publicly traded companies as at June 30, 2021 (December 31, 2020 - \$1,535 million).

Weighted average cost of borrowings

Our weighted average cost of borrowings was 4.02% as at June 30, 2021 (December 31, 2020 - 4.09%) and our weighted average term to maturity was 13.4 years (December 31, 2020 - 12.8 years).

Credit ratings

Below is a summary of the credit ratings on RCI's outstanding senior notes and debentures (long-term) and US CP (short-term) as at June 30, 2021.

Issuance	Standard & Poor's	Moody's	Fitch
Corporate credit issuer default rating	BBB+ Rating Watch Negative	Baa1 under review	BBB+ Rating Watch Negative
Senior unsecured debt	BBB+ Rating Watch Negative	Baa1 under review	BBB+ Rating Watch Negative
US commercial paper	A-2 Rating Watch Negative	P-2 under review	N/A ¹

¹ We have not sought a rating from Fitch for our short-term obligations.

As a result of our agreement to acquire Shaw and the related commitments in connection with the Transaction, both Standard & Poor's (S&P) and Fitch have placed us on credit watch with negative implications. Moody's has placed our credit ratings on review for downgrade. We expect S&P, Moody's, and Fitch to complete their reviews upon closing of the Transaction. See "Shaw Transaction" and "Updates to Risks and Uncertainties - Shaw Transaction" for more information on our agreement with Shaw.

Adjusted net debt and debt leverage ratio

We use adjusted net debt and debt leverage ratio to conduct valuation-related analysis and make capital structure-related decisions. Adjusted net debt includes long-term debt, net debt derivative assets or liabilities, short-term borrowings, lease liabilities, and cash and cash equivalents or bank advances.

	As at June 30	As at December 31
(In millions of dollars, except ratios)	2021	2020
Long-term debt ¹	16,617	18,373
Net debt derivative assets valued without any adjustment for credit risk ²	(1,089)	(1,101)
Short-term borrowings	1,207	1,221
Lease liabilities	1,923	1,835
Cash and cash equivalents	(905)	(2,484)
Adjusted net debt ³	17,753	17,844
Divided by: trailing 12-month adjusted EBITDA ³	5,993	5,857
Debt leverage ratio ³	3.0	3.0

¹ Includes current and long-term portion of long-term debt before deferred transaction costs and discounts. See "Reconciliation of adjusted net debt and debt leverage ratio" in "Non-GAAP Measures and Related Performance Measures" for the calculation of this amount.

² For purposes of calculating adjusted net debt and debt leverage ratio, we believe including debt derivatives valued without adjustment for credit risk is commonly used to evaluate debt leverage and for market valuation and transactional purposes.

³ Adjusted net debt and adjusted EBITDA are non-GAAP measures and should not be considered substitutes or alternatives for GAAP measures. These are not defined terms under IFRS and do not have standard meanings, so may not be a reliable way to compare us to other companies. See "Non-GAAP Measures and Related Performance Measures" for information about these measures, including how we calculate them and the ratios in which they are used.

Outstanding common shares

	As at June 30	As at December 31
	2021	2020
Common shares outstanding ¹		
Class A Voting Shares	111,153,411	111,154,811
Class B Non-Voting Shares	393,771,907	393,770,507
Total common shares	504,925,318	504,925,318
Options to purchase Class B Non-Voting Shares		
Outstanding options	5,677,691	4,726,634
Outstanding options exercisable	2,219,681	1,470,383

¹ Holders of Class B Non-Voting Shares are entitled to receive notice of and to attend shareholder meetings; however, they are not entitled to vote at these meetings except as required by law or stipulated by stock exchanges. If an offer is made to purchase outstanding Class A Shares, there is no requirement under applicable law or our constating documents that an offer be made for the outstanding Class B Non-Voting Shares, and there is no other protection available to shareholders under our constating documents. If an offer is made to purchase both classes of shares, the offer for the Class A Shares may be made on different terms than the offer to the holders of Class B Non-Voting Shares.

Financial Risk Management

This section should be read in conjunction with "Financial Risk Management" in our 2020 Annual MD&A. We use derivative instruments to manage financial risks related to our business activities. We only use derivatives to manage risk and not for speculative purposes. We also manage our exposure to both fixed and fluctuating interest rates and had fixed the interest rate on 93.1% of our outstanding debt, including short-term borrowings, as at June 30, 2021 (December 31, 2020 - 93.6%).

Debt derivatives

We use cross-currency interest rate agreements and foreign exchange forward agreements (collectively, debt derivatives) to manage risks from fluctuations in foreign exchange rates and interest rates associated with our US dollar-denominated senior notes and debentures, lease liabilities, credit facility borrowings, and US dollar-denominated commercial paper borrowings. We designate the debt derivatives related to our senior notes, debentures, and lease liabilities as hedges for accounting purposes against the foreign exchange risk associated with specific issued and forecast debt instruments. Debt derivatives related to our credit facility and US CP borrowings have not been designated as hedges for accounting purposes.

Credit facilities and US CP

Below is a summary of the debt derivatives we entered and settled related to our credit facilities and US CP program during the three and six months ended June 30, 2021 and 2020.

(In millions of dollars, except exchange rates)	Three months ended June 30, 2021			Six months ended June 30, 2021		
	Notional (US\$)	Exchange rate	Notional (Cdn\$)	Notional (US\$)	Exchange rate	Notional (Cdn\$)
<i>US commercial paper program</i>						
Debt derivatives entered	300	1.233	370	820	1.254	1,028
Debt derivatives settled	320	1.234	395	940	1.256	1,181
Net cash paid			(3)			(5)
<hr/>						
(In millions of dollars, except exchange rates)	Three months ended June 30, 2020			Six months ended June 30, 2020		
	Notional (US\$)	Exchange rate	Notional (Cdn\$)	Notional (US\$)	Exchange rate	Notional (Cdn\$)
<i>Credit facilities</i>						
Debt derivatives entered	–	–	–	970	1.428	1,385
Debt derivatives settled	970	1.406	1,364	970	1.406	1,364
Net cash paid			(21)			(21)
<i>US commercial paper program</i>						
Debt derivatives entered	190	1.405	267	2,868	1.333	3,823
Debt derivatives settled	411	1.375	565	4,089	1.330	5,438
Net cash received			11			101

As at June 30, 2021, we had nil and US\$329 million notional amount of debt derivatives outstanding relating to our credit facility borrowings and US CP program (December 31, 2020 - nil and US\$448 million), respectively.

Senior notes

Below is a summary of the debt derivatives into which we entered related to senior notes during the three and six months ended June 30, 2021 and 2020.

Effective date	US\$			Hedging effect	
	Principal/Notional amount (US\$)	Maturity date	Coupon rate	Fixed hedged (Cdn\$) interest rate ¹	Equivalent (Cdn\$)
<i>2020 issuances</i>					
June 22, 2020	750	2022	USD LIBOR + 0.60%	0.955%	1,019

¹ Converting from a fixed or floating US\$ coupon rate to a weighted average Cdn\$ fixed rate.

As at June 30, 2021, we had US\$9,050 million (December 31, 2020 - US\$9,050 million) in US dollar-denominated senior notes and debentures, of which all the associated foreign exchange risk had been hedged using debt derivatives.

Lease liabilities

Below is a summary of the debt derivatives we entered and settled related to our outstanding lease liabilities for the three and six months ended June 30, 2021 and 2020.

(In millions of dollars, except exchange rates)	Three months ended June 30, 2021			Six months ended June 30, 2021		
	Notional (US\$)	Exchange rate	Notional (Cdn\$)	Notional (US\$)	Exchange rate	Notional (Cdn\$)
Debt derivatives entered	48	1.250	60	74	1.257	93
Debt derivatives settled	18	1.444	26	34	1.353	46

(In millions of dollars, except exchange rates)	Three months ended June 30, 2020			Six months ended June 30, 2020		
	Notional (US\$)	Exchange rate	Notional (Cdn\$)	Notional (US\$)	Exchange rate	Notional (Cdn\$)
Debt derivatives entered	49	1.367	67	90	1.400	126
Debt derivatives settled	10	1.300	13	16	1.313	21

As at June 30, 2021, we had US\$182 million notional amount of debt derivatives outstanding relating to our outstanding lease liabilities (December 31, 2020 - US\$142 million) with terms to maturity ranging from July 2021 to June 2024 (December 31, 2020 - January 2021 to December 2023) at an average rate of \$1.310/US\$ (December 31, 2020 - \$1.352/US\$).

See "Mark-to-market value" for more information about our debt derivatives.

Interest rate derivatives

From time to time, we use bond forward derivatives or interest rate swap derivatives (collectively, interest rate derivatives) to hedge interest rate risk on current and future debt instruments. Our interest rate derivatives are designated as hedges for accounting purposes.

This quarter, we entered into \$500 million bond forwards to hedge the underlying Government of Canada (GoC) interest rate risk that will form a portion of the interest rate risk associated with anticipated future debt issuances. As a result of these bond forwards, we have hedged the underlying GoC rate on \$500 million of anticipated future debt issuances between July 1, 2021 and June 30, 2022.

During the first quarter, we entered into interest rate swap derivatives to hedge the interest rate risk on US\$2 billion of debt instruments we expect to issue in the future.

Subsequent to June 30, 2021, we entered into additional \$750 million bond forwards to hedge the underlying GoC interest rate risk that will form a portion of the interest rate risk associated with anticipated future debt issuances.

We also entered into interest rate swap derivatives subsequent to June 30, 2021 to hedge the interest rate risk on an additional \$3.25 billion of debt instruments we expect to issue in the future.

See "Mark-to-market value" for more information about our interest rate derivatives.

Expenditure derivatives

We use foreign currency forward contracts (expenditure derivatives) to manage the foreign exchange risk in our operations, designating them as hedges for accounting purposes for certain of our forecast operational and capital expenditures.

Below is a summary of the expenditure derivatives we entered and settled during the three and six months ended June 30, 2021 and 2020.

(In millions of dollars, except exchange rates)	Three months ended June 30, 2021			Six months ended June 30, 2021		
	Notional (US\$)	Exchange rate	Notional (Cdn\$)	Notional (US\$)	Exchange rate	Notional (Cdn\$)
Expenditure derivatives entered	90	1.233	111	210	1.243	261
Expenditure derivatives settled	255	1.361	347	480	1.360	653

(In millions of dollars, except exchange rates)	Three months ended June 30, 2020			Six months ended June 30, 2020		
	Notional (US\$)	Exchange rate	Notional (Cdn\$)	Notional (US\$)	Exchange rate	Notional (Cdn\$)
Expenditure derivatives entered	744	1.376	1,024	1,086	1.365	1,482
Expenditure derivatives settled	255	1.302	332	480	1.300	624

As at June 30, 2021, we had US\$1,320 million notional amount of expenditure derivatives outstanding (December 31, 2020 - US\$1,590 million) with terms to maturity ranging from July 2021 to December 2022 (December 31, 2020 - January 2021 to December 2022) at an average rate of \$1.320/US\$ (December 31, 2020 - \$1.342/US\$).

See "Mark-to-market value" for more information about our expenditure derivatives.

Equity derivatives

We use total return swaps (equity derivatives) to hedge the market price appreciation risk of the Class B Non-Voting Shares granted under our stock-based compensation programs. The equity derivatives have not been designated as hedges for accounting purposes.

As at June 30, 2021, we had equity derivatives outstanding for 5.0 million (December 31, 2020 - 4.6 million) Class B Non-Voting Shares with a weighted average price of \$53.10 (December 31, 2020 - \$51.82).

During the six months ended June 30, 2020, we settled 0.5 million equity derivatives at a weighted average price of \$54.16 for net payments of \$1 million. At the same time, we entered into 0.5 million equity derivatives at a weighted average price of \$54.16 under substantially the same terms and conditions.

During the six months ended June 30, 2021, we entered into 0.4 million equity derivatives (2020 - 0.3 million) with a weighted average price of \$60.98 (2020 - \$56.08).

Mark-to-market value

We record our derivatives using an estimated credit-adjusted, mark-to-market valuation, calculated in accordance with IFRS.

	As at June 30, 2021			
(In millions of dollars, except exchange rates)	Notional amount (US\$)	Exchange rate	Notional amount (Cdn\$)	Fair value (Cdn\$)
Debt derivatives accounted for as cash flow hedges:				
As assets	5,829	1.1363	6,623	1,352
As liabilities	3,403	1.3335	4,538	(309)
Short-term debt derivatives not accounted for as hedges:				
As liabilities	329	1.2954	426	(18)
Net mark-to-market debt derivative asset				1,025
Interest rate derivatives accounted for as cash flow hedges:				
As liabilities (Cdn\$)	–	–	500	(1)
As liabilities (US\$)	2,000	–	–	(221)
Net mark-to-market interest rate derivative liability				(222)
Expenditure derivatives accounted for as cash flow hedges:				
As assets	60	1.2375	74	1
As liabilities	1,260	1.3242	1,668	(104)
Net mark-to-market expenditure derivative liability				(103)
Equity derivatives not accounted for as hedges:				
As assets	–	–	265	63
Net mark-to-market asset				763

	As at December 31, 2020			
(In millions of dollars, except exchange rates)	Notional amount (US\$)	Exchange rate	Notional amount (Cdn\$)	Fair value (Cdn\$)
Debt derivatives accounted for as cash flow hedges:				
As assets	4,550	1.0795	4,912	1,405
As liabilities	4,642	1.3358	6,201	(307)
Short-term debt derivatives not accounted for as hedges:				
As liabilities	449	1.2995	583	(12)
Net mark-to-market debt derivative asset				1,086
Expenditure derivatives accounted for as cash flow hedges:				
As liabilities	1,590	1.3421	2,134	(109)
Equity derivatives not accounted for as hedges:				
As assets	–	–	238	34
Net mark-to-market asset				1,011

Commitments and Contractual Obligations

See our 2020 Annual MD&A for a summary of our obligations under firm contractual arrangements, including commitments for future payments under long-term debt arrangements and lease arrangements. These are also discussed in notes 17, 21, and 28 of our 2020 Annual Audited Consolidated Financial Statements.

Except where otherwise disclosed in this MD&A, there have been no material changes to our material contractual obligations, as identified in our 2020 Annual MD&A, since December 31, 2020.

Regulatory Developments

See our 2020 Annual MD&A for a discussion of the significant regulations that affected our operations as at March 4, 2021. The following is the significant regulatory development since that date.

CRTC review of mobile wireless services

On April 15, 2021 the Canadian Radio-television and Telecommunications Commission (CRTC) issued Telecom Regulatory Policy 2021-130, *Review of mobile wireless services*. The CRTC mandated wholesale mobile virtual network operator (MVNO) access, seamless handoff for mandated wholesale roaming, and new mandatory low-cost and occasional-use retail rate plans; however, mandated MVNO access will only be provided if certain conditions are met as described briefly below.

The CRTC decided that mandated wholesale MVNO access must be offered by the national carriers, and SaskTel in Saskatchewan, but only made available to eligible regional wireless carriers that hold mobile spectrum licences, and only in the areas that are covered by their licences. The terms and conditions associated with mandated MVNO access must be approved by the CRTC, while rates will be subject to commercial negotiation, backstopped by final offer arbitration, with the CRTC acting as arbitrator. Mandated MVNO access will be limited to a seven-year period commencing on the date the CRTC finalizes the terms and conditions. This time limit is intended to provide the regional carriers sufficient time to expand their networks while maintaining investment incentives.

The national wireless carriers must also provide seamless handoff as part of the mandatory roaming they must offer to the regional wireless carriers. Seamless handoff will ensure that calls in progress are not dropped when customers travel outside their home network coverage and into the coverage of their roaming provider. The CRTC also directed the national wireless carriers to offer 5G roaming where the roaming network offers 5G service on its own network and to file proposed revised terms and conditions within 90 days for CRTC approval.

Finally, the CRTC mandated retail rate plans for low-cost and occasional use. These plans were implemented on July 14, 2021.

Wholesale Internet costing and pricing

In August 2019, in Telecom Order CRTC 2019-288, *Follow-up to Telecom Orders 2016-396 and 2016-448 - Final rates for aggregated wholesale high-speed access services* (2019 Order), the CRTC set final rates for facilities-based carriers' wholesale high-speed access services, including Rogers' third-party Internet access (TPIA) service. The 2019 Order set final rates for Rogers that were significantly lower than the interim rates that were previously billed and it further determined that these final rates would have applied retroactively to March 31, 2016. On May 27, 2021, the CRTC released Telecom Decision CRTC 2021-181 *Requests to review and vary Telecom Order 2019-288 regarding final rates for aggregated wholesale high-speed access services* (2021 Decision) in which it adopted the interim rates in effect prior to the 2019 Order as the final rates, with certain modifications, including the removal of the supplementary markup of 10% for incumbent local exchange carriers.

On May 28, 2021, a wholesale Internet Service Provider (ISP) petitioned the Governor in Council to, among other things, restore the 2019 Order and make the rates established in that order final. In addition, on June 28, 2021, the same wholesale ISP filed a motion seeking leave to appeal the 2021 Decision to the Federal Court of Appeal. We intend to intervene in these matters.

3500 MHz spectrum licence band

Rogers Communications Canada Inc. is a qualified bidder in the auction for spectrum in the 3500 MHz band. The auction commenced on June 15, 2021 and is ongoing. The provisional results of the auction will be published by Innovation, Science and Economic Development (ISED) Canada five days following the cessation of bidding. Additional information about our spectrum licence holdings is provided in our 2020 Annual MD&A.

Updates to Risks and Uncertainties

See our 2020 Annual MD&A for a discussion of the principal risks and uncertainties that could have a material adverse effect on our business and financial results as at March 4, 2021, which should be reviewed in conjunction with this MD&A. The following factors may contribute to those risks and uncertainties.

Outbreak of COVID-19 and related pandemic

We have maintained our programs to help employees manage through the COVID-19 public health crisis and provide support and services to our customers and audiences. In early 2021, public health restrictions that were implemented in late 2020 were lifted to certain extents across the country. In March, several Canadian provinces declared a third wave of COVID-19 had commenced and provinces adjusted restrictions. This quarter, provinces began relaxing certain public health restrictions implemented in the first quarter. As vaccine availability increases in Canada, vaccine rollout has accelerated across the country.

Due to the uncertainty surrounding the duration and potential outcomes of COVID-19, including the results of measures taken to slow the spread and the broader impact COVID-19 may have on the Canadian and global economies or financial markets, we are unable at this time to predict the overall impact on our operations, liquidity, financial condition, or results; however, it has had, and may continue to have, a material, adverse impact on our results. Any future epidemic, pandemic, or other public health crisis that occurs in the future may pose similar risks to us.

Wholesale Internet costing and pricing

In August 2019, in Telecom Order CRTC 2019-288, *Follow-up to Telecom Orders 2016-396 and 2016-448 - Final rates for aggregated wholesale high-speed access services* (Order), the CRTC set final rates for facilities-based carriers' wholesale high-speed access services, including Rogers' TPIA service. The Order set final rates for Rogers that were significantly lower than the interim rates that were previously billed and it further determined that these final rates would have applied retroactively to March 31, 2016.

We did not believe the final rates set by the CRTC were just and reasonable as required by the Telecommunications Act as we believe they were below cost. On May 27, 2021, the CRTC released Telecom Decision CRTC 2021-181 *Requests to review and vary Telecom Order 2019-288 regarding final rates for aggregated wholesale high-speed access services*. The CRTC decided to adopt the interim rates in effect prior to the Order as the final rates, with certain modifications, including the removal of the supplementary markup of 10% for incumbent local exchange carriers.

The final rates are lower than the rates we previously billed to the resellers for the period of March 31, 2016 to October 6, 2016. We have recognized a refund of amounts previously billed to the resellers of approximately \$25 million, representing the impact on a retroactive basis for that period.

On May 28, 2021, a wholesale Internet Service Provider (ISP) petitioned the Governor in Council to, among other things, restore the 2019 Order and make the rates established in that order final. In addition, on June 28, 2021, the same wholesale ISP filed a motion seeking leave to appeal the 2021 Decision to the Federal Court of Appeal. We intend to intervene in these matters.

Outcome of proceedings

The outcome of all the proceedings and claims against us, including the matters described above, is subject to future resolution that includes the uncertainties of litigation. It is not possible for us to predict the result or magnitude of the claims due to the various factors and uncertainties involved in the legal process. Based on information currently known to us, we believe it is not probable that the ultimate resolution of any of these proceedings and claims, individually or in total, will have a material adverse effect on our business, financial results, or financial condition. If circumstances change and it becomes probable that we will be held liable for claims against us and such claim is estimable, we will recognize a provision during the period in which the change in probability occurs, which could be material to our Consolidated Statements of Income or Consolidated Statements of Financial Position.

Shaw Transaction

The Transaction with Shaw is subject to a number of additional risks not otherwise described in our 2020 Annual MD&A, many of which are outside the control of Rogers and Shaw. These are described below.

Key Regulatory Approvals and other conditions

To complete the Transaction, each of Rogers and Shaw must make certain filings with, and obtain certain consents and approvals from, various governmental and regulatory authorities, including the Competition Bureau, ISED Canada, and the CRTC. Rogers and Shaw 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 licences, or impose material conditions relating to the Transaction or any such transfer. If any one of the

Key Regulatory Approvals is not obtained, or any applicable law or order 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 in certain circumstances), either Rogers or Shaw 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 is in effect that 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 Shaw to perform in all material respects any of its covenants or agreements under the arrangement agreement, we would be obligated to pay a \$1.2 billion reverse termination fee to Shaw (see "Termination of the arrangement agreement, costs, and termination fee" below). We would also be responsible to reimburse Shaw for certain costs relating to the May 2021 exercise of our right to require Shaw to redeem its issued and outstanding preferred shares.

The completion of the Transaction is subject to a number of other conditions precedent, some of which are outside of the control of Rogers and Shaw, including 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 Rogers or Shaw 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.

Additionally, the potential for a federal election to be called before the Transaction closes could have an unpredictable impact on the timing and outcome of the regulatory review of the Transaction.

Termination of the arrangement agreement, costs, and termination fee

The arrangement agreement may be terminated by Rogers or Shaw in certain circumstances, in which case the Transaction will not be completed. Accordingly, there is no certainty, nor can we provide any assurance, that the arrangement agreement will not be terminated by us or Shaw prior to completion of the Transaction.

We must pay certain costs relating to the Transaction, such as legal, accounting, tax, and financing-related fees, even if the Transaction is not completed, which may be significant. In addition, if the Transaction is not completed for certain reasons, we may be required to pay a reverse termination fee of \$1.2 billion to Shaw and certain costs relating to the May 2021 exercise of our right to require Shaw to redeem its issued and outstanding preferred shares, the result of which could have a material adverse effect on our business, results of operations, financial position, and our ability to fund growth prospects and current operations.

If the Transaction is not completed or is delayed, our share price and future business and financial results could be negatively affected. Any non-completion or delay of the Transaction may also negatively impact the relationships we have with our employees (including a potential lack of focus on our business), suppliers, vendors, distributors, retailers, dealers, or customers, including that such groups could cease doing business with us or curtail their activities with us.

Financing and potential credit rating consequences

The arrangement agreement does not contain a financing condition. Although we have a binding commitment letter for a committed credit facility of up to \$13 billion and the \$6 billion Shaw term loan facility in order to finance the Transaction, the obligation of the lenders under each of the committed facility and the Shaw term loan facility to provide the financing is subject to certain conditions, including, in the case of the committed credit facility, the completion of credit documentation in respect of such commitment. In the event the Transaction cannot be completed due to a failure to obtain the financing required to close the Transaction, either because the conditions to the committed credit facility and/or the Shaw term loan facility are not satisfied or other events arise which prevent us from consummating the debt financing, we may be unable to fund the consideration required to complete the Transaction, in which case we would be required to pay the reverse termination fee of \$1.2 billion and certain costs relating to the May 2021 exercise of our right to require Shaw to redeem its issued and outstanding preferred shares.

In addition to assuming approximately \$6 billion of existing Shaw debt, we expect to issue up to \$19 billion in new debt to finance the Transaction. As a result, we anticipate the combined company will have over \$40 billion of consolidated debt upon closing. The increased level of debt could decrease our flexibility in responding to

changing business and economic conditions, increase our interest expense, and potentially make it more difficult to obtain additional financing or refinance existing financing. The increase in our debt service obligations could adversely affect our results, financial condition, and our ability to fund growth prospects and could reduce our funds available for other business purposes.

Additionally, as a result of the significant increase in outstanding debt, there is a risk that our credit ratings could be adversely affected, including the potential for a downgrade below investment-grade. A downgrade in our credit ratings could result in difficulty issuing debt in the future or higher borrowing costs and may otherwise affect our share price. If Shaw's existing senior notes are subject to a downgrade below investment-grade constituting a "change of control trigger event" (as defined in Shaw's senior note indenture), Shaw would be required to offer to purchase its senior notes at 101% of their principal amount plus accrued interest following closing of the Transaction, potentially having an adverse impact on the combined company's financial condition.

Expected synergies and integration

Achieving the anticipated benefits of the Transaction depends on our ability to consolidate and integrate Shaw's businesses, operations, and workforce in a manner that facilitates growth opportunities and achieves the projected cost savings and revenue growth without adversely affecting the combined company's current operations. Even if we successfully integrate Shaw's businesses, the anticipated benefits of the Transaction may not be fully realized or they could take longer to realize than expected.

In addition to the day-to-day operations of Rogers, management will need to focus on the Transaction and all related activities, including integration. If completion of the Transaction is delayed, there could be adverse effects on our business, results of operations, or financial condition.

Shaw actions prior to closing

The arrangement agreement restricts Shaw from taking certain actions outside of the ordinary course of business while the Transaction is pending, including, among other things, certain acquisitions or dispositions of businesses and assets, entering into or amending certain contracts, repurchasing or issuing securities, making significant capital expenditures, and incurring indebtedness, in each case subject to certain exceptions. As a result of these restrictions, Shaw may not have the flexibility to appropriately respond to certain events, which may result in us recognizing lower-than-expected synergies once the Transaction closes.

Critical Accounting Policies and Estimates

See our 2020 Annual MD&A and our 2020 Annual Audited Consolidated Financial Statements and notes thereto for a discussion of the accounting policies and estimates that are critical to the understanding of our business operations and the results of our operations.

New accounting pronouncements adopted in 2021

We adopted the following accounting standards and amendments that were effective for our interim and annual consolidated financial statements commencing January 1, 2021. These changes did not have a material impact on our financial results and are not expected to have a material impact in the future.

- *Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, and IFRS 7)*, addressing issues that might affect financial reporting after the reform of an interest rate benchmark. There is significant uncertainty over the timing of when the replacements for IBORs will be effective and what those replacements will be. We will actively monitor the IBOR reform and consider circumstances as we renew or enter into new financial instruments.
- Amendments to IFRS 16, *Leases*, allowing lessees to not assess whether a COVID-19-related rent concession is a lease modification.

Recent accounting pronouncements not yet adopted

The IASB has issued the following new standard and amendments to existing standards that will become effective in future years.

- IFRS 17, *Insurance Contracts*, a replacement of IFRS 4, *Insurance Contracts*, that aims to provide consistency in the application of accounting for insurance contracts.
- Amendments to IAS 1, *Presentation of Financial Statements - Disclosure of Accounting Policies*, requiring entities to disclose material, instead of significant, accounting policy information.
- Amendments to IAS 8, *Accounting Policies - Changes in Accounting Estimates and Errors*, clarifying the definition of "accounting policies" and "accounting estimates".
- Amendments to IAS 1, *Presentation of Financial Statements - Classification of Liabilities as Current or Non-current*, clarifying requirements for the classification of liabilities as non-current.

- Amendments to IAS 16, *Property, Plant and Equipment: Proceeds before intended use*, prohibiting reducing the cost of property, plant, and equipment by proceeds while bringing an asset to capable operations.
- Amendments to IFRS 3, *Business Combinations - Updating a Reference to the Conceptual Framework*, updating a reference to the Conceptual Framework.
- Amendments to IAS 37, *Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts*, specifying costs an entity should include in determining the "cost of fulfilling" a potential onerous contract.
- Amendments to IAS 12, *Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction*, narrowing the scope for exemption when recognizing deferred taxes.

We do not expect IFRS 17, *Insurance Contracts*, will have an effect on our consolidated financial statements. We are assessing the impacts, if any, the amendments to existing standards will have on our consolidated financial statements, but we currently do not expect any material impacts.

Transactions with related parties

We have entered into business transactions with Transcontinental Inc., a company that provides us with printing and prepress services. Isabelle Marcoux, C.M., is chair of the board of Transcontinental Inc. and was a Director of RCI until June 4, 2021.

We recognize these transactions at the amounts agreed to by the related parties, which are also reviewed by the Audit and Risk Committee. The amounts owing for these services are unsecured, interest-free, and due for payment in cash within one month of the date of the transaction. Below is a summary of the related party activity for the business transactions described above.

(In millions of dollars)	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
Printing and prepress services	1	–	3	1

We have also entered into certain transactions with our controlling shareholder and companies it controls. These transactions are subject to formal agreements approved by the Audit and Risk Committee. Total amounts paid to these related parties generally reflect the charges to Rogers for occasional business use of aircraft, net of other administrative services, and were less than \$1 million for the three and six months ended June 30, 2021 and 2020.

Controls and procedures

There have been no changes in our internal controls over financial reporting this quarter that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

Seasonality

Our operating results generally vary from quarter to quarter as a result of changes in general economic conditions and seasonal fluctuations, among other things, in each of our reportable segments. This means our results in one quarter are not necessarily indicative of how we will perform in a future quarter. Wireless, Cable, and Media each have unique seasonal aspects to, and certain other historical trends in, their businesses. For specific discussions of the seasonal trends affecting our reportable segments, refer to our 2020 Annual MD&A. COVID-19 has significantly affected our operating results this quarter in addition to the typical seasonal fluctuations in our business, most notably in our Wireless and Media businesses. The decline in customer travel due to global travel restrictions has resulted in lower-than-normal roaming revenue. The ability to broadcast NHL games this quarter, coupled with the effect of the Toronto Blue Jays playing this quarter, compared to the public health restrictions in the prior year has resulted in increased revenue and operating expenses this quarter.

Estimation Uncertainty

Due to the uncertainty surrounding the duration and potential outcomes of COVID-19, and the unpredictable and continuously changing impacts and related government responses, there is more than typical uncertainty associated with our assumptions, expectations, and estimates. We believe the most significantly affected estimates are related to our expected credit losses and allowance for doubtful accounts.

Key Performance Indicators

We measure the success of our strategy using a number of key performance indicators that are defined and discussed in our 2020 Annual MD&A and this MD&A. We believe these key performance indicators allow us to appropriately measure our performance against our operating strategy and against the results of our peers and competitors. The following key performance indicators are not measurements in accordance with IFRS and should not be considered alternatives to net income or any other measure of performance under IFRS. They include:

- subscriber counts;
 - Wireless;
 - Cable; and
 - homes passed (Cable);
- Wireless subscriber churn (churn);
- Wireless blended average billings per user (ABPU);
- Wireless blended average revenue per user (ARPU);
- Cable average revenue per account (ARPA);
- Cable customer relationships;
- Cable market penetration (penetration);
- capital intensity; and
- total service revenue.

Non-GAAP Measures and Related Performance Measures

We use the following non-GAAP measures and related performance measures. These are reviewed regularly by management and the Board in assessing our performance and making decisions regarding the ongoing operations of our business and its ability to generate cash flows. Some or all of these measures may also be used by investors, lending institutions, and credit rating agencies as indicators of our operating performance, of our ability to incur and service debt, and as measurements to value companies in the telecommunications sector. These are not recognized measures under GAAP and do not have standard meanings under IFRS, so may not be reliable ways to compare us to other companies.

Non-GAAP measure or related performance measure	Why we use it	How we calculate it	Most comparable IFRS financial measure
Adjusted EBITDA Adjusted EBITDA margin	<ul style="list-style-type: none"> To evaluate the performance of our businesses, and when making decisions about the ongoing operations of the business and our ability to generate cash flows. We believe that certain investors and analysts use adjusted EBITDA to measure our ability to service debt and to meet other payment obligations. We also use it as one component in determining short-term incentive compensation for all management employees. 	<p>Adjusted EBITDA: Net income add (deduct) income tax expense (recovery); finance costs; depreciation and amortization; other expense (income); restructuring, acquisition and other; and loss (gain) on disposition of property, plant and equipment.</p> <p>Adjusted EBITDA margin: Adjusted EBITDA divided by revenue (or service revenue for Wireless adjusted EBITDA service margin).</p>	Net income
Adjusted net income Adjusted basic and diluted earnings per share	<ul style="list-style-type: none"> To assess the performance of our businesses before the effects of the noted items, because they affect the comparability of our financial results and could potentially distort the analysis of trends in business performance. Excluding these items does not imply that they are non-recurring. 	<p>Adjusted net income: Net income add (deduct) restructuring, acquisition and other; loss (recovery) on sale or wind down of investments; loss (gain) on disposition of property, plant and equipment; (gain) on acquisitions; loss on non-controlling interest purchase obligations; loss on repayment of long-term debt; loss on bond forward derivatives; and income tax adjustments on these items, including adjustments as a result of legislative changes.</p> <p>Adjusted basic and diluted earnings per share: Adjusted net income and adjusted net income including the dilutive effect of stock-based compensation divided by basic and diluted weighted average shares outstanding.</p>	Net income Basic and diluted earnings per share
Free cash flow	<ul style="list-style-type: none"> To show how much cash we have available to repay debt and reinvest in our company, which is an important indicator of our financial strength and performance. We believe that some investors and analysts use free cash flow to value a business and its underlying assets. 	Adjusted EBITDA deduct capital expenditures; interest on borrowings net of capitalized interest; and cash income taxes.	Cash provided by operating activities
Adjusted net debt	<ul style="list-style-type: none"> To conduct valuation-related analysis and make decisions about capital structure. We believe this helps investors and analysts analyze our enterprise and equity value and assess our leverage. 	Total long-term debt add (deduct) current portion of long-term debt; deferred transaction costs and discounts; net debt derivative (assets) liabilities associated with issued debt; credit risk adjustment related to net debt derivatives; current portion of lease liabilities; lease liabilities; bank advances (cash and cash equivalents); and short-term borrowings.	Long-term debt
Debt leverage ratio	<ul style="list-style-type: none"> To conduct valuation-related analysis and make decisions about capital structure. We believe this helps investors and analysts analyze our enterprise and equity value and assess our leverage. 	Adjusted net debt (defined above) divided by 12-month trailing adjusted EBITDA (defined above).	Long-term debt divided by net income

Reconciliation of adjusted EBITDA

(In millions of dollars)	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
Net income	302	279	663	631
Add:				
Income tax expense	111	102	239	219
Finance costs	206	214	424	434
Depreciation and amortization	647	650	1,285	1,289
EBITDA	1,266	1,245	2,611	2,573
Add (deduct):				
Other (income) expense	(7)	7	(6)	(7)
Restructuring, acquisition and other	115	42	160	63
Adjusted EBITDA	1,374	1,294	2,765	2,629

Reconciliation of adjusted EBITDA margin

(In millions of dollars, except margins)	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
Adjusted EBITDA	1,374	1,294	2,765	2,629
Divided by: total revenue	3,582	3,155	7,070	6,571
Adjusted EBITDA margin	38.4 %	41.0 %	39.1 %	40.0 %

Reconciliation of adjusted net income

(In millions of dollars)	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
Net income	302	279	663	631
Add (deduct):				
Restructuring, acquisition and other	115	42	160	63
Income tax impact of above items	(30)	(11)	(42)	(17)
Adjusted net income	387	310	781	677

Reconciliation of adjusted earnings per share

(In millions of dollars, except per share amounts; number of shares outstanding in millions)	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
Adjusted basic earnings per share:				
Adjusted net income	387	310	781	677
Divided by:				
Weighted average number of shares outstanding	505	505	505	505
Adjusted basic earnings per share	\$0.77	\$0.61	\$1.55	\$1.34
Adjusted diluted earnings per share:				
Diluted adjusted net income	387	304	779	660
Divided by:				
Diluted weighted average number of shares	506	506	506	506
Adjusted diluted earnings per share	\$0.76	\$0.60	\$1.54	\$1.30

Reconciliation of free cash flow

(In millions of dollars)	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
Cash provided by operating activities	1,016	1,429	1,695	2,388
Add (deduct):				
Capital expenditures	(719)	(559)	(1,203)	(1,152)
Interest on borrowings, net of capitalized interest	(178)	(192)	(366)	(379)
Interest paid	198	198	414	398
Restructuring, acquisition and other	115	42	160	63
Program rights amortization	(16)	(16)	(36)	(38)
Change in net operating assets and liabilities	(194)	(447)	(7)	(315)
Other adjustments	80	13	39	(35)
Free cash flow	302	468	696	930

Reconciliation of adjusted net debt and debt leverage ratio

(In millions of dollars)	As at	As at
	June 30	December 31
	2021	2020
Current portion of long-term debt	1,530	1,450
Long-term debt	14,912	16,751
Deferred transaction costs and discounts	175	172
	16,617	18,373
Add (deduct):		
Net debt derivative assets	(1,064)	(1,086)
Credit risk adjustment related to net debt derivative assets	(25)	(15)
Short-term borrowings	1,207	1,221
Current portion of lease liabilities	309	278
Lease liabilities	1,614	1,557
Cash and cash equivalents	(905)	(2,484)
Adjusted net debt	17,753	17,844
(In millions of dollars, except ratios)	As at	As at
	June 30	December 31
	2021	2020
Adjusted net debt	17,753	17,844
Divided by: trailing 12-month adjusted EBITDA	5,993	5,857
Debt leverage ratio	3.0	3.0

Other Information

Consolidated financial results - quarterly summary

Below is a summary of our consolidated results for the past eight quarters.

(In millions of dollars, except per share amounts)	2021		2020				2019	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenue								
Wireless	2,064	2,074	2,291	2,228	1,934	2,077	2,493	2,324
Cable	1,013	1,020	1,019	988	966	973	987	994
Media	546	440	409	489	296	412	530	483
Corporate items and intercompany eliminations	(41)	(46)	(39)	(40)	(41)	(46)	(58)	(47)
Total revenue	3,582	3,488	3,680	3,665	3,155	3,416	3,952	3,754
Total service revenue ¹	3,131	3,021	3,023	3,086	2,797	3,049	3,244	3,233
Adjusted EBITDA ²								
Wireless	1,008	1,013	1,034	1,089	918	1,026	1,064	1,138
Cable	492	487	520	508	454	453	497	499
Media	(75)	(59)	82	89	(35)	(85)	22	130
Corporate items and intercompany eliminations	(51)	(50)	(46)	(48)	(43)	(59)	(53)	(55)
Adjusted EBITDA	1,374	1,391	1,590	1,638	1,294	1,335	1,530	1,712
Deduct (add):								
Depreciation and amortization	647	638	666	663	650	639	638	627
Restructuring, acquisition and other	115	45	73	49	42	21	38	42
Finance costs	206	218	228	219	214	220	230	215
Other (income) expense	(7)	1	2	6	7	(14)	(12)	16
Net income before income tax expense	413	489	621	701	381	469	636	812
Income tax expense	111	128	172	189	102	117	168	219
Net income	302	361	449	512	279	352	468	593
Earnings per share:								
Basic	\$0.60	\$0.71	\$0.89	\$1.01	\$0.55	\$0.70	\$0.92	\$1.16
Diluted	\$0.60	\$0.70	\$0.89	\$1.01	\$0.54	\$0.68	\$0.92	\$1.14
Net income	302	361	449	512	279	352	468	593
Add (deduct):								
Restructuring, acquisition and other	115	45	73	49	42	21	38	42
Loss on repayment of long-term debt	–	–	–	–	–	–	19	–
Income tax impact of above items	(30)	(12)	(19)	(13)	(11)	(6)	(14)	(13)
Income tax adjustment, legislative tax change	–	–	(3)	–	–	–	–	–
Adjusted net income ²	387	394	500	548	310	367	511	622
Adjusted earnings per share ² :								
Basic	\$0.77	\$0.78	\$0.99	\$1.09	\$0.61	\$0.73	\$1.00	\$1.22
Diluted	\$0.76	\$0.77	\$0.99	\$1.08	\$0.60	\$0.71	\$1.00	\$1.19
Capital expenditures	719	484	656	504	559	593	791	657
Cash provided by operating activities	1,016	679	947	986	1,429	959	1,166	1,305
Free cash flow ²	302	394	568	868	468	462	497	767

¹ As defined. See "Key Performance Indicators".

² Adjusted EBITDA, adjusted net income, and free cash flow are non-GAAP measures and should not be considered substitutes or alternatives for GAAP measures. These are not defined terms under IFRS and do not have standard meanings, so may not be a reliable way to compare us to other companies. See "Non-GAAP Measures and Related Performance Measures" for information about these measures, including how we calculate them and the ratios in which they are used.

Summary of financial information of long-term debt guarantor

Our outstanding public debt, amounts drawn on our \$6.4 billion bank credit and letter of credit facilities, and derivatives are unsecured obligations of RCI, as obligor, and RCCI, as either co-obligor or guarantor, as applicable.

The selected unaudited consolidating summary financial information for RCI for the periods identified below, presented with a separate column for: (i) RCI, (ii) RCCI, (iii) our non-guarantor subsidiaries on a combined basis, (iv) consolidating adjustments, and (v) the total consolidated amounts, is set forth as follows:

Three months ended June 30 (unaudited) (In millions of dollars)	RCI ^{1,2}		RCCI ^{1,2}		Non-guarantor subsidiaries ^{1,2}		Consolidating adjustments ^{1,2}		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Selected Statements of Income data measure:										
Revenue	–	–	3,061	2,887	570	314	(49)	(46)	3,582	3,155
Net income (loss)	302	279	346	251	(50)	(21)	(296)	(230)	302	279
Six months ended June 30 (unaudited) (In millions of dollars)	RCI ^{1,2}		RCCI ^{1,2}		Non-guarantor subsidiaries ^{1,2}		Consolidating adjustments ^{1,2}		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Selected Statements of Income data measure:										
Revenue	–	–	6,136	5,920	1,034	748	(100)	(97)	7,070	6,571
Net income (loss)	663	631	702	598	(48)	54	(654)	(652)	663	631
As at period end (unaudited) (In millions of dollars)	RCI ^{1,2}		RCCI ^{1,2}		Non-guarantor subsidiaries ^{1,2}		Consolidating adjustments ^{1,2}		Total	
	Jun. 30 2021	Dec. 31 2020	Jun. 30 2021	Dec. 31 2020	Jun. 30 2021	Dec. 31 2020	Jun. 30 2021	Dec. 31 2020	Jun. 30 2021	Dec. 31 2020
Selected Statements of Financial Position data measure:										
Current assets	26,767	27,186	27,648	26,326	9,929	9,929	(58,963)	(56,512)	5,381	6,929
Non-current assets	32,111	31,184	24,896	24,835	3,655	3,650	(28,367)	(27,744)	32,295	31,925
Current liabilities	29,146	27,264	28,985	28,167	9,329	9,294	(60,590)	(58,139)	6,870	6,586
Non-current liabilities	16,842	18,740	4,944	5,080	160	152	(1,240)	(1,278)	20,706	22,694

¹ For the purposes of this table, investments in subsidiary companies are accounted for by the equity method.

² Amounts recorded in current liabilities and non-current liabilities for RCCI do not include any obligations arising as a result of being a guarantor or co-obligor, as the case may be, under any of RCI's long-term debt.

About Forward-Looking Information

This MD&A includes "forward-looking information" and "forward-looking statements" within the meaning of applicable securities laws (collectively, "forward-looking information"), and assumptions about, among other things, our business, operations, and financial performance and condition approved by our management on the date of this MD&A. This forward-looking information and these assumptions include, but are not limited to, statements about our objectives and strategies to achieve those objectives, and about our beliefs, plans, expectations, anticipations, estimates, or intentions.

Forward-looking information

- typically includes words like *could*, *expect*, *may*, *anticipate*, *assume*, *believe*, *intend*, *estimate*, *plan*, *project*, *guidance*, *outlook*, *target*, and similar expressions;
- includes conclusions, forecasts, and projections that are based on our current objectives and strategies and on estimates, expectations, assumptions, and other factors that we believe to have been reasonable at the time they were applied but may prove to be incorrect; and
- was approved by our management on the date of this MD&A.

Our forward-looking information includes forecasts and projections related to the following items, some of which are non-GAAP measures (see "Non-GAAP Measures and Related Performance Measures"), among others:

- revenue;
- total service revenue;
- adjusted EBITDA;
- capital expenditures;
- cash income tax payments;
- free cash flow;
- dividend payments;
- the growth of new products and services;
- expected growth in subscribers and the services to which they subscribe;
- the cost of acquiring and retaining subscribers and deployment of new services;
- continued cost reductions and efficiency improvements;
- our debt leverage ratio;
- statements relating to plans we have implemented in response to COVID-19 and its impact on us;
- the expected timing and completion of the Transaction;
- the benefits expected to result from the Transaction, including corporate, operational, scale, and other synergies, and their anticipated timing; and
- all other statements that are not historical facts.

Our conclusions, forecasts, and projections are based on a number of estimates, expectations, assumptions, and other factors, including, among others:

- general economic and industry growth rates;
- currency exchange rates and interest rates;
- product pricing levels and competitive intensity;
- subscriber growth;
- pricing, usage, and churn rates;
- changes in government regulation;
- technology deployment;
- availability of devices;
- timing of new product launches;
- content and equipment costs;
- the integration of acquisitions;
- industry structure and stability; and
- the impact of COVID-19 on our operations, liquidity, financial condition, or results.

Except as otherwise indicated, this MD&A and our forward-looking information do not reflect the potential impact of any non-recurring or other special items or of any dispositions, monetizations, mergers, acquisitions, other business combinations, or other transactions that may be considered or announced or may occur after the date on which the statement containing the forward-looking information is made.

Risks and uncertainties

Actual events and results can be substantially different from what is expressed or implied by forward-looking information as a result of risks, uncertainties, and other factors, many of which are beyond our control, including, but not limited to:

- regulatory changes;
- technological changes;
- economic, geopolitical, and other conditions affecting commercial activity;
- unanticipated changes in content or equipment costs;
- changing conditions in the entertainment, information, and communications industries;
- the integration of acquisitions;
- litigation and tax matters;
- the level of competitive intensity;
- the emergence of new opportunities;
- external threats, such as epidemics, pandemics, and other public health crises, natural disasters, or cyberattacks, among others;

- risks related to the Transaction, including the timing, receipt, and conditions of the Key Regulatory Approvals; satisfaction of the various conditions to close the Transaction; financing the Transaction; and the anticipated benefits and successful integration of the businesses and operations of Rogers and Shaw; and
- new interpretations and new accounting standards from accounting standards bodies.

These factors can also affect our objectives, strategies, and intentions. Many of these factors are beyond our control or our current expectations or knowledge. Should one or more of these risks, uncertainties, or other factors materialize, our objectives, strategies, or intentions change, or any other factors or assumptions underlying the forward-looking information prove incorrect, our actual results and our plans could vary significantly from what we currently foresee.

Accordingly, we warn investors to exercise caution when considering statements containing forward-looking information and caution them that it would be unreasonable to rely on such statements as creating legal rights regarding our future results or plans. We are under no obligation (and we expressly disclaim any such obligation) to update or alter any statements containing forward-looking information or the factors or assumptions underlying them, whether as a result of new information, future events, or otherwise, except as required by law. All of the forward-looking information in this MD&A is qualified by the cautionary statements herein.

Before making an investment decision

Before making any investment decisions and for a detailed discussion of the risks, uncertainties, and environment associated with our business, its operations, and its financial performance and condition, fully review the sections of this MD&A entitled "Updates to Risks and Uncertainties" and "Regulatory Developments" and fully review the sections in our 2020 Annual MD&A entitled "Regulation in Our Industry" and "Governance and Risk Management", as well as our various other filings with Canadian and US securities regulators, which can be found at sedar.com and sec.gov, respectively. Information on or connected to sedar.com, sec.gov, our website, or any other website referenced in this document is not part of or incorporated into this MD&A.

###