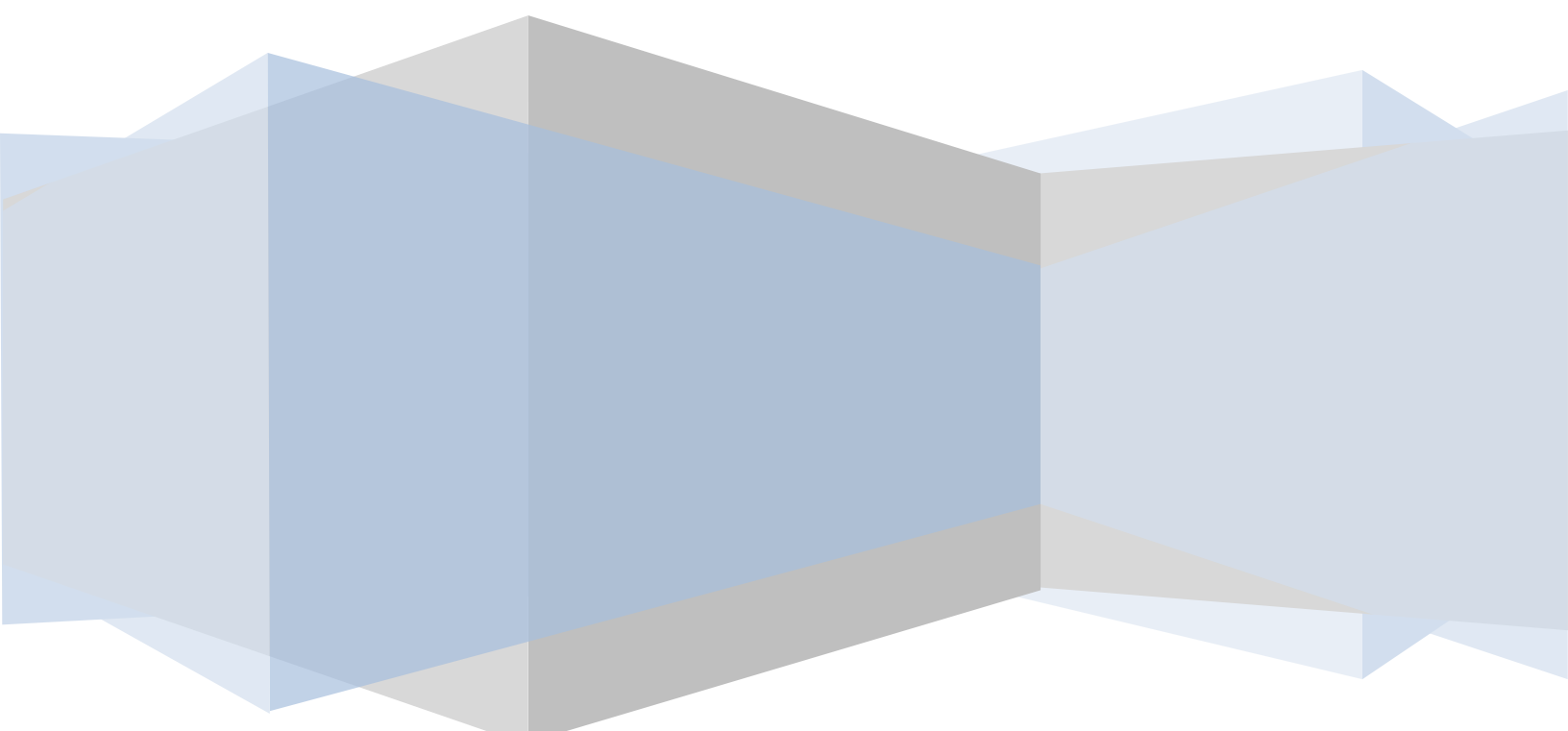


# Quarter 2 Financial Report

For the period ended September 30, 2020

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## Introduction

Crown Investments Corporation of Saskatchewan (CIC) is the Provincial Government's holding corporation for its commercial Crown corporations. CIC has invested equity in its subsidiary corporations and collects dividends from these corporations.

The purpose of the following discussion is to provide users of CIC's financial statements with an overview of its financial health. This narrative on CIC's 2020-21 second quarter financial results should be read in conjunction with the March 31, 2020 audited consolidated and separate financial statements. The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated interim financial statements are consistent with those disclosed in CIC's March 31, 2020 audited consolidated financial statements, except as described in Note 3 to the unaudited condensed consolidated interim financial statements.

To facilitate greater transparency and accountability, CIC prepares two different sets of financial statements: CIC's consolidated financial statements that report on the commercial Crown sector; and CIC's separate financial statements that reflect its role as a holding corporation for the Province.

### **CIC Consolidated Financial Statements**

CIC's consolidated financial statements include CIC's results consolidated with the results of its subsidiary corporations. The unaudited condensed consolidated interim financial statements (herein after referred to as the "consolidated financial statements") are prepared in accordance with International Financial Reporting Standards (IFRS) and include:

- Financial results of subsidiary Crown corporations;

SaskEnergy Incorporated (SaskEnergy)	Saskatchewan Telecommunications
Saskatchewan Gaming Corporation (SGC)	Holding Corporation and Saskatchewan
Saskatchewan Government Insurance (SGI CANADA)	Telecommunications (collectively SaskTel)
Saskatchewan Opportunities Corporation (SOCO)	Saskatchewan Water Corporation (SaskWater)
Saskatchewan Power Corporation (SaskPower)	

- Financial results of wholly-owned subsidiary share capital corporations;

CIC Asset Management Inc. (CIC AMI)  
CIC Economic Holdco Ltd.  
First Nations and Métis Fund Inc. (FNMF)  
Saskatchewan Immigrant Investor Fund Inc. (SIIF)

- Dividends paid by CIC to the General Revenue Fund (GRF); and
- CIC's operating costs, public policy expenditures and interest earned on cash and cash equivalents and equity earnings on equity accounted investees.

Consolidated earnings represent the total earnings in the Crown sector, taking into consideration the elimination of all inter-group transactions (i.e. revenues and expenses between Crown corporations and dividends paid by Crown corporations to CIC).

## **CIC Separate Financial Statements**

CIC's separate financial statements represent CIC's earnings as the shareholder of the Saskatchewan commercial Crown sector. They assist CIC in determining its capacity to pay dividends to the Province's GRF. The unaudited condensed separate interim financial statements have been prepared in accordance with IAS 27 - *Separate Financial Statements* and IAS 34 - *Interim Financial Reporting* at the request of the Saskatchewan Legislative Assembly. These financial statements are intended to isolate CIC's cash-flow, capital support for certain subsidiary corporations, and public policy expenditures. These financial statements include:

- Dividends from subsidiary Crown corporations;
- Dividends from the Corporation's investment in Information Services Corporation;
- Grants to subsidiary corporations; and
- CIC's operating results and public policy expenditures.

# **CIC CONSOLIDATED FINANCIAL STATEMENTS**

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# Consolidated Financial Statements

## Management's Discussion and Analysis

Management's Discussion & Analysis (MD&A) highlights the primary factors that have an impact on the consolidated financial results and operations of CIC. It should be read in conjunction with CIC's consolidated financial statements and supporting notes for the period ended September 30, 2020. These consolidated financial statements have been prepared in accordance with IAS 34 - *Interim Financial Reporting*.

The consolidated financial statements do not include all the disclosures included in CIC's annual audited consolidated financial statements. Accordingly, these consolidated financial statements should be read in conjunction with CIC's March 31, 2020 audited consolidated financial statements. The accounting policies and methods of computation used in the preparation of these consolidated financial statements are consistent with those disclosed in CIC's March 31, 2020 audited consolidated financial statements, except as described in Note 3 to these consolidated financial statements.

For purposes of CIC's consolidated MD&A, "CIC" and "the Corporation" refers to the consolidated entity.

### Forward-Looking Information

Throughout the quarterly report, and particularly in the following discussion, forward-looking statements are made. These statements can be recognized by terms such as "outlook," "expect," "anticipate," "project," "continue," or other expressions that relate to estimations or future events. By their nature, forward-looking statements require assumptions based on current information, management experience and historical performance. Forward-looking information is subject to uncertainties, and, as a result, forward-looking statements are not a guarantee about the future performance of CIC and its subsidiary Crown corporations.

Readers should not place undue reliance on forward-looking statements, as several factors could cause actual results to differ materially from estimates, predictions and assumptions. Factors that can influence performance include, but are not limited to: global pandemics, weather conditions, commodity markets, general economic and geopolitical conditions, interest and exchange rates, competition and the regulatory environment. Given these uncertainties, assumptions contained in the forward-looking statements may or may not occur.

## Management's Discussion and Analysis (continued)

### Major Lines of Business

CIC is involved in a broad array of industries through various forms of investment. A number of investments are held as wholly-owned subsidiaries, while others are associates and joint operations, held through CIC's wholly-owned subsidiaries.

The following table lists significant wholly-owned subsidiaries, including the respective business line, which CIC consolidates in its financial statements:

Type	Investment	Major Business Line
Utilities	Saskatchewan Power Corporation (SaskPower)	Electricity
	Saskatchewan Telecommunications Holding Corporation and Saskatchewan Telecommunications (collectively SaskTel)	Information and Communications Technology
	SaskEnergy Incorporated (SaskEnergy)	Natural Gas Storage and Delivery
	Saskatchewan Water Corporation (SaskWater)	Water and Wastewater Management
Insurance	Saskatchewan Government Insurance (SGI CANADA)	Property and Casualty Insurance
Entertainment	Saskatchewan Gaming Corporation (SGC)	Entertainment
Investment and Economic Growth	CIC Asset Management Inc. (CIC AMI)	Investments
	Saskatchewan Opportunities Corporation (SOCO)	Research Parks
	Saskatchewan Immigrant Investor Fund (SIIF)	Construction Loans

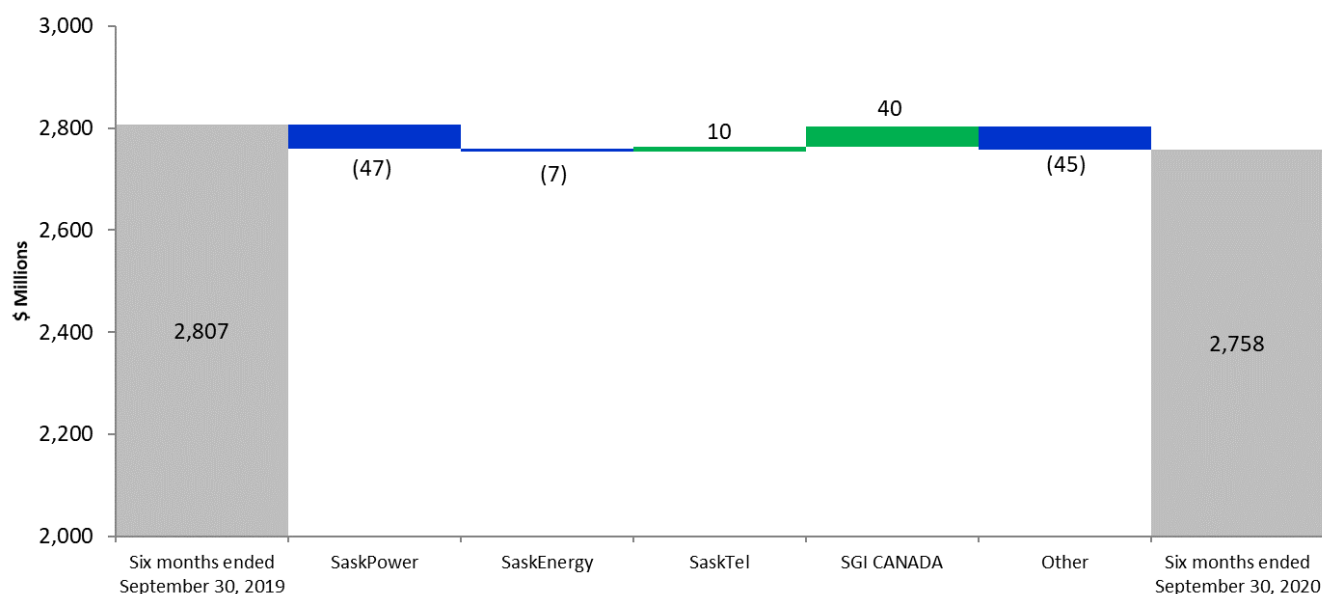
Subsidiary Corporation Earnings (millions of dollars) (unaudited)	For the six months ended	
	September 30 2020	September 30 2019
<b>SaskTel</b>	\$ 76.4	\$ 55.8
<b>SGI CANADA</b>	64.6	27.3
<b>SaskPower</b>	19.0	126.6
<b>SaskEnergy</b>	12.2	(17.3)
<b>SaskWater</b>	6.8	5.5
<b>SOCO</b>	0.8	1.8
<b>CIC AMI</b>	0.7	0.6
<b>SIIF</b>	(0.1)	6.4
<b>SGC</b>	(4.2)	11.9
<b>CIC (Separate)</b>	79.7	87.9
<b>Other<sup>1</sup></b>	<u>(80.9)</u>	<u>(97.1)</u>
<b>Net earnings</b>	<u>\$ 175.0</u>	<u>\$ 209.4</u>

<sup>1</sup> Includes First Nations and Métis Fund Inc., CIC Economic Holdco Ltd., CIC's investment in Information Services Corporation and consolidation adjustments. Consolidation adjustments reflect the elimination of all inter-entity transactions, such as grants from CIC to Crown corporations, revenues and expenses between Crown corporations and dividends paid by Crown corporations to CIC.

The Corporation's consolidated net earnings for the six months ended September 30, 2020 were \$175.0 million (2019 - \$209.4 million), \$34.4 million lower than the same period in 2019. The Corporation experienced lower net earnings in the period primarily due to decreased earnings at SaskPower and SGC partially offset by increased earnings at SaskTel, SGI CANADA and SaskEnergy. A more detailed discussion of net earnings is included on the pages following.

## Management's Discussion and Analysis (continued)

### Changes in Revenue



Revenue for the six months ended September 30, 2020 was \$2,757.9 million (2019 – \$2,807.0 million), a \$49.1 million decrease over the same period in 2019 primarily related to decreases at SaskPower and SGC which was partially offset by increases at SGI CANADA.

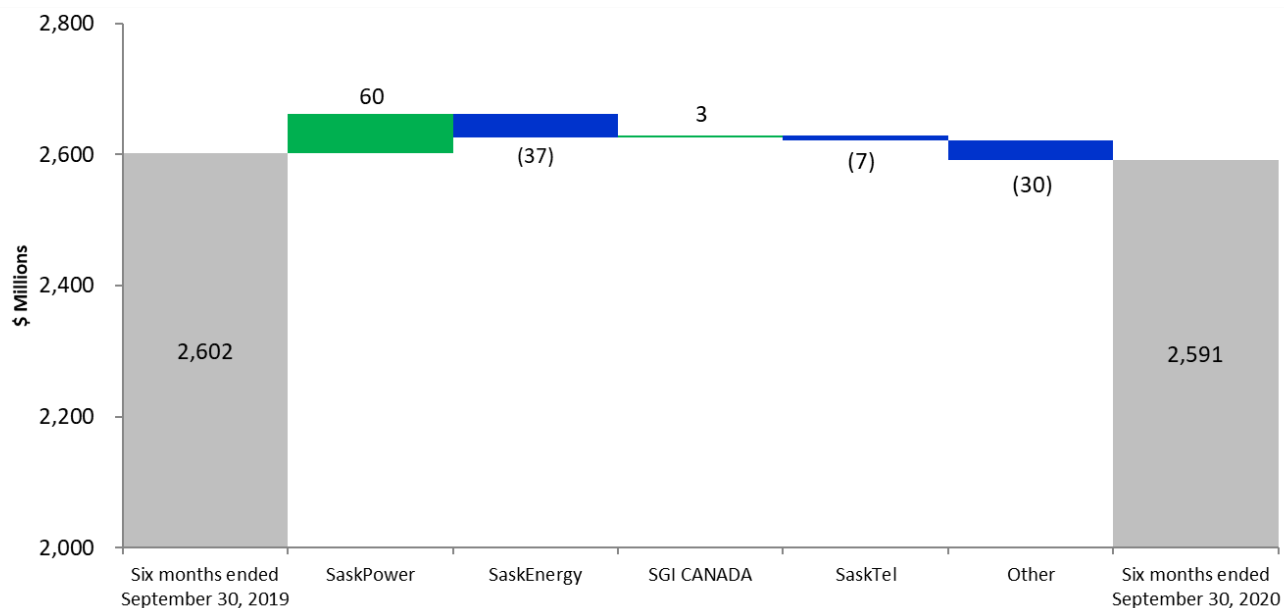
SaskPower revenue decreased by \$47.3 million primarily due to lower Saskatchewan electricity sales as a result of a six per cent decrease in demand compared to the same period in the prior year attributed to the COVID-19 pandemic and economic conditions. This also caused revenue to decrease in relation to lower customer contributions.

SaskGaming revenue decreased \$41.7 million as a result of the temporary closure of Casino Regina and Casino Moose Jaw from March 17 to July 8, 2020. Since July, Casino Regina and Casino Moose Jaw have been operating with restrictions on capacity and social distancing measures as a result of the COVID-19 pandemic. Despite the pandemic, SaskGaming experienced earlier than expected improvement in revenue with the opening of the economy in July 2020.

SGI CANADA revenue increased by \$40.4 million primarily due to increased premiums written in Saskatchewan and British Columbia. Saskatchewan experienced customer growth in all lines of business. British Columbia premiums written increased due to continued customer growth in personal and commercial lines.

## Management's Discussion and Analysis (continued)

### Changes in Total Operating Expenses and Net Finance Expense



Total operating expenses and net finance expense for the six months ended September 30, 2020 were \$2,591.2 million (2019 - \$2,602.4 million), an \$11.2 million decrease from the same period in 2019 primarily related to decreases at SaskEnergy and SGC which were mostly offset by increases at SaskPower.

Total operating and net finance expense decreased at SaskEnergy by \$36.5 million primarily due to favourable non-cash market value adjustments on natural gas purchase contracts compared to the prior period. This was partially offset by higher depreciation expense from continued capital reinvestment to ensure the integrity and reliability of the transmission and distribution system.

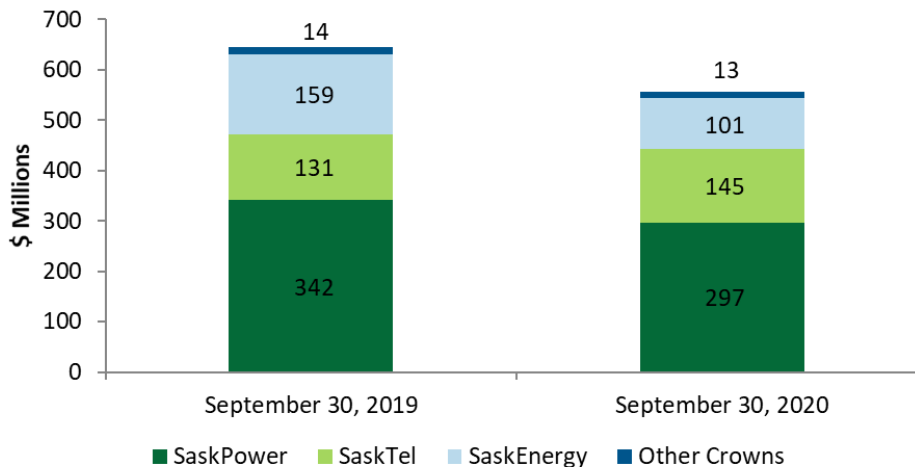
Total operating and net finance expense decreased at SGC by \$25.6 million primarily due to the casino closures from March 17 to July 8, 2020 as well as limited capacity and restrictions in place after reopening. As a result, the largest expense decreases relate to salaries, wages, employee benefits, and operations.

Total operating and net finance expense increased at SaskPower by \$60.0 million primarily due to higher fuel and purchased power costs which increased largely as a result of higher coal and natural gas prices as well as additional investments in SaskPower's capital program.



## Management's Discussion and Analysis (continued)

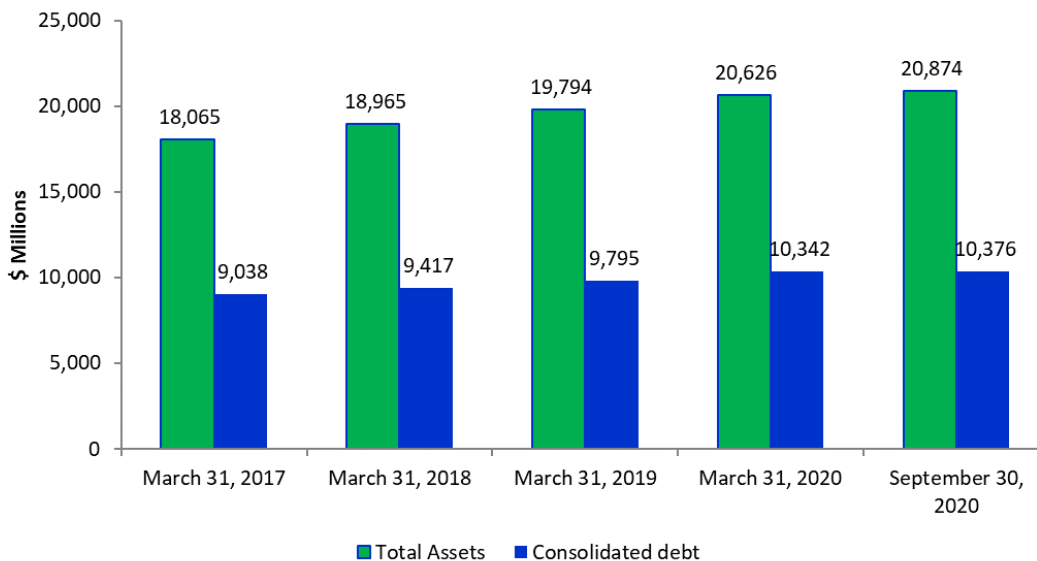
### Capital Spending



For the six months ended September 30, 2020, property, plant and equipment, intangible asset and investment property purchases were \$555.7 million (2019 - \$644.7 million), an \$89.0 million decrease from the same period in 2019. Major capital expenditures included:

- \$296.6 million at SaskPower related to generation sustainment activities, connecting customers to the electric system, increasing capacity, and sustaining transmission and distribution infrastructure;
- \$145.3 million at SaskTel on Fibre to the Premises, network capacity enhancements to manage increased demand during the COVID-19 pandemic, wireless network enhancements and basic network growth and enhancements; and
- \$101.3 million at SaskEnergy primarily related to customer connections, system expansions to meet customer growth, and spending to ensure the safety and integrity of its extensive distribution and transmission systems.

### Consolidated Debt



Consolidated debt at September 30, 2020 was \$10,376.3 million (March 31, 2020 - \$10,342.2 million), a \$34.1 million increase from March 31, 2020. The increase is primarily due to additional debt at SaskEnergy and SaskTel used to fund a portion of their capital expenditures during the period.

## Management's Discussion and Analysis (continued)

### Liquidity and Capital Resources

CIC and its subsidiary Crowns finance capital requirements through internally generated cash flow and borrowing. The GRF borrows in capital markets on behalf of Crowns. The GRF has sufficient access to capital markets for anticipated borrowing requirements.

#### Province of Saskatchewan Credit Ratings on Long-Term Debt as at September 30, 2020

Moody's Investor Service	Aaa
Standard & Poor's	AA
Dominion Bond Rating Service	AA (low)

#### Cash Flow Highlights

(millions of dollars)  
(unaudited)

For the six months ended  
September 30  
2020

September 30  
2019

Net cash from operating activities	\$ 601.0	\$ 726.5
Net cash used in investing activities	(637.8)	(675.2)
Net cash used in financing activities	(49.6)	(4.2)
Change in cash and cash equivalents	<u>\$ (86.4)</u>	<u>\$ 47.1</u>

#### Operating, Investing and Financing Activities

Net cash from operating activities for the six months ended September 30, 2020 was \$601.0 million (2019 - \$726.5 million), a decrease of \$125.5 million. Cash from operating activities decreased primarily due to decreased earnings at SaskPower and SGC partially offset by increased earnings at SaskTel, SGI CANADA and SaskEnergy. There were also decreases in changes in non-cash working capital balances, unrealized gains on derivative financial instruments at SaskEnergy, and decreased net finance expenses due to higher investment earnings at SGI CANADA.

Net cash used in investing activities for the six months ended September 30, 2020 was \$637.8 million (2019 - \$675.2 million). The \$37.4 million decrease is primarily due to decreased spending on capital assets at SaskEnergy and SaskPower which was somewhat offset by higher investment activity at SGI CANADA. SGI CANADA's investment purchases and proceeds fluctuate from quarter to quarter to balance its investment portfolio and pay claims.

Net cash used in financing activities for the six months ended September 30, 2020 was \$49.6 million (2019 - \$4.2 million). This was primarily due to increased payments on notes payable and debt repayments to the GRF. This was slightly offset by increased long-term debt proceeds and a decrease in dividends paid. The decrease in notes payable and increase in long-term debt proceeds is primarily due to the Crown sector transferring short-term debt to long-term debt, due to low interest rates being available on provincial long-term debt. Lower dividends paid is a result of the Crowns' reduced capacity to pay a dividend due to the economic slowdown during the COVID-19 pandemic.

#### Debt Management

CIC and its subsidiary Crowns prudently manage debt to maintain and enhance financial flexibility. The CIC Board has approved debt ratio targets for CIC and its commercial subsidiaries that take into account their individual circumstances and industry benchmarks.

## **Management's Discussion and Analysis (continued)**

### **Outlook**

The Corporation's outlook for net earnings is highly dependent upon the performance and management of the subsidiary corporations. Earnings expectations are also subject to many variables including: global pandemics, weather conditions, commodity markets, general economic and geopolitical conditions, interest and exchange rates, competition and the regulatory environment.

The Corporation continues to work through uncertain and challenging times due to the pandemic and projects that some Crowns will experience better operating performance than others depending on their industry. Net earnings are largely driven by utility Crowns that have been impacted by the pandemic as it relates to customer demand, particularly at SaskPower. The Corporation anticipates significant ongoing challenges including maintaining and expanding utility infrastructure at SaskPower, SaskEnergy and SaskWater; keeping pace with industry technological change and competition at SaskTel and SGI CANADA and claims related to severe storms at SGI CANADA. Significant capital expenditures in these companies are expected in the medium term.

The Corporation has assessed and continues to monitor the impact of COVID-19 on its operations. The magnitude and duration of COVID-19 is uncertain and, if it causes significant disruption for an extended period of time, the impacts to the Corporation will increase. Potential impacts include loss of revenue, supply chain disruptions, challenges associated with a remote or unavailable workforce and potential asset impairment. As a result of the pandemic, SGC temporarily closed Casino Regina and Casino Moose Jaw and is at risk of having to take similar precautions in the future.

In addition, continued volatility in financial markets may further affect valuation of pension liabilities, provisions, portfolio investments, and natural gas price management instruments and inventory.

**Crown Investments Corporation of Saskatchewan**  
**Condensed Consolidated Interim Statement of Financial Position**  
**As at**  
**(thousands of dollars)**

Note	(Unaudited) September 30 2020	(Audited*) March 31 2020
<b>ASSETS</b>		
Current		
Cash and cash equivalents	\$ 312,869	\$ 399,308
Short-term investments	373,793	311,405
Accounts receivable	1,051,366	1,033,040
Restricted cash and cash equivalents	14	10
Derivative financial assets	43,394	22,102
Inventories	317,959	255,854
Prepaid expenses	236,748	241,664
Contract assets	59,874	61,548
Contract costs	17,708	16,735
	<b>2,413,725</b>	<b>2,341,666</b>
Restricted cash and cash equivalents	4,557	4,557
Long-term investments	2,190,079	2,032,800
Contract assets	20,439	22,341
Contract costs	56,837	58,349
Investments in equity accounted investees	74,059	73,412
Property, plant and equipment	14,854,210	14,785,672
Right-of-use assets	666,213	695,150
Investment property	165,775	169,240
Intangible assets	407,559	415,273
Other assets	20,493	27,050
	<b>\$ 20,873,946</b>	<b>\$ 20,625,510</b>
<b>LIABILITIES AND PROVINCE'S EQUITY</b>		
Current		
Trade and other payables	\$ 879,721	\$ 892,964
Derivative financial liabilities	74,256	105,373
Notes payable	732,802	1,449,573
Deferred revenue	607,237	545,625
Provisions	306,344	267,303
Lease liabilities	46,932	44,444
Long-term debt due within one year	256,999	441,246
Contract liabilities	113,731	99,922
	<b>3,018,022</b>	<b>3,846,450</b>
Provisions	1,011,827	1,022,755
Lease liabilities	1,028,062	1,043,008
Long-term debt	9,386,456	8,451,387
Contract liabilities	166,164	169,950
Employee future benefits	323,886	241,650
Other liabilities	37,924	35,798
	<b>14,972,341</b>	<b>14,810,998</b>
Province of Saskatchewan's Equity		
Equity advances	808,889	808,889
Retained earnings	4,974,068	4,865,026
Accumulated other comprehensive income	7 118,648	140,597
	<b>5,901,605</b>	<b>5,814,512</b>
	<b>\$ 20,873,946</b>	<b>\$ 20,625,510</b>

Commitments and contingencies 8

(See accompanying notes)

\*As presented in the audited March 31, 2020 consolidated financial statements.

**Crown Investments Corporation of Saskatchewan**  
**Condensed Consolidated Interim Statement of Comprehensive Income**  
**For the Period**  
**(thousands of dollars)**  
**(unaudited)**

	July 1 to September 30 2020	July 1 to September 30 2019	April 1 to September 30 2020	April 1 to September 30 2019
<b>INCOME FROM OPERATIONS</b>				
Revenue	\$ 1,411,698	\$ 1,402,588	\$ 2,757,916	\$ 2,807,040
Other income	2,019	1,591	5,316	1,679
	<b>1,413,717</b>	1,404,179	<b>2,763,232</b>	2,808,719
<b>EXPENSES</b>				
Operating	<b>739,324</b>	704,949	<b>1,366,311</b>	1,343,135
Salaries, wages and short-term employee benefits	<b>218,074</b>	214,752	<b>434,417</b>	446,868
Employee future benefits	<b>17,960</b>	12,286	<b>35,527</b>	22,766
Depreciation and amortization	<b>237,421</b>	228,647	<b>473,782</b>	454,422
Loss on disposal of property, plant and equipment	<b>10,527</b>	9,279	<b>12,152</b>	12,486
Impairment reversals	<b>(30)</b>	(15)	<b>(30)</b>	(23)
Provision for decommissioning and environmental remediation	<b>9</b>	24	<b>12</b>	25
Saskatchewan taxes and fees	<b>42,969</b>	46,734	<b>85,588</b>	94,943
	<b>1,266,254</b>	1,216,656	<b>2,407,759</b>	2,374,622
<b>RESULTS FROM OPERATING ACTIVITIES</b>				
	<b>147,463</b>	187,523	<b>355,473</b>	434,097
Finance income	<b>39,592</b>	20,567	<b>105,269</b>	52,963
Finance expenses	<b>(140,125)</b>	(137,351)	<b>(288,687)</b>	(280,743)
<b>NET FINANCE EXPENSES</b>				
	<b>(100,533)</b>	(116,784)	<b>(183,418)</b>	(227,780)
Share of net earnings from equity accounted investees	<b>1,665</b>	920	<b>2,987</b>	3,035
<b>NET EARNINGS</b>				
	<b>48,595</b>	71,659	<b>175,042</b>	209,352
<b>OTHER COMPREHENSIVE INCOME</b>				
Defined benefit plan actuarial (losses) gains	<b>(21,089)</b>	5,525	<b>(79,075)</b>	(17,949)
Unrealized (losses) gains on sinking funds	<b>(10,370)</b>	4,042	<b>37,311</b>	28,598
Unrealized gains on cash flow hedges	<b>18,078</b>	13,634	<b>19,585</b>	15,477
Amounts amortized to net earnings and included in net finance expenses	<b>115</b>	115	<b>230</b>	230
<b>OTHER COMPREHENSIVE (LOSS) INCOME</b>				
	<b>(13,266)</b>	23,316	<b>(21,949)</b>	26,356
<b>TOTAL COMPREHENSIVE INCOME</b>				
<b>ATTRIBUTABLE TO THE PROVINCE</b>				
<b>OF SASKATCHEWAN</b>	<b>\$ 35,329</b>	\$ 94,975	<b>\$ 153,093</b>	\$ 235,708

(See accompanying notes)

**Crown Investments Corporation of Saskatchewan**  
**Condensed Consolidated Interim Statement of Changes in Equity**  
**For the Period**  
**(thousands of dollars)**  
**(unaudited)**

**Attributable to the Province of Saskatchewan**

	<b>Equity Advances</b>	<b>Retained Earnings</b>	<b>Accumulated Other Comprehensive Income (Note 7)</b>	<b>Total Equity</b>
<b>Balance at April 1, 2019</b>	<b>\$ 908,889</b>	<b>\$ 4,679,664</b>	<b>\$ 77,120</b>	<b>\$ 5,665,673</b>
Total comprehensive income	-	209,352	26,356	<b>235,708</b>
Dividends to the GRF	-	(129,500)	-	<b>(129,500)</b>
<b>Balance at September 30, 2019</b>	<b>\$ 908,889</b>	<b>\$ 4,759,516</b>	<b>\$ 103,476</b>	<b>\$ 5,771,881</b>
<b>Balance at October 1, 2019</b>	<b>\$ 908,889</b>	<b>\$ 4,759,516</b>	<b>\$ 103,476</b>	<b>\$ 5,771,881</b>
Total comprehensive income	-	226,010	37,121	<b>263,131</b>
Equity advances repaid to the GRF	(100,000)	-	-	<b>(100,000)</b>
Dividends to GRF	-	(120,500)	-	<b>(120,500)</b>
<b>Balance at March 31, 2020</b>	<b>\$ 808,889</b>	<b>\$ 4,865,026</b>	<b>\$ 140,597</b>	<b>\$ 5,814,512</b>
<b>Balance at April 1, 2020</b>	<b>\$ 808,889</b>	<b>\$ 4,865,026</b>	<b>\$ 140,597</b>	<b>\$ 5,814,512</b>
Total comprehensive income (loss)	-	175,042	(21,949)	<b>153,093</b>
Dividends to the GRF	-	(66,000)	-	<b>(66,000)</b>
<b>Balance at September 30, 2020</b>	<b>\$ 808,889</b>	<b>\$ 4,974,068</b>	<b>\$ 118,648</b>	<b>\$ 5,901,605</b>

(See accompanying notes)

**Crown Investments Corporation of Saskatchewan  
Condensed Consolidated Interim Statement of Cash Flows  
For the Period  
(thousands of dollars)  
(unaudited)**

Note	April 1 to September 30 2020	April 1 to September 30 2019
<b>OPERATING ACTIVITIES</b>		
Net earnings	\$ 175,042	\$ 209,352
Adjustments to reconcile net earnings to cash from operating activities	9 623,646	693,596
Net change in non-cash working capital balances related to operations	90,674	109,085
Income taxes paid	(6,910)	-
Interest paid	(281,416)	(285,527)
<b>Net cash from operating activities</b>	<b>601,036</b>	<b>726,506</b>
<b>INVESTING ACTIVITIES</b>		
Interest received	11,012	20,174
Dividends received	410	4,016
Purchase of investments	(683,997)	(565,663)
Proceeds from sale and collection of investments	593,344	508,511
Purchase of property, plant and equipment (Costs related to) proceeds related to sale of property, plant and equipment	(529,633)	(595,697)
Purchase of intangible assets	(25,335)	(47,902)
Purchase of investment property	(761)	(1,064)
Decrease in restricted cash and cash equivalents	(4)	(37)
Decrease in other assets	345	1,194
<b>Net cash used in investing activities</b>	<b>(637,839)</b>	<b>(675,185)</b>
<b>FINANCING ACTIVITIES</b>		
Decrease in notes payable	(716,761)	(345,929)
Increase (decrease) in other liabilities	3,232	(96,118)
Debt proceeds from the GRF	938,363	615,837
Debt repayments to the GRF	(183,971)	(4,500)
Debt proceeds from other lenders	-	42,209
Debt repayments to other lenders	(1,049)	(22,938)
Principal repayments of lease liabilities	(16,889)	(15,236)
Sinking fund instalments	(56,119)	(51,234)
Sinking fund redemptions	49,558	3,193
Dividends paid	(66,000)	(129,500)
<b>Net cash used in financing activities</b>	<b>(49,636)</b>	<b>(4,216)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS DURING PERIOD</b>	<b>(86,439)</b>	<b>47,105</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	<b>399,308</b>	<b>193,170</b>
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	<b>\$ 312,869</b>	<b>\$ 240,275</b>

(See accompanying notes)

**Crown Investments Corporation of Saskatchewan**  
**Notes to Condensed Consolidated Interim Financial Statements**  
**September 30, 2020**  
**(thousands of dollars)**  
**(unaudited)**

**1. General information**

Crown Investments Corporation of Saskatchewan (CIC) is a corporation domiciled in Canada. The address of CIC's registered office and principal place of business is 400 - 2400 College Avenue, Regina, SK, S4P 1C8. The condensed consolidated interim financial statements of CIC comprise CIC and its subsidiaries (collectively referred to as "CIC" or "the Corporation") and CIC's interest in associates, joint ventures and joint operations with principal activities as described in Note 4 (a).

The results included in these condensed consolidated interim financial statements should not be taken as indicative of the performance to be expected for a full fiscal year due to the seasonal nature of corporate operations.

**2. Basis of preparation**

**a) Statement of compliance**

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 - *Interim Financial Reporting*. The condensed consolidated interim financial statements do not include all of the information required for full annual financial statements, and accordingly should be read in conjunction with the March 31, 2020 audited consolidated financial statements.

The condensed consolidated interim financial statements were authorized for issue by the Board of Directors on December 16, 2020.

**b) Functional and presentation currency**

These condensed consolidated interim financial statements are presented in Canadian dollars, which is CIC's functional currency.

**3. Application of revised accounting standards**

The following amendments to standards, effective for annual periods beginning on or after January 1, 2020, have been applied in preparing these interim condensed consolidated financial statements:

**IFRS 3, Business Combinations**

The Corporation has adopted the amendments to IFRS 3, *Business Combinations* with a date of initial application of April 1, 2020. In accordance with the transitional provisions of IFRS 3, the Corporation has applied IFRS 3 prospectively. The amendments to IFRS 3 may affect whether future acquisitions are accounted for as business combinations or asset acquisitions, along with the resulting allocation of the purchase price between goodwill and net identifiable assets acquired. The adoption of the amendments to IFRS 3 has not had a significant impact on the financial statements.

**4. Significant accounting policies**

The accounting policies and methods of computation used in the preparation of these condensed consolidated interim financial statements are consistent with those disclosed in CIC's March 31, 2020 audited consolidated financial statements, except as described in Note 3.

The accounting policies have been applied consistently to all periods presented in these condensed consolidated interim financial statements and have been consistently applied by CIC's subsidiaries.

**a) Basis of consolidation**

**Subsidiaries**

Saskatchewan provincial Crown corporations are either designated as subsidiary Crown corporations of CIC or created as CIC Crown corporations under *The Crown Corporations Act, 1993* (the Act). The Act assigns specific financial and other responsibilities regarding these corporations to CIC.



**Crown Investments Corporation of Saskatchewan**  
**Notes to Condensed Consolidated Interim Financial Statements**  
**September 30, 2020**  
**(thousands of dollars)**  
**(unaudited)**

**4. Significant accounting policies (continued)**

In addition to the Crown corporations listed below, the Corporation also consolidates the accounts of the following wholly-owned share capital subsidiaries: CIC Asset Management Inc.; First Nations and Métis Fund Inc.; CIC Economic Holdco Ltd.; and Saskatchewan Immigrant Investor Fund Inc., all of which are domiciled in Canada.

Unaudited condensed separate interim financial statements for CIC have been prepared to show the financial position and results of operations of the corporate entity. In addition, condensed interim financial statements for each of the undernoted Crown corporations, which are consolidated in these financial statements, are prepared and released publicly:

<b>Wholly-owned subsidiaries domiciled in Canada</b>	<b>Principal activity</b>
Saskatchewan Power Corporation (SaskPower)	Electricity
Saskatchewan Telecommunications Holding Corporation and Saskatchewan Telecommunications (collectively SaskTel)	Information and communications technology
SaskEnergy Incorporated (SaskEnergy)	Natural gas storage and delivery
Saskatchewan Water Corporation (SaskWater)	Water and wastewater management
Saskatchewan Government Insurance (SGI CANADA)	Property and casualty insurance
Saskatchewan Gaming Corporation (SGC)	Entertainment
Saskatchewan Opportunities Corporation (SOCO)	Research parks

**Associates and joint ventures (investments in equity accounted investees)**

Associates are those entities in which CIC has significant influence, but not control, over strategic financial and operating decisions. Significant influence is presumed to exist when CIC holds between 20.0 and 50.0 per cent of the voting power of another entity. CIC has classified its investment in Information Services Corporation as an associate.

Joint ventures are those entities over whose activities CIC has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions; and provide CIC with rights to the net assets of the arrangement.

Associates and joint ventures are accounted for using the equity method and are recognized initially at cost. CIC's investment includes any goodwill identified at acquisition, net of accumulated impairment losses. The condensed consolidated interim financial statements include CIC's share of the total comprehensive income and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of CIC, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When CIC's share of losses exceeds its interest in equity accounted investees, the carrying amount of that interest is reduced and the recognition of further losses is discontinued except to the extent that CIC has an obligation or has made payments on behalf of the investee.

**Joint operations**

Joint operations are those entities over whose activities CIC has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions; and provide CIC with rights to the assets and obligations for the liabilities, related to the arrangement. The condensed consolidated interim financial statements include CIC's proportionate share of joint operation assets, incurred liabilities, income and expenses.

CIC has classified its 50.0 per cent interest in the Totnes Natural Gas Storage Facility as joint operations.

**Transactions eliminated on consolidation**

Inter-group balances and transactions, and any unrealized income and expenses arising from inter-group transactions, are eliminated in preparing the condensed consolidated interim financial statements. Unrealized gains arising from transactions with investments in equity accounted investees are eliminated against the investment to the extent of CIC's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

**Crown Investments Corporation of Saskatchewan**  
**Notes to Condensed Consolidated Interim Financial Statements**  
**September 30, 2020**  
**(thousands of dollars)**  
**(unaudited)**

**4. Significant accounting policies (continued)**

**b) New standards not yet adopted**

The following standard is not yet effective for the period ended September 30, 2020 and has not been applied in preparing these condensed consolidated interim financial statements.

**IFRS 17, Insurance Contracts**

In May 2017, the IASB issued IFRS 17 on the accounting for insurance contracts, which would replace IFRS 4, *Insurance Contracts*. IFRS 17 applies to annual periods beginning on or after January 1, 2023, with earlier application permitted if IFRS 15 and IFRS 9 are also adopted. While early adoption is permitted under the standard, the Office of the Superintendent of Financial Institutions (OSFI) has indicated that early adoption is not allowed. While the Corporation is not federally regulated, it generally follows OSFI's guidance in such matters. The standard represents a comprehensive IFRS accounting model for insurance contracts and is expected to have a significant impact on the financial statements. The Corporation is in the process of assessing the impact of the new proposed standard.

**5. Status of CIC**

CIC was established by Order in Council 535/47 dated April 2, 1947 and is continued under the provisions of *The Crown Corporations Act, 1993*. CIC is an agent of Her Majesty in Right of the Province of Saskatchewan and as a provincial Crown corporation is not subject to federal and provincial income taxes. Certain associates, joint ventures, joint operations and subsidiaries are not provincial Crown corporations and are subject to federal and provincial income taxes.

**6. Equity advances and capital disclosures**

CIC does not have share capital. However, CIC has received advances from the GRF to form its equity capitalization. The advances are an equity investment in CIC by the GRF.

Due to its ownership structure, CIC has no access to capital markets for equity. Equity advances in CIC are determined by the shareholder on an annual basis. Dividends to the GRF are determined through the Saskatchewan provincial budget process on an annual basis.

CIC closely monitors its debt level utilizing the debt ratio as a primary indicator of financial health. The debt ratio measures the amount of debt in CIC's capital structure. CIC uses this measure in assessing the extent of financial leverage and in turn, its financial flexibility.

Too high a ratio relative to target indicates an excessive debt burden that may impair CIC's ability to withstand downturns in revenues and still meet fixed payment obligations. The ratio is calculated as net debt divided by capitalization at the end of the period.

CIC reviews the debt ratio targets of all its subsidiary Crown corporations on an annual basis to ensure consistency with industry standards. This review includes subsidiary Crown corporations' plans for capital spending. The target debt ratios for subsidiary Crown corporations are approved by the CIC Board. CIC uses targeted debt ratios to compile a weighted average debt ratio for the CIC Crown sector.

CIC raises most of its capital requirements through internal operating activities and long-term debt through the GRF. This type of borrowing allows CIC to take advantage of the Province of Saskatchewan's strong credit rating and receive financing at attractive interest rates.

CIC made no changes to its approach to capital management during the period.

**Crown Investments Corporation of Saskatchewan**  
**Notes to Condensed Consolidated Interim Financial Statements**  
**September 30, 2020**  
(thousands of dollars)  
(unaudited)

**6. Equity advances and capital disclosures (continued)**

The debt ratio is as follows:

	<b>September 30 2020</b>	March 31 2020
Total debt (a)	<b>\$ 10,376,257</b>	\$ 10,342,206
Less: Sinking funds	<b>(1,264,082)</b>	(1,198,312)
Net debt	<b>9,112,175</b>	9,143,894
Equity	<b>5,901,605</b>	5,814,512
Capitalization	<b>\$ 15,013,780</b>	\$ 14,958,406
Debt ratio	<b>60.7%</b>	61.1%

a) Total debt includes long-term debt, long-term debt due within one year and notes payable.

**7. Accumulated other comprehensive income**

	<b>September 30 2020</b>	March 31 2020
Items that may be reclassified to net earnings:		
Unrealized gains on sinking funds	<b>\$ 70,292</b>	\$ 32,981
Unrealized gains (losses) on cash flow hedges	<b>6,239</b>	(13,346)
Realized losses on cash flow hedges	<b>(11,006)</b>	(11,236)
	<b>65,525</b>	8,399
Items that will not be reclassified to net earnings:		
Impact of changes in defined benefit plan actuarial assumptions	<b>53,123</b>	132,198
	<b>\$ 118,648</b>	\$ 140,597

**8. Commitments and contingencies**

CIC has various legal matters pending which, in the opinion of management, will not have a material effect on CIC's consolidated financial position or results of operations. Should the ultimate resolution of actions differ from management's assessments and assumptions, a material adjustment to CIC's financial position or results of operations could result.

**9. Condensed consolidated interim statement of cash flows**

	<b>April 1 to September 30 2020</b>	April 1 to September 30 2019
<b>Adjustments to reconcile net earnings to cash provided from operating activities</b>		
Depreciation and amortization	<b>\$ 473,782</b>	\$ 454,422
Share of earnings from investments in equity accounted investees	<b>(2,987)</b>	(3,035)
Defined benefit pension plan expense	<b>2,809</b>	3,815
Provision for decommissioning and environmental remediation liabilities	<b>12</b>	25
Unrealized (gains) losses on derivative financial instruments	<b>(24,957)</b>	24,669
Inventory recoveries	<b>(5,828)</b>	(2,881)
Loss on disposal of property, plant and equipment	<b>12,152</b>	12,486
Impairment reversals	<b>(30)</b>	(23)
Net finance expenses	<b>183,418</b>	227,780
Reclassification of natural gas hedges transitional market value losses	<b>(10,139)</b>	(17,897)
Other non-cash items	<b>(4,586)</b>	(5,765)
	<b>\$ 623,646</b>	\$ 693,596

**Crown Investments Corporation of Saskatchewan**  
**Notes to Condensed Consolidated Interim Financial Statements**  
**September 30, 2020**  
**(thousands of dollars)**  
**(unaudited)**

**10. Fair value of financial instruments**

Fair value measurements are categorized into levels within a fair value hierarchy based on the nature of inputs used in the valuation.

Level 1 - Unadjusted quoted prices for identical assets or liabilities are readily available from an active market. The Corporation defines an active market based on the frequency of valuation, any restrictions or illiquidity on disposition of the underlying asset or liability, and trading volumes.

Level 2 - Inputs, other than quoted prices included in level 1 that are observable either directly or indirectly.

Level 3 - Inputs are not based on observable market data.

CIC's financial instruments at fair value are categorized within this hierarchy as follows:

	<b>September 30, 2020</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Cash and cash equivalents	\$ 312,869	\$ -	\$ -	\$ 312,869
Restricted cash and cash equivalents	4,571	-	-	4,571
Notes payable	732,802	-	-	732,802
Investments carried at fair value through profit or loss	234,944	794,140	206,610	1,235,694
Investments carried at fair value through other comprehensive income	-	1,264,082	-	1,264,082
Investments - amortized cost	-	64,083	-	64,083
Long-term debt	-	10,218,246	-	10,218,246
Physical natural gas contracts - net	-	18,065	-	18,065
Natural gas price swaps - net	-	(49,734)	-	(49,734)
Physical electric forwards - net	-	556	-	556
Foreign exchange forward contracts - net	-	251	-	251

March 31, 2020

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 399,308	\$ -	\$ -	\$ 399,308
Restricted cash and cash equivalents	4,567	-	-	4,567
Notes payable	1,449,573	-	-	1,449,573
Investments carried at fair value through profit or loss	182,047	705,020	195,633	1,082,700
Investments carried at fair value through other comprehensive income	-	1,198,312	-	1,198,312
Investments - amortized cost	-	63,163	-	63,163
Long-term debt	-	10,283,692	-	10,283,692
Physical natural gas contracts - net	-	(7,089)	-	(7,089)
Natural gas price swaps - net	-	(79,459)	-	(79,459)
Physical electricity forwards - net	-	3,277	-	3,277

**11. Subsequent events**

Subsequent to quarter-end, SaskPower received a favourable ruling from an arbitral panel regarding the resolution of claims arising from the construction of the Boundary Dam Integrated Carbon Capture and Storage Demonstration Project. The amount of the arbitral award will be recognized when the arbitration process has been concluded.

**12. Comparative information**

Certain of the comparative information have been reclassified to conform to the current period's presentation.



**CIC SEPARATE**

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**FINANCIAL STATEMENTS**

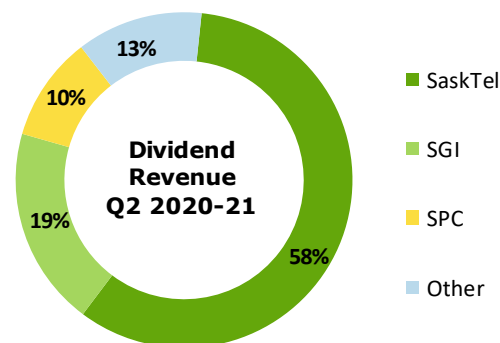
# Separate Financial Statements

## Management's Discussion and Analysis

CIC is the Provincial Government's holding company for its commercial Crowns. CIC has invested equity in its subsidiary Crown corporations and collects dividends from these corporations. Dividends are based on the overall financial health of the subsidiary Crown and its need for capital investment and debt reduction, if required.

This narrative on CIC's separate September 30, 2020 second quarter results should be read in conjunction with the March 31, 2020 audited separate financial statements.

For the purposes of this narrative on CIC's separate financial results, "CIC" refers to the holding company.



## Financial Results

CIC Separate Second Quarter Earnings (millions of dollars) (unaudited)	For the six months ended	
	September 30 2020	September 30 2019
Dividend revenue	\$ 84.1	\$ 98.3
Add: Finance and other revenue	0.2	0.7
Less: Operating, salaries and other expenses	(4.6)	(4.7)
Grants to Saskatchewan Immigrant Investor Fund Inc. (SIIF)	-	(6.4)
<b>Total Separate Earnings</b>	<b>\$ 79.7</b>	<b>\$ 87.9</b>

## Net Earnings

Net earnings for the six months ended September 30, 2020 were \$79.7 million (2019-20 - \$87.9 million), a decrease of \$8.2 million. The decrease in net earnings is primarily due to lower dividend revenue of \$14.2 million offset by decreased grants to SIIF of \$6.4 million. A more detailed discussion of the net earnings is included on the following pages.

## Dividend Revenue

Dividend revenue for the six months ended September 30, 2020 was \$84.1 million (2019-20 - \$98.3 million). The \$14.2 million decrease is primarily due to most subsidiary Crown corporations experiencing decreases in forecast earnings due to the COVID-19 pandemic, negatively impacting their dividend capacity. The second quarter of 2020-21 resulted in lower dividends declared compared to the same period of 2019-20 from SaskTel (\$9.2 million), SaskGaming (\$8.9 million) and SaskPower (\$2.5 million). These decreases were partially offset by a higher dividend declared by SaskEnergy (\$5.3 million) and SGI CANADA (\$1.1 million). Crown dividend capacity considers infrastructure reinvestment requirements, financial performance and debt reduction, if required.

## Management's Discussion and Analysis (continued)

### Dividend Revenue (continued)

For the first six months of each fiscal period, dividends from subsidiary Crown corporations are based on 50 per cent of forecast dividends for the year. The forecast dividend is typically based on a percentage of operating earnings; however, various factors may lead to an amount being set on an alternate basis. Operating earnings excludes any non-cash fair market value adjustments on items such as financial instruments and inventory. Dividend targets are based on the overall financial health of the subsidiary Crown and its need for capital investment and debt reduction, if required. These targets are subject to change during the year if there is a significant change in circumstances.

### Operating, Salaries and Other Expenses

Operating, salaries and other expenses for the six months ended September 30, 2020 were \$4.6 million (2019-20 - \$4.7 million). CIC continues to show restraint and these expenses are consistent with the same period of 2019-20.

### Grants to SIIF

In the six months ended September 30, 2020, CIC provided Nil (2019-20 - \$6.4 million) in grants to SIIF to support its repayments to the Government of Canada relating to the Immigrant Investor Program (IIP). CIC is expecting to provide grants over the remaining months of 2020-21. In the prior year, SIIF recorded an impairment on a developer loan, which resulted in the requirement for grants to meet its repayment obligations. Overall, SIIF has been very successful committing capital to construct 2,224 entry level homes in the province, exceeding its mandate to finance construction of more than 1,500 entry level homes in Saskatchewan.

SIIF was established in 2010 to participate in the Government of Canada's IIP. SIIF used IIP funds to deliver the Government of Saskatchewan's HeadStart on a Home program that assisted developers in building affordable entry-level housing in Saskatchewan. Funds received from the IIP are to be paid back to the Federal Government, after a term of five years, with the final repayment projected to be in 2024.

### Liquidity and Capital Resources

Cash Flow Highlights (millions of dollars) (unaudited)	For the six months ended	
	September 30 2020	September 30 2019
Net cash from operating activities	\$ 80.2	\$ 137.7
Net cash (used in) from investing activities	(4.6)	2.8
Net cash used in financing activities	<u>(66.2)</u>	<u>(129.7)</u>
Net change in cash	<u>\$ 9.4</u>	<u>\$ 10.8</u>

### Liquidity

CIC finances its capital requirements through internally generated cash flow and, infrequently, through borrowing from the General Revenue Fund (GRF). The GRF borrows on CIC's behalf in capital markets.



## **Management's Discussion and Analysis (continued)**

### **Operating, Investing and Financing Activities**

Net cash from operating activities for the six months ended September 30, 2020 was \$80.2 million (2019-20 - \$137.7 million), a decrease of \$57.5 million. Cash from operating activities, before the impacts of non-cash items, decreased as a result of the COVID-19 pandemic negatively impacting earnings at many Crown corporations and dividends to CIC. Crowns declare dividends to CIC and pay them three months later. The first half of 2020-21 resulted in Crowns declaring lower dividends to CIC, which significantly decreases cash from operations.

Net cash used in investing activities for the six months ended September 30, 2020 was \$4.6 million (cash from investing in 2019-20 - \$2.8 million), a decrease in cash of \$7.4 million. In the first half of 2020-21, CIC provided SaskGaming with an equity advance of \$4.0 million to fund re-opening of the Regina and Moose Jaw casinos, which were closed in March 2020 as a result the COVID-19 pandemic. In the first half of 2019-20, CIC received proceeds from the sale of the STC Regina maintenance facility and did not receive any other cash proceeds in 2020-21.

Net cash used in financing activities for the six months ended September 30, 2020 was \$66.2 million (2019-20 - \$129.7 million). In 2020-21, many Crown Corporations' earnings from operations have been impacted by the COVID-19 pandemic and dividends paid to CIC were considerably lower. In the fourth quarter of 2018-19, the Crowns experienced strong earnings, which resulted in declaring a large dividend to CIC which was paid in the first quarter of 2019-20. CIC subsequently paid a \$129.5 million dividend to the GRF on June 28, 2019. CIC's 2020-21 dividend payment to the GRF was \$66.0 million.

### **Debt Management**

CIC as a legal entity has no debt. Currently, CIC does not expect to borrow in 2020-21.

### **Outlook and Key Factors Affecting Performance**

Since CIC is a holding company, therefore, the key factor affecting its earnings is the level of subsidiary Crown corporation earnings and, in turn, dividends. The CIC Board determines dividend levels after considering medium term reinvestment needs within each Crown corporation to sustain operations, to grow and diversify, and for debt reduction if necessary. The Crown earnings and dividend levels are impacted by, but not limited to, global pandemics, weather conditions, commodity markets, general economic and geopolitical conditions, interest rates, performance, competition, regulatory environment and technology changes. The COVID-19 pandemic is impacting operations across the Crown sector. Declines in economic activity, market variability, and lower non-essential service revenues will impact the Crowns throughout 2020-21.

CIC regularly assesses the appropriateness of the carrying value of its investments and writes down an investment if it judges the investment to have other than a temporary decline in carrying value. There is a mandate to divest CIC's investments in CIC AMI, CIC Economic Holdco and FNMF.

**Crown Investments Corporation of Saskatchewan**  
**Condensed Separate Interim Statement of Financial Position**  
**As at**  
**(thousands of dollars)**

	Note	(Unaudited) September 30 2020	(Audited*) March 31 2020
<b>ASSETS</b>			
Current			
Cash and cash equivalents		\$ 20,670	\$ 11,297
Interest and accounts receivable		148	107
Dividends receivable		47,262	47,647
		<b>68,080</b>	59,051
Equity advances to Crown corporations	5	1,089,731	1,085,731
Investments in share capital corporations		675	675
Property, plant and equipment		214	217
Right-of-use assets		66	278
		<b>\$ 1,158,766</b>	\$ 1,145,952
<b>LIABILITIES AND PROVINCE'S EQUITY</b>			
Current			
Interest and accounts payable		\$ 1,589	\$ 2,250
Lease liabilities		47	254
		<b>1,636</b>	2,504
Lease liabilities		19	25
		<b>1,655</b>	2,529
Province of Saskatchewan's Equity			
Equity advances		808,889	808,889
Retained earnings		348,222	334,534
		<b>1,157,111</b>	1,143,423
		<b>\$ 1,158,766</b>	\$ 1,145,952

(See accompanying notes)

\*As presented in the audited March 31, 2020 separate statement of financial position.

**Crown Investments Corporation of Saskatchewan**  
**Condensed Separate Interim Statement of Comprehensive Income**  
**For the Period**  
**(thousands of dollars)**  
**(unaudited)**

	Note	July 1 to September 30 2020	July 1 to September 30 2019	April 1 to September 30 2020	April 1 to September 30 2019
<b>INCOME FROM OPERATIONS</b>					
Dividend revenue	6	\$ 48,347	\$ 45,875	\$ 84,069	\$ 98,315
Other income		170	1	170	8
		<b>48,517</b>	45,876	<b>84,239</b>	98,323
<b>EXPENSES</b>					
Operating		371	795	693	1,292
Salaries and short-term employee benefits		1,399	1,529	2,812	2,997
Employee future benefits		98	97	196	184
Impairment loss		547	-	613	-
Depreciation		136	131	277	258
		<b>2,551</b>	2,552	<b>4,591</b>	4,731
<b>EARNINGS FROM OPERATIONS</b>					
		<b>45,966</b>	43,324	<b>79,648</b>	93,592
Finance income		32	215	45	674
Finance expense		(2)	(5)	(5)	(10)
<b>NET FINANCE INCOME</b>					
		<b>30</b>	210	<b>40</b>	664
<b>EARNINGS BEFORE PUBLIC POLICY INITIATIVES</b>					
		<b>45,996</b>	43,534	<b>79,688</b>	94,256
Grants to Saskatchewan Immigrant Investor Fund Inc.		-	(750)	-	(6,356)
<b>NET EARNINGS</b>					
		<b>45,996</b>	42,784	<b>79,688</b>	87,900
<b>OTHER COMPREHENSIVE INCOME</b>					
		-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE PROVINCE OF SASKATCHEWAN</b>					
		<b>\$ 45,996</b>	\$ 42,784	<b>\$ 79,688</b>	\$ 87,900

(See accompanying notes)

**Crown Investments Corporation of Saskatchewan**  
**Condensed Separate Interim Statement of Changes in Equity**  
**For the period**  
**(thousands of dollars)**  
**(unaudited)**

**Attributable to the Province of Saskatchewan**

	<b>Equity Advances</b>	<b>Retained Earnings</b>	<b>Total Equity</b>
Balance at April 1, 2019	\$ 908,889	\$ 372,008	\$ 1,280,897
Total comprehensive income	-	87,900	87,900
Dividends to the GRF	-	(129,500)	(129,500)
<b>Balance at September 30, 2019</b>	<b>\$ 908,889</b>	<b>\$ 330,408</b>	<b>\$ 1,239,297</b>
Balance at October 1, 2019	\$ 908,889	\$ 330,408	\$ 1,239,297
Total comprehensive income	-	124,626	124,626
Dividends to the GRF	-	(120,500)	(120,500)
Equity advances repaid to the GRF	(100,000)	-	(100,000)
<b>Balance at March 31, 2020</b>	<b>\$ 808,889</b>	<b>\$ 334,534</b>	<b>\$ 1,143,423</b>
<b>Balance at April 1, 2020</b>	<b>\$ 808,889</b>	<b>\$ 334,534</b>	<b>\$ 1,143,423</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>79,688</b>	<b>79,688</b>
<b>Dividends to the GRF</b>	<b>-</b>	<b>(66,000)</b>	<b>(66,000)</b>
<b>Balance at September 30, 2020</b>	<b>\$ 808,889</b>	<b>\$ 348,222</b>	<b>\$ 1,157,111</b>

(See accompanying notes)

**Crown Investments Corporation of Saskatchewan  
Condensed Separate Interim Statement of Cash Flows  
For the Period  
(thousands of dollars)  
(unaudited)**

<b>Note</b>	<b>April 1 to September 30 2020</b>	<b>April 1 to September 30 2019</b>
<b>OPERATING ACTIVITIES</b>		
	\$ 79,688	\$ 87,900
	277	258
	613	-
	(40)	(664)
	<b>80,538</b>	87,494
7	(317)	50,269
	(5)	(5)
	<b>80,216</b>	137,758
<b>INVESTING ACTIVITIES</b>		
	45	674
	(613)	-
5	(4,000)	-
	(62)	-
	-	2,090
	<b>(4,630)</b>	2,764
<b>FINANCING ACTIVITIES</b>		
	(66,000)	(129,500)
	(213)	(219)
	<b>(66,213)</b>	(129,719)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS DURING PERIOD</b>		
	<b>9,373</b>	10,803
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>		
	<b>11,297</b>	64,444
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>		
	<b>\$ 20,670</b>	\$ 75,247

(See accompanying notes)

**Crown Investments Corporation of Saskatchewan  
Condensed Separate Interim Statement of Cash Flows  
For the Period  
(thousands of dollars)  
(unaudited)**

**1. General information**

Crown Investments Corporation of Saskatchewan (CIC) is a corporation domiciled in Canada. The address of CIC's registered office and principal place of business is 400 - 2400 College Avenue, Regina, SK, S4P 1C8. CIC was established to act as a holding corporation for the Province's commercial Crown sector. CIC develops broad corporate policy, directs investments for its subsidiaries and provides dividends to the Province's General Revenue Fund (GRF). A list of CIC's subsidiaries is contained in Note 4.

**2. Basis of preparation**

**a) Statement of compliance**

The condensed separate interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 - *Interim Financial Reporting*. The policies set out have been consistently applied to all the periods presented unless otherwise noted. CIC's condensed separate interim financial statements are prepared at the request of the Legislative Assembly of Saskatchewan. The condensed separate interim financial statements do not include all the information required for full annual financial statements, and accordingly should be read in conjunction with the March 31, 2020 audited separate financial statements.

The condensed separate interim financial statements were authorized for issue by the CIC Board of Directors on December 16, 2020.

**b) Functional and presentation currency**

These condensed separate interim financial statements are presented in Canadian dollars, which is CIC's functional currency.

**3. Summary of significant accounting policies**

The accounting policies and methods of computation used in the preparation of these condensed separate interim financial statements are consistent with those disclosed in CIC's March 31, 2020 audited separate financial statements.

CIC's condensed separate interim financial statements do not consolidate the activities of its subsidiaries.

CIC prepares condensed consolidated interim financial statements. The unaudited condensed consolidated interim financial statements were authorized by the CIC Board of Directors December 16, 2020. CIC's condensed consolidated interim financial statements should be referenced for further information.

**4. Status of Crown Investments Corporation of Saskatchewan**

CIC was established by Order in Council 535/47 dated April 2, 1947 and is continued under the provisions of *The Crown Corporations Act, 1993* (the Act). CIC is an agent of Her Majesty in Right of the Province of Saskatchewan and as a provincial Crown corporation is not subject to federal and provincial income taxes. Certain jointly controlled enterprises and subsidiaries are not provincial Crown corporations and are subject to federal and provincial income taxes.

The Act assigns specific financial and other responsibilities to CIC regarding Crown corporations designated or created as subsidiary Crown corporations of CIC under the Act. The following wholly owned Crown corporations have been designated or created by Order in Council:

Saskatchewan Power Corporation	Saskatchewan Telecommunications
SaskEnergy Incorporated	Saskatchewan Telecommunications
Saskatchewan Water Corporation	Holding Corporation
Saskatchewan Government Insurance	Saskatchewan Gaming Corporation
Saskatchewan Opportunities Corporation	

In addition to the above Crown corporations, CIC is the sole shareholder of CIC Asset Management Inc. (CIC AMI), First Nations and Métis Fund Inc. (FNMF), Saskatchewan Immigrant Investor Fund Inc. (SIIF), and CIC Economic Holdco Ltd., which are wholly owned share capital subsidiaries. All subsidiary Corporations are domiciled in Canada.

**Crown Investments Corporation of Saskatchewan  
Condensed Separate Interim Statement of Cash Flows  
For the Period  
(thousands of dollars)  
(unaudited)**

**5. Equity advances to Crown corporations**

	<b>September 30 2020</b>	March 31 2020
Saskatchewan Power Corporation	\$ 593,000	\$ 593,000
Saskatchewan Telecommunications Holding Corporation	237,000	237,000
Saskatchewan Opportunities Corporation	95,500	95,500
Saskatchewan Government Insurance	80,000	80,000
SaskEnergy Incorporated	71,531	71,531
Saskatchewan Water Corporation	8,700	8,700
Saskatchewan Gaming Corporation	4,000	-
	<b>\$ 1,089,731</b>	<b>\$ 1,085,731</b>

**6. Dividend revenue**

	<b>April 1 to September 30 2020</b>	April 1 to September 30 2019
Saskatchewan Telecommunications Holding Corporation	\$ 49,050	\$ 58,270
Saskatchewan Government Insurance	16,100	15,000
Saskatchewan Power Corporation	8,786	11,255
SaskEnergy Incorporated	5,284	-
Saskatchewan Water Corporation	2,333	1,705
Information Services Corporation	2,170	2,170
Saskatchewan Opportunities Corporation	346	1,068
Saskatchewan Gaming Corporation	-	8,847
	<b>\$ 84,069</b>	<b>\$ 98,315</b>

**7. Net change in non-cash working capital balances related to operations**

	<b>April 1 to September 30 2020</b>	April 1 to September 30 2019
(Increase) decrease in interest and accounts receivable	\$ (41)	\$ 31
Decrease in dividends receivable	385	51,347
Decrease in interest and accounts payable	(661)	(584)
Decrease in deferred revenue	-	(525)
	<b>\$ (317)</b>	<b>\$ 50,269</b>