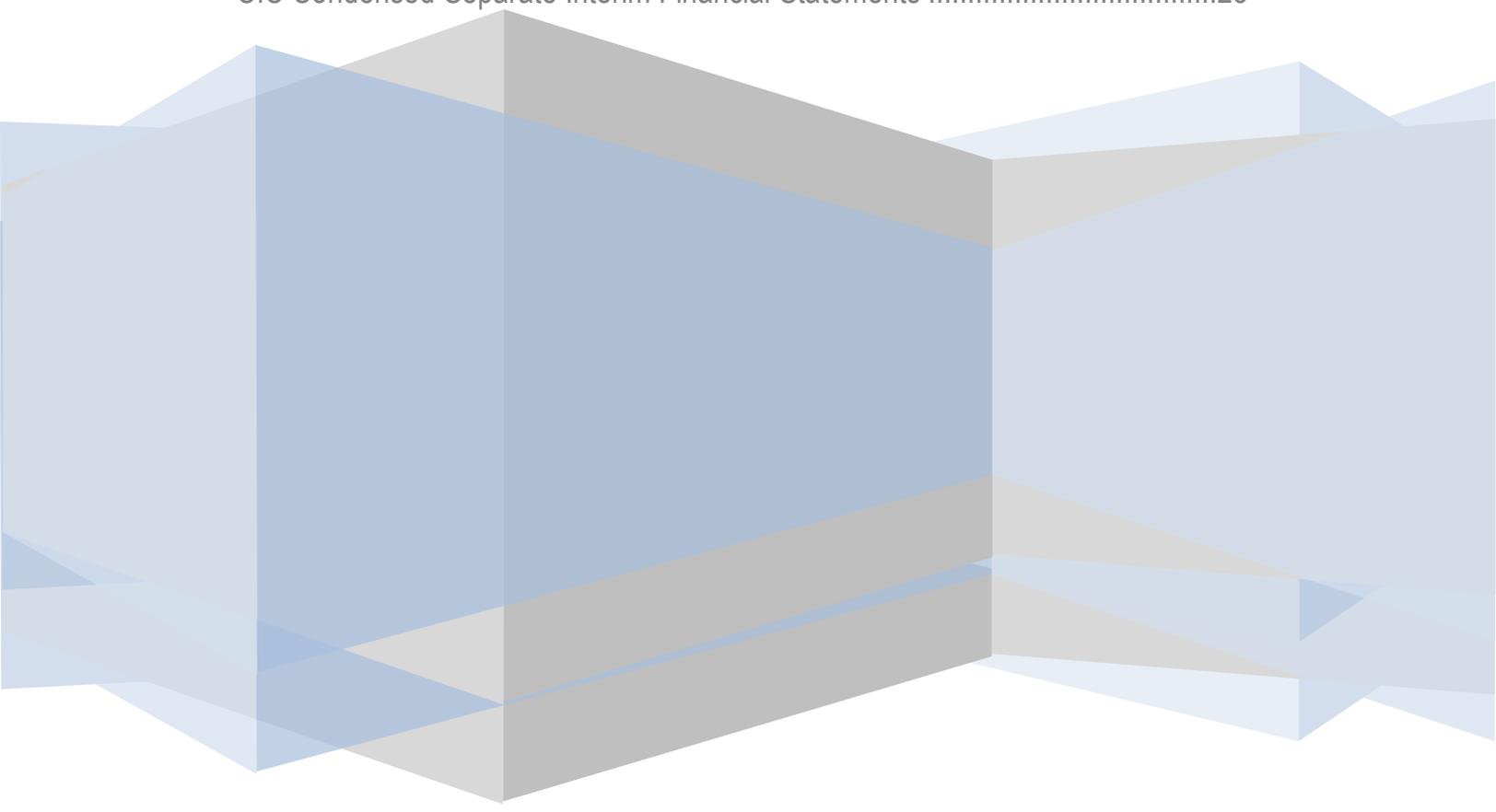


# Quarter 3 Financial Report

For the period ended December 31, 2020

Introduction .....	1
CIC Consolidated Management's Discussion and Analysis.....	3
CIC Condensed Consolidated Interim Financial Statements .....	11
CIC Separate Management's Discussion and Analysis .....	20
CIC Condensed Separate Interim Financial Statements .....	23



## 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 third 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 December 31, 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 a number of 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, joint ventures 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 nine months ended	
	December 31 2020	December 31 2019
<b>SGI CANADA</b>	\$ 129.0	\$ 52.5
<b>SaskTel</b>	107.0	95.7
<b>SaskPower</b>	94.2	152.0
<b>SaskEnergy</b>	29.3	22.7
<b>SaskWater</b>	8.5	5.8
<b>SIIF</b>	1.8	7.0
<b>CIC AMI</b>	0.9	1.9
<b>SOCO</b>	0.7	2.5
<b>SGC</b>	(5.9)	17.6
<b>CIC (Separate)</b>	180.3	177.8
<b>Other<sup>1,2</sup></b>	(173.5)	(188.7)
<b>Net earnings</b>	<b>\$ 372.3</b>	<b>\$ 346.8</b>

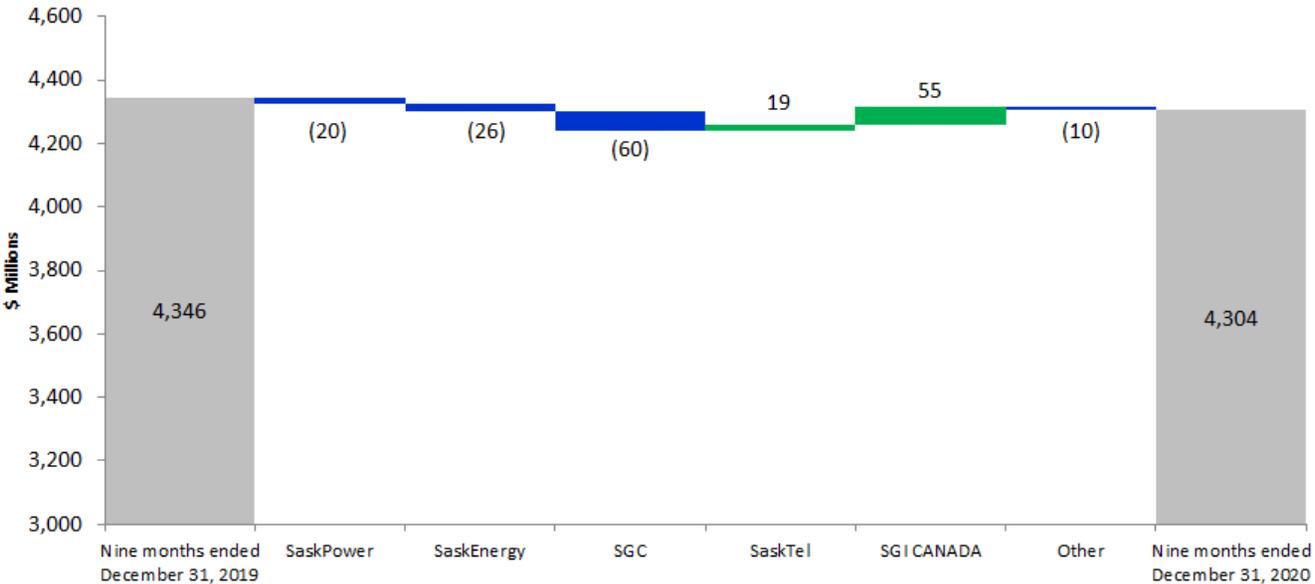
<sup>1</sup> Includes First Nations and Métis Fund Inc., CIC Economic Holdco Ltd., CIC's investment in Information Services Corporation and consolidation adjustments. Consolidation adjustments reflect the elimination of all inter-entity transactions, such as grants from CIC to Crown corporations, revenues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

<sup>2</sup> On January 22, 2021, CIC Economic Holdco Ltd. was dissolved.

The Corporation's consolidated net earnings for the nine months ended December 31, 2020 were \$372.3 million (2019 - \$346.8 million), \$25.5 million higher than the same period in 2019. The Corporation experienced higher net earnings at SGI CANADA, SaskEnergy and SaskTel, partially offset by decreased earnings at SaskPower and SGC. 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 nine months ended December 31, 2020 was \$4,303.8 million (2019 – \$4,346.0 million), a \$42.2 million decrease over the same period in 2019 primarily related to decreases at SGC, SaskPower and SaskEnergy, partially offset by increases at SGI CANADA and SaskTel.

SaskPower revenue decreased \$19.9 million primarily due to a 3.6% per cent decrease in demand, from all customer classes except for agriculture and residential customers, attributed to the economic conditions caused by the COVID-19 pandemic. The decline in revenue was partially offset by an increase in the federal carbon charge rate rider of 2.4% effective January 1, 2020.

SaskEnergy revenue decreased \$26.2 million primarily due to unfavourable market value adjustments on natural gas contracts and fewer contributions for customer connections resulting from uncertainty facing residential and industrial customers in the current economic environment.

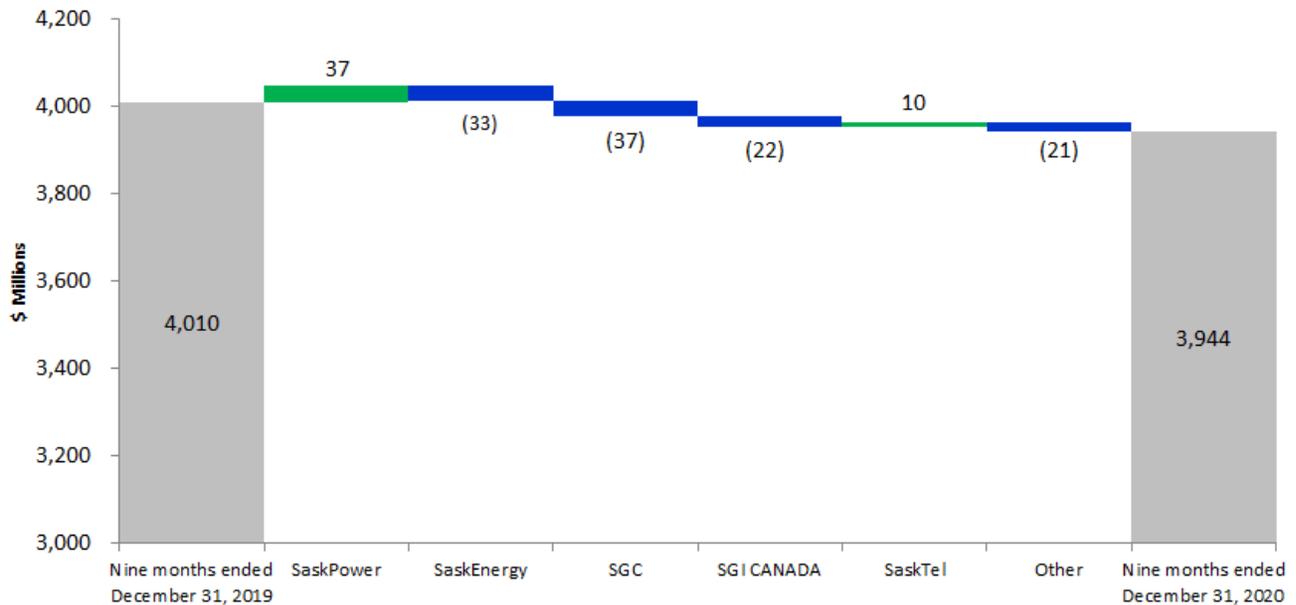
SaskTel revenue increased \$19.0 million primarily due to strong demand for telecommunication services resulting in growth in wireless network and equipment revenue and customer premise equipment sales. Increases in revenue were partially offset by the continued trend of customers removing landlines from their homes.

SGI CANADA revenue increased by \$55.0 million primarily due to increased premiums written in Saskatchewan, Manitoba, and British Columbia. Saskatchewan and Manitoba experienced growth with all lines of business primarily from regular increases in policy rates. British Columbia premiums written increased due to additional broker partnerships.

SGC revenue decreased \$60.0 million because of the temporary closure of Casino Regina and Casino Moose Jaw, from March 17 to July 8, 2020, during the pandemic. Upon reopening in July, the casinos operated with restrictions on capacity and social distancing measures. As of December 19, 2020, Casinos Regina and Moose Jaw are again temporarily closed.

## Management's Discussion and Analysis (continued)

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



Total operating expenses and net finance expense for the nine months ended December 31, 2020 were \$3,944.3 million (2019 - \$4,010.2 million), a \$65.9 million decrease from the same period in 2019 primarily related to decreases at SGI CANADA, SGC and SaskEnergy. This was partially offset by increases at SaskPower.

Total operating and net finance expense increased at SaskPower by \$36.8 million primarily because of higher coal and natural gas acquisition costs. Additional investments in SaskPower's capital program and changes in the useful life of assets, due to a depreciation study, increased depreciation. The increase in operating and net finance expense was also due to an increase in the federal carbon charge rate rider increase of 2.4% effective January 1, 2020. This was partially offset by a favourable arbitration award in relation to a contract dispute.

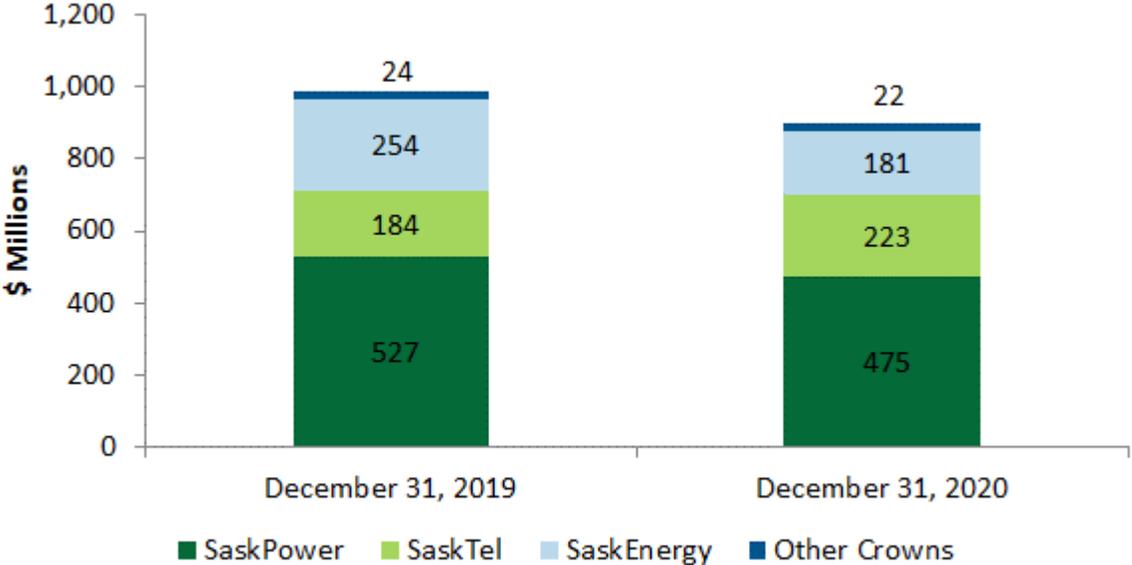
Total operating and net finance expense decreased at SaskEnergy by \$32.7 million primarily due to favourable, non-cash market value adjustments on natural gas purchase contracts. This is a result of SaskEnergy having previously entered into lower natural gas priced contracts.

Total operating and net finance expense decreased at SGI CANADA by \$21.6 million primarily due to increased investment earnings from a strong recovery in domestic and foreign equity markets, combined with increased earnings on fixed income results as decreases in interest rates generate higher earnings. This was partially offset by higher commissions and administrative expenses driven by increases in premium revenue.

Total operating and net finance expense decreased at SGC by \$36.5 million primarily due to casino closures from March 17 to July 8, 2020 as well as limited capacity and restrictions in place after reopening. As of December 19, 2020, Casinos Regina and Moose Jaw are again under temporary closure.

# Management’s Discussion and Analysis (continued)

## Capital Spending

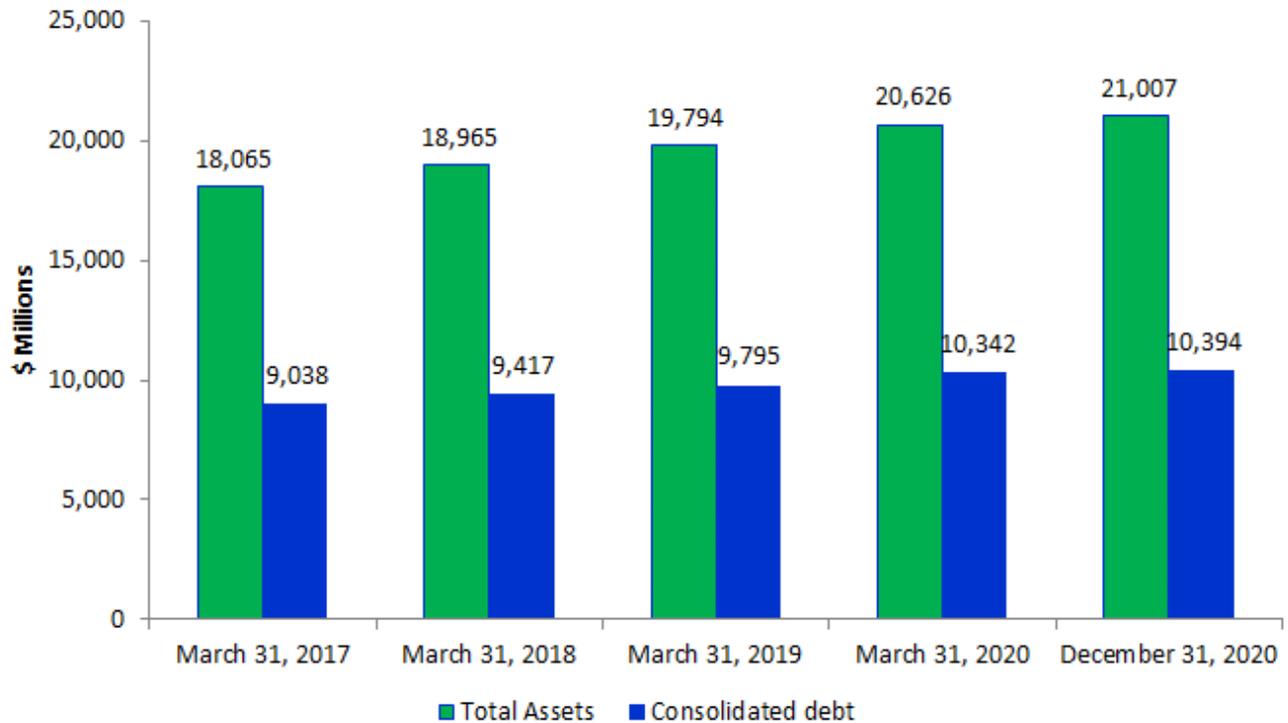


For the nine months ended December 31, 2020, property, plant and equipment, intangible asset and investment property purchases were \$900.6 million (2019 - \$989.0 million), a \$88.4 million decrease from the same period in 2019. Major capital expenditures included:

- \$474.7 million at SaskPower related to generation sustainment activities, connecting customers to the electric system, increasing capacity, and sustaining transmission and distribution infrastructure. This was partially reduced by a favourable arbitral award in relation to a contractual dispute;
- \$223.4 million at SaskTel on the Wireless Saskatchewan program, Fibre to the Premise within and outside major centres, Fibre to business and network modernization initiatives; and
- \$181.0 million at SaskEnergy primarily related to customer connections, natural gas capacity and spending to ensure the safety and integrity of its extensive distribution and transmission systems.

## Management's Discussion and Analysis (continued)

### Consolidated Debt



Consolidated debt at December 31, 2020 was \$10,393.7 million (March 31, 2020 - \$10,342.2 million), a \$51.5 million increase from March 31, 2020. The increase is primarily due to additional debt at SaskEnergy used to fund a portion of their capital expenditures during the period. SaskPower and SaskTel had long-term debt mature which also triggered the redemption of sinking funds for those maturities. Issuance of new debt by SaskPower and SaskTel resulting from maturity of debt, net of sinking fund redemptions, causing a net decrease in debt at those Crowns.

## 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 December 31, 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 nine months ended	
	December 31 2020	December 31 2019
Net cash from operating activities	\$ 956.5	\$ 1,045.8
Net cash used in investing activities	(1,035.1)	(1,049.4)
Net cash from (used in) financing activities	41.5	(14.1)
Change in cash and cash equivalents	\$ (37.1)	\$ (17.7)

### Operating, Investing and Financing Activities

Net cash from operating activities for the nine months ended December 31, 2020 was \$956.5 million (2019 - \$1,045.8 million), a decrease of \$89.3 million. Cash from operating activities decreased primarily due to unfavourable changes in non-cash working capital balances and lower net earnings from SaskPower and SGC due to the COVID-19 pandemic. This is offset by increased net earnings at SGI CANADA from investment earnings.

Net cash used in investing activities for the nine months ended December 31, 2020 was \$1,035.1 million (2019 - \$1,049.4 million). The \$14.3 million decrease is primarily due to lower capital spending on capital assets at SaskPower and SaskEnergy which was partially offset by higher capital spending at SaskTel. These decreases were mostly offset by increased investment purchases at SGI CANADA due to the balancing of their investment portfolio.

Net cash from financing activities for the nine months ended December 31, 2020 was \$41.5 million (2019 - \$14.1 million cash used in). The increase in cash from financing activities of \$55.6 million was due lower payments to the GRF. Lower dividends and equity repayments to the GRF is a result of the Crowns' reduced capacity to pay a dividend resulting from 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 has experienced temporarily closures at Casino Regina and Casino Moose Jaw and is uncertain of when they will reopen 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)**  
**(unaudited)**

	Note	(Unaudited) December 31 2020	(Audited*) March 31 2020
<b>ASSETS</b>			
Current			
Cash and cash equivalents		\$ 362,184	\$ 399,308
Short-term investments		171,498	311,405
Short-term investments under securities lending program		168,149	-
Accounts receivable		1,102,332	1,033,040
Restricted cash and cash equivalents		52	10
Derivative financial assets		18,994	22,102
Inventories		317,252	255,854
Prepaid expenses		211,805	241,664
Contract assets		66,593	61,548
Contract costs		19,043	16,735
		<b>2,437,902</b>	<b>2,341,666</b>
Restricted cash and cash equivalents		4,557	4,557
Long-term investments		2,056,148	2,032,800
Long-term investments under securities lending program		115,516	-
Contract assets		31,847	22,341
Contract costs		57,855	58,349
Investments in equity accounted investees		84,685	73,412
Property, plant and equipment		14,971,605	14,785,672
Right-of-use assets		662,213	695,150
Investment property		164,739	169,240
Intangible assets		404,576	415,273
Other assets		14,922	27,050
		<b>\$ 21,006,565</b>	<b>\$ 20,625,510</b>
<b>LIABILITIES AND PROVINCE'S EQUITY</b>			
Current			
Trade and other payables		\$ 909,389	\$ 892,964
Derivative financial liabilities		73,931	105,373
Notes payable		1,007,822	1,449,573
Deferred revenue		616,064	545,625
Provisions		282,017	267,303
Lease liabilities		49,912	44,444
Long-term debt due within one year		4,874	441,246
Contract liabilities		103,554	99,922
		<b>3,047,563</b>	<b>3,846,450</b>
Contract liabilities		164,562	169,950
Provisions		986,966	1,022,755
Lease liabilities		1,025,528	1,043,008
Long-term debt		9,380,960	8,451,387
Employee future benefits		348,718	241,650
Other liabilities		39,189	35,798
		<b>14,993,486</b>	<b>14,810,998</b>
Province of Saskatchewan's Equity			
Equity advances		808,889	808,889
Retained earnings		5,131,352	4,865,026
Accumulated other comprehensive income	7	72,838	140,597
		<b>6,013,079</b>	<b>5,814,512</b>
		<b>\$ 21,006,565</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)**

	<b>October 1 to December 31 2020</b>	October 1 to December 31 2019	<b>April 1 to December 31 2020</b>	April 1 to December 31 2019
<b>INCOME FROM OPERATIONS</b>				
Revenue	\$ 1,545,835	\$ 1,538,982	\$ 4,303,751	\$ 4,346,022
Other income	2,164	3,201	7,480	4,880
	<b>1,547,999</b>	1,542,183	<b>4,311,231</b>	4,350,902
<b>EXPENSES</b>				
Operating	747,070	770,159	2,113,381	2,113,294
Salaries, wages and short-term employee benefits	215,327	219,470	649,744	666,338
Employee future benefits	18,043	13,703	53,570	36,469
Depreciation and amortization	245,889	235,459	719,671	689,881
Loss on disposal of property, plant and equipment	9,296	6,179	21,448	18,665
Impairment reversals	(10,245)	(453)	(10,275)	(476)
Provision for decommissioning and environmental remediation	13	25	25	50
Saskatchewan taxes and fees	38,755	42,029	124,343	136,972
	<b>1,264,148</b>	1,286,571	<b>3,671,907</b>	3,661,193
<b>RESULTS FROM OPERATING ACTIVITIES</b>				
	<b>283,851</b>	255,612	<b>639,324</b>	689,709
Finance income	65,781	43,863	171,050	96,826
Finance expenses	(154,766)	(165,085)	(443,453)	(445,828)
<b>NET FINANCE EXPENSES</b>				
	<b>(88,985)</b>	(121,222)	<b>(272,403)</b>	(349,002)
Share of net earnings from equity accounted investees	2,418	3,006	5,405	6,041
<b>NET EARNINGS</b>				
	<b>197,284</b>	137,396	<b>372,326</b>	346,748
<b>OTHER COMPREHENSIVE (LOSS) INCOME</b>				
Defined benefit plan actuarial (losses) gains	(21,216)	35,199	(100,291)	17,250
Unrealized (losses) gains on cash flow hedges	(14,711)	2,504	4,874	17,981
Unrealized (losses) gains on sinking funds	(9,997)	(10,770)	27,314	17,828
Amounts amortized to net earnings and included in net finance expenses	114	114	344	344
<b>OTHER COMPREHENSIVE (LOSS) INCOME</b>				
	<b>(45,810)</b>	27,047	<b>(67,759)</b>	53,403
<b>TOTAL COMPREHENSIVE INCOME</b>				
<b>ATTRIBUTABLE TO THE PROVINCE</b>				
<b>OF SASKATCHEWAN</b>	<b>\$ 151,474</b>	\$ 164,443	<b>\$ 304,567</b>	\$ 400,151

(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	-	346,748	53,403	<b>400,151</b>
Equity advances repaid to the GRF	(44,000)	-	-	<b>(44,000)</b>
Dividends to the GRF	-	(184,500)	-	<b>(184,500)</b>
<b>Balance at December 31, 2019</b>	<b>\$ 864,889</b>	<b>\$ 4,841,912</b>	<b>\$ 130,523</b>	<b>\$ 5,837,324</b>
<b>Balance at January 1, 2019</b>	<b>\$ 864,889</b>	<b>\$ 4,841,912</b>	<b>\$ 130,523</b>	<b>\$ 5,837,324</b>
Total comprehensive income	-	88,614	10,074	<b>98,688</b>
Equity advances repaid to the GRF	(56,000)	-	-	<b>(56,000)</b>
Dividends to the GRF	-	(65,500)	-	<b>(65,500)</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)	-	372,326	(67,759)	<b>304,567</b>
Dividends to the GRF	-	(106,000)	-	<b>(106,000)</b>
<b>Balance at December 31, 2020</b>	<b>\$ 808,889</b>	<b>\$ 5,131,352</b>	<b>\$ 72,838</b>	<b>\$ 6,013,079</b>

(See accompanying notes)

**Crown Investments Corporation of Saskatchewan**  
**Condensed Consolidated Interim Statement of Cash Flows**  
**December 31, 2020**  
**(thousands of dollars)**  
**(unaudited)**

	Note	April 1 to December 31 2020	April 1 to December 31 2019
<b>OPERATING ACTIVITIES</b>			
Net earnings		\$ 372,326	\$ 346,748
Adjustments to reconcile net earnings to cash from operating activities	9	970,225	1,045,347
		<b>1,342,551</b>	<b>1,392,095</b>
Net change in non-cash working capital balances related to operations		60,052	89,048
Income taxes (paid) received		(8,749)	2,469
Interest paid		(437,381)	(437,757)
Net cash from operating activities		<b>956,473</b>	<b>1,045,855</b>
<b>INVESTING ACTIVITIES</b>			
Interest received		19,153	23,710
Dividends received		612	4,258
Purchase of investments		(848,967)	(950,724)
Proceeds from sale and collection of investments		703,465	864,696
Purchase of property, plant and equipment		(859,572)	(926,203)
Costs on disposal of property, plant and equipment		(9,125)	(3,585)
Purchase of intangible assets		(39,119)	(60,711)
Purchase of investment property		(1,949)	(2,045)
Increase in restricted cash and cash equivalents		(42)	(38)
Decrease in other assets		490	1,226
Net cash used in investing activities		<b>(1,035,054)</b>	<b>(1,049,416)</b>
<b>FINANCING ACTIVITIES</b>			
Decrease in notes payable		(441,746)	(149,397)
Increase (decrease) in other liabilities		5,247	(95,416)
Debt proceeds from the GRF		938,363	648,836
Debt repayments to the GRF		(439,369)	(37,500)
Debt proceeds from other lenders		-	42,209
Debt repayments to other lenders		(1,869)	(109,780)
Principal repayments of lease liabilities		(29,107)	(25,701)
Sinking fund installments		(72,413)	(65,787)
Sinking fund redemptions		188,351	6,899
Equity advances repaid		-	(44,000)
Dividends paid		(106,000)	(184,500)
Net cash provided by (used in) from financing activities		<b>41,457</b>	<b>(14,137)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS DURING PERIOD</b>		<b>(37,124)</b>	<b>(17,698)</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>\$ 362,184</b>	<b>\$ 175,472</b>
Cash and cash equivalents consists of:			
Cash and cash equivalents from continuing operations		\$ 362,184	\$ 184,812
Bank indebtedness from continuing operations		-	(9,340)
		<b>\$ 362,184</b>	<b>\$ 175,472</b>

(See accompanying notes)

**Crown Investments Corporation of Saskatchewan**  
**Notes to Condensed Consolidated Interim Financial Statements**  
**December 31, 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 March 3, 2021.

**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**  
**December 31, 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. (dissolved January 22, 2021); 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 undemoted 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**  
**December 31, 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 December 31, 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**  
**December 31, 2020**  
**(thousands of dollars)**  
**(unaudited)**

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

The debt ratio is as follows:

	<b>December 31</b>	March 31
	<b>2020</b>	<b>2020</b>
Total debt (a)	\$ <b>10,393,656</b>	\$ 10,342,206
Less: Sinking funds	<b>(1,144,197)</b>	(1,198,312)
Net debt	<b>9,249,459</b>	9,143,894
Equity	<b>6,013,079</b>	5,814,512
Capitalization	<b>\$ 15,262,538</b>	\$ 14,958,406
Debt ratio	<b>60.6%</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>December 31</b>	March 31
	<b>2020</b>	<b>2020</b>
Items that may be reclassified to net earnings:		
Unrealized gains on sinking funds	\$ <b>60,295</b>	\$ 32,981
Unrealized losses on cash flow hedges	<b>(8,472)</b>	(13,346)
Realized losses on cash flow hedges	<b>(10,892)</b>	(11,236)
	<b>40,931</b>	8,399
Items that will not be reclassified to net earnings:		
Impact of changes in defined benefit plan actuarial assumptions	<b>31,907</b>	132,198
	<b>\$ 72,838</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</b>	April 1 to
	<b>December 31</b>	December 31
	<b>2020</b>	<b>2019</b>
<b>Adjustments to reconcile net earnings to cash provided from operating activities</b>		
Depreciation and amortization	\$ <b>719,671</b>	\$ 689,881
Future income tax expense (recovery)	<b>19,181</b>	(2,936)
Share of earnings from investments in equity accounted investees	<b>(5,405)</b>	(6,041)
Defined benefit pension plan expense	<b>4,474</b>	5,281
Provision for decommissioning and environmental remediation liabilities	<b>25</b>	50
Unrealized (gains) losses on derivative financial instruments	<b>(13,009)</b>	36,897
Inventory recoveries	<b>(6,097)</b>	(3,926)
Loss on disposal of property, plant and equipment	<b>21,448</b>	18,665
Impairment reversals	<b>(10,275)</b>	(476)
Net finance expenses	<b>272,403</b>	349,002
Reclassification of natural gas hedges transitional market value losses	<b>(14,683)</b>	(25,699)
Other non-cash items	<b>(17,508)</b>	(15,351)
	<b>\$ 970,225</b>	\$ 1,045,347

**Crown Investments Corporation of Saskatchewan**  
**Notes to Condensed Consolidated Interim Financial Statements**  
**December 31, 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:

**December 31, 2020**

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Cash and cash equivalents	\$ 362,184	\$ -	\$ -	\$ 362,184
Restricted cash and cash equivalents	4,609	-	-	4,609
Notes payable	1,007,822	-	-	1,007,822
Investments carried at fair value through profit or loss	262,097	849,616	204,921	1,316,634
Investments carried at fair value through other comprehensive income	-	1,144,197	-	1,144,197
Investments - amortized cost	-	50,477	-	50,477
Long-term debt	-	11,747,895	-	11,747,895
Physical natural gas contracts - net	-	5,410	-	5,410
Natural gas price swaps - net	-	(59,903)	-	(59,903)
Foreign exchange forward contract	-	(444)	-	(444)

March 31, 2020

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
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

**CIC SEPARATE**

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**FINANCIAL STATEMENTS**

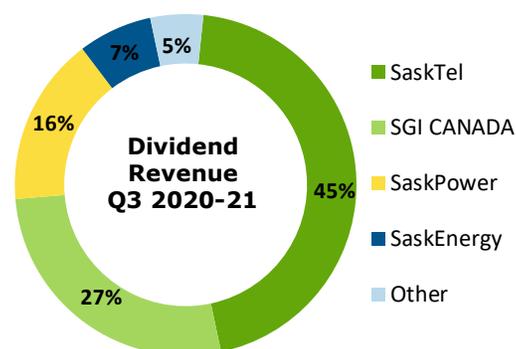
# Separate Financial Statements

## 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 December 31, 2020 third 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 Third Quarter Earnings (millions of dollars) (unaudited)	For the nine months ended	
	December 31 2020	December 31 2019
Dividend revenue	\$ 187.5	\$ 191.5
Add: Finance and other revenue	0.3	0.8
Less: Operating, salaries and other expenses	(6.6)	(7.5)
Grants to Saskatchewan Immigrant Investor Fund Inc. (SIIF)	(0.9)	(7.0)
<b>Total Separate Earnings</b>	<b>\$ 180.3</b>	<b>\$ 177.8</b>

## Net Earnings

Net earnings for the nine months ended December 31, 2020 were \$180.3 million (2019-20 - \$177.8 million), an increase of \$2.5 million. The increase in net earnings is primarily due a reduction of \$6.1 million in grants to SIIF from the same period in 2019-20 offset by lower dividend revenue of \$4.0 million. A more detailed discussion of the net earnings is included on the following pages.

## Dividend Revenue

Dividend revenue for the nine months ended December 31, 2020 was \$187.5 million (2019-20 - \$191.5 million). The \$4.0 million decrease is primarily due to some subsidiary Crown corporations experiencing decreases in forecast earnings due to the COVID-19 pandemic, negatively impacting their dividend capacity. The third quarter of 2020-21 resulted in lower dividends declared compared to the same period of 2019-20 from SGC (\$23.3 million) and SaskEnergy (\$8.0 million). These decreases were mostly offset by an increased dividend from SaskPower (\$15.3 million), and SGI CANADA (\$9.0 million) and SaskTel (\$2.7 million) due to their capacity to pay dividends. 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 nine months of each fiscal period, dividends from subsidiary Crown corporations are based on 75 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 nine months ended December 31, 2020 were \$6.6 million (2019-20 - \$7.5 million). This decrease in operating expenses of \$0.9 million was largely impacted by the pandemic which resulted in lower costs such as training and travel. Also contributing to the decrease are the deferral of projects due to COVID-19 related priorities.

### Grants to SIIF

In the nine months ended December 31, 2020, CIC provided \$0.9 million (2019-20 - \$7.0 million) in grants to SIIF to support its repayments to the Government of Canada for the Immigrant Investor Program (IIP). Grants were provided to SIIF in 2019-20 to meet its federal repayment obligations after a developer was unable to meet its loan repayment schedule, resulting in a shortfall at SIIF. Overall, SIIF has been very successful committing capital to construct 2,224 entry level homes, 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 nine months ended	
	December 31 2020	December 31 2019
Net cash from operating activities	\$ 125.3	\$ 180.3
Net cash (used in) from investing activities	(4.0)	3.9
Net cash used in financing activities	<u>(106.3)</u>	<u>(228.8)</u>
Net change in cash	<u>\$ 15.0</u>	<u>\$ (44.6)</u>

### Liquidity

CIC finances its capital requirements through internally-generated cash flow and, in rare circumstances, through borrowing from the 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 nine months ended December 31, 2020 was \$125.3 million (2019-20 - \$180.3 million), a decrease of \$55.0 million. Cash from operating activities, before the impacts of non-cash items, decreased because of the COVID-19 pandemic negatively impacting earnings at some Crown corporations and dividends to CIC. Crowns declare dividends to CIC at quarter end and pay them three months later. The first nine months of 2020-21 resulted in Crowns declaring lower dividends to CIC, which significantly decreased cash from operations.

Net cash used in investing activities for the nine months ended December 31, 2020 was \$4.0 million (2019-20 - \$3.9 million cash from), a decrease in cash of \$7.9 million. CIC provided SGC with an equity advance of \$4.0 million to fund re-opening of the Regina and Moose Jaw casinos after they were closed from March 17 to July 9 as a result the COVID-19 pandemic. In the first nine months of 2019-20, CIC received proceeds of \$2.1 million from the sale of the STC Regina maintenance facility. CIC did not receive any cash proceeds for the same period in 2020-21.

Net cash used in financing activities for the nine months ended December 31, 2020 was \$106.3 million (2019-20 - \$228.8 million). In 2020-21, some Crown corporations' earnings from operations have been impacted by the COVID-19 pandemic, resulting in lower dividends paid to CIC. In the fourth quarter of 2018-19, the Crowns experienced strong earnings, which supported healthy dividends to CIC in the first quarter of 2019-20. Subsequently, CIC paid \$184.5 million in dividends to the GRF in the first nine months of 2019-20. In comparison, at December 31, 2020, CIC's 2020-21 dividend payments to the GRF were \$106.0 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**

The level of earnings of subsidiary Crown corporations is the key factor affecting CIC's earnings as a holding company, and thus CIC's ability to pay 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 for the remainder of 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 and FNMf.

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

Note	(Unaudited) December 31 2020	(Audited*) March 31 2020
<b>ASSETS</b>		
Current		
	\$ 26,251	\$ 11,297
	169	107
	<b>102,376</b>	47,647
	<b>128,796</b>	59,051
Equity advances to Crown corporations	5 <b>1,089,731</b>	1,085,731
Investments in share capital corporations	<b>675</b>	675
Property, plant and equipment	<b>187</b>	217
Right-of-use assets	<b>3,943</b>	278
	<b>\$ 1,223,332</b>	\$ 1,145,952
<b>LIABILITIES AND PROVINCE'S EQUITY</b>		
Current		
	\$ 1,649	\$ 2,250
	<b>360</b>	254
	<b>2,009</b>	2,504
Lease liabilities	<b>3,585</b>	25
	<b>5,594</b>	2,529
Province of Saskatchewan's Equity		
	<b>808,889</b>	808,889
	<b>408,849</b>	334,534
	<b>1,217,738</b>	1,143,423
	<b>\$ 1,223,332</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**  
**As at**  
**(thousands of dollars)**  
**(unaudited)**

	<b>Note</b>	<b>October 1 to December 31 2020</b>	October 1 to December 31 2019	<b>April 1 to December 31 2020</b>	April 1 to December 31 2019
<b>INCOME FROM OPERATIONS</b>					
Dividend revenue	6	\$ 103,461	\$ 93,155	\$ 187,530	\$ 191,470
Other income		-	-	170	8
		<b>103,461</b>	93,155	<b>187,700</b>	191,478
<b>EXPENSES</b>					
Operating		691	960	1,384	2,252
Salaries and short-term employee benefits		1,589	1,510	4,401	4,507
Employee future benefits		170	159	366	343
Depreciation		140	122	417	380
Impairment reversal		(613)	-	-	-
Loss on disposal of property, plant and equipment		-	3	-	3
		<b>1,977</b>	2,754	<b>6,568</b>	7,485
<b>EARNINGS FROM OPERATIONS</b>					
		<b>101,484</b>	90,401	<b>181,132</b>	183,993
Finance income		39	142	84	816
Finance expenses		(9)	(3)	(14)	(13)
<b>NET FINANCE INCOME</b>					
		<b>30</b>	139	<b>70</b>	803
<b>EARNINGS BEFORE PUBLIC POLICY INITIATIVES</b>					
		<b>101,514</b>	90,540	<b>181,202</b>	184,796
Grants to Saskatchewan Immigrant Investor Fund Inc.		(887)	(644)	(887)	(7,000)
<b>NET EARNINGS</b>					
		<b>100,627</b>	89,896	<b>180,315</b>	177,796
<b>OTHER COMPREHENSIVE INCOME</b>					
		-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE PROVINCE OF SASKATCHEWAN</b>					
		<b>\$ 100,627</b>	\$ 89,896	<b>\$ 180,315</b>	\$ 177,796

(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	-	177,796	177,796
Dividends to the GRF	-	(184,500)	(184,500)
Equity advances repaid to the GRF	(44,000)	-	(44,000)
<b>Balance at December 31, 2019</b>	<b>\$ 864,889</b>	<b>\$ 365,304</b>	<b>\$ 1,230,193</b>
Balance at January 1, 2020	\$ 864,889	\$ 365,304	\$ 1,230,193
Total comprehensive income	-	34,730	34,730
Dividends to the GRF	-	(65,500)	(65,500)
Equity advances repaid to the GRF	(56,000)	-	(56,000)
<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>180,315</b>	<b>180,315</b>
<b>Dividends to the GRF</b>	<b>-</b>	<b>(106,000)</b>	<b>(106,000)</b>
<b>Balance at December 31, 2020</b>	<b>\$ 808,889</b>	<b>\$ 408,849</b>	<b>\$ 1,217,738</b>

(See accompanying notes)

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

	Note	April 1 to December 31 2020	April 1 to December 31 2019
<b>OPERATING ACTIVITIES</b>			
Net earnings		\$ 180,315	\$ 177,796
Items not affecting cash from operations			
Depreciation		417	380
Net finance income		(70)	(803)
Loss on disposal of property, plant and equipment		-	3
		<b>157,412</b>	177,376
Net change in non-cash working capital balances related to operations	7	<b>(55,392)</b>	2,974
Interest paid		<b>(14)</b>	(6)
Net cash from operating activities		<b>125,256</b>	180,344
<b>INVESTING ACTIVITIES</b>			
Interest received		84	816
Equity advances to Crown Corporations		<b>(4,000)</b>	-
Equity advance repayments from Crown corporations		-	1,000
Proceeds from sale of property, plant and equipment		-	2,090
Purchase of property, plant and equipment		<b>(66)</b>	-
Net cash (used in) from investing activities		<b>(3,982)</b>	3,906
<b>FINANCING ACTIVITIES</b>			
Equity advance repaid to the GRF		-	(44,000)
Dividends paid to GRF		<b>(106,000)</b>	(184,500)
Principal repayments of lease liabilities		<b>(320)</b>	(323)
Net cash used in financing activities		<b>(106,320)</b>	(228,823)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS DURING PERIOD</b>		<b>14,954</b>	(44,573)
<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>\$ 26,251</b>	\$ 19,871

(See accompanying notes)

**Crown Investments Corporation of Saskatchewan**  
**Notes to Condensed Separate Interim Financial Statements**  
**December 31, 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. 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 March 3, 2021.

**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 March 3, 2021. 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. On January 22, 2021, CIC Economic Holdco Ltd. was dissolved. All subsidiary Corporations are domiciled in Canada.

**Crown Investments Corporation of Saskatchewan**  
**Notes to Condensed Separate Interim Financial Statements**  
**December 31, 2020**  
**(thousands of dollars)**  
**(unaudited)**

**5. Equity advances to Crown corporations**

	<b>December 31 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 December 31 2020</b>	April 1 to December 31 2019
Saskatchewan Telecommunications Holding Corporation	\$ 85,050	\$ 82,350
Saskatchewan Government Insurance	50,250	41,250
Saskatchewan Power Corporation	30,699	15,440
SaskEnergy Incorporated	13,646	21,605
Saskatchewan Water Corporation	4,174	2,627
Information Services Corporation	3,255	3,255
Saskatchewan Opportunities Corporation	456	1,672
Saskatchewan Gaming Corporation	-	23,271
	<b>\$ 187,530</b>	<b>\$ 191,470</b>

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

	<b>April 1 to December 31 2020</b>	April 1 to December 31 2019
(Increase) decrease in interest and accounts receivable	\$ (62)	\$ 65
(Increase) decrease in dividends receivable	(54,729)	4,067
Decrease in interest and accounts payable	(601)	(633)
Decrease in deferred revenue	-	(525)
	<b>\$ (55,392)</b>	<b>\$ 2,974</b>