SaskTel

Third Quarter Report

Contents:

Saskatchewan Telecommunications Holding Corporation

Third Quarter Report 2020/21

For the Period Ending December 31, 2020

Saskatchewan Telecommunications Holding Corporation (the Corporation, SaskTel) is a Saskatchewan Crown corporation. The Corporation's wholly-owned subsidiaries (Saskatchewan Telecommunications, Directwest, SecurTek and SaskTel International) offer a wide array of products, services, and solutions to customers in Saskatchewan and around the world. The Corporation has a workforce of approximately 3,400 full-time equivalent employees (FTE's), making the Corporation one of Saskatchewan's largest employers.

Our vision is "*Be the best at connecting people to their world.*" and our mission is *"To provide the best customer experience through our superior networks, exceptional service, advanced solutions and applications."*

Pandemic Impact on Operating Environment

SaskTel's annual report discussed the initial onset of the COVID-19 pandemic. The pandemic continues to impact the economic environment with disruption in most sectors of the economy as well as volatility in financial markets. The ongoing pandemic continues to constrict the economy. Uncertainty prevails as to the continued impact of the pandemic on the economy as a whole and the specific operations of SaskTel. The potential impact continues to be dependent on the duration of the pandemic and the consistency and speed of the recovery which has been augmented by the approval of vaccines and the implementation of vaccination programs.

As Saskatchewan's communications company, SaskTel continues to deliver critical services and support to consumers, businesses, governments and public health responders during the pandemic. SaskTel is guided by its five strategic goals during this crisis: Deliver an exceptional customer experience; Lead the market in broadband services; Reinvigorate SaskTel through digital transformation; Empower a high-performance workforce; and Maximize long-term financial sustainability. SaskTel has taken a number of steps aimed at maintaining essential services, ensuring the health and safety of the public, our customers and our employees, and supporting our customers, frontline workers and the community including;

- the delivery of an exceptional customer experience,
- continuing to focus on the delivery of broadband to increase connectivity,
- accelerating digital transformation to support "work from home" and "physical distancing" initiatives,
- simplifying work processes to allow our workforce to be effective wherever they need to be, and
- implementing initiatives that simplify customer processes while contributing to financial sustainability.

Highlights

FINANCIAL

Net Income	Revenue	Return on Equity	Capital Investment
$107.0M	$989.3M	10.7%	$227.3M
+ 11.8% vs Q3 2019/20	+ 2.0% vs Q3 2019/20	+ 0.3 percentage points vs Q3 2019/20	+ 21.2% vs Q3 2019/20

CUSTOMER CONNECTIONS

Broadband Internet	maxTV Service	Wireless	Fibre	Wireline Voice
4.6%	1.3%	3.2%	9.7%	(4.6%)
Subscriber Growth	Subscriber Growth	Subscriber Growth	Subscriber Growth	Subscriber Decline
December 2020 827,534	December 2020 112,781	December 2020 637,822	December 2020 143,786	December 2020 294,644
March 2020 791,421	March 2020 111,382	March 2020 618,188	March 2020 131,044	March 2020 308,719

Consolidated Net Income

	Three months ended December 31,				Nine months ended December 31,			
Millions of dollars	2020	2019	Change	% Change	2020	2019	Change	% Change
Revenue	$347.1	$334.7	$12.4	3.7	$989.3	$970.2	$19.1	2.0
Other income	1.5	2.5	(1.0)	(40.0)	5.3	2.9	2.4	82.8
	348.6	337.2	11.4	3.4	994.6	973.1	21.5	2.2
Expenses	315.4	292.0	23.4	8.0	867.7	850.8	16.9	2.0
Results from operating activities	33.2	45.2	(12.0)	(26.6)	126.9	122.3	4.6	3.8
Net finance expense	2.6	8.9	(6.3)	(70.8)	19.9	26.6	(6.7)	(25.2)
Net income	$30.6	$36.3	$(5.7)	(15.7)	$107.0	$95.7	$11.3	11.8

Net income for the nine months ended December 31, 2020 was $107.0 million, an increase of $11.3 million (11.8%) from the same period in 2019/20. Revenue increased to $989.3 million, up $19.1 million (2.0%) from the same period in 2019/20 primarily due to increased wireless network and equipment revenue, and customer premise equipment revenue partially offset by decreased wireline access, long-distance and maxTV services revenue.

Expenses for the nine months ended December 31, 2020 increased to $867.7 million, an increase of $16.9 million from the same period in 2019/20. This increase was primarily driven by increased goods and services purchased and depreciation partially offset by decreased net salaries, wages and benefits.

Net finance expense was $19.9 million, down $6.7 million from the same period in 2019/20, primarily driven by increased sinking funds earnings and reduced interest on short-term debt, partially offset by reduced interest income.

Management's Discussion and Analysis

February 10, 2021

Forward-Looking Information

The following discussion focuses on the consolidated financial position and results of the operations of SaskTel for the third quarter 2020/21. This discussion and analysis should be read in conjunction with SaskTel's audited financial statements for the fiscal year ended March 31, 2020. Some sections of this discussion include forward-looking statements about SaskTel's corporate direction and financial objectives. A statement is forward-looking when it uses information known today to make an assertion about the future. Since these forward-looking statements reflect expectations and intentions at the time of writing, actual results could differ materially from those anticipated if known or unknown risks and uncertainties impact the business, or if estimates or assumptions turn out to be inaccurate. As a result, SaskTel cannot guarantee that any of the predictions forecasted by forward-looking statements will occur. As well, forward-looking statements do not take into consideration the effect of transactions or non-recurring items announced or occurring subsequently. Therefore, SaskTel disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. For a full discussion of risk factors, please refer to Management's Discussion & Analysis in SaskTel's 2019/20 Annual Report.

These interim statements have been prepared in accordance with the International Financial Reporting Standard IAS 34, "Interim Financial Reporting".

These interim statements have been approved by the SaskTel Board of Directors on February 10, 2021.

Results of Operations

Revenue

Millions of dollars	2020	2019	Change	% Change
Three months ended December 31,	$347.1	$334.7	$12.4	3.7
Nine months ended December 31,	$989.3	$970.2	$19.1	2.0

Revenue for the third quarter of 2020/21 was $347.1 million, up $12.4 million from the same period in 2019/20. Year-to-date revenue was $989.3 million which represents a $19.1 million increase from 2019/20. This increase was primarily due to strong demand for telecommunication services resulting in growth in wireless network and equipment revenue, and customer premise equipment (CPE) sales. Wireless equipment revenue increased due to adjustments in the Bring Your Own Device credit offering, slightly offset by decreased wireless device sales as COVID-19 continues to impact overall market activity. Wireless network revenue increased due to strong growth in wireless accesses slightly offset by the impacts of the COVID-19 pandemic resulting in lower roaming revenue and decreased data usage charges. CPE sales increased as organizations augment their networks to increase security. These increases were partially offset by a decrease in wireline communications due to ongoing erosion of legacy voice revenues.

Expenses

Millions of dollars	2020	2019	Change	% Change
Three months ended December 31,	**$315.4**	$292.0	$23.4	8.0
Nine months ended December 31,	**$867.7**	$850.8	$16.9	2.0

Expenses for the third quarter of 2020/21 increased to $315.4 million, up $23.4 million from the same period in 2019/20. Year-to-date expenses of $867.7 million were $16.9 million higher than the same period in 2019/20 due to increased goods and services purchased, primarily direct expenses and depreciation, partially offset by reduced net salaries. Direct expenses increased $14.8 million mainly due to higher wireless device costs and increased volume of equipment sales. Depreciation and amortization increased $4.8 million primarily due to the increased asset base as SaskTel continues to invest in its fixed and wireless broadband networks, as well as accelerated depreciation related to certain wireless asset life changes. Goods and services purchased, excluding direct costs, increased $3.0 million due to increased contract spending and increased bad debt expense as receivable balances increase due to the postponement of collections as a result of the COVID-19 pandemic. These increases were partially offset by reduced spending on advertising, travel and consulting. Net salaries, wages and benefits decreased $5.7 million.

Net finance expense

Millions of dollars	2020	2019	Change	% Change
Three months ended December 31,	**$2.6**	$8.9	$(6.3)	(70.8)
Nine months ended December 31,	**$19.9**	$26.6	$(6.7)	(25.2)

Net finance expense for the third quarter of 2020/21 was $2.6 million, down $6.3 million over the same period in 2019/20. Year-to-date net finance expense decreased to $19.9 million from $26.6 million in 2019/20. This is driven primarily by increased sinking fund earnings due to sinking fund redemption gains and reduced interest on short-term debt, partially offset by reduced income on overdue accounts due to the Crown Utility Interest Deferral Program which waives interest on overdue accounts in response to the COVID-19 pandemic.

Financial Condition

Changes in the Corporation's assets, liabilities, and equity from March 31, 2020 to December 31, 2020 are discussed below:

Millions of dollars	Increase (decrease)	Explanation
Cash	**$(15.9)**	See condensed consolidated statement of cash flows
Trade and other receivables	**49.2**	Timing of receipts and implementation of the Crown Utility Deferral program
Inventories	**4.8**	Increase in inventory is due to the timing of inventory purchases and the status of customer premise projects
Prepaid expenses	**(11.2)**	Primarily recognition of prepaid employee benefits, software maintenance contracts and license fees
Contract assets	**14.6**	New contract assets related to contracts initiated during the period partially offset by amortization of existing contract assets to revenue
Contract costs	**1.8**	Deferral of contract costs related to contracts initiated during the period partially offset by amortization of existing contract costs
Property, plant and equipment	**72.7**	Capital spending partially offset by depreciation, retirements and disposals
Right-of-use assets	**(0.4)**	Depreciation of right-of-use assets, partially offset by the recognition of additional leased assets
Intangible assets	**(7.0)**	Amortization of intangible assets partially offset by capital spending on software
Sinking funds	**(111.9)**	Sinking fund redemptions partially offset by installments and earnings
Other assets	**2.0**	Increased adoption of wireless device financing
Trade and other payables	**(7.1)**	Timing of payments for operations, capital spending, and interest
Notes payable	**45.5**	Capital spending requirements partially offset by repayment of notes payable from issuance of long-term debt
Contract liabilities	**(2.9)**	Timing of revenue recognition related to contract liabilities
Other liabilities	**1.1**	Primarily related to increased customer deposits
Deferred revenue – government funding	**(3.9)**	Amortization of previous funding to revenue partially offset by Connect to Innovate funding
Long-term debt	**(65.8)**	Debt redemptions partially offset by new debt issues and amortization of the net discount on debt
Lease liabilities	**0.2**	No significant change
Employee benefit obligations	**30.0**	Primarily related to a reduction in the discount rate used to determine the net obligation, partially offset by increased earnings
Provisions	**1.0**	No significant change
Equity	**(10.0)**	Total comprehensive income less dividends declared

Cash Flows

Cash provided by operating activities

Millions of dollars	2020	2019	Change	% Change
Nine months ended December 31,	$184.3	$148.7	$35.6	23.9

Cash provided by operating activities for the nine months ended December 31, 2020 was up $35.6 million compared to the same period in 2019/20 primarily due to reduced working capital requirements.

Cash used in investing activities

Millions of dollars	2020	2019	Change	% Change
Nine months ended December 31,	$222.9	$183.1	$39.8	21.7

Cash used in investing activities for the nine months ended December 31, 2020 increased to $222.9 million, up $39.8 million primarily due to spending related to the Wireless Sask program, Fibre to the Premise (FTTP) both within and outside the major centres, Fibre to the business and network modernization initiatives, partially offset by the 600-megahertz spectrum licenses purchased in the previous fiscal year.

Cash provided by financing activities

Millions of dollars	2020	2019	Change	% Change
Nine months ended December 31,	$22.7	$27.3	$(4.6)	(16.9)

Cash provided by financing activities for the nine months ended December 31, 2020 was $22.7 million, down $4.6 million from the same period in 2019/20. This was primarily due to reduced net borrowing partially offset by sinking fund redemptions and a reduced dividend payment compared to 2019/20.

Liquidity and Capital Resource Ratio

Debt ratio

	December 31, 2020	March 31, 2020	Change
Debt ratio	50.4%	47.8%	2.6

The debt ratio increased to 50.4%, up from 47.8% at March 31, 2020. The overall level of net debt increased $107.4 million during the period due to reduced cash balances and sinking funds partially offset by reduced borrowings.

Equity decreased by $10.0 million to the end of the third quarter of 2020/21 after recording net income of $107.0 million, other comprehensive loss of $32.0 million and dividends of $85.0 million, up $2.6 million from 2019/20.

The debt ratio is calculated as net debt divided by end of period capitalization. Net debt is defined as total debt, including long-term debt, notes payable and the current portion of long-term debt, less sinking funds, and cash and short-term investments. Capitalization includes net debt, equity advances, accumulated other comprehensive income and retained earnings at the period end.

Capital Spending

Millions of dollars	2020	2019	Change	% Change
Property, plant and equipment	**$210.7**	$158.2	$52.5	33.2
Intangible assets	**16.6**	29.3	(12.7)	(43.3)
Nine months ended December 31,	**$227.3**	$187.5	$39.8	21.2

Total capital expenditures for the first nine months of 2020/21 were $227.3 million, up $39.8 million from the same period in 2019/20.

SaskTel's net spending on property, plant and equipment for the first nine months of 2020/21 was $210.7 million, up $52.5 million from the same period in 2019/20. This was a result of network capacity enhancements to manage increased demand during the COVID-19 pandemic, increased spending on the Wireless Sask Program, and expansion of the fibre network partially offset by reduced access demand services and customer network facilities. SaskTel's net spending on intangible assets was $16.6 million, down $12.7 million from the same period in 2019/20 primarily due to the purchase of 600-megahertz spectrum licenses in 2019/20.

Capital expenditures in 2020/21 will focus on further investment in the core Saskatchewan network including: FTTP, wireless network enhancements and basic network growth and enhancements. This core network investment will ensure: increased internet access speeds; enhanced maxTV service; increased wireless bandwidth, resulting in increased roaming capacity and data speeds; as well as continued network growth and refurbishment. Expenditures will also enhance customer interface and expand service offerings.

2020/21 Outlook

Due to business impacts and uncertainties related to the COVID-19 pandemic, the 2019/20 SaskTel Annual Report did not identify a consolidated net income target for the fiscal year ended March 31, 2021. Since the publication of the 2019/20 SaskTel Annual Report, the Corporation has established a net income target of $81.8 million.

Risk Assessment

The 2019/20 Annual Report discussed the risks and uncertainties in SaskTel's business environment focusing on both Strategic and Core Business Risks, including the impact of the COVID-19 pandemic. Strategic Risks are risks that may inhibit SaskTel from achieving goals and targets outlined in its Strategic Plan including the following areas: customer experience, broadband, transformation, and financial sustainability. Core Business Risks are risks associated with the execution of SaskTel's business functions including the following areas: operational, financial, and compliance and legal.

A strong governance process for enterprise risk management is in place. This is an iterative process designed to identify, evaluate, mitigate and control, report, monitor, and assess key corporate risks. As of December 31, 2020, SaskTel's key risk profile has changed slightly as the business continues to change and evolve. The Workforce risk has been reduced through effective mitigations and COVID-19 impacts are expected to be less than originally anticipated, although future pandemic impacts are still unknown.

Condensed Consolidated Interim Statement of Income and Other Comprehensive Loss

		(Unaudited)			
		Three months ended December 31,		Nine months ended December 31,	
Thousands of dollars	Note	**2020**	2019	**2020**	2019
Revenue	3	**$347,093**	$334,699	**$989,255**	$970,215
Other income		**1,482**	2,491	**5,373**	2,872
		348,575	337,190	**994,628**	973,087
Expenses					
Goods and services purchased		**168,888**	147,710	**435,124**	417,312
Salaries, wages and benefits		**89,028**	88,874	**263,082**	268,324
Internal labour capitalized		**(5,746)**	(4,311)	**(16,640)**	(16,127)
Depreciation - property, plant & equipment	5	**47,555**	43,222	**135,383**	128,495
Depreciation - right-of-use assets	6	**1,513**	1,653	**4,621**	5,018
Amortization	7	**8,072**	8,526	**23,568**	25,345
Impairment loss		**-**	560	**-**	560
Saskatchewan taxes		**6,069**	5,752	**22,550**	21,852
		315,379	291,986	**867,688**	850,779
Results from operating activities		**33,196**	45,204	**126,940**	122,308
Net finance expense	4	**2,578**	8,868	**19,895**	26,617
Net income		**30,618**	36,336	**107,045**	95,691
Other comprehensive loss					
Items that will be reclassified to net income					
Sinking fund market value gains (losses)		**(5,212)**	(1,761)	**(749)**	3,018
Items that will never be reclassified to net income					
Net actuarial gains (losses) on defined benefit pension plan	9	**(8,539)**	8,809	**(31,222)**	156
Total other comprehensive loss		**(13,751)**	7,048	**(31,971)**	3,174
Total comprehensive income		**$16,867**	$43,384	**$75,074**	$98,865

All net income and total comprehensive loss are attributable to Crown Investments Corporation of Saskatchewan (CIC).

See Accompanying Notes

Condensed Consolidated Interim Statement of Changes in Equity

	(Unaudited)			
Thousands of dollars	Equity advances	Accumulated other comprehensive income	Retained earnings	Total equity
Balance at April 1, 2020	**$237,000**	**$109,204**	**$835,784**	**$1,181,988**
Net income	**-**	**-**	**107,045**	**107,045**
Other comprehensive loss	**-**	**(31,971)**	**-**	**(31,971)**
Total comprehensive income	-	**(31,971)**	**107,045**	**75,074**
Dividends declared	**-**	**-**	**85,050**	**85,050**
Balance at December 31, 2020	**$237,000**	**$77,233**	**$857,779**	**$1,172,012**
Balance at April 1, 2019	$237,000	$104,362	$823,806	$1,165,168
Net income	-	-	95,691	95,691
Other comprehensive income	-	3,174	-	3,174
Total comprehensive income	-	3,174	95,691	98,865
Dividends declared	-	-	82,350	82,350
Balance at December 31, 2019	$237,000	$107,536	$837,147	$1,181,683

See Accompanying Notes

Condensed Consolidated Interim Statement of Financial Position

As at Thousands of dollars	Note	(Unaudited) December 31, 2020	March 31, 2020
Assets			
Current assets			
Cash		$1,336	$17,221
Trade and other receivables	11a	192,099	142,860
Inventories		20,147	15,371
Prepaid expenses		34,782	45,953
Contract assets	11a	66,593	61,548
Contract costs		19,043	16,735
Current portion of sinking funds		-	123,603
		334,000	423,291
Contract assets	11a	31,847	22,341
Contract costs		57,855	58,349
Property, plant and equipment	5	1,977,322	1,904,655
Right-of-use assets	6	42,905	43,351
Intangible assets	7	264,507	271,486
Sinking funds	11c	86,557	74,887
Other assets		10,864	8,891
		$2,805,857	$2,807,251
Liabilities and Province's equity			
Current liabilities			
Trade and other payables	11a	$143,190	$150,302
Dividend payable	11c	36,000	25,448
Notes payable	11c	234,317	188,851
Contract liabilities	11a	53,171	55,978
Other liabilities		16,260	15,173
Current portion of long-term debt		-	276,464
		482,938	712,216
Contract liabilities	11a	280	407
Deferred income – government funding		18,692	22,577
Long-term debt	8, 11c	1,043,694	833,065
Lease liabilities		37,795	37,592
Employee benefit obligations	9	42,947	12,913
Provisions		7,499	6,493
		1,633,845	1,625,263
Province of Saskatchewan's equity			
Equity advance		237,000	237,000
Accumulated other comprehensive income		77,233	109,204
Retained earnings		857,779	835,784
		1,172,012	1,181,988
		$2,805,857	$2,807,251

See Accompanying Notes

Condensed Consolidated Interim Statement of Cash Flows

Thousands of dollars	Note	(Unaudited) Nine months ended December 31, 2020	2019
Operating activities			
Net income		**$107,045**	$95,691
Adjustments to reconcile net income to cash provided			
by operating activities:			
Depreciation and amortization	5, 6, 7	**163,572**	158,858
Net finance expense	4	**19,895**	26,617
Interest paid		**(46,046)**	(43,100)
Interest received		**4,294**	7,330
Amortization of government funding		**(4,377)**	(4,316)
Impairment loss		**-**	560
Other		**588**	793
Net change in non-cash working capital	11b	**(60,640)**	(93,714)
		184,331	148,719
Investing activities			
Property, plant and equipment expenditures		**(206,606)**	(154,670)
Intangible assets expenditures		**(16,804)**	(29,768)
Government funding		**518**	1,310
		(222,892)	(183,128)
Financing activities			
Proceeds from long-term debt	11c	**210,742**	105,918
Repayment of long-term debt	11c	**(276,600)**	-
Net proceeds of notes payable	11c	**45,466**	19,494
Sinking fund redemptions	11c	**133,931**	-
Payment of lease liabilities	11c	**(4,299)**	(4,602)
Sinking fund instalments	11c	**(12,066)**	(10,316)
Dividends paid	11c	**(74,498)**	(83,150)
		22,676	27,344
Decrease in cash		**(15,885)**	(7,065)
Cash, beginning of period		**17,221**	5,121
Cash (bank indebtedness), end of period		**$1,336**	$(1,944)

See Accompanying Notes

Notes to Condensed Consolidated Interim Financial Statements (Unaudited)
As at and for the nine months ended December 31, 2020

Note 1 – General information

Saskatchewan Telecommunications Holding Corporation (the Corporation) is a corporation located in Canada. The address of the Corporation's registered office is 2121 Saskatchewan Drive, Regina, SK, S4P 3Y2. The Corporation is a Saskatchewan Provincial Crown corporation operating under the authority of The Saskatchewan Telecommunications Holding Corporation Act and, as such, the Corporation and its wholly owned subsidiaries are not subject to Federal or Provincial income taxes in Canada.

By virtue of The Crown Corporations Act, 1993, the Corporation has been designated as a subsidiary of Crown Investments Corporation of Saskatchewan (CIC). Accordingly, the financial results of the Corporation are included in the consolidated financial statements of CIC, a Provincial Crown corporation.

One of the Corporation's subsidiaries, Saskatchewan Telecommunications (SaskTel) is regulated by the Canadian Radio-television and Telecommunications Commission (CRTC) under the Telecommunications Act (Canada).

The Corporation markets and supplies a range of wireless, voice, entertainment, internet, data, equipment, marketing services, security, software products, and consulting services.

Note 2 – Basis of presentation

The unaudited condensed consolidated interim financial statements (hereinafter referred to as the interim financial statements) as at and for the nine months ended December 31, 2020 should be read in conjunction with the Corporation's March 31, 2020 audited consolidated financial statements. The interim financial statements of the Corporation have been prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting*. These interim financial statements do not include all of the information required for full annual financial statements.

The interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The accounting policies and methods of computation used in the preparation of these interim financial statements conform with those used in the Corporation's most recent annual consolidated financial statements and have been applied consistently to all periods presented in these interim financial statements.

The interim financial statements as at and for the nine month period ended December 31, 2020 were approved by the Board of Directors on February 10, 2021.

Functional and presentation currency
These interim financial statements are presented in Canadian dollars, which is the Corporation's functional currency.

Basis of measurement
The interim financial statements have been prepared on the historical cost basis except for the following:

- Fair value through other comprehensive income and fair value through profit or loss financial instruments are measured at fair value, and
- Employee benefit obligations are recognized as the fair value of the plan assets less the present value of the accrued benefit obligation.

Use of estimates and judgments
The preparation of the interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates and assumptions are based on several factors, including historical experience, current events including but not limited to the COVID-19 pandemic and actions that the Corporation may undertake in the future, and other assumptions that the Corporation believes are reasonable under the circumstances. Actual results may differ from these estimates.

Note 2 – Basis of presentation, continued

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the interim financial statements includes the following:

- Revenue recognition,
- Use of the straight-line basis of depreciation and amortization,
- Classification of intangible assets – indefinite life,
- Classification of financial instruments,
- Accounting for government funding,
- Lease liability and right-of-use asset recognition, and
- Accounting for provisions.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year includes the following:

- Revenue recognition,
- Credit risk assessment of financial instruments,
- Useful lives and depreciation rates for property, plant and equipment and right-of-use assets,
- Useful lives and amortization rates for intangible assets,
- The measurement of employee benefit obligations,
- Lease liability and right-of-use asset measurement, and
- Accounting for provisions.

Application of amendments to International Financial Reporting Standards

Adoption of amendments to the Conceptual Framework for Financial Reporting

The Corporation has adopted the amendments to the Conceptual Framework for Financial Reporting (The Conceptual Framework) with a date of initial application of April 1, 2020. In accordance with the transitional provisions of The Conceptual Framework, the Corporation has applied The Conceptual Framework prospectively. The amendments provide revisions to the Conceptual Framework, a comprehensive set of concepts for financial reporting. There was no impact to the interim financial statements upon adoption of the amendments to the framework.

Adoption of amendments to IAS 1, *Presentation of Financial Statements* and amendments to IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*

The Corporation has adopted the amendments to IAS 1, *Presentation of Financial Statements* (IAS 1) and amendments to IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors* (IAS 8) with a date of initial application of April 1, 2020. In accordance with the transitional provisions of IAS 1 and IAS 8, the Corporation has applied the amendments to IAS 1 and IAS 8 prospectively. The amendments refine the definition of material in IAS 1 and align the definitions used across IFRS Standards and other publications. There was no impact to the interim financial statements upon adoption of the amendments to the standards.

Adoption of amendments to IFRS 3 *Business combinations*

The Corporation has adopted the amendments to IFRS 3 *Business combinations* (IFRS 3) 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 the net identifiable assets acquired and goodwill. The adoption of the amendments to IFRS 3 has not had a significant impact on the financial statements.

Note 3 – Revenue from contracts with customers

Thousands of dollars	Three months ended December 31, 2020	2019	Nine months ended December 31, 2020	2019
Revenue				
Wireless network services and equipment revenue	$170,729	$157,145	$460,454	$442,016
Fixed broadband and data	69,033	69,173	204,283	204,202
Wireline communication	48,143	52,475	149,278	160,599
maxTV services	26,000	26,087	76,952	78,211
Security monitoring services	8,578	8,531	25,592	23,551
Customer premise equipment	5,598	4,315	19,272	12,825
Marketing services	6,176	6,766	19,154	21,074
IT solutions	3,166	2,882	9,376	8,271
International software and consulting services	2,505	2,079	6,970	6,013
Other services	7,165	5,246	17,924	13,453
	$347,093	$334,699	$989,255	$970,215

Note 4 – Net finance expense

Thousands of dollars	Three months ended December 31, 2020	2019	Nine months ended December 31, 2020	2019
Recognized in consolidated net income				
Interest on long-term debt	$11,678	$12,472	$37,557	$37,429
Interest on short-term debt	51	730	556	1,852
Interest capitalized	(1,327)	(1,146)	(3,860)	(3,020)
Net interest expense	10,402	12,056	34,253	36,261
Interest on lease liabilities	264	275	793	842
Net interest on defined benefit liability	(112)	66	(336)	198
Interest on provisions	46	55	160	165
Finance expense	10,600	12,452	34,870	37,466
Sinking fund earnings	(5,344)	(1,100)	(10,681)	(3,519)
Interest income	(2,678)	(2,484)	(4,294)	(7,330)
Finance income	(8,022)	(3,584)	(14,975)	(10,849)
Net finance expense	$2,578	$8,868	$19,895	$26,617
Interest capitalization rate			3.88%	4.02%

Note 5 – Property, plant and equipment

Thousands of dollars	Plant and equipment	Buildings and improvements	Office furniture and equipment	Plant under construction	Land	Total
Cost						
Balance at April 1, 2020	**$3,639,106**	**$587,515**	**$153,572**	**$145,124**	**$39,723**	**$4,565,040**
Additions	**40,486**	**-**	**15,069**	**153,731**	**1,387**	**210,673**
Transfers	**119,325**	**24,918**	**254**	**(144,497)**	**-**	**-**
Retirements, disposals and adjustments	**(101,637)**	**283**	**(42,546)**	**-**	**(6)**	**(143,906)**
Balance at December 31, 2020	**$3,697,280**	**$612,716**	**$126,349**	**$154,358**	**$41,104**	**$4,631,807**
Balance at April 1, 2019	$3,537,767	$575,017	$176,534	$103,484	$38,670	$4,431,472
Additions	59,259	-	21,592	146,507	1,055	228,413
Transfers	81,447	14,803	8,617	(104,867)	-	-
Retirements, disposals and adjustments	(39,367)	(2,305)	(53,171)	-	(2)	(94,845)
Balance at March 31, 2020	$3,639,106	$587,515	$153,572	$145,124	$39,723	$4,565,040
Accumulated depreciation						
Balance at April 1, 2020	**$2,376,967**	**$195,695**	**$87,723**	**$ -**	**$ -**	**$2,660,385**
Depreciation	**105,961**	**11,610**	**17,812**	**-**	**-**	**135,383**
Retirements, disposals and adjustments	**(98,847)**	**(275)**	**(42,161)**	**-**	**-**	**(141,283)**
Balance at December 31, 2020	**$2,384,081**	**$207,030**	**$63,374**	**$ -**	**$ -**	**$2,654,485**
Balance at April 1, 2019	$2,281,955	$181,497	$113,330	$ -	$ -	$2,576,782
Depreciation	135,206	15,417	22,420	-	-	173,043
Retirements, disposals and adjustments	(40,194)	(1,219)	(48,027)	-	-	(89,440)
Balance at March 31, 2020	$2,376,967	$195,695	$87,723	$ -	$ -	$2,660,385
Carrying amounts						
At April 1, 2020	**$1,262,139**	**$391,820**	**$65,849**	**$145,124**	**$39,723**	**$1,904,655**
At December 31, 2020	**$1,313,199**	**$405,686**	**$62,975**	**$154,358**	**$41,104**	**$1,977,322**
At April 1, 2019	$1,255,812	$393,520	$63,204	$103,484	$38,670	$1,854,690
At March 31, 2020	$1,262,139	$391,820	$65,849	$145,124	$39,723	$1,904,655

Effective October 1, 2020 the Corporation adjusted the useful lives of certain assets to coincide with the replacement of these assets. The impacts are as follows:

	Fiscal year ending March 31,					
Millions of dollars	2021	2022	2023	2024	2025	2026
Depreciation expense - increase (decrease)	$3.7	$7.3	$2.6	$(2.7)	$(3.2)	$(7.7)

Note 6 – Right-of-use assets

Thousands of dollars	Plant and equipment	Buildings and improvements	Land	Total
Cost				
Balance at April 1, 2020	**$13,298**	**$27,724**	**$8,879**	**$49,901**
Additions	**2,983**	**1,166**	**120**	**4,269**
Retirements and adjustments	**(62)**	**(62)**	**-**	**(124)**
Balance at December 31, 2020	**$16,219**	**$28,828**	**$8,999**	**$54,046**
Balance at April 1, 2019	$10,191	$27,436	$9,683	$47,310
Additions	3,219	288	307	3,814
Retirements and adjustments	(112)	-	(1,111)	(1,223)
Balance at March 31, 2020	$13,298	$27,724	$8,879	$49,901
Accumulated depreciation				
Balance at April 1, 2020	**$3,314**	**$2,578**	**$658**	**$6,550**
Depreciation	**2,274**	**1,837**	**510**	**4,621**
Retirements and adjustments	**(17)**	**(13)**	**-**	**(30)**
Balance at December 31, 2020	**$5,571**	**$4,402**	**$1,168**	**$11,141**
Balance at April 1, 2019	$ -	$ -	$ -	$ -
Depreciation	3,343	2,578	658	6,579
Retirements and adjustments	(29)	-	-	(29)
Balance at March 31, 2020	$3,314	$2,578	$658	$6,550
Carrying amounts				
At April 1, 2020	**$9,984**	**$25,146**	**$8,221**	**$43,351**
At December 31, 2020	**$10,648**	**$24,426**	**$7,831**	**$42,905**
At April 1, 2019	$10,191	$27,436	$9,683	$47,310
At March 31, 2020	$9,984	$25,146	$8,221	$43,351

Note 7 – Intangible assets

Thousands of dollars	Goodwill	Software	Spectrum licences	Under development	Total
Cost					
Balance at April 1, 2020	**$ -**	**$440,413**	**$120,905**	**$12,172**	**$573,490**
Acquisitions	**-**	**2,157**	**-**	**8,991**	**11,148**
Acquisitions – internally developed	**-**	**4,721**	**-**	**728**	**5,449**
Transfers	**-**	**16,007**	**-**	**(16,007)**	**-**
Retirements, disposals and adjustments	**-**	**(162,915)**	**-**	**-**	**(162,915)**
Balance at December 31, 2020	**$ -**	**$300,383**	**$120,905**	**$5,884**	**$427,172**
Balance at April 1, 2019	$5,976	$428,357	$108,738	$2,199	$545,270
Acquisitions	-	4,612	12,167	10,945	27,724
Acquisitions – internally developed	-	5,794	-	961	6,755
Transfers	-	1,933	-	(1,933)	-
Impairment loss	(5,976)	-	-	-	(5,976)
Retirements, disposals and adjustments	-	(283)	-	-	(283)
Balance at March 31, 2020	$ -	$440,413	$120,905	$12,172	$573,490
Accumulated amortization					
Balance at April 1, 2020	**$ -**	**$302,004**	**$ -**	**$ -**	**$302,004**
Amortization	**-**	**23,568**	**-**	**-**	**23,568**
Retirements, disposals and adjustments	**-**	**(162,907)**	**-**	**-**	**(162,907)**
Balance at December 31, 2020	**$ -**	**$162,665**	**$ -**	**$ -**	**$162,665**
Balance at April 1, 2019	$ -	$264,250	$ -	$ -	$264,250
Amortization	-	33,353	-	-	33,353
Impairment loss	-	4,684	-	-	4,684
Retirements, disposals and adjustments	-	(283)	-	-	(283)
Balance at March 31, 2020	$ -	$302,004	$ -	$ -	$302,004
Carrying amounts					
At April 1, 2020	**$ -**	**$138,409**	**$120,905**	**$12,172**	**$271,486**
At December 31, 2020	**$ -**	**$137,718**	**$120,905**	**$5,884**	**$264,507**
At April 1, 2019	$5,976	$164,107	$108,738	$2,199	$281,020
At March 31, 2020	$ -	$138,409	$120,905	$12,172	$271,486

Note 8 – Long-term debt

On April 28, 2020, the Corporation issued $100 million of long-term debt at a premium of $11.1 million through the Saskatchewan Ministry of Finance. The debt issue has a coupon rate of 3.10%, an effective interest rate of 2.57%, and matures on June 2, 2050.

On June 2, 2020, the Corporation issued $100 million of long-term debt at a discount of $0.4 million through the Saskatchewan Ministry of Finance. The debt issue has a coupon rate of 2.35%, an effective interest rate of 2.37%, and matures on June 2, 2060.

Note 9 – Employee benefit obligations

Other comprehensive loss results, in part, from changes to actuarial assumptions related to the assets and liabilities of the Corporation's employee benefit plans, specifically the discount rate used to calculate the liabilities of the employee defined benefit plan and changes in the fair value of the employee benefit defined plan assets resulting from differences in the actual versus estimated return on these assets. The discount rates used are as follows:

	2020/21	2019/20
June 30	**3.00%**	3.00%
September 30	**2.50%**	2.80%
December 31	**2.50%**	2.90%
March 31	**n/a**	3.70%

In addition to the other comprehensive income impact detailed below, these assumption changes, combined with pension income and benefits paid for the period, have resulted in a net increase in the employee benefit obligations for the period which has been partially offset by the impact of the asset ceiling limit.

	Nine months ended December 31,	
Thousands of dollars	**2020**	2019
Actuarial loss on accrued benefit obligation	**$(151,595)**	$(33,399)
Return on plan assets excluding interest income	**97,125**	41,471
Effect of asset ceiling limit	**23,248**	(7,916)
Net actuarial gains (losses) on employee benefit plans	**$(31,222)**	$156

Note 10 – Capital management

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

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

The Corporation 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 a corporation's capital structure. The Corporation 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 the Corporation's ability to withstand downturns in revenue and still meet fixed payment obligations. The ratio is calculated as net debt divided by capitalization at the end of the period.

The Corporation reviews the debt ratio targets of all its subsidiaries on an annual basis to ensure consistency with industry standards. This review includes subsidiary corporations' plans for capital spending. The target debt ratios for subsidiaries are approved by their Boards. The Corporation uses targeted debt ratios to compile a weighted average debt to equity ratio for the consolidated entity. The budgeted ratio for 2020/21 is 51.6%.

The Corporation raises most of its capital requirements through internal operating activities, as well as, short-term and long-term debt through the Saskatchewan Ministry of Finance. This type of borrowing allows the Corporation to take advantage of the Province of Saskatchewan's strong credit rating and receive financing at attractive interest rates.

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

The Corporation is not subject to any externally imposed capital requirements.

Note 10 – Capital management, continued

The debt ratio is as follows:

As at Thousands of dollars	**December 31, 2020**	March 31, 2020
Long-term debt	**$1,043,694**	$1,109,529
Notes payable	**234,317**	188,851
Less: Sinking funds	**86,557**	198,490
Cash	**1,336**	17,221
Net debt (a)	**1,190,118**	1,082,669
Province of Saskatchewan's equity (b)	**1,172,012**	1,181,988
Capitalization	**$2,362,130**	$2,264,657
Debt ratio	**50.4%**	47.8%

a) Net debt excludes lease liabilities
b) Equity includes equity advances, accumulated other comprehensive income and retained earnings at the end of the period.

Note 11 – Additional financial information

a) Statement of financial position

As at Thousands of dollars	**December 31, 2020**	March 31, 2020
Trade and other receivables		
Customer accounts receivable	**$117,267**	$112,852
Accrued receivables - customer	**1,917**	2,190
Allowance for doubtful accounts	**(8,543)**	(2,606)
	110,641	112,436
High cost serving area subsidy	**602**	683
Other	**80,856**	29,741
	$192,099	$142,860
Contract assets		
Opening balance	**$85,350**	$79,103
Contract assets recognized in the current period	**78,249**	88,767
	163,599	167,870
Amortization of contract assets	**(58,662)**	(76,665)
Contract terminations transferred to trade receivables	**(4,381)**	(5,855)
	100,556	85,350
Impairment allowance	**(2,116)**	(1,461)
Closing balance	**98,440**	83,889
Current portion	**66,593**	61,548
Long-term portion	**$31,847**	$22,341

Note 11 – Additional financial information, continued

a) Statement of financial position, continued

As at Thousands of dollars	December 31, 2020	March 31, 2020
Trade and other payables		
Trade payables and accrued liabilities	$102,534	$105,170
Payroll and other employee-related liabilities	32,530	33,066
Other	8,126	12,066
	$143,190	$150,302

Contract liabilities		
Opening balance	$56,385	$57,463
Contract liabilities recognized in the current period	241,323	324,342
	297,708	381,805
Recognized in revenue	(244,241)	(325,399)
Terminations	(16)	(21)
Closing balance	53,451	56,385
Current portion	53,171	55,978
Long-term portion	$280	$407

b) Non-cash working capital changes

	Nine months ended December 31,	
Thousands of dollars	2020	2019
Net change in non-cash working capital balances related to operations		
Trade and other receivables	$(49,239)	$(34,954)
Inventories	(4,776)	(1,744)
Prepaid expenses	11,171	5,344
Contract assets	(14,551)	(9,953)
Contract costs	(1,814)	(20,284)
Trade and other payables	50	(28,015)
Contract liabilities	(2,934)	(3,876)
Other liabilities	1,391	(396)
Other	62	164
	$(60,640)	$(93,714)

Note 11 – Additional financial information, continued

c) Changes in liabilities arising from financing activities

Thousands of dollars	Assets: Sinking funds	Liabilities: Long-term debt	Liabilities: Notes payable	Liabilities: Lease liabilities	Liabilities: Dividend payable	Total
Balance at April 1, 2020	**$(198,490)**	**$1,109,529**	**$188,851**	**$44,095**	**$25,448**	**$1,169,433**
Changes from financing cash flows						
Proceeds from loans and borrowings	**-**	**210,742**	**626,812**	**-**	**-**	**837,554**
Repayment of borrowings	**-**	**(276,600)**	**(581,346)**	**(4,299)**	**-**	**(862,245)**
Sinking fund redemptions	**133,931**	**-**	**-**	**-**	**-**	**133,931**
Instalments	**(12,066)**	**-**	**-**	**-**	**-**	**(12,066)**
Dividends paid	**-**	**-**	**-**	**-**	**(74,498)**	**(74,498)**
Total changes from financing cash flows	**121,865**	**(65,858)**	**45,466**	**(4,299)**	**(74,498)**	**22,676**
Other changes						
Dividends declared	**-**	**-**	**-**	**-**	**85,050**	**85,050**
Sinking fund earnings	**(10,681)**	**-**	**-**	**-**	**-**	**(10,681)**
Sinking fund valuation adjustments	**749**	**-**	**-**	**-**	**-**	**749**
New leases and assumption changes	**-**	**-**	**-**	**4,172**	**-**	**4,172**
Amortization of net discount on long-term debt	**-**	**23**	**-**	**-**	**-**	**23**
Total other changes	**(9,932)**	**23**	**-**	**4,172**	**85,050**	**79,313**
Balance at December 31, 2020	**$(86,557)**	**$1,043,694**	**$234,317**	**$43,968**	**$36,000**	**$1,271,422**
Balance at April 1, 2019	$(176,021)	$1,003,280	$193,295	$46,803	$24,880	$1,092,237
Changes from financing cash flows						
Proceeds from loans and borrowings	-	105,918	658,534	-	-	764,452
Repayment of borrowings	-	-	(639,040)	(4,602)	-	(643,642)
Instalments	(10,316)	-	-	-	-	(10,316)
Dividends paid	-	-	-	-	(83,150)	(83,150)
Total changes from financing cash flows	(10,316)	105,918	19,494	(4,602)	(83,150)	27,344
Other changes						
Dividends declared	-	-	-	-	82,350	82,350
Sinking fund earnings	(3,519)	-	-	-	-	(3,519)
Sinking fund valuation adjustments	(3,018)	-	-	-	-	(3,018)
New leases and assumption changes	-	-	-	2,188	-	2,188
Amortization of net discount on long-term debt	-	246	-	-	-	246
Total other changes	(6,537)	246	-	2,188	82,350	78,247
Balance at December 31, 2019	$(192,874)	$1,109,444	$212,789	$44,389	$24,080	$1,197,828

Note 12 – Financial risk management

The Corporation is exposed to fluctuations in foreign exchange rates and interest rates, as well as credit and liquidity risk. The Corporation utilizes a number of financial instruments to manage these exposures. The Corporation mitigates the risk associated with these financial instruments through Board-approved policies, limits on use and amount of exposure, internal monitoring, and compliance reporting to senior management and the Board. At December 31, 2020, the Corporation had foreign currency derivatives outstanding with notional values of $12.8 million and maturities up to March 31, 2021. The Corporation does not actively trade financial instruments.

Note 12 – Financial risk management, continued

Market risks
Market risk represents the potential for loss from changes in the value of financial instruments. Value can be affected by changes in interest rates, foreign exchange rates, and equity prices. These risks have not changed significantly from the prior period.

Fair value
Fair values are approximate amounts at which financial instruments could be exchanged between willing parties based on current markets for instruments with similar characteristics, such as risk, principal and remaining maturities. Fair values are estimates using present value and other valuation techniques which are significantly affected by the assumptions used concerning the amount and timing of estimated future cash flows and discount rates that reflect varying degrees of risk. Therefore, due to the use of judgment and future-oriented information, aggregate fair value amounts should not be interpreted as being realizable in an immediate settlement of the instruments.

As at			December 31, 2020		March 31, 2020	
Thousands of dollars	Classification (a)	Fair value hierarchy	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Investments - sinking funds	FVOCI	Level 2	$86,557	$86,557	$198,490	$198,490
Financial liabilities						
Long-term debt	Amortized cost	Level 2	1,043,694	1,257,402	$1,109,529	$1,225,745
Derivative financial instruments						
Foreign exchange derivative liability	FVTPL	Level 2	$444	$444	$ -	$ -

(a) Classification details are:
FVOCI – fair value through other comprehensive income, FVTPL – fair value through profit or loss

Fair value hierarchy
When the carrying amount of a financial instrument is the most reasonable approximation of fair value, reference to market quotations and estimation techniques is not required. The carrying values of cash, trade and other receivables, trade and other payables and notes payable approximate their fair values due to the short-term maturity of these financial instruments.

For financial instruments, fair value is best evidenced by an independent quoted market price for the same instrument in an active market. An active market is one where quoted prices are readily available, representing regularly occurring transactions. Accordingly, the determination of fair value requires judgment and is based on market information where available and appropriate. Fair value measurements are categorized into levels within a fair value hierarchy based on the nature of the inputs used in the valuation.

Level 1 – Where quoted prices are readily available from an active market.
Level 2 – Valuation model not using quoted prices, but still using predominantly observable market inputs, such as market interest rates.
Level 3 – Where valuation is based on unobservable inputs.

There were no items measured at fair value using Level 3 during 2019/20 or 2020/21 and no items transferred between levels in 2019/20 or 2020/21.

Investments carried at fair value through OCI
Investments carried at fair value through OCI and categorized as Level 2 in the hierarchy consist of sinking funds. The fair value of sinking funds is determined by the Saskatchewan Ministry of Finance using information provided by investment dealers. To the extent possible, valuations reflect secondary pricing for these securities.

Note 12 – Financial risk management, continued

Long-term debt
The fair value of long-term debt is determined by the present value of future cash flows, discounted at the market rate of interest for the equivalent Province of Saskatchewan debt instruments.

Derivative financial instruments carried at fair value through profit or loss
The fair value of derivative financial instruments that are used to manage foreign currency exposure risks are estimated based upon quoted market prices in active markets for the same or similar financial instruments or current rates offered to the Corporation for financial instruments of similar maturity, as well as discounted future cash flows determined using current rates for similar financial instruments of similar maturities subject to similar risks (such fair value estimates being largely based on the Canadian dollar versus U.S. dollar forward exchange rate as at the statement of financial position dates).

Credit risk
Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. Concentration of credit risk relates to groups of customers or counterparties that have similar economic or industry characteristics that cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The Corporation does not have material concentrations of credit risk. Current credit risk relates to trade and other receivables and unbilled revenue, contract assets, sinking funds, interest receivable and counterparties to financial derivatives. The maximum exposure to credit risk is represented by the carrying amounts reported in the statement of financial position. There is minimal credit risk related to non-customer related financial instruments and derivative instruments at December 31, 2020 and March 31, 2020 due to the investment-grade assets held within the sinking funds and investment-grade counterparties to derivative instruments.

Credit risk related to customer related financial instruments is primarily reflected in the allowance for doubtful accounts. The allowance for doubtful accounts has been increased for the period ended December 31, 2020 mainly due to the impact of the COVID-19 pandemic as noted below:

	Three months		Nine months	
Periods ended December 31, Thousands of dollars	**2020**	2019	**2020**	2019
Balance, beginning of period	**$6,812**	$2,334	**$2,606**	$2,395
Less: accounts written off	**(1,119)**	(3,768)	**(4,078)**	(8,120)
Recoveries	**1,122**	1,576	**3,744**	3,316
Provisions for losses	**1,728**	1,681	**6,271**	4,232
Balance, end of period	**$8,543**	$1,823	**$8,543**	$1,823

Note 13 – COVID-19

The Corporation's telecommunications and security operations have been recognized by Canadian governments as essential services. To date there has been minimal impact as a result of the emergency measures adopted to combat the spread of the COVID-19 pandemic, and the resulting economic conditions on the Corporation's business. Measures to combat the spread of the pandemic are yet to contribute to a stable economic environment conducive to operations of the Corporation with the greatest potential to be impacted by the pandemic, including: wireless network services, roaming revenue and equipment sales; wireless and internet data services; business premise equipment sales; and the business consumer market. Measures taken to combat the pandemic have intensified over the last several months. These measures have been augmented by vaccine administration programs. The severity and duration of the pandemic disruptions, and the uncertain consequences of a future re-opening of the economy will dictate the impacts on the Corporation's operations and financial results.

Note 14 – Comparative information

Certain of the 2019/20 comparative information has been reclassified to conform with the financial statement presentation adopted for the current fiscal period.