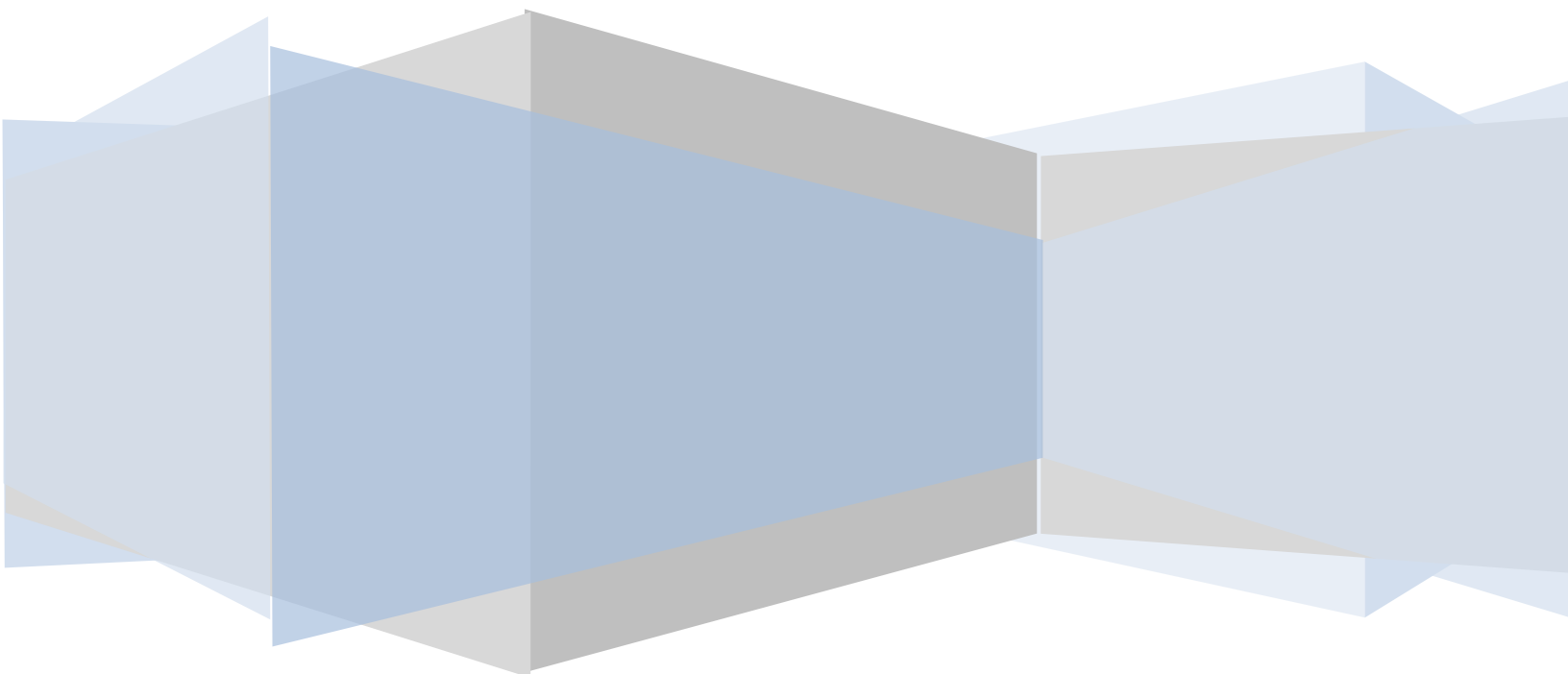


Quarter 3 Financial Report

For the period ended December 31, 2022

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Introduction

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

The purpose of the following discussion is to provide users of CIC's financial statements with an overview of its financial health. This narrative on CIC's 2022-23 third quarter financial results should be read in conjunction with the March 31, 2022 audited consolidated and separate financial statements. The accounting policies and methods of computation used in the preparation of the unaudited condensed separate and consolidated interim financial statements are consistent with those disclosed in CIC's March 31, 2022 audited separate and consolidated 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 Power Corporation (SaskPower)
Saskatchewan Gaming Corporation (SGC)	Saskatchewan Telecommunications
Saskatchewan Government Insurance (SGI CANADA)	Holding Corporation (SaskTel)
Saskatchewan Water Corporation (SaskWater)	

Financial results of CIC Asset Management Inc. (CIC AMI), a wholly owned subsidiary share capital corporation; Dividends paid by CIC to the General Revenue Fund (GRF); and, CIC's operating costs, public policy expenditures, 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; and
- CIC's operating results and public policy expenditures.

CIC CONSOLIDATED FINANCIAL STATEMENTS

CIC Consolidated Management Discussion & Analysis

Preface

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 condensed consolidated financial statements and supporting notes for the period ended December 31, 2022. 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, 2022 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, 2022 audited consolidated financial statements.

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

Forward-Looking Information

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

Readers should not place undue reliance on forward-looking statements, as several factors could cause actual results to differ materially from estimates, predictions and assumptions. Factors that can influence performance include, but are not limited to: global pandemics, weather conditions, commodity markets, general economic and geo-political 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.

A Closer View of CIC's Holdings

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

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

Type	Investment	Major Business Line
Utilities	Saskatchewan Power Corporation (SaskPower)	Electricity
	Saskatchewan Telecommunications Holding Corporation (SaskTel)	Information and communications technology
	SaskEnergy Incorporated (SaskEnergy)	Natural gas transmission, 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

Consolidated Net (Loss) Earnings

Subsidiary Corporation (Loss) Earnings (millions of dollars) (unaudited)	For the nine months ended	
	December 31 2022	December 31 2021
SaskTel	\$ 84.9	\$ 84.5
SaskEnergy	33.5	44.7
SGC	15.6	6.0
SaskWater	6.6	8.3
CIC AMI	1.5	(0.1)
SOCO ¹	-	1.4
SGI CANADA	(38.5)	101.1
SaskPower	(114.2)	21.8
CIC (Separate)	84.1	142.8
Consolidation adjustments ²	(85.2)	(146.3)
Net (loss) earnings	\$ (11.7)	\$ 264.2

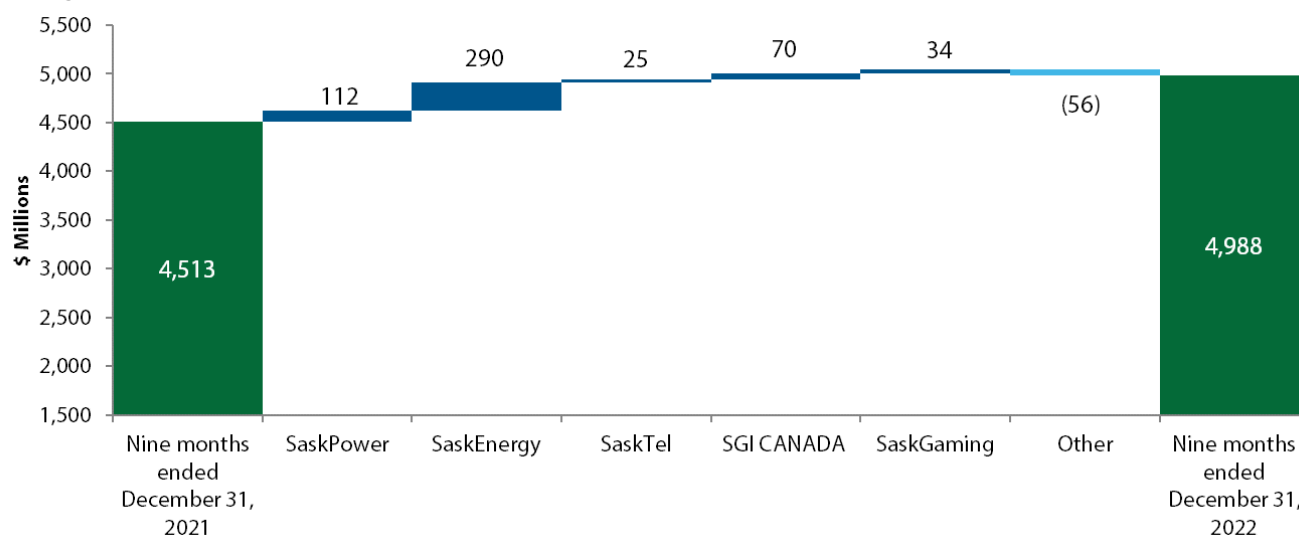
¹ On March 23, 2022, the Government of Saskatchewan announced the creation of a single innovation agency in the province by moving SOCO under the authority of Innovation Saskatchewan. The change was effective April 1, 2022 and SOCO's assets, liabilities, and equity were transferred.

² Consolidation adjustments reflect the elimination of all inter-entity transactions, such as revenues and expenses between Crown corporations and dividends paid by Crown corporations to CIC.

The Corporation's consolidated net loss for the nine months ended December 31, 2022, was \$11.7 million (2021 - \$264.2 million earnings), a decrease in earnings of \$275.9 million compared to the same period in 2021 primarily due to lower earnings at SGI CANADA and SaskPower. A more detailed discussion of net loss is included on the pages following.

Analysis of Consolidated Revenues and Expenses

Changes in Revenue



Revenue for the nine months ended December 31, 2022, was \$4,988.1 million (2021 - \$4,512.5 million excluding SOCO), a \$475.6 million increase over the same period in 2021, primarily related to increases at SaskPower, SaskEnergy, SGI CANADA, and SaskGaming.

SaskPower revenue increased \$112.2 million primarily due to economic recovery and higher customer demand from the pipeline, oilfield, and commercial sectors, as well as a 4.0 per cent system average rate increase effective September 1, 2022. Exports and electricity trading revenue also increased due to higher sales prices to Alberta and the United States.

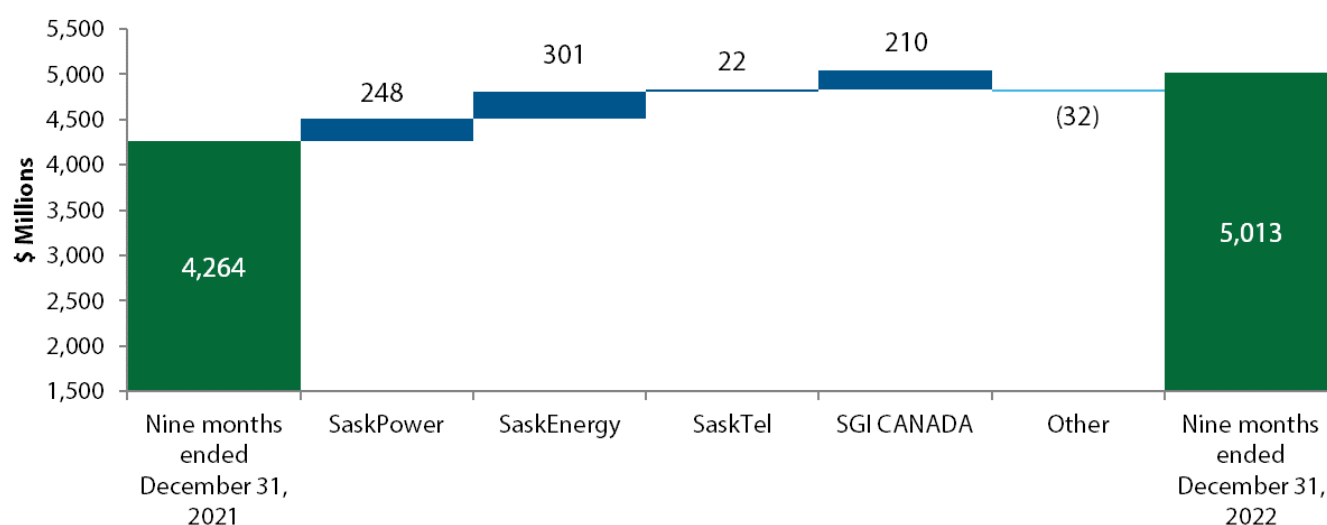
Analysis of Consolidated Revenues and Expenses *(continued)*

SaskEnergy revenue increased by \$290.0 million primarily due to more opportunities to purchase and sell natural gas in the market to generate earnings. SaskEnergy utilizes its off-peak transportation and storage capacity to find opportunities in the market to take advantage of natural gas pricing differentials. Also contributing to the increase was favourable non-cash market value adjustments on natural gas sales contracts, colder weather, and increases to commodity and delivery rates.

SGI CANADA revenue increased \$69.9 million primarily due to customer growth in jurisdictions outside of Saskatchewan, as well as inflationary rate increases on Saskatchewan policies, consistent with industry.

SaskGaming revenue increased \$33.7 million primarily due to Casinos Regina and Moose Jaw reopening to the public on June 20, 2021. The casinos suspended operations for a portion of Q1 2021-22 as a result of the COVID-19 pandemic.

Changes in Total Operating Expenses and Net Finance Expense



Total operating expenses and net finance expenses for the nine months ended December 31, 2022, were \$5,012.7 million (2021 - \$4,264.0 million excluding SOCO), a \$748.7 million increase from the same period in 2021, primarily related to increases at SaskPower, SaskEnergy, and SGI CANADA.

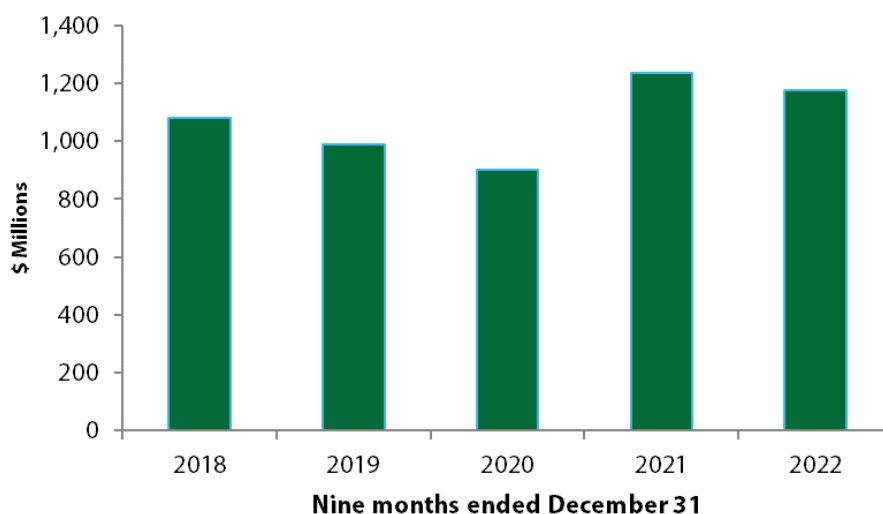
Total operating and net finance expenses increased at SaskPower by \$248.2 million primarily due to higher natural gas and coal prices and increased generation volumes to meet higher demand. A greater proportion of generation was also from more expensive renewable fuel sources to help reduce the federal carbon charge (the carbon charge is costlier than the incremental cost of generating with renewables) and meet long-term emission goals. Increased maintenance due to the timing of overhaul activities and storm activity also contributed to the increase.

Total operating and net finance expenses increased at SaskEnergy by \$301.1 million primarily due to more opportunities to purchase and sell natural gas in the market to generate earnings. SaskEnergy utilizes its off-peak transportation and storage capacity to find opportunities in the market to take advantage of natural gas pricing differentials. Unfavourable non-cash market value adjustments on natural gas purchase contracts also contributed to the difference.

Total operating and net finance expenses increased at SGI CANADA by \$209.6 million. Net finance expense includes investment earnings and losses. Year over year investment earnings have declined and therefore have less of an impact on offsetting finance expenses. Equity returns were negative this year, while increases in interest rates generated losses on fixed income investments. Higher claims also contributed to the increase, largely due to higher Saskatchewan storm claims and more drivers on the road in jurisdictions outside of Saskatchewan compared to the prior year due to COVID-19 restrictions lifting.

Analysis of Consolidated Capital Resources

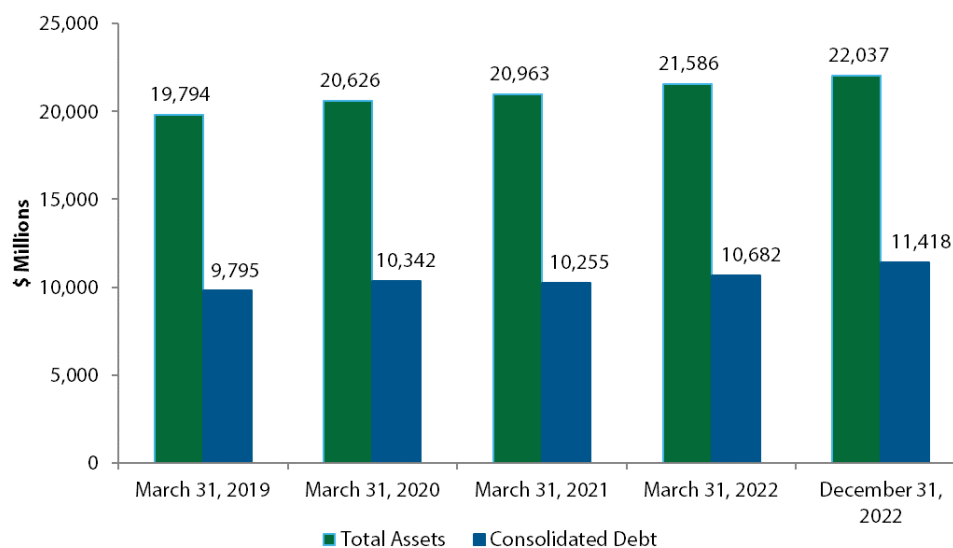
Capital Spending



For the nine months ended December 31, 2022, property, plant and equipment, intangible asset and investment property purchases were \$1,177.3 million (2021 - \$1,233.9 million), a \$56.6 million decrease from the same period in 2021. Major capital expenditures included:

- \$731.0 million at SaskPower related to its Logistics Warehouse Complex and the Great Plains Power Station in Moose Jaw, connecting customers to the electricity system, increasing capacity, and sustaining transmission and distribution infrastructure;
- \$259.5 million at SaskTel on Fibre to the Premises, 5G network modernization, wireless network enhancements, and basic network growth and enhancements; and
- \$156.5 million at SaskEnergy primarily related to customer connections, system expansions to meet customer growth including the Moose Jaw supply project and spending to ensure the safety and integrity of its extensive distribution and transmission systems.

Consolidated Debt



Consolidated debt at December 31, 2022, was \$11,417.9 million (March 31, 2022 - \$10,682.2 million including SOCO), a \$735.7 million increase from March 31, 2022. The increase is primarily due to additional debt used to fund most of the Crown capital expenditures during the period as cash from operations to support capital declined year over year.

Analysis of Consolidated Capital Resources *(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, 2022

Moody's Investor Service	Aa1
Standard & Poor's	AA
Dominion Bond Rating Service	AA (low)

Operating, Investing and Financing Activities

Cash Flow Highlights (millions of dollars) (unaudited)	For the nine months ended	
	December 31 2022	December 31 2021
Net cash from operating activities	\$ 640.4	\$ 1,039.4
Net cash used in investing activities	(1,209.6)	(1,352.5)
Net cash from financing activities	<u>571.4</u>	<u>283.7</u>
Net change in cash and cash equivalents	<u>\$ 2.2</u>	<u>\$ (29.4)</u>

Net cash from operating activities for the nine months ended December 31, 2022, was \$640.4 million (2021 - \$1,039.4 million). The \$399.0 million decrease is primarily due to lower Crown earnings, unfavourable changes in non-cash working capital balances, and higher interest costs due to increasing debt balances and higher interest rates.

Net cash used in investing activities for the nine months ended December 31, 2022, was \$1,209.6 million (2021 - \$1,352.5 million). The \$142.9 million decrease in cash used is primarily due to the receipt of a \$93.5 million payment from Innovation Saskatchewan for the transfer of SOCO and lower spending on intangible assets as SaskTel's spectrum auction occurred in Q3 of 2021-22. This was partially offset by higher spending on property, plant, and equipment as the economy continues to recover from the COVID-19 pandemic.

Net cash from financing activities for the nine months ended December 31, 2022, was \$571.4 million (2021 - \$283.7 million). The \$287.7 million increase is primarily due to increased net borrowing for capital requirements, increased sinking fund redemptions at SaskPower, and lower dividends paid to the GRF due to lower Crown earnings. This was partially offset by CIC's \$93.5 million equity repayment to the GRF from proceeds on the transfer of SOCO to Innovation Saskatchewan.

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. All Crowns are within their debt ratio targets.

Outlook and Key Factors Affecting Performance

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 regulatory environments. Earnings are largely driven by utility Crowns that have stable or growing customer demand and rates that are set in accordance with commercial principles.

The Corporation anticipates significant ongoing challenges including maintaining and expanding utility infrastructure at SaskPower, SaskEnergy and SaskWater as well as adapting to any regulatory changes; 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. 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.

On October 27, 2022, the Government of Saskatchewan announced it will be establishing a new commercial Crown corporation to oversee lotteries and gaming in the province. Lotteries and Gaming Saskatchewan (LGS) is expected to launch on April 1, 2023, consolidating the management oversight for casinos, video lottery terminals, lotteries, and online gaming. As part of the new Crown corporation, SGC will be reconfigured as a wholly owned subsidiary of LGS, while continuing to operate casinos Regina and Moose Jaw.

Crown Investments Corporation of Saskatchewan
Condensed Consolidated Interim Statement of Financial Position
As at December 31
(thousands of dollars)
(unaudited)

	Note	December 31 2022	March 31 2022
ASSETS			
Current			
Cash and cash equivalents		\$ 194,581	\$ 173,442
Short-term investments		106,000	89,386
Short-term investments under securities lending program		68,665	107,137
Accounts receivable		1,222,237	1,085,208
Derivative financial assets		105,391	157,679
Inventories		436,107	321,896
Prepaid expenses		266,280	277,479
Contract assets and costs		93,829	96,368
Assets held-for-sale	6	1,459	190,172
		2,494,549	2,498,767
Investments		1,825,342	1,944,706
Investments under securities lending program		463,372	253,894
Contract assets and costs		83,470	83,608
Investments in equity accounted investees		117,788	114,223
Property, plant and equipment		15,943,984	15,525,452
Right-of-use assets		548,486	594,187
Intangible assets		533,991	550,147
Other assets		26,021	21,194
		\$ 22,037,003	\$ 21,586,178
LIABILITIES AND PROVINCE'S EQUITY			
Current			
Bank indebtedness		\$ 2,177	\$ -
Trade and other payables		1,072,607	1,122,950
Derivative financial liabilities		50,977	48,859
Notes payable		1,351,457	1,143,752
Deferred revenue		710,857	620,060
Provisions		372,475	339,530
Lease liabilities		64,911	58,564
Long-term debt due within one year		150,000	256,320
Contract liabilities		102,556	87,663
Liabilities held-for-sale	6	-	60,933
		3,878,017	3,738,631
Provisions		904,150	939,894
Lease liabilities		924,158	967,042
Long-term debt		9,916,469	9,228,180
Contract liabilities		153,456	158,661
Employee future benefits		96,966	157,609
Other liabilities		55,192	45,994
		15,928,408	15,236,011
Equity advances		538,389	631,889
Retained earnings		5,373,022	5,511,486
Accumulated other comprehensive income	8	197,184	206,792
		6,108,595	6,350,167
		\$ 22,037,003	\$ 21,586,178

Commitments and contingencies

9

(See accompanying notes)

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

Note	October 1 to December 31 2022	October 1 to December 31 2021	April 1 to December 31 2022	April 1 to December 31 2021
INCOME FROM OPERATIONS				
	\$ 1,837,521	\$ 1,669,847	\$ 4,988,112	\$ 4,512,540
	550	2,549	5,561	5,053
10	1,838,071	1,672,396	4,993,673	4,517,593
EXPENSES				
	1,135,855	930,826	2,984,574	2,358,794
	229,726	215,304	690,686	652,884
	17,424	17,199	52,172	49,369
	248,657	252,557	741,898	750,418
	11,780	7,549	18,473	21,008
	576	-	(223)	225
	(258)	52	(2,418)	64
	47,730	41,581	146,815	129,144
	1,691,490	1,465,068	4,631,977	3,961,906
RESULTS FROM OPERATING ACTIVITIES				
	146,581	207,328	361,696	555,687
	50,780	37,094	29,146	102,601
	(140,287)	(138,515)	(409,885)	(404,685)
NET FINANCE EXPENSES				
	(89,507)	(101,421)	(380,739)	(302,084)
	1,421	4,213	7,309	9,216
NET EARNINGS (LOSS) FROM CONTINUING OPERATIONS				
	58,495	110,120	(11,734)	262,819
	6	729	-	1,416
	-	-	-	-
NET EARNINGS (LOSS)				
	58,495	110,849	(11,734)	264,235
OTHER COMPREHENSIVE INCOME (LOSS)				
	27,569	13,943	58,623	36,693
	(4,803)	10,555	(38,852)	13,485
	(30,047)	(19,601)	(30,005)	20,207
	114	115	344	344
OTHER COMPREHENSIVE (LOSS) INCOME				
	(7,167)	5,012	(9,890)	70,729
TOTAL COMPREHENSIVE INCOME (LOSS)				
ATTRIBUTABLE TO THE PROVINCE				
OF SASKATCHEWAN				
	\$ 51,328	\$ 115,861	\$ (21,624)	\$ 334,964

(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

	Note	Equity Advances	Retained Earnings	Accumulated Other Comprehensive Income (Note 8)	Total Equity
Balance at April 1, 2021		\$ 808,889	\$ 5,300,447	\$ 121,318	\$ 6,230,654
Total comprehensive income		-	264,235	70,729	334,964
Dividends to GRF		-	(150,000)	-	(150,000)
Balance at December 31, 2021		\$ 808,889	\$ 5,414,682	\$ 192,047	\$ 6,415,618
Balance at January 1, 2022		\$ 808,889	\$ 5,414,682	\$ 192,047	\$ 6,415,618
Total comprehensive income		-	96,804	14,745	111,549
Dividends to GRF		-	-	-	-
Equity repayments to the GRF		(177,000)	-	-	(177,000)
Balance at March 31, 2022		\$ 631,889	\$ 5,511,486	\$ 206,792	\$ 6,350,167
Balance at April 1, 2022		\$ 631,889	\$ 5,511,486	\$ 206,792	\$ 6,350,167
Transfer of SOCO to Innovation Saskatchewan	6	-	(34,730)	282	(34,448)
Total comprehensive loss		-	(11,734)	(9,890)	(21,624)
Dividends to GRF		-	(92,000)	-	(92,000)
Equity repayments to the GRF		(93,500)	-	-	(93,500)
Balance at December 31, 2022		\$ 538,389	\$ 5,373,022	\$ 197,184	\$ 6,108,595

(See accompanying notes)

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

	Note	April 1 to December 31 2022	April 1 to December 31 2021
OPERATING ACTIVITIES			
Net (loss) earnings		\$ (11,734)	\$ 264,235
Adjustments to reconcile net earnings to cash from operating activities	11	1,146,938	1,029,433
		1,135,204	1,293,668
Net change in non-cash working capital balances related to operations		(42,127)	154,981
SOCO cash transferred to Innovation Saskatchewan	6	(16,812)	-
Interest paid		(426,328)	(405,437)
Income taxes paid		(9,575)	(3,805)
Net cash from operating activities		640,363	1,039,407
INVESTING ACTIVITIES			
Interest received		23,148	19,408
Dividends received		-	170
Purchase of investments		(1,078,954)	(889,747)
Proceeds from sale and collection of investments		1,029,156	757,158
Purchase of property, plant and equipment		(1,142,849)	(1,030,812)
Costs related to the sale of property, plant and equipment		(5,962)	(5,809)
Purchase of intangible assets		(34,421)	(199,551)
Purchase of investment property		-	(3,488)
Decrease in other assets		269	182
Net cash used in investing activities		(1,209,613)	(1,352,489)
FINANCING ACTIVITIES			
Increase in notes payable		207,705	225,536
Increase in other liabilities		10,466	11,749
Debt proceeds from the GRF		841,716	306,952
Debt repayments to the GRF		(256,320)	(3,900)
Debt repayments to other lenders		(428)	(386)
Principal repayments of lease liabilities		(39,459)	(35,004)
Sinking fund instalments		(78,614)	(73,292)
Sinking fund redemptions		71,834	2,036
Equity repayments		(93,500)	-
Dividends paid		(92,000)	(150,000)
Net cash from financing activities		571,400	283,691
NET CHANGE IN CASH AND CASH EQUIVALENTS DURING PERIOD		2,150	(29,391)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD		190,254	334,332
CASH AND CASH EQUIVALENTS, END OF PERIOD		\$ 192,404	\$ 304,941
Cash and cash equivalents consists of:			
Cash and cash equivalents		\$ 194,581	\$ 304,941
Bank indebtedness		(2,177)	-
		\$ 192,404	\$ 304,941

(See accompanying notes)

Crown Investments Corporation of Saskatchewan
Notes to Condensed Consolidated Interim Financial Statements
December 31, 2022
(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 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, 2022 audited consolidated financial statements.

The condensed consolidated interim financial statements were authorized for issue by the Board of Directors on March 9, 2023.

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

Certain new standards, interpretations, and amendments to existing standards, effective for annual periods beginning on or after January 1, 2022, have been applied in preparing these interim condensed consolidated financial statements.

There was no material impact to the interim financial statements upon adoption of these new standards, interpretations, and amendments.

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, 2022 audited consolidated financial statements, except as described in Note 3.

Crown Investments Corporation of Saskatchewan
Notes to Condensed Consolidated Interim Financial Statements
December 31, 2022
(unaudited)

4. Significant accounting policies *(continued)*

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.

In addition to the Crown corporations listed below, the Corporation also consolidates the accounts of a wholly-owned share capital subsidiary CIC Asset Management Inc. (CIC AMI), which is domiciled in Canada.

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

Wholly-owned subsidiaries domiciled in Canada

Saskatchewan Power Corporation (SaskPower)

Saskatchewan Telecommunications Holding Corporation (SaskTel)

SaskEnergy Incorporated (SaskEnergy)

Saskatchewan Water Corporation (SaskWater)

Saskatchewan Government Insurance (SGI CANADA)

Saskatchewan Gaming Corporation (SGC)¹

Principal activity

Electricity

Information and communications technology

Natural gas transmission, storage and delivery

Water and wastewater management

Property and casualty insurance

Entertainment

¹ On October 27, 2022, the Government of Saskatchewan announced it will be establishing a new commercial Crown corporation to oversee lotteries and gaming in the province. Lotteries and Gaming Saskatchewan (LGS) is expected to launch on April 1, 2023, consolidating the management oversight for casinos, video lottery terminals, lotteries, and online gaming. As part of the new Crown corporation, SGC will be reconfigured as a wholly owned subsidiary of LGS, while continuing to operate casinos Regina and Moose Jaw.

Associates (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.

Associates 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 commences until the date that significant influence 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.

4. Significant accounting policies *(continued)*

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 a joint operation.

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.

b) New standards not yet adopted

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended December 31, 2022 and have not been applied in preparing these condensed consolidated interim financial statements. Further information on standards that are expected to have a significant impact on financial reporting are discussed below.

IFRS 17, Insurance Contracts

IFRS 17, *Insurance Contracts* was issued in May 2017 and will replace IFRS 4. The intent of the standard is to establish consistent recognition, measurement, presentation and disclosure principles to provide relevant and comparable reporting of insurance contracts across jurisdictions.

The standard requires entities to measure insurance contract liabilities as the risk-adjusted present value of the cash flows plus the contractual service margin, which represents the unearned profit the entity will recognize as future service is provided. This is referred to as the general model. Expedients are specified, provided the insurance contracts meet certain conditions. If, at initial recognition or subsequently, the contractual service margin becomes negative, the contract is considered onerous and the excess is recognized immediately in net earnings. The standard also includes significant changes to the presentation and disclosure of insurance contracts within entities' financial statements.

IFRS 17 applies to annual periods beginning on or after January 1, 2023. The standard is to be applied retrospectively unless impracticable, in which case a modified retrospective approach or fair value approach is to be used for transition. The standard represents a comprehensive IFRS accounting model for insurance contracts and is expected to have a significant impact on financial reporting on the Corporation's property and casualty insurance segment. The Corporation is evaluating the impact this standard will have on the consolidated financial statements.

Crown Investments Corporation of Saskatchewan
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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 His 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 operations and subsidiaries are not provincial Crown corporations and are subject to federal and provincial income taxes.

6. Assets and liabilities held-for-sale and discontinued operations

On March 23, 2022, the Government of Saskatchewan announced the creation of a single innovation agency in the province by moving SOCO under the authority of Innovation Saskatchewan. The change was effective April 1, 2022 and SOCO's assets, liabilities, and equity were transferred. CIC received \$93.5 million for its investment and no gain was recognized on the transaction. CIC provided the \$93.5 million to the GRF as an equity repayment. SOCO's prior year assets and liabilities are classified as held-for-sale on the Statement of Financial Position and its prior year earnings are classified as discontinued operations on the Statement of Comprehensive Income.

CIC also has \$1.5 million in assets held-for-sale at December 31, 2022 (March 31, 2022 - \$0.8 million), that are unrelated to the SOCO transfer.

Assets and liabilities classified as held-for-sale are comprised of the following (thousands of dollars):

	December 31		March 31
	2022		2022
Cash and cash equivalents	\$ -	\$	16,812
Accounts receivable	-		1,886
Inventories	-		31
Prepaid expenses	-		532
Long-term investments	-		5,317
Property, plant and equipment	1,459		1,768
Right-of-use assets	-		566
Investment property	-		162,502
Other assets	-		758
Assets held-for-sale	\$ 1,459	\$	190,172

	December 31		March 31
	2022		2022
Trade and other payables	\$ -	\$	4,183
Notes payable	-		17,240
Deferred revenue	-		2,261
Current portion of lease liabilities	-		304
Long-term portion of lease liabilities	-		261
Long-term debt	-		36,684
Liabilities held-for-sale	\$ -	\$	60,933

Crown Investments Corporation of Saskatchewan
Notes to Condensed Consolidated Interim Financial Statements
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6. Assets and liabilities held-for-sale and discontinued operations *(continued)*

The impact of discontinued operations on net earnings was comprised of the following (thousands of dollars):

	April 1 to December 31 2022	April 1 to December 31 2021
Revenue	\$ -	\$ 27,633
Operating expenses	-	8,528
Salaries, wages and short-term employee benefits	-	6,238
Employee future benefits	-	425
Depreciation and amortization	-	6,579
Saskatchewan taxes and fees	-	3,266
	-	25,036
Results from operating activities	-	2,597
Finance income	-	152
Finance expenses	-	(1,333)
Net finance expenses	-	(1,181)
Net earnings from discontinued operations	-	1,416
Unrealized gain on sinking funds	-	62
Total comprehensive income from discontinued operations attributable to the Province of Saskatchewan	\$ -	\$ 1,478

The impact of discontinued operations on cash flows was comprised of the following (thousands of dollars):

	April 1 to December 31 2022	April 1 to December 31 2021
Cash used in operating activities	\$ (16,812)	\$ 4,281
Cash from (used in) investing activities	93,500	(3,282)
Cash used in financing activities	(93,500)	(1,912)
Net change in cash and cash equivalents	\$ (16,812)	\$ (913)

7. 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.

Crown Investments Corporation of Saskatchewan
Notes to Condensed Consolidated Interim Financial Statements
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7. Equity advances and capital disclosures *(continued)*

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.

The consolidated debt ratio is as follows (thousands of dollars):

	December 31 2022	March 31 2022
Total debt (a)	\$ 11,417,926	\$ 10,682,176
Less: Sinking funds	(960,647)	(998,156)
Net debt	10,457,279	9,684,020
Equity	6,108,595	6,350,167
Capitalization	\$ 16,565,874	\$ 16,034,187
Debt ratio	63.1%	60.4%

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

8. Accumulated other comprehensive income

(thousands of dollars)

	December 31 2022	March 31 2022
Items that may be subsequently reclassified to net earnings:		
Unrealized losses on sinking funds	\$ (96,076)	\$ (57,506)
Unrealized gains on cash flow hedges	25,596	55,601
Realized losses on cash flow hedges	(9,974)	(10,318)
	(80,454)	(12,223)
Items that will not be reclassified to net earnings:		
Impact of changes in defined benefit plan actuarial assumptions	277,638	219,015
	\$ 197,184	\$ 206,792

Crown Investments Corporation of Saskatchewan
Notes to Condensed Consolidated Interim Financial Statements
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9. 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.

10. Revenue and other income

(thousands of dollars)

Note	April 1 to December 31 2022	April 1 to December 31 2021
Utilities ¹	\$ 4,184,167	\$ 3,759,148
Insurance	897,091	827,069
Investment and economic growth	-	27,633
Entertainment	86,994	53,256
Other and consolidation adjustments	(174,579)	(121,880)
	4,993,673	4,545,226
Discontinued operations	6	-
	-	(27,633)
	\$ 4,993,673	\$ 4,517,593

¹Utilities revenue primarily consists of revenue from contracts with customers. These contracts include wireless, internet, television, telephone, electricity, water, and natural gas contracts.

11. Condensed consolidated interim statement of cash flows

(thousands of dollars)

	April 1 to December 31 2022	April 1 to December 31 2021
Adjustments to reconcile net earnings to cash provided from operating activities		
Depreciation and amortization	\$ 741,898	\$ 756,997
Share of earnings from investments in equity accounted investees	(7,309)	(9,216)
Defined benefit pension plan expense	3,845	4,237
(Recovery of) provision for environmental remediation liabilities	(2,418)	64
Unrealized losses (gains) on derivative financial instruments	36,955	(29,135)
Inventory impairments (recoveries)	2,021	(2,636)
Loss on disposal of property, plant and equipment	18,473	21,008
Impairment (recoveries) losses	(223)	225
Net finance expenses	380,739	303,265
Other non-cash items	(27,043)	(15,376)
	\$ 1,146,938	\$ 1,029,433

Crown Investments Corporation of Saskatchewan
Notes to Condensed Consolidated Interim Financial Statements
December 31, 2022
(unaudited)

12. 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 are categorized within this hierarchy as follows (thousands of dollars):

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 194,581	\$ -	\$ -	\$ 194,581
Bank indebtedness	2,177	-	-	2,177
Notes payable	1,351,457	-	-	1,351,457
Investments – fair value through profit or loss	282,646	927,461	237,719	1,447,826
Investments – fair value through other comprehensive income	-	960,647	-	960,647
Investments – amortized cost	-	54,906	-	54,906
Long-term debt	-	9,267,892	-	9,267,892
Physical natural gas contracts – net	-	47,924	-	47,924
Natural gas price swaps – net	-	5,797	-	5,797
Foreign exchange forward contracts – net	-	693	-	693

	March 31, 2022 (including SOCO)			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 190,254	\$ -	\$ -	\$ 190,254
Notes payable	1,160,992	-	-	1,160,992
Investments – fair value through profit or loss	267,912	859,120	224,474	1,351,506
Investments – fair value through other comprehensive income	-	998,156	-	998,156
Investments – amortized cost	-	50,778	-	50,778
Long-term debt	-	9,905,047	-	9,905,047
Physical natural gas contracts – net	-	84,879	-	84,879
Natural gas price swaps – net	-	24,440	-	24,440
Foreign exchange forward contracts – net	-	(499)	-	(499)

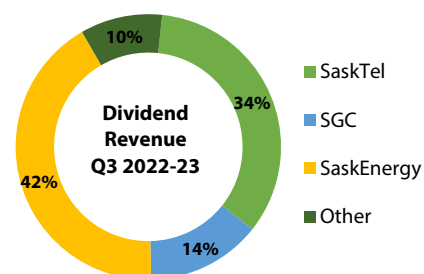
CIC SEPARATE FINANCIAL STATEMENTS

CIC Separate Management Discussion & Analysis

Analysis of CIC Separate Financial Results

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, 2022, third quarter results should be read in conjunction with the March 31, 2022, 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 Net Earnings (millions of dollars) (unaudited)	For the nine months ended	
	December 31 2022	December 31 2021
Dividend revenue	\$ 92.9	\$ 141.9
Add: Net finance and other income	0.5	0.6
Impairment recovery	-	8.6
Less: Operating, salaries and other expenses	(9.3)	(8.3)
CIC Separate net earnings	\$ 84.1	\$ 142.8

Net Earnings

CIC Separate net earnings for the nine months ended December 31, 2022, were \$84.1 million (2021 - \$142.8 million), \$58.7 million lower than the same period in 2021. The decrease in net earnings is primarily due to lower dividend revenue of \$49.0 million in the three quarters of 2022-23 compared to the same period last year. As well, CIC recorded an impairment recovery in 2021-22 of \$8.6 million on the loan to CIC Asset Management Inc. (CIC AMI)¹ (formerly a loan to First Nations and Métis Fund Inc. (FNMF)) as it had financial capacity, following amalgamation, to repay the loan due to CIC. A more detailed discussion of net earnings is included on the following pages.

Dividend Revenue

For the nine months of this fiscal year, dividends from subsidiary Crown corporations are based on 75.0 per cent of budgeted dividends for the year. The 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 infrastructure reinvestment and debt reduction requirements. These targets are subject to change during the year if there is a significant change in circumstances.

¹ On April 1, 2021, FNMF, Saskatchewan Immigrant Investor Fund Inc. (SIIF) and CIC AMI amalgamated. All assets, liabilities and obligations were amalgamated, and the entity continued to operate as CIC AMI.

Analysis of CIC Separate Financial Results *(continued)*

Dividend Revenue *(continued)*

Dividend revenue for the nine months ended December 31, 2022, was \$92.9 million (2021 - \$141.9 million). The \$49.0 million decrease is primarily due to lower dividends from SaskTel (\$35.6 million) and SGI CANADA (\$52.5 million) partially offset by higher dividends from SaskEnergy (\$28.2 million) and SaskGaming (\$13.2 million).

SaskTel's lower dividend is primarily due to the decrease in its dividend payout rate. For 2022-23, the payout rate was set at 40.0 per cent of operating earnings whereas in 2021-22 the rate was 90 per cent. SaskTel experienced higher revenues due to continued growth in wireless network services and equipment, fixed broadband and data services and international software and consulting services in 2022-23, compared to the same period of 2021-22. However, with the change to the dividend payout rate to redirect cash to rural fibre rollout, the result was a decrease in its dividend to CIC.

SGI CANADA did not declare a dividend in the first three quarters of 2022-23 compared to \$52.5 million in the same period of 2021-22. The decrease is primarily due to increased claims and decreased investment earnings. The 2022 summer storm season along with more vehicles on the roadways, compared to last year during the pandemic, resulted in more claims than in 2021. Higher than anticipated inflation also increased claim costs. SGI CANADA is not forecasting to pay a dividend for 2022-23 to help ensure it maintains a sufficient level of capital to offset the potential for future claims.

SaskEnergy's dividend at the end of the third quarter of 2022-23 increased \$28.2 million from the same period of 2021-22 as earnings were positively impacted by colder than normal weather, commodity and delivery rate increases, and more opportunities to purchase and sell natural gas in the market to generate earnings. SaskEnergy utilizes its off-peak transportation and storage capacity to find opportunities in the market to take advantage of natural gas pricing differentials.

SaskGaming declared a dividend of \$13.2 million in the first three quarters of 2022-23 compared to no dividend in the same period of 2021-22. The increase was primarily due to no closures in 2022-23 compared to the temporary closure of the casinos due to public health measures for most of the first quarter of 2021-22.

SaskPower did not declare a dividend in the first three quarters as it is forecasting a net loss for 2022-23 largely due to rising natural gas prices and a lower hydro generation forecast resulting in increased fuel and purchased power costs.

Impairment Recovery

On April 1, 2021, CIC AMI, FNMF, and SIIF amalgamated and continued to operate as CIC AMI. In 2021-22, as a result of the amalgamation, CIC reversed its impairment losses of \$8.6 million on its investment in the previous FNMF entity as CIC AMI had the financial capacity to repay the loan in the future.

Operating, Salaries and Other Expenses

Operating, salaries and other expenses for the nine months ended December 31, 2022, were \$9.3 million (2021 - \$8.3 million), \$1.0 million higher than the same period last year. In 2022-23, CIC has continued to take on a more enhanced role in coordinating Crown collaboration across government and leading several policy-driven Crown initiatives. These initiatives required additional staff which increased salaries and benefit costs and office expenses, as well as higher professional fees resulting from the additional projects.

Liquidity and Capital Resources

Cash Flow Highlights (millions of dollars) (unaudited)	For the nine months ended	
	December 31 2022	December 31 2021
Net cash from operating activities	\$ 92.6	\$ 151.5
Net cash from (used in) investing activities	101.8	(11.2)
Net cash used in financing activities	<u>(185.8)</u>	<u>(150.3)</u>
Net change in cash	<u>\$ 8.6</u>	<u>\$ (10.0)</u>

Liquidity

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

Operating, Investing and Financing Activities

Net cash from operating activities for the nine months ended December 31, 2022, was \$92.6 million (2021 - \$151.5 million), a decrease of \$58.9 million. Cash from operating activities decreased primarily due to unfavourable changes in non-cash working capital balances as a result of Crown dividend payments being significantly less than the same period in 2021-22.

Net cash from investing activities for the nine months ended December 31, 2022, was \$101.8 million (2021 - \$11.2 million used in), an increase in cash of \$113.0 million. In the first quarter of 2022-23, CIC received a \$93.5 million payment for CIC's investment in SOCO (equity advance) when CIC transferred SOCO to Innovation Saskatchewan, a provincial government agency. In the second and third quarters of 2022-23, SaskGaming provided CIC a total of \$8.0 million in equity repayments after experiencing an increase in earnings now that the global pandemic closures and restrictions have lifted.

Net cash used in financing activities for the nine months ended December 31, 2022, was \$185.8 million (2021 - \$150.3 million), an increase in cash used of \$35.5 million. In June 2022, CIC provided an equity repayment to the GRF of \$93.5 million, equal to the amount received from the transfer of SOCO to Innovation Saskatchewan. Offsetting the increase in cash used was a \$58.0 million decrease in the dividend paid to the GRF at the end of Q3. CIC paid a \$92.0 million dividend to the GRF compared to \$150.0 million in the same period last year. This decrease was due to the lower Crown dividends discussed above.

Debt Management

CIC as a legal entity has no debt. Currently, CIC does not expect to borrow in 2022-23.

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. Market variability, any potential restrictions or business challenges from the pandemic and the continued recovery of economic activity may impact the Crowns for the remainder of 2022-23.

On October 27, 2022, the Government of Saskatchewan announced it will be establishing a new commercial Crown corporation to oversee lotteries and gaming in the province. Lotteries and Gaming Saskatchewan (LGS) is expected to launch on April 1, 2023, consolidating the management oversight for casinos, video lottery terminals, lotteries, and online gaming. As part of the new Crown corporation, SGC will be reconfigured as a wholly owned subsidiary of LGS, while continuing to operate casinos Regina and Moose Jaw.

CIC regularly assesses the appropriateness of the carrying value of its investments and adjusts the value of investments if it judges them to have other than a temporary increase or decline in carrying value.

Crown Investments Corporation of Saskatchewan
Condensed Separate Interim Statement of Financial Position
As at December 31
(thousands of dollars)
(unaudited)

	Note	December 31 2022	March 31 2022
ASSETS			
Current			
Cash		\$ 27,565	\$ 19,004
Interest and accounts receivable		9	8
Dividends receivable		41,120	49,853
		68,694	68,865
Equity advances to Crown corporations	5	947,931	1,049,431
Investments in share capital corporations		8,956	8,956
Property, plant and equipment		238	121
Right-of-use assets		3,544	3,432
		\$ 1,029,363	\$ 1,130,805
LIABILITIES AND PROVINCE'S EQUITY			
Current			
Interest and accounts payable		\$ 1,813	\$ 1,987
Lease liabilities		440	400
		2,253	2,387
Lease liabilities		3,136	3,053
		5,389	5,440
Equity advances		538,389	631,889
Retained earnings		485,585	493,476
		1,023,974	1,125,365
		\$ 1,029,363	\$ 1,130,805

(See accompanying notes)

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

	Note	October 1 to December 31 2022	October 1 to December 31 2021	April 1 to December 31 2022	April 1 to December 31 2021
INCOME FROM OPERATIONS					
Dividend revenue	6	\$ 41,120	\$ 78,881	\$ 92,939	\$ 141,864
Other income		-	-	-	73
		41,120	78,881	92,939	141,937
EXPENSES					
Operating		970	1,302	2,722	2,635
Salaries and short-term employee benefits		1,862	1,664	5,741	4,894
Employee future benefits		199	171	424	388
Impairment recovery	7	-	-	-	(8,642)
Depreciation		136	123	378	372
		3,167	3,260	9,265	(353)
EARNINGS FROM OPERATIONS		37,953	75,621	83,674	142,290
Finance income		239	184	469	516
Finance expense		(14)	(10)	(34)	(32)
NET FINANCE INCOME		225	174	435	484
NET EARNINGS		38,178	75,795	84,109	142,774
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE PROVINCE OF SASKATCHEWAN		\$ 38,178	\$ 75,795	\$ 84,109	\$ 142,774

(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

	Equity Advances	Retained Earnings	Total Equity
Balance at April 1, 2021	\$ 808,889	\$ 456,993	\$ 1,265,882
Total comprehensive income	-	142,774	142,774
Dividend to the GRF	-	(150,000)	(150,000)
Balance at December 31, 2021	\$ 808,889	\$ 449,767	\$ 1,258,656
Balance at January 1, 2022	\$ 808,889	\$ 449,767	\$ 1,258,656
Total comprehensive income	-	43,709	43,709
Dividends to the GRF	-	-	-
Equity repayments to the GRF	(177,000)	-	(177,000)
Balance at March 31, 2022	\$ 631,889	\$ 493,476	\$ 1,125,365
Balance at April 1, 2022	\$ 631,889	\$ 493,476	\$ 1,125,365
Total comprehensive income	-	84,109	84,109
Dividend to the GRF	-	(92,000)	(92,000)
Equity repayments to the GRF	(93,500)	-	(93,500)
Balance at December 31, 2022	\$ 538,389	\$ 485,585	\$ 1,023,974

(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 2022	April 1 to December 31 2021
OPERATING ACTIVITIES		
Net earnings	\$ 84,109	\$ 142,774
Items not affecting cash from operations		
Depreciation	378	372
Impairment recovery	-	(8,642)
Net finance income	(435)	(484)
	84,052	134,020
Net change in non-cash working capital balances related to operations	8	17,536
Interest paid	(34)	(32)
Net cash from operating activities	92,576	151,524
INVESTING ACTIVITIES		
Interest received	469	516
Equity repayments from Crown Corporations	101,500	-
Equity advances to Crown corporations	-	(11,700)
Purchase of property, plant and equipment	(173)	(10)
Net cash from (used in) investing activities	101,796	(11,194)
FINANCING ACTIVITIES		
Equity advance repaid to the GRF	(93,500)	-
Dividend paid to the GRF	(92,000)	(150,000)
Principal repayment of lease liabilities	(311)	(297)
Net cash used in financing activities	(185,811)	(150,297)
NET CHANGE IN CASH AND CASH EQUIVALENTS DURING PERIOD	8,561	(9,967)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	19,004	82,965
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 27,565	\$ 72,998

(See accompanying notes)

Crown Investments Corporation of Saskatchewan
Notes to Condensed Separate Interim Financial Statements
December 31, 2022
(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, 2022, audited separate financial statements.

The condensed separate interim financial statements were authorized for issue by the CIC Board of Directors on March 9, 2023.

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, 2022, 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 on March 9, 2023. 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 His 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.

Crown Investments Corporation of Saskatchewan
Notes to Condensed Separate Interim Financial Statements
December 31, 2022
(unaudited)

4. Status of Crown Investments Corporation of Saskatchewan (continued)

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:

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

In addition to the above Crown corporations, CIC is the sole shareholder of CIC Asset Management Inc. (CIC AMI), a wholly-owned share capital subsidiary which is domiciled in Canada. On March 23, 2022, the Government of Saskatchewan announced the creation of a single innovation agency in the province by moving SOCO under the authority of Innovation Saskatchewan. The change was effective April 1, 2022. In the first quarter of 2022-23, CIC received \$93.5 million for its investment in SOCO. The alignment of SOCO and Innovation Saskatchewan into a single agency strengthens the province's mandate and programs and helps maximize the economic potential of its research infrastructure assets.

5. Equity advances to Crown corporations

(thousands of dollars)

	December 31 2022	March 31 2022
SaskPower	\$ 593,000	\$ 593,000
SaskTel	237,000	237,000
SGI CANADA	80,000	80,000
SaskEnergy	21,531	21,531
SaskWater	8,700	8,700
SGC (a)	7,700	15,700
SOCO (b)	-	93,500
	\$ 947,931	\$ 1,049,431

- a) CIC received \$8.0 million from SGC as an equity advance repayment in the first nine months of 2022-23.
b) On April 1, 2022, CIC transferred SOCO, at book value, to Innovation Saskatchewan, a provincial government agency. CIC received \$93.5 million from Innovation Saskatchewan as a payment for CIC's investment in SOCO (equity advance).

6. Dividend revenue

(thousands of dollars)

	April 1 to December 31 2022	April 1 to December 31 2021
SaskEnergy	\$ 38,460	\$ 10,256
SaskTel	31,958	67,523
SaskGaming	13,171	-
SaskWater	5,607	4,298
Information Services Corporation	3,743	4,503
SGI CANADA	-	52,500
SaskPower	-	2,300
SOCO	-	484
	\$ 92,939	\$ 141,864

Crown Investments Corporation of Saskatchewan
Notes to Condensed Separate Interim Financial Statements
December 31, 2022
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7. Impairment recovery

On April 1, 2021, CIC AMI, the First Nations and Métis Fund Inc. (FNMF), and the Saskatchewan Immigrant Investor Fund Inc. (SIIF) amalgamated and continued to operate as CIC AMI. As a result of the amalgamation, CIC's investment in the previous FNMF entity, that had been impaired by \$8.6 million in previous periods, was reversed as CIC AMI had the financial capacity to repay the loan.

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

(thousands of dollars)

	April 1 to December 31 2022	April 1 to December 31 2021
(Increase) decrease in interest and accounts receivable	\$ (1)	\$ 72
Decrease in dividends receivable	8,733	18,109
Decrease in interest and accounts payable	(174)	(645)
	\$ 8,558	\$ 17,536