Quarter 3 Financial Report

For the period ended December 31, 2023

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 2023-24 third quarter financial results should be read in conjunction with the March 31, 2023, audited consolidated and separate financial statements. The accounting policies and methods of computation used in the preparation of the unaudited interim condensed consolidated and separate financial statements are consistent with those disclosed in CIC's March 31, 2023, audited consolidated and separate financial statements, with the exception of the adoption of IFRS 17 – *Insurance contracts.*

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 interim condensed consolidated financial statements (herein after referred to as the "consolidated financial statements") are prepared in accordance with International Accounting Standard (IAS) 34 – Interim Financial Reporting and include:

Financial results of subsidiary Crown corporations:

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

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 interim condensed separate 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, 2023. 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, 2023, 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, 2023, audited consolidated financial statements, with the exception of the adoption of IFRS 17 – *Insurance contracts.*

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

The Corporation 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	SaskPower	Electricity
	SaskTel	Information and Communications Technology
	SaskEnergy	Natural Gas Storage and Delivery
	SaskWater	Water and Wastewater Management
Insurance	SGI CANADA	Property and Casualty Insurance
Entertainment	LGS/SGC[1]	Entertainment
Investment and Economic Growth	CIC AMI	Investments

[1] Effective April 1, 2023, LGS began as a new commercial Crown corporation. LGS consolidates the management oversight for casinos, video lottery terminals (VLTs), lotteries, and online gaming. As part of the new Crown corporation, Saskatchewan Gaming Corporation (SGC) was reconfigured as a wholly owned business subsidiary of LGS and will continue to operate casinos Regina and Moose Jaw, with no significant changes to overall operations. SGC's financial results have been consolidated with LGS as of June 1, 2023, with the start of operations.

Consolidated Net Earnings (Loss)

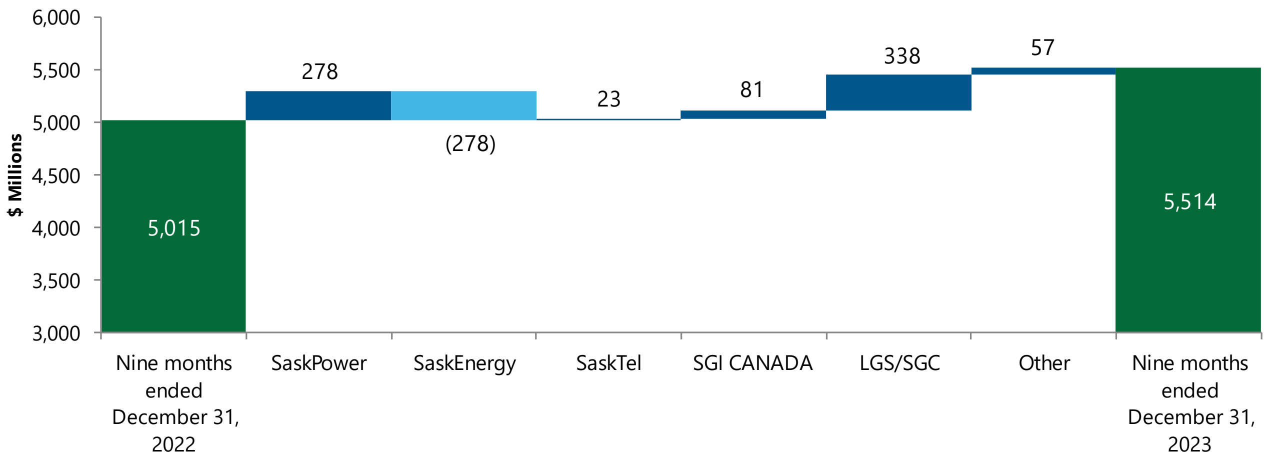
Subsidiary Corporation Earnings (Loss) (millions of dollars) (unaudited)	**For the nine months ended** **December 31 2023**	December 31 2022 (Restated – Note 3)
SaskPower	**$ 159.4**	$ (114.2)
LGS/SGC	**130.9**	15.6
SaskTel	**72.6**	84.9
SGI CANADA	**8.2**	(34.5)
SaskWater	**8.0**	6.6
CIC AMI	**2.2**	1.4
SaskEnergy	**(23.6)**	33.5
CIC (Separate)	**140.4**	84.1
Consolidation adjustments[2]	**(142.7)**	(85.2)
Net earnings (loss)	**$ 355.4**	$ (7.8)

[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 earnings for the nine months ended December 31, 2023, were $355.4 million (2022 - $7.8 million net loss), an increase of $363.2 million compared to the same period in 2022. The Corporation experienced higher net earnings at SaskPower, LGS/SGC and SGI CANADA. SaskTel and SaskEnergy's earnings decreased compared to the prior period. A more detailed discussion of net earnings (loss) is included on the pages following.

Analysis of Consolidated Revenues and Expenses

Changes in Revenue



Revenue for the nine months ended December 31, 2023, was $5,513.9 million (2022 - $5,014.6 million) a $499.3 million increase over the same period in 2022 primarily related to increases at SaskPower, SGI CANADA and start of LGS operations partially offset by a decrease at SaskEnergy.

SaskPower revenue increased by $278.4 million primarily due to higher overall customer demand with power and oilfield classes showing the largest gains due to activity and economic condition improvements. The increase was also supplemented by two 4.0 per cent system average rate increases which were implemented effective September 1, 2022, and April 1, 2023, and a 3.0 per cent rate rider increase effective January 1, 2023. Additionally, export revenue increased due to higher sales volumes at higher prices to the Southwest Power Pool.

SGI CANADA revenue increased by $81.3 million due to growth across all jurisdictions' lines of business. This includes some customer growth as well as premium pricing adjustments. The largest growth was seen in Alberta (10.4%), British Columbia (8.3%), Ontario (8.1%), and Saskatchewan (7.7%).

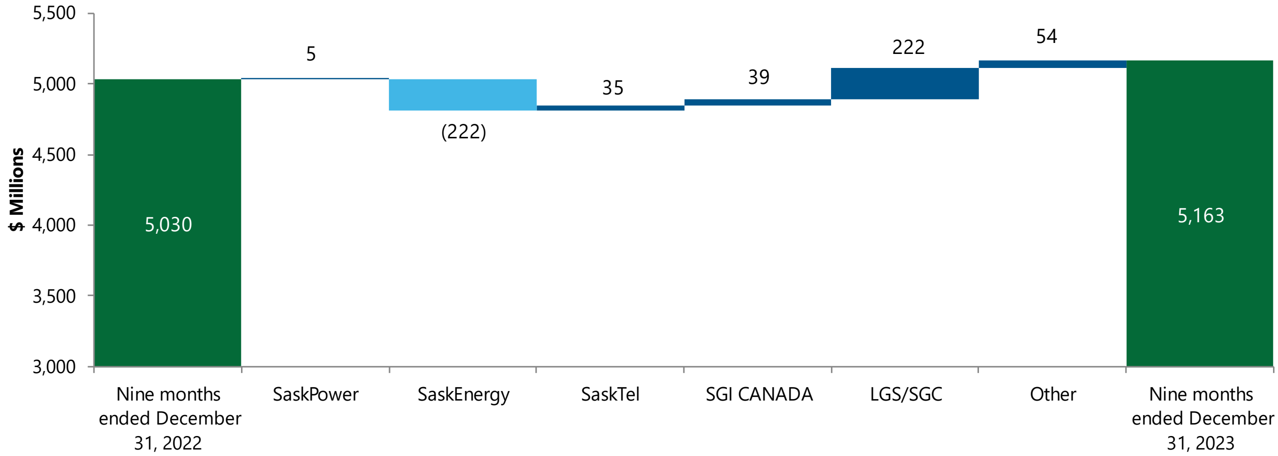
With the start of LGS operations, revenue increased by $337.7 million. On June 1, 2023, LGS became responsible for the management oversight of slot machines, VLTs, online gaming and lotteries in Saskatchewan, and subsequent earnings from all of these business lines flow to LGS instead of the Saskatchewan Liquor and Gaming Authority. Revenue for LGS consisted of $173.4 million from slot machines (Saskatchewan Indian Gaming Authority Inc. as an operator), $141.8 million from VLTs, $95.9 million from SGC, net revenue of $2.8 million from online gaming and $10.7 million from lotteries and other. Positive economic impacts and great gaming experience have contributed to the strong revenues.

SaskTel revenue increased by $22.9 million primarily due to growth in wireless network services and equipment sales resulting from a larger retail subscriber base. Growth was also seen in fixed broadband and data services due to continued customer demand for higher bandwidth services and increased fibre access. The increases were partially offset by lower wireline communication.

SaskEnergy revenue decreased by $278.3 million largely due the warmer than expected weather softening customer natural gas demand and subsequent delivery accentuated by fewer opportunities to supplement revenues through its asset optimization strategy. When some sections of the Alberta natural gas transportation infrastructure were down for maintenance last year, SaskEnergy was able to take advantage and use its excess transportation capabilities to buy and sell natural gas to Alberta at favourable prices (i.e., asset optimization). However, the market in 2023 is back to more "normal" operation and therefore the opportunities are not as numerous nor profitable.

Analysis of Consolidated Revenues and Expenses *(continued)*

Changes in Total Operating Expenses and Net Finance Expenses



Total operating expenses and net finance expenses for the nine months ended December 31, 2023, were $5,163.5 million (2022 - $5,029.7 million), a $133.8 million increase from the same period in 2022 primarily related to increases at SGI CANADA and start of LGS operations partially offset by a decrease at SaskEnergy.

Total operating and net finance expenses increased at SGI CANADA by $38.6 million. A significant portion of the change corresponds with the increase in number of claims, decrease in discount rates and customer growth combined with the cost of the Corporation Transformation Program as it moves forward in its project plan. This negative result was partially offset by improvements in investment earnings on fixed income investments and decrease in catastrophe claims due to less severe summer storms in most of the country this year.

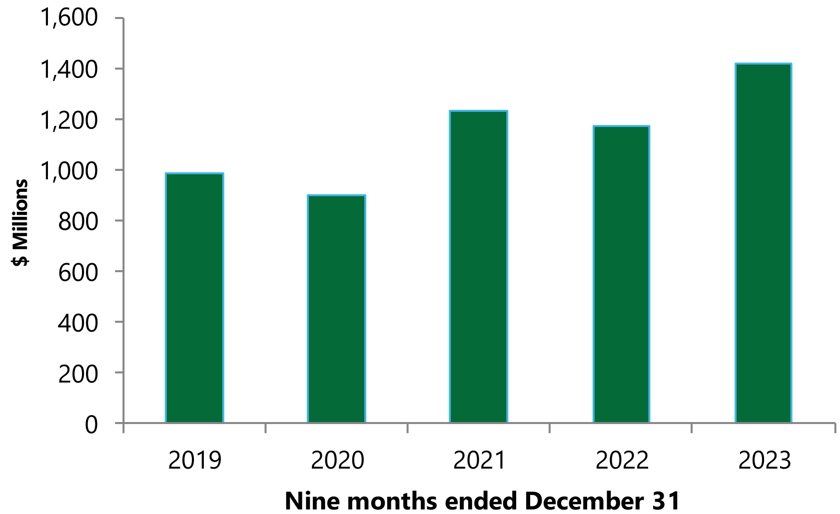
With the start of LGS operations and its new oversight responsibilities, total operating and net finance expenses have increased year over year. The combined expenses include those related to LGS operations, SGC, and the VLT program. Depreciation has increased year over year due to SGC's Casino Regina refresh combined with the purchase of some new VLTs and slot machines.

SaskTel's operating expenses increased $35.3 million largely due to goods and services purchased to support revenue growth. Although SaskTel is seeing year over year demand growth in its service and equipment sales, profit margins are tight due to competitive pricing. Salaries and wages did increase due to economic increases and salary progression. However, depreciation and amortization decreased due to a change in management's estimates.

Total operating and net finance expenses decreased at SaskEnergy by $221.8 million. As transportation capacity in Alberta has increased, natural gas prices and price volatility have decreased resulting in fewer opportunities for SaskEnergy to buy and sell natural gas. This has reduced natural gas purchase costs. The lower natural gas input costs were partially offset by higher operating and maintenance expenses. SaskEnergy had experienced higher than normal staff vacancy levels in the prior period and has since been able to fill previously vacant positions in the current period leading to higher staffing costs. SaskEnergy's continued investment in its facilities has increased operating and maintenance expenses due to functionality improvements. Depreciation and amortization expenses have also increased because of a change in management's estimates. In addition, finance costs have increased as a result additional borrowing to support capital investment and higher interest rates.

Analysis of Consolidated Capital Resources

Capital Spending

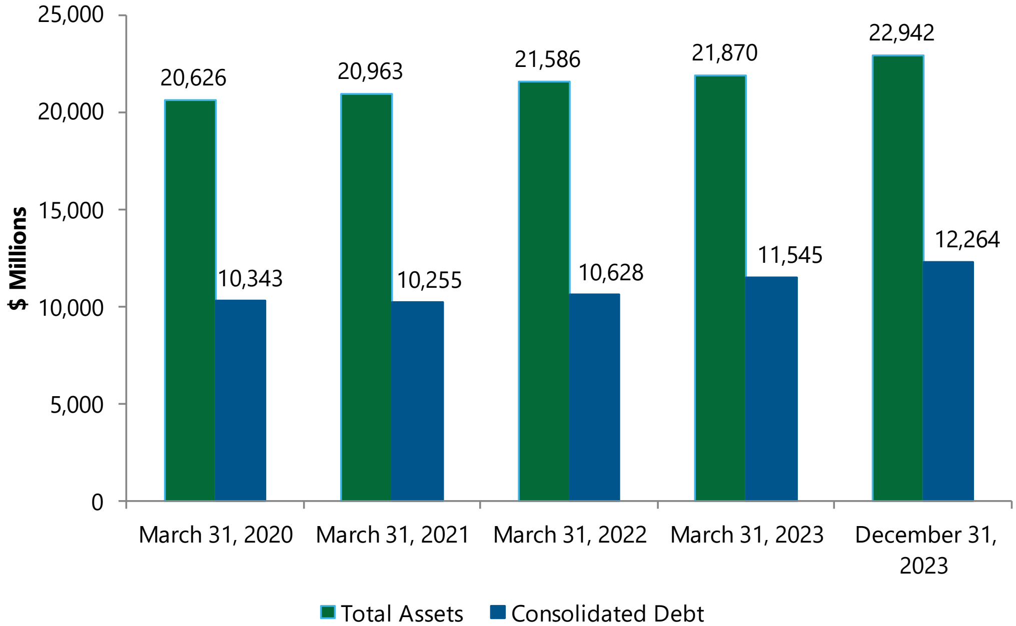


For the nine months ended December 31, 2023, property, plant and equipment and intangible asset purchases were $1,422.4 million (2022 - $1,174.4 million), a $248.0 million increase from the same period in 2022. Major capital expenditures included:

- $841.2 million at SaskPower related to new natural gas generation projects, connecting customers to the electricity system, increasing capacity, sustaining transmission and distribution infrastructure and the construction of the warehouse complex that will centralize maintenance, inventory and supply chain functions in Regina;
- $272.0 million at SaskTel on 5G network build and ongoing investment in rural fibre infrastructure;
- $195.1 million at SaskEnergy primarily related to customer connections, system expansions to meet customer growth, and spending to ensure the safety and integrity of its extensive distribution and transmission system; and,
- $84.0 million at SaskWater related to the construction of the Regina non-potable water supply system to support industrial development in the region.

Analysis of Consolidated Capital Resources *(continued)*

Consolidated Debt



Consolidated debt at December 31, 2023, was $12,264.0 million (March 31, 2023 - $11,544.9 million), a $719.1 million increase from March 31, 2023. The increase is primarily due to borrowing to fund heavy capital needs in the Crowns such as new electricity generation, 5G network modernization, fibre expansion and growth in pipeline capacity for water and natural gas.

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 as at December 31 2023*	
Moody's Investor Service	Aa1
Standard & Poor's	AA
Dominion Bond Rating Service	AA (low)

*No changes in the Province of Saskatchewan credit rating since March 31, 2023.

Operating, Investing and Financing Activities

Cash Flow Highlights (millions of dollars) (unaudited)	**For the nine months ended** **December 31 2023**	December 31 2022 (Restated – Note 3)
Net cash from operating activities	**$ 889.1**	$ 637.6
Net cash used in investing activities	**(1,528.2)**	(1,206.8)
Net cash from financing activities	**532.4**	571.4
Net change in cash and cash equivalents	**$ (106.6)**	$ 2.2

Net cash from operating activities for the nine months ended December 31, 2023, was $889.1 million (2022 - $637.6 million). The $251.5 million increase is primarily due to higher net earnings.

Net cash used in investing activities for the nine months ended December 31, 2023, was $1,528.2 million (2022 - $1,206.8 million). The $321.4 million increase in cash used is primarily due to higher capital spending at SaskPower and SaskWater. This was partially offset by a decrease in net investment activities at SGI CANADA and a one-time payment from Innovation Saskatchewan for the transfer of SOCO in the previous year.

Net cash from financing activities for the nine months ended December 31, 2023, was $532.4 million (2022 - $571.4 million). The $39.0 million decrease is largely due to an equity repayment to the General Revenue Fund from proceeds on the transfer of SOCO to Innovation Saskatchewan in the prior period. This was partially offset by an increase in net borrowing for capital requirements.

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: weather conditions, commodity markets, general economic and geopolitical conditions, interest and exchange rates, competition and the regulatory environment. 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.

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

	Note		December 31 2023		March 31 2023 (Restated – Note 3)
ASSETS					
Current					
Cash and cash equivalents		$	**210,698**	$	316,868
Short-term investments			**104,270**		66,331
Short-term investments under securities lending program			**89,338**		98,753
Accounts receivable			**918,274**		837,812
Reinsurance contract assets	7		**57,292**		55,531
Derivative financial assets			**14,598**		75,004
Inventories			**446,747**		362,311
Prepaid expenses			**110,991**		119,215
Contract assets and costs			**100,080**		92,718
Assets held-for-sale			**-**		1,420
			2,052,228		2,025,963
Investments			**2,185,635**		1,994,079
Investments under securities lending program			**430,784**		364,920
Contract assets and costs			**83,622**		81,732
Investments in equity accounted investees			**121,008**		119,207
Property, plant and equipment			**17,041,428**		16,207,280
Right-of-use assets			**488,946**		534,331
Intangible assets			**501,688**		519,532
Other assets			**36,101**		22,553
		$	**22,941,500**	$	21,869,597
LIABILITIES AND PROVINCE'S EQUITY					
Current					
Bank indebtedness		$	**465**	$	-
Trade and other payables			**1,158,632**		1,193,422
Derivative financial liabilities			**56,133**		61,919
Notes payable			**1,286,411**		1,305,512
Deferred revenue			**3,824**		4,047
Insurance contract liabilities	7		**1,140,677**		994,363
Lease liabilities			**76,074**		68,523
Long-term debt due within one year			**442,164**		152,100
Contract liabilities			**91,829**		120,359
			4,256,209		3,900,245
Provisions			**580,982**		562,969
Lease liabilities			**858,233**		904,914
Long-term debt			**10,535,472**		10,087,247
Contract liabilities			**159,143**		164,896
Employee future benefits			**123,480**		145,299
Other liabilities			**101,497**		42,587
			16,615,016		15,808,157
Equity advances			**538,389**		538,389
Retained earnings			**5,610,011**		5,369,584
Accumulated other comprehensive income	8		**178,084**		153,467
			6,326,484		6,061,440
		$	**22,941,500**	$	21,869,597

Commitments and contingencies 9

(See accompanying notes)

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

	Note	**October 1 to December 31 2023**	October 1 to December 31 2022 (Restated – Note 3)	**April 1 to December 31 2023**	April 1 to December 31 2022 (Restated – Note 3)
INCOME FROM OPERATIONS					
Revenue		**$ 1,957,830**	$ 1,837,344	**$ 5,511,081**	$ 5,009,073
Other income		**1,401**	550	**2,879**	5,561
	10	**1,959,231**	1,837,894	**5,513,960**	5,014,634
EXPENSES					
Operating		**1,101,579**	1,129,309	**3,040,689**	2,989,856
Salaries, wages and short-term employee benefits		**249,912**	229,532	**737,071**	690,237
Employee future benefits		**17,605**	17,618	**52,763**	52,621
Depreciation and amortization		**256,512**	248,657	**764,097**	741,898
Loss on disposal of property, plant and equipment		**10,044**	11,780	**18,790**	18,473
Impairment losses (recoveries)		**2,988**	576	**2,974**	(223)
Provision for (recovery of) decommissioning and environmental remediation		**3,512**	(258)	**(520)**	(2,418)
Saskatchewan taxes and fees		**84,834**	47,730	**225,109**	146,815
	11	**1,726,986**	1,648,944	**4,840,973**	4,637,259
RESULTS FROM OPERATING ACTIVITIES		**232,245**	152,950	**672,987**	377,375
Finance income		**81,108**	46,736	**119,491**	17,423
Finance expenses		**(150,846)**	(140,287)	**(442,067)**	(409,885)
NET FINANCE EXPENSES		**(69,738)**	(93,551)	**(322,576)**	(392,462)
Share of net earnings from equity accounted investees		**1,753**	1,421	**5,546**	7,309
NET EARNINGS (LOSS)		**164,260**	60,820	**355,957**	(7,778)
Net loss from discontinued operations		**-**	-	**(530)**	-
NET EARNINGS (LOSS)		**164,260**	60,820	**355,427**	(7,778)
OTHER COMPREHENSIVE INCOME (LOSS)					
Defined benefit plan actuarial (losses) gains		**(32,619)**	27,569	**23,367**	58,623
Unrealized gains (losses) on sinking funds		**90,169**	(4,803)	**25,367**	(38,852)
Unrealized losses on cash flow hedges		**(16,481)**	(30,047)	**(24,461)**	(30,005)
Amounts amortized to net earnings and included in net finance expenses		**115**	114	**344**	344
OTHER COMPREHENSIVE INCOME (LOSS)		**41,184**	(7,167)	**24,617**	(9,890)
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO THE PROVINCE OF SASKATCHEWAN		**$ 205,444**	$ 53,653	**$ 380,044**	$ (17,668)

(See accompanying notes)

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

	Attributable to the Province of Saskatchewan			
	Equity Advances	**Retained Earnings**	**Accumulated Other Comprehensive Income (Note 8)**	**Total Equity**
Balance at March 31, 2022 (As reported)	$ 631,889	$ 5,511,486	$ 206,792	$ 6,350,167
Impact of the application of IFRS 17*	-	18,602	-	**18,602**
Balance at April 1, 2022 (Restated)*	$ 631,889	$ 5,530,088	$ 206,792	$ 6,368,769
Transfer of SOCO to Innovation Saskatchewan	-	(34,730)	282	**(34,448)**
Total comprehensive loss*	-	(7,778)	(9,890)	**(17,668)**
Dividends to the GRF	-	(92,000)	-	**(92,000)**
Equity repayments to the GRF	(93,500)	-	-	**(93,500)**
Balance at December 31, 2022 (Restated)*	$ 538,389	$ 5,395,580	$ 197,184	$ 6,131,153
Balance at January 1, 2023 (Restated)*	$ 538,389	$ 5,395,580	$ 197,184	$ 6,131,153
Total comprehensive income (loss)*	-	25,004	(43,717)	**(18,713)**
Dividends to the GRF	-	(51,000)	-	**(51,000)**
Balance at March 31, 2023 (Restated)*	$ 538,389	$ 5,369,584	$ 153,467	$ 6,061,440
Balance at April 1, 2023	$ 538,389	$ 5,369,584	$ 153,467	$ 6,061,440
Total comprehensive income	-	355,427	24,617	**380,044**
Dividends to the GRF	-	(115,000)	-	**(115,000)**
Balance at December 31, 2023	$ 538,389	$ 5,610,011	$ 178,084	$ 6,326,484

*Restated for the adoption of IFRS 17 – *Insurance contracts*. Refer to Note 3 – Application of new accounting standards.

(See accompanying notes)

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

	Note		April 1 to December 31 2023		April 1 to December 31 2022 (Restated – Note 3)
OPERATING ACTIVITIES					
Net earnings (loss)		$	**355,427**	$	(7,778)
Adjustments to reconcile net earnings (loss) to cash from operating activities	12		**1,132,022**		1,166,815
			1,487,449		1,159,037
Net change in non-cash working capital balances related to operations			**(155,017)**		(52,004)
SOCO cash transferred to Innovation Saskatchewan			**-**		(16,812)
Interest paid			**(471,055)**		(443,139)
Income taxes recovered (paid)			**27,759**		(9,575)
Net cash from operating activities			**889,136**		637,507
INVESTING ACTIVITIES					
Interest received			**30,863**		23,148
Purchase of investments			**(967,516)**		(1,078,954)
Proceeds from sale and collection of investments			**841,392**		1,029,156
Purchase of property, plant and equipment			**(1,394,495)**		(1,133,371)
Proceeds from the sale of property, plant and equipment			**(10,215)**		(5,962)
Purchase of intangible assets			**(27,936)**		(41,043)
(Increase) decrease in other assets			**(256)**		269
Net cash used in investing activities			**(1,528,163)**		(1,206,757)
FINANCING ACTIVITIES					
(Decrease) increase in notes payable			**(19,101)**		207,705
Increase in other liabilities			**64,340**		10,466
Debt proceeds from the GRF			**862,220**		841,716
Debt repayments to the GRF			**(150,000)**		(256,320)
Debt proceeds from other lenders			**28,968**		-
Debt repayments to other lenders			**-**		(428)
Principal repayments of lease liabilities			**(47,883)**		(39,459)
Sinking fund instalments			**(91,152)**		(78,614)
Sinking fund redemptions			**-**		71,834
Equity repayments			**-**		(93,500)
Dividends paid			**(115,000)**		(92,000)
Net cash from financing activities			**532,392**		571,400
NET CHANGE IN CASH AND CASH EQUIVALENTS DURING PERIOD			**(106,635)**		2,150
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD			**316,868**		190,254
CASH AND CASH EQUIVALENTS, END OF PERIOD		**$**	**210,233**	$	192,404
Cash and cash equivalents consists of:					
Cash and cash equivalents		**$**	**210,698**	$	192,404
Bank indebtedness			**(465)**		-
		$	**210,233**	$	192,404

(See accompanying notes)

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 interim condensed consolidated financial statements of CIC comprise CIC and its subsidiaries (collectively referred to as "CIC" or "the Corporation") and the Corporation's interest in associates and joint operations with principal activities as described in Note 4(a).

The results included in these interim condensed consolidated 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 interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 – *Interim Financial Reporting*. The interim condensed consolidated 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, 2023, audited consolidated financial statements.

The interim condensed consolidated financial statements were authorized for issue by the Board of Directors on March 7, 2024.

b) Functional and presentation currency

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

c) Use of estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

Significant items subject to estimates and assumptions include the carrying amounts of property, plant and equipment, right-of-use assets, lease liabilities, intangible assets, investment property, provisions, accounts receivable, inventories, investments, insurance and reinsurance contracts (Note 7), contract assets and costs, contract liabilities, investments in equity accounted investees, the underlying estimations of useful lives of depreciable assets, the fair value of financial instruments (Note 13), the carrying amounts of employee future benefits including underlying actuarial assumptions, and the measurement of commitments and contingencies (Note 9).

2. Basis of preparation *(continued)*

d) Use of judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements that affect the application of accounting policies. Significant items subject to judgement are included in the accounting policies listed in Note 4.

3. Application of new accounting standards, and amendments to standards and interpretations

The corporation adopted the following accounting amendments that are effective for the interim and annual consolidated financial statements.

a) **Amendments to IAS 1,** *Presentation of Financial Statements* – Disclosure of Accounting Policies, requiring entities to disclose material, instead of significant, accounting policy information.

b) **Amendments to IAS 8,** *Accounting Policies – Changes in Accounting Estimates and Errors*, clarifying the definition of “accounting policies” and “accounting estimates”.

c) First-Time adoption of IFRS 17 Insurance Contracts

The Corporation has applied IFRS 17 – *Insurance contracts* effective April 1, 2023. This standard has brought significant changes to the accounting for insurance and reinsurance contracts. As a result, the Corporation has restated certain comparative information and presented the change in financial position as at April 1, 2022. The nature and effects of the key changes in the Corporation’s accounting policies resulting from its adoption of IFRS 17 are summarized below.

Classification, recognition, measurement, and presentation of insurance contracts

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts and reinsurance contracts. It introduces a model (general model) that measures groups of contracts based on the Corporation’s estimates of the present value of future cash flows that are expected to arise as the Corporation fulfils the contracts, including an explicit risk adjustment for non-financial risk.

Entities also have the option to use a simplified measurement model, the Premium Allocation Approach (PAA), for contracts that are one year or less, or for contracts longer than one year if there is no material difference in the liability for remaining coverage measured under both the PAA and the general measurement model.

3. Application of new accounting standards, and amendments to standards and interpretations *(continued)*

The Corporation has elected to apply the PAA for all insurance and reinsurance contracts. When measuring liabilities for remaining coverage, the PAA is similar to the Corporations' previous accounting treatment under IFRS 4 – *Insurance contracts*. However, when measuring liabilities for incurred claims the Corporation includes an explicit risk adjustment for non-financial risk. Under the PAA, the following are the key differences between IFRS 4 and IFRS 17:

- **Deferral of acquisition costs** – Under IFRS 17, insurance acquisition cash flows are costs directly attributable to selling or underwriting a portfolio of insurance contracts. An entity may elect to capitalize and amortize these costs over the coverage period based on the expected timing of incurred insurance service expense of the related group. It is similar to IFRS 4's deferred policy acquisition costs except that IFRS 17 also includes a portion of allocated indirect costs, as a result, the Corporation has capitalized additional costs under IFRS 17.

- **Onerous contracts** – IFRS 17 requires the identification of groups of onerous contracts at a more granular level than the liability adequacy test performed under IFRS 4. In the event of the existence of onerous contracts, a loss component is recognized immediately in net income, which is earlier recognition than IFRS 4.

- **Discount rate** – Under IFRS 17, the net liability for incurred claims is discounted at a rate that reflects the characteristics of the liabilities and the duration of each portfolio. The Corporation has established a discount yield curve using risk-free rates adjusted to reflect the illiquidity characteristics of the applicable insurance contracts. Under IFRS 4, the Corporation discounted unpaid claims and reinsurance recoverable with a discount rate based upon the expected return of the bond investments that approximates the cash flow requirements of the unpaid claims.

- **Risk adjustment** – Under IFRS 4, unpaid claims and reinsurance recoverable included a risk margin to reflect the uncertainty in the discounted net claims liabilities. Under IFRS 17, the risk margin is replaced by a risk adjustment representing compensation that the entity requires for bearing the uncertainty from non-financial risk.

Changes to Presentation and Disclosure

Consolidated statement of financial position

IFRS 17 introduces changes to the way in which the Corporation presents and discloses financial results.

Reinsurance contract assets are separately presented in the consolidated statement of financial position and include amounts expected to be recovered from reinsurers and an allocation of the reinsurance premiums paid.

Insurance contract liabilities are presented in the consolidated statement of financial position as a single line item and consist of premiums receivable, deferred acquisition costs, unearned premiums, onerous loss component (if applicable), discounted and risk adjusted claim liabilities, and other related liabilities.

3. Application of new accounting standards, and amendments to standards and interpretations *(continued)*

Transition

Changes in accounting policies resulting from the adoption of IFRS 17 have been applied using a full retrospective approach. Under the full retrospective approach, at April 1, 2022, the Corporation:

- identified, recognized and measured each group of insurance and reinsurance contracts as if IFRS 17 had always been applied;
- derecognized previously reported balances that would not have existed if IFRS 17 had always been applied. These included some deferred acquisition costs for insurance contracts, insurance receivables and payables, and provisions for taxes that are attributable to existing insurance contracts. Under IFRS 17, these items are included in the measurement of the insurance contracts; and
- recognized any resulting net difference in equity.

The Corporation has applied the transition provisions in equity and has not disclosed the impact of the adoption of IFRS 17 on each financial statement line item.

The following table summarizes the impact of IFRS 17 on the Corporation's total equity:

i) Total Equity as at April 1, 2022

		(thousands of dollars) Total Equity
Balance as at March 31, 2022 (IFRS 4)	**$**	**6,350,167**
Adjustment to defer additional acquisition costs		3,680
Change in discount rate		8,078
Change to risk adjustment		11,882
Other		(1,955)
Tax effect of all IFRS 17 changes		(3,083)
Total adjustments		**18,602**
Balance as at April 1, 2022 (IFRS 17)	**$**	**6,368,769**

ii) Total Equity as at March 31, 2023

		(thousands of dollars) Total Equity
Balance as at March 31, 2023 (IFRS 4)	**$**	**6,033,027**
Adjustment to defer additional acquisition costs		15,026
Adjustment to recognize expected onerous contracts		(5,883)
Change in discount rate		11,971
Change to risk adjustment		12,626
Other		(957)
Tax effect of all IFRS 17 changes		(4,370)
Total adjustments		**28,413**
Balance as at March 31, 2023 (IFRS 17)	**$**	**6,061,440**

4. Material accounting policies

The accounting policies and methods of computation used in the preparation of these interim condensed consolidated financial statements are consistent with those disclosed in CIC's March 31, 2023, audited consolidated financial statements, except for the new standards and amended standards adopted on April 1, 2023, as described in Note 3.

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.

Unaudited interim condensed separate financial statements for CIC have been prepared to show the financial position and results of operations of the corporate entity. In addition, interim condensed 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	Principal activity
SaskPower	Electricity
SaskTel	Information and communications technology
SaskEnergy	Natural gas storage and delivery
SaskWater	Water and wastewater management
SGI CANADA	Property and casualty insurance
LGS/SGC	Entertainment

In addition to the Crown corporations listed above, the Corporation also consolidates the accounts of a wholly owned share capital subsidiary CIC Asset Management Inc.

Associates and joint ventures (investments in equity accounted investees)

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

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

Associates and joint ventures are accounted for using the equity method and are recognized initially at cost. The Corporation's investment includes any goodwill identified at acquisition, net of accumulated impairment losses.

4. Material accounting policies *(continued)*

The interim condensed consolidated financial statements include the Corporation's share of the total comprehensive income and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of the Corporation, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Corporation's share of losses exceeds its interest in equity accounted investees, the carrying amount of that interest is reduced to Nil and the recognition of further losses is discontinued except to the extent that the Corporation has an obligation or has made payments on behalf of the investee.

Joint operations

i) Totnes Natural Gas Storage Facility (Totnes)

The Corporation has a 50.0 per cent interest in Totnes, which operates natural gas storage facilities in Saskatchewan.

ii) International CCS Knowledge Centre

The Corporation has a 50.0 per cent interest in the BHP SaskPower Carbon Capture and Storage (CCS) Knowledge Centre Inc. This not-for-profit corporation was established to advance the understanding and use of CCS as a means of managing greenhouse gas emissions and to further research projects as agreed upon by its members from time to time. The operations are fully funded by BHP Canada Inc. as per the sponsorship funding agreement which has been extended to December 31, 2026.

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 interim condensed consolidated 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) Insurance and reinsurance contracts

Classification and summary of measurement models

All insurance contracts and all reinsurance contracts are measured under a simplified measurement model, the PAA.

4. Material accounting policies *(continued)*

Recognition

The Corporation initially recognizes groups of insurance contracts it issues from the earliest of the following:

- The beginning of its coverage period;
- The date when the first payment from a policyholder is due or when the first payment is received if there is no due date; or
- When facts and circumstances indicate that the contract is onerous.

The Corporation initially recognizes a group of reinsurance contracts held:

- From the beginning of the coverage period of the group unless the reinsurance contracts provide proportionate coverage, in which case it is on the initial recognition of any underlying contracts; or
- The date the Corporation recognized an onerous group of underlying contracts if the Corporation entered into the related reinsurance contracts at or before that date.

Contract boundaries

The measurement of groups of insurance and reinsurance contracts includes all the future cash flows within the boundary of each contract.

Cash flows are within the boundary of a contract if they arise from substantive rights and obligations that exist during the reporting period in which the Corporation can compel the policyholder to pay the premiums or has a substantive obligation to provide the policyholder with services.

A substantive obligation or right ends when the Corporation has the practical ability to reassess risks and can set a price or level of benefits that fully reflects those risks.

Measurement models

The carrying amount of group of insurance and reinsurance contracts at the end of each reporting period is composed of the following:

- Liability for remaining coverage: the obligation to provide coverage after the reporting period for insured events that have not occurred.
- Liability for incurred claims: the obligation to investigate and pay claims for insured events that have already occurred, including events that have occurred but for which claims have not yet been reported to the Corporation and other incurred insurance expenses.
- Asset for remaining coverage: the right to receive coverage from a reinsurer after the reporting period for insured events that have not yet occurred.
- Asset for incurred claims: the right to receive compensation for reinsured events that have already occurred, including events that have occurred, but for which reinsured claims have not been reported.

4. Material accounting policies *(continued)*

Premium Allocation Approach

The Corporation applies the PAA when measuring the liability for remaining coverage as follows:

i) Initial and subsequent measurement
The Corporation has elected to not discount the liability for remaining coverage under the PAA.

ii) Insurance acquisition cashflow
The Corporation has elected to defer insurance acquisition cash flows and amortize the costs over the coverage period.

iii) Onerous Contracts
The Corporation assumes no contracts in a portfolio are potentially onerous at initial recognition unless facts and circumstances indicate otherwise. The Corporation has developed a methodology for identifying indicators of possible onerous contracts, including reviewing forward looking expectations such as budget information, rate indications as well as historical experience.

iv) Reinsurance contracts are measured on the same basis as insurance contracts, except:
- They are adapted to reflect the features of reinsurance contracts that differ from insurance contracts, for example the generation of expenses or reduction in expenses rather than revenue.
- They include an allowance for non-performance risk by the reinsurer (which is presented in net revenue (expenses) from reinsurance contracts), and
- The risk adjustment represents the amount of risk being transferred to the reinsurer.

v) Liability for incurred claims
The Corporation has elected to discount all of its liability for incurred claims.

vi) Derecognition and contract modification
The Corporation derecognizes a contract when it is extinguished – i.e., when the specified obligations in the contract expire or are discharged or cancelled.

The Corporation also derecognizes a contract if its terms are modified in a way that would have changed the accounting for the contract significantly had the new terms always existed, in which case a new contract based on the modified terms is recognized. If a contract modification does not result in derecognition, then the Corporation treats the changes in cash flows caused by the modification as changes in estimates of fulfilment cash flows.

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 ventures, joint operations and subsidiaries are not provincial Crown corporations and are subject to federal and provincial income taxes.

Establishment of LGS

Effective April 1, 2023, LGS began as a new commercial Crown corporation. LGS consolidates the management oversight for casinos, video lottery terminals (VLT), lotteries, and online gaming. As part of the new Crown corporation, SGC was reconfigured as a wholly owned business subsidiary of LGS and will continue to operate casinos Regina and Moose Jaw, with no significant changes to overall operations.

LGS/Saskatchewan Indian Gaming Authority Casino and Online Gaming Operating Agreements

The government and the Federation of Sovereign Indigenous Nations (FSIN) have established a Gaming Framework Agreement for gaming in the province. FSIN established SIGA, a not-for-profit company, for the operation of First Nations' casinos. LGS, as an agent of the government, and SIGA entered into casino and online gaming operating agreements to establish the roles and responsibilities of each party in their operation. Per the Criminal Code of Canada, LGS is responsible for the casinos, slot machines, VLTs and online gaming schemes, including the conduct, management, maintenance and integrity.

6. Equity advances and capital disclosures

(thousands of dollars)

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

Due to its ownership structure, the Corporation has no access to capital markets for equity. Equity advances in the Corporation are determined by the shareholder on an annual basis. Dividends and equity repayments to the GRF 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 the 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 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. The Corporation uses targeted debt ratios to compile a weighted average debt ratio for the CIC Crown sector.

The Corporation raises most of its capital requirements through internal operating activities, notes payable and long-term debt through the GRF. 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 and complied with all externally imposed capital requirements.

The debt ratio is as follows:

	December 30 2023	March 31 2023 (Restated – Note 3)
Total debt (a)	**$ 12,264,047**	$ 11,544,859
Less: Sinking funds	**(1,132,575)**	(1,006,726)
Net debt	**11,131,472**	10,538,133
Equity	**6,326,484**	6,061,440
Capitalization	**$ 17,457,956**	$ 16,599,573
Debt ratio	**63.7%**	63.5%

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

7. Insurance and reinsurance contracts

(thousands of dollars)

The net carrying amounts of insurance and reinsurance contracts are as follows:

		December 31 2023		March 31 2023 (Restated – Note 3)
Liability for remaining coverage	$	**302,259**	$	225,916
Liability for incurred claims		**838,418**		768,447
Insurance contract liabilities		**1,140,677**		994,363
Asset for remaining coverage		**14,087**		(453)
Asset for incurred claims		**43,205**		55,984
Reinsurance contract assets		**57,292**		55,531
Net insurance and reinsurance contracts	$	**1,083,385**	$	938,832

8. Accumulated other comprehensive income

(thousands of dollars)

		December 31 2023		March 31 2023
Items that may be subsequently reclassified to net earnings:				
Unrealized losses on sinking funds	$	**(47,360)**	$	(72,727)
Unrealized (losses) gains on cash flow hedges		**(13,650)**		10,811
Realized losses on cash flow hedges		**(9,515)**		(9,859)
		(70,525)		(71,775)
Items that will not be reclassified to net earnings:				
Impact of defined benefit plan actuarial assumption changes and asset ceiling		**248,609**		225,242
	$	**178,084**	$	153,467

9. Commitments and contingencies

The Corporation has various legal matters pending which, in the opinion of management, will not have a material effect on the Corporation’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 the Corporation’s financial position or results of operations could result.

10. Revenue and other income

(thousands of dollars)

	April 1 to December 31 2023	April 1 to December 31 2022 (Restated – Note 3)
Utilities[1]	**$ 4,209,515**	$ 4,184,167
Insurance	**999,363**	918,052
Entertainment	**424,729**	86,994
Other and consolidation adjustments	**(119,647)**	(174,579)
	$ 5,513,960	$ 5,014,634

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

11. Insurance service expenses

(thousands of dollars)

Total expenses in the interim condensed consolidated statement of comprehensive income includes expenses related to insurance services per IFRS 17 are as follows:

	April 1 to December 31 2023	April 1 to December 31 2022 (Restated – Note 3)
Insurance service expenses	**$ 940,637**	$ 864,543
Net expenses from reinsurance contracts	**32,153**	32,966
	$ 972,790	$ 897,509

12. Condensed consolidated interim statement of cash flows

(thousands of dollars)

	April 1 to December 31 2023	April 1 to December 31 2022 (Restated – Note 3)
Adjustments to reconcile net earnings (loss) to cash provided from operating activities		
Depreciation and amortization	**$ 764,097**	$ 741,898
Share of net earnings from equity accounted investees	**(5,546)**	(7,309)
Net loss from discontinued operations	**530**	-
Defined benefit plan current service costs	**3,853**	3,845
Recovery of decommissioning and environmental remediation liabilities	**(520)**	(2,418)
Unrealized losses on derivative financial instruments	**37,911**	36,955
Inventory write-downs	**5,631**	2,021
Loss on disposal of property, plant and equipment	**18,790**	18,473
Impairment losses (recoveries)	**2,974**	(223)
Net finance expenses	**322,576**	392,462
Other non-cash items	**(18,274)**	(18,889)
	$ 1,132,022	$ 1,166,815

13. Fair value of financial instruments

(thousands of dollars)

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.

The Corporation's financial instruments are categorized within this hierarchy as follows:

	December 31, 2023			
	Level 1	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	**$ 210,698**	**$ -**	**$ -**	**$ 210,698**
Bank indebtedness	**465**	**-**	**-**	**465**
Notes payable	**-**	**1,286,411**	**-**	**1,286,411**
Investments – fair value through profit or loss	**326,953**	**1,010,772**	**283,547**	**1,621,254**
Investments – fair value through other comprehensive income	**-**	**1,132,575**	**-**	**1,132,575**
Investments – amortized cost	**-**	**56,198**	**-**	**56,198**
Long-term debt	**-**	**10,634,624**	**-**	**10,634,621**
Physical natural gas contracts - net	**-**	**(18,410)**	**-**	**(18,410)**
Natural gas price swaps - net	**-**	**(23,125)**	**-**	**(23,125)**
Foreign exchange forward contracts - net	**-**	**-**	**-**	**-**

	March 31, 2023			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 316,868	$ -	$ -	$ 316,868
Notes payable	-	1,305,512	-	1,305,512
Investments - fair value through profit or loss	298,113	922,569	241,240	1,461,922
Investments - fair value through other comprehensive income	-	1,006,726	-	1,006,726
Investments - amortized cost	-	55,764	-	55,764
Long-term debt	-	9,707,718	-	9,707,718
Physical natural gas contracts - net	-	19,501	-	19,501
Natural gas price swaps - net	-	(6,764)	-	(6,764)
Foreign exchange forward contracts - net	-	348	-	348

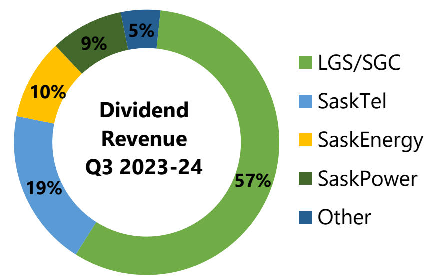
CIC SEPARATE FINANCIAL STATEMENTS

Crown Investments Corporation OF SASKATCHEWAN

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, 2023, third quarter results should be read in conjunction with the March 31, 2023, audited separate financial statements. For the purposes of this narrative on CIC's separate financial results, "CIC" refers to the holding company.

Financial Results

CIC Separate Third Quarter Earnings	**For the nine months ended**	
(millions of dollars)	**December 31**	December 31
(unaudited)	**2023**	2022
Dividend revenue	**$ 149.3**	$ 92.9
Add: Finance and other revenue	**0.8**	0.5
Less: Operating, salaries and other expenses	**(9.7)**	(9.3)
Total Separate Earnings	**$ 140.4**	$ 84.1

Net Earnings

Net earnings for the nine months ended December 31, 2023, were $140.4 million (2022 - $84.1 million), an increase of $56.3 million. The increase in net earnings is primarily due to the addition of dividends from LGS, the newly created Crown corporation on April 1, 2023, with operations starting effective June 1, 2023 (see Note 4). A more detailed discussion of the net earnings and dividends is included on the following pages.

Dividend Revenue

Crown dividends are calculated in accordance with CIC's dividend policy and 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 requirements, financial performance and debt reduction, if required. These targets are subject to change during the year if there is a significant change in circumstances.

Dividend revenue for the nine months ended December 31, 2023, increased $56.4 million to $149.3 million from the same period in 2022-23. The improved performance of the portfolio is primarily due to higher dividends of $72.4 million declared by LGS/SGC and higher dividends from SaskPower of $13.3 million. These increases were offset by lower dividends from SaskEnergy of $23.8 million, SaskTel of $3.2 million, and SaskWater of $2.3 million.

Analysis of CIC Separate Financial Results *(continued)*

Dividend Revenue *(continued)*

On June 1, 2023, LGS began operations responsible for the management oversight of casinos, VLTs, lotteries and online gaming in Saskatchewan. As a result, earnings from all Saskatchewan based casinos, the Province's VLT program, lotteries and online gaming now flow to LGS. LGS's dividend for Q3 is $82.3 million.

SaskPower's dividend of $13.3 million is higher than the prior period's dividend which was Nil. SaskPower's earnings were higher in 2023-24 mainly due to growth in demand from power and oilfield customer classes as a result of increased activity and improved economic activity combined with system rate increases implemented effective September 1, 2022, and April 1, 2023. The increase in revenues was complemented by a significant decrease in fuel and purchased power costs driven by lower gas prices.

SaskTel's dividend of $28.7 million is $3.2 million lower than the prior period's dividend of $31.9 million largely due to the CIC Board's decision to reduce SaskTel's dividend payout rate from 70 per cent of operating earnings in the prior year to 40 per cent in the current year to help fund capital projects. SaskTel is seeing year over year demand growth in its service and equipment sales, however profit margins are tight due to competitive pricing.

SaskEnergy's dividend of $14.6 million was $23.8 million lower than the prior period's dividend of $38.4 million largely due to warmer than expected weather during the quarter combined with higher operating costs. The warm weather has helped keep natural gas prices in check, but has softened customer demand as well as reduced opportunities to take advantage of unutilized transportation capacity to boost revenues. SaskEnergy had experienced higher than normal staff vacancy levels in the prior period and has since been able to fill some of those positions leading to higher staffing costs. The company's investment in its facilities has also increased operating and maintenance expenses due to functionality improvements. Depreciation and amortization expenses have also increased because of a change in management's estimates. In addition, finance costs have increased because of borrowing to support capital investment and higher interest rates.

Operating, Salaries and Other Expenses

Operating, salaries and other expenses of $9.7 million (2022 - $9.3 million) were $0.4 million higher compared to the same period of 2022-23. Salaries and benefits have increased due to CIC's expanded role in helping to ensure the security of Crown energy capabilities now and into the future. These added costs were largely offset by lower expenses for the Saskatchewan Rate Review Panel (SRRP) due to the timing of planned rate reviews.

Liquidity and Capital Resources

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

Cash Flow Highlights (millions of dollars) (unaudited)	**For the nine months ended** **December 31** **2023**	 December 31 2022
Net cash from operating activities	**$ 112.7**	$ 92.6
Net cash from investing activities	**4.5**	101.8
Net cash used in financing activities	**(115.3)**	(185.8)
Net change in cash	**$ 1.9**	$ 8.6

Analysis of CIC Separate Financial Results *(continued)*

Operating, Investing and Financing Activities *(continued)*

Net cash from operating activities was $112.7 million (2022 - $92.6 million), an increase of $20.1 million. Overall dividends declared by the Crowns have improved year over year largely due to the start of LGS's operations and the shift of some of the province's gaming revenues to the new Crown. The Crowns, including LGS, declare dividends to CIC at quarter end and pay them three months later which results in differences between dividend payments received and what is recorded as revenue.

Net cash from investing activities was $4.5 million (2022 - $101.8 million), a decrease of $97.3 million. This decrease is due to CIC receiving $93.5 million in the comparative period of 2022-23 from Innovation Saskatchewan as a payment for CIC's investment in SOCO.

Net cash used in financing activities was $115.3 million (2022 - $185.8 million), a decrease of $70.5 million. The larger amount of cash used in the comparative period of 2022-23 was largely due to an equity repayment to the GRF of $93.5 million equal to the amount received from the transfer of SOCO to Innovation Saskatchewan. However, CIC was able to provide a higher dividend payment to the GRF of $115.0 million at the end of Q3 compared to $92.0 million in the same period last year.

Debt Management

CIC as a legal entity has no debt. Currently, CIC does not expect to borrow in 2023-24.

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, 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 2023-24.

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
Interim Condensed Separate Statement of Financial Position
As at
(thousands of dollars)
(unaudited)

	Note	December 31 2023	March 31 2023
ASSETS			
Current			
Cash		**$ 23,390**	$ 21,536
Interest and accounts receivable		**39,626**	7,536
Dividends receivable		**50,254**	23,202
		113,270	52,274
Equity advances to Crown corporations	5	**940,231**	943,931
Investments in share capital corporations		**4,956**	4,956
Property and equipment		**247**	233
Right-of-use assets		**3,119**	3,427
		$ 1,061,823	$ 1,004,821
LIABILITIES AND PROVINCE'S EQUITY			
Current			
Interest and accounts payable		**$ 41,320**	$ 9,393
Lease liabilities		**450**	438
		41,770	9,831
Lease liabilities		**2,718**	3,025
		44,488	12,856
Equity advances		**538,389**	538,389
Retained earnings		**478,946**	453,576
		1,017,335	991,965
		$ 1,061,823	$ 1,004,821

(See accompanying notes)

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

	Note	**October 1 to December 31 2023**	October 1 to December 31 2022	**April 1 to December 31 2023**	April 1 to December 31 2022
INCOME FROM OPERATIONS					
Dividend revenue	6	**$ 50,254**	$ 41,120	**$ 149,269**	$ 92,939
EXPENSES					
Operating		**1,181**	970	**2,560**	2,722
Salaries and short-term employee benefits		**2,026**	1,862	**6,256**	5,741
Employee future benefits		**223**	199	**478**	424
Depreciation		**131**	136	**392**	378
		3,561	3,167	**9,686**	9,265
EARNINGS FROM OPERATIONS		**46,693**	37,953	**139,583**	83,674
Finance income		**349**	239	**826**	469
Finance expense		**(12)**	(14)	**(39)**	(34)
NET FINANCE INCOME		**337**	225	**787**	435
NET EARNINGS AND TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE PROVINCE OF SASKATCHEWAN		**$ 47,030**	$ 38,178	**$ 140,370**	$ 84,109

(See accompanying notes)

Crown Investments Corporation of Saskatchewan
Interim Condensed Separate 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, 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
Balance at January 1, 2023	$ 538,389	$ 485,585	$ 1,023,974
Total comprehensive income	-	18,991	18,991
Dividends to the GRF	-	(51,000)	(51,000)
Balance at March 31, 2023	$ 538,389	$ 453,576	$ 991,965
Balance at April 1, 2023	**$ 538,389**	**$ 453,576**	**$ 991,965**
Total comprehensive income	**-**	**140,370**	**140,370**
Dividend to the GRF	**-**	**(115,000)**	**(115,000)**
Balance at December 31, 2023	**$ 538,389**	**$ 478,946**	**$ 1,017,335**

(See accompanying notes)

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

	Note	April 1 to December 31 2023	April 1 to December 31 2022
OPERATING ACTIVITIES			
Net earnings		$ **140,370**	$ 84,109
Items not affecting cash from operations			
Depreciation		**392**	378
Net finance income		**(787)**	(435)
		139,975	84,052
Net change in non-cash working capital balances related to operations	7	**(27,215)**	8,558
Interest paid		**(39)**	(34)
Net cash from operating activities		**112,721**	92,576
INVESTING ACTIVITIES			
Interest received		**826**	469
Equity repayments from Crown Corporations		**3,700**	101,500
Purchase of property and equipment		**(61)**	(173)
Net cash from investing activities		**4,465**	101,796
FINANCING ACTIVITIES			
Equity advances repaid to the GRF		**-**	(93,500)
Dividend paid to the GRF		**(115,000)**	(92,000)
Principal repayment of lease liabilities		**(332)**	(311)
Net cash used in financing activities		**(115,332)**	(185,811)
NET CHANGE IN CASH AND CASH EQUIVALENTS DURING PERIOD		**1,854**	8,561
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD		**21,536**	19,004
CASH AND CASH EQUIVALENTS, END OF PERIOD		$ **23,390**	$ 27,565

(See accompanying notes)

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 interim condensed separate 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 interim condensed separate financial statements are prepared at the request of the Legislative Assembly of Saskatchewan. The interim condensed separate 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, 2023, audited separate financial statements.

The interim condensed separate financial statements were authorized for issue by the Board of Directors on March 7, 2024.

b) Functional and presentation currency

These interim condensed separate 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 interim condensed separate financial statements are consistent with those disclosed in CIC's March 31, 2023, audited separate financial statements.

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

CIC prepares interim condensed consolidated financial statements. The unaudited interim condensed consolidated financial statements were authorized for issue by the Board of Directors on March 7, 2024. CIC's interim condensed consolidated 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.

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:

- SaskPower
- SaskTel
- SaskEnergy
- SaskWater
- SGI CANADA
- LGS/SGC[1]

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.

[1] Lotteries and Gaming Saskatchewan launched on June 1, 2023, consolidating the management oversight for casinos, video lottery terminals, lotteries, and online gaming. As part of the new Crown corporation, SGC was reconfigured as a wholly owned subsidiary of LGS, while continuing to operate casinos Regina and Moose Jaw.

5. Equity advances to Crown corporations

	December 31 2023	March 31 2023
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
LGS/SGC (a)	**-**	3,700
	$ 940,231	$ 943,931

a) CIC received $3.7 million from SGC as a repayment of equity advances in the second quarter of 2023-24.

6. Dividend revenue

	April 1 to December 31 2023	April 1 to December 31 2022
LGS/SGC	**$ 85,586**	$ 13,171
SaskTel	**28,718**	31,958
SaskEnergy	**14,647**	38,460
SaskPower	**13,330**	-
Information Services Corporation	**3,743**	3,743
SaskWater	**3,245**	5,607
	$ 149,269	$ 92,939

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

	April 1 to December 31 2023	April 1 to December 31 2022
Increase in interest and accounts receivable	**$ (32,090)**	$ (1)
(Increase) decrease in dividends receivable	**(27,052)**	8,733
Increase (decrease) in interest and accounts payable	**31,927**	(174)
	$ (27,215)	$ 8,558