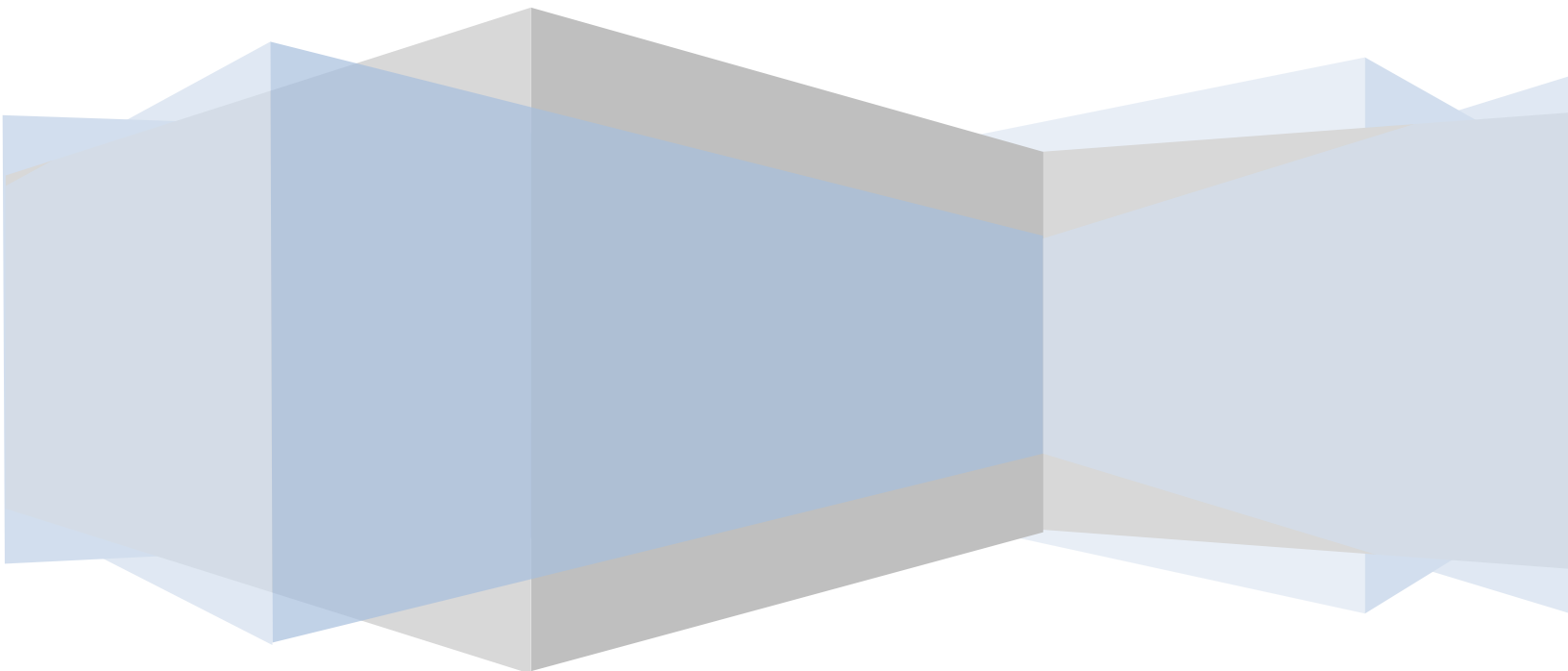


Quarter 1 Financial Report

For the period ended June 30, 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 first 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 consolidated interim financial statements are consistent with those disclosed in CIC's March 31, 2022 audited 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 Gaming Corporation (SGC)
Saskatchewan Government Insurance (SGI CANADA)
Saskatchewan Water Corporation (SaskWater)

Saskatchewan Power Corporation (SaskPower)
Saskatchewan Telecommunications
Holding Corporation (SaskTel)

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;
- Grants to subsidiary corporations; 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 June 30, 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 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 Earnings

Subsidiary Corporation Earnings (millions of dollars) (unaudited)	For the three months ended	
	June 30 2022	June 30 2021
SaskTel	\$ 21.8	\$ 23.0
SGC	5.3	(6.3)
SaskWater	2.5	2.8
SaskEnergy	0.9	9.4
CIC AMI	0.1	-
SGI CANADA	(20.0)	65.1
SaskPower	(87.2)	6.9
SOCO ¹	-	0.6
CIC (Separate)	28.3	38.7
Consolidation adjustments ²	(28.1)	(39.5)
Net (loss) earnings	\$ (76.4)	\$ 100.7

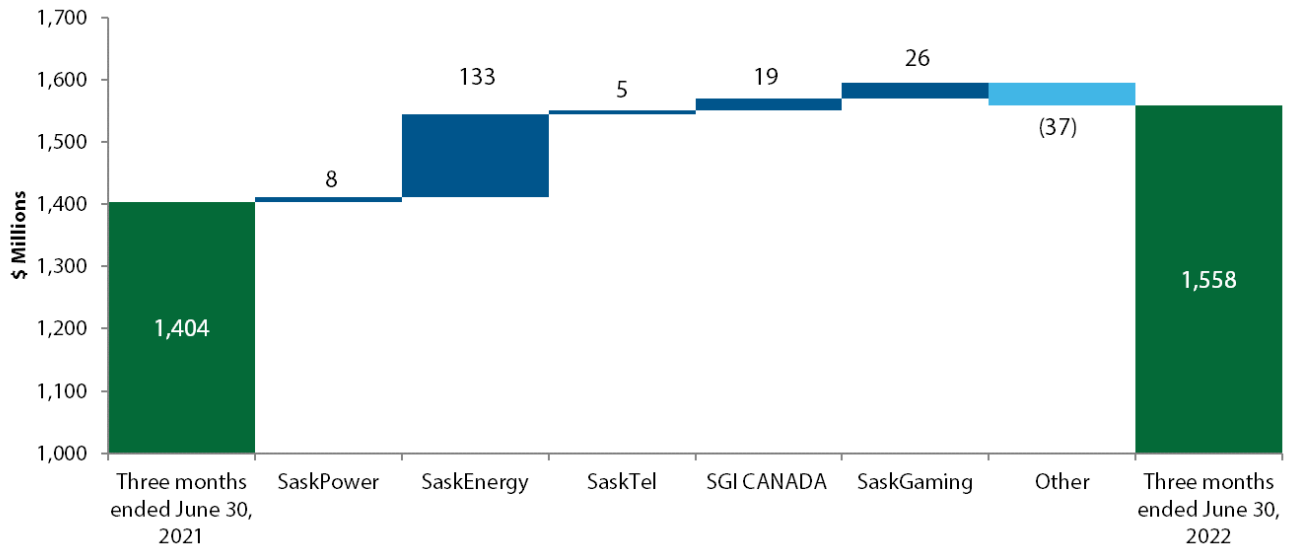
¹ On March 23, 2022, the Government of Saskatchewan announced the creation of a single innovation agency in the province by moving SOCO under the authority of Innovation Saskatchewan. The change was effective April 1, 2022 and SOCO's assets, liabilities, and equity were transferred.

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 three months ended June 30, 2022, was \$76.4 million (2021 - \$100.7 million earnings), a decrease of \$177.1 million compared to the same period in 2021. Lower earnings were experienced 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



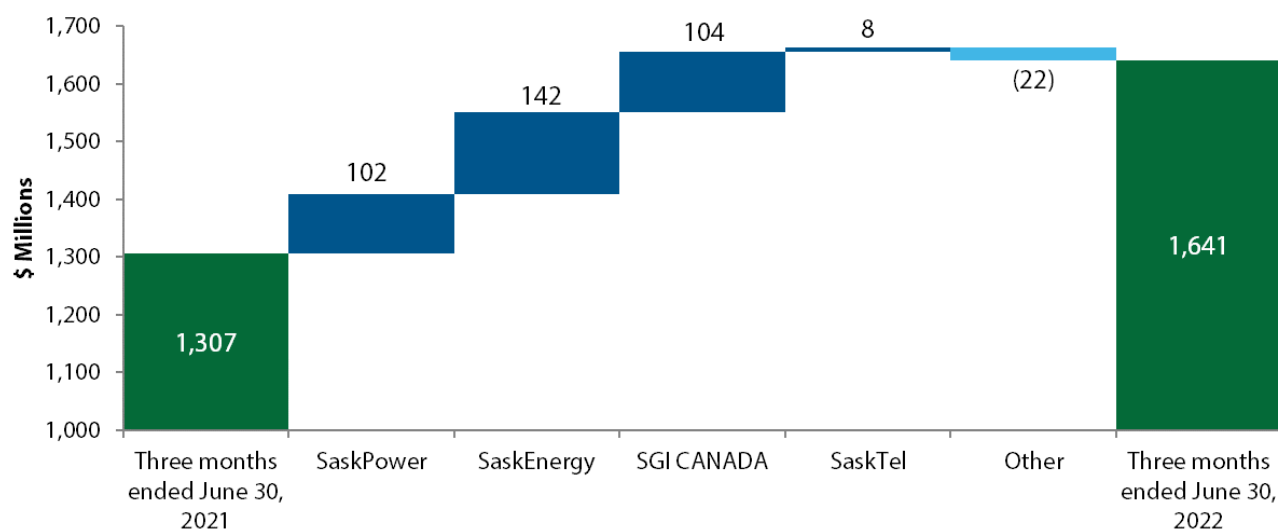
Revenue for the three months ended June 30, 2022 was \$1,558.0 million (2021 - \$1,404.3 million excluding discontinued operations), a \$153.8 million increase over the same period in 2021 primarily related to increases at SaskEnergy and SaskGaming.

SaskEnergy revenue increased by \$133.0 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.

SaskGaming revenue increased by \$26.3 million primarily due to Casinos Regina and Moose Jaw reopening to the public on June 20, 2021. The casinos were closed for the majority of the first quarter of 2021-22 as a result of the public health orders during the COVID-19 pandemic.

Analysis of Consolidated Revenues and Expenses *(continued)*

Changes in Total Operating Expenses and Net Finance Expense



Total operating expenses and net finance expenses for the three months ended June 30, 2022 were \$1,640.9 million (2021 - \$1,307.1 million excluding discontinued operations), a \$333.8 million increase from the same period in 2021 primarily related to increases at SaskPower, SaskEnergy, and SGI CANADA.

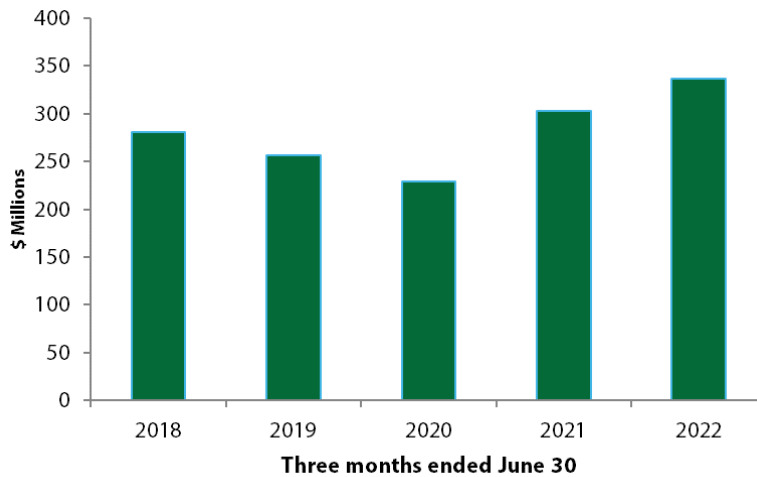
Total operating and net finance expenses increased at SaskPower by \$102.3 million primarily due to higher natural gas and coal prices and coal generation being replaced with more expensive renewable fuel sources to help reduce the federal carbon charge and meet long-term emission goals. Increased maintenance due to the timing of overhaul activities and storm activity, as well as increased spending on cyber security and technology, also contributed to the increase.

Total operating and net finance expenses increased at SaskEnergy by \$141.5 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.

Total operating and net finance expenses increased at SGI CANADA by \$104.4 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 investments were valued significantly lower than last year and increases in interest rates generated lower returns on fixed income investments. Higher Saskatchewan claims also contributed to the increase, largely due to premium growth and more people being away from home as COVID-19 restrictions lift.

Analysis of Consolidated Capital Resources

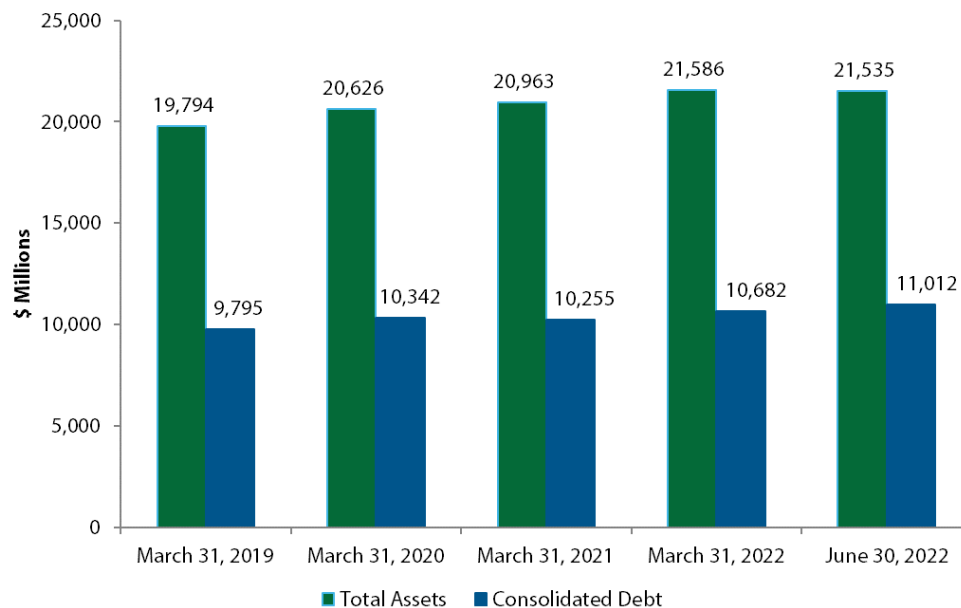
Capital Spending



For the three months ended June 30, 2022, property, plant and equipment, intangible asset and investment property purchases were \$336.8 million (2021 - \$303.3 million), a \$33.5 million increase from the same period in 2021. Major capital expenditures included:

- \$228.4 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;
- \$73.4 million at SaskTel on Fibre to the Premises, 5G network modernization, wireless network enhancements, and basic network growth and enhancements; and
- \$27.4 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 June 30, 2022 was \$11,011.8 million (March 31, 2022 - \$10,682.2 million), a \$329.6 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.

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 June 30, 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 three months ended	
	June 30 2022	June 30 2021
Net cash from operating activities	\$ 189.4	\$ 375.6
Net cash used in investing activities	(288.0)	(305.5)
Net cash from (used in) financing activities	<u>189.6</u>	<u>(87.9)</u>
Net change in cash and cash equivalents	<u>\$ 91.0</u>	<u>\$ (17.8)</u>

Net cash from operating activities for the three months ended June 30, 2022 was \$189.4 million (2021 - \$375.6 million). The \$186.2 million decrease is primarily due to lower 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 three months ended June 30, 2022 was \$288.0 million (2021 - \$305.5 million). The \$17.5 million decrease in cash used is primarily due to receipt of a \$93.5 million payment from Innovation Saskatchewan for the transfer of SOCO, partially offset by higher capital spending as the economy continues to recover from the COVID-19 pandemic.

Net cash from financing activities for the three months ended June 30, 2022 was \$189.6 million (2021 - \$87.9 million used in financing activities). The \$277.5 million increase is primarily due to increased net borrowing for capital requirements. 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.

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 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
Condensed Consolidated Interim Statement of Financial Position
As at June 30
(thousands of dollars)

	Note	(Unaudited) June 30 2022	(Audited*) March 31 2022
ASSETS			
Current			
Cash and cash equivalents		\$ 282,467	\$ 173,442
Short-term investments		89,690	89,386
Short-term investments under securities lending program		128,908	107,137
Accounts receivable		1,039,380	1,085,208
Derivative financial assets		152,931	157,679
Inventories		392,034	321,896
Prepaid expenses		272,196	277,479
Contract assets and costs		92,408	96,368
Assets held-for-sale	6	820	190,172
		2,450,834	2,498,767
Investments		1,899,068	1,944,706
Investments under securities lending program		284,236	253,894
Contract assets and costs		79,913	83,608
Investments in equity accounted investees		116,471	114,223
Property, plant and equipment		15,558,318	15,525,452
Right-of-use assets		578,285	594,187
Intangible assets		542,274	550,147
Other assets		25,439	21,194
		\$ 21,534,838	\$ 21,586,178
LIABILITIES AND PROVINCE'S EQUITY			
Current			
Bank indebtedness		\$ 1,233	\$ -
Trade and other payables		1,064,468	1,122,950
Derivative financial liabilities		40,651	48,859
Notes payable		1,087,015	1,143,752
Deferred revenue		665,247	620,060
Provisions		346,388	339,530
Lease liabilities		59,881	58,564
Long-term debt due within one year		406,320	256,320
Contract liabilities		90,391	87,663
Liabilities held-for-sale	6	-	60,933
		3,761,594	3,738,631
Provisions		876,939	939,894
Lease liabilities		953,858	967,042
Long-term debt		9,518,505	9,228,180
Contract liabilities		156,076	158,661
Employee future benefits		123,954	157,609
Other liabilities		50,534	45,994
		15,441,460	15,236,011
Equity advances		538,389	631,889
Retained earnings		5,355,393	5,511,486
Accumulated other comprehensive income	8	199,596	206,792
		6,093,378	6,350,167
		\$ 21,534,838	\$ 21,586,178

Commitments and contingencies 9

(See accompanying notes)

*As presented in the audited March 31, 2022 consolidated financial statements.

Crown Investments Corporation of Saskatchewan
Condensed Consolidated Interim Statement of Comprehensive (Loss) Income
For the Period Ended
June 30
(thousands of dollars)
(unaudited)

	April 1 to June 30 2022	April 1 to June 30 2021
INCOME FROM OPERATIONS		
Revenue	\$ 1,558,021	\$ 1,404,258
Other income	3,032	997
	1,561,053	1,405,255
EXPENSES		
Operating	915,638	682,856
Salaries, wages and short-term employee benefits	240,281	223,605
Employee future benefits	16,721	16,340
Depreciation and amortization	246,704	247,126
Loss on disposal of property, plant and equipment	7,690	4,471
Impairment losses	53	3
Saskatchewan taxes and fees	49,393	42,295
	1,476,480	1,216,696
RESULTS FROM OPERATING ACTIVITIES		
	84,573	188,559
Finance (losses) income	(30,977)	37,326
Finance expenses	(133,455)	(127,741)
NET FINANCE EXPENSES		
	(164,432)	(90,415)
Share of net earnings from equity accounted investees	3,496	2,004
NET (LOSS) EARNINGS FROM CONTINUING OPERATIONS		
	(76,363)	100,148
Net earnings from discontinued operations	-	589
NET (LOSS) EARNINGS		
	(76,363)	100,737
OTHER COMPREHENSIVE (LOSS) INCOME		
Defined benefit plan actuarial gains	33,164	3,003
Unrealized (losses) gains on sinking funds	(40,371)	18,188
Unrealized (losses) gains on cash flow hedges	(386)	15,386
Amounts amortized to net earnings and included in net finance expenses	115	114
	(7,478)	36,691
TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO THE PROVINCE OF SASKATCHEWAN		
	(83,841)	137,428
OTHER COMPREHENSIVE INCOME FROM DISCONTINUED OPERATIONS		
Unrealized gains on sinking funds	-	(89)
TOTAL COMPREHENSIVE (LOSS) INCOME FROM CONTINUING OPERATIONS ATTRIBUTABLE TO THE PROVINCE OF SASKATCHEWAN		
	\$ (83,841)	\$ 137,339

(See accompanying notes)

Crown Investments Corporation of Saskatchewan
Condensed Consolidated Interim Statement of Changes in Equity
For the Period Ended
June 30
(thousands of dollars)
(unaudited)

Attributable to the Province of Saskatchewan

	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 (loss)	-	100,737	36,691	137,428
Dividends to GRF	-	(35,000)	-	(35,000)
Balance at June 30, 2021	\$ 808,889	\$ 5,366,184	\$ 158,009	\$ 6,333,082
Balance at July 1, 2021	\$ 808,889	\$ 5,366,184	\$ 158,009	\$ 6,333,082
Total comprehensive income	-	260,302	48,783	309,085
Dividends to GRF	-	(115,000)	-	(115,000)
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 (Note 6)	-	(34,730)	282	(34,448)
Total comprehensive income	-	(76,363)	(7,478)	(83,841)
Dividends to GRF	-	(45,000)	-	(45,000)
Equity repayments to the GRF	(93,500)	-	-	(93,500)
Balance at June 30, 2022	\$ 538,389	\$ 5,355,393	\$ 199,596	\$ 6,093,378

(See accompanying notes)

Crown Investments Corporation of Saskatchewan
Condensed Consolidated Interim Statement of Cash Flows
For the Period Ended
June 30
(thousands of dollars)
(unaudited)

	Note	April 1 to June 30 2022	April 1 to June 30 2021
OPERATING ACTIVITIES			
Net (loss) earnings		\$ (76,363)	\$ 100,737
Adjustments to reconcile net earnings to cash from operating activities	10	408,975	304,530
		332,612	405,267
Net change in non-cash working capital balances related to operations		28,997	105,708
SOCO cash transferred to Innovation Saskatchewan	6	(16,812)	-
Interest paid		(147,594)	(133,998)
Income taxes paid		(7,786)	(1,399)
Net cash from operating activities		189,417	375,578
INVESTING ACTIVITIES			
Interest received		7,904	7,148
Dividends received		-	170
Purchase of investments		(430,550)	(359,239)
Proceeds from sale and collection of investments		474,074	351,564
Purchase of property, plant and equipment		(327,051)	(287,009)
Costs related to the sale of property, plant and equipment		(2,728)	(1,934)
Purchase of intangible assets		(9,712)	(14,676)
Purchase of investment property		-	(1,581)
Decrease in other assets		39	34
Net cash used in investing activities		(288,024)	(305,523)
FINANCING ACTIVITIES			
Decrease in notes payable		(56,737)	(42,569)
Increase (decrease) in other liabilities		3,529	(621)
Debt proceeds from the GRF		441,716	49,566
Debt repayments to the GRF		-	-
Debt repayments to other lenders		(139)	(125)
Principal repayments of lease liabilities		(12,434)	(11,132)
Sinking fund instalments		(47,848)	(47,978)
Sinking fund redemptions		-	-
Equity repayments		(93,500)	-
Dividends paid		(45,000)	(35,000)
Net cash from (used in) financing activities		189,587	(87,859)
NET CHANGE IN CASH AND CASH EQUIVALENTS DURING PERIOD		90,980	(17,804)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD		190,254	334,332
CASH AND CASH EQUIVALENTS, END OF PERIOD		\$ 281,234	\$ 316,528
Cash and cash equivalents consists of:			
Cash and cash equivalents		282,467	316,528
Bank indebtedness		(1,233)	-
		281,234	316,528

(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 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 August 30, 2022.

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.

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)

Principal activity

Electricity
 Information and communications technology
 Natural gas storage and delivery
 Water and wastewater management
 Property and casualty insurance
 Entertainment

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

The following standard is not yet effective for the period ended June 30, 2022 and has not been applied in preparing these condensed consolidated interim financial statements.

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
Notes to Condensed Consolidated Interim Financial Statements
June 30, 2022

5. Status of CIC

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

6. Assets 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 \$0.8 million in assets held-for-sale at June 30, 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):

	June 30 2022		March 31 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	820		1,768
Right-of-use assets	-		566
Investment property	-		162,502
Other assets	-		758
Assets held-for-sale	\$ 820	\$	190,172

	June 30 2022		March 31 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
June 30, 2022

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 June 30 2022	April 1 to June 30 2021
Revenue	\$ -	\$ 9,489
Operating expenses	-	2,635
Salaries, wages and short-term employee benefits	-	2,093
Employee future benefits	-	156
Depreciation and amortization	-	2,210
Saskatchewan taxes and fees	-	1,406
	-	8,500
Results from operating activities	-	989
Finance income	-	41
Finance expenses	-	(441)
Net finance expenses	-	(400)
Net earnings from discontinued operations	-	589
Unrealized gain on sinking funds	-	89
Total comprehensive income from discontinued operations attributable to the Province of Saskatchewan	\$ -	\$ 678

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

	April 1 to June 30 2022	April 1 to June 30 2021
Cash used in operating activities	\$ (16,812)	\$ (1,853)
Cash from (used in) investing activities	93,500	(1,521)
Cash used in financing activities	(93,500)	(556)
Net change in cash and cash equivalents	\$ (16,812)	\$ (3,930)

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.

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 debt ratio is as follows:

	June 30 2022	March 31 2022
Total debt (a)	\$ 11,011,840	\$ 10,682,176
Less: Sinking funds	(995,353)	(998,156)
Net debt	10,016,487	9,684,020
Equity	6,093,378	6,350,167
Capitalization	\$ 16,109,865	\$ 16,034,187
Debt ratio	62.2%	60.4%

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

8. Accumulated other comprehensive income

	June 30 2022	March 31 2022
Items that may be subsequently reclassified to net earnings:		
Unrealized losses on sinking funds	\$ (97,595)	\$ (57,506)
Unrealized gains on cash flow hedges	55,215	55,601
Realized losses on cash flow hedges	(10,203)	(10,318)
	(52,583)	(12,223)
Items that will not be reclassified to net earnings:		
Impact of changes in defined benefit plan actuarial assumptions	252,179	219,015
	\$ 199,596	\$ 206,792

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. Condensed consolidated interim statement of cash flows

	April 1 to June 30 2022	April 1 to June 30 2021
Adjustments to reconcile net earnings to cash provided from operating activities		
Depreciation and amortization	\$ 246,704	\$ 249,336
Share of earnings from investments in equity accounted investees	(3,496)	(2,004)
Defined benefit pension plan expense	820	889
Unrealized losses (gains) on derivative financial instruments	857	(14,657)
Inventory impairments (recoveries)	1,919	(2,892)
Loss on disposal of property, plant and equipment	7,690	4,471
Impairment losses	53	3
Net finance expenses	164,432	90,815
Other non-cash items	(10,004)	(21,431)
	\$ 408,975	\$ 304,530

Crown Investments Corporation of Saskatchewan
Notes to Condensed Consolidated Interim Financial Statements
June 30, 2022

11. Fair value of financial instruments

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

Level 1 - Unadjusted quoted prices for identical assets or liabilities are readily available from an active market.

The Corporation defines an active market based on the frequency of valuation, any restrictions or illiquidity on disposition of the underlying asset or liability, and trading volumes.

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

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

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

	June 30, 2022			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 282,467	\$ -	\$ -	\$ 282,467
Bank indebtedness	1,233	-	-	1,233
Notes payable	1,087,015	-	-	1,087,015
Investments - fair value through profit or loss	238,378	890,712	227,094	1,356,184
Investments - fair value through other comprehensive income	-	995,353	-	995,353
Investments - amortized cost	-	50,365	-	50,365
Long-term debt	-	9,227,365	-	9,227,365
Physical natural gas contracts - net	-	84,022	-	84,022
Natural gas price swaps - net	-	28,022	-	28,022
Foreign exchange forward contracts - net	-	236	-	236

	March 31, 2022			
	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)

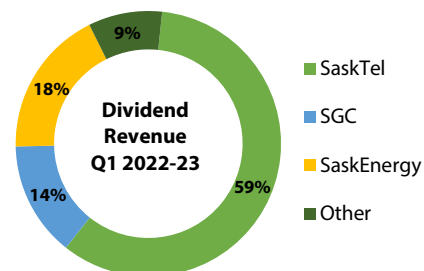
CIC SEPARATE FINANCIAL STATEMENTS

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 June 30, 2022 first 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 First Quarter Earnings (millions of dollars) (unaudited)	For the three months ended	
	June 30 2022	June 30 2021
Dividend revenue	\$ 31.4	\$ 32.4
Add: Finance and other revenue	0.1	0.1
Impairment recovery	-	8.6
Less: Operating, salaries and other expenses	<u>(3.2)</u>	<u>(2.3)</u>
Total Separate Earnings	<u>\$ 28.3</u>	<u>\$ 38.8</u>

Net Earnings

Net earnings for the three months ended June 30, 2022 were \$28.3 million (2021 - \$38.8 million), a decrease of \$10.5 million. The decrease in net earnings is primarily due to an impairment recovery in 2021-22 of \$8.6 million on the loan to CIC Asset Management Inc.¹ (formerly loan to First Nations and Métis Fund Inc.) as it had financial capacity, following amalgamation, to repay the loan due to CIC. A more detailed discussion of the net earnings is included on the following pages.

Dividend Revenue

For the first three months of this fiscal year, dividends from subsidiary Crown corporations are based on 25 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 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 three months ended June 30, 2022 was \$31.4 million (2021 - \$32.4 million) consistent with the same period in 2021-22. The first quarter of 2022-23 resulted in slightly lower dividends declared compared to the same period of 2021-22 from lower dividends at SaskTel (\$3.9 million) and SGI CANADA (\$3.0 million) partially offset by higher dividends from SaskGaming (\$4.3 million) and SaskEnergy (\$1.3 million).

¹ CIC Asset Management Inc.(CIC AMI), the First Nations and Métis Fund Inc. and the Saskatchewan Immigrant Investor Fund Inc. 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)*

SaskTel's lower dividend is primarily due to changes in customer demand, rapidly evolving technology, increased competition and regulatory instability that impact its revenues and ability to contribute dividends to CIC. SGI CANADA did not declare a dividend in the first quarter of 2022-23 compared to \$3.0 million in the same period of 2021-22. SGI's dividend capacity, evidenced by the Minimum Capital Test (MCT) (MCT is a capital adequacy test used in the insurance industry and indicates capital available to pay claims compared to capital required), has declined compared to last year due to investment losses from its equity and fixed income investments. SaskGaming declared a dividend of \$4.3 million in the first quarter of 2022-23 compared to no dividend in 2021-22 due to the public health orders that forced the temporary closure of casinos for the majority of the first quarter, negatively impacting operating revenues and its ability to pay a dividend to CIC.

Impairment Recovery

On April 1, 2021, CIC Asset Management Inc. (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. 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 three months ended June 30, 2022 were \$3.2 million (2021 - \$2.3 million), \$0.9 million higher than the same period in 2021-22. 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 along with consulting fees. In addition, CIC is responsible for costs of the Saskatchewan Rate Review Panel, which includes consulting and administrative costs of the rate applications for SaskPower and SaskEnergy.

Liquidity and Capital Resources

Cash Flow Highlights (millions of dollars) (unaudited)	For the three months ended	
	June 30 2022	June 30 2021
Net cash from operating activities	\$ 46.7	\$ 94.5
Net cash from (used in) investing activities	93.5	(11.6)
Net cash used in financing activities	<u>(138.6)</u>	<u>(35.1)</u>
Net change in cash	<u>\$ 1.6</u>	<u>\$ (47.8)</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.

Analysis of CIC Separate Financial Results *(continued)*

Operating, Investing and Financing Activities

Net cash from operating activities for the three months ended June 30, 2022 was \$46.7 million (2021 - \$94.5 million), a decrease of \$47.8 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 three months ended June 30, 2022 was \$93.5 million (2021 - \$11.6 million used in), an increase in cash of \$105.1 million. On April 1, 2022, CIC transferred SOCO at book value to Innovation Saskatchewan, a provincial government agency. In the first quarter of 2022-23, CIC received \$93.5 million from Innovation Saskatchewan as a payment for CIC's investment in SOCO (equity advance). In 2021-22 CIC provided SaskGaming with an equity advance of \$11.7 million to fund re-opening of the Regina and Moose Jaw casinos, which were temporarily closed for several months due to the public health order restrictions.

Net cash used in financing activities for the three months ended June 30, 2022, was \$138.6 million (2021 - \$35.1 million), an increase in cash used of \$103.5 million. This is a result of a higher dividend payment to the GRF of \$45.0 million at the end of Q1 compared to \$35.0 million in the same period last year. Also, CIC paid an equity repayment to the GRF of \$93.5 million at the end of Q1, equal to the amount received from the transfer of SOCO to Innovation Saskatchewan. CIC had capacity to pay a higher dividend as it had more cash available at the end of the first quarter of 2022-23.

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.

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
June 30
(thousands of dollars)

	Note	(Unaudited) June 30 2022	(Audited*) March 31 2022
ASSETS			
Current			
Cash		\$ 20,633	\$ 19,004
Interest and accounts receivable		4	8
Dividends receivable		31,445	49,853
		52,082	68,865
Equity advances to Crown corporations	5	955,931	1,049,431
Investments in share capital corporations		8,956	8,956
Property, plant and equipment		149	121
Right-of-use assets		3,329	3,432
		\$ 1,020,447	\$ 1,130,805
LIABILITIES AND PROVINCE'S EQUITY			
Current			
Interest and accounts payable		\$ 1,898	\$ 1,987
Lease liabilities		398	400
		2,296	2,387
Lease liabilities		2,956	3,053
		5,252	5,440
Equity advances		538,389	631,889
Retained earnings		476,806	493,476
		1,015,195	1,125,365
		\$ 1,020,447	\$ 1,130,805

(See accompanying notes)

*As presented in the audited March 31, 2022 Separate Statement of Financial Position.

Crown Investments Corporation of Saskatchewan
Condensed Separate Interim Statement of Comprehensive Income
For the Period
June 30
(thousands of dollars)
(unaudited)

	Note	April 1 to June 30 2022	April 1 to June 30 2021
INCOME FROM OPERATIONS			
Dividend revenue	6	\$ 31,445	\$ 32,373
EXPENSES			
Operating		1,086	452
Salaries and short-term employee benefits		1,889	1,668
Employee future benefits		107	104
Depreciation		121	124
Impairment recovery	7	-	(8,642)
		3,203	(6,294)
EARNINGS FROM OPERATIONS		28,242	38,667
Finance income		98	111
Finance expense		(10)	(11)
NET FINANCE INCOME		88	100
NET EARNINGS		28,330	38,767
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE PROVINCE OF SASKATCHEWAN		\$ 28,330	\$ 38,767

(See accompanying notes)

Crown Investments Corporation of Saskatchewan
Condensed Separate Interim Statement of Changes in Equity
For the Period
June 30
(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	-		38,767		38,767
Dividend to the GRF	-		(35,000)		(35,000)
Balance at June 30, 2021	\$ 808,889		\$ 460,760		\$ 1,269,649
Balance at July 1, 2021	\$ 808,889		\$ 460,760		\$ 1,269,649
Total comprehensive income	-		147,716		147,716
Dividends to the GRF	-		(115,000)		(115,000)
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	-		28,330		28,330
Dividend to the GRF	-		(45,000)		(45,000)
Equity repayments to the GRF	(93,500)		-		(93,500)
Balance at June 30, 2022	\$ 538,389		\$ 476,806		\$ 1,015,195

(See accompanying notes)

Crown Investments Corporation of Saskatchewan
Condensed Separate Interim Statements of Cash Flows
For the Period
June 30
(thousands of dollars)
(unaudited)

Note	April 1 to June 30 2022	April 1 to June 30 2021
OPERATING ACTIVITIES		
Net earnings	\$ 28,330	\$ 38,767
Items not affecting cash from operations		
Depreciation	121	124
Impairment recovery	7	(8,642)
Net finance income	(88)	(100)
	28,363	30,149
Net change in non-cash working capital balances related to operations	8	64,373
Interest paid	(10)	(11)
Net cash from operating activities	46,676	94,511
INVESTING ACTIVITIES		
Interest received	98	111
Proceeds from transfer of Saskatchewan Opportunities Corporation	5	-
Equity advances to Crown corporations	-	(11,700)
Purchase of property, plant and equipment	(45)	-
Net cash from (used in) investing activities	93,553	(11,589)
FINANCING ACTIVITIES		
Equity advance repaid to the GRF	(93,500)	(35,000)
Dividend paid to the GRF	(45,000)	(35,000)
Principal repayment of lease liabilities	(100)	(98)
Net cash used in financing activities	(138,600)	(35,098)
NET CHANGE IN CASH AND CASH EQUIVALENTS DURING PERIOD	1,629	47,824
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	19,004	82,965
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 20,633	\$ 130,789

(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 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 August 30, 2022.

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 August 30, 2022. CIC's condensed consolidated interim financial statements should be referenced for further information.

4. Status of Crown Investments Corporation of Saskatchewan

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

Crown Investments Corporation of Saskatchewan
Notes to Interim Separate Financial Statements
June 30, 2022

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

	June 30 2022		March 31 2022
SaskPower	\$ 593,000	\$	593,000
SaskTel	237,000		237,000
SOCO (a)	-		93,500
SGI CANADA	80,000		80,000
SaskEnergy	21,531		21,531
SGC	15,700		15,700
SaskWater	8,700		8,700
	\$ 955,931	\$	1,049,431

- a) 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

	April 1 to June 30 2022		April 1 to June 30 2021
SaskTel	\$ 18,638	\$	22,508
SaskEnergy	5,645		4,350
SaskGaming	4,252		-
SaskWater	1,662		1,315
Information Services Corporation	1,248		1,085
SGI CANADA	-		3,000
SOCO	-		115
	\$ 31,445	\$	32,373

7. Impairment recovery

On April 1, 2021, CIC Asset Management Inc. (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

	April 1 to June 30 2022	April 1 to June 30 2021
Decrease in interest and accounts receivable	\$ 4	\$ 76
Decrease in dividends receivable	18,408	64,617
Decrease in interest and accounts payable	(89)	(320)
	\$ 18,323	\$ (64,373)