SaskTel

Enabling a **Smart** Province

Annual Report 2023/2024

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Highlights

FINANCIALS

Net Income	Revenue	Return on Equity	Capital Investment
$95.4M	$1,351.4M	7.5%	$368.5M

CUSTOMER CONNECTIONS

Broadband Internet	maxTV Service	Wireless	Fibre	Wireline Voice
+2.1%	0.0%	+1.7%	+7.7%	(5.9%)
Subscriber Growth	Subscriber Decline	Subscriber Growth	Subscriber Growth	Subscriber Decline

	Broadband Internet	maxTV Service	Wireless	Fibre	Wireline Voice
2023/24	**899,518**	**111,166**	**666,046**	**193,422**	**242,221**
2022/23	881,281	111,200	654,674	179,656	257,396

SUSTAINABILITY

Sponsorships
$3.0M
1,018 Non-profit and charitable organizations
237 Community partnerships

SaskTel Pioneers
$1.0M
Donations and 34,181 volunteer hours

SaskTel TelCare Contributions
$0.2M
42 Saskatchewan organizations

Local Suppliers
69%
Suppliers located in Saskatchewan

INFRASTRUCTURE

50 Mbps Fixed Broadband
86.1%
SK Coverage

Fibre Footprint
69.2%
SK Coverage

Fibre Growth
+9.5%
Increase in Homes and Businesses Passed

5G Coverage
77.5%
SK Coverage

Strategic Goals

DELIVER AN EXCEPTIONAL CUSTOMER EXPERIENCE

Our customers are at the centre of everything we do. We will deliver an exceptional customer experience at every touchpoint along their journey with SaskTel.

LEAD THE MARKET IN BROADBAND SERVICES

We enable our customers and partners to thrive in the digital economy across Saskatchewan and around the world.

SIMPLIFY, AUTOMATE, AND TRANSFORM THE BUSINESS

We will think digitally and use technology to build new business capabilities, making it easier for our customers to do business with us and easier for employees to serve customers.

EMPOWER A HIGH-PERFORMANCE WORKFORCE

Together, our skilled workforce is committed to transforming SaskTel for the future and ensuring we deliver to our customers' expectations.

DRIVE INNOVATION, FINANCIAL SUSTAINABILITY AND GROWTH

We find innovative solutions to position SaskTel for financial success and to support economic growth for Saskatchewan.

Letter of Transmittal

Regina, Saskatchewan
June 29, 2024

To His Honour
The Honourable Russ Mirasty, S.O.M., M.S.M.
Lieutenant Governor of Saskatchewan
Province of Saskatchewan

May it please Your Honour:

I have the honour to submit herewith the Annual Report of SaskTel for the fiscal year ending March 31, 2024, in accordance with *The Saskatchewan Telecommunications Holding Corporation Act*.

The Financial Statements included in this annual report are in the form approved by Crown Investments Corporation of Saskatchewan as required by *The Financial Administration Act, 1993* and have been reported on by the auditors.

Respectfully submitted,

Honourable Dustin Duncan
Minister Responsible for Saskatchewan Telecommunications

President's Message

At SaskTel, we continue to focus on the evolving and future needs of our customers. As smart tech becomes more a part of everyday life, we will continue to provide innovative solutions and partnerships that create real, positive results for both Saskatchewan people and communities.

This year, SaskTel made significant progress in building a smart province.

Continued investments into our world-class networks and new ways to deliver for our customers kept families better connected, improved how businesses reach their customers, and contributed to our province's ongoing transformation into an innovation hub.

Looking back on my first year as SaskTel's President and Chief Executive Officer (CEO), it was truly a year filled with many exciting achievements and developments across our company.

SaskTel was proud to stand behind many individual communities and organizations as they harnessed the power of new digital and smart technologies that will contribute to cost savings and a better quality of life for the people of Saskatchewan. We also worked in lock step with our customers to ensure they were empowered with the advanced networks, tools, and data insights needed to give them more control over their busy and connected lives.

This year alone, SaskTel invested more into its wireless and fibre optic broadband infrastructure than it ever has in a single fiscal year – and it has paid off. We made incredible progress continuing the expansion of SaskTel *infiNET*™ service and the reach of our 5G wireless network to more of the province. Now, over 50 communities are part of our *infiNET* network, and most Saskatchewan residents have access to 5G coverage where they work and live.

Indicative of our network leadership, we also secured more spectrum airwaves in 2023/24, marking another key milestone for the future of 5G and smart technology development in the province. These new spectrum holdings, which are in the 3800 MHz band, build on our existing spectrum assets and will ensure we can continue to deliver the best in speed, coverage, and capacity – something our rural and urban customers demand and deserve.

This year was also about collaboration and driving new partnerships to ensure Saskatchewan businesses and communities could reach new milestones of their own. Our work with locally based innovators, for example, resulted in immense benefits for organizations and

municipalities such as the City of Melfort where we have implemented our Smart Community Solution.

In Saskatchewan we know that SaskTel has a strong history of success through innovation and collaboration. As new products, services, and network capabilities present exciting opportunities for growth and more ways of connecting, SaskTel is committed to doing its part to create more intuitive customer experiences and launch network improvements all in a way that reflects our passion for putting Saskatchewan people first.

On this front, I am proud of all our employees for the dedication they have shown this past year. Like so many technology and communications providers, we continue to accelerate our journey adapting to the growing presence and use of artificial intelligence (AI) and automation. For us, we know the key to success will be balanced integration, where AI tools serve as a valued extension of the immense technology expertise and talent we have at SaskTel.

SaskTel's financial position remained healthy in 2023/24, with revenues reaching $1,351.4 million. Our overall performance has positioned us well to continue delivering on our strategic goals going forward. Additionally, our wireless and broadband subscriber numbers continue to grow, demonstrating the importance of SaskTel's investment and our ongoing commitment to the consumers and businesses of Saskatchewan. SaskTel continues to keep our customers at the heart of everything we do.

Saskatchewan has a strong history of being quick technology adopters, something that has served our province well throughout its history and will continue to do so. Looking ahead to the next year, we will remain steadfast in our focus to maximize our strengths as a homegrown provider.

To all our customers, thank you for trusting us to keep you connected to your world. Please know that you continue to inspire and push us to deliver better customer experiences every day. I am sure 2024/25 will bring another wealth of possibilities for us to keep creating lasting legacies for your communities or wherever in this province you call home.

Sincerely,

C Gavel

Charlene Gavel
President and Chief Executive Officer

Sharing Our Stories

A BRIDGE TO AG TECH

SASKTEL CONTINUES INNOVATIVE APPROACH TO AG TECH SOLUTIONS

From cattle facial recognition to herd management and beyond the fence lines, SaskTel's Innovation Program is committed to empowering farmers with a variety of digital tools to help make their lives a little bit easier.

Through various ag-based partnerships, SaskTel's Innovation Team is working to create an environment where farmers will no longer have to decide between two or more companies when it comes to smart ag solutions. Instead, they can come through the SaskTel ecosystem and get the benefits they want, with a full farm management platform – all in one place.

To date, SaskTel's partnerships have included Memorandums of Understanding (MOU) with the University of Saskatchewan and with the Olds College of Agriculture and Technology, as well as several other partnerships with Ag based companies and organizations.

"Another company we're working with is called One Cup AI," said Heather Clair, Marketing Manager, Service Development (Smart Ag). "They do biometric scans of cattle and facial recognition which I think is absolutely adorable, but it takes the body language and how the cow is walking and can determine whether or not it's sick or if it's going to give birth or something to that effect."

But what if the cow has wandered off?

That solution comes from SaskTel's partnership with Smart Paddock and Axiom. Smart Paddock deals in herd management, using ear tags for cows that transmit their GPS location. Whereas Axiom brings in satellite imagery and information from the fields' biomass scans to look even further into where the cow has wandered off to.

Through our partnership with Kvale, farmers have access to a dashboard which provides all the information in one spot.

The search for more innovative partnerships continued at this year's Ag in Motion – sponsored in part by SaskTel. The event is the largest outdoor farm expo in Western Canada, showcasing the latest advancements in Ag Tech and equipment.

Although SaskTel didn't have its own booth at Ag in Motion, we worked closely with partners Kvale and Axiom to refine a soil management product that was demonstrated at the event.

Heather Clair at the Ag in Motion event just outside of Saskatoon.

"Before I started working at SaskTel, I had no idea that the company had any interest in the unique aspects of Ag Tech, and now that I'm here I am seeing how much excitement the team has about where Ag and Ag Tech is going!" Heather exclaimed. "Farmers are excited to see that SaskTel is evolving and changing. I can't wait to take some of these products back out to them!"

ON THE RIGHT PATH

SASKTEL RECOGNIZED AS ONE OF CANADA'S TOP EMPLOYERS FOR YOUNG PEOPLE

Entering the workforce for the first time can be intimidating for a young person. On the other hand, attracting and maintaining the best available talent can also be challenging for an employer.

In 2023, SaskTel's commitment to offering outstanding career-shaping opportunities for young people was recognized for the 11th consecutive year as one of Canada's Top Employers for Young People by Mediacorp Canada Inc.

"It's the reason we have always believed in building meaningful relationships with the youth in our province," said Amy Richardson, HR Manager – Strategic Workforce Planning. "Our people are our strength, and we recognize the value that each of them brings to the table.

The distinction recognizes employers that offer Canada's best workplaces and programs for young people starting their careers. Award criteria is based on the programs and initiatives companies offer to attract and retain younger workers.

One of those programs at SaskTel is the Junior Engineer Program. The goal of the Junior Engineer Program is to target new grads from a variety of Engineering disciplines who are qualified to register as a Professional Engineer or Member in Training.

Kaden Goski, Engineer - Technology Division, came to SaskTel as part of the Program in May 2022 after completing a Software Systems Engineering - Bachelor of Applied Science at the University of Regina.

"The Junior Engineer Program posting caught my interest as I was not sure what I specifically wanted to do as a career yet," said Kaden. "The program has exceeded my expectations, providing me with the flexibility to explore and pave my own path, so to speak."

"Besides the growth opportunities, SaskTel offers great health coverage, competitive wages, and a clear and flexible career path," he added.

Justin Myles is also an Engineer – Technology Division who joined SaskTel along with Kaden as part of the Junior Engineer Program.

After only a short time with the company, Justin said he recognized that his peers were there to support him in navigating his new career so that he would succeed at SaskTel.

"SaskTel provides opportunities to new graduates and younger employees that I found are different from any other company in Saskatchewan," Justin said. "Young employees can know that they are providing benefit to SaskTel's customers. The company is very supportive of their employees and make sure they get the experience they need to develop."

"I have really enjoyed my time at SaskTel and look forward to the years to come," he added.

Kaden Goski (l) and Justin Myles came to SaskTel as part of the company's Junior Engineer Program.

LOVE OF LANGUAGES

SASKTEL OFFERS COMMUNICATION FOR UP TO 29 LANGUAGES IN SASKTEL STORES

For newcomers, communications services become increasingly essential as they settle into a new country and strive to stay connected to their world.

As a newcomer, finding the right cell phone and plan can be intimidating and frustrating if a language barrier exists – that's why collectively there are 29 languages spoken across all SaskTel Stores.

"We call it 'Love of Languages'," said Kristin Moser, Director – Consumer Sales (Stores). "We offer all these languages for our customers to make their SaskTel experience as seamless as possible."

For instance, at the Scotia Centre SaskTel Stores in Saskatoon, eight different languages are offered, including: English, Sign language, Hindi, Gujarati, Farsi, Tamil, Filipino and Pangasinan.

"We serve a large percentage of newcomers to Canada and the ability to communicate in their native language removes so many barriers," said Lillina Reiber, the Manager of the Scotia Centre store.

Lillina's team has become adept at picking up cues from customers who may require language assistance, and if an employee who speaks a particular language is required but is not available, arrangements are made for an appointment with that employee using Google Translate.

While SaskTel Stores offer these translation services for incoming store customers, SaskTel's Consumer Contact Centre service specialists are also able to help customers who speak a variety of languages. Specialists have access to a program called Language Line which provides on-demand language translation services in 240 languages, any time of day, 365 days a year.

SaskTel customers entering our stores have been very appreciative for the service. Lillina sees this appreciation firsthand, including recently with a younger woman who entered the store one day.

"She was in tears due to her phone number not working," said Lillina. "She was attempting to use a friend to translate that had a little more experience with English. I was struggling to understand what the situation was but was able to determine that she spoke Farsi. Immediately, one of our Service Reps (Arshia Bayattork) came over to assist her."

"He gave her a greeting in Farsi, and they both shared in an incredible moment — she looked so relieved you could see the emotion on her face change," she added. "When she left, she had the biggest smile and expressed her gratitude for the experience she had in our store."

A few of the Service Representatives from the SaskTel Scotia Store in Saskatoon who are part of the Love of Languages team (from l): Shashank Patel, Subhasree Srihari, Micah Chipperfield, Louie Tutay, Nathen Nixey and Arshia Bayattork.

It's something Lillina and all our Store Managers across the province are seeing more often.

"With diversity and inclusion in mind, we have created a workplace that our people and our customers can thrive in," said Lillina. "In our stores we truly have made space for everyone, and this is just one part of what we do to create safe environments. We are creating defining moments for our customers, and they love doing business with us and we love doing business with them."

ALL ABOUT AUTOMATION

ELEVATE UIPATH SPRINT LEADS TO EFFICIENCIES IN SASKTEL STORES

Have you ever had your eye on a new smart phone but the colour or model you want is out of stock when you get to the store? Never fear – SaskTel's ELEVATE program is working to eliminate that problem for our customers.

As of April 13, 2023, all 12 SaskTel Stores across the province, as well as SaskTel's eStore, now have improved inventory efficiency thanks to an automation identified during an ELEVATE UiPath Sprint. Now, it's easier to find and deliver the products people want – which means happier customers, increased employee productivity and a better bottom line.

"UiPath is a robotic process automation software tool," said Tracey Lang – SaskTel Corporate Services Manager – Customer Fulfillment. "We weren't sure what to expect going into the program because we really didn't know anything about building automations."

Robotic process automation (RPA) streamlines workflows, which enables organizations to be more profitable, flexible, and responsive. It also helps to increase employee satisfaction, engagement, and productivity by removing mundane tasks from their workdays.

Tracey, and SaskTel Service Representative Brydie Hill built this particular automation with assistance from an experienced RPA Developer during an ELEVATE UiPath Sprint.

ELEVATE UiPath Sprints help employees develop the skills needed to begin building simple automations within a few training sessions. In addition to getting foundational skills quickly, sprinters receive training on when and how to identify opportunities that are right for automation. They are also then encouraged to select a real business use case and put their new skills to the test while being supported by the ELEVATE team.

"Within the program, we create a safe environment where people can explore, learn, fail and succeed," said Donna Young, SaskTel Senior Director – Transformation Management Office. "We have found ELEVATE UiPath is an excellent option for upskilling our staff to drive people-led innovation."

Because the eStore is now able to run their inventory report on demand, they are able to correct any discrepancies quickly and in turn, the inventory available in the store, online and over the phone sales at 1-800-SASKTEL is more accurate, avoiding disappointment for customers.

Brydie Hill (l) and Tracey Lang's participation in ELEVATE UIPath sprint led to efficiencies for SaskTel Stores.

After Tracey saw success emerge from her experience with the ELEVATE UiPath Sprint, she feels the possibilities available through the program will lead to a path taken more often.

"Now that we know the capabilities, we will always be watching for ways to automate processes that are time consuming," said Tracey.

SIZZLING MOSAIC SPEEDS

5G OPENS POTENTIAL TO MORE

SaskTel has put the finishing touches on our 5G network at Mosaic Stadium, and now Rider fans can prepare themselves for a touchdown in the realm of unparalleled possibilities.

The network was fully operational in time for the kick-off of the 2023 football season so fans can now share pictures, videos or messages as well as catch instant replays right from their seats and industry insiders can give the most accurate game updates – faster than ever before.

"Once the design is complete it is a huge undertaking provisioning, installing, scripting and optimizing everything to ensure peak performance," said Bryan Sivertson, Engineering Manager – Wireless Network. "Many teams at SaskTel were involved to make this a successful deployment."

The upgrades at the stadium also include extended 5G coverage for Confederation Park as well as significant capacity and technology enhancements for SaskTel's selectWI-FI and 4G LTE wireless networks. These network upgrades will ensure SaskTel customers can stay connected while enjoying a Roughrider home game or other events held at Mosaic Stadium.

The 5G build at Mosaic Stadium was an enormous task, according to Bryan.

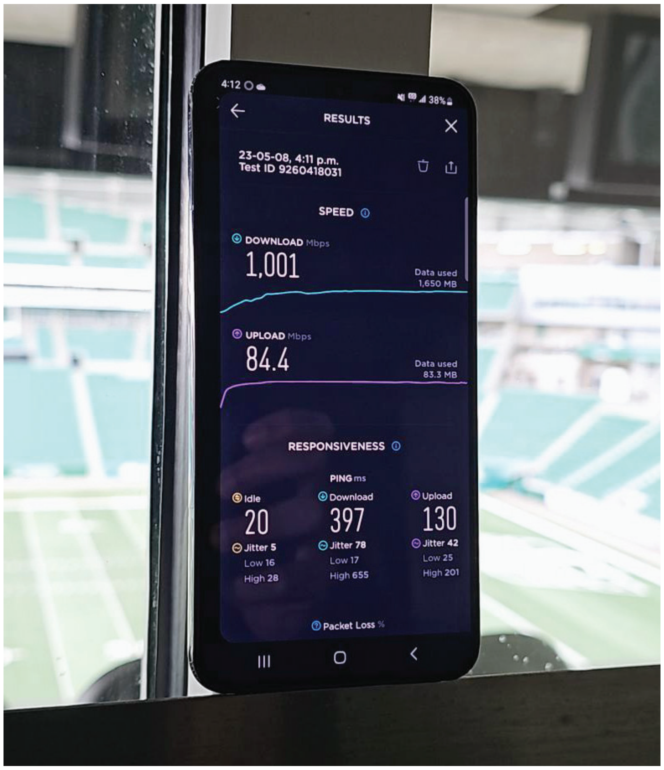
"With this amount of work, it becomes very complex getting all the equipment working together," he said. "The design takes considerable time to ensure everything is done correctly to give the people of Saskatchewan a world class experience."

While 5G networks are still in their infancy, it is widely accepted that this new technology will bring with it entirely new mobile technology use cases that will revolutionize the way people connect to their world. In stadiums and other large venues, 5G networks will help teams and performers enhance their events by offering new and unique experiences for fans.

SaskTel's deployment of 5G at Mosaic Stadium and across Saskatchewan is part of its commitment to invest more than $1.6 billion of capital across the province over the next five years.

SaskTel is proud to invest in our province to help Saskatchewan accelerate its transition to becoming a smart province and ensure it remains one of the most well-connected regions in the country.

In some stadiums, 5G technology is being used to support things like multi-view services that allow fans to watch live action or instant replays from different camera angles from their 5G device.



The technology also supports augmented reality technologies that provide fans with team or player stats, animated celebrations, and live-game action on their phone or on the field.

The primary benefit of 5G is extremely fast speeds. At launch, SaskTel's 5G network will deliver blazing speeds of up to 1.2 Gbps, plus the network will get even faster as it matures, and SaskTel is able to deploy new technologies and additional wireless spectrum.

2023/24 Sustainability Highlights

At SaskTel, we are committed to operating sustainably and supporting Saskatchewan businesses while building a smart province. This year, we continued to source local suppliers to build our networks while giving back to our communities.

SaskTel's sustainability goals and performance are reported in our annual Sustainability Report. This report provides information to customers, industry partners, employees, and other interested parties on SaskTel's efforts to be a strong and responsible community presence.

In 2023/24, as part of our commitment to invest over $1.6 billion in Saskatchewan over the next five years, SaskTel invested approximately $368.5 million in capital to enhance the network infrastructure that will ensure the future of connectivity in Saskatchewan. These investments included $150.6 million to extend SaskTel's 5G network, acquire additional spectrum, and ensure the delivery of improved wireless experiences to more of the province. A further $106.4 was spent to bring SaskTel *infiNET* service to residents and businesses in more communities than ever before. As of March 31, 2024, approximately 69% of Saskatchewan homes and businesses have access to fibre optic service from SaskTel – an achievement that could not have been met without the strides made under SaskTel's Rural Fibre Initiative.

In addition to boosting network coverage and enhancing customer satisfaction, SaskTel also increased its reach into the world of smart city technologies and applications. In collaboration with the City of Melfort, SaskTel announced the formal launch of its Smart Community Solution which uses an exciting range of innovative tools to help access, manage and share data across the community to improve the delivery of municipal services to residents.

Another point of pride for our organization are the national recognitions we have received once again for being one of the greenest as well as one of the best workplaces for young people to start their career. We are also a top diversity employer in Canada for the fourteenth consecutive year, most notably for our hiring practices that foster inclusion and accessibility.

While laying the foundation for smart technologies, we continued our longstanding tradition of giving back to people in Saskatchewan through volunteer hours, charitable donations, and promoting kindness online.

Highlights of sustainability initiatives at SaskTel include:

Contributed $2,962,903 to 1,018 Saskatchewan-based community associations, non-profit and charitable organizations, venues, events, and community partnerships in 237 communities throughout the province.

Volunteered 34,181 hours to charitable causes. Employees and retirees involved with the SaskTel Pioneers contributed $211,079 in financial donations and $828,721 of in-kind donations to several Saskatchewan charitable causes including Computers for Schools.

Donated 376 cell phones and $7,000 worth of phone cards to people who are fleeing domestic violence. The phones and phone cards are purchased with the proceeds from recycling donated wireless devices and distributed by Provincial Association of Transition Houses and Services Saskatchewan.

Awarded $30,380 to 23 youth-led kindness initiatives in the form of grants through our Be Kind Online program.

Piloted a solar power project to determine the long-term feasibility of solar power as a means to offset SaskTel's electrical costs and reduce our environmental footprint. The solar array is located at the SaskTel Wire Centre in southwest Saskatoon.

Strengthened cybersecurity measures across our networks and business operations to better safeguard customer information from cyberattacks and other security risks. SaskTel remains dedicated to following the highest standards of customer privacy and data protection practices in Canada.

Embraced employee-directed philanthropy with nearly $180,000 in total SaskTel TelCare donations directed to 42 locally operated charities and non-profit organization in 2023. Employees who enroll in TelCare contribute to the fund through a payroll deduction and select the organizations. SaskTel donates an additional 50 cents for every employee dollar raised.

Raised $19,800 and approximately 1,977 articles of winter clothing through the Connecting with Community Challenge and winter clothing drive led by the SaskTel Aboriginal Employees Network (SAEN) and SaskTel Pioneers. Donations helped 14 schools and grassroots organizations to keep kids across Saskatchewan warm in winter.

Secured 69% of outside procurement needs from Saskatchewan suppliers and vendors. As part of our commitments as a signatory to the Indigenous Engagement Charter, we also created a new Indigenous Supplier Development Manager position. This will help connect with local Indigenous suppliers and support the suppliers through the procurement process.

The full publication of the Sustainability Report greatly expands on the topics mentioned in this highlights section. Within it, you will read more about SaskTel's Sustainability journey and efforts to do what's right for our employees, communities, and the environment.

Management's Discussion and Analysis

INTRODUCTION

The following management's discussion and analysis (MD&A) focuses on the strategies, business operations, consolidated financial position, and results of operations of Saskatchewan Telecommunications Holding Corporation (SaskTel or the Corporation), including its major strategic business units and its subsidiaries. This MD&A should be read in conjunction with the Corporation's audited consolidated financial statements and accompanying notes on pages 55 to 88 of this report and includes information available to the Corporation up to May 30, 2024, unless otherwise stated.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

Many sections of this discussion include forward-looking statements about SaskTel, its business outlook, objectives, plans and strategic priorities, the sources of liquidity we expect to use to meet our anticipated 2024/25 cash requirements, and our network deployment plans. A statement is forward-looking when it uses information known today to make an assertion about the future. Forward-looking statements typically include words such as anticipate, believe, could, expect, intend, may, should, will, although not all forward-looking information includes them. Since these forward-looking statements reflect expectations and intentions at the time of writing, actual results could differ materially from those anticipated if known or unknown risks and uncertainties impact the business, or if estimates or assumptions turn out to be inaccurate. As a result, SaskTel cannot guarantee that any of the predictions forecasted by forward-looking statements will occur. As well, forward-looking statements do not take into consideration the effect of transactions or non-recurring items announced or occurring subsequently.

Readers should not place undue reliance on forward-looking statements, as a number of factors could cause actual results to differ materially from estimates, predictions, and assumptions. Factors that can influence performance include but are not limited to general economic and political conditions, interest and exchange rates, competition, and regulatory environment. Given these uncertainties, assumptions contained in the forward-looking statements may or may not occur.

OUR BUSINESS

SaskTel is the leading provider of Information and Communications Technology (ICT) products, services, and solutions in Saskatchewan. We are building the most extensive and advanced broadband networks throughout the province for the benefit of our customers – the people and businesses of Saskatchewan. With over $1.3 billion in annual revenue and approximately 1.4 million customer connections, SaskTel is a major contributor to Saskatchewan's economy.

Saskatchewan Telecommunications Holding Corporation is a Saskatchewan Crown corporation that oversees two subsidiaries – Saskatchewan Telecommunications and Saskatchewan Telecommunications International Inc. (SaskTel International). The Corporation has a workforce of approximately 3,300 full-time equivalents (FTEs), making it one of Saskatchewan's largest employers.

The Corporation's subsidiary companies offer the following extensive offerings of ICT products, services, and solutions:

- Wireless services delivered on world-class fifth generation (5G), fourth generation (4G), and Long-Term Evolution (LTE) wireless networks providing high-quality and reliable voice and high-speed data services in Saskatchewan.
- SaskTel *infiNET* service, Saskatchewan's largest fibre optic broadband network, delivers blazing fast internet speeds of up to 5 gigabits per second (Gbps) to business customers and up to 1 Gbps to residential customers.
- Digital Subscriber Line (DSL) internet service to 469 Saskatchewan communities with 363 communities having access to speeds up to 50 megabits per second (Mbps) or faster.
- SaskTel fusion Internet is a comprehensive fixed wireless rural broadband access network. These 106 sites are serving over 700 communities throughout Saskatchewan.

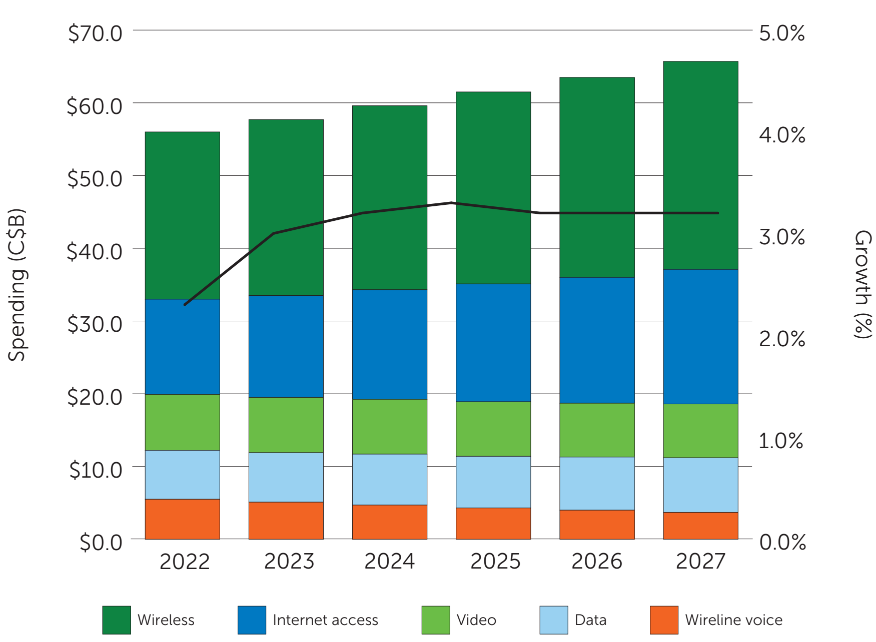
- SaskTel selectWI-FI network at over 2,200 locations throughout the province.
- Whole Home Wi-Fi providing the latest technology for the best in-home Wi-Fi experience powered by eero, an Amazon company.
- maxTV service which serves 438 communities throughout the province.
- maxTV Stream is a streaming service allowing customers to watch live TV or on demand content at home or on the go using the maxTV app.
- Local access network throughout urban and rural Saskatchewan.
- Lüm Mobile™ service is a self-serve digital-only wireless offering.
- Expansive data centre footprint and service capabilities.
- Complementary portfolio of cloud-based communications and information technology services.
- Internet of Things (IoT) Services including Connectivity Management, long range wide area network (LoRaWAN), Data Analytics and Asset Management, Smart Community Solutions, and Smart Ag Solutions.
- Professional services to support customers with configuration or deployment of network, IT or telephony equipment and systems, and cybersecurity consulting.
- Directwest digital marketing services.
- SaskTel International Operational Support Systems (OSS)/Business Support Systems (BSS) software solutions.
- SecurTek commercial and residential security monitoring, including access control, SaskTel smartHOME and interactive services, as well as medical alert and lone worker services.

SaskTel is highly competitive, with nearly 670,000 wireless accesses, 242,000 wireline network accesses, 292,000 internet and data accesses, 111,000 maxTV service subscribers, and 72,000 security monitoring customers.

INDUSTRY

International Data Corporation (IDC) forecasts the Canadian communications services sector to grow at a 3.2% Compound Annual Growth Rate (CAGR) from C$56.0B in 2022 to C$65.6B in 2027.[1]

Canadian Communications Services Spending Snapshot: 2022 - 2027



1 IDC, *Canadian Communications Forecast, 2023-2027*, June 2023, pg. 1.

Selected Segment Growth Rate

- ▲ Wireless CAGR 4.4%
- ▲ Internet Access CAGR 7.2%
- ▼ Video CAGR (0.9%)
- ▲ Data CAGR 2.1%
- ▼ Wireline Voice CAGR (7.8%)

Total Market CAGR 3.2%

The above forecast is comprised of wireless, internet access, video, data (wide area network), and wireline voice services segments across consumer, business, and wholesale markets.

SUMMARY

Overall, consumer services will lead growth in the telecom sector, followed by business and wholesale services. Individual market segment forecasts are as follows:[2]

- Consumer: 3.8% CAGR from C$35.4B in 2022 to C$42.7B in 2027.
- Business: 2.1% CAGR from C$16.9B in 2022 to C$18.8B in 2027.
- Wholesale: 1.8% CAGR from C$3.8B in 2022 to C$4.1B in 2027.

WIRELESS

The wireless services segment is forecast to grow at a 4.4% CAGR from C$23.0B in 2022 to C$28.6B in 2027. The segment represents 41.1% of the sector's revenue in 2022 and is expected to increase to 43.7% by 2027. Looking more granular, wireless data is forecast to grow at a 6.0% CAGR during the forecast period with machine-to-machine (M2M) leading way at an estimated 13.8% CAGR. IDC expects M2M to be the highest growth subsector within the Canadian communication services sector.[3]

INTERNET

The internet services segment is forecast to grow at a 7.2% CAGR from C$13.1B in 2022 to C$18.5B in 2027. This segment represents 23.2% of the sector's revenue in 2022 and is expected to increase to 28.2% by 2027.[4]

VIDEO

The video services segment is forecast to shrink at a (0.9%) CAGR from C$7.7B in 2022 to C$7.4B in 2027.[5]

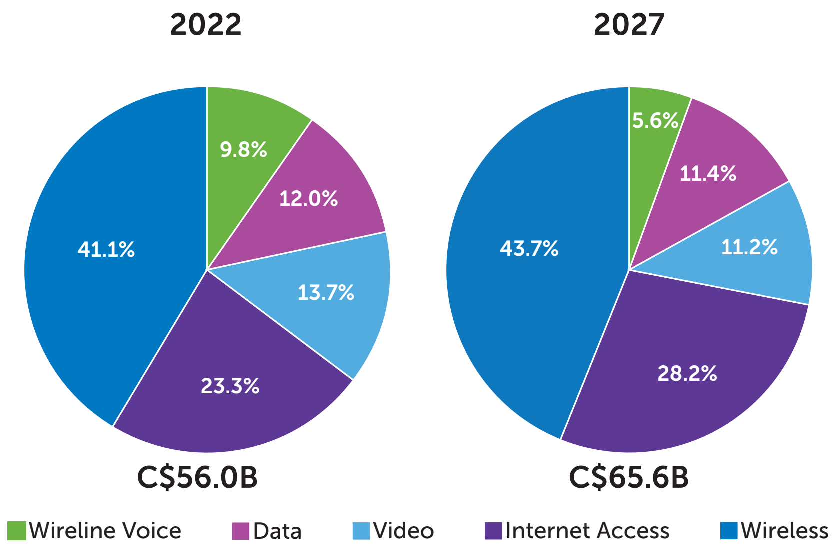
DATA (WIDE AREA NETWORK)

The data services segment is forecast to grow at a 2.1% CAGR from C$6.7B in 2022 to C$7.5B in 2027.[6]

WIRELINE VOICE SERVICES

The wireline voice services segment is forecast to shrink at a (7.8%) CAGR from C$5.5B in 2022 to C$3.7B in 2027.[7]

Canadian Communications Services Revenue Share by Customer Segment, 2022 and 2027



2 IDC, *Canadian Communications Forecast, 2023-2027*, June 2023, pg. 8.
3 Ibid., pg 2.
4 Ibid., pg 2.
5 Ibid., pg 2.
6 Ibid., pg 2.
7 Ibid., pg 2.

BUSINESS ENVIRONMENT AND INDUSTRY TRENDS

The current Canadian telecom business environment is characterized by:

- Evolving demographics where the population is aging and a forecasted natural decline where deaths outnumber births on annual basis. Natural population decreases are being offset by immigration.
- A tight labour market where high-skilled jobs are in demand particularly in the science, technology, engineering, and mathematics space (STEM).
- The Canadian economy is forecast to grow by 1.4% in 2024, 2.3% in 2025, and 2.4% in 2026.[8] These positive forecasts are predicated on the expectation that inflation will ease back toward central bank targets and allow for multiple interest rate cuts beginning in 2024. While a soft landing is expected in Canada, there will be a close eye on inflation as it could be impacted by world conflicts, high oil prices, housing shortages, and wage increases.
- Competitive pressures driven by industry peers, a pro-competition regulator, and over-the-top (OTT) providers.
- A regulatory environment in which policies continue to be shaped to increase competition, improve customer experience, lower prices, protect customer data/privacy, and expand access to networks/services to rural and remote locations.
- Growth in areas such as cloud computing, cybersecurity, digital transformation, artificial intelligence (AI), automation solutions, and new 5G services including edge computing and IoT.
- Continued growth of the telecom sector with Communications Service Providers (CSPs) putting more focus on efficiency. In parallel, the industry has seen significant merger and acquisition activity that is resulting in provider consolidation and acceleration of transformational targets.
- Customers acutely aware of spending decisions due to persistent inflation and high interest rates.
- Evolving 'bundles' of telecom services seeking to add value and differentiate from competitors.

8 International Monetary Fund, World Economic Outlook Update. *Moderating Inflation and Steady Growth Open Path to Soft Landing,* 2024, pg. 6.

OUR STRATEGIC DIRECTION

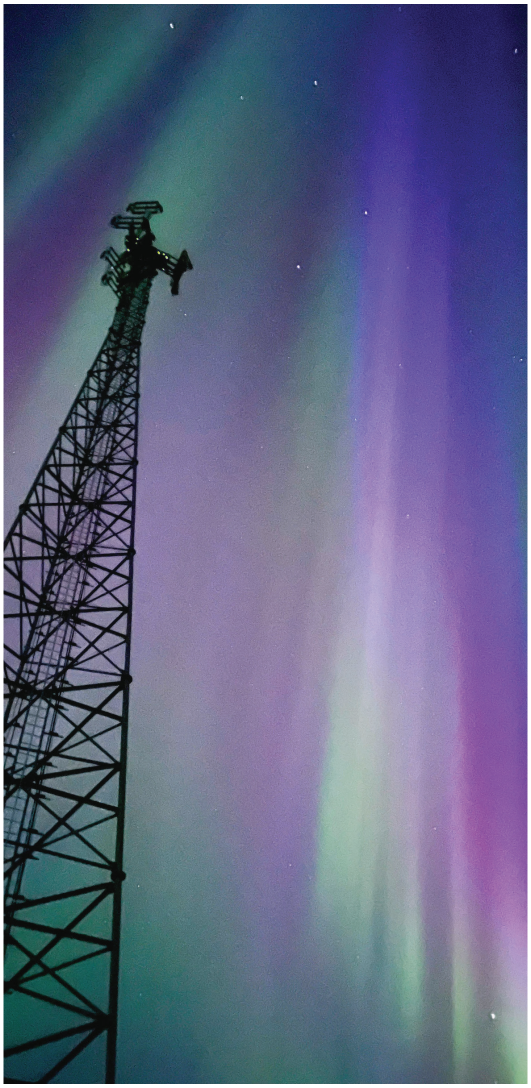
Vision Be the best at connecting people to their world

Mission To provide an exceptional customer experience

Values Honesty, Integrity, Respect

Our North Star: Broadband

Broadband is SaskTel's North Star. It is our core service and critical to sustainable long-term growth. Our mission to provide an exceptional customer experience begins with delivering fast and reliable broadband throughout Saskatchewan, at any location – at home, work, and on the go.



Strategic Goals

- Deliver an Exceptional Customer Experience
- Lead the Market in Broadband Services
- Simplify, Automate, and Transform the Business
- Empower a High-Performance Workforce
- Drive Innovation, Financial Sustainability, and Growth

ALIGNMENT WITH OUR SHAREHOLDER

SaskTel is a provincial Crown corporation, owned by the people of Saskatchewan. Our strategic goals have been developed to ensure the company continues to transform, achieve shareholder expectations, and provide our customers with an exceptional experience today and in the future.

Shareholder direction is established for the Crown sector by Crown Investments Corporation (CIC) of Saskatchewan. CIC's Board of Directors develops Crown Sector Strategic Priorities to articulate shareholder expectations and broad policy direction to SaskTel and the CIC Crown sector.

Five Crown Sector Strategic Priorities were established for 2023/24:

- Customer Service
- Resource Optimization
- Innovation and Technology
- Sustainability
- Private Sector Engagement

SaskTel's strategic plan is also influenced by *Saskatchewan's Growth Plan: The Next Decade of Growth 2020-2030.* The Growth Plan serves as a roadmap to building a strong economy and a better life for the people of Saskatchewan. This includes SaskTel continuing to invest, grow, and improve the province's ICT infrastructure.

SaskTel's Board of Directors and Executive team strive to ensure the development of our strategic plans maintain alignment with shareholder expectations, along with the competitive situation and constant change occurring within our industry. The CIC Board of Directors provides final approval of SaskTel's annual strategic plan, including balanced scorecard measures and targets.

PERFORMANCE MANAGEMENT

As a competitive Crown corporation, SaskTel is responsible to the people of Saskatchewan to provide exceptional products, services, and support in a competitive market at fair prices while delivering solid financial results. SaskTel continuously monitors performance against its strategic goals through the company's balanced scorecard.

BALANCED SCORECARD

SaskTel uses a balanced scorecard to measure and monitor performance. It is a widely accepted performance measurement system that is used throughout the provincial Crown sector.

The targets included in the scorecard are the foundation on which progress toward our strategic goals are measured. A rigorous process is used to develop these measures and targets, ensuring that they are aligned with the direction provided by CIC and the shareholder. Targets are set annually to challenge the company and drive high performance.

The measures are monitored throughout the year, allowing us to make operational adjustments when required. Results are reported to the SaskTel and CIC Boards on a quarterly basis.

DELIVER AN EXCEPTIONAL CUSTOMER EXPERIENCE

Our customers are at the centre of everything we do. We will deliver an exceptional customer experience at every touchpoint along their journey with SaskTel.

Keeping customers at the centre of everything we do ensures that we can deliver exceptional customer experiences. We strive to make it easy for customers to do business with SaskTel. Strengthening the customer experience will be achieved by continuing with our focus on nailing the basics, differentiating, and then elevating the experience.

KEY INITIATIVES

- Strengthen customer experience
- Use business intelligence to understand our customers
- Accelerate customer self-serve and self-install

BALANCED SCORECARD

Measure	2022/23 Result	2023/24 Target	2023/24 Result
Customer Satisfaction			
Satisfaction Index: consumer	7.9	8.0	8.0
Satisfaction Index: business	7.9	8.0	8.0

CUSTOMER SATISFACTION PERFORMANCE

Achieved the year-end customer satisfaction targets of 8.0 for consumer and business.

ACHIEVEMENTS IN 2023/24

- Industry-leading wireless market share and churn rate.
- Improved user experience through evolution of mySASKTEL.
- Expanded the availability of self-install capabilities.
- Waived data overage charges to support those residing in northern communities impacted by wildfires, as well as a text message fees and long-distance charges for SaskTel wireless, landline, and business calls made from Canada to Israel and Ukraine to ensure customers can connect with family and friends impacted by the situations.
- Strong acquisition results and evolving contact strategy initiatives targeting newcomers to Saskatchewan.

ALIGNMENT WITH SHAREHOLDER'S STRATEGIC PRIORITIES

This strategic goal is aligned with the Customer Service and Sustainability priorities.

LEAD THE MARKET IN BROADBAND SERVICES

We enable our customers and partners to thrive in the digital economy across Saskatchewan and around the world.

Broadband is SaskTel's core service and remains our North Star. Whether fixed or mobile, broadband is indispensable to our customers' lives. The speed they need enables them to work, learn, connect with family and friends, and enjoy the latest entertainment. Broadband is an important contributor to Saskatchewan's quality of life, a critical enabler of business and economic activity and is key to SaskTel's future success.

KEY INITIATIVES

- Build fixed and mobile broadband networks
- Enable broadband in rural and remote Saskatchewan
- Maximize return on the broadband network investment
- Transform broadband processes

BALANCED SCORECARD

Measure	2022/23 Result	2023/24 Target	2023/24 Result
Broadband Connections			
Total broadband accesses	875,524	922,179	893,944
Fibre Connections			
Consumer internet accesses on fibre	64%	70%	69%
Business internet accesses on fibre	30%	32%	36%
Network Advancements			
SK homes and businesses with access to fibre-like speed (100 Mbps)	68%	77%	69%
SK homes and businesses with access to fibre	68%	75%	69%

BROADBAND CONNECTIONS PERFORMANCE

The shortfall in broadband accesses is driven primarily by IoT and internet connections.

NETWORK ADVANCEMENTS PERFORMANCE

Challenges in receiving critical equipment and in gaining access to infrastructure delayed the launch of several rural fibre communities in 2023/24. Fibre in these communities will be available in early 2024/25.

ACHIEVEMENTS IN 2023/24

- Launched *infiNET* service in Meadow Lake, Indian Head, Maple Creek, Rosetown, Shaunavon, Moosomin, Canora, Carlyle, Carrot River, Fort Qu'Appelle, Hudson Bay, Kamsack, Watrous, Lumsden, Esterhazy, Macklin, Unity, and Wynyard.
- Acquired 45 new 3800 MHz spectrum licenses in the fall auction by Innovation, Science and Economic Development Canada (ISED).
- Continue to improve the Rural Broadband Partnership Program (RBPP).
- Brought 280 Samsung 5G sites into service across many rural and resort areas and highway corridors in the province as well as the following locations:

Abernethy	Chamberlain	Foam Lake	Lemburg	Pasqua Lake	Tantallon
Air Ronge	Chaplin	Fort Qu'Appelle	MacDowall	Paynton	Theodore
Allan	Christopher Lake	Grass Lake	Maidstone	Pilot Butte	Tisdale
Alsask	Churchbridge	Gray	Maple Creek	Pontrilas	Tompkins
Assiniboia	Clavet	Greenstreet	Marengo	Prince Albert	Unity
Aylesbury	Crescent	Grenfell	Martensville	Qu'Appelle	Vanscoy
Balcarres	Cross	Gull Lake	McLean	Rabbit Lake	Viscount
Balgonie	Dafoe	Hague	McTaggart	Redwing	Waldeck
Belle Plaine	Deer Valley	Halbrite	Melville	Regina	Wapella
Bienfait	Delmas	Humboldt	Midale	Regina Beach	Warman
Biggar	Denzil	Indian Head	Mission Lake	Rocanville Mine	Waseca
Bladworth	Duck Lake	Insinger	Monarchvale	Rosetown	Webb
Blewet	Dundurn	Jansen	Moose Jaw	Rosthern	Weyburn
Borden	Edgeley	Katepwa Beach	Moosomin	Rush Lake	Wilcox
Boundary Dam	Elfros	Kindersley	Morse	Saskatoon	Wolseley
Bredenbury	Emma Lake	Kronau	Mortlach	Secretan	Wynyard
Broadview	Englishman Lake	La Ronge	Neuanlage	Sidewood	Yellow Grass
Brock	Esterhazy	Lang	North Battleford	Sintaluta	Yorkton
Canora	Findlater	Langenburg	Osler	Springside	Zealandia
Caron	Fiske	Lanigan	Otthon	Spy Hill	Zehner
Caronport	Flaxcombe	Lashburn	Outlook	Swift Current	

ALIGNMENT WITH SHAREHOLDER'S STRATEGIC PRIORITIES

This strategic goal is aligned with the Customer Service, Resource Optimization, Innovation and Technology, Sustainability, and Private Sector Engagement priorities.

SIMPLIFY, AUTOMATE, AND TRANSFORM THE BUSINESS

We will think digitally and use technology to build new business capabilities, making it easier for our customers to do business with us and easier for employees to serve customers.

The world continues to adopt and implement innovative digital technologies, automated systems and new ways of working. This is creating both challenges and opportunities. In particular, consumers have more choices than ever and have rising expectations for products, services, online experiences, fulfillment speed, and customer support. We will need to continue to improve how we serve and interface with our customers.

KEY INITIATIVES

- Simplify
- Automate
- Transform

BALANCED SCORECARD

Measure	2022/23 Result	2023/24 Target	2023/24 Result
Efficiency			
Earnings before interest, taxes, depreciation and amortization (EBITDA) margin	28.1%	27.9%	27.1%
Transformation			
Benefits realized from transformation initiatives ($ millions)	$37.5	$42.0	$48.0

EFFICIENCY PERFORMANCE

The EBITDA margin was below our 2023/24 target by 80 basis points. This was due to increased costs of goods sold to support revenue growth and higher operating costs partially due to inflationary pressures. These increases were offset by revenue growth in key business segments including wireless network services and equipment, customer premise equipment and international software and consulting services.

TRANSFORMATION PERFORMANCE

In 2023/24, SaskTel realized $48.0 million in transformational benefits, exceeding the $42.0 million annual target. This represents a combination of net new benefits realized in 2023/24 and carry forward from 2022/23.

ACHIEVEMENTS IN 2023/24

- Continued success with the ELEVATE Digital Workforce Transformation program with over 650 employees upskilled on automation tools.
- Evolution of Enterprise Cybersecurity program and improved cybersecurity maturity.
- Enhancing a culture of simplification.

ALIGNMENT WITH SHAREHOLDER'S STRATEGIC PRIORITIES

This strategic goal is aligned with the Customer Service, Resource Optimization, Innovation and Technology, Sustainability, and Private Sector Engagement priorities.

EMPOWER A HIGH-PERFORMANCE WORKFORCE

Together, our skilled workforce is committed to transforming SaskTel for the future and ensuring we deliver to our customers' expectations.

SaskTel's strength is its people. An engaged, skilled, and inclusive team of employees is crucial to our future success.

KEY INITIATIVES

- Improve employee engagement
- Living our culture
- Lead SaskTel through digital transformation
- Diversity, equity, and inclusion

BALANCED SCORECARD

Measure	2022/23 Result	2023/24 Target	2023/24 Result
Employee Engagement			
Employee engagement score	72%	72%	75%
Learning and Growth			
Employee perception of skill evolution	84%	85%	86%

EMPLOYEE ENGAGEMENT PERFORMANCE

Employee Engagement is 75%, which is 3% above the target. Learning and Growth is 86%, 1% above the target.

ACHIEVEMENTS IN 2023/24

- Recognized by Mediacorp Canada Inc. as one of:
  - Canada's Greenest Employers
  - Canada's Top Employers for Young People
  - Saskatchewan's Top Employers
  - Canada's Best Diversity Employers
- Donated nearly $180,000 to 42 locally operated charities and non-profit organizations through TelCare.
- Developed Crown Career Pathways (an Indigenous internship program) in response to the Truth and Reconciliation Commission's Call to Action #92.
- Accessible Saskatchewan Regulations came into effect.

ALIGNMENT WITH SHAREHOLDER'S STRATEGIC PRIORITIES

This strategic goal is aligned with the Customer Service, Resource Optimization, Innovation and Technology, and Sustainability priorities.

DRIVE INNOVATION, FINANCIAL SUSTAINABILITY, AND GROWTH

We find innovative solutions to position SaskTel for financial success and to support economic growth for Saskatchewan.

Challenges to SaskTel's long-term financial performance remain. Although our legacy products, such as traditional home phone, continue to decline and cord-cutting will persist, we are focused on new opportunities in our business environment. It is necessary to find ways to replace and grow revenue while retaining customers. Maximizing return on broadband investment and delivering new business models are key priorities.

KEY INITIATIVES

- Grow revenue/gross margin
- Improve operating model to be more competitive
- Expand the digital-only operating model
- Contribute to provincial economic growth

BALANCED SCORECARD

Measure	2022/23 Result	2023/24 Target	2023/24 Result
Shareholder Value			
Return on equity (ROE)	8.5%	7.5%	7.5%
Debt ratio	54.5%	55.9%	56.0%
Revenue			
Total revenue ($ millions)	$1,330.1	$1,348.8	$1,351.4
Net Income			
Net income ($ millions)	$104.1	$95.7	$95.4
Capital Investment			
Capital intensity	26.3%	30.6%	27.0%
Collaboration			
Collaboration savings ($ millions)	$53.1	$50.0	$40.4
Investment attraction ($ billions)	$1.9	$1.0	$7.4

SHAREHOLDER VALUE PERFORMANCE

SaskTel's ROE of 7.5% met the annual target of 7.5%. SaskTel's debt ratio of 56.0% was above the 55.9% year-end target due to increased net debt.

REVENUE PERFORMANCE

Revenue was above target due to higher than expected wireless network and equipment revenue due to wholesale wireless revenues as a result of higher network usage and increased customer demand for more premium devices. Customer premise equipment and international software and consulting services were also favourable to plan. Fixed broadband and data, maxTV service revenue, and security monitoring services came in lower than target.

NET INCOME PERFORMANCE

Net income was slightly below target. Goods and services purchased were higher than plan due to costs of goods sold required to support revenue growth, and increased spending in software, licenses, and maintenance and contracts, partially due to inflationary pressures. This was partially offset by depreciation and amortization which was lower than plan due to useful life extensions on wireless assets, and lower than expected capital investment. Operating revenue was also slightly favourable to plan.

CAPITAL INVESTMENT PERFORMANCE

Capital investment came in lower than target primarily due to favourable spending on the 5GNM program. The program completed 280 sites during the year versus a target of 266 and remained under budget due to the completion of more lower cost site swaps and fewer new sites than anticipated.

COLLABORATION

The collaboration targets are set by CIC. The targets for 2023/24 are for the Crown sector as a whole and not SaskTel specifically.

ACHIEVEMENTS IN 2023/24

- Successful implementation of the Smart Community Solution in collaboration with the City of Melfort.
- Led public sector collaboration groups to improve cybersecurity throughout the Crown sector.
- Launch of Whole Home Wi-Fi service powered by eero, an Amazon company.
- Began construction on a solar power array trial in Saskatoon.
- Continued national expansion, selling business services into Alberta, British Columbia, and Manitoba.

ALIGNMENT WITH SHAREHOLDER'S STRATEGIC PRIORITIES

This strategic goal is aligned with Customer Service, Resource Optimization, Innovation and Technology, Sustainability, and Private Sector Engagement priorities.

DEFINITIONS OF BALANCED SCORECARD PERFORMANCE MEASURES

Measure	Definition
Customer Satisfaction • Consumer • Business	Tracks SaskTel's customers' satisfaction with their recent SaskTel channel experience and SaskTel products. Includes feedback from two groups of customers: customers who have had a recent channel experience and customers who have not had a recent channel experience but experience SaskTel products.
Total Broadband Accesses	Broadband accesses include total Wireless Data, Digital Mobile Service, machine-to-machine (M2M), High Speed Internet DSL, *infiNET*, fusion Internet, and Dedicated Internet access lines and rural broadband partners.
Internet Accesses on Fibre • Consumer • Business	Percentage of total internet accesses for consumer and business (reported separately) that are on fibre.
SK Homes and Business with Access to Fibre and Fibre-like Speeds	Percentage of all Saskatchewan homes and businesses having access to SaskTel *infiNET* service or access to at least 100 Mbps internet service.
EBITDA Margin	EBITDA margin is equal to EBITDA (earnings before interest, taxes, depreciation, and amortization) divided by total operating revenue.

Measure	Definition
Benefits Realized from Transformation Initiatives	Transformation initiatives focus on hard benefits measured either through increasing revenue/gross margin, cost reductions or a combination.
Employee Engagement Score	This is an annual measure of employees at SaskTel and SaskTel International. The score is derived from the average results of a series of questions related to workplace engagement.
Employee Perception of Skill Evolution	This is an annual measure of our employees' and their managers' confidence in the evolution of their skill sets to successfully perform their jobs in alignment with business direction.
Return on Equity	Calculated as the amount of profit (net income) divided by the value of the shareholder's equity and expressed in a percentage. Shareholder's equity is calculated as the year-to-date average equity and includes AOCI (accumulated other comprehensive income).
Debt Ratio	Calculated as the net debt (long term debt, notes payable, and bank indebtedness reduced by sinking funds and cash) divided by the sum of net debt plus equity (equity advances, AOCI impacts, and retained earnings at the end of the period).
Total Revenue	Includes total operating revenue from all product lines.
Net Income	Calculated as total revenue and other income (loss) minus operating expenses, depreciation, amortization, and net finance expense. Excludes other comprehensive income (loss).
Capital Intensity	Calculated by taking capital expenditures divided by total operating revenue, excluding spectrum and government funding.
Collaboration	Targets set by Crown Investments Corporation (CIC) representing cost savings and investment attraction by the entire government sector resulting from participating in Collaboration.

ENTERPRISE RISK MANAGEMENT

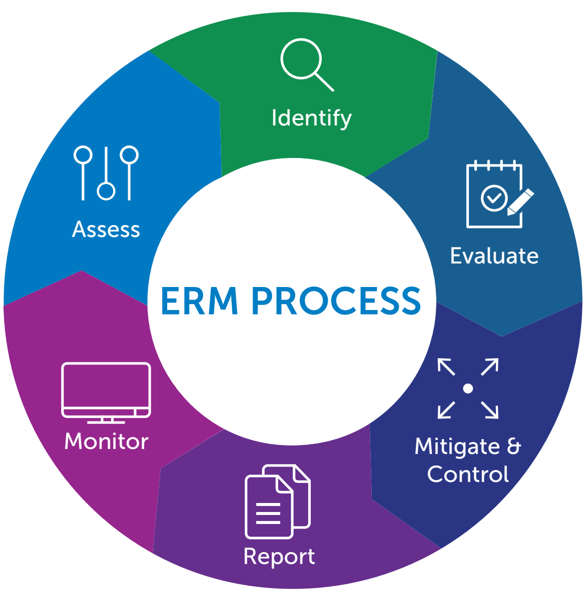
Risk is the effect of uncertainty on objectives.[9] This effect can take the form of negative impacts to our business or may also manifest as positive opportunities. All organizations are subject to risk in their operating environments and must take steps to achieve a proper balance between risks and potential returns. SaskTel is no different.

Risk management is the coordinated activities to direct and control an organization with regard to risk.[10] SaskTel uses an Enterprise Risk Management (ERM) framework to manage risk exposures, balancing risk tolerance with strategic priorities. Ultimately, SaskTel manages risk to create and protect organizational value by improving performance, encouraging innovation, and supporting the achievement of corporate objectives.

An ERM framework is applied to identify, evaluate, mitigate and control, report, monitor, and assess key risks within SaskTel's business environment vis-à-vis the company's risk appetite. This framework is consistent with the ISO 31000-2018-02 Risk Management Guidelines and CIC's minimum standards.

Appropriate responses to risk may include any or all of the following: avoid, accept, transfer, or reduce through mitigations. Key corporate and divisional risks are regularly monitored and reported on to SaskTel's governance bodies.

Enterprise Risk Management Framework



GOVERNANCE AND RESPONSIBILITIES

Governance and oversight are provided by SaskTel's Board of Directors, Audit and Risk Committee of the Board, and Executive Committee through a Governance, Risk, and Compliance (GRC) framework that ensures alignment between Strategic Planning, Enterprise Risk Management, Operations, and Internal Audit.

Governance Framework

SaskTel also subscribes to the Institute of Internal Audit's (IIA's) three lines of defense model that places accountability for effective risk management and internal control throughout the organization. Through the company's overall risk culture, all employees play a role in understanding and managing risk within the scope of their responsibilities.

Three Lines of Defense

9 ISO 31000-2018-02, *Risk Management – Guidelines*, pg. 1.
10 Ibid. pg. 1.

Management, including risk and compliance functions, perform the first and second-line roles, while independent assurance is provided through Internal Audit (third line). External service providers give additional assurance to satisfy legislative and regulatory expectations and complement internal sources of assurance.

KEY RISKS

The following are key strategic and core business risks and uncertainties facing SaskTel that may have a material impact on the operation of the business. Additional risks and uncertainties deemed to be lower risk or risks that are currently unknown may also impact the business. Any discussion about risks should be considered in conjunction with "Caution Regarding Forward-looking Information" on page 13.

STRATEGIC RISKS

Strategic risks refer to the internal and external events that may make it difficult, or even impossible, for an organization to achieve its objectives and strategic goals. These risks can have severe consequences that impact an organization over the long-term. Manifestation of one or more of these risks may require SaskTel to modify its strategic direction.

Competitiveness

SaskTel has a complex operating environment built up over many years, which could restrict the company's ability to deliver a competitive customer experience. In addition, competitor intensity, including non-traditional competitors, industry consolidation, and disruptive technology could impact revenue and market share.

SaskTel has product roadmaps and initiatives in place to evolve the operating environment by simplifying and automating operations, including a focus on self-serve options, and transforming and modernizing systems and processes. This helps SaskTel stay competitive by creating the ability to offer a great customer experience. In addition, the company continuously evolves its products and services, looks for new market opportunities, deploys new technologies such as 5G, fibre, and telco cloud, collaborates with partners, and leverages business intelligence to identify customer needs.

Regulation

The Federal Government and the Canadian Radio-television and Telecommunications Commission (CRTC) continually issues directives and regulatory interventions that interfere with SaskTel's ability to conduct business, and increases costs and complexity, impacting profitability and market share.

SaskTel actively participates in CRTC proceedings to ensure SaskTel's unique position is understood including its differences from other players within the Canadian telecom industry with respect to size and geography.

Alliances and Partnerships

SaskTel relies on agreements with other companies and suppliers throughout the industry with respect to our business operations and in the provisioning of our products and services to customers. If factors emerge that negatively impact or end relationships or contracts, SaskTel's ability to offer services or operate the business is at risk.

SaskTel works to ensure contractual obligations are met and future expectations are addressed to maintain mutually beneficial relationships. For example, other telecom carriers rely on SaskTel networks and vice-versa. As such, it is important to ensure our networks and our partners' networks continue to meet all stakeholders' needs.

CORE BUSINESS RISKS

Core business risks focus on hazard or control risk areas that impact the ability to execute business functions related to operational, financial, and compliance and legal risks.

Networks

SaskTel's networks are central to delivering the company's services and if they are unavailable for an extended period, this could cause significant customer disruption.

Networks are designed and built to be highly available. Regular updates and maintenance, alarming of key components, redundancy, sparing of hardware, and testing in labs prior to implementation help reduce the occurrence, duration, and severity of outages. Networks are continuously evolving with legacy and end of life equipment and technology being replaced.

Systems

SaskTel relies on systems (such as billing, provisioning, and service delivery systems) to conduct business. If a key system is unavailable for an extended period, this could impact services and revenue.

Similar to networks, systems are built and designed to be highly available. Alarming of key components, redundancy, regular upgrades, maintenance and support contracts, extra hardware on site, testing in labs, disaster recovery protection, and change control processes help reduce the occurrence, duration, and severity of outages. A multi-year system architecture strategy and roadmap helps plan for future system needs.

Cybersecurity

SaskTel is subject to cyberattacks or data breaches that could compromise information or disrupt service. With cybercrimes becoming more frequent and sophisticated, the threat continues to increase. A significant event could impact reputation and finances.

SaskTel regularly assesses its environment and implements extensive controls and measures to protect data and mitigate against service disruption. Examples of controls include cybersecurity standards, monitoring, processes, policies, governance, secure configurations, training, and anti-malware systems. An evolving multi-year program is in place to increase maturity and address any vulnerabilities.

Physical Infrastructure

Losing physical access or experiencing damage to critical infrastructure or buildings can occur for a variety of reasons (including weather, fire, or vandalism) disrupting services and impacting revenue.

Preventive measures are in place, such as ongoing maintenance routines, automated control systems, sprinklers, fire detection systems, site hardening and loss control techniques, security, temperature-controlled facilities, and infrastructure upgrades. If a risk event occurs, business continuity plans, and disaster recovery protocols come into effect.

Litigation

SaskTel is subject to lawsuits due to the various activities undertaken, employees interacting with thousands of stakeholders daily, and our numerous assets being highly visible. Exposures include contractual, professional, statutory, and third-party liability, which could negatively impact SaskTel's operating results and reputation.

Contracts, tariffs, in-house counsel, insurance, and due diligence contribute to the mitigation of this risk.

FINANCIAL RISKS

SaskTel remains cognizant of overall financial risks that could impact the company. These financial risks include interest rate, foreign exchange, credit, financial misstatement, pension plan solvency, investments, public reporting, revenue assurance, fraud, and cash flow. No significant financial risks are reported at this time. Notes to the Consolidated Financial Statements, *Note 22 - Financial instruments and related risk management*, highlights some financial exposures and mitigations.

OPERATING RESULTS

FINANCIAL SUMMARY

CONSOLIDATED NET INCOME

For the year ended March 31, ($ millions)	2024	2023	Change	%
Revenue	$ 1,351.4	$ 1,330.1	$ 21.3	1.6
Other loss	(2.5)	(1.8)	(0.7)	(38.9)
Total revenue and other loss	1,348.9	1,328.3	20.6	1.6
Expenses				
Goods and services purchased	618.3	597.8	20.5	3.4
Salaries, wages, and benefits	365.9	353.0	12.9	3.7
Internal labour capitalized	(29.7)	(24.4)	(5.3)	21.7
Depreciation - property, plant and equipment	190.6	198.0	(7.4)	(3.7)
Depreciation - right-of-use assets	6.8	7.6	(0.8)	(10.5)
Amortization	31.9	33.3	(1.4)	(4.2)
Saskatchewan taxes	30.7	29.4	1.3	4.4
Total expenses	1,214.5	1,194.7	19.8	1.7
Results from operating activities	134.4	133.6	0.8	0.6
Net finance expense	39.0	29.5	9.5	32.2
Net income	$ 95.4	$ 104.1	$ (8.7)	(8.4)
Other comprehensive loss	(5.5)	(5.0)	(0.5)	(10.0)
Total comprehensive income	$ 89.9	$ 99.1	$ (9.2)	(9.3)

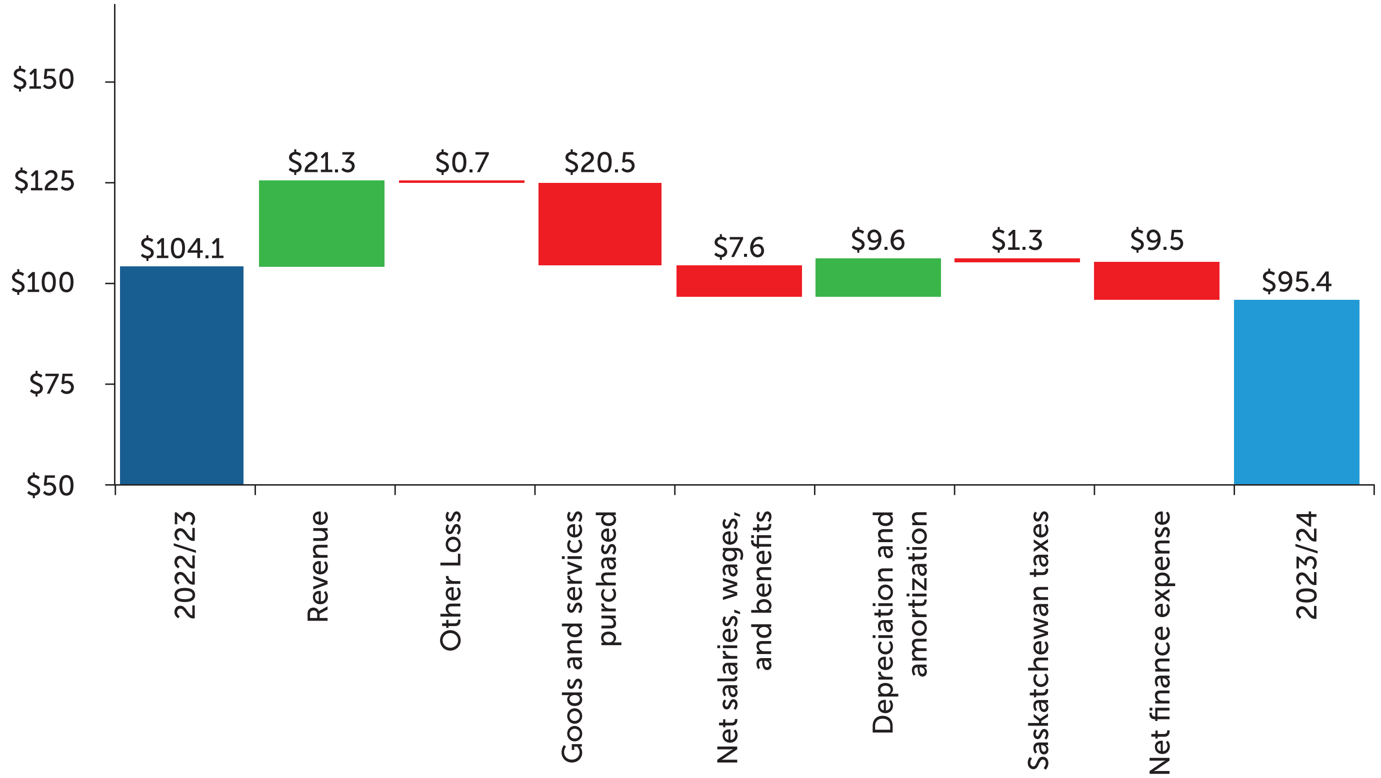
CONSOLIDATED REVENUE

For the year ended March 31, ($ millions)	2024	2023	Change	%
Wireless network services and equipment	$ 664.8	$ 640.7	$ 24.1	3.8
Fixed broadband and data services	307.4	298.3	9.1	3.1
Wireline communication services	154.9	166.1	(11.2)	(6.7)
maxTV service	96.0	95.7	0.3	0.3
Security monitoring services	33.6	34.7	(1.1)	(3.2)
Customer premise equipment	23.2	18.7	4.5	24.1
Marketing services	20.3	22.5	(2.2)	(9.8)
IT solutions services	17.7	15.7	2.0	12.7
International software and consulting services	16.8	15.0	1.8	12.0
Other services	16.7	22.7	(6.0)	(26.4)
Total revenue	$ 1,351.4	$ 1,330.1	$ 21.3	1.6

NET INCOME

SaskTel provides strong returns to the Province of Saskatchewan by introducing competitive services and providing operating revenue growth in key business segments, including wireless, fixed broadband and data, and by managing its costs and optimizing its legacy services. Net income was $95.4 million, a decrease of $8.7 million from the same period in 2022/23. Net income was impacted through increased goods and services purchased of $20.5 million, increased net finance expense of $9.5 million, in addition to an increase in salaries, wages and benefits of $7.6 million. This was partially offset by increased revenue of $21.3 million and a decrease in depreciation and amortization of $9.6 million.

Net Income ($ millions)



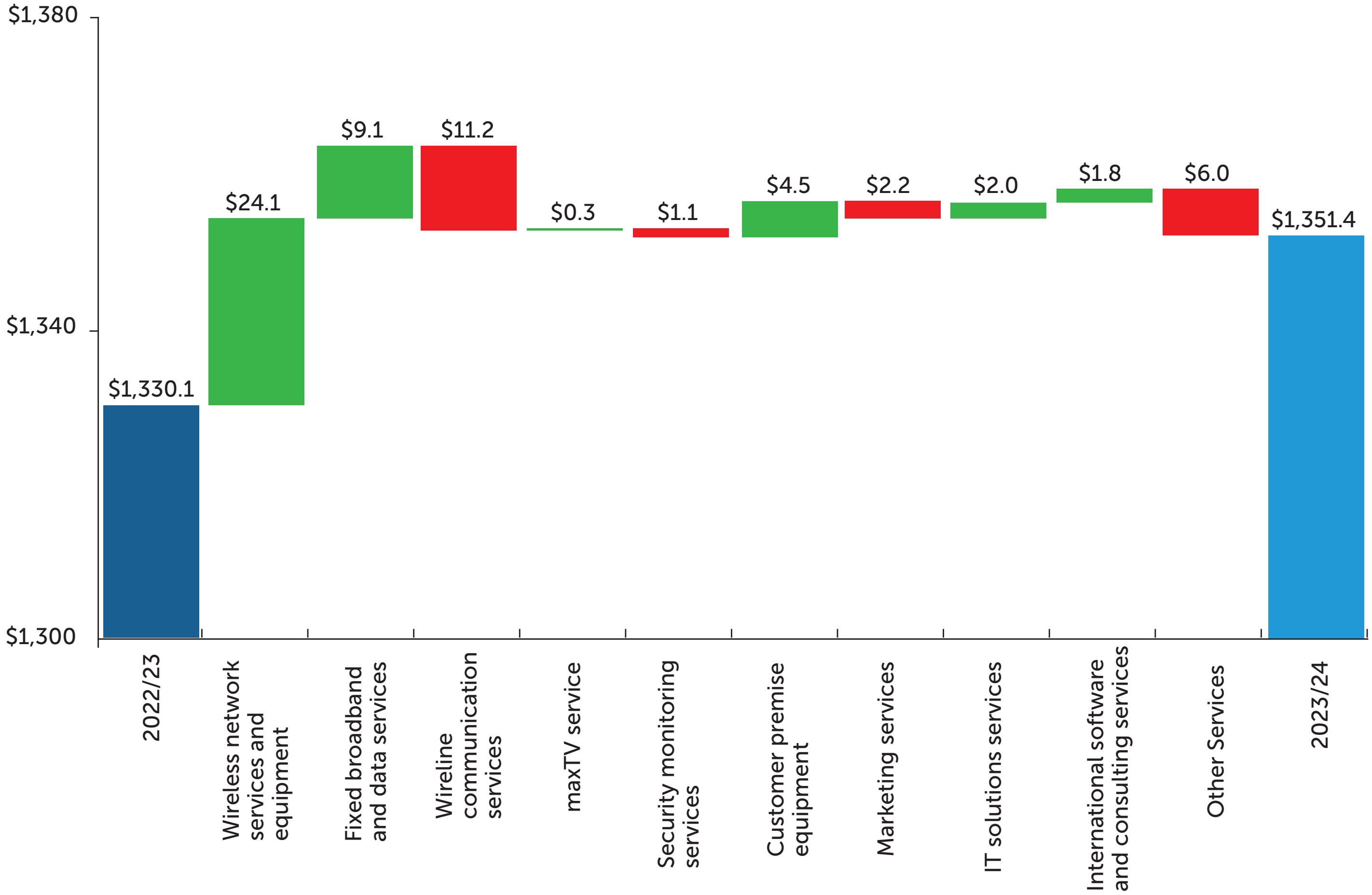
Net Income Highlights

Operating Revenue	Net Income	Return on Equity	EBITDA Margin	Debt Ratio
$1,351.4M	$95.4M	7.5%	27.1%	56.0%

REVENUE

Revenue for the fiscal year ending March 31, 2024, was $1,351.4 million, an increase of $21.3 million from 2022/23, reflecting growth in key business segments including wireless network services and equipment, fixed broadband and data services, and customer premise equipment sales. Growth in wireless network services and equipment revenue reflected a growing subscriber base and higher average rate per device sold. The growth in fixed broadband and data is a result of higher average revenue per unit (ARPU) as customers opt for higher internet speeds and more services delivered over SaskTel's fibre network. Customer premise equipment sales growth was a result of higher demand for business grade equipment. This growth is partially offset by declines in legacy wireline communication services and other services revenue.

Net Revenue ($ millions)



SaskTel's revenue is composed primarily of wireless network services and equipment revenue (48.9%), fixed broadband and data services (22.6%), wireline communication services (11.4%), and maxTV service (7.1%). Revenue growth in fixed broadband and wireless is being driven by SaskTel's improvements to its network infrastructure, including fibre and mobile broadband throughout Saskatchewan. SaskTel has continued to expand its IT solutions services portfolio by offering innovative ICT solutions, including smart services, managed cloud, Tier III Data Centre services, and remote network monitoring services to its customers.

Customer Connections

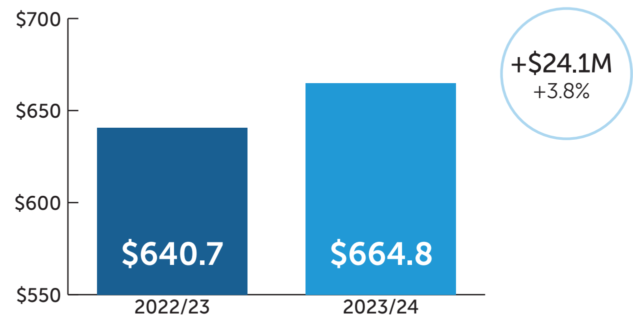
Broadband Internet	maxTV	Wireless	Fibre	Wireline Voice
+2.1%	0.0%	+1.7%	+7.7%	(5.9%)
+18,237 vs 2022/23	(34) vs 2022/23	+11,372 vs 2022/23	+13,766 vs 2022/23	(15,175) vs 2022/23

WIRELESS NETWORK SERVICES AND EQUIPMENT

Wireless network services and equipment revenue increased $24.1 million (3.8%) in 2023/24, reflecting growth in our wireless retail subscriber base, increased wholesale revenues, and a greater proportion of premium handsets in the sales mix.

Our focus on customer-first initiatives and our leading network quality and coverage resulted in an increase in year-over-year net subscriber additions of 11,372 or 1.7%.

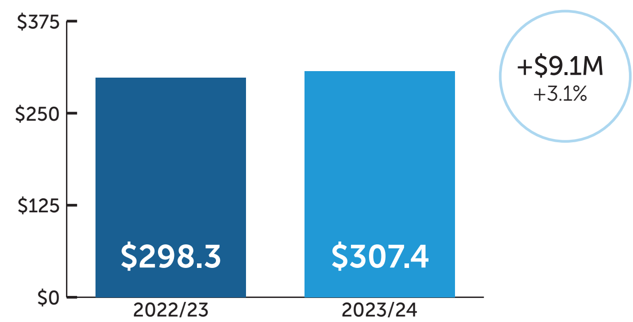
Wireless Network Services and Equipment Revenue
($ millions)



FIXED BROADBAND AND DATA SERVICES

Fixed broadband and data services revenue increased by $9.1 million (3.1%). This was driven by increased customer connections on our expanded fibre footprint, enhanced retail offerings, and increased customer demand for our high-speed internet service. SaskTel's *infiNET* fibre accesses grew 7.7% and has addressed the demand for higher speeds, which has contributed to ARPU growth.

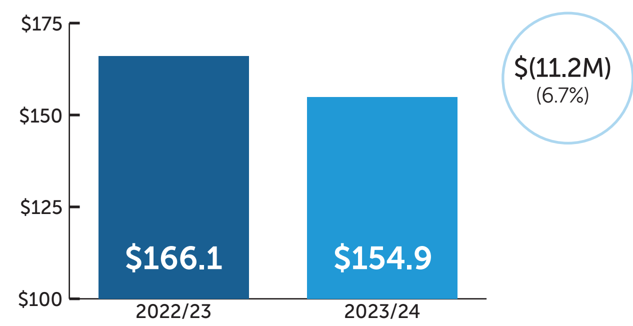
Fixed Broadband and Data Services Revenue
($ millions)



WIRELINE COMMUNICATION SERVICES

Wireline communication services revenue declined by $11.2 million (6.7%) from 2022/23.This decrease was driven mainly by continued cord cutting as well as migrations from legacy wireline voice access to wireless and internet-based services. This was partially offset by increased Integrated Business Communications (IBC) subscribers.

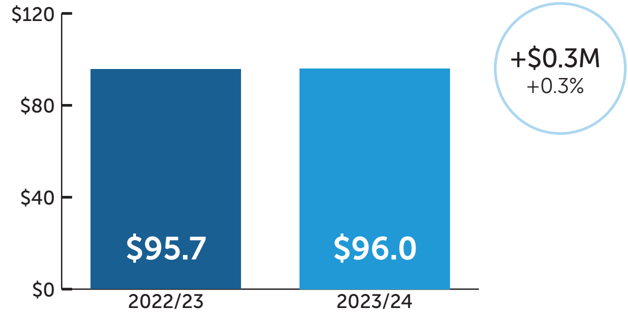
Wireline Communication Services Revenue
($ millions)



maxTV SERVICE

maxTV service revenue increased by $0.3 million (0.3%). This increase was driven by a rate increase, attractiveness of maxTV Stream price points and bundled options, and due to maxTV Stream being available in more communities resulting in subscriber growth. This was partially offset by fewer traditional maxTV subscribers as households are reducing TV services in the face of inflationary pressures, and an overall shift in the industry to OTT video services.

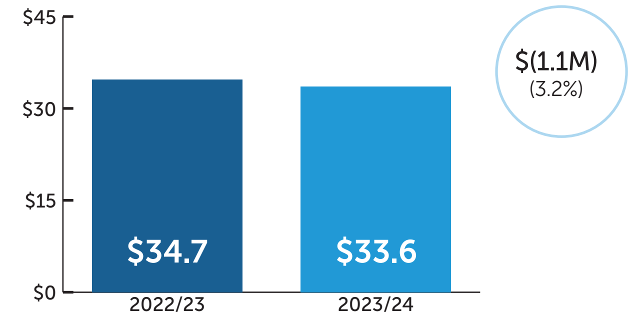
maxTV Service Revenue
($ millions)



SECURITY MONITORING SERVICES

Security monitoring services revenue decreased $1.1 million (3.2%) to $33.6 million in 2023/24, due to a decrease in active subscribers driven by increased competition as a result of consolidation within the industry. SaskTel continues to actively seek out business growth both organically and through customer account acquisitions and the offering of new smart devices. In addition, we continue to evolve our Connected Home family of products.

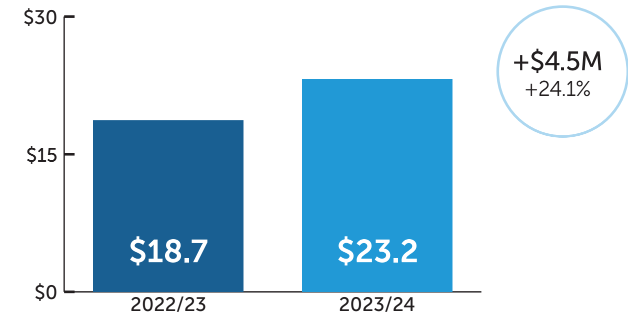
Security Monitoring Services Revenue
($ millions)



CUSTOMER PREMISE EQUIPMENT

Customer premise equipment revenue increased by $4.5 million (24.1%) due to increased sales of business-grade communications systems as customers have undertaken more activity to modernize their networks to mitigate cybersecurity risks. In addition, new and strengthened partnerships have resulted in a more diversified portfolio.

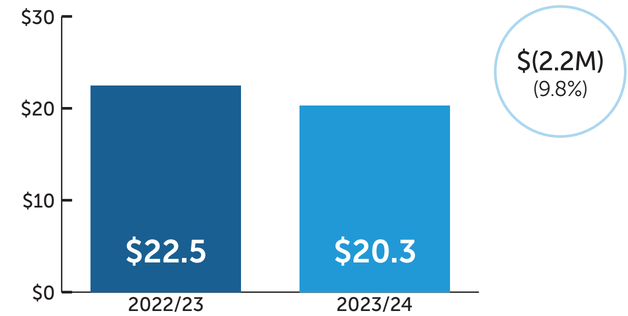
Customer Premise Equipment Revenue
($ millions)



MARKETING SERVICES

Marketing services revenue decreased $2.2 million (9.8%) as the traditional directory industry continued to contract, partially offset by growth in digital marketing services and billboard media to meet customers' evolving marketing needs.

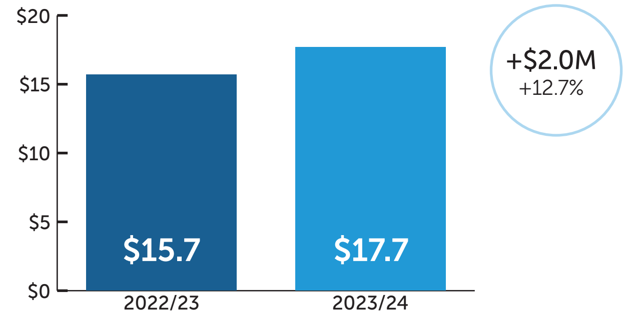
Marketing Services Revenue
($ millions)



IT SOLUTIONS SERVICES

IT solutions services revenue increased $2.0 million (12.7%), reflecting growth in the business customer segment and increased adoption of our data centre offerings and managed IT services such as cloud hosting, cloud computing, cloud service, backup, and disaster recovery to business customers. Demand for cybersecurity protection has grown dramatically.

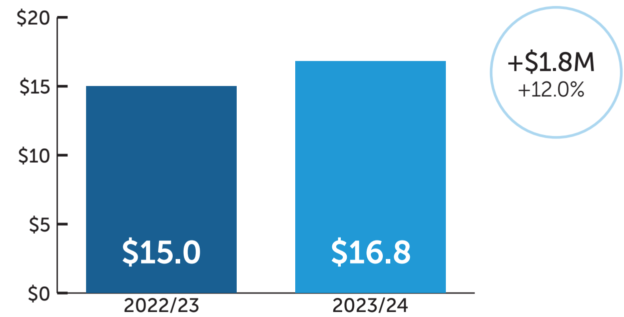
IT Solutions Services Revenue
($ millions)



INTERNATIONAL SOFTWARE AND CONSULTING SERVICES

International software and consulting services revenue increased $1.8 million (12.0%) in 2023/24. This was primarily due to increased conversion activity as customers migrate to next generation solutions.

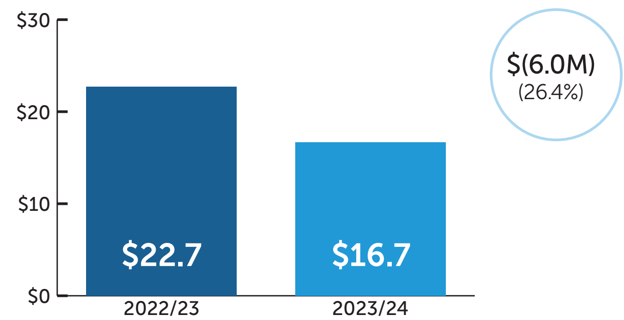
International Software and Consulting Services Revenue
($ millions)



OTHER SERVICES

Other services revenue decreased $6.0 million (26.4%) from 2022/23. Other services revenue fluctuates due to timing of construction activity and professional services engagements. In 2023/24 there was a lower volume of project work leading to less contributions for joint network builds with partners and professional services revenue.

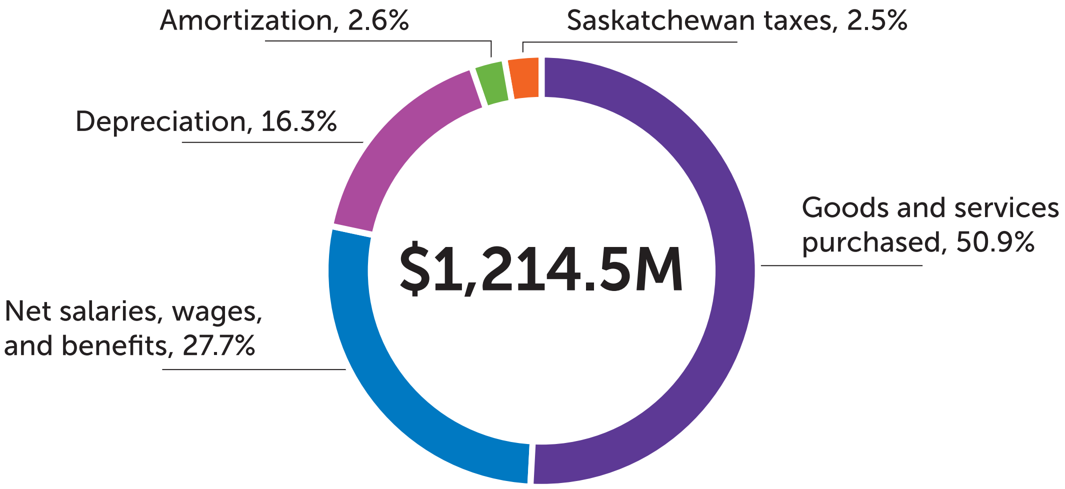
Other Services Revenue
($ millions)



EXPENSES

Expenses increased $19.8 million from 2022/23 to $1,214.5 million. This was primarily due to increased goods and services purchased as costs of goods sold and operating expenses both increased, partially due to inflationary pressures. Salaries, wages and benefits increased due to rate increases, offset by a slight decrease in total FTEs. Partially offsetting this, was a decrease in depreciation and amortization expense mainly due to useful life extensions to wireless assets.

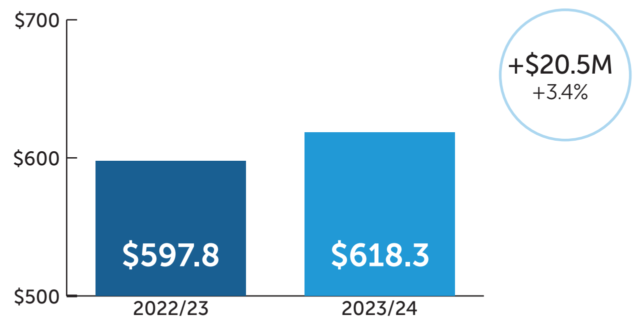
2023/24 Expense Profile



GOODS AND SERVICES PURCHASED

Goods and services purchased increased by $20.5 million (3.4%) to $618.3 million. Direct expenses increased due to increased business grade equipment sales, more demand for premium wireless devices, and higher costs for television video content. Software licenses and maintenance, contracts, and utilities all increased driven by inflationary pressures as well as the ongoing transformation of systems and the 5G network rollout.

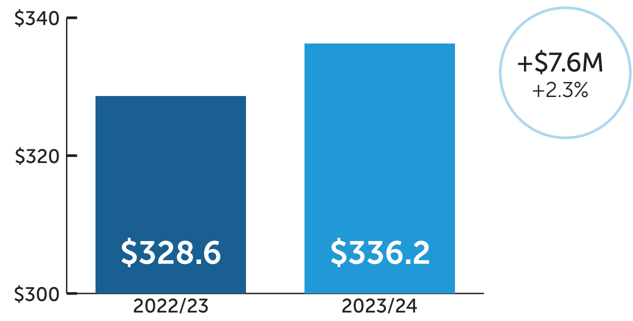
Goods and Services Purchased
($ millions)



NET SALARIES, WAGES, AND BENEFITS (NET OF INTERNALLY CAPITALIZED LABOUR)

Net salaries, wages, and benefits increased to $336.2 million, up $7.6 million (2.3%) due to a higher average compensation per FTE. This was partially offset by a decrease in total FTEs and an increase in internal capitalized labour driven by capital projects.

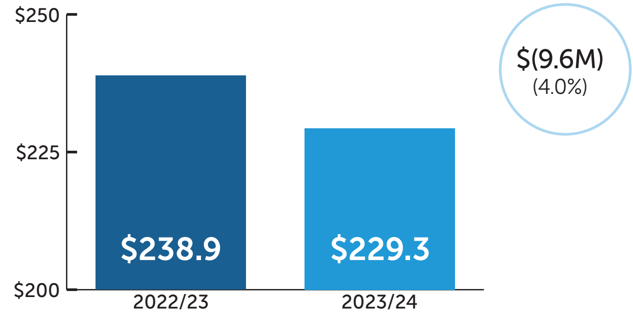
Net Salaries, Wages, and Benefits
($ millions)



DEPRECIATION AND AMORTIZATION

Depreciation and amortization expense decreased by $9.6 million (4.0%) to $229.3 million mainly due to an extension to wireless network asset useful lives.

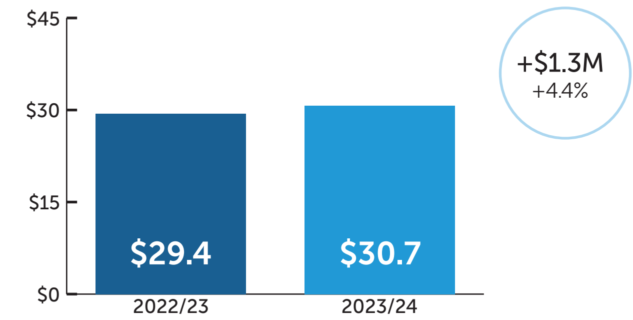
Depreciation and Amortization
($ millions)



SASKATCHEWAN TAXES

Saskatchewan taxes were $30.7 million in 2023/24, an increase of $1.3 million (4.4%) in 2023/24 due to higher capital taxes paid to the province.

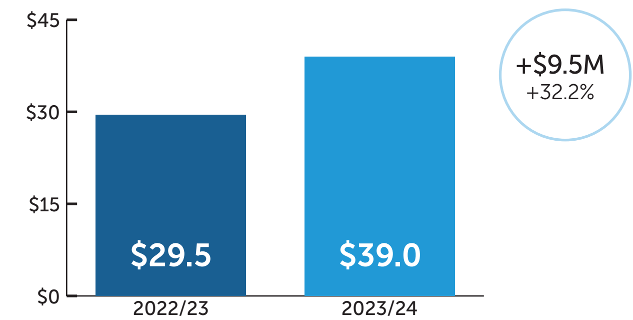
Saskatchewan Taxes
($ millions)



NET FINANCE EXPENSE

Net finance expense increased $9.5 million (32.2%) in 2023/24. This was mainly due to increased interest on long term debt due to higher borrowing and a higher average interest rate on short-term borrowing due to increased Bank of Canada (BoC) target overnight rates. This was partially offset by increased interest income on defined employee benefit assets.

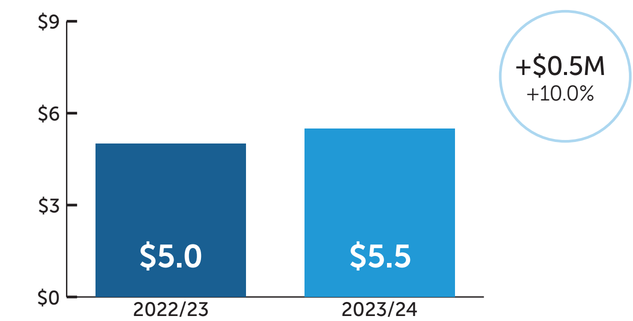
Net Finance Expense
($ millions)



OTHER COMPREHENSIVE LOSS

Other comprehensive loss of $5.5 million is $0.5 million (10.0%) greater than the loss recognized in the previous year. This is a result of higher actuarial losses and lower return on plan assets over the prior year, partially offset by lower unrealized sinking fund losses.

Other Comprehensive Loss
($ millions)



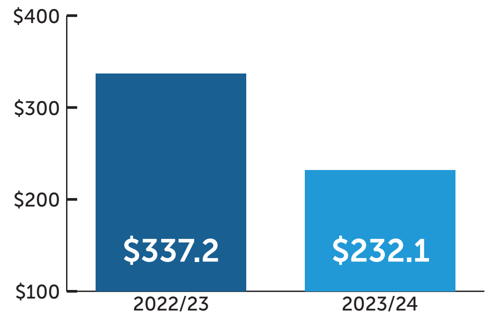
LIQUIDITY AND CAPITAL RESOURCES

Dividends Declared	Debt Ratio	Investment in Broadband
$38.2M	56.0%	$318.3M

CASH PROVIDED BY OPERATING ACTIVITIES

Cash provided by operating activities was $232.1 million for the fiscal year ended March 31, 2024, a decrease of $105.1 million from the previous year primarily due to timing of vendor receivables and increased working capital requirements.

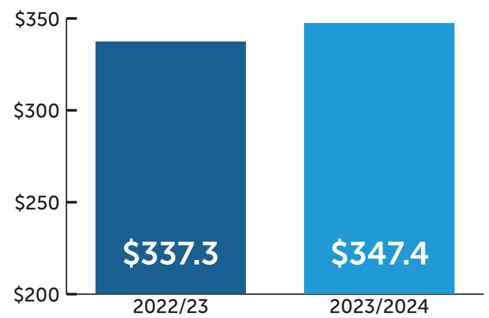
Cash Provided by Operating Activities
($ millions)



CASH USED IN INVESTING ACTIVITIES

Cash used in investing activities was $347.4 million for the fiscal year ended March 31, 2024, an increase of $10.1 million from the previous year. The increase was primarily due increased spending on capital assets to enhance 5G and fibre networks. This was partially offset by proceeds on the sale of a building.

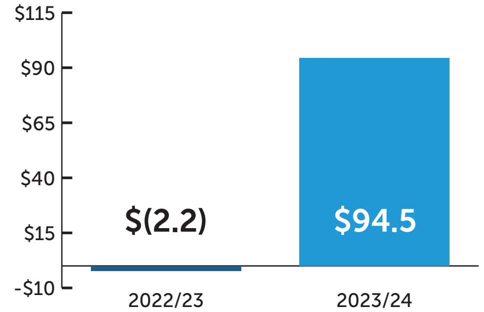
Cash Used in Investing Activities
($ millions)



CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES

Cash provided by financing activities was $94.5 million for the year ended March 31, 2024, a change of $96.7 million. This is primarily due to increased net borrowings to fund continued investment in our fibre and 5G networks. This was partially offset by decreased dividends paid during the period.

Cash Provided by (Used In) Financing Activities
($ millions)



CAPITAL MANAGEMENT

($ millions)	March 31, 2024	March 31, 2023	Change	%
Long-term debt[1]	$ 1,632.1	$ 1,435.9	$ 196.2	13.7
Short-term debt[1]	159.8	196.7	(36.9)	(18.8)
Bank Indebtedness	2.5	-	2.5	nmf[3]
Less: Sinking funds	136.2	113.7	22.5	19.8
Cash	-	18.3	(18.3)	nmf[3]
Net Debt	1,658.2	1,500.6	157.6	10.5
Equity[2]	1,302.9	1,251.2	51.7	4.1
Capitalization	$ 2,961.1	$ 2,751.8	$ 209.3	7.6
Debt Ratio	56.0%	54.5%	1.5%	

[1] Long-term and short-term debt exclude lease liabilities.
[2] Equity for the purposes of calculating the debt ratio is defined as equity advances, AOCI and retained earnings at the end of the period.
[3] nmf: no meaningful figure.

The debt ratio increased 150 basis points at March 31, 2024. The overall level of net debt increased $157.6 million, primarily to fund continued investment in our fibre and 5G networks through investment in property, plant and equipment and intangible assets. Equity increased $51.7 million after recording net income of $95.4 million, other comprehensive loss of $5.5 million, and declaring dividends of $38.2 million.

DEBT INSTRUMENTS

The debt portfolio consists of short-term and long-term debt. Both are issued through, and guaranteed by, the Province of Saskatchewan. Short-term debt is issued at market rates in effect on the issue date. Long-term debt is at fixed interest rates. The weighted average interest rate on the fixed-rate debt at March 31, 2024 was 3.40% (2022/23 – 3.34%). The weighted average interest rate of the short-term debt outstanding at March 31, 2024 was 4.98% (2022/23 – 4.32%). The interest rate on debt depends on the risk-free rate and the credit rating of the Province of Saskatchewan, which issues debt on the Corporation's behalf. The following table lists the credit ratings of the Province of Saskatchewan at March 31, 2024.

	S&P	DBRS	Moody's
Long-term debt	AA	AA (low)	Aa1
Short-term debt	A-1+	R-1 (mid)	Not rated

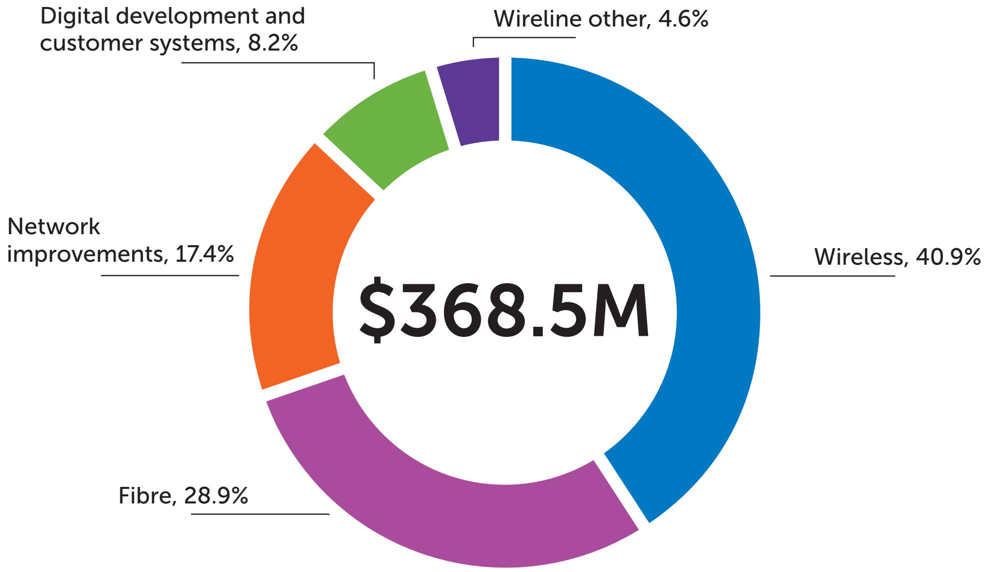
ACCESS TO CAPITAL

As outlined in our strategic plan for 2023/24, our primary cash outflows will be directed towards property, plant and equipment, intangible asset expenditures, growth initiatives, and dividend payments. To support these activities, we anticipate funding from our operational cash flows supplemented by additional financing through the issuance of short-term notes and long-term debt via the Province of Saskatchewan to meet our capital needs. We believe this approach will enable us to effectively manage our cash resources while supporting our strategic objectives. Credit facilities consist of up to $500 million in combined lines of credit with financial institutions and advances from the Province of Saskatchewan. At March 31, 2024, the Corporation had accessed $159.8 million of these facilities. Besides this credit facility, the Corporation has authority to issue up to $2.9 billion in combined short-term and long-term debt. Total outstanding debt at March 31, 2024 was $1,794.4 million (2022/23 – $1,632.6 million).

CAPITAL INVESTMENT

SaskTel has invested $368.5 million in capital expenditures during 2023/24 (2022/23 – $354.3 million) to connect more Saskatchewan families, businesses, and communities to our fibre network, and expand the reach of our 5G wireless network. This investment will enhance the reliability and resiliency of our networks and allow SaskTel to provide advanced broadband and wireless technologies that are critical to build a more prosperous future for our province. This will ensure that Saskatchewan is well-positioned to continue to compete and succeed in the emerging smart economy.

2023/24 Capital Investment Profile



WIRELESS – 5G, LTE, AND WI-FI (2023/24 – $150.6 MILLION)

Saskatchewan has the best wireless coverage in Western Canada, with over 99% of the population and 98% of the major roadways and highways covered with LTE wireless service and 82% of the population covered by 5G. SaskTel selectWI-FI provides SaskTel customers unlimited free data in over 2,200 locations spread across more than 50 communities in the province, making it the largest Wi-Fi network available in Saskatchewan. Our 5G network, the next generation of wireless technology, has been deployed in Saskatchewan with over 481 wireless sites converted over to 5G with further deployment planned over the next few years.

These investments have resulted in increased data speeds and improved coverage that enhance the customer experience. SaskTel's wireless network includes just over 1,000 cell towers, over 700 of which are in rural parts of the province. SaskTel's 5G network delivers hyper-fast data speeds allowing customers to connect to their world faster than ever before. As the 5G network evolves, it will support the development and wide-spread implementation of smart communities and agriculture, virtual healthcare, immersive education and many other technological innovations that will improve the quality of life and drive economic development across Saskatchewan.

FIBRE-TO-THE-X (2023/24 – $106.4 MILLION)

The Fibre-to-the-x program is an ongoing program to upgrade fixed broadband facilities and bring i*nfiNET,* SaskTel's fibre optic network right to our customers across the province. SaskTel's infiNET service accommodates the evolving bandwidth needs of customers. SaskTel has connected 245,829 homes to the fibre network in over 40 communities, and 69% of Saskatchewan homes and businesses now have access to the network.

NETWORK IMPROVEMENTS (2023/24 – $64.3 MILLION)

SaskTel has invested in other areas of its network to increase capacity and modernize key components so that it may meet the needs of Saskatchewan residents and businesses and continue to support the growing economy. These improvements include capacity improvements to our wireline and wireless networks such as the addition of infrastructure to new neighbourhoods and increasing capacity in existing neighborhoods, improvements to our rural transport infrastructure to accommodate rural growth of mobile voice, video, and data services, and expansion of northern fibre facilities which will bring high speed bandwidth services to northern residents and businesses.

DIGITAL DEVELOPMENT AND CUSTOMER SYSTEMS (2023/24 – $30.4 MILLION)

Information Technology and Information Systems play an important role in serving SaskTel's customers by keeping them connected. Investments in digital development and customer systems support customer growth and enhance customer experiences by delivering seamless interactions across all channels while providing customers with self-serve options.

MATERIAL ACCOUNTING POLICIES, ESTIMATES, AND JUDGMENTS

SaskTel's discussion and analysis of our financial position and results of operations are based on the consolidated financial statements, which have been prepared in accordance with IFRS Accounting Standards (IFRS).

Significant accounting policies, estimates, and judgments are contained in the consolidated financial statements. See *Note 2 – Material accounting policies* to the consolidated financial statements for accounting policies, estimates, and judgments applicable to the financial statements as a whole, as well as specific notes for more information about the accounting principles, estimates, and judgments that SaskTel uses for each applicable account in preparing its financial statements. Certain components of these policies could have a material impact on financial results, including: the amount and timing of revenue from contracts with customers; determination of costs to obtain contracts; capitalization and depreciation or amortization of property, plant and equipment and intangible assets; determination of right-of-use assets; determination of lease liabilities; impairment of assets and cash-generating units; assumptions related to pension obligations and the fair value of financial instruments.

APPLICATION OF AMENDMENTS TO IFRS ACCOUNTING STANDARDS

The Corporation adopted the following IFRS amendments during the year ended March 31, 2024. They did not have a material effect on its financial performance and financial position.

- IFRS 17, *Insurance Contracts,* a replacement of IFRS 4, *Insurance Contracts*, that aims to provide consistency in the application of accounting for insurance contracts;
- Amendments to IAS 8, *Accounting Policies – Changes in Accounting Estimates and Errors*, clarifying the definition of "accounting policies" and "accounting estimates"; and
- Disclosure of Accounting Policies (Amendments to IAS 1, *Presentation of Financial, Changes in Accounting Estimates and Errors*).

NEW STANDARDS, AMENDMENTS TO STANDARDS, AND INTERPRETATIONS NOT YET ADOPTED

Certain new standards, interpretations, and amendments to existing standards were issued by the IASB that are mandatory for annual accounting periods beginning after April 1, 2024, or later periods. The Corporation does not expect these pronouncements to have a material impact on its financial performance and financial position.

- Classification of liabilities as current or non-current and non-current liabilities with covenants (Amendments to IAS 1);
- Lease liability in a sale and leaseback (Amendments to IFRS 16, *Leases*);
- Supplier finance arrangements (Amendment to IAS 7, *Statement of Cash flows* and IFRS 7, *Financial Instruments: Disclosures*);
- Lack of exchangeability (Amendments to IAS 21, T*he Effects of Changes in Foreign Exchange Rates*); and
- IFRS 18, *Presentation and Disclosure in Financial Statements* (Replaces IAS 1).

FIVE-YEAR RECORD OF SERVICE

CONSOLIDATED STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME (LOSS)

	March 31,				
($ millions)	2024	2023	2022	2021	2020
Revenue	$ 1,351.4	$ 1,330.1	$ 1,300.9	$ 1,317.7	$ 1,283.7
Other income (loss)	(2.5)	(1.8)	0.8	6.3	3.3
Total operating revenue and other income (loss)	1,348.9	1,328.3	1,301.7	1,324.0	1,287.0
Expenses					
Goods and services purchased	618.3	597.8	570.4	584.9	543.4
Salaries, wages and benefits	365.9	353.0	352.1	355.7	359.0
Internal labour capitalized	(29.7)	(24.4)	(21.5)	(21.9)	(21.2)
Depreciation - property, plant and equipment	190.6	198.0	199.9	183.0	173.0
Depreciation - right-of-use assets	6.8	7.6	6.3	6.2	6.6
Amortization	31.9	33.3	33.7	31.8	33.4
Impairment loss	-	-	-	-	10.7
Saskatchewan taxes	30.7	29.4	29.0	27.9	27.2
Total expenses	1,214.5	1,194.7	1,169.9	1,167.6	1,132.1
Results from operating activities	134.4	133.6	131.8	156.4	154.9
Net finance expense	39.0	29.5	27.4	25.6	35.1
Net income	$ 95.4	$ 104.1	$ 104.4	$ 130.8	$ 119.8
Other comprehensive income (loss)	(5.5)	(5.0)	(5.2)	(6.5)	4.8
Total comprehensive income	$ 89.9	$ 99.1	$ 99.2	$ 124.3	$ 124.6

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at	March 31,				
($ millions)	2024	2023	2022	2021	2020
Current assets	$ 422.7	$ 336.9	$ 364.3	$ 365.4	$ 423.3
Property, plant and equipment	2,347.5	2,207.8	2,087.8	2,000.4	1,904.7
Other long-term assets	648.7	640.0	631.4	490.7	479.3
Total assets	$ 3,418.9	$ 3,184.7	$ 3,083.5	$ 2,856.5	$ 2,807.3
Current liabilities	$ 469.6	$ 433.3	$ 471.5	$ 497.3	$ 712.2
Long-term debt	1,582.1	1,435.9	1,347.6	1,096.6	833.1
Other long-term liabilities	64.3	64.3	70.7	74.1	80.0
Province of Saskatchewan's equity	1,302.9	1,251.2	1,193.7	1,188.5	1,182.0
Total liabilities and equity	$ 3,418.9	$ 3,184.7	$ 3,083.5	$ 2,856.5	$ 2,807.3

CONSOLIDATED STATEMENT OF CASH FLOWS

	March 31,				
($ millions)	2024	2023	2022	2021	2020
Cash, beginning of year	$ 18.3	$ 20.6	$ 23.7	$ 17.2	$ 5.1
Cash provided by operating activities	232.1	337.2	343.2	288.0	292.6
Cash used in investing activities	(347.4)	(337.3)	(460.4)	(302.7)	(256.0)
Cash provided by (used in) financing activities	94.5	(2.2)	114.1	21.2	(24.5)
Increase (decrease) in cash from continuing operations	(20.8)	(2.3)	(3.1)	6.5	12.1
Cash (bank indebtedness), end of year	$ (2.5)	$ 18.3	$ 20.6	$ 23.7	$ 17.2

FINANCIAL INDICATORS

For the Year ended March 31, ($ millions)	2024	2023	2022	2021	2020
Return on equity	7.5%	8.5%	8.8%	11.0%	10.2%
Debt ratio	56.0%	54.5%	54.6%	50.4%	47.8%
Dividends declared	$ 38.2	$ 41.6	$ 94.0	$ 117.7	$ 107.8
Dividends paid	$ 38.4	$ 58.4	$ 100.2	$ 110.5	$ 107.2
Capital investment	$ 368.5	$ 354.3	$ 465.1	$ 308.2	$ 262.9

CONSOLIDATED STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME (LOSS)

	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
($ millions)	2023/24	2023/24	2023/24	2023/24	2022/23	2022/23	2022/23	2022/23
Revenue	$ 324.9	$ 361.8	$ 338.7	$ 326.0	$ 330.0	$ 354.5	$ 329.2	$ 316.4
Other income (loss)	(1.4)	(0.5)	(0.1)	(0.5)	(2.0)	(1.4)	(0.2)	1.8
Total operating revenue and other income (loss)	323.5	361.3	338.6	325.5	328.0	353.1	329.0	318.2
Expenses								
Goods and services purchased	138.9	178.4	157.3	143.7	152.3	167.0	145.0	133.5
Salaries, wages, and benefits	96.1	91.2	86.2	92.4	91.0	87.2	83.6	91.2
Internal labour capitalized	(7.8)	(7.8)	(6.9)	(7.2)	(6.1)	(6.6)	(5.9)	(5.8)
Depreciation - property, plant and equipment	47.5	46.7	48.5	47.9	48.4	50.5	49.7	49.4
Depreciation - right-of-use assets	2.0	1.7	1.5	1.6	3.1	1.2	1.7	1.6
Amortization	7.7	8.1	8.1	8.0	8.2	8.2	8.3	8.6
Saskatchewan taxes	6.2	7.0	7.1	10.4	5.1	6.9	7.1	10.3
Total expenses	290.6	325.3	301.8	296.8	302.0	314.4	289.5	288.8
Results from operating activities	32.9	36.0	36.8	28.7	26.0	38.7	39.5	29.4
Net finance expense	10.0	10.2	9.8	9.0	6.8	8.0	7.1	7.6
Net income	$ 22.9	$ 25.8	$ 27.0	$ 19.7	$ 19.2	$ 30.7	$ 32.4	$ 21.8
Other comprehensive income (loss)	(4.8)	9.4	(7.9)	(2.2)	2.3	(1.5)	(1.0)	(4.8)
Total comprehensive income	$ 18.1	$ 35.2	$ 19.1	$ 17.5	$ 21.5	$ 29.2	$ 31.4	$ 17.0

ANNUAL OPERATING STATISTICS

Customer Accesses

	March 31,				
As at	2024	2023	2022	2021	2020
Wireless	666,046	654,674	647,765	639,707	624,679
Wireline	242,221	257,396	273,856	289,934	308,719
Internet and Data	292,366	294,951	293,221	289,188	276,460
maxTV subscribers	111,166	111,200	110,192	114,120	111,382
Security monitoring subscribers	72,142	77,665	78,707	81,554	85,948
Total accesses	1,383,941	1,395,886	1,403,741	1,414,503	1,407,188

Employees and payroll

	March 31,				
	2024	2023	2022	2021	2020
FTEs	3,257	3,274	3,333	3,422	3,415
Salaries earned (000's)	$ 309,767	$ 300,876	$ 300,136	$ 305,188	$ 308,003

GLOSSARY

4G (fourth generation): The generation of wireless technologies that includes HSPA+, LTE, and LTE advanced, as defined by the International Telecommunications Union.

5G (fifth-generation wireless): The proposed next generation of wireless telecommunications standards. We expect 5G technology to result in significantly reduced latency compared to LTE, improvements in signaling efficiency and coverage, and the ability to connect to more devices at once than ever before.

ARPU (average revenue per user): This business performance measure, expressed as a dollar rate per month, is predominantly used in the wireless and cable industries to describe the revenue generated per customer per month. ARPU is an indicator of a wireless or cable business' operating performance.

Bandwidth: Bandwidth can have two different meanings: (1) a band or block of radio frequencies measured in cycles per second, or Hertz; or (2) an amount or unit of capacity in a telecommunications transmission network. In general, bandwidth is the available space to carry a signal. The greater the bandwidth, the greater the information-carrying capacity.

Bps (bits per second): A measurement of data transmission speed used for measuring the amount of data that is transferred in a second between two telecommunications points or within network devices.

Kbps (kilobits per second) is thousands of bps;

Mbps (megabits per second) is millions of bps;

Gbps (gigabits per second) is billions of bps; and

Tbps (terabits per second) is trillions of bps.

Broadband: Telecommunications services that allow the simultaneous high-speed transmission of voice, data, and video at speeds of 5 Mbps and above on fixed and wireless networks.

CAGR (Compound Annual Growth Rate): The annualized average rate of revenue growth between two given years, assuming the growth takes place at an exponentially compounded rate.

Churn: This business performance measure is used to describe the disconnect rate of customers to a telecommunications service. It is a measure of customer turnover and is often at least partially reflective of service quality and competitive intensity. It is usually expressed as a percentage and calculated as the number of subscriber units disconnecting in a period divided by the average number of units on the network in the same period.

CPE (customer premise equipment): Telecommunications hardware, such as a modem or set-top box, that is located at the home or business of a customer.

CRTC (Canadian Radio-television and Telecommunications Commission): The federal regulator for radio and television broadcasters, and cable TV and telecommunications companies in Canada.

Data centre: A facility for hosted applications, data storage, and data management.

Digital Transformation: The integration of digital technology into all areas of a business, fundamentally changing how that business operates and delivers value to customers.

ELEVATE: SaskTel's Digital Workforce Transformation program

Fibre network: Hair-thin glass fibres along which light pulses are transmitted. Optical fibre networks are used to transmit large amounts of data between locations.

FTTx (Fibre-to-the-X): A collective term for any broadband network architecture using optical fibre to replace all or part of the existing copper local loops.

Hertz: A unit of frequency defined as one cycle per second. It is commonly used to describe the speeds at which electronics are driven in the radio industry.

MHz (megahertz) is millions of hertz;

GHz (gigahertz) is billions of hertz; and

THz (terahertz) is trillions of hertz.

Hosting (Web Hosting): The business of housing, serving, and maintaining files for one or more websites or e-mail accounts. Using a hosting service allows many companies to share the cost of a highspeed Internet connection for serving files, as well as other Internet infrastructure and management costs.

HSPA+ (high speed packet access plus): A 4G technology capable of delivering manufacturer-rated wireless data download speeds of up to 21 Mbps (typical speeds of 4 to 6 Mbps expected). HSPA+ dual-cell technology can double those download speeds.

Internet of Things (IoT): A network of uniquely identifiable end points (or things) that interact without human intervention, most commonly over a wireless network. These systems collect, analyze, and act on information in real time and can be deployed to enable the creation of smart-connected businesses, homes, cars, and cities.

IP (Internet Protocol): A packet-based protocol for delivering data across networks.

IP-based network: A network designed using IP and quality of service technology to reliably and efficiently support all types of customer traffic, including voice, data, and video. An IP-based network allows a variety of IP devices and advanced applications to communicate over a single common network.

ISP (Internet Service Provider): A company that provides Internet connections and services to individuals and organizations.

LTE (long-term evolution): A standard for wireless broadband communication for mobile devices and data terminals.

Over-the-top (OTT): Content, services, and applications in a video environment where the delivery occurs through a medium other than the established video delivery infrastructure.

Spectrum: The range of electromagnetic radio frequencies used in the transmission of voice, data, and video. The capacity of a wireless network is in part a function of the amount of spectrum licensed and used by the carrier.

Telco Cloud: A software-defined, highly resilient cloud infrastructure that allows telecommunications service provides to add services more quickly, respond faster to charges in network demand, and manage central and decentralized resources more efficiently.

Voice over LTE (VoLTE): A platform to provide voice services to wireless customers over LTE wireless networks.

Wi-Fi (wireless fidelity): Networking technology that allows any user with a Wi-Fi-enabled device to connect to a wireless access point or hot spot in high-traffic public locations.

NON-GAAP AND OTHER FINANCIAL MEASURES

Capital intensity: This measure provides a basis for comparing the level of capital expenditures to those of other companies of varying size within the same industry.

This measure is calculated as gross capital expenditures (excluding spectrum licenses and non-monetary transactions) divided by total operating revenue.

Debt ratio: The debt ratio measures the capitalization of the Corporation. This measure allows for capital structure comparison with other companies in the same industry. It is defined as net debt divided by total capitalization. Net debt is defined as long-term and short-term debt minus cash and sinking funds. Total capitalization is defined as net debt plus period-end equity, including accumulated other comprehensive income (AOCI).

EBITDA (earnings before interest, taxes, depreciation, amortization and impairment): EBITDA is used as an indicator of a company's operating performance and ability to incur and service debt, and as a valuation metric.

EBITDA is defined as operating revenue minus operating expenses. Operating revenue is defined as total revenue exclusive of other income. Operating expenses are defined as the sum of goods and services purchased, salaries, wages and benefits, and Saskatchewan taxes less internal labour capitalized.

EBITDA margin: EBITDA margin is the percentage of operating revenue available for debt coverage, capital investment, and return to the shareholder.

EBITDA margin is defined as EBITDA divided by operating revenue.

ROE (return on equity): ROE measures the return to the shareholder based on the equity, including AOCI, retained by the Corporation. The calculation is defined as net income divided by average equity for the fiscal period.

Consolidated Financial Statements

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying consolidated financial statements, included in the annual report of Saskatchewan Telecommunications Holding Corporation for the fiscal year ended March 31, 2024, are the responsibility of Management and have been approved by the Board of Directors. Management has prepared the consolidated financial statements in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board (IASB). The policies set out have been consistently applied to all the periods presented unless otherwise noted. The financial information presented elsewhere in this annual report is consistent with that in the consolidated financial statements.

To ensure the integrity and objectivity of the financial data, Management maintains a comprehensive system of internal controls, including written policies and procedures, an organizational structure that segregates duties, and a comprehensive internal audit program. These measures provide reasonable assurance that transactions are recorded and executed in compliance with legislation and required authority, assets are properly safeguarded, and reliable financial records are maintained.

The Board of Directors fulfills its responsibility with regard to the consolidated financial statements principally through its Audit and Risk Committee, consisting of outside directors, which meets periodically with Management as well as with the internal and external auditors. The Audit and Risk Committee is responsible for engaging or reappointing the services of the external auditor. Both the internal and external auditors have free access to this committee to discuss their audit work, their opinion on the adequacy of internal controls, and the quality of financial reporting. The Audit and Risk Committee has met with Management and the external auditor to review the Corporation's annual consolidated financial statements prior to submission to the Board of Directors for final approval.

The consolidated financial statements have been audited by the independent firm of KPMG LLP Chartered Professional Accountants, as appointed by the Lieutenant Governor in Council and approved by Crown Investments Corporation of Saskatchewan.

Charlene Gavel
President and Chief Executive Officer
May 30, 2024

Scott Smith
Chief Financial Officer

REPORT OF MANAGEMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

I, Charlene Gavel, the President and Chief Executive Officer of Saskatchewan Telecommunications Holding Corporation (SaskTel), and I, Scott Smith, the Chief Financial Officer of SaskTel, certify the following:

a) That we have reviewed the financial statements included in the annual report of SaskTel. Based on our knowledge, having exercised reasonable diligence, the financial statements included in the Annual Report, fairly present, in all material respects the financial condition, results of operations, and cash flows, as of March 31, 2024, and for the periods presented in the financial statements.

b) That based on our knowledge, having exercised reasonable diligence, the financial statements included in the annual report of SaskTel do not contain any untrue statements of material fact, or omit to state a material fact that is either required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made.

c) That SaskTel is responsible for establishing and maintaining effective internal control over financial reporting, which includes safeguarding of assets and compliance with applicable legislative authorities; and SaskTel has designed internal controls over financial reporting that are appropriate to the circumstances of SaskTel.

d) That SaskTel conducted its assessment of the effectiveness of the Corporation's internal controls over financial reporting and, based on the results of this assessment, SaskTel can provide reasonable assurance that internal controls over financial reporting as of March 31, 2024, were operating effectively and no material weaknesses were found in the design or operation of the internal controls over financial reporting.

Charlene Gavel
President and Chief Executive Officer
May 30, 2024

Scott Smith
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To the Members of the Legislative Assembly, Province of Saskatchewan

We have audited the consolidated financial statements of Saskatchewan Telecommunications Holding Corporation ("the Corporation") which comprise:

- the consolidated statement of financial position as at March 31, 2024
- the consolidated statement of income and other comprehensive loss for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of material accounting policy information

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as at March 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *"Auditor's Responsibilities for the Audit of the Financial Statements"* section of our auditor's report.

We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditor's report thereon, included in the annual report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditor's report thereon, included in the annual report as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group Corporation to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants

Regina, Canada
May 30, 2024

CONSOLIDATED STATEMENT OF INCOME AND OTHER COMPREHENSIVE LOSS

For the year ended March 31, Thousands of dollars	Note		2024		2023
Revenue	3	$	1,351,386	$	1,330,107
Other loss			(2,534)		(1,881)
Total operating revenue and other loss			1,348,852		1,328,226
Expenses					
Goods and services purchased			618,258		597,809
Salaries, wages and benefits			365,851		352,997
Internal labour capitalized			(29,690)		(24,427)
Depreciation - property, plant and equipment	10		190,600		197,973
Depreciation - right-of-use assets	11		6,777		7,637
Amortization	12		31,926		33,286
Saskatchewan taxes	4		30,744		29,388
Total expenses			1,214,466		1,194,663
Results from operating activities			134,386		133,563
Net finance expense	5		38,969		29,510
Net income			95,417		104,053
Other comprehensive loss					
Items that will be reclassified to net income					
Unrealized losses on sinking funds	14		(321)		(2,067)
Items that will never be reclassified to net income					
Net actuarial losses on employee benefit plans	19		(5,239)		(2,924)
Total other comprehensive loss			(5,560)		(4,991)
Total comprehensive income		$	89,857	$	99,062

All net income and total comprehensive income are attributable to Crown Investments Corporation of Saskatchewan.
See Accompanying Notes

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Thousands of dollars		Equity advance		Accumulated other comprehensive income		Retained earnings		Total equity
Balance at April 1, 2023	$	237,000	$	92,423	$	921,742	$	1,251,165
Net income		-		-		95,417		95,417
Other comprehensive loss		-		(5,560)		-		(5,560)
Total comprehensive income		-		(5,560)		95,417		89,857
Dividends declared		-		-		(38,167)		(38,167)
Balance at March 31, 2024	$	237,000	$	86,863	$	978,992	$	1,302,855
Balance at April 1, 2022	$	237,000	$	97,414	$	859,310	$	1,193,724
Net income		-		-		104,053		104,053
Other comprehensive loss		-		(4,991)		-		(4,991)
Total comprehensive income		-		(4,991)		104,053		99,062
Dividends declared		-		-		(41,621)		(41,621)
Balance at March 31, 2023	$	237,000	$	92,423	$	921,742	$	1,251,165

See Accompanying Notes

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31, Thousands of dollars	Note	2024	2023
Assets			
Current assets			
Cash		$ -	$ 18,347
Trade and other receivables	6	211,043	140,556
Inventories	7	51,147	34,106
Prepaid expenses		57,222	51,181
Contract assets	8	76,220	72,727
Contract costs	9	22,418	19,991
Sinking funds	14	4,662	-
Total current assets		422,712	336,908
Contract assets	8	28,645	28,559
Contract costs	9	47,762	53,173
Property, plant and equipment	10	2,347,476	2,207,754
Right-of-use assets	11	41,024	39,135
Intangible assets	12	386,372	394,243
Sinking funds	14	131,530	113,667
Other assets		13,379	11,207
Total assets		$ 3,418,900	$ 3,184,646
Liabilities and Province's equity			
Current liabilities			
Bank indebtedness		$ 2,469	$ -
Trade and other payables		159,154	143,819
Accrued interest		16,914	13,969
Dividend payable		9,449	9,663
Notes payable	15	159,759	196,672
Contract liabilities	16	61,727	59,482
Current portion of long-term debt	17	50,004	-
Lease liabilities	18	7,131	6,338
Other liabilities		3,031	3,324
Total current liabilities		469,638	433,267
Contract liabilities	16	75	188
Deferred income – government funding		13,913	14,859
Long-term debt	17	1,582,128	1,435,948
Lease liabilities	18	35,884	34,341
Employee benefit obligations	19	8,612	9,200
Provisions		5,795	5,678
Total liabilities		2,116,045	1,933,481
Commitments and contingencies	24		
Province of Saskatchewan's equity			
Equity advance		237,000	237,000
Accumulated other comprehensive income		86,863	92,423
Retained earnings		978,992	921,742
Total equity		1,302,855	1,251,165
Total liabilities and equity		$ 3,418,900	$ 3,184,646

See Accompanying Notes

On behalf of the Board

Grant Kook **Alan Migneault**

May 30, 2024

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31, Thousands of dollars	Note	2024	2023
Operating activities			
Net income		$ 95,417	$ 104,053
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation and amortization	10, 11, 12	229,303	238,896
Net finance expense	5	38,969	29,510
Interest paid		(57,867)	(48,668)
Interest received		6,372	6,971
Other		9,556	10,998
Net change in non-cash working capital	21a	(89,649)	(4,569)
Cash flows provided by operating activities		232,101	337,191
Investing activities			
Property, plant and equipment purchases		(330,951)	(310,055)
Intangible asset purchases - finite life		(24,339)	(28,024)
Net proceeds on disposal of assets		7,904	817
Cash flows used in investing activities		(347,386)	(337,262)
Financing activities			
Proceeds from long-term debt	17, 21b	196,520	88,816
Net repayment of notes payable	21b	(36,913)	(5,796)
Payment of lease liabilities	18, 21b	(6,329)	(7,877)
Sinking fund installments	14, 21b	(20,428)	(18,928)
Dividends paid	21b	(38,381)	(58,425)
Cash flows provided by (used in) financing activities		94,469	(2,210)
Decrease in cash		(20,816)	(2,281)
Cash, beginning of year		18,347	20,628
Cash (bank indebtedness), end of year		$ (2,469)	$ 18,347

See Accompanying Notes

Notes to Consolidated Financial Statements

NOTE 1 – GENERAL INFORMATION

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

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

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

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

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

NOTE 2 – MATERIAL ACCOUNTING POLICIES

BASIS OF PRESENTATION

Certain of the Corporation's accounting policies that relate to the consolidated financial statements as well as estimates and judgments the Corporation has made and how they impact amounts reported in the consolidated financial statements, are incorporated in this section. Where an accounting policy, estimate or judgment is applicable to a specific note to the accounts, the policy is described within that note. This note also describes new standards that were either effective and applied by the Corporation during the current year, or that were not yet effective.

The consolidated financial statements have been prepared on the historical cost basis, except for certain items that are not carried at historical cost as noted in specific accounting policies.

ACCOUNTING POLICIES, ESTIMATES, AND JUDGMENTS

The accounting policies, estimates, and judgments included in this section relate to the consolidated financial statements as a whole. Estimates and judgments may impact reported amounts of revenue and expenses, reported amounts of assets and liabilities, and disclosure of contingencies.

Accounting policies have been applied consistently by the Corporation and its subsidiaries throughout all periods presented unless otherwise indicated.

FUNCTIONAL AND PRESENTATION CURRENCY

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

BASIS OF CONSOLIDATION

ACCOUNTING POLICIES

Subsidiaries

The consolidated financial statements include the financial statements of the Corporation and its subsidiaries.

A subsidiary is an entity that is controlled by another entity, known as the parent. The Corporation controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Separate audited financial statements for each of the undernoted wholly owned corporations, which are consolidated in these financial statements, are prepared and released publicly:

Subsidiary	Principal Activity
Saskatchewan Telecommunications (SaskTel)[1]	Telecommunications
Saskatchewan Telecommunications International, Inc. (SaskTel International)	Telecommunications software solutions and consulting

[1]*SecurTek Monitoring Solutions Inc. (SecurTek) transferred its operations and net assets to SaskTel on April 1, 2023.*

Transactions eliminated on consolidation

Inter-company balances and transactions, and any income and expenses arising from inter-company transactions, are eliminated in preparing the consolidated financial statements.

ACCOUNTING ESTIMATES AND JUDGMENTS

Judgment involves assessing control, which entails determining whether the Corporation has the power to direct the relevant activities of the investee. Consideration is given to: voting rights; the relative size and dispersion of the voting rights held by other shareholders; the extent of participation by those shareholders in appointing key management personnel or board members; the right to direct the investee to enter into transactions for the Corporation's benefit; and the exposure, or rights, to variability of returns from the Corporation's involvement with the investee.

IMPAIRMENT TESTING

ACCOUNTING POLICIES

Assets that have an indefinite useful life (i.e., spectrum licences) or intangible assets that are not yet ready for use are not subject to amortization and are tested at least annually for impairment (typically in the third quarter), or more frequently if events or circumstances indicate there may be an impairment. Property, plant and equipment and finite-life intangible assets are tested for impairment if events or changes in circumstances, assessed at each reporting period, indicate that their carrying amount may not be recoverable. At the end of each reporting period, the Corporation reviews the carrying amounts of its assets in use, including property, plant and equipment, right-of-use assets and identifiable intangible assets with finite lives, to determine whether there is any indication that they have suffered an impairment loss.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit or the CGU). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The Corporation's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized as a reduction in net income and a reduction in the carrying amounts of the assets in the unit (group of units) to which they pertain, on a pro rata basis.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

ACCOUNTING ESTIMATES AND JUDGMENTS

Judgment involves identifying the appropriate asset or CGU; determining the appropriate discount rate for assessing value in use; and making assumptions about future cash flows and market conditions over the long-term life of the assets or CGUs.

The Corporation cannot predict if specific events that potentially trigger impairment will occur, when they may occur, or how they may affect reported asset amounts. Unexpected declines in future cash flow potential or significant unanticipated technology changes could impact carrying values and the potential for impairment.

FAIR VALUE

ACCOUNTING POLICIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurement are observable and the significance of the inputs. The Corporation's fair value hierarchy prioritizes observable inputs to valuation techniques used to measure fair value.

The three levels of the fair value hierarchy are:

Level 1 - Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2 - Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3 - Values based on prices or valuation techniques that require inputs, which are both unobservable and significant to the overall fair value measurement.

ACCOUNTING ESTIMATES AND JUDGMENTS

Fair value estimates are at a point-in-time and may change in subsequent reporting periods due to market conditions or other factors. Estimates can be determined using multiple methods, which can cause values (or a range of reasonable values) to differ. In addition, estimates may require assumptions about future price, volatility, liquidity, discount and inflation rates, defaults and other relevant variables. The estimates of fair value may not accurately reflect the amounts that could be realized. Determination of the hierarchy level is based on the Corporation's assessment of inputs that are significant to the fair value measurement and is subject to estimation and judgment.

FOREIGN CURRENCY TRANSACTIONS

ACCOUNTING POLICIES

Transactions in foreign currencies are translated to the functional currency of the Corporation at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

ADDITIONAL ACCOUNTING POLICIES

Additional material accounting policies, estimates, and judgments are disclosed throughout the following notes with the related financial disclosures.

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APPLICATION OF AMENDMENTS TO IFRS ACCOUNTING STANDARDS

The Corporation adopted the following IFRS amendments during the year ended March 31, 2024. They did not have a material effect on its financial performance and financial position.

- IFRS 17, *Insurance Contracts,* a replacement of IFRS 4, *Insurance Contracts*, that aims to provide consistency in the application of accounting for insurance contracts;
- Amendments to IAS 8, *Accounting Policies - Changes in Accounting Estimates and Errors,* clarifying the definition of "accounting policies" and "accounting estimates"; and
- Disclosure of Accounting Policies (Amendments to IAS 1, *Presentation of Financial Statements, Changes in Accounting Estimates and Errors*).

NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

Certain new standards, interpretations and amendments to existing standards were issued by the IASB that are mandatory for annual accounting periods beginning after April 1, 2024, or later periods. The Corporation does not expect these pronouncements to have a significant impact on its financial performance and financial position.

- Classification of liabilities as current or non-current and non-current liabilities with covenants (Amendments to IAS 1);
- Lease liability in a sale and leaseback (Amendments to IFRS 16, *Leases*);
- Supplier finance arrangements (Amendment to IAS 7, *Statement of Cash flows* and IFRS 7, *Financial Instruments: Disclosures*);
- Lack of exchangeability (Amendments to IAS 21, T*he Effects of Changes in Foreign Exchange Rates*); and
- IFRS 18, *Presentation and Disclosure in Financial Statements* (Replaces IAS 1).

NOTE 3 – REVENUE FROM CONTRACTS WITH CUSTOMERS

ACCOUNTING POLICIES

Revenue is measured based on the value of the expected consideration in a contract with a customer and excludes sales taxes and other amounts collected on behalf of third parties. Revenue is recognized when control of a product or service is transferred to a customer. When the Corporation's right to consideration from a customer corresponds directly with the value to the customer of the products and services transferred to date, the Corporation recognizes revenue in the amount to which the Corporation has a right to invoice.

For multiple element arrangements, such as bundled service offerings, the Corporation accounts for individual products and services when they are separately identifiable, and the customer can benefit from the product or service on its own. The total arrangement consideration is allocated to each product or service included in the contract with the customer based on its stand-alone selling price. Stand-alone selling prices are generally determined based on the observable prices at which the Corporation sells products separately without a service contract and prices for non-bundled service offerings with the same range of services, adjusted for market conditions and other factors, as appropriate. When similar products and services are not sold separately, the Corporation uses the expected cost plus margin approach to determine stand-alone selling prices. Products and services purchased by a customer in excess of those included in the bundled arrangement are accounted for separately.

A contract asset is recognized when the Corporation's right to payment from customers for products or services is conditional on the transfer of additional products or services to a customer in future periods. Contract assets are transferred to trade receivables when the right to payment becomes conditional only as to the passage of time. A contract liability is recognized when consideration is received in advance of the transfer of products or services to the customer. Contract assets and liabilities relating to the same contract are presented on a net basis.

The Corporation may enter into arrangements with subcontractors and others who provide services to customers. When the Corporation acts as the principal in these arrangements, the Corporation recognizes revenue based on the total contracted amount. Otherwise, the Corporation recognizes the net amount that the Corporation retains as revenue.

Incremental costs of obtaining a contract with a customer, principally comprised of sales commissions and prepaid contract fulfillment costs, are recognized in the consolidated statement of financial position. Capitalized costs are amortized on a systematic basis that is consistent with the period and pattern of transfer to the customer of the related products or services.

WIRELESS NETWORK SERVICES AND EQUIPMENT REVENUE

Wireless revenue is principally generated from providing integrated digital wireless voice and data communications products and services to consumer and business customers.

Equipment revenue from the sale of wireless handsets and devices is recognized when a customer takes possession of the product. Wireless service revenue is recognized over time, as the services are provided.

For wireless products and services that are sold separately, customers usually pay in full at the point of sale for products and on a monthly basis for services. For wireless products and services sold in multiple element arrangements, including device financing, customers pay monthly over a contract term of up to 24 months for consumer customers and up to

36 months for business customers. For multiple element arrangements, stand-alone selling prices are determined using observable prices adjusted for market conditions and other factors, as appropriate.

WIRELINE NETWORK SERVICES AND EQUIPMENT REVENUE

Revenue is also generated from providing data, including internet access and internet protocol television (IPTV), local, long distance, and security services as well as other communications services and products to consumer and business customers. Revenue also includes amounts from the Corporation's wholesale business, which sells telecommunication services from or to resellers and other carriers. Revenue is recognized in the period earned, as services are provided, based on access to the Corporation's facilities. Services are paid on a monthly basis except where a billing schedule has been established. Payments received in advance are recorded as contract liabilities and recognized as revenue upon satisfaction of the related performance obligation.

Revenue from the sale of equipment is recognized when a customer takes possession of the product. Service revenue is recognized over time, as the services are provided. Revenue on certain long-term contracts is recognized using output methods based on products delivered, performance completed to date, time elapsed, or milestones met. For multiple element arrangements, stand-alone selling prices are determined using observable prices adjusted for market conditions and other factors, as appropriate, or the expected cost plus margin approach for customized business arrangements.

For wireline customers, products are usually paid in full at the point of sale and services are paid on a monthly basis except where a billing schedule has been established with certain customers under long-term contracts that can generally extend up to five years.

MARKETING SERVICES REVENUE

Marketing revenue is generated from conventional, digital media, and out-of-home advertising. Revenue is earned through the sale of print, online, digital marketing services, and billboard media. Marketing service revenue is generally recognized, in accordance with the contractual terms with the advertisers, on a monthly basis over the life of the services, commencing with the display date. Amounts billed in advance for marketing services are deferred and recognized over the term of the contract. Customer payments are due monthly as the services are provided.

INTERNATIONAL SOFTWARE AND CONSULTING SERVICES REVENUE

Revenue for perpetual licences is recognized on delivery or according to the terms of the licence agreement. Where the arrangement includes multiple elements, they are assessed to determine which are integral to the perpetual licence and which are separate performance obligations. Revenue is recognized in accordance with the assessment of performance obligations to be delivered. Fees for professional services, other than in the context of multiple element arrangements, are recognized as services are rendered. Support and maintenance fees are recognized over the term of the contract. Revenue for customized software projects and consulting services is recognized using the percentage-of-completion method. Amounts billed or paid in advance of services provided are recorded as contract liabilities. Customer payments are due in accordance with the terms of the contract with the customer: for perpetual licences, typically upon delivery of the related product or service; and for professional service contracts and multiple element contracts, either upon completion of the contract or based on specified deliverables within the contract.

ACCOUNTING ESTIMATES AND JUDGMENTS

The Corporation is required to make judgments and estimates that affect the amount and timing of revenue from contracts with customers, including estimates and judgments related to: determining the transaction price of products and services, determining the stand-alone selling prices of products and services, identification of performance obligations within a contract, including the determination of whether a promise to deliver goods or services is considered distinct, and the timing of satisfaction of performance obligations under long-term contracts. The determination of costs to obtain a contract, including the identification of incremental costs, requires judgment. This includes determining whether the costs meet the deferral criteria and whether the costs will be recoverable.

DISAGGREGATION OF REVENUE

Supporting information

For the year ended March 31, Thousands of dollars		2024		2023
Revenue				
Wireless network services and equipment revenue	$	664,795	$	640,736
Wireline network services and equipment revenue				
Fixed broadband and data services		307,429		298,297
Wireline communication services		154,856		166,067
maxTV services		96,009		95,709
Security monitoring services		33,582		34,682
Customer premise equipment		23,203		18,695
IT solutions services		17,666		15,713
Marketing services revenue		20,304		22,538
International software and consulting services revenue		16,786		14,971
Other services		16,756		22,699
Total revenue	$	1,351,386	$	1,330,107

FUTURE PERFORMANCE OBLIGATIONS

The table below shows the revenue that the Corporation expects to recognize in the future, related to unsatisfied or partially satisfied performance obligations as at March 31, 2024. The unsatisfied portion of the transaction price of the performance obligations relates to monthly services, which is expected to be recognized as follows:

For the year ended March 31, Thousands of dollars		2024		2023
1 year or less	$	205,011	$	185,485
Between 1 and 3 years		82,689		83,400
Greater than 3 years		1,317		1,883
Total future performance obligations	$	289,017	$	270,768

The Corporation has elected to utilize the following practical expedients and not disclose:

- the unsatisfied portions of performance obligations related to contracts with a duration of one year or less; or
- the unsatisfied portions of performance obligations where the revenue the Corporation recognizes corresponds with the amount invoiced to the customer.

NOTE 4 – SASKATCHEWAN TAXES

For the year ended March 31, Thousands of dollars		2024		2023
Saskatchewan corporate capital tax	$	23,215	$	21,856
Grants-in-lieu of taxes		7,529		7,532
Total Saskatchewan taxes	$	30,744	$	29,388

NOTE 5 – NET FINANCE EXPENSE

ACCOUNTING POLICIES

Finance income is composed of interest income on sinking funds invested, changes in fair value of financial assets classified as fair value through profit or loss, and net interest income on the net defined benefit liability.

Finance expenses are composed of interest expense on financial liabilities and lease liabilities measured at amortized cost, changes in the fair value of financial assets classified as fair value through profit or loss, the net interest expense on the net defined benefit liability, and accretion expense on provisions, less amounts capitalized. Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset form part of the cost of that asset. Other borrowing costs are recognized as an expense.

SUPPORTING INFORMATION

For the year ended March 31, Thousands of dollars	Note	2024	2023
Finance expense			
Interest on long-term debt		$ 52,869	$ 45,392
Interest on short-term debt		6,264	5,297
Interest capitalized		(7,862)	(9,027)
Interest expense (recovery) on lease liabilities	18	1,345	(614)
Accretion expense		219	211
Total finance expense		52,835	41,259
Finance income			
Sinking fund earnings			
Realized earnings	14	(2,418)	(1,359)
Net interest on defined benefit plans	19	(5,076)	(3,421)
Interest income		(6,372)	(6,969)
Total finance income		(13,866)	(11,749)
Total net finance expense		$ 38,969	$ 29,510
Interest capitalization rate		3.46%	3.13%

NOTE 6 – TRADE AND OTHER RECEIVABLES

ACCOUNTING POLICIES

The Corporation initially recognizes trade and other receivables at fair value on the date that they are originated. Subsequent to initial recognition, trade and other receivables are measured at amortized cost using the effective interest method, less any provision for impairment losses of trade accounts receivable. Customer financing receivables are amounts owed by customers under financing agreements that are yet to be billed.

The allowance for expected credit losses on trade and other receivables are always recorded at lifetime expected credit losses (ECL). When estimating lifetime ECL, the Corporation considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Corporation's historical experience and informed credit assessment, including forward-looking information. The Corporation considers accounts receivable to be in default when the borrower is unlikely to pay its credit obligations to the Corporation in full. It is assumed that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

ACCOUNTING ESTIMATES AND JUDGMENTS

Determining when amounts are deemed uncollectible requires judgment. Estimates of the allowance for expected credit losses are based on the likelihood of collecting accounts receivable based on past experience, taking into consideration current and expected collection trends, and economic conditions.

SUPPORTING INFORMATION

For the year ended March 31, Thousands of dollars	Note		2024		2023
Customer financing receivables	22	$	41,893	$	38,037
Trade receivables					
Customer accounts receivable			92,659		74,620
Accrued receivables – customer			2,998		2,371
Allowance for expected credit losses			(3,425)		(3,833)
Other			88,055		40,328
Total trade and other receivables			222,180		151,523
Current portion			211,043		140,556
Long-term portion - disclosed within other assets			11,137		10,967
Total trade and other receivables		$	222,180	$	151,523

NOTE 7 – INVENTORIES

ACCOUNTING POLICIES

Inventories for resale are valued at the lower of weighted average cost and net realizable value. Other materials and supplies inventories are valued at the lower of average cost and replacement cost.

In establishing the appropriate provision for supplies inventory obsolescence, management estimates the likelihood that supplies inventory on hand will become obsolete due to changes in technology. Other supplies are charged to inventory when purchased and expensed or capitalized when used.

SUPPORTING INFORMATION

For the year ended March 31, Thousands of dollars		2024		2023
Inventories for resale	$	44,646	$	29,743
Materials and supplies		6,501		4,363
Total inventories	$	51,147	$	34,106

For the year ended March 31, 2024, inventories of $98.4 million (2022/23 – $71.7 million) were recognized as an expense.

For the year ended March 31, 2024, write-downs of inventory to net realizable value amounted to $0.2 million (2022/23 – $0.3 million).

NOTE 8 – CONTRACT ASSETS

ACCOUNTING POLICIES

A contract asset is recognized when the Corporation's right to consideration from the transfer of products or services to a customer is conditional on the obligation to transfer other products or services. Contract assets are reclassified as trade receivables when the right to consideration becomes conditional only as to the passage of time, typically consistent with the pattern of delivery of the related goods or services. A contract liability is recognized when consideration is received in advance of the transfer of products or services to the customer. Contract assets and liabilities relating to the same contract are presented on a net basis.

Amortization is recognized in net income consistent with the pattern of delivery of the related goods and services, ranging from two to four years.

The allowance for impairment losses on contract assets is always recorded at lifetime ECL. When estimating ECL, the Corporation considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Corporation's historical experience and informed credit assessment, including forward-looking information. The Corporation considers accounts receivable to be in default when the borrower is unlikely to pay its credit obligations to the Corporation in full. It is assumed that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

ACCOUNTING ESTIMATES AND JUDGMENTS

The Corporation is required to make judgments and estimates that affect the amount and timing of revenue from contracts with customers, which also impacts the determination of contract assets and the amortization of these assets. Estimates and judgments include estimates of the stand-alone selling prices of products and services, the identification of performance obligations within a contract, including the determination of whether a promise to deliver goods or services is considered distinct, and the timing of satisfaction of performance obligations under long-term contracts. In addition, determining when amounts are deemed uncollectible requires judgment.

If economic conditions or specific industry trends become worse than anticipated, the impairment allowance will be increased by recording an additional expense.

SUPPORTING INFORMATION

As at March 31,		2024	2023
Thousands of dollars	Note		
Balance at April 1,		$ 102,747	$ 105,954
Additions from new contracts with customers, net of terminations		96,602	90,145
Amortization of contract assets		(92,782)	(93,352)
Total contract asset		106,567	102,747
Impairment allowance	22	(1,702)	(1,461)
Total net contract asset		104,865	101,286
Current portion		76,220	72,727
Long-term portion		28,645	28,559
Balance at March 31,	22	$ 104,865	$ 101,286

NOTE 9 – CONTRACT COSTS

ACCOUNTING POLICIES

Incremental costs of obtaining a contract with a customer are recognized in the consolidated statement of financial position when the costs meet the criteria for deferral and it has been determined that the costs will be recoverable. The costs are principally composed of sales commissions and prepaid contract fulfillment costs.

Capitalized costs are amortized on a systematic basis that is consistent with the period and pattern of transfer to the customer of the related products or services which is typically between 2 and 10 years.

ACCOUNTING ESTIMATES AND JUDGMENTS

The Corporation is required to make judgments and estimates that affect the amount and timing of costs to obtain a contract. The determination of costs to obtain a contract including the identification of incremental costs also requires judgment. This includes determining whether the costs meet the deferral criteria, whether the costs will be recoverable and the timing of satisfaction of performance obligations under related contracts.

SUPPORTING INFORMATION

As at March 31, Thousands of dollars,		2024		2023
Balance at April 1,	$	73,164	$	75,403
Additions from new contracts with customers, net of terminations		21,462		20,466
Amortization included in goods and services purchased		(24,446)		(22,705)
Total contract costs		70,180		73,164
Current portion		22,418		19,991
Long-term portion		47,762		53,173
Balance at March 31,	$	70,180	$	73,164

NOTE 10 – PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICIES

Property, plant and equipment are measured at cost, less accumulated depreciation and any accumulated impairment losses. Cost includes expenditures that are directly attributable to bringing the assets to a working condition for their intended use. The cost of self-constructed assets includes materials, services, direct labour, and directly attributable costs. Borrowing costs associated with major capital and development projects are capitalized during the construction period. Assets under construction are recorded as in progress until they are operational and available for use, at which time they are transferred to the appropriate class of asset.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Corporation and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in net income as incurred.

When property, plant, and equipment is disposed of or retired, the related cost and accumulated depreciation is eliminated from the accounts. Any resulting gain or loss, determined as the difference between the sale proceeds and the carrying amount of the asset, is reflected in net income for the year.

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognized in net income on the straight-line basis over the estimated useful life of each part of an item of property, plant and equipment as follows:

Asset	Estimated useful life
Buildings and improvements	20 – 75 years
Plant and equipment	3 – 50 years
Office furniture and equipment	3 – 17 years

Depreciation methods, useful lives, and residual values are reviewed at each financial reporting date and adjusted if appropriate.

ACCOUNTING ESTIMATES AND JUDGMENTS

Judgment involves determining: which costs are directly attributable (e.g., labour and related costs); appropriate timing for cessation of cost capitalization, considering the circumstances in which the asset is to be operated, normally predetermined by management with reference to functionality; the appropriate level of componentization (for individual components for which different depreciation methods or rates are appropriate); which repairs and maintenance constitute betterments, resulting in extended asset life or functionality; the estimated useful life over which such costs should be depreciated; and the method of depreciation.

Asset residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the depreciation period or method as appropriate, and are treated as changes in accounting estimates.

The Corporation assesses its existing assets and their useful lives in connection with the review of network operating plans at the end of each reporting period. When it is determined that assigned asset lives do not reflect the expected remaining period of benefit, prospective changes are made to their remaining useful lives.

Uncertainties are inherent in estimating the impact of future technologies. Changes in these assumptions could result in material adjustments to estimates, which could result in impairments or changes to depreciation expense in future periods, particularly if useful lives are significantly reduced.

SUPPORTING INFORMATION

Thousands of dollars		Plant and equipment		Buildings and improvements		Office furniture and equipment		Plant under construction		Land		Total
Cost												
Balance at April 1, 2023	$	3,983,514	$	667,120	$	132,702	$	153,178	$	41,799	$	4,978,313
Additions		44,852		-		18,387		280,759		157		344,155
Transfers		268,310		38,056		2,832		(309,198)		-		-
Retirements, disposals and adjustments		(138,485)		(10,712)		(28,451)		-		-		(177,648)
Balance at March 31, 2024	$	4,158,191	$	694,464	$	125,470	$	124,739	$	41,956	$	5,144,820
Balance at April 1, 2022	$	3,924,905	$	652,415	$	130,688	$	141,940	$	41,717	$	4,891,665
Additions		90,828		-		21,056		214,276		82		326,242
Transfers		181,618		18,437		2,983		(203,038)		-		-
Retirements, disposals and adjustments		(213,837)		(3,732)		(22,025)		-		-		(239,594)
Balance at March 31, 2023	$	3,983,514	$	667,120	$	132,702	$	153,178	$	41,799	$	4,978,313
Accumulated depreciation												
Balance at April 1, 2023	$	2,461,594	$	242,568	$	66,397	$	-	$	-	$	2,770,559
Depreciation		148,720		18,223		23,657		-		-		190,600
Retirements, disposals and adjustments		(131,334)		(4,654)		(27,827)		-		-		(163,815)
Balance at March 31, 2024	$	2,478,980	$	256,137	$	62,227	$	-	$	-	$	2,797,344
Balance at April 1, 2022	$	2,516,266	$	226,013	$	61,554	$	-	$	-	$	2,803,833
Depreciation		154,730		18,629		24,614		-		-		197,973
Retirements, disposals and adjustments		(209,402)		(2,074)		(19,771)		-		-		(231,247)
Balance at March 31, 2023	$	2,461,594	$	242,568	$	66,397	$	-	$	-	$	2,770,559
Carrying amounts												
At April 1, 2023	$	1,521,920	$	424,552	$	66,305	$	153,178	$	41,799	$	2,207,754
At March 31, 2024	$	1,679,211	$	438,327	$	63,243	$	124,739	$	41,956	$	2,347,476
At April 1, 2022	$	1,408,639	$	426,402	$	69,134	$	141,940	$	41,717	$	2,087,832
At March 31, 2023	$	1,521,920	$	424,552	$	66,305	$	153,178	$	41,799	$	2,207,754

CHANGE IN ESTIMATES

The Corporation completed a supplemental depreciation study over wireless assets, and as a result an extension of useful lives has been implemented for specific network assets effective October 1, 2023. The effect of these changes on expected depreciation expense is as follows:

	Fiscal Year ending March 31,									
Thousands of dollars		2024		2025		2026		2027		2028
Depreciation expense - increase (decrease)	$	(6,623)	$	(13,716)	$	(2,393)	$	2,261	$	4,225

NOTE 11 - RIGHT-OF-USE ASSETS

ACCOUNTING POLICIES

At the inception of a contract, the Corporation assesses whether the contract is, or contains a lease, based on the Corporation's right to control the use of an identified asset for a specified period of time. Lease components within a contract are accounted for as a lease separately from the non-lease components of the contract. For contracts that contain one or more additional lease or non-lease components, the consideration is allocated to each component based on the stand-alone price of the lease and non-lease components.

Right-of-use assets are initially measured at cost. After the initial recognition, the Corporation measures the right-of-use assets at cost less any accumulated depreciation and any accumulated impairment losses; adjusted for any remeasurement of the lease liability due to lease modifications or revised in-substance fixed lease payments.

Right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the asset or the end of the lease term, unless the Corporation expects to obtain ownership of the asset at the end of the lease term. The lease term consists of the non-cancellable lease term, renewal options that are reasonably expected to be exercised and termination options that are not reasonably expected to be exercised.

ACCOUNTING ESTIMATES AND JUDGMENTS

The Corporation is required to make estimates and judgments that affect or impact the determination of right-of-use assets and the related depreciation.

Judgments include determining whether a contract contains an identifiable asset, assessing control of assets in a contract, determining the lease term including the assessment of renewal and cancellation terms, and determining whether lease modifications result in changes to existing leases or new leases.

Estimation involves determination of lease payments to be included in the lease liability; the incremental borrowing rate or implicit lease rate as appropriate; additional amounts to be included in the calculation of the right-of-use asset; and the useful lives of right-of-use assets.

SUPPORTING INFORMATION

Thousands of dollars		Plant and equipment		Buildings and improvements		Land		Total
Cost								
Balance at April 1, 2023	$	23,594	$	24,816	$	13,649	$	62,059
Additions		3,881		6,260		2,240		12,381
Retirements and adjustments		(760)		-		(3,077)		(3,837)
Balance at March 31, 2024	$	26,715	$	31,076	$	12,812	$	70,603
Balance at April 1, 2022	$	18,347	$	30,457	$	12,919	$	61,723
Additions		6,044		3,331		1,004		10,379
Retirements and adjustments		(797)		(8,972)		(274)		(10,043)
Balance at March 31, 2023	$	23,594	$	24,816	$	13,649	$	62,059
Accumulated depreciation								
Balance at April 1, 2023	$	13,177	$	7,046	$	2,701	$	22,924
Depreciation		3,681		2,339		757		6,777
Retirements and adjustments		(760)		651		(13)		(122)
Balance at March 31, 2024	$	16,098	$	10,036	$	3,445	$	29,579
Balance at April 1, 2022	$	9,038	$	7,423	$	2,037	$	18,498
Depreciation		4,868		1,966		803		7,637
Retirements and adjustments		(729)		(2,343)		(139)		(3,211)
Balance at March 31, 2023	$	13,177	$	7,046	$	2,701	$	22,924
Carrying amounts								
At April 1, 2023	$	10,417	$	17,770	$	10,948	$	39,135
At March 31, 2024	$	10,617	$	21,040	$	9,367	$	41,024
At April 1, 2022	$	9,309	$	23,034	$	10,882	$	43,225
At March 31, 2023	$	10,417	$	17,770	$	10,948	$	39,135

NOTE 12 – INTANGIBLE ASSETS

ACCOUNTING POLICIES

Intangible assets are defined as being identifiable, able to bring future economic benefits to the Corporation, and controlled by the Corporation. An asset meets the identifiability criterion when it is separable or arises from contractual rights.

Intangible assets are recorded initially at cost of acquisition or development and relate primarily to software and spectrum licences. Internally generated intangible assets relate primarily to software. An intangible asset is recognized when it is probable that the expected future economic benefits attributable to the asset will flow to the Corporation and the cost of the asset can be measured reliably.

Software development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Corporation intends to and has sufficient resources to complete development and to use or sell the asset. The expenditures capitalized include the cost of materials, direct labour, and related costs that are directly attributable to preparing the asset for its intended use. Borrowing costs related to the development of qualifying assets are capitalized. Other development expenditures are recognized in net income as incurred.

Capitalized software is measured at cost less accumulated amortization and any accumulated impairment losses.

Costs associated with maintaining software as well as expenditures on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are recognized as an expense as incurred.

Amortization is recognized in net income on a straight-line basis over the estimated useful lives of the assets as follows:

Asset	Estimated useful life
Software	1 – 10 years

ACCOUNTING ESTIMATES AND JUDGMENTS

Judgment is applied to determine expenditures eligible for capitalization, the method of amortization, the appropriate timing for cessation of cost capitalization, and classification of certain intangible assets as indefinite-life intangible assets.

Spectrum licences have been classified as indefinite-life intangible assets due to the current licencing terms, the most significant of which are minimal renewal fees and no regulatory precedent of material licence revocation. Should these factors change, the classification of indefinite-life will be reassessed. Spectrum licences have been recorded at directly attributable cost less any accumulated impairment losses.

Estimation is applied to determine expected useful lives used in the amortization of intangible assets with finite lives. Changes in accounting estimates can result from changes in useful life or the expected pattern of consumption of an asset (taken into account by changing the amortization period or method, as appropriate).

SUPPORTING INFORMATION

Thousands of dollars		Software		Spectrum licences		Under development		Total
Cost								
Balance at April 1, 2023	$	263,718	$	271,149	$	23,434	$	558,301
Acquisitions		9,501		3,225		8,271		20,997
Acquisitions – internally developed		2,565		-		777		3,342
Transfers		5,657		-		(5,657)		-
Retirements, disposals and adjustments		(61,449)		-		-		(61,449)
Balance at March 31, 2024	$	219,992	$	274,374	$	26,825	$	521,191
Balance at April 1, 2022	$	299,194	$	267,280	$	9,383	$	575,857
Acquisitions		3,572		3,869		15,220		22,661
Acquisitions – internally developed		4,521		-		904		5,425
Transfers		2,073		-		(2,073)		-
Retirements, disposals and adjustments		(45,642)		-		-		(45,642)
Balance at March 31, 2023	$	263,718	$	271,149	$	23,434	$	558,301
Accumulated amortization								
Balance at April 1, 2023	$	164,058	$	-	$	-	$	164,058
Amortization		31,926		-		-		31,926
Retirements, disposals and adjustments		(61,165)		-		-		(61,165)
Balance at March 31, 2024	$	134,819	$	-	$	-	$	134,819
Balance at April 1, 2022	$	175,978	$	-	$	-	$	175,978
Amortization		33,286		-		-		33,286
Retirements, disposals and adjustments		(45,206)		-		-		(45,206)
Balance at March 31, 2023	$	164,058	$	-	$	-	$	164,058
Carrying amounts								
At April 1, 2023	$	99,660	$	271,149	$	23,434	$	394,243
At March 31, 2024	$	85,173	$	274,374	$	26,825	$	386,372
At April 1, 2022	$	123,216	$	267,280	$	9,383	$	399,879
At March 31, 2023	$	99,660	$	271,149	$	23,434	$	394,243

Impairment testing for the cash-generating unit containing indefinite-life intangible assets and recoverability testing of finite-life intangible assets under development.

In performing its impairment test, the Corporation determined the recoverable amount of its single CGU using fair value less costs to sell. In estimating fair value less costs to sell, the Corporation determined an Enterprise Value (EV) to earnings before interest, taxes, depreciation and amortization (EBITDA) multiple based on the EV to EBITDA multiples of comparable companies that are listed on exchanges and actively traded, adjusted for a demonstrable control premium. This fair value measurement is considered to be a level 3 measurement.

NOTE 13 – OTHER ASSETS

SUPPORTING INFORMATION

In November 2023, Innovation, Science and Economic Development Canada (ISED) announced the results of the 3800 MHz spectrum license auction. SaskTel was provisionally awarded the right to acquire 45 licenses for $10.2 million. In accordance with the terms of the auction, a deposit of 20% ($2.0 million) was remitted to ISED by January 17, 2024 and is included in other assets. Final payment is due May 29, 2024.

NOTE 14 – SINKING FUNDS

ACCOUNTING POLICIES

Sinking funds have been classified as fair value through other comprehensive income (OCI) because the Corporation intends to match the duration of the financial assets to the duration of the debt that the assets are funding and therefore the business model is both hold to collect and sell. The investments are managed through the Saskatchewan Ministry of Finance who makes purchase and sale decisions based on their fair value in accordance with the Corporation's documented risk management and investment strategy. Subsequent to initial recognition, financial assets at fair value through OCI are measured at fair value. Realized gains or losses are recorded in net income and unrealized gains and losses are recorded in OCI.

SUPPORTING INFORMATION

Under conditions attached to the long-term debt, the Corporation is required to pay annually into sinking funds, administered by the Saskatchewan Ministry of Finance, amounts representing 1% to 2% of the debt outstanding.

The fund includes the Corporation's required contributions, its proportional share of earnings and its proportional share of revaluation gains or losses.

The changes in the carrying amount of sinking funds are as follows:

Thousands of dollars	Note	2024	2023
Balance at April 1,		$ 113,667	$ 95,447
Instalments	21b	20,428	18,928
Realized earnings	5, 21b	2,418	1,359
Net valuation adjustment	21b	(321)	(2,067)
Balance at March 31,		$ 136,192	$ 113,667
Current portion		4,662	-
Long-term portion		131,530	113,667
Balance at March 31,		$ 136,192	$ 113,667

Sinking fund instalments due in each of the next five years are as follows:

Years Ending March 31,	Thousands of dollars
2025	$ 25,328
2026	24,828
2027	24,828
2028	23,953
2029	22,853

NOTE 15 – NOTES PAYABLE

ACCOUNTING POLICIES

The Corporation initially recognizes notes payable issued on the date that they are originated. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

The Corporation derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire.

SUPPORTING INFORMATION

Notes payable are due to the Province of Saskatchewan's General Revenue Fund (GRF). These notes have varying maturities from April 4, 2024, to June 11, 2024, and have a weighted average interest rate of 4.98% (2022/23 – 4.32%).

NOTE 16 – CONTRACT LIABILITIES

ACCOUNTING POLICIES

A contract liability is recognized when consideration is received in advance of the transfer of products or services to the customer. Contract assets and liabilities relating to the same contract are presented on a net basis. Contract liabilities are recognized in revenue upon satisfaction of the related performance obligations.

ACCOUNTING ESTIMATES AND JUDGMENTS

The Corporation is required to make judgments and estimates that affect the amount and timing of revenue from contracts with customers, which also impacts the determination of contract liabilities and the timing of recognition of contract liabilities as revenue. Estimates and judgments include estimates of the stand-alone selling prices of products and services, the identification of performance obligations within a contract, including the determination of whether a promise to deliver goods or services is considered distinct, and the timing of satisfaction of performance obligations under long-term contracts.

SUPPORTING INFORMATION

As at March 31, Thousands of dollars		2024		2023
Balance at April 1,	$	59,670	$	58,540
Additions from new contracts with customers, net of terminations		386,860		378,397
Recognized in revenue		(384,728)		(377,267)
Total contract liability		61,802		59,670
Current portion		61,727		59,482
Long-term portion		75		188
Balance at March 31,	$	61,802	$	59,670

NOTE 17 – LONG-TERM DEBT

ACCOUNTING POLICIES

The Corporation initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. These financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

The Corporation derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire.

SUPPORTING INFORMATION

Unsecured advances from the Province of Saskatchewan:

As at March 31, Thousands of dollars		2024		2023
Balance at April 1,	$	1,435,948	$	1,347,583
Long-term debt issuances		196,520		88,816
Amortization of net premiums		(336)		(451)
Balance at March 31,	$	1,632,132	$	1,435,948

Thousands of dollars Issue date	Maturity date	Effective interest rate (%)	Coupon rate (%)	Par value	Unamortized premiums (discounts)	Outstanding Amount as at March 31, 2024	Outstanding Amount as at March 31, 2023
May 2014	June 2024	3.11	3.20	$ 50,000	$ 4	$ 50,004	$ 50,047
December 2010	December 2025	4.15	4.15	50,000	-	50,000	50,000
December 2017	June 2027	2.56	2.65	50,000	137	50,137	50,178
March 1999	March 2029	5.18	5.60	35,000	-	35,000	35,000
March 1999	March 2029	5.97	5.75	75,000	(691)	74,309	74,192
February 2021	June 2030	1.51	2.20	50,000	2,030	52,030	52,343
February 2023	June 2031	3.95	3.95	50,000	-	50,000	50,000
May 2023	June 2033	4.01	3.90	50,000	(409)	49,591	-
December 2023	June 2033	4.35	3.90	50,000	(1,702)	48,298	-
February 2012	February 2042	3.49	3.40	150,000	(1,678)	148,322	148,255
December 2013	June 2045	4.09	3.90	150,000	(4,098)	145,902	145,780
December 2016	June 2048	3.35	3.30	75,000	(610)	74,390	74,374
May 2017	June 2048	3.22	3.30	50,000	637	50,637	50,655
April 2019	June 2050	2.81	3.10	100,000	5,272	105,272	105,409
April 2020	June 2050	2.57	3.10	100,000	10,100	110,100	110,370
September 2021	December 2052	2.67	2.80	245,000	6,171	251,171	251,315
May 2022	December 2052	4.09	2.80	50,000	(10,818)	39,182	38,984
June 2023	December 2054	4.28	4.20	100,000	(1,275)	98,725	-
June 2018	June 2058	3.01	2.95	50,000	(583)	49,417	49,407
June 2020	June 2060	2.37	2.35	100,000	(355)	99,645	99,639
Total due to Province of Saskatchewan				$ 1,630,000	$ 2,132	$ 1,632,132	$ 1,435,948

On May 18, 2023, the Corporation issued $50.0 million of long-term debt at a discount of $0.4 million through the Saskatchewan Ministry of Finance. The debt issue has a coupon rate of 3.90%, an effective interest rate of 4.01%, and matures on June 2, 2033.

On June 22, 2023, the Corporation issued $100.0 million of long-term debt at a discount of $1.3 million through the Saskatchewan Ministry of Finance. The debt issue has a coupon rate of 4.20%, an effective interest rate of 4.28% and matures on December 2, 2054.

On December 4, 2023, the Corporation issued $50.0 million of long-term debt at a discount of $1.8 million through the Saskatchewan Ministry of Finance. The debt issue has a coupon rate of 3.90%, an effective interest rate of 4.35% and matures on June 2, 2033.

The Corporation's long-term debt is unsecured. As at March 31, 2024, principal repayments due in each of the next five years were as follows:

	Years Ending March 31,				
Thousands of dollars	2025	2026	2027	2028	2029
Principal Repayment	$ 50,000	$ 50,000	$ -	$ 50,000	$ 110,000

There is a requirement attached to above advances to make annual payments into sinking funds in amounts representing 1% to 2% of the original issue. The cumulative annual payments plus interest earned are used for the retirement of debt issues upon maturity, on a net basis (see *Note 14 – Sinking funds*).

NOTE 18 – LEASE LIABILITIES

ACCOUNTING POLICIES

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the interest rate implicit in the lease, if readily determinable, otherwise, the Corporation uses its incremental borrowing rate.

At the commencement date, the lease payments included in the measurement of the lease liability include the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Corporation under residual value guarantees;
- the exercise price of a purchase option if the Corporation is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Corporation exercising an option to terminate the lease.

After initial recognition, the lease liability is measured by:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

Interest on the lease liability in each period during the lease term is calculated using the effective interest method resulting in a constant periodic rate of interest on the remaining balance of the lease liability. The periodic rate of interest is the initial discount rate or, if applicable, a revised discount rate.

Amounts recognized in net income, unless the costs are included in the carrying amount of another asset applying other applicable standards, include:

- interest on the lease liability; and
- variable lease payments not included in the measurement of the lease liability in the period in which the event or condition that triggers those payments occurs.

The Corporation has not elected to utilize the recognition exemption for short-term or low-value leases.

ACCOUNTING ESTIMATES AND JUDGMENTS

The Corporation is required to make estimates and judgments that affect or impact the determination of lease liabilities and the related interest expense.

Judgments include determining whether a contract contains an identifiable asset, assessing control of assets in a contract, determining the lease term including the assessment of renewal and cancellation terms, and determining whether lease modifications result in changes to existing leases or new leases.

Estimation involves determination of the lease payments to be included in the lease liability and estimation of the incremental borrowing rate or implicit lease rate as appropriate.

SUPPORTING INFORMATION

Maturity analysis - contractual undiscounted cash flows

As at March 31, Thousands of dollars		2024		2023
Less than one year	$	7,496	$	6,694
One to five years		20,924		19,566
More than five years		23,026		22,874
Total undiscounted lease liabilities,	$	51,446	$	49,134

Discounted lease liabilities included in the consolidated statement of financial position

As at March 31, Thousands of dollars		2024		2023
Current portion	$	7,131	$	6,338
Long-term portion		35,884		34,341
Total discounted lease liabilities,	$	43,015	$	40,679

Amounts recognized in the consolidated statement of income and other comprehensive loss

For the year ended March 31, Thousands of dollars	Note		2024		2023
Interest (recovery) on lease liabilities	5	$	1,345	$	(614)

Amounts recognized in the consolidated statement of cash flows

For the year ended March 31, Thousands of dollars	Note		2024		2023
Interest paid on lease liabilities	5	$	1,345	$	(614)
Lease liability principal payments			6,329		7,877
Loss on disposal of leases and adjustments			31		-
Total cash outflow for leases		$	7,705	$	7,263

NOTE 19 – EMPLOYEE BENEFITS

The Corporation has a defined benefit pension plan (Plan A), a service recognition defined benefit plan (Plan B), and a defined contribution pension plan (Plan C).

ACCOUNTING POLICIES

Defined benefit plans

The Corporation's net obligation in respect of the defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; discounting that amount and deducting the fair value of plan assets.

The calculation of the net defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Corporation, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan (i.e., the asset ceiling limit). To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI. The Corporation determines the net interest expense (income) on the net defined liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to the defined benefit plan are recognized in net income.

When the benefits of the plan are changed or when the plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in net income. The Corporation recognizes gains and losses on the settlement of the defined benefit plan when the settlement occurs.

Defined contribution plan

A defined contribution plan is a post-employment benefit under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to the defined contribution pension plan are recognized as an employee benefit expense in the consolidated statement of income and other comprehensive income in the periods during which services are rendered by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

Short-term benefits

Short-term employee benefit obligations are expensed as the related service is provided.

ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are required to determine discount rates, indexing assumptions, retirement age, and mortality rates. These assumptions are determined by management and are reviewed at least annually by the Corporation's independent actuaries.

The most significant assumptions used to calculate the net employee benefit plan's obligation include: the discount rate, the indexing assumption, and the mortality rate. The discount rate is the interest rate used to determine the present value of the future cash flows that the Corporation expects will be required to settle employee benefit obligations. It is based on the yield of long-term, high-quality, corporate fixed income investments (AA credit-rated bonds) with terms reflecting the profile of the plan members. The indexing assumption is the estimate of the future inflation rate which impacts the future liabilities of the plan. The mortality rate impacts the future liability based on the estimated life expectancy of plan members.

The Corporation determines the appropriate discount rates at the end of each reporting period and the indexing assumptions and mortality rates at least at each actuarial study date. Changes in these assumptions could have an effect on the Corporation's cash flows through an effect on the projected benefit obligation. Lower discount rates and mortality rates result in a higher obligation while lower indexing assumptions result in a lower obligation. The combined impact of the assumptions could, at some point, require additional contributions to the plan.

An actuarial valuation for accounting purposes was performed at March 31, 2023. Under current Canada Revenue Agency guidelines, an actuarial valuation for funding purposes is to be completed, at a minimum, every three years.

SUPPORTING INFORMATION

Defined benefit obligation

Actuarial assumptions

The accounting actuarial valuation includes a provision for uncommitted and ad hoc benefit increases, and uses management's best estimates based on assumptions that reflect the most probable set of economic circumstances and planned courses of action. The actuarial assumptions are based on management's expectations, independent actuarial advice, and guidance provided by IFRS. The estimate, therefore, involves risks that the actual amount may differ materially from the estimate. The major assumptions used in the valuations are as follows:

Actuarial Assumptions

As at March 31,	2024		2023	
	Plan A	Plan B	Plan A	Plan B
Discount rate - end of year	4.80%	4.70%	4.80%	4.80%
Inflation rate	2.25%	—	2.25%	—
Expected salary increase	—	In Scope: 2.0% per annum thereafter Management: 2.0% per annum	—	In Scope: 2.0% per annum thereafter Management: 2.0% per annum
Post-retirement index	1.60%	—	1.60%	—
Future mortality	CPM 2014 Private (Adjusted 100% for males and 110% for females) with Improvement Scale MI-2017	—	CPM 2014 Private (Adjusted 100% for males and 110% for females) with Improvement Scale MI-2017	—
Estimated average remaining employee service life	—	7.0 Years	—	7.0 Years

At March 31, 2024, the weighted average duration of the defined benefit obligation was 10.0 years (2022/23 – 10.0 years).

Sensitivity analysis

The following illustrates the effect on the obligations of the plans of changing certain actuarial assumptions while holding other assumptions constant:

As at March 31, 2024 Thousands of dollars	Defined Benefit Obligation			
	Plan A		Plan B	
	Increase	Decrease	Increase	Decrease
Discount Rate (100 basis points movement)	$ (63,237)	$ 74,031	$ (343)	$ 377
Inflation (100 basis points movement)	(39,489)	(8,575)	-	-
Future Indexing (40 basis points increase and 100 basis points decrease)	27,549	(71,543)	-	-
Salary Increase (100 basis points decrease)	-	-	350	(325)

Movement in the present value of the defined benefit obligation

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability and its components:

For the year ended March 31,	Defined benefit obligation		Fair value of plan assets		Net defined benefit liability	
Thousands of dollars	2024	2023	2024	2023	2024	2023
Balance at April 1,	$ 794,697	$ 894,360	$ (785,497)	$ (883,695)	$ 9,200	$ 10,665
Included in net income						
Current service cost	14	16	488	426	502	442
Interest expense (income)	36,638	33,632	(41,714)	(37,053)	(5,076)	(3,421)
Total included in net income	36,652	33,648	(41,226)	(36,627)	(4,574)	(2,979)
Included in OCI						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Demographic assumptions	222	18	-	-	222	18
Financial assumptions	(15,329)	(69,985)	-	-	(15,329)	(69,985)
Return on plan assets excluding interest income	-	-	23,724	55,910	23,724	55,910
Effect of asset ceiling limit	-	-	(3,378)	16,981	(3,378)	16,981
Total included in OCI	(15,107)	(69,967)	20,346	72,891	5,239	2,924
Benefits paid	(62,813)	(63,344)	61,560	61,934	(1,253)	(1,410)
Balance at March 31,	$ 753,429	$ 794,697	$ (744,817)	$ (785,497)	$ 8,612	$ 9,200
Represented by:						
Net defined benefit liability (Plan A)					$ -	$ -
Net defined benefit liability (Plan B)					8,309	8,910
Other					303	290
Balance at March 31,					$ 8,612	$ 9,200

Plan assets

The asset allocation of the defined benefit pension plan is as follows:

Asset category	2024	2023
Pooled bond funds	65.1%	64.6%
Pooled real estate	18.1%	19.3%
Pooled mortgage fund	15.4%	13.7%
Short-term investments	1.4%	2.4%
Total	100.0%	100.0%

Defined contribution plan

The defined contribution pension plan, requires the Corporation to contribute 7.45% of employees' pensionable earnings, and employees to contribute a minimum of 4.45% of pensionable earnings. The total cost for the defined contribution plan is equal to the Corporation's required contribution. For the year ended March 31, 2024, the Corporation's pension cost and employer contributions for the Public Employees Pension Plan (PEPP) were $22.2 million (2022/23 – $21.1 million).

NOTE 20 – EQUITY ADVANCE AND CAPITAL DISCLOSURES

ACCOUNTING ESTIMATES AND JUDGMENTS

The Corporation periodically receives funding from its parent and sole equity holder, CIC. Funding is first analyzed to determine whether the funding is a transaction with the equity holder in their capacity as an equity holder, e.g., equity injection, or whether the funding would be available to other parties for a specific purpose. If there is no requirement to comply with certain conditions relating to the operating activities of the entity, the funding is recorded as an equity advance. If the Corporation must comply with certain past or future conditions relating to the operating activities of the Corporation, and the funding could be available to other parties for a specific purpose, the funding is recorded as a government grant.

SUPPORTING INFORMATION

The Corporation has received an equity advance from CIC to form its equity capitalization.

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

The Corporation closely monitors its debt level utilizing the debt ratio as a primary indicator of financial health. The debt ratio measures the amount of debt in a corporation's capital structure. The Corporation uses this measure in assessing the extent of financial leverage and in turn, its financial flexibility.

Too high a ratio relative to target indicates an excessive debt burden that may impair the Corporation's ability to withstand downturns in revenue and still meet fixed payment obligations. The ratio is calculated as net debt, excluding lease liabilities, divided by capitalization at the end of the year.

The Corporation reviews the debt ratio targets of all its subsidiaries on an annual basis to ensure consistency with industry standards. This review includes subsidiary corporations' plans for capital spending. The target debt ratios for subsidiaries are approved by the Board. The Corporation uses targeted debt ratios to compile a weighted average debt to equity ratio for the consolidated entity. The target ratio was 55.9% (2022/23 – 54.3%).

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

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

The debt ratio is as follows:

As at March 31, Thousands of dollars	Note	2024	2023
Long-term debt	17	$ 1,632,132	$ 1,435,948
Notes payable		159,759	196,672
Bank indebtedness		2,469	-
Less: Sinking funds	14	136,192	113,667
Cash		-	18,347
Net debt[1]		1,658,168	1,500,606
Province of Saskatchewan's equity[2]		1,302,855	1,251,165
Capitalization		$ 2,961,023	$ 2,751,771
Debt ratio		56.0%	54.5%

[1] Net debt excludes lease liabilities.

[2] Equity includes equity advances, accumulated other comprehensive income and retained earnings at the end of the period.

NOTE 21 – CONSOLIDATED STATEMENT OF CASH FLOWS – SUPPORTING INFORMATION

A) Net change in non-cash working capital

For the year ended March 31, Thousands of dollars		2024		2023
Net change in non-cash working capital balances related to operations				
Trade and other receivables	$	(70,487)	$	34,141
Inventories		(17,041)		(10,575)
Prepaid expenses		(6,041)		(2,127)
Contract assets		(3,579)		3,287
Contract costs		2,984		2,239
Trade and other payables		2,642		(31,833)
Contract liabilities		2,132		1,130
Other liabilities		(259)		(831)
Total net change in non-cash working capital balances related to operations	$	(89,649)	$	(4,569)

B) Reconciliation of changes in liabilities to cash flows arising from financing activities

Thousands of dollars	Assets: Sinking funds	Liabilities: Long-term debt	Liabilities: Notes payable	Liabilities: Lease liabilities	Liabilities: Dividend payable	Total
Balance at April 1, 2023	$ (113,667)	$ 1,435,948	$ 196,672	$ 40,679	$ 9,663	$ 1,569,295
Changes from financing cash flows						
Proceeds from loans and borrowings	-	196,520	886,310	-	-	1,082,830
Repayment of borrowings	-	-	(923,223)	(6,329)	-	(929,552)
Instalments	(20,428)	-	-	-	-	(20,428)
Dividends paid	-	-	-	-	(38,381)	(38,381)
Total changes from financing cash flows	(20,428)	196,520	(36,913)	(6,329)	(38,381)	94,469
Other changes						
Dividend declared	-	-	-	-	38,167	38,167
Sinking fund earnings	(2,418)	-	-	-	-	(2,418)
Sinking fund valuation adjustments	321	-	-	-	-	321
New leases and assumption changes	-	-	-	8,665	-	8,665
Amortization of net premium on long-term debt	-	(336)	-	-	-	(336)
Total other changes	(2,097)	(336)	-	8,665	38,167	44,399
Balance at March 31, 2024	$ (136,192)	$ 1,632,132	$ 159,759	$ 43,015	$ 9,449	$ 1,708,163

Thousands of dollars	Assets: Sinking funds	Liabilities: Long-term debt	Liabilities: Notes payable	Liabilities: Lease liabilities	Liabilities: Dividend payable	Total
Balance at April 1, 2022	$ (95,447)	$ 1,347,583	$ 202,468	$ 45,011	$ 26,467	$ 1,526,082
Changes from financing cash flows						
Proceeds from loans and borrowings	-	88,816	902,700	-	-	991,516
Repayment of borrowings	-	-	(908,496)	(7,877)	-	(916,373)
Instalments	(18,928)	-	-	-	-	(18,928)
Dividends paid	-	-	-	-	(58,425)	(58,425)
Total changes from financing cash flows	(18,928)	88,816	(5,796)	(7,877)	(58,425)	(2,210)
Other changes						
Dividend declared	-	-	-	-	41,621	41,621
Sinking fund earnings	(1,359)	-	-	-	-	(1,359)
Sinking fund valuation adjustments	2,067	-	-	-	-	2,067
New leases and assumption changes	-	-	-	3,545	-	3,545
Amortization of net premium on long-term debt	-	(451)	-	-	-	(451)
Total other changes	708	(451)	-	3,545	41,621	45,423
Balance at March 31, 2023	$ (113,667)	$ 1,435,948	$ 196,672	$ 40,679	$ 9,663	$ 1,569,295

NOTE 22 – FINANCIAL INSTRUMENTS AND RELATED RISK MANAGEMENT

ACCOUNTING POLICIES

The Corporation initially recognizes financial assets and financial liabilities in the consolidated financial statements at fair value (normally the transaction price) adjusted for transaction costs. Transaction costs related to financial assets or financial liabilities at fair value through profit or loss are recognized immediately in net income. Regular way purchases and sales of financial assets are accounted for on the trade date.

Financial instruments recorded at fair value on an ongoing basis are remeasured at each reporting date and changes in the fair value are recorded in either net income or OCI.

The Corporation derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Corporation is recognized as a separate asset or liability.

Financial assets and liabilities are offset, and the net amount presented in the consolidated statement of financial position when, and only when, the Corporation has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

SUPPORTING INFORMATION

The Corporation is exposed to fluctuations in foreign exchange rates and interest rates. The Corporation uses financial instruments to manage these exposures. The Corporation mitigates the risk associated with these financial instruments through Board-approved policies, limits on use and amount of exposure, internal monitoring, and compliance reporting to senior management and the Board. The Corporation's financial risks have not changed significantly from the prior period.

Market risk

Market risk represents the potential for loss from changes in the value of financial instruments. Value can be affected by changes in interest rates, foreign exchange rates, and equity prices. The Corporation does not have material exposure to foreign currency risk or equity price risk.

Interest rate risk

Interest rate risk represents the potential for loss from changes in the value of financial instruments related to interest rate movements. Interest rate risk primarily impacts the value of sinking fund investments and debt refinancing.

The Corporation has on deposit with the Province of Saskatchewan, under the administration of the Ministry of Finance, $136.2 million (2022/23 – $113.7 million) in sinking funds, which is required for certain long-term debt issues. At March 31, 2024, the General Revenue Fund (GRF) has invested these funds primarily in Provincial and Federal government bonds with varying maturities to coincide with related debt maturities and they are managed based on this maturity profile and market conditions. Fluctuations in interest rates may have a material impact on other comprehensive income. Specifically, a 1% increase in interest rates could result in a $11.4 million unfavourable effect to other comprehensive income while a 1% decrease in interest rates could result in a $11.4 million favourable effect to other comprehensive income.

The Corporation may be exposed to interest rate risk on the maturity of its long-term debt. These risks are considered low as long-term debt is shown at amortized cost and is not sensitive to interest rate changes. The Corporation may be exposed to interest rate risk on its short-term borrowing as these rates are variable and subject to market fluctuations. The risk on this debt is considered low and is managed through its treasury policies. As a result, the Corporation has no financial contracts in place to offset interest rate risk as of March 31, 2024 and has not provided a sensitivity analysis of the impact of interest rate changes on net income.

Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. Concentration of credit risk relates to groups of customers or counterparties that have similar economic or industry characteristics that cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The Corporation does not have material concentrations of credit risk. Current credit risk relates to trade and other receivables, including device financing receivables, unbilled revenue, and interest receivable, as well as contract assets and sinking funds.

The carrying amount of financial assets represents the maximum credit exposure as follows:

As at March 31, Thousands of dollars	Note		2024		2023
Trade and other receivables	6	$	222,180	$	151,523
Contract assets	8		104,865		101,286
Sinking funds	14		136,192		113,667
Total assets subject to credit risk		$	463,237	$	366,476

Trade and other receivables

The Corporation considers evidence of impairment for trade and other receivables at both a specific asset and collective level. Trade and other receivables and unbilled revenue are diversified among many residential, farm, and commercial customers primarily throughout Saskatchewan.

All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for impairment by grouping together receivables with similar risk characteristics, specifically based on business segment, an aging of the accounts within each segment, and default probabilities within each segment.

In assessing collective impairment, the Corporation uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current or future economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

The allowance for expected credit losses, which provides an indication of potential impairment losses, is reviewed regularly based on an analysis of the aging of customer accounts receivable, an estimate of outstanding amounts that are considered to be uncollectible, and future collection policy and impacts of the economic environment:

As at March 31, Thousands of dollars	Note		2024		2023
Balance at April 1,		$	3,833	$	3,975
Less: accounts written off			(8,582)		(7,858)
Recoveries			1,423		1,279
Provisions for losses			6,751		6,437
Balance at March 31,	6	$	3,425	$	3,833

The aging of trade and other receivables is detailed as follows:

As at March 31, Thousands of dollars	Note 6		2024		2023
Customer financing receivables		$	41,893	$	38,037
Trade receivables not past due			76,642		55,538
Trade receivables past due					
30–60 Days			10,280		10,527
61–90 Days			2,854		2,159
Greater than 90 Days			2,883		6,396
Accrued receivables – customer			2,998		2,371
Other			88,055		40,328
Gross trade and other receivables			225,605		155,356
Allowance for expected credit losses			(3,425)		(3,833)
Net customer accounts receivable		$	222,180	$	151,523

Contract assets

The Corporation considers evidence of impairment for contract assets based on the related assessment of the impairment of trade and other receivables at both a specific asset and collective level. Trade and other receivables, and therefore contract assets, are diversified among many residential, farm, and commercial customers primarily throughout Saskatchewan. Credit risk associated with contract assets is inherently managed by the size and diversity of our customer base. The Corporation also follows a program of credit evaluations of customers and limits the amount of credit extended when deemed necessary.

The Corporation maintains allowances for lifetime ECL related to contract assets. Current economic conditions, historical information (including credit agency reports, if available), and the line of business from which the contract asset arose are all considered when determining impairment allowances. The same factors are considered when determining whether to write off amounts charged to the impairment allowance for contract assets.

The allowance for contract asset credit losses are detailed as follows:

As at March 31, Thousands of dollars	Note		2024		2023
Balance at April 1,		$	1,461	$	1,381
Provisions for losses			241		80
Balance at March 31,	8	$	1,702	$	1,461

The contract assets balance is comprised of the following:

As at March 31, Thousands of dollars	Note		2024		2023
Amortization period					
Within 1 year		$	77,448	$	73,782
Greater than 1 year			29,119		28,965
Gross contract assets			106,567		102,747
Allowance for credit losses	8		(1,702)		(1,461)
Net contract assets	8	$	104,865	$	101,286

Sinking funds

The credit risk related to sinking funds is assessed based on the credit risk rating of the investments held in the sinking funds. The Corporation considers a debt security to have low credit risk when its credit risk rating is equivalent to the definition of "investment grade". The Corporation considers this to be AA or higher per DBRS or Aa or higher per Moody's. Investments held within the sinking funds consist primarily of Provincial and Federal government bonds, which are rated investment grade. In addition, there have been no defaults of assets held within the sinking fund. As a result, sinking funds are considered to have low credit risk and no loss allowance is deemed necessary.

In addition, the Corporation maintains credit policies and limits in respect to short-term investments and counterparties to financial transactions.

Liquidity risk

Liquidity risk is the risk that the Corporation is unable to meet its financial commitments as they become due. The Corporation is a Provincial Crown corporation and as such has access to capital markets through the Saskatchewan Ministry of Finance.

Sufficient operating cash flows are expected to be generated to fund the short-term contractual obligations and the Corporation anticipates it will be able to refinance long-term debt upon maturity.

The following summarizes the contractual cash flows of the Corporation's financial liabilities:

		Contractual cash flows					
As at March 31, 2024 Thousands of dollars	Carrying amount	Total	0-6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Long-term debt[1, 2]	$ 1,632,132	$ 2,701,743	$ 77,308	$ 27,028	$ 103,364	$ 312,990	$ 2,181,053
Notes payable	159,758	160,858	160,858	-	-	-	-
Trade and other payables	159,154	159,154	159,154	-	-	-	-
Total	$ 1,951,044	$ 3,021,755	$ 397,320	$ 27,028	$ 103,364	$ 312,990	$ 2,181,053

As at March 31, 2023							
Long-term debt[1, 2]	$ 1,435,948	$ 2,336,260	$ 23,853	$ 23,853	$ 96,372	$ 232,371	$ 1,959,811
Notes payable	196,672	198,757	169,160	29,597	-	-	-
Trade and other payables	143,819	143,819	143,819	-	-	-	-
Total	$ 1,776,439	$ 2,678,836	$ 336,832	$ 53,450	$ 96,372	$ 232,371	$ 1,959,811

[1] Contractual cash flows for long-term debt include principal and interest payments but exclude sinking fund instalments.
[2] Accrued interest is represented in the contractual cash flows of the associated financial liabilities.

Fair value of financial assets and liabilities

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

				2024		2023	
As at March 31, Thousands of dollars	Note	Classification[1]	Fair value hierarchy[2]	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets							
Sinking funds	14	FVOCI	Level 2	$ 136,192	$ 136,192	$ 113,667	$ 113,667
Financial liabilities							
Long-term debt	17	Amortized cost	Level 2	$ 1,632,132	$ 1,484,529	$ 1,435,948	$ 1,254,146
Derivative financial instruments							
Foreign exchange derivative asset		FVTPL	Level 2	$ -	$ -	$ 348	$ 348

[1] Classification details are: FVOCI – fair value through OCI and FVTPL – fair value through profit and loss.
[2] See Note 2 – Basis of presentation for discussion of the policies related to fair value measurements.

Financial instruments measured at amortized cost

The carrying values of cash, trade and other receivables, trade and other payables, accrued interest, and notes payable approximate their fair values due to the short-term maturity of these financial instruments.

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

Financial instruments measured at fair value through other comprehensive income

The fair value of sinking funds, classified as fair value through OCI, is determined by the Saskatchewan Ministry of Finance using information provided by investment dealers. To the extent possible, valuations reflect secondary pricing for these securities. There were no financial instruments measured at fair value using Level 3 inputs and no items transferred between levels in either the current year or the prior year.

Financial instruments measured at fair value through profit and loss

The fair value of foreign exchange derivative asset, classified as fair value through profit and loss, is determined using independent pricing information from external market providers. The contracted cash flows are discounted using observable yield curves.

There were no financial instruments measured at fair value using Level 3 inputs and no items transferred between levels in either the current year or the prior year.

NOTE 23 – RELATED PARTY TRANSACTIONS

The Corporation is indirectly controlled by the Government of Saskatchewan through its ownership of the Corporation's parent, CIC. Included in these consolidated financial statements are transactions with various Saskatchewan Crown corporations, ministries, agencies, boards, and commissions related to the Corporation by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan (collectively referred to as "government-related entities"). The Corporation has elected to take a partial exemption under IAS 24*, Related Party Disclosures*, which allows government-related entities to limit the extent of disclosures about related party transactions with government or other government-related entities.

Routine operating transactions with related parties were conducted in the normal course of business and were accounted for at the exchange amount. For the year ended March 31, 2024, the aggregate amount of the Corporation's transactions with other government-related entities are approximately 8.7% (2022/23 – 7.4%) of revenue, 7.5% (2022/23 – 7.2%) of operating expenses, and 1.3% (2022/23 – 0.1%) of property, plant and equipment expenditures.

In addition, for the year ended March 31, 2024, the Corporation provided management and administrative services to the Corporation's defined benefit pension plan in the amount of $0.3 million (2022/23 – $0.3 million) on a cost recovery basis.

Key management personnel compensation

In addition to their remuneration, the Corporation also provides non-cash benefits to directors and executive officers, either a defined benefit pension or a defined contribution pension, and a service recognition defined benefit pension.

Key management personnel compensation is composed of:

For the year ended March 31, Thousands of dollars	2024	2023
Total key management personnel compensation	$ 5,334	$ 5,211

NOTE 24 – COMMITMENTS AND CONTINGENCIES

COMMITMENTS

As at March 31, 2024, the Corporation has the following significant commitments:

- Operating activities $131.6 million (2022/23 – $94.6 million)
- Capital activities $75.5 million (2022/23 – $102.4 million)

CONTINGENCIES

Accounting estimates and judgments

The Corporation becomes involved in various litigation and regulatory matters in the ordinary course of business. Prediction of the outcome of such uncertain events (i.e., being virtually certain, probable, remote or undeterminable), determination of whether recognition or disclosure in the consolidated financial statements is required, and estimation of potential financial effects are matters for judgment. Where no amounts are recognized, such amounts are contingent, and disclosure may be appropriate, however, the potential for large liabilities exists and therefore these estimates could have a material impact on the Corporation's consolidated financial statements.

SUPPORTING INFORMATION

In the normal course of operations, the Corporation becomes involved in various claims and litigation. While the final outcome with respect to claims and litigation pending at March 31, 2024, cannot be predicted with certainty, it is the opinion of management that their resolution will not have a material adverse effect on the Corporation's consolidated financial position or results of operations.

Corporate Governance

AUTHORITY

SaskTel is a Crown corporation governed by T*he Saskatchewan Telecommunications Holding Corporation Act,* and subject to the provisions of *The Crown Investments Corporation Act, 1993.* The Crown Investments Corporation of Saskatchewan (CIC), as the holding company for Saskatchewan's commercial Crown corporations, has authority to establish direction for SaskTel related to certain matters set out in legislation.

Through the Chair, who is an independent director, the Board of Directors is accountable to the Minister Responsible for SaskTel. The Minister Responsible is a key communications link among the Corporation, CIC, Cabinet, the Legislature, and the public.

BOARD APPOINTMENTS

The Lieutenant Governor in Council appoints members of the Board and designates the Chair and Vice Chair. Subject to applicable legislation, directors are appointed for a fixed term and their appointments can be renewed at expiry. There are eleven (11) members on the Board.

KEY ACCOUNTABILITIES

The Board of Directors is responsible for supervising the management and affairs of the Corporation. While focusing on the strategic leadership of the Corporation, the Board delegates day-to-day operations to management and holds them accountable for the Corporation's performance.

The Board discharges its responsibilities directly, by delegation to management and through Committees of the Board. There are four Committees of the Board: the Audit and Risk Committee; the Corporate Growth and Technology Committee; the Environment and Human Resources Committee; and the Governance Committee.

The full publication of SaskTel's Corporate Governance Statement provides more information on governance.

Board of Directors

SaskTel's Board of Directors is led by Board Chair Grant J. Kook.
Board member biographies and committee priorities can be viewed on SaskTel's website.

Grant J. Kook
Chair of the Board

Richard Ahenakew
Board Member

Fatima Coovadia
Board Member

Joel Friesen
Chair, *Governance Committee*

Rachel Heidecker
Chair, *Corporate Growth and Technology Committee*

Gregory Hoffort
Board Member

Darrell Kennedy
Board Member

Ritu Malhotra
Board Member

Alan Migneault
Chair, *Audit Committee*

Matt Schroeder
Chair, *Environment and Human Resources Committee*

Tammy Van Lambalgen
Board Member

Executive Team

SaskTel has a nine-member Executive Team lead by President and CEO, Charlene Gavel.
Executive biographies can be found on SaskTel's website

Charlene Gavel
President and
Chief Executive Officer

David Ekstrand
Vice President, Business Sales
and Solutions

Keith Jeannot
Vice President, Consumer Sales
and Solutions

Nathan Kirkham
Chief Information Officer

Doug Kosloski
Vice President, Corporate Counsel and
Regulatory Affairs

Shara McCormick
Vice President of Human Resources
and Corporate Services

Greg Meister
Vice President, Operations

Scott Smith
Chief Financial Officer

Chad Olson
Chief Technology Officer

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SaskTel International
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Estevan SK S4A 2B4

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Moose Jaw SK S6H 1W8

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North Battleford SK S9A 3Z9

Prince Albert
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Prince Albert SK S6V 1B3

Saskatoon
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Saskatoon SK S7N 1Y7

Swift Current
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Swift Current SK S9H 3T2

Weyburn
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Weyburn SK S4H 2Y7

Yorkton
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Yorkton SK S3N 3N4

For more information about SaskTel, our initiatives, and operations, please visit About Us.
To obtain additional copies of the 2023/24 SaskTel Annual Report, please call 1-306-777-3089

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