

# NOTIFICATION OF 2023 ANNUAL REPORTING

Provided is the Message to Shareholders included in the 2023 Annual Report, the full report is available at [GoldenOpportunities.ca](https://GoldenOpportunities.ca) or [sedarplus.com](https://sedarplus.com)

25  
YEARS



**GOLDEN**  
OPPORTUNITIES FUND

## Message to Shareholders

As we deliver Golden Opportunities Fund Inc.'s 2023 Annual Report, we are also very excited to celebrate 25 years since the Fund's inception. Golden Opportunities' Diversified Class A-share was approved for sale in November 1998 which marked the launch of the first provincial Retail Venture Capital (RVC) Fund in Saskatchewan. Since 1998, Golden Opportunities has raised and invested approximately \$600 million back into the economy through 165 companies, creating thousands of local jobs and impacting many local communities. The success, the growth and the positive impact that the Fund has achieved since this time is a result of the collaboration of all involved in building Golden Opportunities over the last quarter century, including the thousands and thousands of Shareholders. It takes a province! In 2004, not long following the Fund's launch, Golden Opportunities was recognized as the recipient of the inaugural Canadian Labour Sponsored Investment Fund of the Year. Today, the Fund continues this momentum and success delivering strong financial results once again and during the reporting period was pleased to continue to be recognized as the **Top Performing Retail Venture Capital (RVC) Diversified Class A-share!**<sup>1</sup>

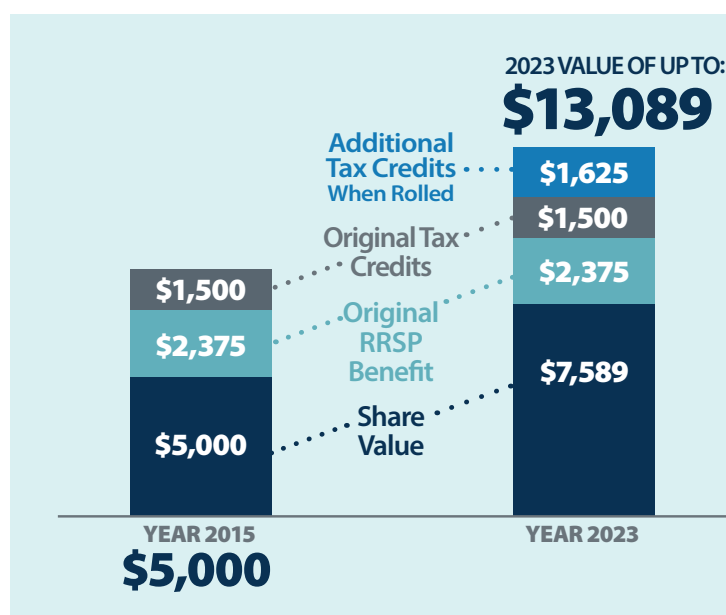
### Top Performing Retail Venture Capital (RVC) A-share<sup>1</sup>



|                   |               |               |                        |               |               |                        |
|-------------------|---------------|---------------|------------------------|---------------|---------------|------------------------|
| <b>A-B SERIES</b> | <b>1 YEAR</b> | <b>17.29%</b> | <b>SINCE INCEPTION</b> | <b>17.86%</b> |               |                        |
| <b>A-F SERIES</b> | <b>1 YEAR</b> | <b>16.83%</b> | <b>3 YEAR</b>          | <b>15.85%</b> | <b>5 YEAR</b> | <b>SINCE INCEPTION</b> |
|                   |               |               |                        |               |               | <b>7.48%</b>           |
| <b>A SERIES</b>   | <b>1 YEAR</b> | <b>11.93%</b> | <b>3 YEAR</b>          | <b>11.57%</b> | <b>5 YEAR</b> | <b>10 YEAR</b>         |
|                   |               |               |                        |               | <b>3.62%</b>  | <b>4.13%</b>           |

Furthermore, the Innovation Class i-share and the Resource Class R-share experienced an increase in unit value over the same time last year, not including the attractive tax credits, with positive one-year returns of 7% and 2%, respectively.

We are also pleased to report that Shareholders who invested eight years ago have mature units that are **once again in a capital gain position** at fiscal year-end in both the Diversified Class A-share and Innovation Class i-share, and can now be rolled/reinvested for additional tax credits. For example, a **\$5,000 Class i-share investment made eight years ago can be rolled again this year generating a value of up to \$13,089.**<sup>2</sup>

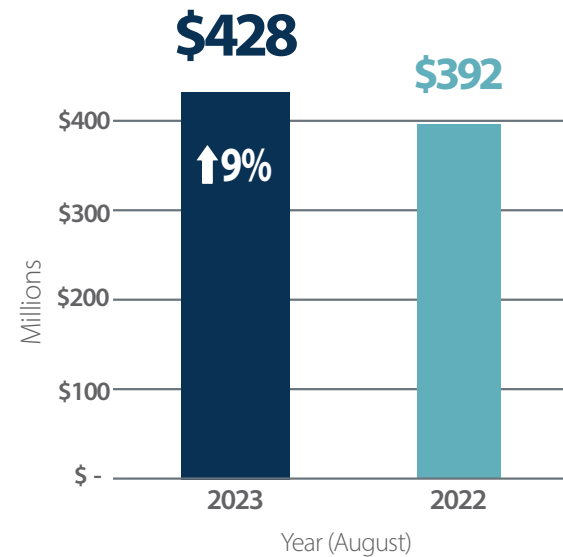


<sup>1</sup>Class A-share A Series based on 1 year and 3 year returns, A-F Series based on 1 year, 3 year and 5 year returns, and A-B Series based on 1 year returns as at August 31, 2023 per Fundata.

<sup>2</sup>Based on a \$5,000 Class i-share investment made September 4, 2015, 30% in initial tax credits in 2015, 47.5% marginal tax rate, increase in share value as of September 1, 2023 and \$5,000 reinvested for 32.5% in additional tax credits for the 2023 tax year.

Several other key performance indicators also speak to the success the Fund experienced during the reporting period, including **the Fund's overall assets grew by more than 9% compared to the same period last year, increasing from \$392 million to \$428 million.**

With the Fund's annual capitalization limit at \$35 million and the continued strong performance, Shareholders are encouraged to make their annual purchase or rollover/reinvestment early this year to avoid disappointment due to the Fund selling out. We remind our Shareholders that by contributing through the Fund's Payroll Investment Plan (PIP) or Pre-authorized Contribution (PAC) Plan, you are guaranteed receipt of the tax credits on your investment should the maximum capitalization limit be reached.



## A Year of Accomplishments and Value Creation

The successful results accomplished during the reporting period were achieved in an uncertain environment with rising interest rates and financial instability across global markets. Despite these challenges, Golden Opportunities was pleased to deliver positive performance and results to our Shareholders. **This is due to the Fund's focused investment philosophy, the continued growth and progress of our companies, and our diverse portfolio which is aligned with key growth sectors in the province.**

We maintained our commitment to a strategy to invest in Management Buyouts (MBOs). These represent investments in well-established local companies that are legacies with decades of experience growing here at home, proven business models, strong cash flow and aligned management teams. Golden Opportunities' investment helps ensure that these long-standing companies remain locally owned and growing, continuing to operate and keep jobs here, while often expanding nationally. During the reporting period, we are pleased to report that more than \$20 million was generated in partnership income, dividends and interest in the Diversified Class A-share again this year, predominantly due to our MBO investments.



## Strategic Acquisition Growth

The Fund's MBO companies also remain focused on organic and acquisition growth, which in turn creates further value for the Fund and our Shareholders. During the reporting period, several of the Fund's MBO investments facilitated growth through strategic acquisitions that are key to their long-term strength.

### WBM Technologies LP Technology Sector

*Established over seven decades ago, WBM Technologies LP (WBM) is one of Canada's top IT service providers delivering world class technology solutions to the public and private sector.*

The company continued the execution of its organic and acquisition growth strategy by completing two acquisitions, PrinterWorks West and Carlyle Printers Service and Supplies, during the Fund's reporting period and subsequent. The acquisitions have broadened WBM's geographic reach and market presence in Western Canada, and grew the WBM team to nearly 600 employees.



### Degelman Industries LP Agriculture Sector

*Founded over six decades ago, Degelman Industries LP (Degelman) is widely recognized for the design and manufacturing of premium agricultural and industrial equipment sold across the globe through an extensive network of dealers.*

The company increased production volumes to meet growing demand through expansion of its manufacturing facilities, as well the company completed the acquisition of Renn Mill Center Inc. (Renn Mill). Renn Mill is a global leader in the design and manufacturing of high-quality grain processing and grain bag storage systems, and the acquisition further expanded Degelman's footprint as well as increased its employees to over 500.



### Rocky Mountain Equipment LP Agriculture Sector

*Rocky Mountain Equipment LP (RME) is Canada's largest independent agriculture equipment dealer with branch locations across the Canadian Prairies, and is also the largest dealer of Case New Holland agriculture equipment in the Canadian Prairies.*

The company completed the acquisition of Robertson Implements, adding eight more New Holland agriculture dealership locations, as well as an industrial rental business and a motor sports dealer, which in turn increased its operations to 45 agriculture dealerships with over 1,000 employees.





# Successful Exits

Creating further value for our Shareholders, during the reporting period, Golden Opportunities completed the successful exit of two portfolio companies. Both G-Mac's AgTeam LP (G-Mac's AgTeam) and H.J.R. Asphalt LP (H.J.R.) generated positive results for Shareholders over their time in the portfolio, strong internal rates of return and increased multiple of invested capital (MOIC) from their original investment date confirming the Fund's ability to drive results and crystalize value. Furthermore, both companies were significant contributors to the creation of local jobs, and following the exit continue to operate locally and remain fully engaged in the ongoing positive impact to our local communities and provincial economy.



The Fund initially invested in G-Mac's AgTeam in January 2019. As one of North America's largest independently owned crop input retailers serving farmers across Saskatchewan by offering leading-edge customer service, emerging science and data analytics, G-Mac's AgTeam grew to 14 locations across Saskatchewan and 130 employees. In early 2023, Golden Opportunities completed the successful exit of G-Mac's AgTeam to Simplot Grower Solutions, a division of the J.R. Simplot Company – one of North America's largest family-owned input dealer networks.

# HJR ASPHALT LP

The Fund initially invested in H.J.R., a leading Saskatchewan roadworks company, in November 2015. Founded in 1988, H.J.R. grew to 120 employees at the height of its operating season. The Fund completed the successful exit of H.J.R. in late 2022 to VINCI Construction – one of the world's leading construction companies in transport infrastructure, buildings, networks and urban development. This allowed VINCI Construction to establish a permanent presence in Saskatchewan.

> As at fiscal year end, Golden Opportunities' MBOs continued to represent a significant portion of the Diversified Class A-share's total invested capital accounting for close to 50%, ensuring the Fund continues to be well-positioned with these companies.

# Investing and Aligned with a Strong Economy

In addition to our solid and deliberate investment strategy, the Fund's portfolio remains diverse in sectors that are aligned with economic growth in the province. Saskatchewan outgrew all other provinces in 2022 and, based on the Conference Board of Canada, the province is well-positioned for 2023 with GDP expected to increase by 2.5%, which is in the midst of a national slowdown.<sup>3</sup>

For example, Agriculture remains a key sector and cornerstone of our prairie province which is driving Saskatchewan's growth and also continues to be a leading sector in the Fund's Diversified Class A-share portfolio, representing over 21%, almost one quarter, of the Diversified Class A-share's investment portfolio. With increased demand for Saskatchewan's key crops, potash and other resource-based exports, our province experienced the total value of exports to the world reaching a record breaking \$52.6 billion in 2022. This represents a 42% increase over the 2021 record of \$37 billion,<sup>4</sup> and further reaffirms that the province has the food, fuel and fertilizer that the world needs making Saskatchewan one of the most attractive jurisdictions to invest in Canada and perhaps North America.



# Focused on Forward Driving Growth, Results and Impact

Since our inception 25 years ago, Golden Opportunities' success has been built from a collaboration of generations of stakeholders. We thank you our Shareholders, Board of Directors, Team, Portfolio Companies and everyone that has been involved and contributed their expertise and commitment to the Fund for a quarter century. *It takes a province* to build a local Fund that is also nationally recognized, and we are very proud of what we have accomplished together to build Golden Opportunities, your local investment opportunity, and the results achieved not only during this reporting period, but since inception.

We are also pleased to welcome two new Board Members to Golden Opportunities this year who bring additional expertise and value. Catherine Gryba, owner of CRG Strategies Ltd., and Kenneth Juba, a founding partner of Creative Fire and now principal of Firestorm Holdings Ltd.

Looking forward, we are even more excited for the future ahead. Our focused strategy and solid portfolio ensures your Fund is strongly positioned into the next 25 years as we continue to invest locally in companies, in jobs and in communities across the province, while we continue to drive results and create value for you, our valuable Shareholders.

Respectfully,

Grant J. Kook, C.Dir., S.O.M.  
President & CEO

Brian L. Barber  
Chair

Lorraine A. Sali  
Vice Chair

<sup>3</sup>The Conference Board of Canada, June 2023

<sup>4</sup>State of Trade Report, Government of Saskatchewan, June 2023