2016–2017: Year in Review

Dr. Graham Sher
Chief Executive Officer
June 22, 2017

Canadian Blood Services
it's in you to give
How we deliver value

Improving patient outcomes

Enhancing system performance

Optimizing cost-efficiency

Delivering value
Agenda

• Strategy and progress on key focus areas
• Financial performance
• Discussion
• Approval of financial statements
Our strategy
Key focus area

Earning the right to serve
Key focus area: Earning the right to serve

Canadians trust Canadian Blood Services to act in the best interests of the public

Ipsos Reid polling data
Perceived safety of donating blood and receiving blood

Key focus area: Earning the right to serve

Per cent “Safe” (rating of 6, 7, 8, 9, 10), excluding “Don’t know”

Ipsos Reid polling data
Key focus area: Earning the right to serve

Overall satisfaction with Canadian Blood Services

Per cent “Satisfied” (rating of 6, 7, 8, 9, 10), excluding “Don’t Know”

Ipsos Reid polling data
Key focus area: Earning the right to serve

Key stakeholder activities

Consulted with stakeholders on:

- Eligibility criteria for men who have sex with men
- Eligibility criteria for trans donors
- Plan for increased plasma collection
Key focus area: Earning the right to serve

National Accountability Agreement

• Agreement to **clarify roles and responsibilities** between Canadian Blood Services and corporate members (provincial/territorial ministries of health)

• Negotiation process proposed by Sask. and agreed to by Canadian Blood Services and deputy ministers

• Target timeline for negotiation of agreement is 24 months during Sask.’s tenure as lead province
Our strategy
Key focus area

Manufacture biological products
Key focus area: Manufacture biological products

Collections

808,672 Whole blood units
98.6% of target

33,750 Plasma units for transfusion
84.4% of target

40,394 Equivalent apheresis platelet units
99.4% of target

*All figures from April 1, 2016–March 31, 2017
**Key focus area: Manufacture biological products**

**National fill rates**

<table>
<thead>
<tr>
<th></th>
<th>Red blood cell orders (%)</th>
<th>Red blood cell orders O-negative units (%)</th>
<th>Platelet orders (%)</th>
<th>Plasma AB orders (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual target</td>
<td>98</td>
<td>95</td>
<td>98</td>
<td>95</td>
</tr>
<tr>
<td>Actual</td>
<td>97</td>
<td>95</td>
<td>98</td>
<td>95</td>
</tr>
</tbody>
</table>
Key focus area: Manufacture biological products

Discards of whole blood units

2016–2017 target 7.2%
Key focus area: Manufacture biological products

Inventory: Plasma protein products

Weeks on hand


<table>
<thead>
<tr>
<th></th>
<th>C1 Esterase</th>
<th>rFVII</th>
<th>FIX</th>
<th>IG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar 2013</td>
<td>6.0</td>
<td>10.6</td>
<td>9.6</td>
<td>12.6</td>
</tr>
<tr>
<td>Mar 2014</td>
<td>3.4</td>
<td>10.8</td>
<td>10.0</td>
<td>7.3</td>
</tr>
<tr>
<td>Mar 2015</td>
<td>7.3</td>
<td>7.7</td>
<td>9.6</td>
<td>6.9</td>
</tr>
<tr>
<td>Mar 2016</td>
<td>6.9</td>
<td>6.5</td>
<td>8.5</td>
<td>7.5</td>
</tr>
<tr>
<td>Mar 2017</td>
<td>7.5</td>
<td>7.6</td>
<td>7.5</td>
<td>21.4</td>
</tr>
</tbody>
</table>
Key focus area: Manufacture biological products

National Facilities Redevelopment Program

Phase I

• Testing operations relocated from Toronto to Brampton in late May
• Phase I now complete
Key focus area: Manufacture biological products

National Facilities Redevelopment Program

Phase IIa

- Purchased land for new Calgary production facility; broke ground in May
Key focus area: Manufacture biological products

National Facilities Redevelopment Program

Phase IIa
• Opened new Saskatoon clinic (platelets and whole blood)
• Built new Calgary Eau Claire clinic — ready for summer 2017 opening
• Lease extended to 2025 for Edmonton facility
Key focus area: Manufacture biological products

Ensuring Canadian security of plasma supply for immune globulin

• **Our role:** Ensure safety and security of blood system in Canada on behalf of corporate members and Canadians

• Tabled a comprehensive **national business plan** for plasma with governments in January 2017

• Governments engaged; discussions underway
Key focus area: Manufacture biological products

Canadian Blood Services’ Cord Blood Bank

• Shipped four cord blood units as of March 31 (three Canadian recipients, one international)
• 28 reserved units
• One of the highest quality banks in the world
• 58% of cord blood units from donors with ethnically diverse backgrounds
Key focus area: Manufacture biological products

Canadian Blood Services’ Cord Blood Bank

14,812 16% 1,909
Cord blood units collected Bankable units Cord blood units listed

*All figures as of March 31, 2017*
Our strategy
Key focus area

Provide transfusion and transplantation services
OneMatch
Stem Cell and Marrow Network

Donovan Gayle, stem cell recipient
Key focus area: Provide transfusion and transplantation services

## OneMatch Stem Cell and Marrow Network

<table>
<thead>
<tr>
<th>Stem cell transplants for Canadian patients</th>
<th>As of March 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transplanted stem cells donated by adult Canadians</td>
<td>35</td>
</tr>
<tr>
<td>Transplanted stem cells donated by adult international donors</td>
<td>260</td>
</tr>
<tr>
<td>Transplanted stem cells from cord blood units donated by international donors</td>
<td>19</td>
</tr>
<tr>
<td>Transplanted stem cells from cord blood units donated by Canadian donors</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total number of stem cell transplants in Canada from unrelated donors</strong></td>
<td><strong>317</strong></td>
</tr>
</tbody>
</table>
Key focus area: Provide transfusion and transplantation services

Access to stem cells: Ontario

• Collaborating with Ministry of Health and Long-Term Care and transplant stakeholders to address access issues for complex malignant hematology cases in Ontario
Organ and tissue donation and transplantation

Nathalie Randall, altruistic kidney donor
Key focus area: Provide transfusion and transplantation services

Organ donation and transplantation

• National leadership role in all provinces and territories since 2008
  – Canadian Transplant Registry
  – Leading practices and professional education
  – Public awareness
  – System reporting and analytics
Key focus area: Provide transfusion and transplantation services

Canadian Transplant Registry: National programs

499
Transplants
Through the Kidney Paired Donation program
(launched 2008)

Over 50% of those kidneys crossed interprovincial boundaries

815
Active patients
On the National Organ Waitlist
(launched 2012)

320
Transplants
Through the Highly Sensitized Patient Kidney program
(launched 2013)

*Results as of March 31, 2017
Key focus area: Provide transfusion and transplantation services

Kidney transplants

> $16M

Cumulative dialysis costs avoided next year by the health-care system
Key focus area: Provide transfusion and transplantation services

Tissue

Bioburden Guidelines Report

Bioburden Reduction and Control in Tissue Banking

LEADING EVIDENCE BASED PRACTICE GUIDELINES FOR:

- Tissue Recovery
- Microbial Sampling
- Processing of Musculoskeletal Tissue
- Processing of Cardiac Tissue
- Processing of Skin Tissue

FINAL REPORT
NOVEMBER 2016

2015 Statistics Report

Donation and Transplantation
Canadian Eye and Tissue Banking Statistics
January 1 to December 31, 2015

A Report from the Canadian Eye and Tissue Data Committee
Key focus area: Provide transfusion and transplantation services

**Deceased donation**

**Leading practices**
- Potential Organ Donor Identification and System Accountability program
- Donor management
- Donation in extracorporeal cardiopulmonary resuscitation (eCPR)
- Quality assurance in donation after circulatory death (DCD)
- Organ Donation in Conscious Competent Patients program

**Professional education**
- National curriculum
- End-of-life conversations
- Relationship-centred care
Key focus area: Provide transfusion and transplantation services

System progress report 2006–2015

• Published September 2016
• First report of its kind in Canada
• 10 years of national data on deceased and living donation and transplantation performance, including most current available data
• Product of multiple partnerships and collaboration

Key focus area: Provide transfusion and transplantation services

Confirmed positive blood donations and prevalence rates for transmissible disease markers, 2016

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Number of Donations</th>
<th>Percent of Donations</th>
<th>HIV</th>
<th>HCV</th>
<th>HBV</th>
<th>HTLV</th>
<th>Syphilis</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Pos Rate</td>
<td>Pos Rate</td>
<td>Pos Rate</td>
<td>Pos Rate</td>
<td>Pos Rate</td>
</tr>
<tr>
<td>Donor status</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First time</td>
<td>89,970</td>
<td>10.3</td>
<td>1</td>
<td>1.1</td>
<td>39</td>
<td>43.4</td>
<td>50</td>
</tr>
<tr>
<td>Repeat</td>
<td>780,885</td>
<td>89.7</td>
<td>2</td>
<td>0.3</td>
<td>4</td>
<td>0.5</td>
<td>7</td>
</tr>
</tbody>
</table>

*Pos = # of confirmed positive blood donations  Rate: per 100,000 donors*
Key focus area: Provide transfusion and transplantation services

Confirmed positive donations and prevalence rates for transmissible disease markers, 2016

1
Positive donation for Chagas’ disease

12
Positive donations for West Nile virus
Key focus area: Provide transfusion and transplantation services

HIV rates 1990 to 2016:
No impact of shorter MSM deferral period
Emerging pathogens

Zika virus

• Mosquito-borne virus previously sporadic in Africa and Asia emerged in South America, spreading to Mexico and Caribbean
• February 2016: Implemented 3-week deferral for travel outside Canada, U.S. and Europe

Hepatitis E

• National study in progress testing 30,000 Canadian Blood Services donors for HEV (nucleic acid testing — NAT)
• Largest data set to date on HEV infection in Canada
• Results suggest low lifetime exposure to HEV; units testing positive for virus are rare
Delivering value through research, education and guidance
Delivering value through research, education and guidance
Delivering value through research, education and guidance

29 TECHNICAL REPORTS

312 PEER-REVIEWED PUBLICATIONS

OVER 300 Oral and Poster Presentations AT NATIONAL & INTERNATIONAL CONFERENCES
Delivering value through research, education and guidance

4 Health Canada license amendments
IMPROVING SAFETY & QUALITY

70 MAJOR EDUCATIONAL EVENTS

25 PROFESSIONALS TRAINED

6,500 PROFESSIONALS REACHING
Our strategy
Key focus area

Transform how we attract, interact with and retain donors
Key focus area: Transform how we attract, interact with and retain donors

Donor base shift

<table>
<thead>
<tr>
<th>Product area</th>
<th>Measure</th>
<th>March 2016</th>
<th>March 2017</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Whole blood</td>
<td>Active donors</td>
<td>387,513</td>
<td>405,709</td>
<td>4.7%</td>
</tr>
<tr>
<td>Plasma</td>
<td>Active donors</td>
<td>3,344</td>
<td>3,192</td>
<td>-4.5%</td>
</tr>
<tr>
<td>Platelets</td>
<td>Active donors</td>
<td>3,672</td>
<td>3,401</td>
<td>-7.4%</td>
</tr>
<tr>
<td>Stem cells – OneMatch</td>
<td>Searchable registrants</td>
<td>382,222</td>
<td>409,820</td>
<td>7.2%</td>
</tr>
<tr>
<td>Stem cells – cord blood</td>
<td>Donors</td>
<td>5,042</td>
<td>5,951</td>
<td>18.0%</td>
</tr>
</tbody>
</table>
Key focus area: Transform how we attract, interact with and retain donors

Connecting with donors

405.7K Whole blood donors
Exceeded target by 4.3K

84K New donors

136.5K Reinstated donors

220,500 new and reinstated donors = replacing 54% of donor base

*April 1, 2016–March 31, 2017
Connecting with donors

<table>
<thead>
<tr>
<th>OneMatch Stem Cell and Marrow Network</th>
<th>April 1, 2016</th>
<th>March 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total OneMatch registrants</td>
<td>382,222</td>
<td>409,820</td>
</tr>
<tr>
<td>% Registrants with ethnically diverse backgrounds</td>
<td>28%</td>
<td>29%</td>
</tr>
<tr>
<td>% Males under 36</td>
<td>20%</td>
<td>21%</td>
</tr>
<tr>
<td>% Males under 36 with ethnically diverse backgrounds</td>
<td>8%</td>
<td>9%</td>
</tr>
</tbody>
</table>
Key focus area: Transform how we attract, interact with and retain donors

Connecting with donors

352,800+ downloads

As of March 31, 2017

↑ 76% compared to previous year
Key focus area: Transform how we attract, interact with and retain donors

Progress to date in leading indicators

Email addresses
- 256,000
  Active up 5%
  New donors up 4%
  versus one year ago April

Mobile number penetration
- 128,000
  Active up 44%
  versus one year ago April

SMS permissions
- 48,000
  New in 2016–2017
Key focus area: Transform how we attract, interact with and retain donors

Use of web questionnaire

![Graph showing the use of web questionnaires from July 2016 to March 2017](image)
Key focus area: Transform how we attract, interact with and retain donors

Live chat engagement

<table>
<thead>
<tr>
<th># of live chats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan 2017</td>
</tr>
<tr>
<td>Feb 2017</td>
</tr>
<tr>
<td>Mar 2017</td>
</tr>
</tbody>
</table>

- Jan 2017: 3,838
- Feb 2017: 4,098
- Mar 2017: 4,618
Key focus area: Transform how we attract, interact with and retain donors

Booked appointments by channel
Key focus area: Transform how we attract, interact with and retain donors

Changes to hemoglobin requirements

- New criteria for iron levels to promote health and wellness among blood donors

- **As of December 2016:** Female donors must wait 12 weeks between blood donations instead of 8 weeks

- **As of March 2017:** Male donors need to pass a slightly stricter hemoglobin test (130g/L instead of 125 g/L)
Key focus area: Transform how we attract, interact with and retain donors

Female hemoglobin deferral rates

Deferral rate has declined gradually and has remained steady since March 2017
Key focus area: Transform how we attract, interact with and retain donors

Male hemoglobin deferral rates

Automated supply chain

Deferral rate increased about 1.2%

NATIONAL

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>0.8%</td>
<td>1.0%</td>
<td>1.1%</td>
<td>1.0%</td>
<td>1.1%</td>
<td>1.4%</td>
<td>1.2%</td>
<td>1.1%</td>
<td>1.0%</td>
<td>0.9%</td>
<td>0.8%</td>
<td>0.8%</td>
<td>0.8%</td>
<td>1.8%</td>
</tr>
<tr>
<td>2017</td>
<td>1.9%</td>
<td>1.9%</td>
<td>1.8%</td>
<td>1.8%</td>
<td>1.8%</td>
<td>1.8%</td>
<td>1.8%</td>
<td>1.8%</td>
<td>1.8%</td>
<td>1.8%</td>
<td>1.8%</td>
<td>1.8%</td>
<td>1.8%</td>
<td>1.8%</td>
</tr>
</tbody>
</table>

Hemoglobin 130g/L eProgesa
Key focus area: Transform how we attract, interact with and retain donors

Men who have sex with men

• **August 2016**: Blood donation ineligibility period for MSM reduced from five years to one year

• **January 2017**: International meeting held to discuss and disseminate knowledge about national and international evidence-based research, deferral practices and policy strategies

• **February 2017**: Launch of a new MSM research grant program to generate adequate evidence-based research for alternative screening approaches for MSM donors
Key focus area: Transform how we attract, interact with and retain donors

Eligibility criteria for trans donors

**August 2016:** New eligibility criteria

- Previously, no criteria re: eligibility of trans donors; inconsistent screening
- Concerns raised by trans donors; consulted trans advocates

Next steps:

- **Inform consultation participants** of incremental changes that can be made by Canadian Blood Services
- **Explore timelines** for changes to questionnaire and broader policy changes
- **Provide training for front-line staff**
Our strategy

- Earning the right to serve by...
  - Improving patient outcomes
  - Enhancing system performance
  - Optimizing cost efficiency

- What we do
  - Manufacture biological products (blood products, plasma protein products, stem cells)
  - Provide transfusion and transplantation services (transfusions, medical services, research)

- How we deliver
  - Transform how we attract, interact with and retain donors
  - Deliver our products and services more efficiently

- What we need
  - Advance and mature our quality management system

Canadian Blood Services: It's in you to give
Key focus area

Deliver our products and services more efficiently
Key focus area: Deliver our products and services more efficiently

Efficiencies realized

$170M

- Wave 1 realized $70M
- Wave 2 realized $38M
- Wave 2 identified $35M
- Wave 2 not yet identified $27M
Key focus area: Deliver our products and services more efficiently

National productivity index

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Recruitment productivity</td>
<td>2,930</td>
<td>3,350</td>
<td>3,460</td>
</tr>
<tr>
<td>Collections productivity</td>
<td>964</td>
<td>1,070</td>
<td>1,041</td>
</tr>
<tr>
<td>Production productivity</td>
<td>5,764</td>
<td>5,900</td>
<td>6,186</td>
</tr>
<tr>
<td>Testing productivity</td>
<td>11,132</td>
<td>11,700</td>
<td>12,600</td>
</tr>
</tbody>
</table>
Key focus area: Deliver our products and services more efficiently

Collections productivity

- Total collections per FTE
- Fresh blood demand

Mar 2014: 935
Mar 2015: 937
Mar 2016: 964
Mar 2017: 1,041

Demand:
- 1,230,000
- 1,200,000
- 1,170,000
- 1,140,000

Units per FTE:
- 1,200
- 1,100
- 1,000
- 900

Canadian Blood Services
it's in you to give
Key focus area: Deliver our products and services more efficiently

Production productivity

![Graph showing production productivity with data from 2014 to 2017. Units per FTE and Fresh blood demand are presented.]

- Units per FTE:
  - Mar 2014: 5,249
  - Mar 2015: 5,544
  - Mar 2016: 5,764
  - Mar 2017: 6,186

- Fresh blood demand:
  - Mar 2014: 1,140,000
  - Mar 2015: 1,170,000
  - Mar 2016: 1,200,000
  - Mar 2017: 1,230,000
Key focus area: Deliver our products and services more efficiently

Testing productivity

<table>
<thead>
<tr>
<th>Units per FTE</th>
<th>Components tested per FTE</th>
<th>Fresh blood demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar 2014</td>
<td>11,211</td>
<td>11,211</td>
</tr>
<tr>
<td>Mar 2015</td>
<td>10,975</td>
<td>10,975</td>
</tr>
<tr>
<td>Mar 2016</td>
<td>11,132</td>
<td>11,132</td>
</tr>
<tr>
<td>Mar 2017</td>
<td>12,600</td>
<td>12,600</td>
</tr>
</tbody>
</table>
Key focus area: Deliver our products and services more efficiently

Cost and labour hours per unit

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost per unit (CPU)</td>
<td>$350</td>
<td>$346</td>
<td>$348</td>
</tr>
<tr>
<td>Labour hours per unit (LHU)</td>
<td>6.78</td>
<td>6.42</td>
<td>6.42</td>
</tr>
</tbody>
</table>
Key focus area: Deliver our products and services more efficiently

Plasma protein product realized savings

- New contracts resulted in $600M+ cost reductions and cost avoidance
- New contracts for rFVIII and IX resulted in approximately $20M in 2016–2017

Relative price 2009=100%
Key focus area: Deliver our products and services more efficiently

Supply chain optimization and automation

Automated supply chain

- Significant achievement to transform clinic environment from paper-based system to a digital operation
- Increase in safety
- Increase in productivity and efficiency
- More data available for analysis
- Streamlined donor flow
Key focus area: Deliver our products and services more efficiently

Supply chain optimization and automation

Automated supply chain

- 80 work instructions changed
- 2,300 employees trained
- Deployed 16,000 devices and peripherals (PDAs, computers, tablets for questionnaires, etc.)
- Procured over 19,000 items
- Deployed for support ~300 resources
Key focus area: Deliver our products and services more efficiently

Supply chain optimization and automation

Lean
- Continued partnership with Toyota
- Continued building Lean skills and capabilities
- Customer-first emphasis with a front-line focus
- **Goals:** Perfect quality of product and service; short lead times; lowest cost; fully engaged employees
- Integrates continuous improvement into daily activities
Key focus area: Deliver our products and services more efficiently

Supply chain optimization and automation

Before

After
Our strategy
Key focus area

Advance and mature our quality management system
Key focus area: Advance and mature our quality management system

Quality management system and quality indicators

- Much greater consistency and sustained improvement, most notably regarding recalls of fresh blood products
- All quality indicators trending in the right direction
Key focus area: Advance and mature our quality management system

**Quality index**

<table>
<thead>
<tr>
<th>Quality indicators</th>
<th>Annual target</th>
<th>Actual 2016–2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of fresh blood products recalled due to errors/accidents and post-donation information</td>
<td>&lt; 1,800</td>
<td>1,430</td>
</tr>
<tr>
<td>Number of extreme errors/accidents (fresh blood products)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Number of reported adverse transfusion reactions</td>
<td>&lt; 80</td>
<td>49</td>
</tr>
</tbody>
</table>
Key focus area: Advance and mature our quality management system

Quality index

<table>
<thead>
<tr>
<th>Quality indicators</th>
<th>Quarterly target</th>
<th>Actual 2016–2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Health Canada critical observations</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Number of Type A errors (diagnostic services testing)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Number of serious events (stem cells)</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
Key focus area: Advance and mature our quality management system

## Quality index

<table>
<thead>
<tr>
<th>Quality indicators</th>
<th>Quarterly target</th>
<th>Actual 2016–2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of plasma units sent for fractionation recalled due to errors/accidents and post-donation information (plasma protein products)</td>
<td>&lt; 600</td>
<td>419</td>
</tr>
<tr>
<td>Number of supplier recalls (plasma protein products)</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8 of 8</strong></td>
<td><strong>7 of 8</strong></td>
</tr>
</tbody>
</table>
Key focus area: Advance and mature our quality management system

Quality Management System

- Link: Strengthening Our Quality Management System and Culture
- Embedding new corrective and preventive action (CAPA) mindset and process
- Second module of “What It Means To Be a Biologics Manufacturer” training: Products and Patients
Key focus area: Advance and mature our quality management system

Quality Management System

• Developed a new corporate Quality Policy
• Introduced new requirements aligned with best practices in biologics manufacturing:
  – Development of corporate annual training plan
  – Periodic review of controlled documents
  – Managing continued competency
• Further developed quality management system review meetings across the organization for all products and services
Our strategy
Key focus area

A high-commitment, high-performance culture
Key focus area: A high-commitment, high-performance culture

Awards

• Received Canada’s Safest Employer silver award in the health-care category
• Canadian Blood Services and our creative agency, Sandbox Advertising, won a bronze Cassie award for the GiveLife campaign
• Received International Coach Federation’s Prism Award for our internal coaching program
Key focus area: A high-commitment, high-performance culture

Engagement, retention and recognition

75% Employee engagement rating (target 70%) compared to 72.9% last year

71.5% Survey response rate
Key focus area: A high-commitment, high-performance culture

Engagement, retention and recognition

- “Lean Summit” held in Brampton
- Managing impact of change on employees
Key focus area: A high-commitment, high-performance culture

Diversity and inclusion

- CEO Advisory Committee on Diversity and Inclusion
- **Reflection and prayer rooms** (non-denominational quiet spaces) in five locations: Vancouver, Ottawa, Winnipeg, Brampton and Dartmouth
- Work underway to develop a **comprehensive strategy**
- Engaged services of the **Canadian Centre for Diversity and Inclusion**
- **Focus groups** to assess baseline level of maturity
Financial performance
Financial performance

Key financial results: Cash position

- Financial performance:

Graph showing:
- In thousands:
  - $60,000 to $-(20,000)
- Number of days:
  - 30 to -10

- Unreserved operating cash on hand:
  - Days of unreserved operating cash on hand:
  - Line of credit
  - Days of unreserved operating cash on hand:
    - Mar 2014: 17 days
    - Mar 2015: 17 days
    - Mar 2016: -4 days
    - Mar 2017: -1 day

Canadian Blood Services
It's in you to give

86
Financial performance

Key financial results: Accounts receivable

Members' contributions receivable

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>In thousands</td>
<td>$10,000</td>
<td>$20,000</td>
<td>$30,000</td>
<td>$40,000</td>
</tr>
</tbody>
</table>

- Canadian Blood Services
  It's in you to give
Financial performance

Key financial results: CBSI investments
Financial performance

Key financial results: Inventory

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total inventory</td>
<td>$120,000</td>
<td>$120,000</td>
<td>$160,000</td>
<td>$180,000</td>
</tr>
<tr>
<td>Plasma protein product inventory</td>
<td>$80,000</td>
<td>$80,000</td>
<td>$120,000</td>
<td>$160,000</td>
</tr>
</tbody>
</table>

In thousands
Financial performance

Key financial results: Cost of goods

Plasma protein product costs

<table>
<thead>
<tr>
<th>Month</th>
<th>Cost in thousands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar 2010</td>
<td>$400,000</td>
</tr>
<tr>
<td>Mar 2011</td>
<td>$400,000</td>
</tr>
<tr>
<td>Mar 2012</td>
<td>$400,000</td>
</tr>
<tr>
<td>Mar 2013</td>
<td>$400,000</td>
</tr>
<tr>
<td>Mar 2014</td>
<td>$400,000</td>
</tr>
<tr>
<td>Mar 2015</td>
<td>$500,000</td>
</tr>
<tr>
<td>Mar 2016</td>
<td>$600,000</td>
</tr>
<tr>
<td>Mar 2017</td>
<td>$700,000</td>
</tr>
</tbody>
</table>
## Financial performance

### Program expense overview

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresh blood</td>
<td>466,374</td>
<td>464,637</td>
<td>1,737</td>
</tr>
<tr>
<td>Plasma protein products</td>
<td>705,342</td>
<td>620,234</td>
<td>85,108</td>
</tr>
<tr>
<td>Stem cells</td>
<td>32,941</td>
<td>32,944</td>
<td>(3)</td>
</tr>
<tr>
<td>Diagnostic services</td>
<td>17,609</td>
<td>17,342</td>
<td>267</td>
</tr>
<tr>
<td>Organs and tissues</td>
<td>8,045</td>
<td>7,994</td>
<td>51</td>
</tr>
<tr>
<td>National Facilities Redevelopment Program</td>
<td>2,883</td>
<td>2,464</td>
<td>419</td>
</tr>
<tr>
<td>Total expenses before undernoted</td>
<td>1,233,194</td>
<td>1,145,615</td>
<td>87,579</td>
</tr>
<tr>
<td>Change in fair value of forward currency contracts – (gain)/loss</td>
<td>(23,415)</td>
<td>25,023</td>
<td>(48,438)</td>
</tr>
<tr>
<td><strong>Total expenses including forward currency contracts</strong></td>
<td><strong>1,209,779</strong></td>
<td><strong>1,170,638</strong></td>
<td><strong>39,141</strong></td>
</tr>
</tbody>
</table>
Financial performance

Fresh blood

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff costs</td>
<td>289,554</td>
<td>284,016</td>
<td>5,538</td>
</tr>
<tr>
<td>General and administrative</td>
<td>101,180</td>
<td>102,384</td>
<td>(1,204)</td>
</tr>
<tr>
<td>Medical supplies</td>
<td>57,764</td>
<td>59,272</td>
<td>(1,508)</td>
</tr>
<tr>
<td>Loss (gains) on foreign exchange</td>
<td>(57)</td>
<td>(272)</td>
<td>215</td>
</tr>
<tr>
<td>Amortization</td>
<td>17,933</td>
<td>19,237</td>
<td>(1,304)</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>466,374</strong></td>
<td><strong>464,637</strong></td>
<td><strong>1,737</strong></td>
</tr>
</tbody>
</table>
Financial performance

Plasma protein products relative to utilization growth

![Graph showing relative growth of plasma protein products from 2009 to 2017, with specific labels for Ig, rFVIII, C1 - Berinert, Benefix, FEIBA, and Niastase. The graph compares growth percentages for each product over the years, with a notable increase in C1 - Berinert from 2016 to 2017.]
## Financial performance

### Plasma protein products

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total plasma protein products expenses</td>
<td>705,342</td>
<td>620,234</td>
<td>85,108</td>
</tr>
<tr>
<td>Change in fair value of forward currency contracts – (gain)/loss</td>
<td>(23,415)</td>
<td>25,023</td>
<td>(48,438)</td>
</tr>
<tr>
<td>Total program expenses</td>
<td>681,927</td>
<td>645,257</td>
<td>36,670</td>
</tr>
</tbody>
</table>

- **Utilization**: 65.1
- **Foreign exchange losses**: 34.3
- **Other**: (14.3)

Other (14.3)
## Financial performance

### Stem cells

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>International donor – Canadian patient</td>
<td>9,597</td>
<td>10,761</td>
<td>(1,164)</td>
</tr>
<tr>
<td>Canadian donor – international patient</td>
<td>2,903</td>
<td>2,832</td>
<td>71</td>
</tr>
<tr>
<td>Stem cells administration</td>
<td>12,012</td>
<td>11,727</td>
<td>285</td>
</tr>
<tr>
<td>Cord blood</td>
<td>8,382</td>
<td>7,557</td>
<td>(825)</td>
</tr>
<tr>
<td>Other</td>
<td>47</td>
<td>67</td>
<td>(20)</td>
</tr>
<tr>
<td>Total stem cells expenses</td>
<td>32,941</td>
<td>32,944</td>
<td>(3)</td>
</tr>
</tbody>
</table>
## Financial performance

### Captive insurance

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>12,742</td>
<td>14,944</td>
<td>(2,202)</td>
</tr>
<tr>
<td>Expenses</td>
<td>1,090</td>
<td>10,762</td>
<td>(9,672)</td>
</tr>
<tr>
<td>Change in fair value of investments</td>
<td>17,009</td>
<td>(5,252)</td>
<td>22,261</td>
</tr>
<tr>
<td>Excess of revenues over expenditures</td>
<td>28,661</td>
<td>(1,070)</td>
<td>29,731</td>
</tr>
</tbody>
</table>
Financial performance

CBSI investment income


In thousands

<table>
<thead>
<tr>
<th>Year</th>
<th>Investment income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar 2014</td>
<td>$(10,000)</td>
</tr>
<tr>
<td>Mar 2015</td>
<td>$20,000</td>
</tr>
<tr>
<td>Mar 2016</td>
<td></td>
</tr>
<tr>
<td>Mar 2017</td>
<td>$30,000</td>
</tr>
</tbody>
</table>
Discussion
Approval of financial statements
Canadian Blood Services
*it's in you to give*