National Checkup: Year in Review

Dr. Graham Sher
Chief Executive Officer
June 23, 2016
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
Our strategy

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

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

How we deliver
- Transform how we attract, interact with and retain donors
- Deliver our products and services more efficiently
- Advance and mature our quality management system

What we need
- A high-commitment, high-performance culture
Our strategy

EARNING THE RIGHT TO SERVE BY...
- Improving patient outcomes
- Enhancing system performance
- Optimizing cost efficiency

WHAT DO WE DO
- MANUFACTURE BIOLOGICAL PRODUCTS
  (fresh blood products, plasma protein products, stem cells)
- PROVIDE TRANSFUSION AND TRANSPLANTATION SERVICES
  (registries, medical services, knowledge)

HOW WE DELIVER
- TRANSFORM HOW WE ATTRACT, INTERACT WITH AND RETAIN DONORS
- DELIVER OUR PRODUCTS AND SERVICES MORE EFFICIENTLY
- ADVANCE AND MATURE OUR QUALITY MANAGEMENT SYSTEM

WHAT WE NEED
- A HIGH-COMMITMENT, HIGH-PERFORMANCE CULTURE
Our strategy

New key focus area
Key focus area

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

Public trust

82% of Canadians surveyed say they trust Canadian Blood Services to act in the best interests of the public

Target 80%
Key focus area: Earning the right to serve

Performance measures

<table>
<thead>
<tr>
<th>Trust index</th>
<th>Target (%)</th>
<th>Results (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donors</td>
<td>92</td>
<td>96</td>
</tr>
<tr>
<td>Volunteers</td>
<td>90</td>
<td>91</td>
</tr>
<tr>
<td>Hospitals</td>
<td>90</td>
<td>98</td>
</tr>
<tr>
<td>National Liaison Committee</td>
<td>90</td>
<td>100</td>
</tr>
<tr>
<td>Provincial/territorial ministries of health</td>
<td>80</td>
<td>82</td>
</tr>
</tbody>
</table>
Eligibility criteria for men who have sex with men

- Proposal approved by Health Canada to **reduce blood donation ineligibility period** for men who have sex with men **from five years to one year**
- Change based on scientific evidence and supported by input from stakeholders
- Exploring possibility of **behaviour-based screening**
Key focus area: Earning the right to serve

Zika virus

• Swift response to global outbreak

• Sophisticated modelling and risk-based decision-making

• 21-day deferral period for blood and adult stem cell donors since Feb. 5

• Presented response to House of Commons Standing Committee on Health
National Accountability Agreement

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

- **Deputy Minister/Assistant Deputy Minister Committee** established; will define arm’s length and consider appropriate governance structures
Our strategy
Key focus area

Manufacture biological products
Key focus area: Manufacture biological products

Red blood cells

• Demand flattening
• Better integration with hospitals — customer focus
• Blood operators internationally focusing on:
  – Efficiency, automation
  – Better supply chain management
  – Site consolidation
  – Integration and collaboration
  – Donor health
Key focus area: Manufacture biological products

Demand for red blood cells

Total demand for red blood cells — 52-week moving average
Key focus area: Manufacture biological products

Red blood cell units issued per 1,000 pop. by fiscal year

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Units (per 1,000 pop.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009–2010</td>
<td>32.3</td>
</tr>
<tr>
<td>2010–2011</td>
<td>31.5</td>
</tr>
<tr>
<td>2011–2012</td>
<td>31.6</td>
</tr>
<tr>
<td>2012–2013</td>
<td>30.7</td>
</tr>
<tr>
<td>2013–2014</td>
<td>29.7</td>
</tr>
<tr>
<td>2014–2015</td>
<td>28.2</td>
</tr>
<tr>
<td>2015–2016</td>
<td>27.5</td>
</tr>
</tbody>
</table>
Plasma protein products

10.4%

Percentage increase in Canadian demand for Ig in 2015–2016

- Major product line
- Biologic drugs manufactured from plasma; recombinant alternatives
- Rising use of both immune globulins and clotting factor concentrates — impact on total costs
- Prices negotiated to below 2009 levels
Utilization of plasma protein products

Largest six by cost  |  2009 fiscal year = 100

Key focus area: Manufacture biological products

Plasma protein products

- Global demand for immune globulins could put constraints on supply
- Canada’s sufficiency currently <25%
- Compelling need for significant plasma expansion in Canada
- Finalizing strategy to increase our plasma collections by 400,000–500,000 L
Key focus area: Manufacture biological products

Collections

806,972 Whole blood units
97.2% of target

33,964 Plasma units
84.9% of target

39,598 Platelet units
97.4% of target

*All figures from April 1, 2015–March 31, 2016
Key focus area: Manufacture biological products

Canadian Blood Services’ Cord Blood Bank

- Canadian Blood Services’ Cord Blood Bank accredited by AABB
- Collection challenges
- Increasing awareness
### Key focus area: Manufacture biological products

#### Canadian Blood Services’ Cord Blood Bank

<table>
<thead>
<tr>
<th>Cord blood units</th>
<th>Target</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td># collected cord blood units</td>
<td>7,500</td>
<td>5,042</td>
</tr>
<tr>
<td># listed cord blood units</td>
<td>960</td>
<td>1,078</td>
</tr>
<tr>
<td>% bankable cord blood units</td>
<td>12.8</td>
<td>21.4</td>
</tr>
</tbody>
</table>
Discards of whole blood units

Key focus area: Manufacture biological products

- 2012–2013: 9.1%
- 2013–2014: 9.2%
- 2014–2015: 8.5%
- 2015–2016: 7.6%

Target: 7.2%
Key focus area: Manufacture biological products

National order fill rates — on time and in full

<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>98</td>
<td>96</td>
<td>98</td>
<td>99</td>
</tr>
</tbody>
</table>
Key focus area: Manufacture biological products

Declining inventory

Units in inventory

- Red blood cells (excluding O-negative)
- O-negative red blood cells
- AB plasma
- Platelets
Key focus area: Manufacture biological products

National Facilities Redevelopment Program

Phase IIa

• Identified preferred site for Calgary’s new facility
• Requirement specifications and concept design completed
• Secured lease for new collection site at Eau Claire Market
• Implemented move strategy for new Saskatoon clinic — to open July 2016
Our strategy

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

Provide transfusion and transplantation services
Key focus area: Provide transfusion and transplantation services

Utilization

**Enhanced hospital communications**
- BloodNotes e-newsletter
- BloodBrief

- Disposition and inventory reporting
- Inventory replenishment pilot

**Canadian Blood Utilization Collaborative**
- Coordinated, national approach to utilization management remains a challenge
- Research funding opportunity in utilization
Stem cells: Adult and cord blood
Key focus area: Provide transfusion and transplantation services

Stem cells

• Adult registry (OneMatch Stem Cell and Marrow Network)
  – Repositioning registry composition to reflect ethnic diversity and changing transplant practices

• Cord blood
  – Collect and store stem cell products
  – One of highest quality banks in the world
  – Shifting trends in cord blood transplants
Key focus area: Provide transfusion and transplantation services

OneMatch Stem Cell and Marrow Network

382,222 OneMatch registrants
- 30% ethnically diverse
- 20% males under 36 years old
- 8% young, ethnic males

339 Stem cell transplants from unrelated donors in Canada
*April 1, 2015 – March 31, 2016

*Total as of March 31, 2016
Organ donation and transplantation
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
  – Public awareness
  – System reporting and analytics
Organ donation and transplantation

4,631
Patients in Canada awaiting transplants
Most (3,382) awaiting kidney or simultaneous kidney-pancreas transplants

18.2
Deceased donor rate per million population
7.6% increase since 2008

*Total as of 2015
(latest figure available)
Key focus area: Provide transfusion and transplantation services

Organ donation and transplantation

87
Kidney transplants enabled by the Kidney Paired Donation program

113
Kidney transplants for highly sensitized patients facilitated through the Kidney Paired Donation and Highly Sensitized Patient programs

*April 1, 2015–March 31, 2016
Key focus area: Provide transfusion and transplantation services

Organ donation and transplantation

• Clinical governance

• *Organ Donation and Transplantation in Canada: System Progress Report* underway

• Challenges with update of Canadian Transplant Registry
Innovation
Innovation: Knowledge creation

317

Peer-reviewed publications

Articles in high-impact journals such as *Nature Communications*, *Blood*, *Lancet Hematology*, *Journal of Clinical Investigation*, and *Journal of Immunology*
Knowledge mobilization

Key focus area: Provide transfusion and transplantation services

- **Scientific**
  - Research studentships and fellowships
  - Webinars and symposia

- **Medical**
  - Clinical guidelines
  - Transfusion medicine fellowships
  - Expansion of transfusion camp for non-transfusion medicine residents

- **Technical**
  - BloodTechNet competition
  - Alliance of Blood Operators knowledge exchanges
Key focus area: Provide transfusion and transplantation services

Innovation: Knowledge application

- Evidence-based donor deferrals in response to Zika virus
- International applications of Risk-Based Decision-Making Framework for Blood Safety
- Implementation of ACP-215 red cell washing system, resulting in blood product with longer shelf-life
- Contributed to two Health Canada licence amendments
Key focus area: Provide transfusion and transplantation services

Innovation: Knowledge application

• Pathogen reduction clinical trial

• New Bioethics Advisory Committee

• Deceased donation leading practices symposium
Key focus area: Provide transfusion and transplantation services

Innovation: New communication tools
Our strategy

OUR VALUE PROPOSITION

EARNING THE RIGHT TO SERVE BY...

- Improving patient outcomes
- Enhancing system performance
- Optimizing cost efficiency

WHAT DO WE DO

MANUFACTURE BIOLOGICAL PRODUCTS
(Fresh blood products, plasma protein products, platelets)

PROVIDE TRANSFUSION AND TRANSPLANTATION SERVICES
(Transfusions, medical services, knowledge)

HOW WE DELIVER

DELIVER OUR PRODUCTS AND SERVICES MORE EFFICIENTLY

ADVANCE AND MATURE OUR QUALITY MANAGEMENT SYSTEM

WHAT WE NEED

A HIGH-COMMITMENT, HIGH-PERFORMANCE CULTURE

TRANSFORM HOW WE ATTRACT, INTERACT WITH AND RETAIN DONORS
Key focus area

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

Attracting and retaining donors

387,515 Whole blood donors
14% Appointments booked online
70% attendance rate
100,000 New blood donors needed
Key focus area: Transform how we attract, interact with and retain donors

Connecting with donors

• Automated supply chain
• Web self-serve
• Live chat
Key focus area: Transform how we attract, interact with and retain donors

Connecting with donors

• New creative platform
• Encourages Canadians to share what matters most by donating blood, stem cells, cord blood or organs and tissues

I GAVE LIFE
BLOOD.CA
Key focus area: Transform how we attract, interact with and retain donors

Connecting with donors

200,000+ downloads

Get the GiveBlood App:
Key focus area: Transform how we attract, interact with and retain donors

Connecting with donors

Social media

- Considerable progress
- Facebook’s “Pages to Watch”
- Strong content strategy
Our strategy
Key focus area

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

National productivity index

<table>
<thead>
<tr>
<th>Productivity indicators</th>
<th>Target</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recruitment productivity</td>
<td>3,202</td>
<td>2,930</td>
</tr>
<tr>
<td>Collections productivity</td>
<td>950</td>
<td>970</td>
</tr>
<tr>
<td>Production productivity</td>
<td>5,888</td>
<td>5,700</td>
</tr>
<tr>
<td>Testing productivity</td>
<td>11,919</td>
<td>11,132</td>
</tr>
</tbody>
</table>
Key focus area: Deliver our products and services more efficiently

Collection productivity

- ABO Collection productivity
- Demand for fresh blood products
Key focus area: Deliver our products and services more efficiently

**Production productivity**

<table>
<thead>
<tr>
<th></th>
<th>Units/FTE</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2013-2014 Actual</strong></td>
<td>5,400</td>
<td>1,100,000</td>
</tr>
<tr>
<td><strong>2014-2015 Actual</strong></td>
<td>5,700</td>
<td>1,200,000</td>
</tr>
<tr>
<td><strong>2015-2016 Actual</strong></td>
<td>6,000</td>
<td>1,300,000</td>
</tr>
<tr>
<td><strong>2016-2017 Budget</strong></td>
<td>1,000,000</td>
<td>1,300,000</td>
</tr>
</tbody>
</table>

- **ABO Collection productivity**
- **Demand for fresh blood products**
### Key focus area: Deliver our products and services more efficiently

### Initiatives

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Accumulated savings ($ Thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Realized savings against budget</td>
<td>15,700</td>
</tr>
<tr>
<td>Realized savings year over year</td>
<td>13,300</td>
</tr>
<tr>
<td>Committed savings against budget</td>
<td>14,000</td>
</tr>
</tbody>
</table>

**Fresh blood products**

- Medical supplies pricing — new contracts: $8,024
- Decrease in discard rates — from 8.6% to 7.6%: $1,539
- Increase in large-volume platelets split (supplies only) — from 68.7% to 72.6%: $149
Key focus area: Deliver our products and services more efficiently

## Initiatives

<table>
<thead>
<tr>
<th></th>
<th>Accumulated savings ($ Thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Plasma protein products</strong></td>
<td></td>
</tr>
<tr>
<td>Various products — price tier savings</td>
<td>1,900</td>
</tr>
<tr>
<td><strong>Stem cells</strong></td>
<td></td>
</tr>
<tr>
<td>Increase in exports of peripheral blood stem cells — increase of 19 transplants</td>
<td>600</td>
</tr>
</tbody>
</table>
**Key focus area: Deliver our products and services more efficiently**

**Labour hours per unit and cost per unit**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>LHU</td>
<td>6.64</td>
<td>6.78</td>
<td>6.42</td>
</tr>
<tr>
<td>CPU</td>
<td>$351</td>
<td>$350</td>
<td>$346</td>
</tr>
</tbody>
</table>
Key focus area: Deliver our products and services more efficiently

**Toyota**

**Blood Supply Chain Excellence project**

- Production and distribution improvements
- Standardized workflows to improve efficiency
- 30% reduction in unnecessary steps and movements for employees
- 40% improvement in order fulfilment time
- 30% improvement in effective use of production equipment
- Active team member engagement
Key focus area: Deliver our products and services more efficiently
Key focus area: Deliver our products and services more efficiently

Plasma protein products

$60 million

Cost avoidance by 2017–2018

Negotiated through RFP for two drugs used to treat hemophilia patients
Key focus area: Deliver our products and services more efficiently

Modernizing the clinic environment

Automated supply chain
- Clinic of the future
- Cross-divisional collaboration
- Multiple benefits

Donor care associates
- More flexible workforce for better donor service
- About half of clinic workforce has been trained

Canadian Blood Services
it's in you to give
Our strategy

- **Our Value Proposition:**
  - Earning the right to serve by improving patient outcomes, enhancing system performance, and optimizing cost efficiency.

- **What We Do:**
  - Manufacture biological products (fresh blood products, plasma protein products, stem cells).
  - Provide transfusion and transplantation services (organs, medical services, knowledge).

- **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.
  - A high-commitment, high-performance culture.

*Canadian Blood Services it's in you to give*
Key focus area

Advance and mature our quality management system
### Quality index

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

<table>
<thead>
<tr>
<th>Quality indicators</th>
<th>Target</th>
<th>Results</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>2,030</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>41</td>
</tr>
<tr>
<td>Number of Health Canada critical observations</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>Target</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Type A and Type B errors (diagnostic services)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Number of serious events (stem cells)</td>
<td>0</td>
<td>0</td>
</tr>
<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>464</td>
</tr>
<tr>
<td>Number of supplier recalls (plasma protein products)</td>
<td>0</td>
<td>0</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
- New corrective and preventive action (CAPA) requirements
- “What It Means To Be a Biologics Manufacturer” training
Compliance

- Workers’ Compensation Board costs reduced by $50,000 from last year
- Two new Canadian Nuclear Safety Commission licence requirements met
- Biological safety: Changes to the Human Pathogens and Toxins Act
- Corporate carbon footprint reduced
Corporate carbon footprint

- Utility cost savings/avoidance exceeded $13,000
- Energy conservation and demand management planning to be introduced
- 7% emission reduction targeted by March 31, 2017
Our strategy

- **OUR VALUE PROPOSITION**
  - Improving patient outcomes
  - Enhancing system performance
  - Optimizing cost efficiency

- **WHAT DO WE DO**
  - MANUFACTURE BIOLOGICAL PRODUCTS
    - (fresh blood products, plasma protein products, platelets)
  - PROVIDE TRANSFUSION AND TRANSPLANATION SERVICES
    - (plasma, medical services, knowledge)

- **HOW WE DELIVER**
  - TRANSFORM HOW WE ATTRACTION, INTERACT WITH AND RETAIN DONORS
  - DELIVER OUR PRODUCTS AND SERVICES MORE EFFICIENTLY

- **WHAT WE NEED**
  - A HIGH-COMMITMENT, HIGH-PERFORMANCE CULTURE

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

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

Engagement, retention and recognition

• Employee engagement high overall
• All collective agreements ratified but P.E.I.
• Focus on recognition and wellness
• Internal coaching practice tripled
• Managing impact of change on employees
Financial performance
# Financial performance

## Overview of results

<table>
<thead>
<tr>
<th>$Thousands</th>
<th>Canadian Blood Services</th>
<th>Captive Insurance</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$1,136,173</td>
<td>$1,040,501</td>
<td>$14,230</td>
</tr>
<tr>
<td>Expense</td>
<td>1,145,615</td>
<td>1,040,501</td>
<td>606</td>
</tr>
<tr>
<td>Excess (deficit) of revenue over expenses before the undernoted</td>
<td>(9,442)</td>
<td>-</td>
<td>13,624</td>
</tr>
<tr>
<td>Change in fair value of investments measured at fair value</td>
<td>-</td>
<td>-</td>
<td>(5,252)</td>
</tr>
<tr>
<td>Change in fair value of forward currency contract</td>
<td>(25,023)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Excess (deficit) of revenue over expenses</td>
<td>$ (34,465)</td>
<td>$ -</td>
<td>$ 8,372</td>
</tr>
</tbody>
</table>

Unrealized loss on forward currency contracts

$9.4 million claim
## Financial performance

### Plasma protein products

<table>
<thead>
<tr>
<th>Plasma protein products</th>
<th>2016 ($ Thousands)</th>
<th>2015 ($ Thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>$620,234</td>
<td>$507,232</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of plasma protein products</td>
<td>623,198</td>
<td>506,934</td>
</tr>
<tr>
<td>Other expenses</td>
<td>(2,694)</td>
<td>298</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>620,234</td>
<td>507,232</td>
</tr>
<tr>
<td><strong>Excess (deficit) of revenue over expenses before the undernoted</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Change in fair value of forward currency contracts</td>
<td>(25,023)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Deficit of revenue over expenses</strong></td>
<td>$(34,465)</td>
<td>$-</td>
</tr>
</tbody>
</table>

- Increased volume and increased F/X rate
## Financial performance

### Fresh blood products

<table>
<thead>
<tr>
<th>Fresh blood products and support services</th>
<th>2016 ($ Thousands)</th>
<th>2015 ($ Thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>$467,102</td>
<td>$473,730</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff costs</td>
<td>284,296</td>
<td>293,640</td>
</tr>
<tr>
<td>General and administrative</td>
<td>123,533</td>
<td>113,193</td>
</tr>
<tr>
<td>Medical supplies</td>
<td>59,273</td>
<td>66,897</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>467,102</td>
<td>473,730</td>
</tr>
<tr>
<td><strong>Revenue over expenses</strong></td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>

*Increased efficiencies
Decreased cost/unit and decreased volume*
Financial performance

Stem cells

50%

Increase in transplants from Canadian donors to international patients

- Increased stem cell volume by 19 units to 60 peripheral blood stem cell transplants
- Increased sales to international registries by $600,000
Financial performance

Cash position

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Unreserved operating cash</td>
<td>$69.9</td>
<td>$48.5</td>
<td>$31.6</td>
<td>$22.9</td>
</tr>
<tr>
<td>PE/PR benefits</td>
<td>$22.3</td>
<td>$26.9</td>
<td>$31.6</td>
<td>$34.6</td>
</tr>
<tr>
<td>Total deferred</td>
<td>$98.0</td>
<td>$104.9</td>
<td>$95.9</td>
<td>$105.8</td>
</tr>
<tr>
<td>Days of cash available</td>
<td>$(50)</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
</tbody>
</table>

Days of cash available:
- $(50) to 0
- 0 to 5
- 5 to 10
- 10 to 15
- 15 to 20
- 20 to 25
- 25 to 30

Legend:
- Unreserved operating cash
- PE/PR benefits
- Total deferred
- Days of cash available
Financial performance

Working capital position

<table>
<thead>
<tr>
<th>Year</th>
<th>Accounts Receivable</th>
<th>Inventory</th>
<th>Accounts Payable</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$91,634</td>
<td>$137,060</td>
<td>$(98,179)</td>
</tr>
<tr>
<td>2015</td>
<td>$58,516</td>
<td>$123,183</td>
<td>$(89,875)</td>
</tr>
</tbody>
</table>

Thousands
## Financial performance

### Inventory balances

#### Plasma protein products inventory

<table>
<thead>
<tr>
<th>Period</th>
<th>Dollars (in Thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 31, 2015</td>
<td>$80,000</td>
</tr>
<tr>
<td>March 31, 2016</td>
<td>$120,000</td>
</tr>
<tr>
<td>Increase/Decrease</td>
<td>$(10,000)</td>
</tr>
</tbody>
</table>

#### Fresh blood products inventory

<table>
<thead>
<tr>
<th>Period</th>
<th>Dollars (in Thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 31, 2015</td>
<td>$20,000</td>
</tr>
<tr>
<td>March 31, 2016</td>
<td>$30,000</td>
</tr>
<tr>
<td>Increase/Decrease</td>
<td>$10,000</td>
</tr>
</tbody>
</table>
Financial performance

Canadian Blood Services Insurance

C$4.2M  C$425.1M
Net income as of March 31, 2016  Investment portfolio as of March 31, 2016

• Fully compliant with all insurance regulatory matters and code of conduct
• Key performance indicators and benchmarks met
• One claim by Canadian Blood Services for lost IVIg product: US$7.1 million — fully paid
• Insurance policies reinstated to their full limit of C$250 million
### Liabilities

<table>
<thead>
<tr>
<th>Significant liabilities (excluded from working capital):</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forward currency contracts</td>
<td>25,023</td>
<td>-</td>
</tr>
<tr>
<td>Provisions for future claims</td>
<td>250,000</td>
<td>249,886</td>
</tr>
<tr>
<td>Employee future benefit liability</td>
<td>94,981</td>
<td>77,430</td>
</tr>
<tr>
<td>Deferred contributions</td>
<td>389,506</td>
<td>380,415</td>
</tr>
</tbody>
</table>
## Financial performance

### Assets

<table>
<thead>
<tr>
<th>Net assets</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invested in capital assets</td>
<td>15,281</td>
<td>15,281</td>
</tr>
<tr>
<td>Restricted for captive insurance purposes</td>
<td>162,991</td>
<td>164,062</td>
</tr>
<tr>
<td>Restricted for unrealized change in fair value of forward currency contracts</td>
<td>(25,023)</td>
<td>-</td>
</tr>
<tr>
<td>Unrestricted net assets (deficit)</td>
<td>(11,504)</td>
<td>(3,030)</td>
</tr>
<tr>
<td></td>
<td>141,746</td>
<td>176,313</td>
</tr>
</tbody>
</table>
Discussion
Canadian Blood Services
it's in you to give