

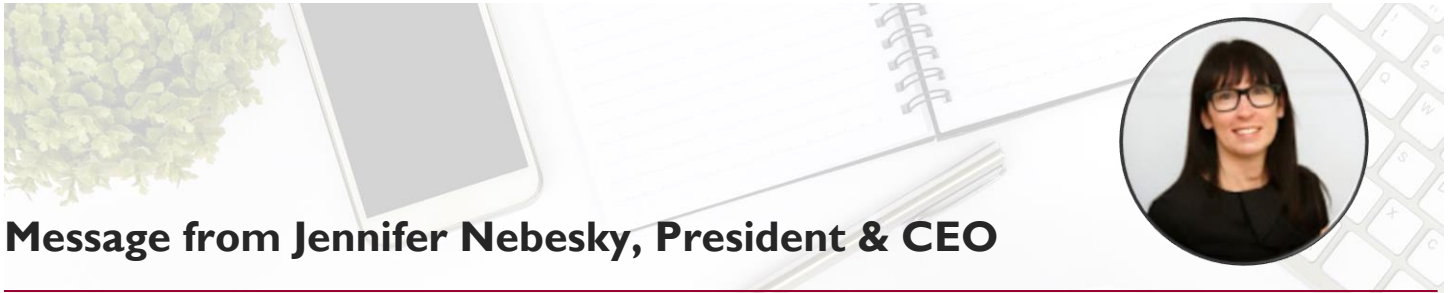


Canadian Liver Foundation
Fondation canadienne du foie

*Bringing liver research to life
Donner vie à la recherche sur le foie*



2021 Annual Report



Message from Jennifer Nebesky, President & CEO

As I reflect on another year in my role as President and CEO of the Canadian Liver Foundation (CLF), I am inspired by our donors, partners and staff who have risen to the unprecedented challenges of this past year to continue to advocate for and support our liver disease community.

The year 2021 will be remembered as one of many “transitions” for the CLF, as we began to settle into our new normal – after feeling the disruptions of the global pandemic for more than two years – and envisioned what the CLF would look like over the next 50+ years.

We embraced this time of transition and in early 2021, we hit the ground running on how we would better serve the one in four Canadians affected by liver disease. With this in mind, we spent much of 2021 connecting directly with our community of individuals living with liver disease, their caregivers and loved ones, researchers, healthcare providers, and more, to answer one question: “What do you need the Canadian Liver Foundation to prioritize over the next three years in order to become an even stronger liver health leader in Canada?”

Responses received via surveys, one-on-one interviews, group consultations and more, informed the creation of *A Framework for Meaningful Impact*, our new strategic plan highlighting six strategic directions to guide and shape our path forward.

These six strategic directions reflect a deeper commitment to improving liver health in Canada via community support, a community-centric approach to everything we embark on, prioritizing diversity, equity, and inclusion, reviewing the research we fund and prioritizing areas of greatest need, ensuring more of our work is seen and heard across the country, and building our network and fundraising program to meet these needs.

Above all, what blew me away this past year was the generosity of so many during this time of transition – the generosity to share, give, and inspire others. Thank you to our partners, sponsors, donors, volunteers, and community members from across Canada who continue to rally around our shared vision of bringing liver research to life and improving the lives of Canadians living with and affected by liver disease.

Sincerely,

Jennifer Nebesky
President & CEO
Canadian Liver Foundation



Message from Elliott M. Jacobson, Chairperson

It has been my pleasure to Chair the Board of Directors for the Canadian Liver Foundation (CLF) during this past year of challenge, growth, and transition. The global pandemic showed us that the world experienced life altering changes and there is no going back to the way things were. This too, was true for the CLF as this moment in time uncovered critical areas that we needed to address to be an even stronger liver health leader in Canada and your partner in combatting liver disease. Our CEO, Jennifer Nebesky, has led us in fact-finding and addressing difficult questions to ensure the CLF is positioned to respond to the needs of all our stakeholders and partners.

In all that we do, we're dedicated to promoting liver health, increasing public awareness and understanding of liver disease, and providing support to individuals affected by liver disease. The six, bold strategic directions guiding the organization to 2025 will challenge us to look at ways to do things differently, eliminate barriers to accessing support, and build better partnerships, relationships, and response to all communities. Over the course of my tenure, I look forward to bringing these guiding markers of change to life, including the completion of our research audit, broadening our fundraising base, and improving internal processes to steward donors and funders.

Although this work has just begun, I admire how staff and members of the board have welcomed this challenge to advocate for and better serve you, our liver disease community.

Sincerely,

A handwritten signature in black ink that reads "Elliott Jacobson". The signature is fluid and cursive, with the first name and last name clearly legible.

Elliott M. Jacobson, MBA, FCPA, FCA, ICD.D
Chairperson
CLF Board of Directors

ABOUT THE CLF

In 1969, the Canadian Liver Foundation was born out of the passion and concern of a committed group of business leaders and doctors who believed that liver disease needed a champion. With the help of volunteers, patients and families, researchers, doctors, donors, and corporate supporters who share our vision of a world without liver disease, we are *bringing liver research to life*.

Throughout our history, we have been passionate about research, patient support, advocacy, and public information and awareness. We remain the only non-governmental organization in Canada focused on liver health and the main source of non-profit funding for all forms of liver research.

Our Mandate

The Canadian Liver Foundation's mandate is to promote liver health and reduce the incidence and impact of liver disease by providing support for research and education into the causes, diagnoses, prevention, and treatment of liver disease.

Our Vision

A world without liver disease.

Our Mission

Bringing liver research to life for all Canadians. Research is the key to minimizing the impact on people affected by liver diseases, but it's only as good as its practical application. Through our advocacy, education, and patient support efforts, we share the knowledge gained through research to improve the lives of liver disease patients and protect others who are at risk.

2020 – 2021 BOARD OF DIRECTORS

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RESEARCH PROJECTS

Research is critically important in the fight against liver disease.

Through research, we are able to improve prevention, screening, diagnoses, and treatments in order to reduce the incidence and impact of liver disease. More research leads to more medical breakthroughs, better treatments with fewer negative side effects, and more cures.

The Canadian Liver Foundation is proud to support the work of Canadian researchers who share our mission of *bringing liver research to life*. Thanks to the generosity of our donors, the CLF was able to support the incredible research of the following researchers whose findings may impact the future of liver health in Canada and around the world.

Dr. Aldo Montano-Loza

University of Alberta

Improving prediction of patient outcomes before, during and after receiving a liver transplant through analysis of muscle mass.

Low muscle mass (sarcopenia) is common in patients with cirrhosis. Sarcopenia and other muscle abnormalities are associated with a higher risk of problems like infections, longer recovery time after surgery and higher probability of death before and after receiving a liver transplant.



With a grant from the CLF, Dr. Montano-Loza and his team conducted research to improve understanding of the relationship between muscle abnormalities and the potential for negative outcomes before, during and after liver transplantation. Furthermore, as previous research has shown that men have a higher risk of developing sarcopenia, Dr. Montano-Loza wanted to investigate what factors may contribute to the differences between men and women and the development of low muscle mass.

In the research study, 60% of men and 33% of women with cirrhosis who received a liver transplant were found to have low muscle mass. The research also indicated more specifically that females had a higher proportion of two types of muscle fibers (MyHC type I and type I oxidative fibers) which were more resistant to muscle loss, while men had a higher proportion of a different type of muscle fiber (MyHC type IIA).

These key findings increase our understanding of the differences between men and women in muscle mass composition and subsequently, to related complications in cirrhosis. This new discovery will help pave the way for better personalized assessment of each patient and ultimately, help develop customized treatment strategies that could improve transplant success rates and the patients' quality of life.

Dr. Minna Woo

Toronto General Hospital Research Institute

Exploring the role of a well-known breast cancer gene (BRCA1) in relation to fatty liver disease and liver cancer.

Liver cancer, also known as hepatocellular carcinoma (HCC), is one of the deadliest cancers and rates are rapidly rising. This is largely driven by an increase in obesity-associated fatty liver disease, which is emerging as a leading risk factor for liver cancer.



Research has shown that the well-known breast cancer susceptibility gene (BRCA1) may have an impact in the body's metabolism and given that the liver is a major metabolic organ, research to better understand the role of the BRCA1 gene on liver disease can be a significant pathway to scientific discovery.

Dr. Woo and her team had compelling preliminary information that suggested that the BRCA1 gene was able to protect liver cells from the development of fatty liver disease. Fatty liver disease is a significant risk factor for the development of liver cancer. With

the support of funding from the CLF, Dr. Woo was able to conduct additional research to establish a better understanding of the connection between the BRCA1 gene and liver cancer.

Given that BRCA1 has shown to suppress tumour development, the researchers expected that a deficiency in this protein in the liver would have increased the risk of development of liver cancer, however, the research indicated that a deficiency in BRCA1 actually protected against development of liver cancer.

With a greater understanding of genetic factors impacting the development of obesity-associated fatty liver disease and liver cancer, this CLF-funded research now serves as a foundation for future research into the role of the BRCA1 gene in fatty liver-associated liver cancer and will help to uncover new strategies for effective treatments against this devastating disease.

2021 CLF-CASL GOLD MEDAL AWARD

The CLF established a Gold Medal Award in 1983 to recognize doctors and scientists who have made a significant contribution to moving the field of liver research forward. Today, the award is given jointly with the Canadian Association for the Study of the Liver (CASL). The knowledge gained from the collective research of Gold Medal awardees has provided the CLF with the information we need to help improve the lives of Canadians living with or at risk for liver disease.

Dr. Samuel Lee

University of Calgary / Foothills Medical Centre

Dr. Lee received his medical degree from Memorial University, Newfoundland and did residency training at University of Toronto (Internal Medicine and Gastroenterology). Currently Professor of Medicine (Hepatology) at the University of Calgary, Dr. Lee's research focuses on cardiovascular complications of cirrhosis and viral hepatitis.



He has published more than 180 scientific papers and 20 book chapters and has won several awards for teaching and research including the Queen Elizabeth II Golden Jubilee Medal in 2002. Dr. Lee is a past-president of the Canadian Association of the Study of Liver and the International Ascites Club and was editor-in-chief of Liver International from 2008-13. Dr. Lee was a volunteer member of the Canadian Liver Foundation National Board of Directors from 1997 – 2002.

RESEARCH PARTNERS

The Canadian Liver Foundation is proud to support and work with a robust network of researchers across the country who have made liver research a priority in their labs and clinics.

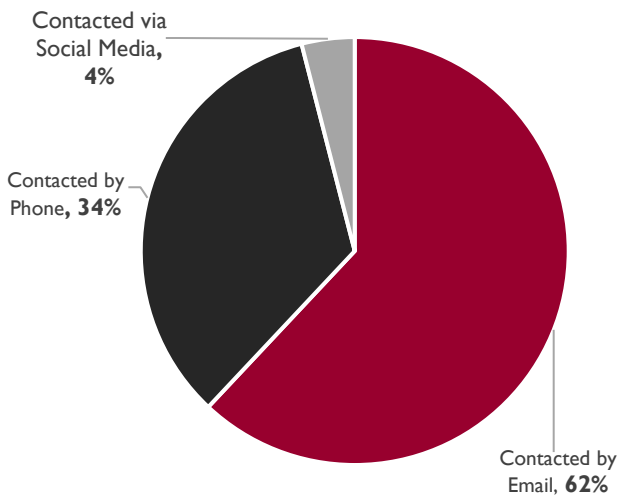


PATIENT SUPPORT

Established in 1969, the CLF was the first organization in the world dedicated to raising funds to support liver research, education, and patient support services. In 2021, the CLF responded to thousands of patient support inquiries from across Canada in both English and French. Patients, caregivers, and family members turned to the CLF to receive guidance on living with liver disease, how to navigate the healthcare system, treatment options, requests for peer support, or just to have a person to talk to who could provide some comfort and reassurance.

In 2021, the majority of CLF events continued to take place online due to COVID-19 restrictions.

Some programming and patient support highlights from 2021 include:



- The *Just Ask* campaign to coincide with March's Liver Health Month. *Just Ask* provided our community with the opportunity to ask experts, caregivers, other patients, and CLF staff anything about liver disease from living with liver disease and transplantation, to nutrition and mental health.
- Animated educational videos on cirrhosis, liver cancer, and alcohol-related liver disease.
- Educational webinars on Wilson disease, diabetes and fatty liver disease, and liver transplantation.

“My mother came to visit us in Toronto and was forced to extend her stay due to COVID-19 travel restrictions. She takes medication for hepatitis B treatment, and it was running out in the foreseeable future. Without insurance coverage, or any knowledge of liver treatment in Canada, we became increasingly worried about my mother’s situation and its potential financial implications. We reached out to the CLF looking for help - and help they did! The CLF responded to all our inquiries in one business day. We were provided with key information including best options, potential next steps, potential costs, and what items to bring to the medical professionals. The information we received from the CLF really saved us from potential delays/setbacks and a ton of emotional stress. More importantly, simply knowing that good people are looking out for us just meant a lot to my family during times like this. We are extremely grateful for the CLF’s services” – S.Z.

*Treasurer's Report***FINANCIAL HIGHLIGHTS**

As incoming Treasurer, I am pleased to provide the financial highlights for the year ended December 31, 2021.

The challenges we faced with the numerous waves of the COVID-19 pandemic continued to have an impact on the operating and financial affairs of the Foundation, many in person events were postponed or held as reduced virtual gatherings.

The Foundation's Donations and Chapter revenue held flat at \$5.8 million in 2021 reflecting the off and on again "lockdowns" in Canada. However, it is of note that at the end of 2021 we held our exciting and very successful BC LIVERight Gala.

Interest and Other Income revenue increased from \$0.6 million in 2020 to \$1.2 million in 2021 by virtue of the strong performance of our investment portfolio. Our investment revenues consist of \$255,000 interest, dividends and realized capital gains and \$940,000 unrealized gains on investments.

Research Trust Funds externally restricted receipts increased by approximately 33% from \$1.9 million in 2020 to \$2.6 million in 2021. In 2021 we paid out \$1.4 million from the Research Trust Funds for research programs (\$1.3 million in 2020) and \$339,000 in research grants from the Medical Research Fund (\$370,000 in 2020).

These funded research projects directly related to non-alcoholic fatty liver disease, liver cancer, hepatitis B, hepatitis C, liver transplantation, hepatic encephalopathy and autoimmune liver disease.

Research programs and activities remained largely either on pause or at similar levels to 2020 for much of 2021.

Operating costs of the Foundation decreased by approximately 15% from \$2.4 million in 2020 to \$2.0 million in 2021, representing cost control measures and delayed plans while the COVID-19 pandemic continued to have an impact on our affairs.

Our support for current research and education and our commitments for future research continues. At the end of 2021, \$6.9 million was committed in our Research Trust Funds, up from \$5.2 million in 2020. There is also \$394,000 committed to future research from the Medical Research Fund. As is our policy, we only commit for research from resources available at the time of the commitment.

Our financial position remains sound. At the end of 2021 we had current assets of \$2.5 million (\$2.3 million for 2020). Our investments are over \$8.6 million in 2021 compared to \$6.2 million in 2020. Additionally, there is \$242,000 cash and cash equivalents in our investment accounts which reflects the requirements of our Investment Policy Statement to maintain sufficient cash balances to support research and education project commitments.

As noted above, our annual investment return for 2021 was approximately 16% which translated to an excess of \$1,196,000 in interest, dividends, realized capital gains and portfolio value. Approximately \$823,000 was for the benefit of our Research Trust Funds and Medical Research Fund.

The investment gains that have accrued to the Foundation in 2021 and prior are available to offset the future market uncertainty and losses that we have seen in early 2022.

Our total fund balances have increased in 2021 by \$2.1 million (25%). The General Fund has increased by \$423,000 (16%). The Research Trust Funds increased by \$1.7 million (33%). The Medical Research Fund has decreased by \$86,000 (18%) reflecting our ability to continue to fund previously approved research grants as we maintain our policy (mentioned above) of granting funding for research only to the extent that we have realized and retained earnings to do

so. As a result, the Foundation continues to have the ability to meet the commitments it has made despite the impact of the COVID-19 global pandemic.

On behalf of the Finance Committee, I would like to acknowledge the dedication and support of our volunteers, donors, program partners, and our hard-working staff.

I would also like to thank Cheryl Ahong, our Director of Finance, Baskin Wealth Management Services, our investment advisors, and RSM Canada, our newly appointed financial Auditors for their support in 2021.

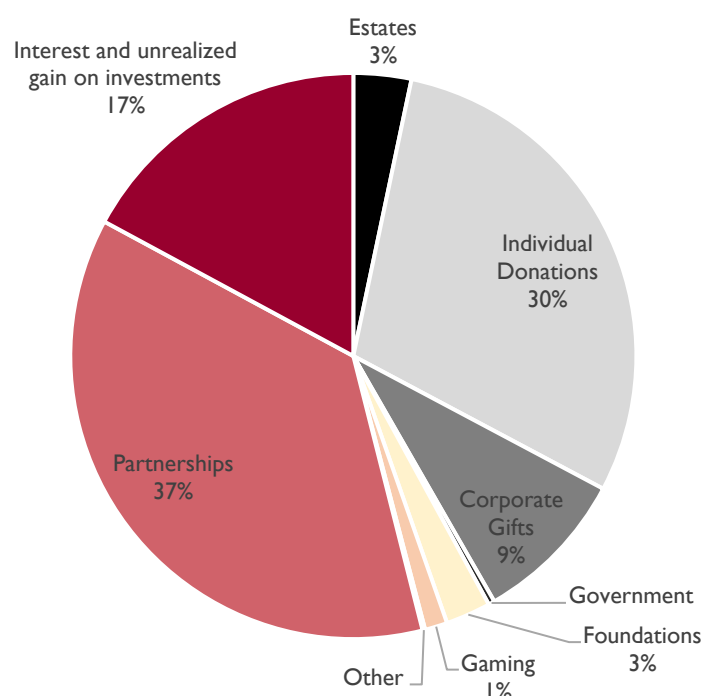
2021 was a difficult year during which we began to make investments in people and technology to place the Foundation on a stronger footing and be ready for a bright post-pandemic future.

Respectfully submitted,

Gary N. Hokkanen, CPA, CMA
Treasurer



REVENUE OVERVIEW



Individual Donations	\$2,058,654
Partnerships	\$2,571,525
Interest and unrealized gain on investments	\$1,196,002
Other	\$10,256
Government	\$24,750
Corporate Gifts	\$623,683
Gaming	\$90,096
Foundations	\$179,570
Estates	\$230,679
Total 2021 Revenue	\$6,985,214

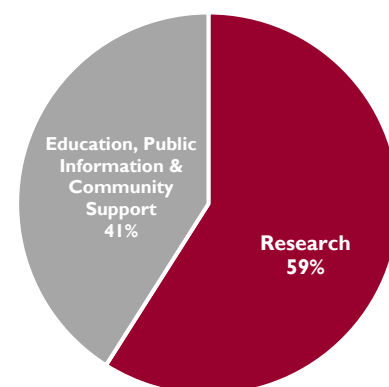
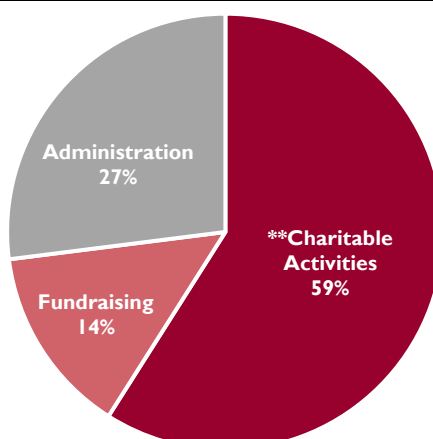
EXPENSE OVERVIEW

Total 2021 Expenses \$4,925,362

Charitable Activities**	\$2,885,940
Fundraising	\$687,984
Administration	\$1,351,438

**Charitable Activities

Research	\$1,702,534
Education, Public Information & Community Support	\$1,183,406
	\$2,885,940



OPERATIONS SUMMARY For the year ended December 31, 2021

	GENERAL FUND		RESEARCH TRUST FUNDS		MEDICAL RESEARCH FUND		TOTAL	
	2021	2020	2021	2020	2021	2020	2021	2020
REVENUE								
Donations & Chapter Revenue	\$3,217,687	\$3,882,432	\$2,571,525	\$1,934,756			\$5,789,212	\$5,817,188
Interest & Other Income	\$372,835	\$165,690	\$775,830	\$342,793	\$47,337	\$41,778	\$1,196,002	\$550,261
Total	\$3,590,522	\$4,048,122	\$3,347,355	\$2,277,549	\$47,337	\$41,778	\$6,985,214	\$6,367,449
EXPENDITURE								
Programs	\$1,183,406	\$1,084,049	\$1,363,553	\$1,273,578	\$338,981	\$369,615	\$2,885,940	\$2,727,241
Operating	\$2,039,422	\$2,407,137					\$2,039,422	\$2,407,137
Total	\$3,222,828	\$3,491,186	\$1,363,553	\$1,273,578	\$338,981	\$369,615	\$4,925,362	\$5,134,379
Excess Revenue Over Expenditure for General Fund	\$367,694	\$556,936					\$367,694	\$556,936
Excess Revenue Over Expenditure for Research Trust Funds			\$1,983,802	\$1,003,971			\$1,983,802	\$1,003,971
Excess Revenue Over Expenditure for Medical Research Fund					(\$291,644)	(\$327,837)	(\$291,644)	(\$327,837)
Inter-Fund Transfers to Support Activities of the Medical Research Fund	\$54,606	\$48,744	(\$260,000)	(\$3,331)	\$205,394	(\$45,413)	\$0	\$0
Fund Balance - Beginning of Year	\$2,585,908	\$1,980,228	\$5,225,670	\$4,225,030	\$480,250	\$853,500	\$8,291,828	\$7,058,758
Fund Balance - End of Year	\$3,008,208	\$2,585,908	\$6,949,472	\$5,225,670	\$394,000	\$480,250	\$10,351,681	\$8,291,828

FINANCIAL POSITION For the year ended December 31, 2021

	GENERAL FUND		RESEARCH TRUST FUNDS		MEDICAL RESEARCH FUND		TOTAL	
	2021	2020	2021	2020	2021	2020	2021	2020
ASSETS								
Current	\$1,020,715	\$1,027,864	\$1,465,389	\$1,256,894	\$0	\$56,000	\$2,486,104	\$2,340,758
Investments	\$2,763,383	\$1,862,212	\$5,484,083	\$3,968,776	\$394,000	\$424,250	\$8,641,466	\$6,255,238
Tangible Capital Assets	\$149,671	\$22,356					\$149,671	\$22,356
Total	\$3,933,769	\$2,912,432	\$6,949,472	\$5,225,670	\$394,000	\$480,250	\$11,277,241	\$8,618,352
LIABILITIES	\$925,561	\$326,524					\$925,561	\$326,524
FUND BALANCES	\$3,008,208	\$2,585,908	\$6,949,472	\$5,225,670	\$394,000	\$480,250	\$10,351,680	\$8,291,828
Total	\$3,933,769	\$2,912,432	\$6,949,472	\$5,225,670	\$394,000	\$480,250	\$11,277,241	\$8,618,352

Complete financial statements, including explanatory notes, as audited by RSM Canada LLP, are available from the Canadian Liver Foundation National office.

THANK YOU TO OUR DONORS

The generosity of our donors has allowed us to maintain lifesaving liver research, public education, and patient support efforts established over our 52 - year history.

AbbVie Corporation	Ipsen
Aequus Pharmaceuticals	KNS Canada Inc.
Alberta Blue Cross	London Drugs Pharmacy
Alexion Pharmaceuticals	Lupin Limited
Altimmune Inc.	McKesson Canada
American Collegiate Education Services	Merck Canada Inc.
Apogee IT Services	Nancy Eaton-Doke
Arbutus Biopharma Corporation	Novartis Pharmaceuticals Canada Inc.
Astellas Pharma Canada	Novo Nordisk Canada Inc.
AstraZeneca Canada Inc	Pacific Blue Cross
Bristol Myers Squibb Canada Co	Paladin Labs
Cymabay Therapeutics	Patsy Hui Remax Westcoast
Deep Genomics	Province of British Columbia
Eiger BioPharmaceuticals	Qiagen
Ellen & Franklin Bialystok	Scudamore Family
Ellen Ung Pan	Sexton Investments Ltd
Eisai Limited Canada	Shane Homes
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Donner vie à la recherche sur le foie*