



CANNABIS YUKON

Annual report

April 1, 2020 to March 31, 2021

Yukon Liquor Corporation


Yukon



ISSN 2562-7643 (Print)
ISSN 2562-7651 (Online)

Photos: Archbould Photography



Table of contents

Introduction

| | |
|-----------------------------|---|
| Minister's message | 2 |
| Letter of transmittal | 3 |

| | |
|--|---|
| Vision, mission and strategic priorities | 4 |
|--|---|

| | |
|------------------------|---|
| Annual reporting | 5 |
|------------------------|---|

| | |
|--|---|
| About the Cannabis Licensing Board | 6 |
|--|---|

| | |
|--------------------------------|---|
| Organizational structure | 7 |
|--------------------------------|---|

| | |
|---------------------------|---|
| Corporate Services | 8 |
| Operations | 9 |
| Regulatory Services | 9 |

| | |
|-------------------------|----|
| Business overview | 10 |
|-------------------------|----|

| | |
|--------------------------|----|
| Operating expenses | 11 |
|--------------------------|----|

| | |
|---------------------------------------|----|
| Reduction of the illicit market | 12 |
|---------------------------------------|----|

Social responsibility

| | |
|--|----|
| Responsible consumption initiatives in 2020/21 | 13 |
| Health and Social Services Report | 14 |
| 5-year review | 14 |

| | |
|----------------------|----|
| Future outlook | 15 |
|----------------------|----|

| | |
|--|----|
| Yukon Department of Health and Social Services Report on Cannabis | 16 |
|--|----|

| | |
|--------------------------------------|----|
| Statement of financial results | 19 |
|--------------------------------------|----|



Hon. Ranj Pillai
Minister responsible for
Yukon Liquor Corporation

Minister's message

I welcome the opportunity to present the Yukon Liquor Corporation's 2020/21 Cannabis Annual Report. This year marked a number of milestones. Statistics Canada reported that legal sales have outpaced illicit sales across Canada for the first time. We marked the first full year of phase two cannabis products (edibles, concentrates and vapes), which saw substantial growth. The Corporation and licensees operated a full fiscal year under COVID-19 pandemic measures.

Even with the challenges of COVID-19, the Corporation was able to continue working towards the main goals of our legislation: to displace the illicit trade in cannabis, and to protect public health and safety with a focus on youth. Through the *Cannabis Control and Regulation Act*, we determine how cannabis is distributed and sold in Yukon and have guidelines on age, possession, and personal cultivation, among other areas. Yukon's legislation embeds systems and processes to ensure legal access to cannabis while also providing opportunities for private businesses to thrive.

The pandemic's impact on Yukon's cannabis sector is still being felt and this past year saw many changes in the Yukon business and regulatory landscape. The challenges licensees were facing during the outset of the pandemic cannot be overstated. In May 2020, our government passed a Ministerial Order temporarily allowing for online cannabis sales to support cannabis licensees in navigating an uncertain economic environment, COVID-19-related public health measures such as physical distancing, and to ensure safe and timely access to legal cannabis.

Moving into this new fiscal year, the Corporation will continue to work towards being an effective and responsive wholesale distributor, online retailer and regulator, while supporting the private sector during this evolving business climate. The Corporation and I will work closely with retailers to ensure cannabis sales are lawful, the illicit market is further reduced, and Yukoners have access to an even greater variety of cannabis products.

I would like to thank the Yukon Liquor Corporation staff and the Cannabis Licensing Board for their commitment to supporting licensees and successfully working through the challenges that the pandemic has brought. I look forward to a successful 2021/22.

Sincerely,

A handwritten signature in black ink that reads "Ranj Pillai". The signature is written in a cursive, flowing style.

Hon. Ranj Pillai
Minister responsible for Yukon Liquor Corporation

Letter of transmittal

In 2020/21, the Yukon Liquor Corporation saw the steady growth of the legal, non-medical cannabis market in Yukon. Even with the challenges of COVID-19, the Corporation continued its efforts to displace the illicit market and support local licensees.

Together with its partners, the Yukon Liquor Corporation also helped to reduce the harms associated with cannabis and protect youth. Throughout the past year, the Corporation supported a variety of social responsibility initiatives from Government of Yukon departments, Health Canada, non-profit organizations and participated in a number of harm reduction forums, seminars and conferences.

We have now marked a full year of phase two cannabis products being legal and have seen the launch of new and innovative products. Through regular meetings with our licensees and licensed producers, the Corporation increased product selection and improved the supply chain to ensure supply of these products despite the pandemic.

By the end of our fiscal year, the Corporation had 20 agreements with licensed producers, an increase of 11 suppliers and plans to add more in the coming year. The Corporation looks forward to continuing its close working relationship with licensees, increasing product selection and improving the Corporation's processes to enhance licensee opportunities.

We would like to acknowledge the dedication and efforts of the team at the Yukon Liquor Corporation, the Cannabis Licensing Board, and the Minister responsible. We would also like to thank all of our licensees for their close collaboration as we continue our journey together in the evolving cannabis industry and business landscape.

Sincerely,



Dennis Berry
President of Yukon Liquor Corporation



David Sloan
Chair, Cannabis Licensing Board



Dennis Berry President,
Yukon Liquor Corporation



David Sloan Chair,
Cannabis Licensing Board

Vision

Service excellence that supports a healthy, vibrant and prosperous Yukon.

Mission

To offer legal access to a variety of liquor and cannabis products while considering the wellbeing and economic prosperity of Yukon.

Strategic priorities

Serve Yukon

- ▶ We sustain net profitability through responsible liquor and cannabis sales
- ▶ We support initiatives targeting the responsible supply and consumption of our products
- ▶ We work collaboratively with producers and licensees

Advance the Corporation

- ▶ We invest in employees, empowering them to deliver increasingly excellent service to clients, customers and communities
- ▶ We develop legislation, policies and processes that meet current and future needs
- ▶ We ensure effective and on-going development and use of systems

Work together

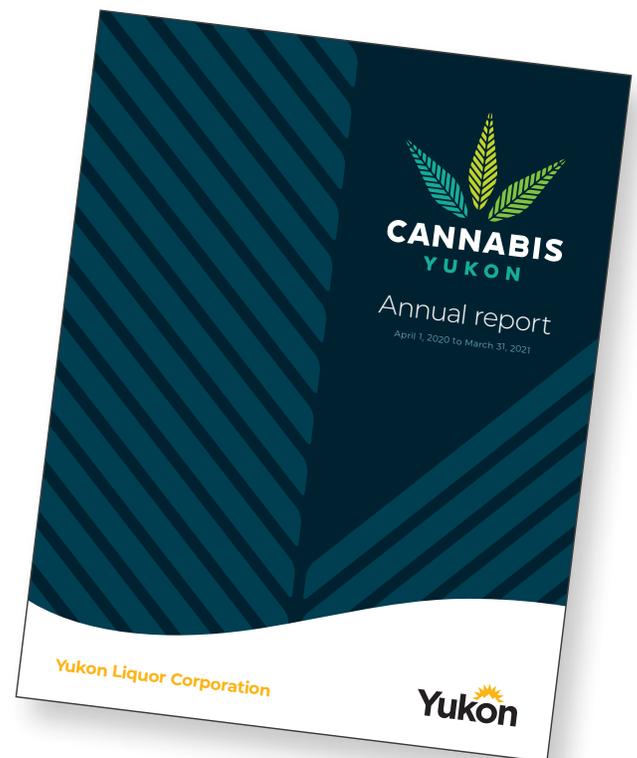
- ▶ We focus energy and actions on mutually agreed upon goals
- ▶ We work as one, seeking to understand, appreciate and support the good of the Corporation, its branches and the team
- ▶ We promptly address challenges with honesty and creativity

Annual reporting

Annual reporting is a requirement of the *Cannabis Control and Regulation Act*.

The Corporation must submit a report to the Minister that contains the following:

- ▶ The nature and amount of business the Corporation conducted during the year;
- ▶ Financial statements with assets and liabilities of the Corporation, including profits and losses to show the result of the year's operations;
- ▶ Measures the Corporation has taken to reduce the risk of cannabis being diverted to the illicit market;
- ▶ Measures the Corporation has taken to facilitate responsible consumption of cannabis while not promoting cannabis;
- ▶ Efforts the Corporation has made to enhance public awareness of the health risks associated with consumption of cannabis use; and,
- ▶ Information regarding the laws relating to cannabis in Yukon.



A copy of this annual report will be tabled at the next sitting of the Legislative Assembly.

About the Cannabis Licensing Board

The first Cannabis Licensing Board members were appointed on January 16, 2019. The Board operates at arm's length from the Yukon Liquor Corporation and has independent decision-making authority as a quasi-judicial body.

The Cannabis Licensing Board is responsible for granting, refusing to grant and renewing licences as well as reviewing decisions of the Yukon Liquor Corporation President to impose sanctions on licensees. The Board works under the parameters of the Yukon Cannabis Control and Regulation Act. The President of the Yukon Liquor Corporation provides cannabis licensing application information to the Board. The Board meets monthly, with additional meetings as required.

Find out more about the Cannabis Licensing Board members at yukon.ca/en/your-government/boards-and-committees/cannabis-licensing-board



David Sloan
Chair



Mieke Leonard
Vice-chair



Shari Borgford
Member



James Lindsay
Member



John Farynowski
Member

Organizational structure

The Yukon Liquor Corporation is responsible for the purchase, distribution and responsible sale of cannabis products in Yukon. The Corporation continues to operate the Cannabis Yukon e-commerce site to serve Yukoners needs online. The Corporation's branches – Corporate Services, Operations and Regulatory Services – are working to support the diversion of cannabis from the illicit market by providing Yukoners with direct access to non-medical cannabis, along with the information they need if they choose to consume, and how to do it responsibly.



Corporate Services

The Corporate Service branch sets the strategic direction for the Corporation and supports Operations in delivering on those strategic goals and managing front line business. The President's office is accountable to the Minister responsible and Cabinet for the operation of the Corporation.

The President is responsible for administering the *Cannabis Control and Regulation Act*; managing the daily operations of the Corporation in accordance with the Government of Yukon's legislation, regulations, policies and business plans; and, coordinating work with other Government of Yukon departments and organizations.

Human Resources

Human Resources is responsible for talent management, including compensation and benefits, training and development, succession planning, employee relations and workplace diversity. It promotes a positive organizational culture and helps to develop and grow the Corporation's human resources.

Finance and Information Management

Finance and Information Management prepares budget and financial reports, conducts accounting services and is the lead for the annual audit conducted by the Office of the Auditor General of Canada. It ensures that public accountability is maintained when dealing with privacy matters, as well as managing facilities, procurement, risks and records. It provides software and hardware solutions that meet operational needs.

Policy and Communications

Policy and Communications guides strategic planning and provides legislative and policy support services for the Corporation. This team manages corporate communications, web and digital channels and supports social responsibility initiatives in partnership with business and community organizations.

Operations

The Operations branch manages the Corporation's front line business and day-to-day services.

Sourcing and supply services

Sourcing and supply services is responsible for the purchasing, pricing, and in-bound supply chain of product. The division works to support vendor, supplier and customer relations.

Sales and distribution

Sales and distribution coordinates Cannabis Yukon e-commerce shipping in the territory and provides wholesale ordering services for private retail licensees. They also support customer and client relations.

Warehouse operations

Warehouse operations manages all aspects of the central warehouse. It manages inventory through processing incoming shipments from licensed producers and preparing orders for the Cannabis Yukon e-commerce site. It also supports shipping wholesale cannabis products to retail licensees throughout Yukon.

Regulatory Services

Regulatory Services provides cannabis and liquor licensee education, licensed premises inspection and compliance monitoring throughout Yukon. The unit prepares analyses of applications for the review of the Cannabis Licensing Board as well as the Yukon Liquor Board, administers all aspects of licensing and permitting services, and enforces the *Cannabis Control and Regulation Act*, the *Liquor Act* and associated regulations. The branch works in coordination with the Royal Canadian Mounted Police and the Government of Yukon's Safer Communities and Neighborhoods branch with the Department of Justice.



Business overview

Since the legalization of non-medical cannabis sales on October 17, 2018 the Yukon Liquor Corporation continues to:

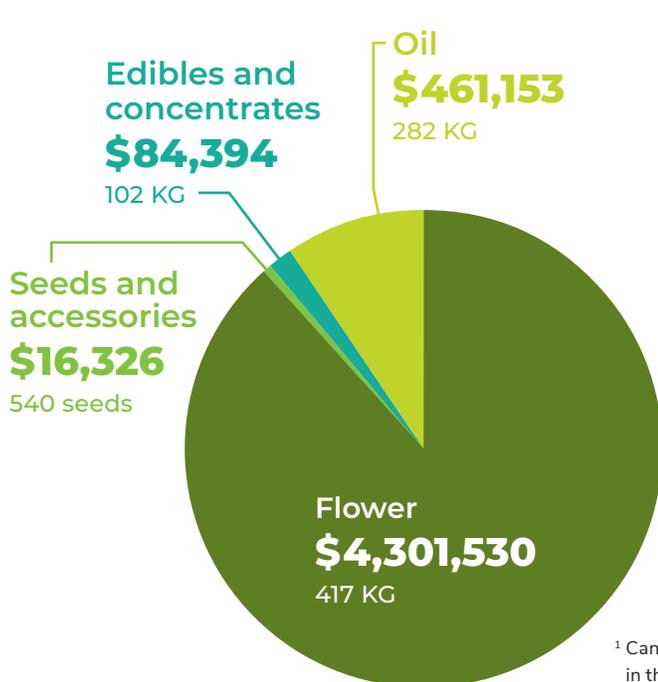
- ▶ coordinate the cannabis supply chain from licensed producers to licensed retailers;
- ▶ develop and establish policies to support public health, protecting young persons from accessing cannabis and displacing the illicit market;
- ▶ develop and distribute educational materials and messaging on safer consumption;
- ▶ maintain and improve the e-commerce sales platform to ensure all Yukon communities have access to cannabis and safer consumption information; and
- ▶ engage with stakeholders and the public on cannabis licensing.



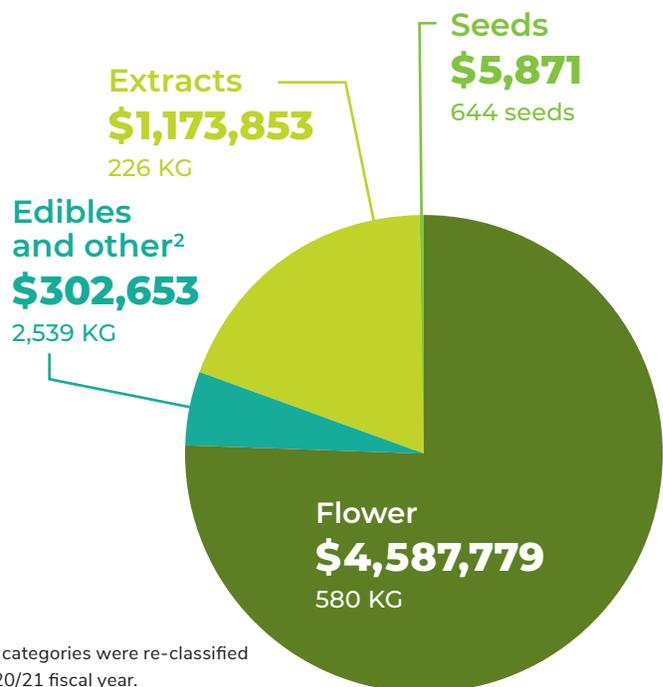
During the 2020/21 fiscal year, the Yukon Liquor Corporation undertook and established contracts with a number of additional licensed producers, bringing the total number of licensed producers that the Corporation works with to 20. With this diversified portfolio, the Corporation was able to sustain cannabis inventory throughout the year, despite the worldwide COVID-19 pandemic and a strong national demand for products.

Between April 1, 2020 and March 31, 2021, the Corporation purchased a total of \$4.2 million worth of cannabis products. This amounts to an increase in purchased cannabis of \$0.5 million from 2019/20.

Sales by category¹



2019/20

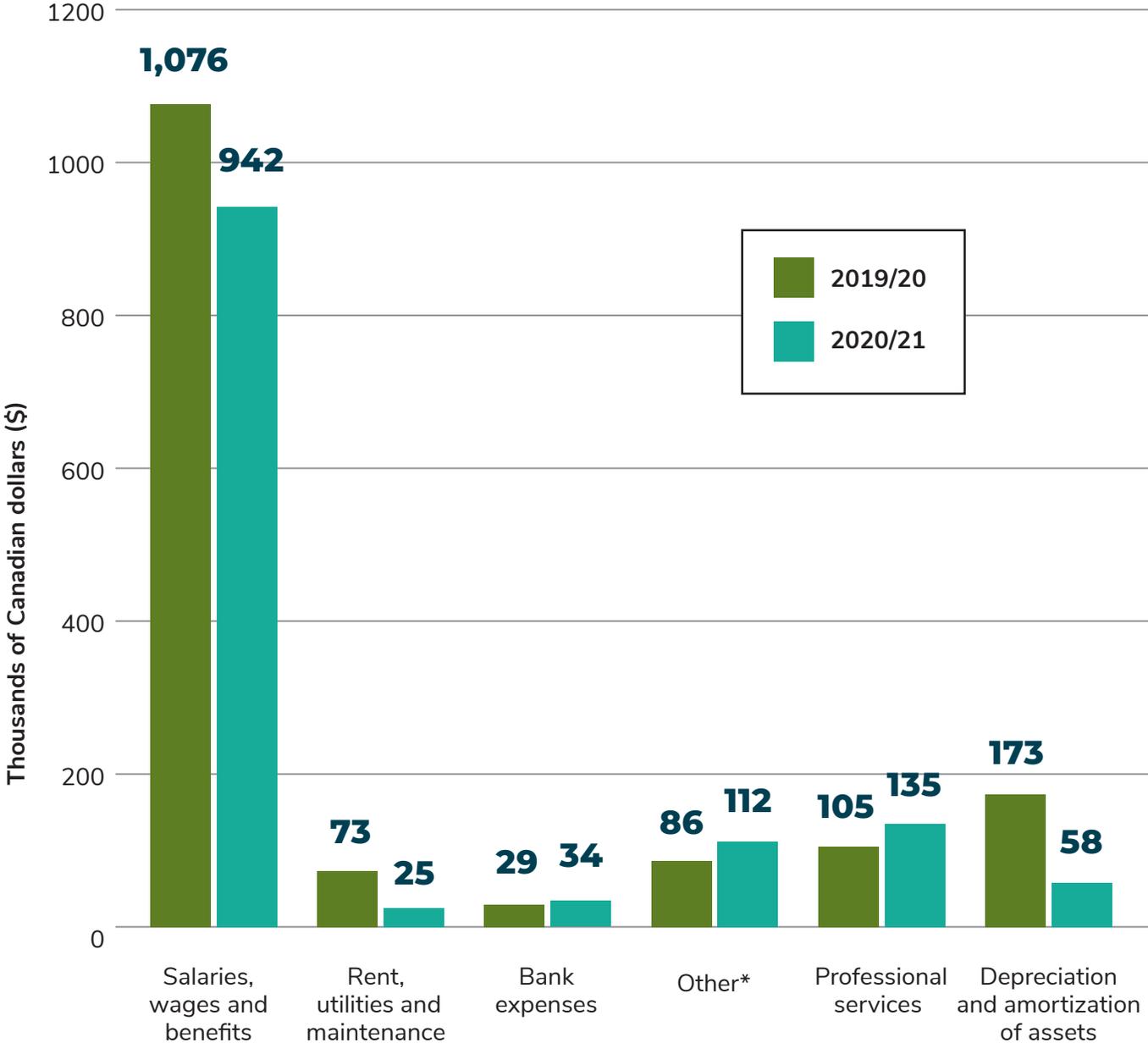


2020/21

¹ Cannabis categories were re-classified in the 2020/21 fiscal year.

² This includes edible solids, liquids, accessories, topicals and shipping fees.

Operating expenses



*Travel, telecommunications, I.T., bank charges, office supplies, board honoraria, e-commerce support

The decrease in operating expenses is due to the Yukon Liquor Corporation no longer operating a brick and mortar retail store as it had done from October 2018 to October 2019.



Reduction of the illicit market

The Yukon Liquor Corporation strives to reduce the illicit market through several means.

Since April 2019, the Cannabis Licensing Board granted eight licences and five retail locations have opened. Yukoners are able to access a legal, safe supply of cannabis as well as an array of products at a variety of price points from private licensees or online at CannabisYukon.org. Yukoners know that legal products are sold with a stamp to ensure that they are easily recognizable.

To ensure that the cannabis is secure within the warehouse, and when transported to and from the warehouse, secure storage areas are maintained, and video surveillance cameras as well as handling procedures continue to be monitored.

All cannabis retail and warehouse staff who handle cannabis are required to have criminal record checks. All cannabis retail staff take a mandatory training course, which emphasizes not selling cannabis to persons who are intoxicated or underage, and checks are in place throughout the various sale and delivery methods (licensees, e-commerce, and Canada Post). Licensees must follow requirements under the Cannabis Control and Regulation Act and regulations, as well as the federal Cannabis Act and regulations, to keep cannabis safe and secure.

The Yukon Liquor Corporation regularly reports to Health Canada on Yukon cannabis sales and inventory, as part of the federal government's seed-to-sale tracking requirements. On a monthly basis cannabis licensees and the Yukon Liquor Corporation provide summary reports of inventory, sales, active retailers, the number of employees and social responsibility initiatives.

Applications for cannabis private retail need to include criminal record checks for applicants, plans for employees to take the BARS-Cannabis server training course, inventory management plans, secure transport of the cannabis from the Corporation, and details on burglar alarm and video surveillance systems. The members of the Cannabis Licensing Board rigorously review private retail applications and the board is able to impose additional conditions that they may decide are important when granting a licence.

In 2020/2021, Yukon Liquor Corporation inspectors have conducted 12 inspections of licensees to ensure their premises and operational conditions are in compliance. No fines or suspensions were required during this period.

Efforts from federal and territorial organizations to reduce the illicit market are working. Statistics Canada reports that in the fourth quarter of 2020¹, more consumers are getting their cannabis from legal sources than they are from the illicit market.

¹<https://www150.statcan.gc.ca/n1/pub/11-627-m/11-627-m2021043-eng.htm>

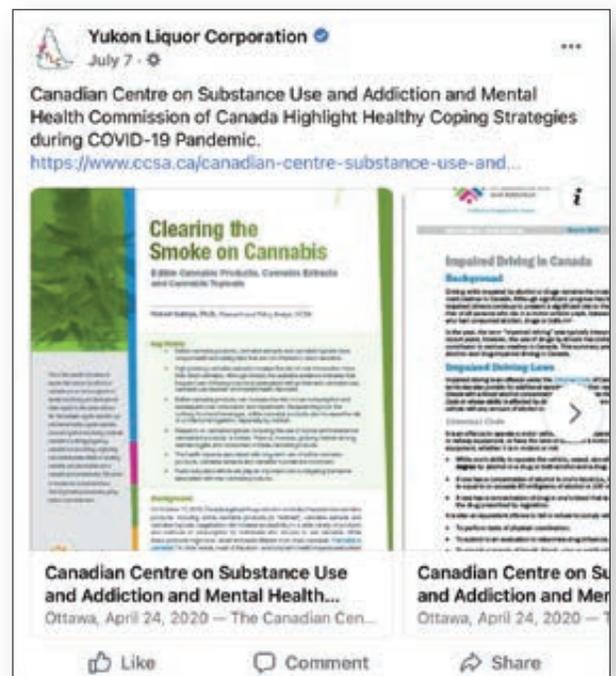
Social responsibility

The Yukon Liquor Corporation continued to implement several campaigns throughout the year to facilitate responsible cannabis consumption, and enhance public awareness of the health risks associated with cannabis phase one and two product use.

With the impact of COVID-19, the Corporation worked to provide additional information and resources to Yukoners to address changes in cannabis use during the pandemic.

Social responsibility initiatives in 2020/21:

- ▶ Collaborated with the Canadian Centre on Substance Use and Addiction to share cannabis consumption risks during the pandemic on social media and in YLC Liquor Stores.
- ▶ Promoted and shared Health Canada risk reduction information on our Facebook page and in YLC Liquor Stores to help Yukoners understand higher-risk changes in consumption that may happen during the pandemic.
- ▶ Continued the Check 30 initiative in private retail stores. This initiative encourages retail staff to ask for ID for anyone who looks under 30 years of age.
- ▶ Provided French and English Cannabis Talk Kit brochures, created by Drug Free Kids Canada, in all Yukon communities and in all Corporation Liquor Stores. The information is designed to be a guide for parents or guardians on how to discuss cannabis with teenagers.
- ▶ Promoted and shared MADD Canada's information on the risks of cannabis, intoxicated driving and safer consumption on our Facebook page.





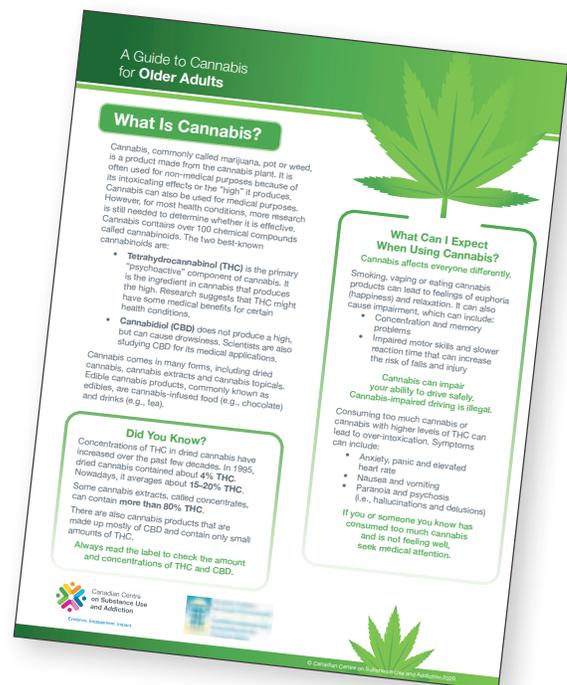
Health and Social Services Report

The Department of Health and Social Services monitors health statistics related to the consumption of cannabis and its effects on Yukoners, and the appended report from Health and Social Services provides a snapshot of the situation prior to legalization. As the Yukon Liquor Corporation continues efforts to divert use of the illicit market by providing Yukoners with direct access to legal cannabis along with information they need to consume responsibly, Health and Social Services will monitor the effects so evidence-based decision making can occur.

5-Year Review

As per the Cannabis Control and Regulation Act there will be a review of the Act at least every five years. The Yukon Liquor Corporation is working with its partners at the departments of Health and Social Services, and Justice to prepare for the five-year review by ensuring that the data required for such a review is collected for future consideration.

- ▶ Ensured that Health Canada inserts with information about the effects of THC and how to lower the risks of cannabis use accompanied [CannabisYukon.org](https://www.cannabisyukon.org) online purchases.
- ▶ Ensured the updated French and English cannabis information brochure Cannabis 101 was available to private licensees and in all Corporation Liquor Stores. This content explains the risks of cannabis use on health, how to keep cannabis use legal and safer consumption methods.
- ▶ Maintained and updated information on safer cannabis use and new phase two products on [CannabisYukon.org](https://www.cannabisyukon.org), including Cannabis and Your Health and Cannabis 101. The content explains the health risks of cannabis use, how to keep cannabis use legal and safer consumption methods.
- ▶ Continued to distribute Canada's Lower-Risk Cannabis Use Guidelines (LRCUG) brochure and tear sheets in the Corporation's Liquor Stores and made them available to private licensees in French and English. This material was created by the Canadian Research Initiative in Substance Misuse to help people reduce the health risks of cannabis use. The brochure was also published on [CannabisYukon.org](https://www.cannabisyukon.org) and [Yukon.ca](https://www.yukon.ca).
- ▶ Continued to update the mandatory Be A Responsible Server-Cannabis (BARS-C) online training.
- ▶ Participated in national harm reduction forums, seminars and conferences.



Future Outlook

Activities that the Corporation will undertake in 2021/22 include:



Photo by ArcticPharm, first crop 2021

Education:

- ▶ While conducting enforcement initiatives in communities, Compliance Officers will continue to educate the public by providing information about the Cannabis Control and Regulation Act and Cannabis Regulations to help support voluntary compliance by all licensees.
- ▶ Update BARS-C training as needed to provide up-to-date information about cannabis.
- ▶ Continue to promote Check 30 program in Cannabis Yukon and private retail stores.
- ▶ Continue to distribute brochures and information pamphlets from other organizations, such as Canada's Lower-Risk Cannabis Guidelines and Cannabis Talk Kit to raise awareness of the risks of cannabis consumption.
- ▶ Support cannabis harm reduction initiatives focused on safer consumption and continuing to develop communications on the dangers of mixing cannabis and alcohol.
- ▶ Promote Government of Canada social media posts on the risks of cannabis, impaired driving and harm reduction on the Corporation's Facebook page.
- ▶ Publish regular posts on the risks associated with cannabis use on the Corporation's Facebook page.
- ▶ Continue to distribute the information sheet on cannabis and residential tenancies in all Corporation liquor stores, and at interested private retailers in both French and English.

Wholesale:

- ▶ Review cannabis prices to ensure they are competitive and attract customers away from the illicit market.
- ▶ Work with licensed cannabis producers to provide a variety of cannabis products for consumers in the emerging industry.
- ▶ Work with licensed retailers on matters that affect them.
- ▶ Enhance the customer and client experience.
- ▶ Develop online systems for licensee ordering.

Regulatory:

- ▶ Facilitate the established risk-based enforcement approach to ensure enforcement is focused on premises in need of attention.
- ▶ Provide meaningful input to the policy branch to ensure training and social responsibility efforts reflect enforcement realities.
- ▶ Share expertise and advice in the creation of branch policies and procedures to ensure consistency and structure in branch activities.
- ▶ Facilitate and collaborate in the launching of a new, online licence application and regulatory management system.

Yukon Department of Health and Social Services Report on Cannabis

Health Indicator Collection for 2019/20 Fiscal:

| Indicator Category | Sub-category | Data Source | Results | |
|---------------------------------------|---|---|---|--------------------|
| Patterns of use | % of population who used cannabis in past 12 months | Canadian Community Health Survey (CCHS) (Ages 12+) *new data will be available in the next reporting cycle | 20.6% (2015/16) | |
| | | Health Behavior of School-aged Children Survey (HBSC)(Grades 6-10) *this data will be collected again in 2022 | 14.7% (2018) | |
| | % of population who use daily in the last 12 months | CCHS (Ages 12+) *new data will be available in the next reporting cycle | 5% ^{1, 2} (2015/16) | |
| | % of population that use 20 days or more times in the last 30 days | HBSC (Grades 6-10) *this data will be collected again in 2022 | 2.4% (2018) | |
| | Age of initiation (categories are ≤11, 12, 13, 14, 15 and ≥16) | | HBSC (Grades 6-10) *this data will be collected again in 2022 | ≤11 4.4% (2018) |
| | | | | 12 4.2% (2018) |
| | | | | 13 7.6% (2018) |
| | | | | 14 9.1% (2018) |
| | | | | 15 7.8% (2018) |
| | | | | ≥16 1% (2018) |
| Motor Vehicle Collisions & Fatalities | # and % of motor vehicle collisions with driver having cannabis detected in their system (fatal)in past year | Coroner Data | >5 | |
| Motor Vehicle Collisions & Fatalities | # and % of motor vehicle collisions with driver having cannabis detected in their system (non-fatal) in past year | National Collision Database | Not available | |

Disclaimer:

With the Federal Government's decision to legalize cannabis in October 2018, the Government of Yukon has committed to measure whether the change in cannabis policy is having the intended effects to protect public health and safety. Improved surveillance for cannabis use and related health and justice statistics is needed to monitor the effects cannabis has in Yukon and to inform evidence-based policy decisions and for ongoing evaluation of cannabis regulations.

¹ No new data available.

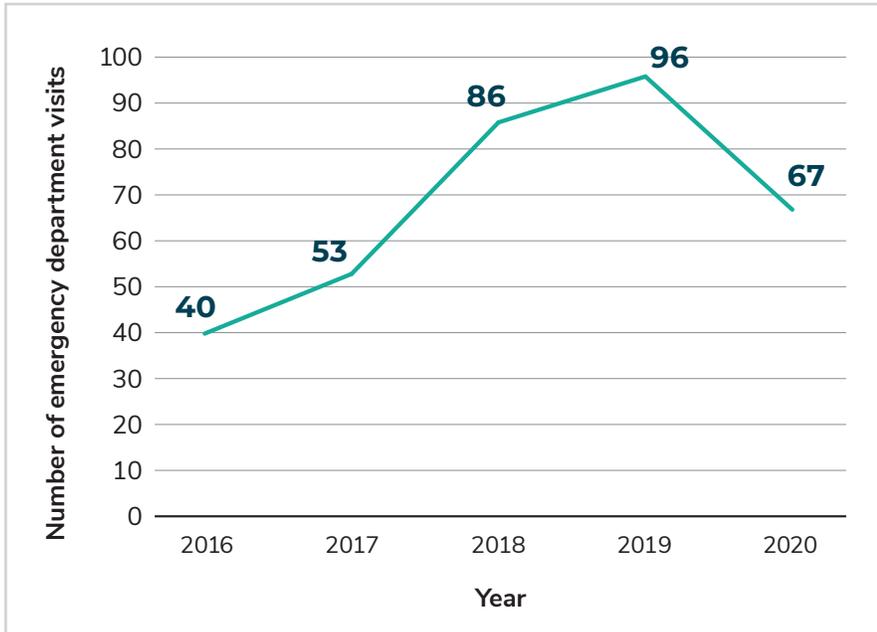
² High sampling variability associated with the data quality indicator. Estimates should be interpreted with caution.

Health Indicator Collection for 2018/19 Fiscal continued...

| Indicator Category | Sub-category | Data Source | Results |
|--|--|---|--|
| Overdose | # of emergency department visits/hospitalizations for poisonings | Hospital Data | ED visits: 21 (2016-2020) <small>*note 2020 data current only up to November 30th 2020</small> |
| | | | Hospitalizations: < 5 (2016-2020) <small>*note 2020 data current only up to October 31st 2020</small> |
| Emergency-department visits/hospitalizations | # of cannabis-associated emergency department visits (excluding cannabis poisonings) | Hospital Data | 96 (2019) |
| | # of hospitalizations associated with cannabis use (excluding cannabis poisonings) | Hospital Data | 33 (2019) |
| Pregnancy and reproductive health | % of women who used cannabis during pregnancy | Hospital Data - BC Antenatal form | Not available |
| Market/Economic Information | Amount (\$) of sales of cannabis from licensed producers/licit sources through retail and e-commerce | Yukon Liquor Corporation | Reported by YLC |
| | Volume of sales (by gram) through retail and e-commerce | Yukon Liquor Corporation | Reported by YLC |
| | Type(s) of cannabis products being sold in Yukon through e-commerce, retail and wholesale to licensees | Yukon Liquor Corporation | Reported by YLC |
| | Number of licensed cannabis outlets | Yukon Liquor Corporation | Reported by YLC |
| Crime & Law Enforcement | # (and rate per 100,000) of illicit possession charges for cannabis for youth (12-17 years) | Statistics Canada (Incident-based crime statistics) | 0 (0 per 100,000) (2019) |
| | # (and rate per 100,000) of illicit possession charges for cannabis 18 years and over | Statistics Canada (Incident-based crime statistics) | 0 (0 per 100,000) (2019) |
| | # (and rate per 100,000) of distribution, sale and importation/exportation charges for cannabis | Statistics Canada (Incident-based crime statistics) | 1 (3.05 per 100,000) (2019) |
| | # (and rate per 100,000) of production charges for cannabis | Statistics Canada (Incident-based crime statistics) | 0 (2019) |

Hospital indicators:

Figure 1: Number of emergency department visits associated with cannabis use in Yukon, 2016-2020



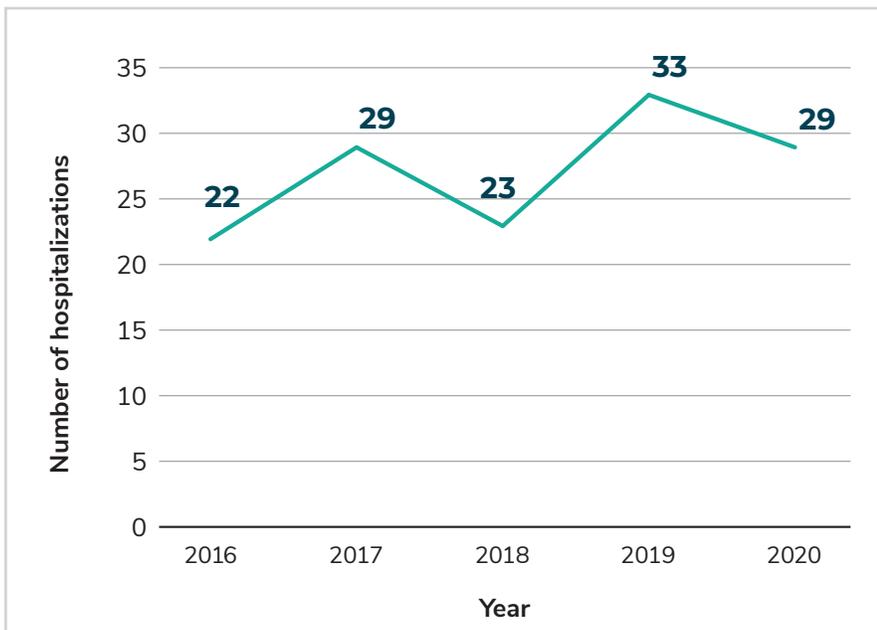
*note 2020 is current up to Nov 30, 2020 and is not a complete year of data.

Emergency Room Visit Notes:

- ▶ In 2019, 96 emergency department visits made for reasons associated with cannabis (excluding cannabis poisonings).
 - ▶ 36% (35) were by females, and 64% (61) were by males.
 - ▶ In 2019, 47% (45) of cannabis associated emergency department visits were for people under the age of 25. This is an important age group to monitor since they are most impacted by the negative effects of cannabis use and report using cannabis more than older populations.

Source: Hospital Administrative Data (NACRS)

Figure 2: Number of hospitalizations associated with cannabis use in Yukon, 2016-2020



Hospitalization Notes:

- ▶ In 2019, there were 33 hospitalizations associated with cannabis use.
 - ▶ 42% (14) were for females, 58% (19) were males.
 - ▶ In 2019, 39% (13) of hospitalizations that include cannabis related diagnoses were for people under the age of 25

Source: Hospital Administrative data (DAD)

*note 2020 is current up to Nov 30, 2020 and is not a complete year of data.

ⁱ Maslov, A., Ferguson, M. & Lawrence, A. (2016). Cannabis performance metrics for policy consideration: what do we need to measure. Retrieved from https://www.researchgate.net/publication/308765615_Cannabis_Performance_Metrics_for_Policy_Consideration_What_Do_We_Need_to_Measure

YUKON LIQUOR CORPORATION
(CANNABIS DISTRIBUTOR CORPORATION FUND)
STATEMENT OF FINANCIAL RESULTS

Statement of Financial Position
as at March 31
Unaudited

| | 2021 | 2020 |
|--|------------------------------------|-----------------|
| | (in thousands of Canadian dollars) | |
| ASSETS | | |
| CURRENT | | |
| Cash | \$ 587 | \$ 1,115 |
| Accounts receivable | - | 2 |
| Inventories | 361 | 676 |
| | 948 | 1,793 |
| PROPERTY, PLANT AND EQUIPMENT (Note 1) | 175 | 197 |
| INTANGIBLE ASSETS (Note 2) | - | 22 |
| | \$ 1,123 | \$ 2,012 |
| LIABILITIES AND EQUITY | | |
| CURRENT | | |
| Accounts payable and accrued liabilities | \$ 141 | \$ 721 |
| Deferred revenue | 15 | 15 |
| Due to the Government of Yukon | 155 | 370 |
| Deferred Government Grant | 133 | 181 |
| | 444 | 1,287 |
| EQUITY | 679 | 725 |
| | \$ 1,123 | \$ 2,012 |

Through Order-in-Council 2018/107 of the *Cannabis Control and Regulation Act*, the Yukon Liquor Corporation is designated as the distributor corporation, to act as the principal supplier of cannabis for sale in the Yukon.

A qualified audit opinion was expressed on the Yukon Liquor Corporation's financial statements by the Office of the Auditor General of Canada. A copy of these full financial statements, including the audit opinion, is available on their website.

YUKON LIQUOR CORPORATION
(CANNABIS DISTRIBUTOR CORPORATION FUND)
STATEMENT OF FINANCIAL RESULTS

Statement of Comprehensive Income
for the year ended March 31
Unaudited

| | 2021 | 2020 |
|---|------------------------------------|---------------|
| | (in thousands of Canadian dollars) | |
| REVENUES | | |
| Revenue | \$ 6,070 | \$ 4,863 |
| COST OF GOODS SOLD | | |
| Purchases | 4,500 | 3,503 |
| Breakage and slippage | 7 | - |
| Postage and freight | 144 | 72 |
| | 4,651 | 3,575 |
| GROSS PROFIT | 1,419 | 1,288 |
| OTHER INCOME | | |
| Government grant | 49 | 195 |
| Fees, permits and licenses | 17 | 32 |
| Miscellaneous | 9 | 30 |
| | 75 | 257 |
| EXPENSES | | |
| Salaries, wages and benefits | 942 | 1,076 |
| Depreciation of property, plant and equipment | 36 | 151 |
| Professional services | 135 | 105 |
| Rent, utilities and maintenance | 25 | 73 |
| Other | 106 | 50 |
| Travel and communications | 5 | 33 |
| Interest and bank charges | 34 | 30 |
| Amortization of intangible assets | 22 | 22 |
| General and office supplies | 1 | 2 |
| | 1,306 | 1,542 |
| INCOME FROM OPERATIONS | 188 | 3 |
| OTHER INCOME | | |
| Gain on disposal of property, plant and equipment | - | 168 |
| COMPREHENSIVE INCOME | \$ 188 | \$ 171 |

YUKON LIQUOR CORPORATION
(CANNABIS DISTRIBUTOR CORPORATION FUND)

Schedule to Financial Statements
for the year ended March 31
Unaudited

1. Property, plant and equipment

(in thousands of Canadian dollars)

| <u>Cost</u> | 2020 Balance | Additions | Disposals | 2021 Balance |
|---------------------|-----------------|--------------|-------------|-----------------|
| Buildings | \$ 107 | \$ - | \$ - | \$ 107 |
| Operating equipment | 58 | - | - | 58 |
| Systems development | 72 | 14 | - | 86 |
| Systems equipment | 28 | - | - | 28 |
| | <u>\$ 265</u> | <u>\$ 14</u> | <u>\$ -</u> | <u>\$ 279</u> |

| <u>Accumulated Depreciation</u> | 2020 Balance | Depreciation | Accumulated Depreciation on Disposals | 2021 Balance |
|---------------------------------|-----------------|--------------|---|-----------------|
| Buildings | \$ 11 | \$ 5 | \$ - | \$ 16 |
| Operating equipment | 19 | 11 | - | 30 |
| Systems development | 27 | 14 | - | 41 |
| Systems equipment | 11 | 6 | - | 17 |
| | <u>\$ 68</u> | <u>\$ 36</u> | <u>\$ -</u> | <u>\$ 104</u> |

| <u>Net book value</u> | 2021 | 2020 |
|-----------------------|---------------|---------------|
| Buildings | \$ 91 | \$ 96 |
| Operating equipment | 28 | 39 |
| Systems development | 45 | 45 |
| Systems equipment | 11 | 17 |
| | <u>\$ 175</u> | <u>\$ 197</u> |

2. Intangible assets

| | 2021 (in thousands of Canadian dollars) | 2020 |
|--------------------------|--|--------------|
| Web development | \$ 67 | \$ 67 |
| Accumulated amortization | (67) | (45) |
| | <u>\$ -</u> | <u>\$ 22</u> |

Yukon Liquor Corporation

9031 Quartz Road, Whitehorse
Yukon Y1A 4P9

Phone: 867-667-5245

Fax: 867-393-6306

Toll-free: 1-800-661-0408 extension 5245

Email: yukon.liquor@yukon.ca



Yukon Liquor Corporation

Yukon