

MS Canada – Quebec Division

Financial Statements
December 31, 2025

MS Canada – Quebec Division

Financial Statements

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Independent auditor's report

To the directors of MS Canada – Québec Division

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of MS Canada – Québec Division (the Society) as at December 31, 2025 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

What we have audited

The Society's financial statements comprise:

- the balance sheet as at December 31, 2025;
- the statement of revenues and expenditures for the year then ended;
- the statement of changes in net assets for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other matters – Unaudited information

The comparative information for the year ended December 31, 2024 has not been audited. This information was previously included in combined financial information covering multiple entities, whereas the current financial statements relate only to MS Canada – Québec Division. Accordingly, we do not express an audit opinion or any other form of assurance on the comparative information.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP¹

Montréal, Quebec

June 10, 2026

¹ CPA auditor, public accountancy permit No. A130737

MS Canada – Quebec Division

Balance Sheet

As at December 31, 2025

	Note	2025 \$	2024 \$ (unaudited)
Assets			
Current assets			
Cash		9,943,093	518,348
Accounts receivable	3	2,188,982	2,380,096
Inventory		10,921	17,193
Prepaid expenses		44,746	9,842
		<u>12,187,742</u>	<u>2,925,479</u>
Capital assets			
	4	<u>25,136</u>	<u>14,720</u>
		<u>12,212,878</u>	<u>2,940,199</u>
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	5	1,879,557	1,968,342
Deferred revenues	6	49,038	28,947
		<u>1,928,595</u>	<u>1,997,289</u>
Obligations under capital leases		-	1,500
Deferred contributions			
	7	<u>32,558</u>	<u>32,558</u>
		<u>1,961,153</u>	<u>2,031,347</u>
Net Assets			
Invested in capital assets		25,136	14,720
Unrestricted		<u>10,226,589</u>	<u>894,132</u>
		<u>10,251,725</u>	<u>908,852</u>
		<u>12,212,878</u>	<u>2,940,199</u>
Commitments and contingencies	9		

Approved by the Board of Directors

_____ Director _____ Director

The accompanying notes are an integral part of these financial statements.

MS Canada – Quebec Division
Statement of Revenues and Expenditures
For the year ended December 31, 2025

	Note	2025 \$	2024 \$ (unaudited)
Revenues			
Revenues from donations and government grants			
Corporate giving, individual giving and major donors		351,140	344,923
Bequests		1,153,347	504,375
Government grants		32,989	32,188
Signature events		930,152	904,612
Local fundraising initiatives		655,537	918,613
Third party events and partnership campaigns		304,768	257,388
Non recurring revenue	11	9,400,000	-
Total revenues from donations and government grants		12,827,933	2,962,099
Other revenues			
Contributions from pharmaceutical partners		143,000	119,100
Public awareness activities			
Health Partners Entraide campaign and other funds		57,670	75,172
Registration fee revenue – Activities provided to clients		7,980	49,360
Bingos and lotteries			
Sale of goods			
Investment revenue		23,124	31,385
Miscellaneous revenues		275,305	344,000
		3,344	-
Total revenues		13,338,356	3,581,116
Expenditures			
Fundraising expenditures			
Donations and grants	2	219,701	221,208
Signature events		629,168	659,331
Local fundraising initiatives		308,832	272,225
Third party events and partnership campaigns		121,186	277,454
Indirect fundraising expenditures		83,218	59,129
Total fundraising expenditures		1,362,105	1,489,347
Program and administrative spending			
Client services	2	187,080	225,918
Research	8	1,275,305	750,000
Public education and awareness		107,182	87,763
Partner organizations and volunteer support and development		602,012	582,258
Community relations		165,962	125,248
Administration		295,837	254,295
Total program and administrative spending		2,633,378	2,025,482
Total expenditures		3,995,483	3,514,829
Excess of revenues over expenditures for the year		9,342,873	66,287

The accompanying notes are an integral part of these financial statements.

MS Canada – Quebec Division

Statement of Changes in Net Assets

For the year ended December 31, 2025

	Invested in capital assets \$	Unrestricted \$	Total \$
As at January 1, 2024 (unaudited)	28,699	813,866	842,565
Excess of revenues over expenditures for the year	-	66,287	66,287
Acquisition of capital assets	2,286	(2,286)	-
Amortization and write-off of capital assets	(16,265)	16,265	-
As at December 31, 2024 (unaudited)	14,720	894,132	908,852
Excess of revenues over expenditures for the year	-	9,342,873	9,342,873
Acquisition of capital assets	24,802	(24,802)	-
Amortization and write-off of capital assets	(14,386)	14,386	-
As at December 31, 2025	25,136	10,226,589	10,251,725

The accompanying notes are an integral part of these financial statements.

MS Canada – Quebec Division

Statement of Cash Flows

For the year ended December 31, 2025

	2025 \$	2024 \$ (unaudited)
Cash flows from		
Operating activities		
Excess of revenues over expenditures for the year	9,342,873	66,287
Amortization and write-off of capital assets	14,386	16,265
	<hr/>	<hr/>
	9,357,259	82,552
Changes in non-cash working capital items		
Decrease in accounts receivable	191,114	(285,527)
Decrease in inventories	6,272	-
Increase (decrease) in prepaid expenses	(34,904)	8,679
Increase (decrease) in accounts payable and accrued liabilities	(88,785)	(210,284)
Decrease in deferred revenues	20,091	20,641
	<hr/>	<hr/>
	93,788	(466,491)
	<hr/>	<hr/>
	9,451,047	(383,939)
Investing activities		
Acquisition of capital assets	(24,802)	(2,286)
Financing activities		
Repayment of obligations under capital leases	(1,500)	-
	<hr/>	<hr/>
Net increase (decrease) in cash during the year	9,424,745	(386,225)
Cash – Beginning of year	518,348	904,573
	<hr/>	<hr/>
Cash – End of year	9,943,093	518,348
	<hr/>	<hr/>

The accompanying notes are an integral part of these financial statements.

MS Canada – Quebec Division

Notes to Financial Statements

December 31, 2025

1 Organization

MS Canada – Division of Quebec (the Quebec Division) is incorporated under Part III of the Quebec Companies Act and. Its mission is to provide services to people living with multiple sclerosis (MS) in Quebec, educating the public and financing medical research.

The Quebec Division is a registered charitable organizations under the Income Tax Act (Canada) and therefore is not subject to income tax.

The Quebec Division shares a common strategic framework with MS Canada and 18 other partner organizations in Québec. The Quebec Division collaborates with all of these organizations to optimize the work they perform in achieving shared objectives. Accordingly, they strive to coordinate their actions to maximize their impact for Canadians living with MS.

For the Quebec Division's fiscal year ended December 31, 2024, and prior years, the audited financial statements were presented on a combined basis with those of the 18 partner organizations in Québec. This presentation was a management decision and was not required under Canadian accounting standards. Effective for the fiscal year ended December 31, 2025, a decision was made to discontinue the combined presentation of the financial statements. For the fiscal year ended December 31, 2025, the audited financial statements present only the financial information of the Quebec Division. The same applies to the comparative information as at and for the year ended December 31, 2024.

2 Summary of significant accounting policies

Basis of accounting and presentation of financial statements

These financial statements have been prepared in accordance with Part III of the CPA Canada Handbook – Accounting – Accounting Standards for Not-for-Profit Organizations (ASNPO). They present the assets, liabilities, net assets and operations of the Quebec Division.

Use of estimates

The preparation of financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as well as disclosure of contingent assets and liabilities reported in the financial statements and the reported amounts of revenues and expenditures for the year. Actual results could differ from those estimates.

Volunteer services and contributed materials and services

The work of the Quebec Division is dependent, among other things, on services provided by numerous volunteers. In addition, the Quebec Division may receive contributed materials and other services. Because these materials and services are not normally purchased by the Quebec Division, and because of the difficulty in determining their fair values, contributed materials and services are not recognized in these financial statements unless they relate to capital assets.

MS Canada – Quebec Division

Notes to Financial Statements

December 31, 2025

Revenue recognition – Contributions

The Quebec Division follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Inventory

Inventory is valued at the lower of cost and current replacement cost. Cost is generally determined on a first-in, first-out basis. Inventory comprises campaign and informational material.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is provided for on a straight-line basis over the estimated useful lives of the assets. Computer and office equipment is amortized over three- and five-year periods, respectively. Leasehold improvements are amortized over the residual life of the lease.

Net assets

Net assets, other than those invested in capital assets, are unrestricted. The Quebec Division does not have externally imposed restrictions on its capital.

Allocation of expenses

The Quebec Division provides direct services to people affected by MS, funding for research into the cause and cure for MS, public education and awareness-raising activities, volunteer development and support, advocacy with governments, and stakeholder advocacy programs. The cost of each program includes the costs of personnel responsible for delivering it as well as expenditures that are directly related to their operation.

The Quebec Division also incurs costs related to fundraising, administration and governance. The expenses associated with these activities include the salaries of personnel responsible for these activities and directly related expenses.

Salary expenses are charged to the activity or activities for which the personnel are accountable for based on the allocation of time required to carry out their individual roles and responsibilities. The salary expenses are reviewed on an annual basis as part of the budgeting process, and adjustments are made during the year for significant changes in an individual's area of responsibility.

MS Canada – Quebec Division

Notes to Financial Statements

December 31, 2025

In addition to these direct costs, a number of support expenditures are incurred that are shared among all activities. The support expenditures include office equipment, amortization of capital assets, office rent and occupancy costs, and audit fees. The Quebec Division attributes these program fees and activities based on the hours spent on programs and activities by its employees.

Salary expenses and support expenditures are attributed between programs and activities as follows:

	2025 \$	2024 \$ (unaudited)
Program spending	784,144	741,915
Fundraising expenditures	972,049	939,269
Administration	295,837	254,295
	<u>2,052,030</u>	<u>1,935,479</u>

Financial instruments

Measurement of financial instruments

The Quebec Division initially measures its financial assets and financial liabilities at fair value. The Quebec Division subsequently measures all its financial assets and financial liabilities at amortized cost, except for equity investments quoted in active markets, if any, which are measured at fair value. Changes in fair value are recognized in excess of revenues over expenditures for the year.

Financial assets measured at amortized cost consist of cash and accounts receivable. Financial liabilities measured at amortized cost consist of accounts payable and accrued liabilities, obligations under capital leases.

Presentation and transaction costs

Liabilities are classified as current unless the Quebec Division has an unconditional right to defer its settlement liabilities for at least 12 months after the balance sheet date.

Transaction costs on financial assets and financial liabilities measured at amortized cost, if any, are added to or netted against the carrying value of the related asset or liability and then recognized over the expected life of the instrument using the straight-line method.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in excess of revenues over expenditures for the year. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenues over expenditures for the year.

MS Canada – Quebec Division

Notes to Financial Statements

December 31, 2025

3 Accounts receivable

	2025 \$	2024 \$ (unaudited)
Receivable from the Multiple Sclerosis Society of Canada	378,081	311,706
Partner organization receivable	1,426,678	1,739,161
Sales taxes receivable	261,377	202,048
Others	122,846	127,181
	<u>2,188,982</u>	<u>2,380,096</u>

The other accounts receivable consist principally of sponsorships receivable, receivables related to special events and donations.

4 Capital assets

	2025		2024 (unaudited)	
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Computer and office equipment	156,373	142,253	14,120	14,720
Leasehold improvements	13,412	2,396	11,016	-
	<u>169,785</u>	<u>144,649</u>	<u>25,136</u>	<u>14,720</u>

5 Accounts payable and accrued liabilities

	2025 \$	2024 \$ (unaudited)
Payable to the Multiple Sclerosis Society of Canada	1,275,305	952,343
Payable to partner organizations	272,015	803,907
Accounts payable and accrued liabilities	<u>332,237</u>	<u>212,092</u>
	<u>1,879,557</u>	<u>1,968,342</u>

MS Canada – Quebec Division

Notes to Financial Statements

December 31, 2025

6 Deferred revenues

Deferred revenues consist of government grants and amounts for which special conditions exist.

	2025 \$	2024 \$ (unaudited)
Balance – Beginning of year	28,947	8,306
Revenues		
Amount recognized in the statement of revenues and expenditures	(32,546)	(17,472)
Amount received relating to the following year	52,637	38,113
Balance – End of year	<u>49,038</u>	<u>28,947</u>

7 Deferred contributions

Deferred contributions consist of donations received by the Quebec Division which are restricted by donors and which were not spent at the end of the fiscal year.

	2025 \$	2024 \$ (unaudited)
Balance – Beginning and End of year	<u>32,558</u>	<u>32,558</u>

8 Research funding

An important part of the Quebec Division's mission is to finance medical research on MS. This contribution is presented as "Research" in the statement of revenues and expenditures. The amount of the annual contribution to research is determined by the Board of Directors of the Quebec Division and each of the Partner Organizations in Quebec, taking into account their respective financial situation.

	2025 \$	2024 \$ (unaudited)
Excess of revenues over expenditures for the year	10,618,178	816,287
Research*	<u>(1,275,305)</u>	<u>(750,000)</u>
Excess after the contribution to research	<u>9,342,873</u>	<u>66,287</u>

During the year, the Board of Directors of the Quebec Division authorized a contribution to research of \$1,275,305 (\$750,000 in 2024, unaudited). This contribution was funded by the Québec Division in the amount of \$1,000,000, with the remaining \$275,305 (\$344,000 in 2024, unaudited) provided by various partner organizations with surplus net assets.

MS Canada – Quebec Division

Notes to Financial Statements

December 31, 2025

9 Commitments and contingencies

a) Minimum rents for premises leased under long-term operating leases are as follows:

	\$
2026	109,646
2027	109,646
2028	109,646
2029	91,732
	<hr/>
	420,670
	<hr/>

b) Pursuant to the assignment of an office lease agreement, the Quebec Division remains a joint and several co-debtor until the termination of the original lease expiring June 30, 2032.

10 Financial instruments

Credit risk

Financial instruments that potentially subject the Quebec Division to credit risk consist of cash et accounts receivable. The Quebec Division has deposited its cash with reputable financial institutions. Accounts receivable primarily consist of amounts receivable from the Multiple Sclerosis Society of Canada and government entities. Management therefore considers that there is no credit risk as at December 31, 2025.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Quebec Division is exposed to market risk relating to its investment in units of a mutual fund which is invested in US equities; however, this risk is limited given that the amount invested is not significant.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with its financial obligations. The Quebec Division is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, obligations under capital leases and commitments for the rental of its premises. The Quebec Division minimizes this risk through an annual budget process and rigorous follow-up.

MS Canada – Quebec Division

Notes to Financial Statements

December 31, 2025

11 Nonrecurring Revenue

During the year, the MS Housing Corporation sold its building to the organization “Gérer son quartier,” with the purchaser committing to maintain the building’s intended purpose.

Following the subsequent dissolution of the MS Housing Corporation and in accordance with its bylaws, all of its financial assets, including the net proceeds from this sale amounting to \$9,400,000, were transferred to the Quebec Division. These assets will be managed in a responsible and transparent manner, in line with its mission and its policy governing the ownership of real estate. This commitment is reflected in support for research, direct services for people living with multiple sclerosis and their families, as well as initiatives aimed at increasing awareness and visibility of the cause in Québec.