Financial Statements of

CYSTIC FIBROSIS CANADA

And Independent Auditor's Report thereon

Year ended January 31, 2026

KPMG LLP
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INDEPENDENT AUDITOR'S REPORT

To the Members of Cystic Fibrosis Canada

Qualified Opinion

We have audited the financial statements of Cystic Fibrosis Canada (the Entity), which comprise:

- the statement of financial position as at January 31, 2026
- the statement of operations 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 notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, except for the possible effects of the matter described in the ***"Basis for Qualified Opinion"*** section of our auditor's report, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at January 31, 2026, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit-organizations.

Basis for Qualified Opinion

In common with many charitable organizations, the Entity derives community events revenue from cash donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Entity.

Therefore, we were not able to determine whether any adjustments might be necessary to:

- the current assets reported in the statements of financial position as at January 31, 2026 and January 31, 2025
- community events revenue and excess of revenue over expenses reported in the statements of operations for the years ended January 31, 2026 and January 31, 2025

- the unrestricted net assets, at the beginning and end of the year, reported in the statements of changes in net assets for the years ended January 31, 2026 and January 31, 2025
- the excess of revenue over expenses reported in the statements of cash flows for the years ended January 31, 2026 and January 31, 2025.

Our opinion on the financial statements for the year ended January 31, 2025 was qualified accordingly because of the possible effects of this limitation in scope.

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 auditor's report.

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

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

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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the financial statements.

KPMG

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 Entity'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 Entity'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 Entity 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.
- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

April 22, 2026

CYSTIC FIBROSIS CANADA

Statement of Financial Position
(In thousands of dollars)

January 31, 2026, with comparative information for 2025

	2026	2025
Assets		
Current assets:		
Cash and cash equivalents	$ 10,460	$ 8,433
Short-term investments (note 2)	1,263	1,337
Receivables and other assets	618	955
	12,341	10,725
Contributions receivable (note 3)	185	182
Long-term investments (note 2)	4,801	4,694
Capital assets (note 4)	596	612
	$ 17,923	$ 16,213
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	$ 892	$ 511
Deferred revenue	1,097	712
	1,989	1,223
Long-term liabilities (note 5)	733	798
	2,722	2,021
Net assets:		
Endowment	94	94
Internally restricted for research and healthcare (note 8)	2,453	2,704
Invested in capital assets (note 9)	256	230
Internally reserved for strategic impact fund (note 8)	2,509	1,500
Unrestricted	9,889	9,664
	15,201	14,192
Commitments (notes 8 and 12)		
	$ 17,923	$ 16,213

See accompanying notes to financial statements.

On behalf of the Board:

____________________ Director

____________________ Director

CYSTIC FIBROSIS CANADA

Statement of Operations
(In thousands of dollars)

Year ended January 31, 2026, with comparative information for 2025

	2026	2025
Revenue:		
Community events	$ 6,405	$ 6,209
Annual giving	1,863	1,826
Leadership giving	1,373	1,267
Corporate giving	710	929
Bequests	3,363	2,347
Other	1,176	1,358
Kin Canada	352	548
	15,242	14,484
Less direct fundraising costs	3,185	3,223
	12,057	11,261
Expenses (note 11):		
Program:		
Research (note 10)	4,157	4,069
Community engagement	1,322	1,747
Healthcare (note 10)	1,331	1,312
Advocacy	511	534
	7,321	7,662
Other:		
Administration	1,960	1,956
Fundraising	1,944	1,560
	3,904	3,516
	11,225	11,178
Excess of revenue over expenses before the undernoted	832	83
Investment income:		
Interest, distributions and realized gains on investments	237	361
Change in unrealized gain (loss) on investments	(60)	126
	177	487
Excess of revenue over expenses	$ 1,009	$ 570

See accompanying notes to financial statements.

CYSTIC FIBROSIS CANADA

Statement of Changes in Net Assets
(In thousands of dollars)

Year ended January 31, 2026, with comparative information for 2025

	Endowment	Internally restricted for research and healthcare (note 8)	Invested in capital assets (note 9)	Internally reserved for strategic impact fund (note 8)	Unrestricted	2026 Total	2025 Total
Net assets, beginning of year	$ 94	$ 2,704	$ 230	$ 1,500	$ 9,664	$ 14,192	$ 13,622
Excess (deficiency) of revenue over expenses	–	–	(52)	–	1,061	1,009	570
Investment in capital assets	–	–	78	–	(78)	–	–
Transfer between funds (note 8)	–	(251)	–	1,009	(758)	–	–
Net assets, end of year	$ 94	$ 2,453	$ 256	$ 2,509	$ 9,889	$ 15,201	$ 14,192

See accompanying notes to financial statements.

CYSTIC FIBROSIS CANADA

Statement of Cash Flows
(In thousands of dollars)

Year ended January 31, 2026, with comparative information for 2025

	2026	2025
Cash provided by (used) in:		
Operating activities:		
Excess of revenue over expenses	$ 1,009	$ 570
Items not involving cash:		
Amortization of capital assets	94	108
Amortization of deferred capital contributions	(42)	(42)
Amortization of deferred rent credits	(26)	(26)
Interest, distributions and realized gains on investments	(237)	(361)
Change in unrealized loss (gain) on investments	60	(126)
Change in non-cash operating working capital:		
Receivables and other assets	337	285
Accounts payable and accrued liabilities	381	(182)
Deferred revenue	385	(138)
	1,961	88
Investing activities:		
Net additions to capital assets	(78)	(32)
Net change in investments	144	321
	66	289
Increase in cash and cash equivalents	2,027	377
Cash and cash equivalents, beginning of year	8,433	8,056
Cash and cash equivalents, end of year	$ 10,460	$ 8,433
Supplemental cash flow information:		
True up of reimbursement of leasehold improvements received from landlord	$ –	$ 56

See accompanying notes to financial statements.

Cystic Fibrosis Canada (the "Organization") is a charitable organization incorporated without share capital. The Organization was continued under the Canada Not-for-profit Corporations Act in April 2012. The Organization is the only non-governmental organization raising funds for cystic fibrosis research and care in Canada. With now more than 50 years as the largest funder of cystic fibrosis research in Canada, the Organization has evolved as one of Canada's top-rated charities; finding a cure continues to be its key goal.

The Organization is a registered charity under the Income Tax Act (Canada) and is, therefore, exempt from income taxes.

1. Significant accounting policies:

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the Chartered Professional Accountants of Canada Handbook.

(a) Revenue recognition:

The Organization follows the deferral method of accounting for contributions.

Unrestricted contributions and royalties are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions received from fundraising events that have not been completed are deferred until completion of the event.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate of the related assets.

Endowment contributions are recognized as direct increases in endowment net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

1. Significant accounting policies (continued):

Donor payments of life insurance policies, which vest irrevocably with the Organization and which are tax-receipted by the Organization, are recognized as contributions receivable and as deferred contributions until such time as the proceeds are received, at which point, they are recognized as revenue.

(b) Cash and cash equivalents:

The Organization considers deposits in banks, guaranteed investment certificates and other short-term investments with maturity expirations within three months of the year end as cash and cash equivalents.

(c) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Organization has elected to carry all financial investments at fair value. Transaction costs incurred on the acquisition of financial instruments are expensed as incurred.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, and if the Organization determines there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the: (i) present value of the expected cash flows, (ii) the amount that could be realized from selling the financial asset or (iii) the amount the Organization expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial impairment charge.

(d) Capital assets:

Purchased capital assets are recorded at cost less accumulated amortization and are amortized over the estimated useful lives. Amortization on capital assets acquired during the year is pro-rated based on the number of months in use.

1. Significant accounting policies (continued):

Capital assets are amortized on a straight-line basis over their estimated useful lives, as follows:

Computer hardware	3 years
Furniture and fixtures	10 years
Leasehold improvements	Lease term

(e) Allocation of general and fundraising expenses:

The Organization classifies expenses on the statement of operations by function. The Organization allocates certain costs by identifying the appropriate basis of allocating and applying that basis consistently each year. Allocated expenses and the basis of allocating are as follows:

(i) Payroll expenses are allocated proportionally on the basis of the amount of time devoted by personnel to each function.

(ii) Rent, storage, information technology and phone expenses are allocated proportionally on the same basis as payroll.

(iii) Payroll and rent expense for employees directly related to fundraising events and partnerships are allocated to direct fundraising costs.

(f) Contributed services:

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty in determining the fair value, contributed services are not recognized in the financial statements.

(In thousands of dollars)

1. Significant accounting policies (continued):

(g) Deferred rent credits:

Deferred rent credits, included in long-term liabilities, represent a nine-month rent-free period. The deferred rent credits are amortized on a straight-line basis over the ten-year term of the lease as a reduction of expenses.

(h) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

2. Short-term and long-term investments:

	2026	2025
Canadian fixed income[i]	$ 1,263	$ 1,337
Fixed income pooled funds	4,801	4,694
	$ 6,064	$ 6,031

[i] Short-term investments have yields to maturity ranging from 2.50% to 4.55% (2025 - 1.70% to 4.75%) with maturity dates ranging from May 2026 to May 2029 (2025 - May 2025 to May 2029). These fixed income securities consist of guaranteed investment certificates, which are readily convertible to cash.

3. Contributions receivable:

The Organization is the beneficiary under life insurance policy contributions recorded at their cash surrender value of $185 (2025 - $182).

(In thousands of dollars)

4. Capital assets:

	Cost	Accumulated amortization	2026 Net book value	2025 Net book value
Computer hardware	$ 211	$ 91	$ 120	$ 89
Furniture and fixtures	156	32	124	125
Leasehold improvements	444	92	352	398
	$ 811	$ 215	$ 596	$ 612

Amortization expense for the year is $94 (2025 - $108) and is included in administration expenses on the statement of operations.

5. Long-term liabilities:

Long-term liabilities represent the deferred portion of investments in life insurance contributions, deferred rent credits and contributions related to capital assets (leasehold inducements).

	Balance, January 31, 2025	Additions	Amortization	Balance, January 31, 2026
Life insurance (note 3)	$ 182	$ 3	$ –	$ 185
Deferred rent credits	234	–	26	208
Deferred capital contributions	382	–	42	340
	$ 798	$ 3	$ 68	$ 733

6. Demand facility:

The Organization has a $550 revolving demand facility. The revolving demand facility is unsecured and bears interest at the bank's prime interest rate. As at January 31, 2026 and 2025, no amount was drawn against the revolving demand facility.

7. Financial risks:

The Organization's activities expose it to a variety of financial risks: liquidity risk, market risk and interest rate risk. The Organization's overall management program and business practices seek to minimize any potential adverse effect of those risks on the Organization's results of operations. Risk management is carried out by the senior management team under policies approved by the Board of Directors. There has been no change to the risk exposures from 2025.

(a) Liquidity risk:

Liquidity risk is the risk that the Organization will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Organization manages its liquidity risk by monitoring its operating requirements. The Organization prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

(b) Market risk:

The value of equity securities changes with stock market conditions, which are affected by general economic and market conditions and developments within the specific companies or governments which issued the securities.

(c) Interest rate risk:

The value of fixed income securities will generally rise if interest rates fall and decrease if interest rates rise.

8. Internally restricted funds:

The Board of Directors has approved the following internally restricted funds:

(a) Net assets internally restricted for research and healthcare:

Net assets internally restricted for research and healthcare represent the amount of grant commitments which will be paid in the year ending January 31, 2027 for $2,453 (2026 - $2,704).

(In thousands of dollars)

8. Internally restricted funds (continued):

(b) Internally reserved for strategic impact fund:

Net assets of $2,509 (2025 - $1,500) are internally restricted to finance the future strategic needs of programs or services.

9. Net assets invested in capital assets:

(a) Net assets invested in capital assets is calculated as follows:

	2026	2025
Capital assets	$ 596	$ 612
Amounts financed by deferred capital contributions (note 5)	(340)	(382)
	$ 256	$ 230

(b) Change in net assets invested in capital assets is calculated as follows:

	2026	2025
Excess of revenue over expenses:		
Amortization of deferred capital contributions	$ 42	$ 42
Amortization of capital assets	(94)	(108)
	$ (52)	$ (66)
Net change in net assets invested in capital assets:		
Purchase of capital assets	$ 78	$ 32
Adjustment of deferred capital contributions	–	56
	$ 78	$ 88

(In thousands of dollars)

10. Research and healthcare grants and awards:

Included in research program expenses are research grants and awards in the amount of $2,461 (2025 - $2,273), net of return of unexpended grant from previous years of $15 (2025 - nil). Included in healthcare program expenses are healthcare incentive grants and awards in the amount of $452 (2025 - $452), net of return of unexpended grant from previous years of nil (2025 - $4).

11. Allocation of expenses:

Total salaries and support expenses of $7,014 (2025 - $7,338) have been allocated as follows:

Function	Payroll	Occupancy and other	Total 2026	Total 2025
Research	$ 546	$ 106	$ 652	$ 822
Healthcare	614	46	660	720
Community engagement	792	144	936	1,388
Advocacy	403	86	489	468
Administration	1,123	242	1,365	1,391
Fundraising (direct and other)	2,622	290	2,912	2,549
	$ 6,100	$ 914	$ 7,014	$ 7,338

Fundraising businesses were contracted to solicit donations, primarily focused on pledges, on behalf of the Organization. During the year, $29 (2025 - $28) was paid as remuneration to third-party fundraising businesses.

(In thousands of dollars)

12. Commitments:

The Organization has lease commitments for premises used in its operations. These leases expire on or before January 31, 2034.

2027	$ 361
2028	364
2029	374
2030	379
2031	389
Thereafter	1,206
	$ 3,073

13. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.