

2021 Interim Financial Report

THE FINANCIAL REPORT INCLUDES:

- Management discussion and analysis
- Management's report
- Complete audited separate financial statements, including the notes and the independent auditor's report
- Audited schedule of cost of Investment impacting the Québec economy
- Statement of Other investments
- Index of CRCD's share in investments made by specialized funds and partner funds, at cost

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Management discussion and analysis

This interim Management Discussion and Analysis (“MD&A”) supplements the financial statements and contains financial highlights but does not reproduce the complete interim financial statements of Capital régional et coopératif Desjardins (CRCD). It presents management’s assessment of CRCD’s results for the period reported in the financial statements, as well as its financial position and any material changes to it.

CRCD’s annual and compounded returns expressed in this MD&A are net of expenses and income taxes while returns by activity or investment profile represent returns before expenses and income taxes.

This disclosure document contains management’s analysis of forward-looking statements. Caution should be exercised in the interpretation of this analysis and these statements since management often makes reference to objectives and strategies that contain risks and uncertainties. Due to the nature of CRCD’s operations, the associated risks and uncertainties could cause actual results to differ from those anticipated in forward-looking statements. CRCD disclaims any intention or obligation to update or revise such statements based on any new information or new event that may occur after the reporting date.


















Copies of the interim financial statements may be obtained free of charge, on request, by calling 514-281-2322 or (toll free) 1-866-866-7000, extension 5552322, by writing to 2 Complexe Desjardins, P.O. Box 760, Desjardins Station, Montréal, Québec H5B 1B8, or from our website at www.capitalregional.com or SEDAR at www.sedar.com.

Annual financial information may be obtained in the same way.

1.0 Highlights

1.1 Commitments throughout Québec

CRCD and its ecosystem⁽¹⁾ make a real contribution to the economic development of the regions. As at June 30, 2021, the funds committed per region were as follows:

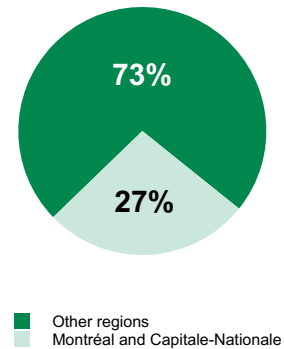
| | |
|---|--|
|  ABITIBI-TÉMISCAMINGUE* \$32M → 37 companies \$0.8M → 1 cooperative |  LAVAL \$53M → 13 companies |
|  BAS-SAINT-LAURENT* \$36M → 36 companies \$0.2M → 1 cooperative |  MAURICIE* \$22M → 12 companies \$0.6M → 1 cooperative |
|  CAPITALE-NATIONALE \$189M → 62 companies \$7M → 4 cooperatives |  MONTÉRÉGIE \$242M → 61 companies \$0.7M → 3 cooperatives |
|  CENTRE-DU-QUÉBEC \$64M → 24 companies \$12M → 2 cooperatives |  MONTREAL \$365M → 96 companies \$100M → 3 cooperatives |
|  CHAUDIÈRE-APPALACHES \$152M → 50 companies \$2M → 4 cooperatives |  NORD-DU-QUÉBEC* \$4M → 17 companies |
|  CÔTE-NORD* \$4M → 7 companies |  OUTAOUAIS \$9M → 10 companies |
|  ESTRIE \$114M → 43 companies \$5M → 3 cooperatives |  SAGUENAY-LAC-SAINT-JEAN* \$72M → 62 companies \$2M → 5 cooperatives |
|  GASPÉSIE – ÎLES-DE-LA-MADELEINE* \$8M → 9 companies | OUTSIDE QUÉBEC (ex Europe) \$12M → 4 companies |
|  LANAUDIÈRE \$22M → 12 companies \$0.3M → 1 cooperative | EUROPE \$16M → 8 companies |
|  LAURENTIDES \$21M → 7 companies | FUNDS \$56M → 16 funds |

IN TOTAL

614
COMPANIES,
COOPERATIVES AND FUNDS

\$1,625M
BENEFITTING SMEs

73%
OF COMPANIES AND
COOPERATIVES BASED IN
QUÉBEC ARE FROM
REGIONS OTHER THAN
MONTREAL AND
CAPITALE-NATIONALE.

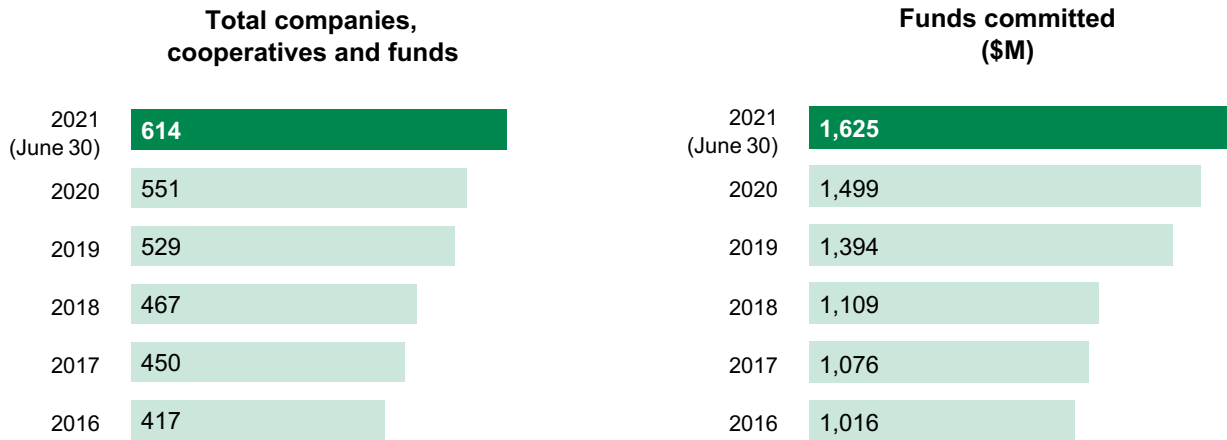


* Resource region

⁽¹⁾ See the Entrepreneurial ecosystem section for a detailed description of the main features of the ecosystem.

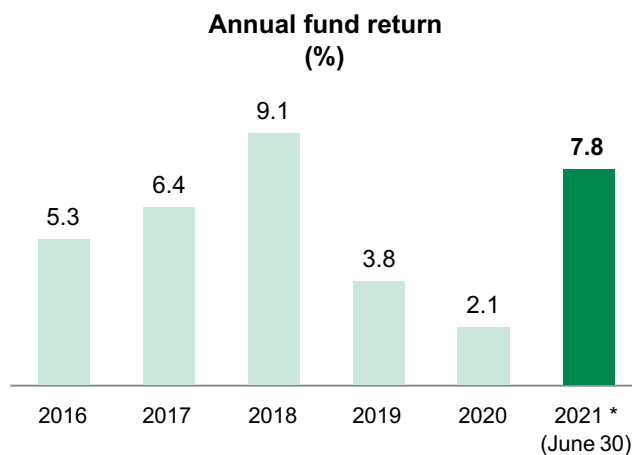
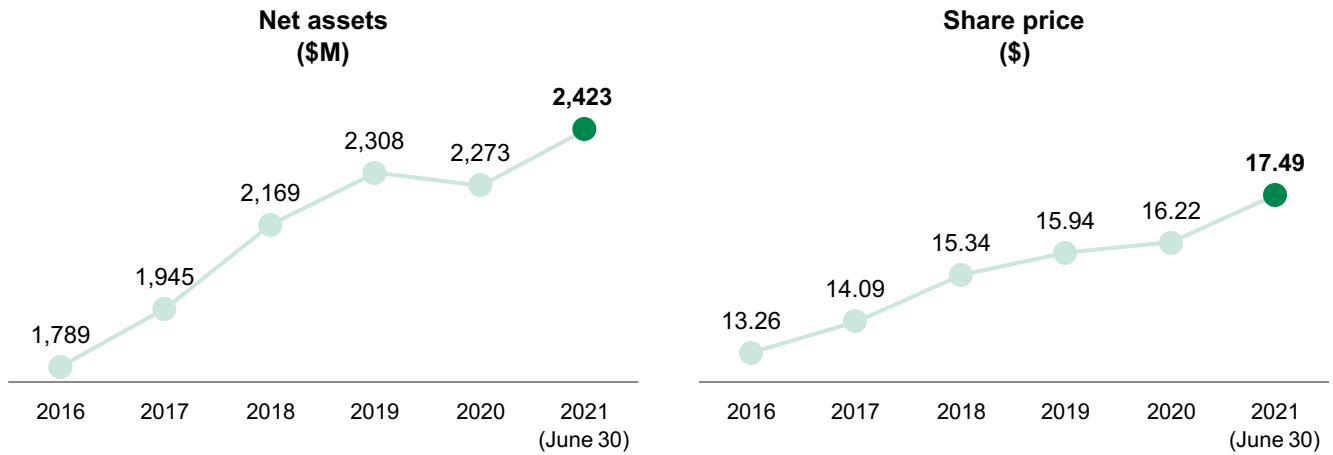
1.2 CRCD and its ecosystem support companies and cooperatives

AS AT JUNE 30, 2021 AND DECEMBER 31



1.3 CRCD financial data

AS AT JUNE 30, 2021 AND DECEMBER 31



*Non-annualized return for the six-month period ended June 30, 2021.

2.0 CRCD financial highlights

The following charts present key financial data and are intended to assist in understanding CRCD's financial results for the preceding five fiscal years. This information is derived from CRCD's separate audited interim and annual financial statements.

2.1 Ratios and supplemental data

| (in thousands of \$, unless indicated otherwise) | June 30, 2021 (6 months) | Dec. 31, 2020 | Dec. 31, 2019 | Dec. 31, 2018 | Dec. 31, 2017 | Dec. 31, 2016 |
|---|--------------------------------|------------------|------------------|------------------|------------------|------------------|
| Revenue | 31,232 | 48,233 | 55,210 | 70,285 | 51,392 | 44,449 |
| Gains on investments | 167,683 | 38,471 | 63,703 | 138,632 | 96,541 | 78,869 |
| Net earnings | 175,820 | 46,429 | 81,302 | 174,894 | 112,757 | 85,957 |
| Net assets | 2,423,275 | 2,272,798 | 2,308,466 | 2,168,804 | 1,945,342 | 1,789,417 |
| Common shares outstanding (number, in thousands) | 138,524 | 140,110 | 144,849 | 141,391 | 138,080 | 134,944 |
| Total operating expense ratio and common share issue expense ratio ⁽¹⁾ (%) | 1.8 | 1.8 | 1.6 | 1.6 | 1.9 | 2.2 |
| Portfolio turnover rate: | | | | | | |
| – Investments impacting the Québec economy (%) | 11 | 13 | 10 | 17 | 16 | 11 |
| – Other investments (%) | 52 | 100 | 101 | 163 | 87 | 126 |
| Trading expense ratio ⁽²⁾ (%) | — | — | — | — | — | — |
| Number of shareholders (number) | 108,399 | 109,286 | 109,364 | 107,862 | 105,614 | 104,317 |
| Issues of common shares – Class A “Issuance” | 411 | 139,842 | 140,017 | 141,179 | 134,850 | 133,401 |
| Exchanges of common shares – Class B “Exchange” | 99,862 | (92) | 199,445 | — | — | — |
| Common share issue expenses, net of related taxes | — | — | — | 2,523 | 2,396 | 1,579 |
| Redemptions of common shares | 25,754 | 221,939 | 81,657 | 90,088 | 89,285 | 70,438 |
| Investments impacting the Québec economy at cost | 1,119,640 | 1,108,055 | 1,014,864 | 838,258 | 828,255 | 787,142 |
| Fair value of investments impacting the Québec economy | 1,448,880 | 1,298,331 | 1,249,967 | 1,080,069 | 1,033,951 | 921,518 |
| Funds committed but not disbursed and guarantees and suretyships | 261,467 | 238,226 | 237,009 | 192,169 | 183,606 | 189,121 |

⁽¹⁾ The ratio of total operating expenses and common share issue expenses is calculated by dividing total expenses (before income taxes) as shown on the separate statements of comprehensive income and common share issue expenses as shown on the separate statements of changes in net assets by net assets as at the end of the period or by average net assets for the financial year, pursuant to Section 68 of the *Regulation respecting Development Capital Investment Fund Continuous Disclosure*.

⁽²⁾ Trading expense includes brokerage fees and other portfolio transaction costs. These expenses are not material to CRCD.

2.2 Changes in net assets per common share

| (in \$) | June 30, 2021 (6 months) | Dec. 31, 2020 | Dec. 31, 2019 | Dec. 31, 2018 | Dec. 31, 2017 | Dec. 31, 2016 |
|---|--------------------------------|------------------|------------------|------------------|------------------|------------------|
| Net assets per common share, beginning of period/year | 16.22 | 15.94 | 15.34 | 14.09 | 13.26 | 12.61 |
| Increase attributable to operations | 1.25 | 0.34 | 0.58 | 1.28 | 0.84 | 0.66 |
| Interest, dividends, distributions and negotiation fees | 0.22 | 0.35 | 0.39 | 0.51 | 0.38 | 0.34 |
| Operating expenses | (0.16) | (0.27) | (0.25) | (0.21) | (0.24) | (0.26) |
| Income taxes | (0.01) | (0.02) | (0.01) | (0.03) | (0.02) | (0.03) |
| Realized gains (losses) | 0.16 | 0.56 | 0.25 | 0.79 | 0.06 | 0.18 |
| Unrealized gains (losses) | 1.04 | (0.28) | 0.20 | 0.22 | 0.66 | 0.43 |
| Difference attributable to common share issues and redemptions | 0.02 | (0.06) | 0.02 | (0.03) | (0.01) | (0.01) |
| Net assets per common share, end of period/year | 17.49 | 16.22 | 15.94 | 15.34 | 14.09 | 13.26 |

3.0 Recent events

CRCD and its manager Desjardins Capital Management Inc. (Desjardins Capital or DC), continue to closely monitor developments in the health crisis caused by the COVID-19 pandemic. This unprecedented crisis has raised much uncertainty, in particular with regard to the economic situation, both in Québec and abroad. While the economic recovery is well underway since the second half of 2020, certain sectors continue to feel the effects of the pandemic.

We continue to support our entire service offering. Like all of Desjardins Group, CRCD's top priority is the health and safety of our employees, shareholders, directors, partners and clients. Since the beginning of the pandemic, all employees of DC have been working remotely.

As reopening expands, we will continue to be there for our partner companies, supporting the growth of SMEs and cooperatives across all regions of Québec.

4.0 Overview

CRCD ended the first six months of 2021 with net earnings of \$175.8 million (net loss of \$115.6 million for the same period in 2020), representing a non-annualized return of 7.8% (negative non-annualized return of 5.2% as at June 30, 2020), resulting in an increase in net assets per share to \$17.49 based on the number of shares outstanding as at June 30, 2021. CRCD aims to strike an appropriate long-term balance between shareholder return and its mission of Québec economic development. The financial asset management strategy adopted by CRCD several years ago is designed to provide a balanced overall profile and limit volatility in periods of substantial market turbulence or due to unfavourable events at partner companies.

Investments impacting the Québec economy posted a non-annualized return of 14.1% for the six-month period ended June 30, 2021, compared with a negative non-annualized return of 9.6% for the same period a year earlier. The positive return from the Investments impacting the Québec economy portfolio was fuelled mainly by the solid performance of portfolio companies. Overall, SMEs have seen business increase as they reopen, approaching near-normal following the slow-down brought on by the pandemic, although some in certain fields continue to lag.

As at June 30, 2021, the cost of Investments impacting the Québec economy totalled \$1,119.6 million, of which \$147.0 million was disbursed during the first six months of fiscal 2021. As at June 30, 2021, commitments made but not disbursed, including guarantees and suretyships granted to companies, cooperatives or funds, amounted to \$261.5 million. New commitments for the year amounted to \$170.2 million.

The Other investments portfolio recorded a non-annualized return of 1.8%. The return was due partly to a significant securities weighting in the bond market which, after substantial gains in 2020 felt the impact of interest rates rising again, and partly to strong performance by equity funds, driven by stock market advances. For the same period in 2020, non-annualized return on the Other investments portfolio was 2.2%.

During the first half of the year, issues of Class A "Issuance" common shares totalled \$0.4 million, or the balance of the 2020 issue. The 2021 issue will begin in the fall. Share redemptions totalled \$25.8 million, compared with \$188.1 million for the same period in 2020. Note that the increase in 2020 was driven by the pandemic environment. Net assets amounted to \$2,423.3 million and shareholders numbered 108,399 as at June 30, 2021. Furthermore, as at June 30, 2021, the balance of shares eligible for redemption amounted to \$937.7 million. For more information, please see the Subscriptions section of this MD&A.

4.1 Growing businesses stronger

Be it through the support, networking or training provided to our partner companies or through enhancing our product offering and sharing our business network, we take action on many levels to grow Québec SMEs and cooperatives.

As a leading player on the Québec development capital scene, we contribute to the vitality of the Québec economy by financing growth companies across all Québec regions, and supporting jobs and business successions to build a strong Québec now and for future generations. Leveraging our solid business transfer expertise, we have completed hundreds of transactions, contributing to the continuity and sustainability of Québec's flagship companies. In addition, we support start-up or early-stage companies that use technological or industrial innovations and capitalize on new uses of existing technologies.

A real catalyst in the business development process of our existing and potential partners, we maintain close relationships with entrepreneurs throughout the province by creating numerous networking opportunities. These events bring together entrepreneurs, business partners and experts who have questions on topical matters such as growth challenges and business succession issues. The pandemic has prompted us to adapt our practices in this regard.

Our offering, which has been unique over the years, is once again proving itself in our ability to support our entrepreneurs in the current environment, particularly through networks that have enabled portfolio companies to help each other and also leverage opportunities arising from the pandemic landscape.

Furthermore, we provide our partner companies with tailored support for implementing and monitoring sound SME governance practices, which represents undeniable value added. Very active in this area, we provide personalized support to entrepreneurs to help set up advisory committees or boards of directors. We offer them advice tailored to their situation. In addition, we can call on a vast network of experienced directors whose role is to help entrepreneurs set up a governance forum to support business strategy and growth. Directors have access to work tools and are regularly trained and evaluated to ensure they can effectively meet the needs of the companies they work with. Our entrepreneurial governance model, based on agility, simplicity, strategic thinking and alignment with business needs, is a unique type of support greatly appreciated by partner entrepreneurs.

4.2 Economic conditions

2021 ECONOMIC ENVIRONMENT

Global economy

The course of the pandemic continues to have a strong impact on global economic growth. The second wave of COVID-19 has had major economic repercussions in several countries. Those hardest hit had to substantially tighten their health measures, and this had major impacts on economic activity in early 2021. The third wave of COVID-19 is also affecting certain regions of the world. This includes India, which has had to close large swaths of its economy. The changing nature of the pandemic is therefore making global economic recovery rather uneven. Some countries are approaching pre-crisis levels of economic activity, while others, such as China and the United States, have already surpassed theirs. However, several economies are still far from this threshold, and this is particularly true in Europe. The differences in economic growth are also due to the uneven success rates of national vaccination campaigns. In the eurozone, most countries are reopening, yet only very gradual progress is being made. Following a 6.7% drop in 2020, the eurozone's real GDP is expected to grow 4.6% in 2021 and 4.3% in 2022. Economic growth in China slowed in the first half of 2021. The country's real GDP is expected to grow more rapidly in the next few quarters, but there is still a sense that the Chinese economy has lost some of its momentum. Overall, global real GDP is expected to expand 6.0% in 2021, following an estimated 3.6% contraction in 2020. For the time being, the economic impact of the recent increase in COVID-19 cases related to the Delta variant is expected to be limited and temporary in highly vaccinated countries.

Despite some hesitations related to the third wave of COVID-19, stock market indices continued to surge in the second quarter. By the end of June, the S&P 500 and S&P/TSX were up approximately 15% since the beginning of the year. This strong performance was due to a rapid recovery in earnings as companies in the S&P 500 index reported record profits for the first quarter of 2021. Following a difficult first quarter, the bond market also performed well when long-term bond yields fell in the spring, particularly in the U.S., despite growing inflationary pressures. The U.S. Federal Reserve (the Fed) nevertheless adopted a much more optimistic tone at its June meeting, even signaling that strong outlooks for inflation and the labour market could justify moving more quickly to normalize monetary policy.

After last year's spectacular gains, particularly in the U.S., the major stock market indices may well enter a period of consolidation. However, the outlook for stock markets remains relatively favourable in the medium term, as economic growth is expected to be strong. Higher inflation, combined with a gradual tapering of bond purchases by central banks, particularly in Canada, suggest that bond yields will trend upward over the next few quarters. But the first hikes in key interest rates are not expected until late 2022.

United States

The U.S. economy is recovering from problems caused by the pandemic. After annualized quarterly growth of 6.3% in the first quarter of 2021, a 6.5% in U.S. real GDP in the second quarter put it back above its pre-pandemic level. The U.S. economy is

benefiting in particular from the US\$900 billion and US\$1.9 trillion relief plans passed by the federal government. However, job creation is not as brisk as was hoped, as 5,702,000 fewer people are working compared to the peak reached in February 2020. For now at least, the unwillingness of former workers to re-enter the labour market appears to be a constraint, even though job openings abound. While real GDP has fully recovered, a similar recovery in the labour market may not be achieved until the fall of 2022. In addition to the labour shortage, many industries are also having difficulty procuring parts and raw materials, and are facing challenges shipping their merchandise. Costs are up, and increasingly this is filtering down into the prices paid by consumers. After a 3.5% decline in 2020, U.S. real GDP is expected to grow by 6.7% in 2021. The economy should grow 4.1% in 2022.

Canada

The Canadian economy performed relatively well despite the restrictions imposed in early 2021 to counter the second wave of COVID-19. From the fourth quarter of 2020 to the first quarter of 2021, real GDP grew 1.4%, for an annualized quarterly increase of 5.6%. Residential investment was particularly strong, rising 43.3%, on an annualized basis, from the previous quarter. In March, housing starts and existing home sales reached new all-time highs. The strong housing market is nevertheless expected to ease somewhat over the next few quarters, since several temporary factors that had disrupted supply and demand during the pandemic are expected to return to more normal levels. The third wave of COVID-19 will also have an impact on the Canadian economy in the second quarter. Several provinces, including Ontario, introduced new health measures in the spring to limit the pandemic's spread. The outlook for the Canadian economy is nevertheless very good. The low level of infections and the success of vaccination campaigns are encouraging the provinces to gradually lift their health restrictions. Under these conditions, Canadian real GDP should rebound in the third quarter and then continue to grow at a relatively fast pace. Despite larger quarterly fluctuations, the forecast for 2021 as a whole remains unchanged, with a 6.3% increase in real GDP and another 4.1% gain expected in 2022.

Québec

Despite closures among some types of businesses early in the year, the Québec economy continued to recover in the first quarter. Compared to the last quarter of 2020, real GDP grew at an annualized quarterly rate of 5.9%. The economy had even fully recovered by March 2021 on the strength of those industries minimally affected by the pandemic. Business investment surged early in the year, up 25.9% for machinery and equipment and 4.1% for non-residential structures. Residential investment grew 17.4% in the first quarter due to an exceptional start to the year for new construction. Home sales are in decline from the peak reached a few months earlier, and prices appear to be stabilizing. In addition, household spending declined in the first quarter, in part due to the closure of non-essential businesses from December 25, 2020 to February 7, 2021. The savings rate rose to 17.2% in the first quarter as a result of weak consumption and rising after-tax income. The outlook for the next few quarters is positive, especially for the service sector, which will finally benefit from the gradual reopening that began in the spring. Québec's successful vaccination campaign also bodes well for the future.

5.0 Management's discussion of financial performance

5.1 Operating results

CRCD'S NET RESULTS AND RETURNS

CRCD ended the first half of the year on June 30, 2021, with net earnings of \$175.8 million, or a non-annualized return of 7.8%, compared with a net loss of \$115.6 million (negative non-annualized return of 5.2%) for the same period in 2020. Based on the number of common shares outstanding, net assets per share increased to \$17.49 as at the end of the six-month period, compared with \$16.22 at the end of fiscal 2020. For illustrative purposes, at the current price of \$17.49, shareholders who invested seven years ago, on August 12, 2014, would obtain an annual after-tax return of more than 12.6%, taking into account the 45% income tax credit as per the rate applicable at that time.

CRCD's results stem primarily from Investments impacting the Québec economy and Other investments, which generated non-annualized returns of 14.1% and 1.8%, respectively. For the same period in 2020, Investments impacting the Québec economy posted a negative non-annualized return of 9.6%. Non-annualized return on Other investments was 2.2%. Expenses, net of administrative charges and income taxes, had an impact of 1.2% on CRCD's non-annualized return.

CRCD's asset allocation strategy allows it to enjoy a more balanced overall portfolio profile, while actively contributing to Québec's economic development.

Return by activity

| | As at June 30, 2021 | | | |
|---|---------------------------------------|---------------|------------------------------------|--|
| | Average assets under management (\$M) | Weighting (%) | Non-annualized return 6 months (%) | Non-annualized contribution 6 months (%) |
| Activities related to Investments impacting the Québec economy ⁽¹⁾ | 1,390 | 60.2 | 14.1 | 8.1 |
| Other investments and cash | 920 | 39.8 | 1.8 | 0.9 |
| | 2,310 | 100.0 | 9.0 | 9.0 |
| Expenses, net of administrative charges | | | (1.1) | (1.1) |
| Income taxes | | | (0.1) | (0.1) |
| CRCD's return | | | 7.8 | 7.8 |

| | As at June 30, 2020 | | | |
|---|---------------------------------------|---------------|------------------------------------|--|
| | Average assets under management (\$M) | Weighting (%) | Non-annualized return 6 months (%) | Non-annualized contribution 6 months (%) |
| Activities related to Investments impacting the Québec economy ⁽¹⁾ | 1,206 | 57.0 | (9.6) | (5.3) |
| Other investments and cash | 910 | 43.0 | 2.2 | 0.9 |
| | 2,116 | 100.0 | (4.4) | (4.4) |
| Expenses, net of administrative charges | | | (0.9) | (0.9) |
| Income taxes | | | 0.1 | 0.1 |
| CRCD's return | | | (5.2) | (5.2) |

⁽¹⁾ Includes Investments impacting the Québec economy, amounts receivable on disposal of investments, financial liabilities and foreign exchange contracts.

INVESTMENTS IMPACTING THE QUÉBEC ECONOMY

Investments of \$157.6 million and disposals of \$164.5 million were made for a negative net balance of \$6.9 million. Combined with realized and unrealized net gains of \$156.7 million, these net investments brought the fair value of the investment portfolio, including foreign exchange contracts, to \$1,448.7 million as at June 30, 2021 (\$1,298.9 million as at December 31, 2020). Of the \$157.6 million invested during the first half of the year, \$28.9 million was allocated to three companies and \$33.4 million to the funds comprising the entrepreneurial ecosystem, as described below. During the six-month period, higher volume of disposals was mainly due to a significant disposal of an interest in a portfolio company.

Investments impacting the Québec economy should also be measured taking into account funds committed but not disbursed, including guarantees and suretyships, which amounted to \$261.5 million as at June 30, 2021, compared with \$238.2 million as at December 31, 2020. Total commitments at cost as at June 30, 2021, amounted to \$1,381.1 million in 231 companies, cooperatives and funds, of which \$1,119.6 million was disbursed. As at June 30, 2021, backed by its entrepreneurial ecosystem, CRCD supported growth in 614 companies, cooperatives and funds.

During the first six months of fiscal 2021, Investments impacting the Québec economy generated a contribution of \$183.6 million, for a non-annualized return of 14.1%, compared with a negative contribution of \$117.3 million for the same period in 2020 (a non-annualized return of 9.6%). The significant increase in performance between the two periods was fuelled by the economy's rapid recovery from its pandemic low.

Contribution generated by Investments impacting the Québec economy

| (in thousands of \$) | Six months ended June 30, 2021 | Six months ended June 30, 2020 |
|----------------------|--------------------------------------|--------------------------------------|
| Revenue | 26,588 | 13,847 |
| Gains and losses | 157,008 | (131,129) |
| Total | 183,596 | (117,282) |

Revenue includes interest, dividends and negotiation fees related to Investments impacting the Québec economy. Negotiation fees, which amounted to \$1.6 million for the six months ended June 30, 2021 (\$1.6 million for the same period in 2020), are earned by DC, the manager, and a credit for that amount is applied against the management fees paid to DC by CRCD. Negotiation fees are included in the contribution generated by the Investments impacting the Québec economy as they are included in the profitability analysis of the investments. The profile of the investments held by CRCD is changing and the amounts injected into its ecosystem funds continue to grow (see the following section for more details). Therefore, investments held by these ecosystem funds generate revenue in addition to the revenue generated by CRCD's direct investments. This revenue, of which CRCD's share amounted to \$12.5 million for the first six months of fiscal 2021 (\$7.9 million for the same period in 2020), is reported as "Gains and losses" as it makes a positive contribution to the fair value of CRCD's interest in these funds.

CRCD accounts for its Investments impacting the Québec economy at fair value. Two comprehensive portfolio reviews are carried out each year, with one covering the six-month period ending June 30 and the other covering the six-month period ending December 31.

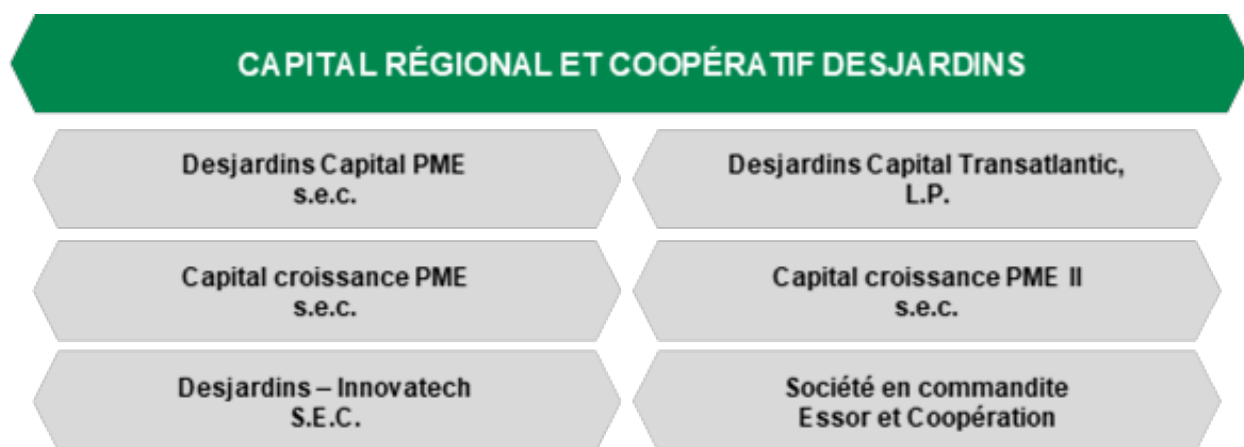
CRCD recorded in its results for the six-month period a realized and unrealized gain of \$157.0 million compared with a loss of \$131.1 million for the same period in 2020. For more information, please see Entrepreneurial ecosystem performance in the following section.

As at June 30, 2021, the overall risk level of the Investments impacting the Québec economy portfolio reflected the aggregate impacts of the pandemic compared with its December 31, 2020 level, as discussed in the Credit and counterparty risk section.

ENTREPRENEURIAL ECOSYSTEM

CRCD invests directly in Québec companies and also fulfils its economic development role via investments through the funds it has helped create with its manager, each of which has a specific mission. With this approach of seeking capital from various partners, CRCD can leverage its resources, thereby enhancing its positive impact on Québec's economic development.

MAIN FUNDS OF THE ENTREPRENEURIAL ECOSYSTEM



These funds, which are also managed by CRCD's manager, DC, are detailed below:

- The main goal of the Desjardins Capital PME s.e.c. fund (DCPME), created on January 1, 2018, is to invest in Québec's small- and medium-sized businesses, with an investment limit generally not exceeding \$10 million. This sustainable fund is an open-ended limited partnership, allowing the number of limited partners to vary. The limited partners' commitments are made on an annual basis. On January 1, 2020, Desjardins Holding financier inc. (DHF) became a limited partner of the DCPME fund. As at June 30, 2021, CRCD's interest in the DCPME fund was 41.0%, while the interests of the other two limited partners, Desjardins Private Management (DPM) and DHF, were 46.9% and 12.1%, respectively. Since inception of the fund, CRCD has disbursed \$127.8 million (\$99.8 million as at December 31, 2020) allowing a total of 193 companies to benefit from \$369.1 million committed by DCPME fund.
- Jointly with France-based Groupe Siparex, on July 4, 2018, DC created two funds: the Desjardins Capital Transatlantic, L.P. fund (DC Transatlantic) and the Siparex Transatlantique – Fonds professionnel de Capital Investissements fund. The purpose of these funds is to co-invest in SMEs in Québec and Europe to support them in their marketing or acquisition efforts on both sides of the Atlantic. CRCD and other investor partners such as Export Development Canada (EDC), Groupe Siparex and French public investment bank BPIFrance committed a total of €75 million, or approximately \$110 million to the two funds. DC Transatlantic's five-year planned investment period closes on July 4, 2023. CRCD has a 60.7% interest in DC Transatlantic, which is managed by DC. As at June 30, 2021, CRCD had disbursed \$16.8 million (\$11.7 million as at December 31, 2020) of its total commitment of \$33.5 million (€22.8 million), allowing 11 companies to benefit from \$23.4 million committed by the fund.
- The objective of the Société en commandite Eссор et Coopération (Eссор et Coopération), established on January 1, 2013, is to support the creation, growth and capitalization of cooperatives in Québec. CRCD and other partners, including three from the cooperative sector, have made commitments totalling \$89.9 million. Eссор et Coopération's investment period, scheduled to end on December 31, 2019, has been extended until December 31, 2021. CRCD has a 94.6% interest in the Eссор et Coopération fund. Since the fund's inception, CRCD has disbursed \$39.0 million of its total commitment of \$85 million. As at June 30, 2021, Eссор et Coopération had made commitments totalling \$25.5 million to support 24 cooperatives.
- CRCD is also the joint sponsor of the Desjardins-Innovatech S.E.C. fund (DI) with the Economic Development Fund. DI has undertaken to inject a total of \$85 million to support Québec technology or innovation businesses through each stage of their development. CRCD's interest in DI is 54.5%. In addition to this interest, CRCD has agreed to make an additional investment in the form of a note for a maximum amount of \$5.0 million in DI of which \$0.2 million was disbursed during the first six months of 2021 for a total disbursement of \$3.1 million. This note does not affect the units held by CRCD in this fund. DI helps create innovative business accelerators in partnership with specialized organizations located in various regions of Québec, enabling it to support businesses from the embryonic stage through the commercialization phase. As at June 30, 2021, DI had made commitments of \$56.7 million to support a total of 52 companies and funds.
- The Capital croissance PME s.e.c. and Capital croissance PME II s.e.c. funds (collectively, the "CCPME" funds), created in 2010 and 2014, respectively, and whose investment periods have closed, had an investment policy similar to that of the DCPME fund, which is to make capital available to Québec companies, with an investment limit not exceeding \$5 million. CRCD and the Caisse de dépôt et placement du Québec (CDPQ), as sponsors of the funds, had agreed to invest, on a 50/50 basis, a total amount of \$540 million. As at June 30, 2021, CRCD had disbursed \$255.0 million of its total commitment of \$270 million. Funds committed but not disbursed will be used for reinvestment and to pay the CCPME funds' operating expenses until their winding-up. A total of 165 companies and funds benefited from \$135.5 million committed by the CCPME funds as at June 30, 2021. Since their inception, these funds have committed \$460.1 million to 376 companies.

In total, as at June 30, 2021, CRCD and its ecosystem supported the growth of 614 companies, cooperatives and funds in various industries spanning all Québec regions with commitments of \$1,625 million. Of that total, 28 cooperatives benefited from commitments of \$131 million. In this way, CRCD and its ecosystem have helped to create and retain many thousands of jobs.

Given the size of the amounts allocated to these funds and to better manage and track operations, CRCD monitors changes in asset allocation and performance by investment profile.

Each investment profile includes assets held by CRCD together with similar assets held by the funds in its ecosystem based on CRCD's proportionate share in each fund.

- Debt: investments in the form of advances and/or mainly unsecured loans and/or preferred shares;
- Equity: investments comprising common shares and units of limited partnerships that may be combined with advances and/or mainly unsecured loans and preferred shares in companies other than those included under the Venture capital profile;
- External funds: investments in funds outside CRCD's entrepreneurial ecosystem;
- Venture capital: investments in companies in pre-startup, startup or post-startup stages.

Return by investment profile

| | As at June 30, 2021 | | | |
|---|---------------------------------|-------------|--------------------------------|--------------------------------------|
| | Average assets under management | Weighting | Non-annualized return 6 months | Non-annualized contribution 6 months |
| | (\$M) | (%) | (%) | (%) |
| Debt | 404 | 17.5 | 3.3 | 0.6 |
| Equity | 787 | 34.1 | 21.0 | 6.5 |
| External funds | 43 | 1.9 | 10.3 | 0.2 |
| Venture capital | 137 | 5.9 | 17.3 | 0.8 |
| Investment profiles subtotal | 1,371 | 59.4 | 14.3 | 8.1 |
| Other asset items held by ecosystem funds | 19 | 0.8 | (1.6) | — |
| Ecosystem total | 1,390 | 60.2 | 14.1 | 8.1 |

| | As at June 30, 2020 | | | |
|---|---------------------------------|-------------|--------------------------------|--------------------------------------|
| | Average assets under management | Weighting | Non-annualized return 6 months | Non-annualized contribution 6 months |
| | (\$M) | (%) | (%) | (%) |
| Debt | 411 | 19.4 | 0.6 | 0.1 |
| Equity | 640 | 30.2 | (17.1) | (5.3) |
| External funds | 49 | 2.3 | 0.4 | — |
| Venture capital | 90 | 4.3 | (2.3) | (0.1) |
| Investment profiles subtotal | 1,190 | 56.2 | (9.7) | (5.3) |
| Other asset items held by ecosystem funds | 16 | 0.8 | 2.9 | — |
| Ecosystem total | 1,206 | 57.0 | (9.6) | (5.3) |

The 14.1% non-annualized return of the Investments impacting the Québec economy portfolio for the first six months of fiscal 2021 stemmed primarily from the Equity investment profile, which recorded a non-annualized return of 21.0%. The return is mainly due to the significant appreciation of certain investments in 2021 combined with the generally solid performance of partner companies. The Debt profile posted a higher return compared with the same period in 2020, resulting mainly from decreased credit risk for several portfolio companies following the increases recorded in 2020 amidst the pandemic, which led to the reversal of discounts on their fair values. Note that during the first six months of fiscal 2020, certain large portfolio companies were more heavily impacted by the public health crisis.

OTHER INVESTMENTS

Managing the Other investments portfolio involves the portion of assets not earmarked for Investments impacting the Québec economy, including temporarily available cash resources prior to their investment in companies.

CRCD has implemented management strategies for the Other investments portfolio to optimize potential returns while retaining the required liquidity to meet liquidity needs arising from redemption requests from shareholders and Investments impacting the Québec economy it expects to make. This portfolio, consisting primarily of liquid assets, includes fixed-income securities, global equity funds, Canadian equity funds, real estate funds and market neutral equity funds. This portfolio provides a current revenue stream for CRCD and ensures sound diversification.

As at June 30, 2021, CRCD's Other investments portfolio, including cash, but excluding foreign exchange contracts, totalled \$915.3 million (\$924.2 million as at December 31, 2020) and consisted of the following:

Other investments portfolio

| | As at June 30, 2021 | | As at December 31, 2020 | |
|-----------------------------------|---------------------|----------------|-------------------------|----------------|
| | Fair value (\$M) | % of portfolio | Fair value (\$M) | % of portfolio |
| Cash and money market instruments | 134.2 | 14.7 | 38.5 | 4.2 |
| Bonds | 317.5 | 34.7 | 526.8 | 57.0 |
| Global equity funds | 135.1 | 14.6 | 117.6 | 12.7 |
| Canadian equity funds | 93.8 | 10.3 | 66.6 | 7.2 |
| Real estate funds | 120.4 | 13.2 | 111.7 | 12.1 |
| Market neutral equity funds | 114.3 | 12.5 | 63.0 | 6.8 |
| Portfolio total | 915.3 | 100.0 | 924.2 | 100.0 |

As at June 30, 2021, 75% of portfolio bond securities were government guaranteed (75% as at December 31, 2020).

The Other investments portfolio represented 38% of total net assets at the end of the first six months of 2021 (41% as at December 31, 2020), a decrease mainly arising from net divestments made from the portfolio to meet requests for the redemption of shares during the six-month period and the portfolio's relatively less robust performance. Commitments already made but not disbursed of \$261.5 million, including guarantees and suretyships, representing 11% of net assets, will eventually be covered from CRCD's Other investments portfolio and allocated to Investments impacting the Québec economy.

CRCD expects the Other investments portfolio over the long term to represent around 30% of total net assets. In keeping with its core mission, this will allow an increase in funds allocated to Investments impacting the Québec economy.

Contribution generated by Other investments

| (in thousands of \$) | Six months ended June 30, 2021 | Six months ended June 30, 2020 |
|----------------------|--------------------------------|--------------------------------|
| Revenue | 6,183 | 8,325 |
| Gain and losses | 10,675 | 12,578 |
| Total | 16,858 | 20,903 |

Revenue consists mainly of interest and distributions related to Other investments. Interest income (primarily from bonds) is recognized at the bond rate in effect at the acquisition date.

Current income declined \$2.1 million for the first six months of 2021, compared with the same period in 2020, owing to the bond portfolio decrease during the six-month period and lower effective interest rates.

Gains of \$10.7 million in the first six months of 2021 stemmed mainly from the following financial assets:

- The bond portfolio recorded a decrease in value of \$21.0 million, as key rates rose 69 basis points, mainly during the first quarter of 2021, in response to a variety of crisis exit strategies, including accelerated vaccination and announcements that central bank accommodative policies would be tapered.
- Equity markets continued to advance during the first six months of the year, fuelled by a quickening economic recovery. The low volatility equity funds held by CRCD, while not benefiting fully from the recovery, nonetheless saw gains of \$20.2 million. The less volatile real estate funds added value of \$5.6 million and market neutral equity funds gained \$5.9 million, performing well amidst the recovery.

CRCD's financial asset management strategy aims to diversify the market risks associated with the Other investments portfolio through the use of Canadian and global securities unrelated to bond markets. Furthermore, CRCD seeks to match the average maturity of the bond portfolio with the average maturity of expected cash outflows, thereby limiting the long-term effect of changes in bond rates on CRCD's results.

SUBSCRIPTION

CRCD offers its common shares for subscription through the Desjardins caisse network in Québec and via AccèsD Internet.

Under its constituting act, share issues are limited to an amount equal to the cost of the preceding issue period's redemptions, up to a maximum of \$150 million, unless the Québec government grants CRCD exceptional measures altering the authorized capitalization amount. Each issue period lasts 12 months and runs from March 1 to the last day of February of the following year.

In March 2021, CRCD obtained the right to issue \$140 million in Class A "Issuance" shares for the 2021 and 2022 issues (the same as for the 2020 issue) and allocate a 30% tax credit rate for the purchase of such shares (35% for the 2020 issue). To allow as many shareholders as possible to buy such shares, the maximum annual subscription amount allowable was capped at \$3,000 per investor, for a current tax credit of \$900 (\$1,050 for the 2020 issue).

In the same announcement, the provincial government also extended CRCD's share exchange program, which offers a shareholder who defers the redemption of eligible shares for seven years the option to take advantage of a new tax credit. CRCD is authorized, for the 2021 and 2022 issue periods, to exchange shares up to an annual maximum of \$50 million (\$100 million for the 2020 issue). The program allows CRCD shareholders who have never redeemed shares to exchange their current eligible Class A "Issuance" shares, up to a value of \$15,000 annually, for new Class B "Exchange" shares that they will also be required to hold for seven years, as consideration for a provincial tax credit of 10% of the amounts exchanged (the same as for the 2020 issue).

Accordingly, CRCD's share capital now comprises two classes of shares: Class A "Issuance" and Class B "Exchange". Class A shares are issued to raise capital, while Class B shares are designed to be exchanged for Class A shares.

The minimum holding period for CRCD shares, regardless of their class, before a shareholder would normally be eligible for a redemption is seven years to the day from the date of purchase or exchange. Note, however, that shareholders who withdraw some or all of their shares after the seven-year holding period may no longer claim a tax credit for any subscription or exchange for which the tax credit would apply in the current tax year or in any subsequent tax year. A special tax is payable by CRCD if it fails to comply with the authorized issuance or exchange amounts, and control mechanisms have been implemented by CRCD to ensure compliance. For the first six months of 2021 and for fiscal 2020, no special tax was paid.

As at June 30, 2021, CRCD had \$1,737.0 million in share capital (\$1,722.3 million as at December 31, 2020) for 138,524,123 common shares outstanding (140,110,229 as at December 31, 2020).

During the first six months of the year, CRCD raised \$0.4 million through Class A "Issuance" shares, namely the balance of the 2020 issue sold in January 2021. The subscription period for the 2021 issue will begin in the fall.

The exchange registration period for the 2020 taxation year took place in the fall of 2020 and acceptance of applications was completed and recognized in January 2021. The authorized amount of \$100 million for the 2020 exchange was fully sold. The same timeline is planned for the 2021 exchange: the registration period is scheduled for late 2021 while requests will be accepted in January 2022, up to a maximum authorized amount of \$50 million.

During the first six months of 2021, common share redemptions totalled \$25.8 million (\$188.1 million in 2020). The high volume of redemptions in the first six months of 2020 was driven by the pandemic environment which generated considerable uncertainty in the markets and triggered an upswing in redemptions, mainly from March through May.

As at June 30, 2021, the balance of shares eligible for redemption amounted to \$937.7 million. During the last six months of 2021, additional shares valued at approximately \$91.1 million will also become eligible for redemption bringing total potential redemptions to \$1,028.8. However, this balance will be reduced by the amount of shares that will be redeemed in the second half of 2021.

As at June 30, 2021, shareholders numbered 108,399 compared with 109,286 as at December 31, 2020.

CRCD's policy is to reinvest income from operations and proceeds from disposals rather than pay dividends to its shareholders in order to increase the capital available for investment in eligible entities and to create share value appreciation.

EXPENSES AND INCOME TAXES

Expenses

| (in thousands of \$) | Six months ended June 30, 2021 | Six months ended June 30, 2020 |
|--------------------------|---|---|
| Management fees | 13,305 | 11,646 |
| Other operating expenses | 3,203 | 2,519 |
| Shareholder services | 5,497 | 5,579 |
| Total | 22,005 | 19,744 |

CRCD has entrusted the management of its operations, including the management of its Investments impacting the Québec economy and Other investments portfolios, to DC, pursuant to the terms of a management agreement concluded between them. Under this agreement, CRCD pays DC management fees equivalent to a maximum rate of 1.75% (1.75% for the year ended December 31, 2020) of CRCD's annual average assets' value, after deduction of any amounts payable related to Investments impacting the Québec economy and Other investments. An adjustment is made to the management fees to avoid double billing relative to CRCD's interest in other investment funds, whether in the Investments impacting the Québec economy portfolio or in Other investments. DC and CRCD have agreed that, for a given fiscal year, an adjustment could be made to allow CRCD to benefit from the economies of scale achieved by DC in particular with regard to the growth of CRCD's assets. The negotiation fees arising from portfolio companies are earned by DC, and their amount is deducted from the management fees payable by CRCD. The increase in management fees is consistent with the increase in CRCD's average value of assets under management as at June 30, 2021.

The \$0.7 million increase in operating expenses compared with the same period in 2020 was mainly due to higher expenses in connection with the IT master plan related to asset growth.

There was no significant change in shareholder services between the two periods. The main expense under shareholder services is the compensation paid by CRCD to the caisses for all shareholder advisory services, determined annually based on CRCD's net assets and the degree to which share subscription and redemption transactions are automated.

Income taxes amounted to \$1.1 million for the first six months of fiscal 2021, up from the same period in 2020 (\$1.8 million income tax recovery for the first six months of 2020). The nature of the income has a significant impact on the income tax expense (recovery) since, unlike interest income, dividends are generally not taxable and capital gains are eligible for tax deductions and refund mechanisms.

LIQUIDITY AND CAPITAL RESOURCES

For the six-month period ended June 30, 2021, cash outflows from share issues net of redemptions amounted to \$25.3 million (net cash outflows of \$187.8 million in 2020). The difference between the two periods was due mainly to the significantly higher volume of share redemptions during the first half of 2020, driven by the pandemic environment. Operating activities combined with fees for the development of an intangible asset generated net cash inflows of \$111.4 million (net cash inflows of \$72.9 million in 2020).

Cash outflows related to Investments impacting the Québec economy amounted to \$147.0 million for the first six months of 2021 (\$90.3 million in 2020). The Other investments portfolio generated net cash inflows of \$110.2 million, compared with net cash inflows of \$74.0 million for the same period in 2020.

As at June 30, 2021, cash and cash equivalents totalled \$107.7 million (21.6 M\$ as at December 31, 2020). The difference between the two periods was due to the cash required to make significant investments in the portfolio of Investments impacting the Québec economy in the days following the close of the latest six-month period.

CRCD has an authorized line of credit of \$250 million as at June 30, 2021. The line of credit was undrawn during the latest half-year, unlike in fiscal 2020, when drawdowns were required to meet the higher-than-expected volume of share redemptions amidst the public health crisis. In the event that liquidity needs exceed expectations, this line of credit may be used on a temporary basis to cover CRCD's obligations. This additional flexibility optimizes the level of liquid assets held and reduces the risk of having to dispose of assets hastily under potentially less advantageous conditions.

Given the management approach for Other investments of matching the average maturity of bonds held with the average maturity of its expected cash outflows, CRCD does not anticipate any shortfall in liquidity in the short or medium terms and expects to be able to redeem eligible shares from those shareholders who make such a request.

5.2 CRCD's mission, vision, strategic priorities and strategies

CRCD was founded on the July 1, 2001 effective date of the *Act constituting Capital régional et coopératif Desjardins* (the Act) adopted on June 21, 2001 by Québec's National Assembly, on the initiative of Desjardins Group. The manager, DC, manages its affairs.

In the first half of fiscal 2021, CRCD decided to make changes to its financial asset management strategy. Based on the global financial asset management policy, that strategy is as follows:

- CRCD takes an integrated and overall approach to managing its financial assets, which means that target asset allocation must include diversification to reduce the risks inherent in certain asset classes within the investment portfolios.
- The objective is to optimize the after-tax risk/return ratio of CRCD's financial assets in compliance with its role as an economic development agent, while ensuring that the shares remain attractive to shareholders, taking into account the tax credit.
- A sufficient portion of CRCD's financial assets must be invested in liquid securities to meet any share redemption requests that exceed issues of its Class A "Issuance" shares and agreed upon commitments in the Investments impacting the Québec economy portfolio, while taking into account available credit facilities.
- A sufficient portion of CRCD's financial assets must be invested in securities that generate current income to meet its expenses.

Beyond these changes, CRCD's vision, mission, objectives and strategies remain substantially similar to those described in its most recent annual MD&A.

Under its constituting act, CRCD is required to fulfil its mission within certain guidelines, which include investing 65% of its average net assets in eligible Québec companies at the close of the 2021 fiscal year. In addition, 35% of those eligible investments must be made in Québec's resource regions or in eligible cooperatives. If these requirements are not met, the authorized issue of capital for the capitalization period following the end of the fiscal year could be reduced. As at June 30, 2021, and December 31, 2020, all of those rules were met.

5.3 Governance

BOARD OF DIRECTORS

The Board has the general authority to manage the affairs of CRCD and oversee the fulfilment of its mission. In this capacity, it is responsible for guiding and overseeing all of CRCD's affairs and risks, including strategic risk oversight of which is specifically conferred upon it.

The Board is involved in and makes decisions on matters such as governance, strategic planning, investment, financial reporting, financial asset management, risk management, capitalization, shareholder relations and contracts.

To this end, the Board is supported by six committees that regularly report to it and make appropriate recommendations. Also, the manager reports on outsourced activities through its executives who attend meetings of the Board and the committees.

The committee roles and responsibilities remain substantially similar to those described in the most recent annual MD&A.

Note, however, that amendments to the governance of CRCD were made as provided for in *An Act respecting mainly the implementation of certain provisions of the Budget Speeches of 17 March 2016, 28 March 2017, 27 March 2018 and 21 March 2019* (SQ 2020 c 5), assented to by the National Assembly of Québec on March 17, 2020.

Accordingly, since the annual general assembly of March 26, 2021, the composition of the Board of Directors is as follows:

- Six members are appointed by the President of the Fédération des caisses Desjardins du Québec;
- Three members are elected at the annual general meeting of shareholders;
- Three members are appointed by the nine previously appointed members, including one considered to be representative of the eligible cooperatives and another of the other eligible entities described in its constituting act;
- One Desjardins Group Relations director appointed by the twelve directors.

5.4 Risk management

POLICIES AND PRACTICES

Sound risk management practices are critical to the success of CRCD. The risk management policy adopted by CRCD provides the capacity to anticipate and be proactive in mitigating the impact of risk events.

NOTE TO READER

The following sections regarding market risks, credit and counterparty risks, concentration risks and liquidity risks have been audited by CRCD's independent auditor as part of the audit of the separate financial statements in respect of which an independent auditor's report was issued on August 12, 2021.

MARKET RISKS

Market risks pertain to CRCD's role in the capital markets and, indirectly, to general changes in economic conditions. They also pertain to the impact of capital market movements on the value of CRCD's assets. The various risks that make up market risks directly impacting CRCD are listed below.

In accordance with CRCD's global financial asset management approach, the impact of these interest rate and stock market risks and their interrelatedness are taken into account when determining overall asset allocation.

Interest rate risk

Interest rate fluctuations have an impact on the market value of fixed-income securities and real estate funds held in the portfolio for which fair value is determined based on market conditions. The fair value of these assets as at June 30, 2021, was \$812.1 million (\$975.7 million as at December 31, 2020). Fixed-income securities held in the Other investments portfolio include money market instruments and bonds. Fixed-income securities held in the Investments impacting the Québec economy portfolio include loans and advances and preferred shares.

Money market instruments with a fair value of \$126.5 million (\$31.5 million as at December 31, 2020) are not valued based on changes in interest rates, given their short maturities.

Bonds with a fair value of \$317.5 million (\$526.8 million as at December 31, 2020) are directly affected by changes in interest rates. A 1% increase in interest rates would have resulted in a decrease of \$23.1 million in net earnings, representing a 1.0% decrease in CRCD's share price as at June 30, 2021 (\$37.7 million for 1.7% as at December 31, 2020). Similarly, a 1% decrease in interest rates would have had the opposite effect, resulting in a \$25.2 million increase in net earnings, representing a 1.0% increase in the share price (\$41.1 million for 1.9% as at December 31, 2020). CRCD's financial asset management strategy aims to diversify the portfolio securities, thereby limiting exposure to long-term bonds. Given that CRCD matches the maturities of bonds held in its portfolio with the average maturity of expected cash outflows, the long-term effect of interest rates on results should be limited.

Real estate funds with a fair value of \$120.4 million (\$111.7 million as at December 31, 2020) may also be affected by interest rate fluctuations. However, unlike bonds, there is no direct correlation between changes in interest rates and changes in fair value of this asset class.

In the Investments impacting the Québec economy portfolio, loans and advances and preferred shares for which CRCD also holds participating shares in the same company and those that are discounted, totalling a fair value of \$298.5 million (\$243.8 million as at December 31, 2020), are not sensitive to changes in interest rate. Conversely, the other loans and advances and preferred shares included in the portfolio, totalling a fair value of \$247.7 million (\$305.7 million as at December 31, 2020), are sensitive to changes in interest rates. As a result, for those interest-rate-sensitive loans and advances and preferred shares, a 1% increase in interest rates would have resulted in a \$4.9 million decrease in net earnings, representing a 0.2% decrease in CRCD's share price (\$4.8 million for 0.2% as at December 31, 2020). A 1% decrease in interest rates would have had the opposite effect, resulting in a \$5.1 million increase in net earnings, representing a 0.2% increase in CRCD's share price (\$5.0 million for 0.2% as at December 31, 2020).

Stock market risk

Stock market trends have a twofold impact on CRCD. In addition to the direct impact on the market values of publicly traded stocks, the valuations of private portfolio companies may also be affected by changes in stock prices.

As at June 30, 2021, global and Canadian equity funds, valued at \$228.9 million (\$184.2 million as at December 31, 2020), held in the Other investments portfolio, consisted primarily of listed equities. Accordingly, a 10% increase or decrease in the quoted market prices of listed equities would have resulted in a \$22.9 million increase or decrease in net earnings, representing a 0.9% increase or decrease in CRCD's share price (\$18.4 million for 0.8% as at December 31, 2020).

Market-neutral equity funds, valued at \$114.3 million as at June 30, 2021 (\$63.0 million as at December 31, 2020), are less exposed to stock market fluctuations as they minimize market risks. Furthermore, since these funds represent low exposure for the portfolio any stock market fluctuations would not have a significant direct impact on CRCD's net earnings.

The Investments impacting the Québec economy portfolio included listed equities in the amount of \$33.8 million (\$19.4 million as at December 31, 2020). Accordingly, for these investments, a 10% increase or decrease in the quoted market prices of listed equities would have resulted in a \$3.4 million increase or decrease in net earnings, representing a 0.1% increase or decrease in CRCD's share price.

Currency risk

Changes in currency values have an impact on the activities of a number of CRCD's partner companies. The net effect of an appreciation in the Canadian dollar is not necessarily always negative for these companies, nor is a depreciation necessarily positive. However, rapid fluctuations in the Canadian dollar heighten the difficulties faced by these companies.

Currency fluctuations impact the fair value of assets valued initially in a foreign currency and subsequently translated into Canadian dollars at the prevailing rate of exchange. In the portfolio of Investments impacting the Québec economy, assets whose values fluctuate due to changes in foreign exchange rates represented a fair value of \$167.3 million or 6.9% of net assets as at June 30, 2021, compared with \$102.9 million or 4.5% of net assets as at December 31, 2020.

CRCD aims to systematically hedge currency risk for assets measured in foreign currency, unless the exposure stems from the long-term expected returns of certain asset classes. A \$10 million line of credit has been granted to CRCD for its foreign exchange contract transactions. As at June 30, 2021, CRCD held foreign exchange contracts under which it will be required to deliver US\$105.9 million (US\$69.6 million as at December 31, 2020), at the rate of CAD/USD 1.2373 (CAD/USD 1.2820 as at December 31, 2020), as well as foreign exchange contracts under which it will be required to deliver €11.6 million (€7.6 million as at December 31, 2020) at the rate of CAD/EUR 1.4741 (CAD/EUR 1.5667 as at December 31, 2020) on September 29, 2021. As at June 30, 2021, CRCD had nil collateral on its foreign exchange contracts (nil at December 31, 2020).

As at June 30, 2021, the net exposure of CRCD's Investments impacting the Québec economy portfolio and accounts receivable to foreign currencies was thus limited to \$18.9 million (\$2.6 million as at December 31, 2020). A 10% decrease (increase) in value of the Canadian dollar relative to all of the other foreign currencies would have resulted in a \$1.9 million increase (decrease) in net earnings, representing a 0.1% change in CRCD's share price. Following the revaluation of assets carried out on June 30, 2021, the exposure to foreign currencies exceeded CRCD's internal guidelines. As a result, a foreign exchange contract was entered into on July 8, 2021, to reduce net foreign currency exposure to \$4.8 million.

For the Other investments portfolio, the net exposure of investments to foreign currencies amounted to \$131.9 million (\$111.5 million as at December 31, 2020). Accordingly, a 10% decrease (increase) in value of the Canadian dollar relative to all other foreign currencies would have resulted in a \$13.2 million increase (decrease) in net earnings, representing a 0.5% increase (decrease) in CRCD's share price (\$11.2 million for 0.5% as at December 31, 2020).

CREDIT AND COUNTERPARTY RISKS

In pursuing its Investments impacting the Québec economy mission, CRCD is exposed to credit and counterparty risks related to potential financial losses if a partner company fails to fulfill its commitments or experiences a deterioration of its financial position. By diversifying its investments by investment profile, and by limiting the potential risk of each partner company, CRCD has limited portfolio volatility due to the possibility of negative events.

CRCD does not generally require guarantees to limit credit risk on its loans. Requiring guarantees would contravene the eligibility rules for Investments impacting the Québec economy.

The maximum credit risk is the carrying amount of the financial instruments at the end of the reporting period, in addition to funds committed but not disbursed, including guarantees and suretyships. As at June 30, 2021, the 2020 impacts of the pandemic on Investments impacting the Québec economy and funds committed but not disbursed, including guarantees and suretyships, are reflected in the risk ratings. Given that the risk ratings are updated based on the annual financial statements received from our partner companies, the impacts were only partly reflected as at December 31, 2020, which largely explains the changes in portfolio breakdown by risk rating at the end of this six-month period.

Investments impacting the Québec economy, except those carried out through funds, are first ranked by risk from 1 to 9 based on the criteria defined by Moody's CreditLens tool. Subsequently, all the investments are reviewed monthly to identify those that meet the criteria for a ranking of 10.

Investments impacting the Québec economy made as funds are reported in the Low to acceptable risk category due to the structure of this type of product, and because they generally involve no leverage.

The table below shows the movement in the Investments impacting the Québec economy portfolio, ranked by risk (fair value amounts):

| Rating | As at June 30, 2021 | | As at December 31, 2020 | | |
|----------|-------------------------|-----------|-------------------------|-----------|------|
| | (in thousands of \$) | (as a %) | (in thousands of \$) | (as a %) | |
| 1 to 6.5 | Low to acceptable risk | 1,255,423 | 86.6 | 1,188,307 | 91.5 |
| 7 to 9 | At risk | 150,905 | 10.4 | 71,664 | 5.5 |
| 10 | High risk and insolvent | 42,552 | 3.0 | 38,360 | 3.0 |

Furthermore, CRCD is exposed to credit risk on financial instruments not recognized in assets, which are funds committed but not disbursed, including guarantees and suretyships, in connection with the Investments impacting the Québec economy portfolio. The table below shows the breakdown, by risk rating, of funds committed but not disbursed, including guarantees and suretyships, as at the reporting date:

| Rating | As at June 30, 2021 | | As at December 31, 2020 | | |
|----------|-------------------------|----------|-------------------------|----------|------|
| | (in thousands of \$) | (as a %) | (in thousands of \$) | (as a %) | |
| 1 to 6.5 | Low to acceptable risk | 182,601 | 69.8 | 225,945 | 94.9 |
| 7 to 9 | At risk | 72,633 | 27.8 | 5,815 | 2.4 |
| 10 | High risk and insolvent | 6,233 | 2.4 | 6,466 | 2.7 |

For the bond portfolio, which represented 35.0% of the fair value of the Other investments portfolio (57.4% as at December 31, 2020), credit risk is managed by diversification across numerous issuers with credit ratings as follows:

| Rating ⁽¹⁾ | As at June 30, 2021 | | As at December 31, 2020 |
|-----------------------|----------------------|--|-------------------------|
| | (in thousands of \$) | | (in thousands of \$) |
| AAA | 131,397 | | 184,694 |
| AA | 105,528 | | 198,429 |
| A | 49,627 | | 90,467 |
| BBB | 30,921 | | 53,196 |

⁽¹⁾ Credit risk ratings are established by recognized credit agencies.

Consistent with the global financial asset management policy, money market instruments have a minimum credit rating of R-1 (low), thus limiting the credit risk associated with these financial instruments.

Counterparty risk is limited to the immediate short term and is associated with CRCD's counterparty when entering into cash transactions.

Counterparty risk is low for foreign exchange contracts given the amounts in question and that the contract counterparty is Fédération des caisses Desjardins du Québec.

CONCENTRATION RISKS

Concentration risks arise from the possibility that a significant portion of CRCD's Investments impacting the Québec economy portfolio or Other investments portfolio might become concentrated in a single entity, industry, region or financial product, which could render CRCD vulnerable to any financial difficulties experienced by such entity, industry, region or financial product.

Risk of concentration in an entity

Pursuant to its constituting act, policies and internal guidelines, the amount that CRCD may invest in any one entity or in a group of associates is limited to a percentage of its assets for both the Investments impacting the Québec economy and Other investments portfolios.

The concentration of the five largest Investments impacting the Québec economy and the five largest Other investments is as follows (percentages are based on fair asset value and funds committed but not disbursed, including guarantees and suretyships):

| | As at June 30, 2021 | | As at December 31, 2020 | |
|---|---------------------|-----------------|-------------------------|-----------------|
| | % of portfolio | % of net assets | % of portfolio | % of net assets |
| Investments impacting the Québec economy ⁽¹⁾ | 29.9 | 21.1 | 35.6 | 24.1 |
| Other investments ⁽²⁾ | 38.5 | 14.4 | 38.7 | 15.6 |

⁽¹⁾ CRCD's interest in the ecosystem funds accounted for 69% (67% as at December 31, 2020) of the five largest Investments impacting the Québec economy.

⁽²⁾ Government issuers and issues guaranteed by government entities, as well as diversified investment funds, represented 41% and 59% (51% and 49% as at December 31, 2020) of the five largest issuers or counterparties in the Other investments portfolio.

Risk of concentration by region

In keeping with its mission of Québec economic development, the Investments impacting the Québec economy portfolio chiefly comprises businesses whose employees are, in the majority, residents of Québec. Furthermore, at least 35% of its investments must be made in companies located in the resource regions or in eligible cooperatives. Portfolio performance therefore depends heavily on economic conditions in Québec and the resource regions. As at June 30, 2021, the Investments impacting the Québec economy portfolio represented 60.5% of net assets (57.8% as at December 31, 2020).

CRCD has adopted a global financial asset management and investment guidelines policy to govern the holding of foreign securities within the Other investments portfolio. As at June 30, 2021, the Other investments portfolio includes a portion of foreign securities resulting primarily from its interest in global equity funds and comprises 85.6% of Canadian securities (89.5% as at December 31, 2020). Other investments portfolio performance therefore depends heavily on economic conditions in Canada. As at June 30, 2021, the Other investments portfolio represented 37.8% of net assets (40.7% as at December 31, 2020).

Risk of concentration in a financial product

The global financial asset management policy favours global integrated management of the Investments impacting the Québec economy and Other investments portfolios. The policy establishes limits by asset class and these limits are applied by the manager. As at June 30, 2021, bond securities represented 13.1% of net assets (23.2% as at December 31, 2020).

The portfolio summary presented at the end of this MD&A also provides relevant information for assessing concentration risk.

LIQUIDITY RISKS

CRCD must maintain sufficient liquid assets to fund share redemptions and committed Investments impacting the Québec economy. If it failed to do so, CRCD would be dependent on the markets and could be forced to carry out transactions under unfavourable conditions. With liquid investments that should represent approximately 30% of assets under management, and using a management approach that ensures that the average maturity of bonds is close to the average maturity of expected outflows, CRCD can confirm that liquidity risks are adequately covered. Furthermore, credit facilities have been put in place to provide greater cash management flexibility. CRCD currently has an authorized line of credit of \$250 million, and subject to the available credit, an increase to the limit could be negotiated as needed. The credit facilities remained undrawn for the first six months of 2021. The credit facilities were used over the course of fiscal 2020 in order to face a large increase in requests for share redemptions caused by the pandemic environment.

Given the significant balance of redeemable shares of CRCD, temporary measures were announced by the Québec government to allow eligible CRCD shareholders to commit their redeemable capital for an additional seven-year period. With an authorized annual amount of \$50 million for the 2021 and 2022 issues, this initiative provides greater availability of capital for Investments impacting the Québec economy by reducing cash requirements related to share redemptions. See the Subscription section for more information.

Note that this initiative, originally provided for the 2018, 2019 and 2020 issues totalling \$100 million annually, was well received by shareholders as the authorized amounts have been fully subscribed.

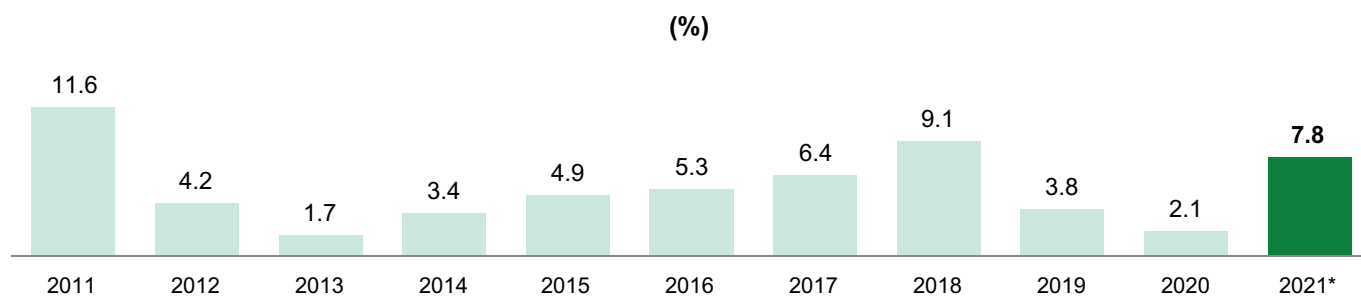
CRCD, through its balanced financial strategy, authorized line of credit, and integrated risk management, has the necessary sources of funding to cover its financial obligations and pursue its mission among Québec businesses.

6.0 Past performance

This section presents the CRCD’s historical returns. These returns do not include the \$50 administration fee paid by shareholders or the tax credit they enjoy as a result of their investment. Past performance is not necessarily indicative of future returns.

6.1 Annual return

The following chart shows CRCD’s annual returns and illustrates the change in returns from one period to the next for the past ten fiscal years and for the six-month period ended June 30, 2021. Annual return is calculated by dividing earnings (loss) per share for the period by the share price at the beginning of the period.



*Non-annualized return for the six-month period ended June 30, 2021.

6.2 Compounded return of the common share as at June 30, 2021

The compounded return is calculated based on the annualized change in the price of a common share for each of the periods shown.

| 10 YEARS | 7 YEARS | 5 YEARS | 3 YEARS | 1 YEAR |
|----------|---------|---------|---------|--------|
| 5.7% | 5.6% | 6.2% | 6.0% | 16.1% |

7.0 Portfolio summary

7.1 Core investment profiles

As at June 30, 2021, assets in CRCD's Investments impacting the Québec economy and Other Investments portfolios were allocated, on a fair value basis, as follows:

| Investment profile | % of net assets |
|---|-----------------|
| INVESTMENTS IMPACTING THE QUÉBEC ECONOMY * | |
| Debt | 15.2 |
| Equity | 36.1 |
| External funds | 1.8 |
| Venture capital | 6.6 |
| Other asset items held by ecosystem funds | 0.8 |
| Total - Investments impacting the Québec economy | 60.5 |
| OTHER INVESTMENTS | |
| Cash and money market instruments | 5.5 |
| Bonds | 13.1 |
| Global equity funds | 5.6 |
| Canadian equity funds | 3.9 |
| Real estate funds | 5.0 |
| Market neutral equity funds | 4.7 |
| Total - Other investments | 37.8 |

* Including foreign exchange contracts

Net assets are made up to 98.3% investment profiles and 1.7% other asset items.

7.2 Main investments held

As at June 30, 2021, on a fair value basis, the issuers of the 25 main investments held by CRCD were as follows:

| Issuers as at June 30, 2021 | % of net assets |
|--|-----------------|
| Investments impacting the Québec economy – 14 issuers* | 33.1 |
| Desjardins IBrix Low Volatility Global Equity Fund (I-Class Units) | 3.1 |
| Province of Ontario | 3.1 |
| Government of Canada | 2.9 |
| DGIA Canadian Equity Market Neutral Fund | 2.8 |
| BentallGreenOak Prime Canadian Property Fund | 2.6 |
| Desjardins Global Dividend Fund | 2.5 |
| Fiera Properties CORE Fund | 2.4 |
| Canada Housing Trust | 2.2 |
| CC&L market neutral funds | 1.9 |
| Fidelity Canadian Low Volatility Equity Institutional Trust | 1.9 |
| BMO Low Volatility Equity ETF | 1.9 |

*** The 14 issuers which collectively represented 33.1% of CRCD's net assets are:**

Avjet Holding inc.
 Capital croissance PME II s.e.c.
 Desjardins – Innovatech S.E.C.
 Desjardins Capital PME s.e.c.
 E-Solutions Furniture Group inc. (ex. Bestar)
 Exo-s-inc.
 Fournier Industries Group inc.
 Gecko Alliance Group inc.
 Groupe Filgo inc.
 Groupe Solotech inc.
 Liberty Spring inc.
 Norbec Group inc.
 Sollio Groupe Coopératif
 Technic-Eau Drillings inc.

This summary of CRCD's portfolio may change at any time due to transactions carried out by CRCD.

August 12, 2021

8.0 Management's report

August 12, 2021

CRCD's separate financial statements together with the financial information contained in this interim report are the responsibility of the Board of Directors, which delegates the preparation thereof to management.

In discharging its responsibility for the integrity and fairness of the financial statements, management has ensured that the manager maintains an internal control system to provide reasonable assurance that the financial information is reliable, that it provides an adequate basis for the preparation of the financial statements and that the assets are properly accounted for and safeguarded.

Furthermore, the Desjardins Group Relations director and CRCD's Chief Financial Officer have certified that the method used to determine the fair value of each of the Investments impacting the Québec economy complies with the requirements of the Autorité des marchés financiers and have confirmed the reasonableness of the aggregate fair value of the portfolio of Investments impacting the Québec economy.

The Board of Directors fulfils its responsibility for the financial statements principally through its Audit and Risk Management Committee. The Committee meets with the independent auditor appointed by the shareholders with and without management present to review the financial statements, discuss the audit and other related matters and make appropriate recommendations to the Board of Directors. The Committee also analyzes the management discussion and analysis to ensure that the information therein is consistent with the financial statements.

The financial statements present the financial information available as at August 12, 2021. Prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board, these statements have been audited by PricewaterhouseCoopers LLP.

The Board of Directors has approved the separate financial statements, together with the information in the management discussion and analysis. The financial information presented elsewhere in this report is consistent with CRCD's separate financial statements.

(signed) Yves Calloc'h, CPA, CA

Chief Financial Officer

Capital régional et coopératif Desjardins

Separate Financial Statements

June 30, 2021 and 2020

(in thousands of Canadian dollars)



Independent auditor's report

To the Shareholders of Capital régional et coopératif Desjardins

Our opinion

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of Capital régional et coopératif Desjardins (CRCD) as at June 30, 2021 and December 31, 2020, and its financial performance and its cash flows for the six-month periods ended June 30, 2021 and 2020 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited

CRCD's separate financial statements comprise:

- the separate balance sheets as at June 30, 2021 and December 31, 2020;
- the separate statements of comprehensive income for the six-month periods ended June 30, 2021 and 2020;
- the separate statements of changes in net assets for the six-month periods ended June 30, 2021 and 2020;
- the separate statements of cash flows for the six-month periods ended June 30, 2021 and 2020; and
- the notes to separate 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 separate financial statements* section of our report.

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

PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l.
1250 René-Lévesque Boulevard West, Suite 2500, Montréal, Québec, Canada H3B 4Y1
T: +1 514 205 5000, F: +1 514 876 1502



Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the separate financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing CRCD'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 CRCD or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the separate 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 separate 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 separate 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 CRCD'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 CRCD'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 separate 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 CRCD to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate 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.

/s/PricewaterhouseCoopers LLP¹

Montréal, Quebec
August 12, 2021

¹ CPA auditor, CA, public accountancy permit No. A117693

Separate Balance Sheets

| (in thousands of Canadian dollars, except for number of common shares outstanding and net asset value per common share) | Notes | As at June 30, 2021 \$ | As at December 31, 2020 \$ |
|---|-------|---------------------------------|-------------------------------------|
| ASSETS | | | |
| Investments impacting the Québec economy | 7 | 1,448,880 | 1,298,331 |
| Other investments | 8 | 907,297 | 917,914 |
| Intangible assets | 10 | 6,805 | 7,222 |
| Income taxes recoverable | 19 | 33,679 | 31,083 |
| Accounts receivable | 11 | 39,893 | 28,910 |
| Cash | 12 | 7,719 | 7,003 |
| | | 2,444,273 | 2,290,463 |
| LIABILITIES | | | |
| Financial liabilities | 13 | 4,209 | 4,645 |
| Income taxes payable | 19 | 5,257 | 4,234 |
| Accounts payable | 14 | 11,532 | 8,786 |
| | | 20,998 | 17,665 |
| NET ASSETS | 16 | 2,423,275 | 2,272,798 |
| NUMBER OF COMMON SHARES OUTSTANDING | | 138,524,123 | 140,110,229 |
| NET ASSET VALUE PER COMMON SHARE | | 17.49 | 16.22 |

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

On behalf of the Board of Directors of Capital régional et coopératif Desjardins,

(signed) Bernard Bolduc, B.A.A. Finance, Director

(signed) Jean-Guy Sénécal, FCPA, FCA, B.A.A., Director

Separate Statements of Comprehensive Income

For the six-month periods ended June 30

| (in thousands of Canadian dollars, except for weighted average number of common shares and net earnings per common share) | Notes | 2021 \$ | 2020 \$ |
|---|---------|--------------------|-------------|
| REVENUE | | | |
| Interest | 7 and 8 | 11,927 | 12,780 |
| Dividends and distributions | | 19,267 | 7,979 |
| Administrative charges | | 38 | 172 |
| | | 31,232 | 20,931 |
| GAINS (LOSSES) ON INVESTMENTS | | | |
| Realized | | 22,444 | 50,482 |
| Unrealized | | 145,239 | (169,033) |
| | | 167,683 | (118,551) |
| TOTAL REVENUE AND GAINS (LOSSES) ON INVESTMENTS | | | |
| | | 198,915 | (97,620) |
| EXPENSES | | | |
| Management fees | | 13,305 | 11,646 |
| Other operating expenses | 18 | 3,203 | 2,519 |
| Shareholder services | 18 | 5,497 | 5,579 |
| | | 22,005 | 19,744 |
| EARNINGS (LOSS) BEFORE INCOME TAXES | | | |
| Income taxes (recovery) | 19 | 176,910 | (117,364) |
| | | 1,090 | (1,767) |
| NET EARNINGS (NET LOSS) FOR THE PERIOD | | | |
| | | 175,820 | (115,597) |
| WEIGHTED AVERAGE NUMBER OF COMMON SHARES | | | |
| | | 139,143,086 | 139,206,840 |
| NET EARNINGS (NET LOSS) PER COMMON SHARE | | | |
| | | 1.26 | (0.83) |

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

Separate Statements of Changes in Net Assets

For the six-month periods ended June 30

| (in thousands of Canadian dollars) | Share capital (note 16) | | | | | | Retained earnings | Net assets |
|--|----------------------------------|------------------|----------------------------------|----------------|--------------------|------------------|-------------------|------------------|
| | "Issuance" Shares ⁽¹⁾ | | "Exchange" Shares ⁽¹⁾ | | Total | | | |
| | Number | \$ | Number | \$ | Number | \$ | | |
| BALANCE - DECEMBER 31, 2020 | 126,847,667 | 1,523,336 | 13,262,562 | 198,918 | 140,110,229 | 1,722,254 | 550,544 | 2,272,798 |
| Net earnings for the period | — | — | — | — | — | — | 175,820 | 175,820 |
| Share capital transactions | | | | | | | | |
| Issuance of common shares | 27,266 | 411 | — | — | 27,266 | 411 | — | 411 |
| Redemption of common shares ⁽²⁾ | (1,602,361) | (16,867) | (11,011) | (165) | (1,613,372) | (17,032) | (8,722) | (25,754) |
| Exchange of common shares | (6,626,563) | (68,511) | 6,626,563 | 99,862 | — | 31,351 | (31,351) | — |
| BALANCE - JUNE 30, 2021 | 118,646,009 | 1,438,369 | 19,878,114 | 298,615 | 138,524,123 | 1,736,984 | 686,291 | 2,423,275 |
| BALANCE - DECEMBER 31, 2019 | 131,551,585 | 1,529,277 | 13,297,742 | 199,445 | 144,849,327 | 1,728,722 | 579,744 | 2,308,466 |
| Net loss for the period | — | — | — | — | — | — | (115,597) | (115,597) |
| Share capital transactions | | | | | | | | |
| Issuance of common shares | 18,377 | 294 | — | — | 18,377 | 294 | — | 294 |
| Redemption of common shares ⁽²⁾ | (11,797,101) | (122,771) | — | — | (11,797,101) | (122,771) | (65,308) | (188,079) |
| BALANCE - JUNE 30, 2020 | 119,772,861 | 1,406,800 | 13,297,742 | 199,445 | 133,070,603 | 1,606,245 | 398,839 | 2,005,084 |

⁽¹⁾ Issuance shares refer to Class A "Issuance" common shares and Exchange shares refer to Class B "Exchange" common shares; collectively referred as common shares.

⁽²⁾ This data does not include the redemption requests made within 30 days of subscription.

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

Separate Statements of Cash Flows

For the six-month periods ended June 30

| (in thousands of Canadian dollars) | 2021 \$ | 2020 \$ |
|--|----------------|------------------|
| CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES | | |
| Net earnings (net loss) for the period | 175,820 | (115,597) |
| Non-cash items: | | |
| Losses (gains) on investments | (167,683) | 118,551 |
| Amortization of premiums and discounts on Other investments | (485) | (547) |
| Amortization of intangible assets | 1,503 | 526 |
| Deferred taxes | 1,023 | (91) |
| Capitalized interest and other non-cash items | (1,455) | (3,413) |
| Changes in operating assets and liabilities | | |
| Income taxes recoverable | (2,596) | (4,969) |
| Accounts receivable | (7,055) | 1,632 |
| Accounts payable | 2,933 | (1,878) |
| Acquisition of Investments impacting the Québec economy | (147,006) | (90,340) |
| Proceeds from disposals of Investments impacting the Québec economy | 147,374 | 97,551 |
| Acquisition of Other investments | (465,044) | (648,462) |
| Proceeds on disposal of Other investments | 575,191 | 722,444 |
| | 112,520 | 75,407 |
| CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES | | |
| Acquisition of intangible assets | (1,086) | (2,532) |
| CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES | | |
| Issuance of common shares | 411 | 294 |
| Redemption of common shares | (25,754) | (188,079) |
| | (25,343) | (187,785) |
| Net change in cash and cash equivalents during the period | 86,091 | (114,910) |
| Cash and cash equivalents – Beginning of period | 21,602 | 46,780 |
| CASH AND CASH EQUIVALENTS – END OF PERIOD | 107,693 | (68,130) |
| Supplemental information about cash flows from operating activities | | |
| Interest received | 9,818 | 9,603 |
| Dividends and distributions received | 10,431 | 8,098 |
| Income taxes paid | (2,664) | (3,293) |

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

Notes to Separate Financial Statements

Note 1 – Governing statute, administration and investments

Governing statute

Capital régional et coopératif Desjardins (“CRCD”) is constituted by an Act assented to by the National Assembly of Québec (C.Q.L.R. chapter C 6.1) (the “Act”) and is deemed to have been constituted by the filing of articles on July 1, 2001. CRCD began its activities on November 5, 2001 and is a legal person with share capital. CRCD has business offices at 2 Complexe Desjardins, East Tower, Suite 1717, Montréal, Québec, Canada, and its head office is located at 100 Rue des Commandeurs, Lévis, Québec, Canada.

Administration

The affairs of CRCD are administered by a Board of Directors consisting of 13 members. Amendments to the governance of CRCD were made as provided for in *An Act respecting mainly the implementation of certain provisions of the Budget Speeches of 17 March 2016, 28 March 2017, 27 March 2018 and 21 March 2019* (SQ 2020, c 5), assented to by the National Assembly of Québec on March 17, 2020. Accordingly, since the annual general assembly of March 26, 2021, the composition of the Board of Directors is as follows:

- Six members are appointed by the president of the Fédération des caisses Desjardins du Québec;
- Three members are elected by the general meeting of shareholders;
- Three members are appointed by the nine previously appointed members, including one considered to be representative of the eligible cooperatives and another of the eligible entities set out in the Act;
- One Desjardins Group Relations director appointed by the twelve directors.

Investments

CRCD may make investments with or without guarantees or suretyships, mainly in eligible entities. Eligible entities include eligible cooperatives and partnerships or a legal person actively operating an enterprise, the majority of whose employees are resident in Québec and whose assets are less than \$100 million or whose net equity is less than or equal to \$50 million.

CRCD may invest up to 5% of its assets (as established on the basis of the latest valuation by the chartered professional accountants) in the same eligible company or cooperative, and the investment is generally planned for a period of three to twenty years. The percentage may be increased up to 10% to enable CRCD to acquire securities in an entity carrying on business in Québec but that is not an eligible entity. In such case, CRCD may not, directly or indirectly, acquire or hold shares carrying more than 30% of the voting rights that may be exercised under any circumstances.

Pursuant to the Act, Other investments may qualify, such as investments in certain investment funds, provided the required specific conditions set out in the Act have been met.

CRCD's eligible investments, as defined in the Act, must represent on average at least 65% of CRCD's average net assets of the preceding year.

Furthermore, a portion representing at least 35% of that percentage must be made in entities situated in the resource regions of Québec or in eligible cooperatives, as defined in the Act.

If one of these targets is not met at the end of the fiscal year, the authorized issue of capital could be reduced for the capitalization period following the end of this fiscal year.

Note 2 – Basis of presentation

Statement of compliance

CRCD has prepared its separate financial statements (the “financial statements”) in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These financial statements were approved by the Board of Directors on August 12, 2021.

Basis of measurement

These financial statements have been prepared on a fair value basis, except with respect to cash, accounts receivable, accounts payable, intangible assets and taxes, which are measured at amortized cost and at cost.

Investment entity

CRCD has several shareholders that are not related and holds a number of investments directly or indirectly in underlying funds. Ownership interests in CRCD are in the form of redeemable shares, subject to certain conditions, which are reported in the net assets, in accordance with the puttable instrument exemption under IAS 32, *Financial Instruments: Presentation*.

CRCD has concluded that it meets the definition of an investment entity set out in IFRS 10, *Consolidated Financial Statements*, as it obtains funds from multiple shareholders, commits to its shareholders to invest funds for returns from capital appreciation, and measures and evaluates the performance of its investments on a fair value basis. Accordingly, investments in subsidiaries and associates reported in Investments impacting the Québec economy are recognized at fair value.

Presentation and functional currency

These separate financial statements are expressed in Canadian dollars, which is also the functional currency of CRCD. Dollar amounts reported in the tables of the notes to the financial statements are in thousands of dollars, unless otherwise stated.

Note 3 – Significant accounting policies

a) Financial instruments

CRCD accounts for its financial instruments at fair value on initial recognition. Purchases and sales of financial assets are recognized at the transaction date.

Classification and measurement

Financial assets are classified according to their contractual cash flow characteristics as well as the economic model under which they are held.

Contractual cash flow characteristics

To satisfy the criteria related to the cash flow characteristics for classifying a financial asset, the cash flows related to this asset must consist solely of principal and interest payments on the principal amount outstanding. The principal generally represents the fair value of the financial asset at initial recognition. Interest consists primarily of consideration for the time value of money and credit risk associated with the principal outstanding over a given period.

Business model

CRCD's business models are determined in a manner that reflects how groups of financial assets are managed together to achieve a particular business objective. The business models represent how CRCD manages its financial assets to generate cash flows, that is, they reflect whether the cash flows will arise from the collection of contractual cash flows, the sale of financial assets, or both. CRCD's business models are outlined as follows:

- Held to collect contractual cash flows: The objective of holding financial assets is to collect contractual cash flows
- Held to collect contractual cash flows and for sale: The objective is achieved by collecting contractual cash flows and by selling financial assets
- Other business models: The objective is not consistent with any of the above business models.

The classification and measurement of CRCD's financial assets and liabilities can be summarized as follows :

- Investments impacting the Québec economy, Other investments and amounts receivable on disposals of Investments impacting the Québec economy are classified as at fair value through profit or loss since they are held according to an economic model whose aim is to manage and measure investment performance on a fair value basis.
- Cash and accounts receivable are measured at amortized cost, which approximates their fair value, since they are held under a business model whose objective is to collect contractual cash flows and they satisfy the criteria of the cash flow characteristics test, that is, they consist solely of payments of principal and interest.
- Accounts payable are classified and measured at amortized cost which approximates their fair value, while financial liabilities are designated at fair value through profit or loss. Financial liabilities are derecognized when the liability is extinguished, which is when the obligation specified in the contract is discharged, cancelled, or expires.
- Guarantees and suretyships are classified at fair value through profit or loss and any resulting gain (loss) is recognized in the separate statements of comprehensive income under "Gains (losses) on investments".

Note 3 – Significant accounting policies (continued)

b) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value of assets and liabilities traded in a market

The fair value of assets and liabilities traded in a market considered as active is based on the quoted price within the bid-ask spread that is most representative of fair value in the circumstances. In certain cases, if the market is not considered an active market, the most recent quoted price between the bid-ask spread may be adjusted to adequately reflect the fair value.

Fair value of assets and liabilities not traded in a market

When assets and liabilities are not market traded, fair value is determined using valuation techniques chosen based on set criteria and prevailing market conditions at each reporting date. The principal financial instruments not traded in a market are included in Investments impacting the Québec economy. The techniques used are based on valuation principles including guidelines generally used in the industry by business valuation professionals. Those valuation principles have been approved by CRCD's Board of Directors. The valuation method for a financial instrument is generally consistent from period to period, except where a change will result in more accurate estimates of fair value. Given the evolving environment specific to each entity underlying the financial instruments, changes to valuation techniques occur in each reporting period.

Loans and advances, non-participating shares

The fair value of loans and advances and non-participating shares is determined by discounting CRCD's expected contractual cash flows using a discount rate reflecting the return it would demand in light of entity-specific credit risk.

Participating shares

The main technique used to determine the fair value of participating shares is the capitalization of cash flows. Two key variables used in that technique are representative cash flow and the capitalization rate. To determine representative cash flow, recurring cash flows are estimated using the entity's historical results and/or financial forecasts. A risk weight is subsequently applied to each of the cash flows thus determined to reflect its probability of occurrence. The rate used to capitalize the representative cash flow thus obtained reflects the way in which the entity could fund its operations and the risks associated with the occurrence of that representative cash flow.

Where the price of a recent arm's length market transaction between knowledgeable, willing parties is available, this valuation technique is used. It may also be appropriate to use a technique based on a third-party purchase offer when deemed legit and credible. The use of judgment is required in determining whether the fair value of the recent transaction or purchase offer is the best evidence of fair value at the measurement date. The period during which it is deemed appropriate to refer to a past transaction or purchase offer depends on the circumstances specific to each investment.

Another valuation technique used is adjusted net assets, which consists in remeasuring all assets and liabilities on the balance sheet of the entity or fund at their fair value at the measurement date. The key adjustments made are related to the fair value of assets and liabilities, newly available information and significant events that occurred between the balance sheet date of the entity or the fund and the measurement date.

Note 3 – Significant accounting policies (continued)

b) Fair value measurement (continued)

Global equities funds, Canadian equities funds, Real estate funds and Market neutral equity funds

Interests in Global equity funds, Canadian equities funds, Real estate funds and market neutral equity funds are recorded at their fair value. Fair value represents the net assets per unit as determined by the funds as at the balance sheet date.

Guarantees and suretyships

When it is likely that CRCD will be required to make a payment under a guarantee or a suretyship it has provided, a loss equal to the estimated amount payable is recognized as a liability.

Note

The note receivable is related to an Investment impacting the Québec economy and is recognized at fair value, which is the amount that CRCD would receive on the reporting date under the contractual agreement underlying this note.

Financial liabilities

Financial liabilities are related to acquisitions of certain Investments impacting the Québec economy and are recognized at fair value, which represents the amount payable by CRCD under the financial liabilities' underlying contractual agreements at the reporting date.

Amounts receivable on disposal of Investments impacting the Québec economy

The fair value of amounts receivable on disposal of Investments impacting the Québec economy is determined by discounting contractual cash flows and considers particularly, the debtor's credit risk. Typically, estimating the amounts receivable and the timing of their collection depends on whether specified future events occur or conditions are met.

c) Intangible assets

IT development primarily consists of costs relating to the development of applications that can be used internally or to provide services to shareholders. Intangible assets are initially recognized at cost and subsequently measured at cost less any accumulated amortization and any impairment losses. These costs are capitalized when the application's development phase begins. The costs incurred prior to this phase are expensed.

Intangible assets are amortized over their estimated useful lives, using the following method and period:

| Intangible assets | Method | Period |
|-------------------|---------------|---------|
| IT development | Straight-line | 3 years |

Amortization begins when intangible assets are available for use. The amortization method and the useful life are revised at least once per year. Changes are recognized prospectively as changes in accounting estimates.

Impairment of assets

The carrying amount of intangible assets is reviewed at each reporting date to determine whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated. For intangible assets that are not yet available for use, an annual impairment test is performed by comparing their carrying amount to their recoverable amount.

Note 3 – Significant accounting policies (continued)

d) Cash and cash equivalents

Cash and cash equivalents consist of cash and money market instruments with purchased maturities of less than 90 days.

e) Share capital

The common shares of CRCD are redeemable at the holder's option subject to certain conditions and therefore constitute financial liabilities. However, they are reported in net assets, as they have all of the following features:

- They entitle the shareholder to a pro rata share of CRCD's net assets in the event of CRCD's liquidation;
- They are in the class of instruments that is subordinate to all other classes of instruments of CRCD;
- They have identical features to all other instruments in that class;
- Apart from the contractual obligation for CRCD to repurchase or redeem the instrument for cash or another financial asset, they do not include any contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to CRCD, and it is not a contract that will or may be settled in CRCD's shares;
- The total expected cash flows attributable to the shares over their life are based substantially on net earnings, the change in recognized net assets or the change in fair value of the recognized and unrecognized net assets of CRCD over the life of the shares (excluding any effects of the shares).

f) Revenue recognition

Interest

For Investments impacting the Québec economy, interest is recognized at the contractual rate, as collection is reasonably assured. For Other investments, interest is recognized using the effective interest method. Amortization of premiums and discounts, calculated using the effective interest method, is recognized in profit or loss under "Interest."

Dividends and distributions

Dividends are recognized as at the holder-of-record date and when they are declared by the issuing companies or received.

Distributions are recognized when they are declared by the funds in the Other investments portfolio.

Administration charges

Administrative charges are recognized at the time of a shareholder's initial subscription and on the closure of that account by the shareholder.

Gains and losses

Realized gains and losses on investments are recognized at the time of the sale and represent the difference between sales proceeds and cost. Variations in the fair value of amounts receivable on disposal of investments are considered adjustments to sales proceeds and are therefore recorded as realized gains and losses. Realized gains and losses on a financial liability are recognized when paid and represent the difference between the amount CRCD paid to settle the financial liability and its initial value. The realized gains and losses do not take into account the unrealized gains and losses recognized in previous period, which are reversed and reported in unrealized gains and losses for the current year.

Note 3 – Significant accounting policies *(continued)*

g) Functional currency and foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars, CRCD's functional currency, at the exchange rate prevailing at the end of the reporting period. Revenues and expenses are translated at the exchange rate prevailing on the transaction date. Realized and unrealized gains and losses on investments arising from those translations are accounted for in the Separate Statements of Comprehensive Income under "Gains (losses) on investments". For other monetary assets and liabilities denominated in foreign currencies, changes related to foreign currency translation are reported under "Other operating expenses" in the Separate Statements of Comprehensive Income. CRCD aims to systematically hedge currency risk for assets measured in foreign currency, unless the exposure stems from the long term expected returns of certain asset classes. CRCD has decided not to apply hedge accounting.

h) Taxes

The income tax expense comprises current taxes and deferred taxes. Income taxes are recognized in the Separate Statements of Comprehensive Income, unless they relate to items that were recognized outside earnings directly in the Separate Statements of Changes in Net Assets. In such cases, income taxes are also recognized outside profit or loss directly in net assets.

Current tax is the tax payable on the taxable income for the reporting period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, except for deferred tax on unrealized gains, discussed in the following paragraph. Deferred tax is calculated on an undiscounted basis using enacted or substantively enacted tax rates and legislation at the end of the reporting period that are expected to apply in the period in which the deferred tax asset will be realized and the deferred tax liability will be settled. Deferred tax assets are generally recognized only to the extent that it is probable that future taxable income will be available against which temporary differences can be utilized.

CRCD is subject to federal and Québec income taxes. It is also subject to the tax rules applicable to mutual fund corporations. For federal tax purposes, CRCD may, in particular, obtain a refund of its tax paid on capital gains through the redemption of its shares. CRCD considers it is, in substance, exempt from federal income tax related to capital gains (losses) for the purposes of applying IFRS and, accordingly, does not recognize any deferred taxes relating to unrealized gains (losses) on investments or deferred taxes related to unrealized recoveries resulting from tax mechanisms related to refundable capital gains tax on hand. For Québec tax purposes, realized capital gains (losses) are not taxable (deductible).

i) Net earnings per common share

Net earnings per common share are computed by dividing net earnings by the weighted average number of common shares outstanding during the period.

Note 4 – Significant judgments, estimates and assumptions

The preparation of financial statements in accordance with IFRS requires CRCD to make judgments, estimates and assumptions that affect the reported amounts of certain assets, liabilities, revenue and expenses and the related disclosures. Changes in assumptions can have a material effect on the financial statements for the period in which those assumptions were changed. CRCD considers the assumptions used to be appropriate and accordingly that its separate financial statements present fairly its financial position and its results.

The significant accounting policy that required CRCD to make subjective or complex judgments, often about matters that are inherently uncertain, pertains to the fair value measurement of assets and liabilities not traded in an active market.

A significant judgment is made in the assumptions used in the valuation techniques. While those techniques make as much use as possible of observable inputs, fair value is also determined based on internal inputs and estimates (unobservable inputs) that take into account the features specific to the financial instrument and any relevant measurement factor. The use of unobservable inputs requires CRCD to exercise judgment to ensure that those inputs reflect the assumptions that market participants would use to determine fair value based on the best information available in the circumstances. CRCD considers observable data to be market data that is readily available, regularly distributed and updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. Fair value reflects market conditions on a given date and, for that reason, may not be representative of future fair values.

In accordance with the requirements contained in the *Regulation Respecting Development Capital Investment Fund Continuous Disclosure* issued by the Autorité des marchés financiers, CRCD has implemented various controls and procedures to ensure that financial instruments are appropriately and reliably measured. The valuations have been prepared by a team of qualified valuers relying on a structured process composed of several validation and review stages. The Portfolio Valuation Committee's role, whose members consist mainly of independent qualified valuers, consists in performing semi-annual reviews of all relevant information regarding the valuations of CRCD's portfolio of Investments impacting the Québec economy to provide reasonable assurance that the valuation process meets regulatory requirements. In addition, the Audit and Risk Management Committee monitors operational risk related to non-compliance with the portfolio valuation methodology and informs the Portfolio Valuation Committee in case of non-conformity.

COVID-19 — significant judgments, estimates and assumptions

Although the economic recovery following the COVID-19 pandemic is well underway in Québec, its evolution and repercussions remain uncertain and continue to introduce uncertainty into the assumptions used. While the valuation techniques used by CRCD to determine the fair value of investments impacting the Québec economy that are not traded in an active market have remained largely unchanged, there is a risk that the assumptions used and forecasts made by CRCD differ from actual results, which could cause some volatility in the fair value of financial instruments and net assets over the next six-month periods.

Note 5 – Accounting standards issued but not yet adopted

No accounting standards issued by the IASB and not yet effective as at June 30, 2021 could have a material impact on CRCD's financial statements.

Note 6 – Risks associated with financial instruments

The risks associated with financial instruments that affect CRCD's financial position are discussed in detail in the sections "Market Risks", "Credit and Counterparty Risk", "Concentration Risk" and "Liquidity Risk" of CRCD's Management's Discussion and Analysis and are an integral part of these audited separate financial statements.

Note 7 – Investments impacting the Québec economy

The Audited Schedule of Cost of Investments Impacting the Québec Economy is available on written request to CRCD's head office or on our website at www.capitalregional.com and on SEDAR at www.sedar.com. The Schedule does not form an integral part of the financial statements.

| | As at June 30, 2021 | | |
|---------------------|---------------------|---------------------------------|------------------|
| | Cost \$ | Unrealized gain (loss) \$ | Fair value \$ |
| Unsecured | | | |
| Common shares | 386,370 | 162,948 | 549,318 |
| Preferred shares | 257,002 | 70,940 | 327,942 |
| Fund units | 252,738 | 98,573 | 351,311 |
| Loans and advances | 204,704 | (1,618) | 203,086 |
| Note ⁽¹⁾ | 84 | 1,899 | 1,983 |
| Secured | | | |
| Loans and advances | 18,742 | (3,502) | 15,240 |
| Total | 1,119,640 | 329,240 | 1,448,880 |

| | As at December 31, 2020 | | |
|---------------------|-------------------------|---------------------------------|------------------|
| | Cost \$ | Unrealized gain (loss) \$ | Fair value \$ |
| Unsecured | | | |
| Common shares | 365,070 | 33,014 | 398,084 |
| Preferred shares | 312,033 | 66,994 | 379,027 |
| Fund units | 254,357 | 93,455 | 347,812 |
| Loans and advances | 154,473 | (1,289) | 153,184 |
| Note ⁽¹⁾ | 2,990 | (72) | 2,918 |
| Secured | | | |
| Loans and advances | 19,132 | (1,826) | 17,306 |
| Total | 1,108,055 | 190,276 | 1,298,331 |

⁽¹⁾ On September 28, 2017, CRCD made a commitment to invest, in the form of a note, a maximum amount of \$5.0 million in the Desjardins-Innovatech S.E.C. fund (DI) which will use the amount to make an investment impacting the Québec economy. This note contains a clause under which the amount receivable by CRCD will be equal to the fair value of the investment made by DI. The entire proceeds received by DI upon a partial or full disposal of the investment will be paid to CRCD and deducted from the note receivable.

Investments impacting the Québec economy include investments valued at fair value in U.S. dollars for an amount of \$126.6 million (\$72.8 million as at December 31, 2020) and in euros for an amount of \$18.1 million (\$11.8 million as at December 31, 2020).

Agreements related to Investments impacting the Québec economy may include clauses providing conversion and redemption options.

Loans and advances bear interest at a weighted average rate of 7.7% (8.0% as at December 31, 2020). The interest rate is fixed for substantially all interest-bearing loans and advances. For the six-month period ended June 30, 2021, interest income recognized at the contractual rate amounted to \$7.4 million (\$6.3 million for the six-month period ended June 30, 2020). Substantially all of the change in the fair value of loans and advances resulted from changes in the rates charged on these types of product and to a lesser extent, changes in credit risk.

Loans and advances have an annual residual maturity of 4.5 years (4.3 years as at December 31, 2020) and the fair market value of the current portion maturing in less than one year is \$13.1 million (\$13.4 million as at December 31, 2020).

Note 7 – Investments impacting the Québec economy (continued)

Allocation of investments and funds committed by segment

Investments and funds committed are allocated by segment as follows:

| Segment | As at June 30, 2021 | | | | |
|--|---------------------|----------------|------------------------------------|----------------|------------------|
| | Manufacturing \$ | Services \$ | Technological innovations \$ | Funds \$ | Total \$ |
| Investments at cost | 520,175 | 269,591 | 77,052 | 252,822 | 1,119,640 |
| Unrealized gain (loss) | 166,350 | 65,881 | (3,463) | 100,472 | 329,240 |
| Fair value | 686,525 | 335,472 | 73,589 | 353,294 | 1,448,880 |
| Funds committed but not disbursed ⁽¹⁾ | 9,550 | 71,280 | 2,341 | 168,339 | 251,510 |
| Guarantees and suretyships ⁽¹⁾⁽²⁾ | 3,724 | 6,233 | — | — | 9,957 |
| Total | 699,799 | 412,985 | 75,930 | 521,633 | 1,710,347 |

| Segment | As at December 31, 2020 | | | | |
|--|-------------------------|----------------|------------------------------------|----------------|------------------|
| | Manufacturing \$ | Services \$ | Technological innovations \$ | Funds \$ | Total \$ |
| Investments at cost | 584,520 | 214,474 | 51,714 | 257,347 | 1,108,055 |
| Unrealized gain (loss) | 79,896 | 21,757 | (4,760) | 93,383 | 190,276 |
| Fair value | 664,416 | 236,231 | 46,954 | 350,730 | 1,298,331 |
| Funds committed but not disbursed ⁽¹⁾ | 13,242 | 11,050 | 4,965 | 202,512 | 231,769 |
| Guarantees and suretyships ⁽¹⁾⁽²⁾ | 224 | 6,233 | — | — | 6,457 |
| Total | 677,882 | 253,514 | 51,919 | 553,242 | 1,536,557 |

⁽¹⁾ Funds committed but not disbursed as well as guarantees and suretyships are not included in the balance sheets.

⁽²⁾ Under section 22 of its constituting act, when CRCD makes an investment in the form of a guarantee or a suretyship, it must establish and maintain for the term of this investment a reserve equivalent to not less than 50% of its value. This reserve is funded from the Other investments.

Guarantees and suretyships

As at June 30, 2021, CRCD had provided guarantees totalling \$10.0 million (\$6.5 million as at December 31, 2020) in respect of loans to companies in which CRCD has invested. Such guarantees may be enforced only in the event that a company fails to meet its contractual obligations. The term of these guarantees is two to three years.

As at June 30, 2021 and December 31, 2020, no amount has been recognized in liabilities as a provision for losses arising from any such guarantees.

Note 7 – Investments impacting the Québec economy (continued)

Funds committed but not disbursed

Funds committed but not disbursed represent investments that have already been agreed upon and for which amounts have been committed but not disbursed by CRCD at the reporting date. Future disbursements are subject to certain conditions. Assuming that the conditions are met, the estimated instalments over the coming years ended December 31 will be as follows:

| 2021 (6 months) \$ | 2022 \$ | 2023 \$ | 2024 \$ | 2025 and thereafter \$ | Total \$ |
|--------------------------|------------|------------|------------|------------------------------|-------------|
| 163,759 | 27,701 | 21,248 | 4,289 | 34,513 | 251,510 |

Investments in subsidiaries and associates

Subsequent to quantitative and qualitative analyses, CRCD has determined that it has control (subsidiaries) or exercises significant influence (associates) over the following number of entities:

| | As at June 30, 2021 | | As at December 31, 2020 | |
|---------------------|---------------------|------------------|-------------------------|------------------|
| | Number | Fair value \$ | Number | Fair value \$ |
| Subsidiaries | | | | |
| Partner companies | 8 | 291,562 | 7 | 216,875 |
| Associates | | | | |
| Partner companies | 37 | 360,090 | 27 | 287,097 |
| Funds | 10 | 328,560 | 11 | 326,660 |

The principal place of business of these entities is in Québec, and the country of incorporation is Canada.

Interests in the share capital of these partner companies consist of common shares and preferred shares. The percentage of equity securities held by CRCD in each of the partner companies is equal to or over 50% for the subsidiaries, and between 2% and 45% as at June 30, 2021 and December 31, 2020, for associates. As at June 30, 2021, and December 31, 2020, the voting rights are equivalent to the proportion of interests held except for two subsidiaries. During the periods ended June 30, 2021 and 2020, CRCD did not receive any significant dividend from a subsidiary.

As at June 30, 2021 and December 31, 2020, the interests in the funds were made up of units and the holding percentage varied from 13% to 95%.

Note 8 – Other investments

The Unaudited Statement of Other Investments is available on written request to CRCD's head office or on our website at www.capitalregional.com and on SEDAR at www.sedar.com. The Statement does not form an integral part of the financial statements.

| | As at June 30, 2021 | | |
|---|---------------------|---------------------------------|------------------|
| | Cost \$ | Unrealized gain (loss) \$ | Fair value \$ |
| Bonds | | | |
| Federal or guaranteed | 121,279 | 890 | 122,169 |
| Provincial, municipal or guaranteed | 116,200 | 1,110 | 117,310 |
| Financial institutions | 34,995 | 739 | 35,734 |
| Companies | 40,448 | 1,812 | 42,260 |
| | 312,922 | 4,551 | 317,473 |
| Money market instruments ⁽¹⁾ | 126,512 | — | 126,512 |
| Foreign exchange contracts ⁽²⁾ | — | (234) | (234) |
| Canadian equity funds | 76,903 | 16,941 | 93,844 |
| Global equity funds | 121,799 | 13,253 | 135,052 |
| Real estate funds | 113,848 | 6,544 | 120,392 |
| Market neutral equity funds | 107,681 | 6,577 | 114,258 |
| Total | 859,665 | 47,632 | 907,297 |

| | As at December 31, 2020 | | |
|---|-------------------------|---------------------------------|------------------|
| | Cost \$ | Unrealized gain (loss) \$ | Fair value \$ |
| Bonds | | | |
| Federal or guaranteed | 179,829 | 4,865 | 184,694 |
| Provincial, municipal or guaranteed | 203,529 | 14,369 | 217,898 |
| Financial institutions | 48,335 | 3,647 | 51,982 |
| Companies | 66,091 | 6,121 | 72,212 |
| | 497,784 | 29,002 | 526,786 |
| Money market instruments ⁽¹⁾ | 31,508 | — | 31,508 |
| Foreign exchange contracts ⁽²⁾ | — | 719 | 719 |
| Canadian equity funds | 60,777 | 5,813 | 66,590 |
| Global equity funds | 113,463 | 4,150 | 117,613 |
| Real estate funds | 110,778 | 957 | 111,735 |
| Market neutral equity funds | 62,247 | 716 | 62,963 |
| Total | 876,557 | 41,357 | 917,914 |

Note 8 – Other investments (continued)

Breakdown of bonds by maturity date

| | As at June 30, 2021 | | | |
|-------------------------------------|-----------------------|-----------------------|-----------------------|-------------|
| | Under 1 year \$ | 1 to 5 years \$ | Over 5 years \$ | Total \$ |
| Cost | 6,117 | 7,587 | 299,218 | 312,922 |
| Par value | 6,074 | 7,597 | 300,889 | 314,560 |
| Fair value | 6,117 | 7,556 | 303,800 | 317,473 |
| Average nominal rate ⁽³⁾ | 1.21% | 0.45% | 2.09% | 2.03% |
| Average effective rate | 0.32% | 0.53% | 2.09% | 2.02% |

| | As at December 31, 2020 | | | |
|-------------------------------------|-------------------------|-----------------------|-----------------------|-------------|
| | Under 1 year \$ | 1 to 5 years \$ | Over 5 years \$ | Total \$ |
| Cost | 3,003 | 13,977 | 480,804 | 497,784 |
| Par value | 3,000 | 13,774 | 496,197 | 512,971 |
| Fair value | 3,011 | 14,766 | 509,009 | 526,786 |
| Average nominal rate ⁽³⁾ | 1.31% | 2.43% | 1.98% | 1.99% |
| Average effective rate | 0.94% | 2.11% | 2.01% | 2.00% |

⁽¹⁾ As at June 30, 2021 and December 31, 2020, money market instruments primarily consisted of Treasury bills, commercial paper and bankers' acceptances.

⁽²⁾ Foreign exchange contracts to sell US\$105.9 million (USD\$69.6 million as at December 31, 2020) and €11.6 million (€7.6 million as at December 31, 2020) have three-month maturities.

⁽³⁾ Substantially all bonds bear are fixed-interest rate issues.

Other investments include investments which represent foreign currency exposure with a fair value of \$131.9 million (\$111.5 million as at December 31, 2020).

For the six-month period ended June 30, 2021, interest income from bonds recognized at the effective rate amounted to \$4.0 million (\$6.5 million for the six-month period ended June 30, 2020).

Funds committed but not disbursed

Funds committed but not disbursed represent investments in the real estate fund that have already been agreed upon and for which amounts have been committed but not disbursed by CRCD at the reporting date. The estimated installments over the coming years ended December 31 are as follows:

| 2021 (6 months) \$ | 2022 \$ | 2023 \$ | 2024 \$ | 2025 and thereafter \$ | Total \$ |
|--------------------------|------------|------------|------------|------------------------------|-------------|
| — | 25,000 | — | — | — | 25,000 |

Note 9 – Fair value of financial instruments

Hierarchy levels of financial instruments measured at fair value

CRCD categorizes its financial instruments according to the following three hierarchical levels:

- Level 1 : Measurement based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 : Inputs are other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 : Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following tables show the breakdown by level of the fair value measurements of financial instruments recognized at fair value in the Balance Sheets:

| | As at June 30, 2021 | | | |
|--|-------------------------|----------------|------------------|------------------|
| | Level 1 \$ | Level 2 \$ | Level 3 \$ | Total \$ |
| Financial assets | | | | |
| Investments impacting the Québec economy | 33,802 | — | 1,415,078 | 1,448,880 |
| Other investments | 581,661 | 205,244 | 120,392 | 907,297 |
| Amounts receivable on disposal of Investments impacting the Québec economy | — | — | 23,351 | 23,351 |
| Total financial assets | 615,463 | 205,244 | 1,558,821 | 2,379,528 |
| Financial liabilities | — | — | 4,209 | 4,209 |
| | | | | |
| | As at December 31, 2020 | | | |
| | Level 1 \$ | Level 2 \$ | Level 3 \$ | Total \$ |
| Financial assets | | | | |
| Investments impacting the Québec economy | 19,396 | — | 1,278,935 | 1,298,331 |
| Other investments | 642,389 | 163,790 | 111,735 | 917,914 |
| Amounts receivable on disposal of Investments impacting the Québec economy | — | — | 19,423 | 19,423 |
| Total financial assets | 661,785 | 163,790 | 1,410,093 | 2,235,668 |
| Financial liabilities | — | — | 4,645 | 4,645 |

Transfers between hierarchy levels of financial instruments measured at fair value are made at the reporting date. No transfers between hierarchy levels took place during the six-month period ended June 30, 2021 (no transfer during the year ended December 31, 2020).

Note 9 – Fair value of financial instruments (continued)

Level 3 financial instruments

The following tables present the reconciliation between the beginning and ending balances of Level 3 financial instruments:

| | For the six-month period ended June 30, 2021 | | | |
|---|---|----------------------------|--|--------------------------------|
| | Investments impacting the Québec economy \$ | Other investments \$ | Amounts receivable on disposal of Investments impacting the Québec economy \$ | Financial liabilities \$ |
| Fair value as at December 31, 2020 | 1,278,935 | 111,735 | 19,423 | (4,645) |
| Realized gains (losses) | 14,862 | — | 3,875 | 436 |
| Unrealized gains (losses) | 134,296 | 5,587 | — | — |
| Acquisitions/issuances | 147,840 | 3,070 | 525 | — |
| Disposals/repayments | (160,855) | — | (472) | — |
| Fair value as at June 30, 2021 | 1,415,078 | 120,392 | 23,351 | (4,209) |
| Unrealized gains (losses) in comprehensive income on investments and financial liabilities as at June 30, 2021 | 147,561 | 5,587 | — | — |

| | For the six-month period ended June 30, 2020 | | | |
|---|---|----------------------------|--|--------------------------------|
| | Investments impacting the Québec economy \$ | Other investments \$ | Amounts receivable on disposal of Investments impacting the Québec economy \$ | Financial liabilities \$ |
| Fair value as at December 31, 2019 | 1,226,090 | 112,062 | 23,031 | (2,252) |
| Realized gains (losses) | 34,708 | — | 4,059 | (331) |
| Unrealized gains (losses) | (161,284) | (3,878) | — | — |
| Acquisitions/issuances | 99,153 | 2,074 | 1,314 | — |
| Disposals/repayment | (83,531) | — | (17,891) | — |
| Fair value as at June 30, 2020 | 1,115,136 | 110,258 | 10,513 | (2,583) |
| Unrealized gains (losses) in comprehensive income on investments and financial liabilities as at June 30, 2020 | (151,402) | (3,878) | — | — |

Note 9 – Fair value of financial instruments (continued)

Level 3 financial instruments (continued)

The following tables present the main techniques and inputs used to measure the fair value of Level 3 financial instruments:

| | As at June 30, 2021 | | | |
|---|---------------------|------------------------------|---|---|
| | Fair value \$ | Main valuation techniques | Unobservable inputs | Input value range (weighted average) |
| Investment impacting the Québec economy | | | | |
| Loans and advances | 120,304 | Discounted cash flows | Required return | 6.0% to 16.1% (8.7%) |
| Non-participating shares | 133,099 | Discounted cash flows | Required return | 5.0% to 15.1% (6.8%) |
| Participating controlling shares | 275,030 | Capitalized cash flows | Capitalization rate | 8.3% to 11.8% (10.2%) |
| | | | % of representative cash flows ⁽¹⁾ | 10.5% to 14.9% (12.6%) |
| | 16,979 | Recent transactions and bids | Paid/bid price | — |
| | 58,408 | Restated net assets | Entity's net assets | (2) |
| Participating non-controlling shares | 224,325 | Capitalized cash flows | Capitalization rate | 7.8% to 15.6% (9.3%) |
| | | | % of representative cash flows ⁽¹⁾ | 7.6% to 37.5% (18.0%) |
| | 111,057 | Recent transactions and bids | Paid/bid price | — |
| | 95,138 | Restated net assets | Entity's net assets | (2) |
| | 27,444 | Other ⁽³⁾ | — | — |
| Note | 1,983 | Restated net assets | Fund's net assets | (4) |
| Fund units | 351,311 | Restated net assets | Fund's net assets | (2) |
| | 1,415,078 | | | |
| Other investments – Real estate funds | 120,392 | Restated net assets | Fund's net assets | (2) |
| Amounts receivable on disposal of Investments impacting the Québec economy | 23,351 | Discounted cash flows | Required return | 0.3% to 9.0% (8.3%) |
| Financial liabilities | (4,209) | Miscellaneous | — | |

Note 9 – Fair value of financial instruments (continued)

| | As at December 31, 2020 | | | |
|---|-------------------------|---------------------------------|--|---|
| | Fair value \$ | Main valuation techniques | Unobservable inputs | Input value range (weighted average) |
| Investment impacting the Québec economy | | | | |
| Loans and advances | 92,660 | Discounted cash flows | Required return | 7.0% to 13.7% (8.3%) |
| Non-participating shares | 216,613 | Discounted cash flows | Required return | 4.1% to 12.3% (6.2%) |
| Participating controlling shares | 201,584 | Capitalized cash flows | Capitalization rate | 9.1% to 13.1% (11.1%) |
| | | | % of representative cash flows ⁽¹⁾ | 8.7% to 14.7% (11.6%) |
| | 23,696 | Recent transactions and bids | Paid/bid price | — |
| | 39,018 | Restated net assets | Entity's net assets | (2) |
| Participating non-controlling shares | 180,882 | Capitalized cash flows | Capitalization rate | 8.5% to 21.2% (10.2%) |
| | | | % of representative cash flows ⁽¹⁾ | 7.3% to 43.1% (17.7%) |
| | 53,281 | Recent transactions and bids | Paid/bid price | — |
| | 89,560 | Restated net assets | Entity's net assets | (2) |
| | 30,911 | Other ⁽³⁾ | — | — |
| Note | 2,918 | Restated net assets | Fund's net assets | (4) |
| Fund units | 347,812 | Restated net assets | Fund's net assets | (2) |
| | 1,278,935 | | | |
| Other investments – Real estate funds | 111,735 | Restated net assets | Fund's net assets | (2) |
| Amounts receivable on disposal of Investments impacting the Québec economy | 19,423 | Discounted cash flows | Required return | 0.3% to 9.0% (8.2%) |
| Financial liabilities | (4,645) | Miscellaneous | — | |

⁽¹⁾ As the entities comprising the portfolio vary widely in size, representative cash flows are presented as a percentage of sales.

⁽²⁾ As the entities and funds comprising the portfolio vary widely in size, no input value range is provided for the net assets of the entity/fund.

⁽³⁾ Other valuation techniques include discounted transaction value, redemption value and liquidation value methods.

⁽⁴⁾ The note receivable is related to an investment impacting the Québec economy in a fund.

Note 9 – Fair value of financial instruments (continued)

The main valuation techniques used for participating shares take into account investments made in a single entity in the form of loans and advances, and non-participating shares. Accordingly, the fair value of participating shares includes these mixed investments.

Sensitivity of fair value to unobservable inputs

Although CRCD considers that fair value estimates made for the separate financial statements are appropriate, if different assumptions were used for unobservable inputs, the results could be different.

Loans and advances, non-participating shares – Discounted cash flows

An increase (decrease) in the required return, all other factors remaining constant, generally results in a decrease (increase) in fair value. According to CRCD, changing one or more reasonably possible assumptions could result in a change in the required return of about 0.5%. However, such a change in the required return would not have a direct material impact on the fair value of loans and advances, and non-participating shares.

Participating shares – Capitalized cash flows

If different assumptions were used for the two unobservable inputs, namely representative cash flows and capitalization rate, to measure a given investment, the fair value of the investment could increase or decrease. However, since these two unobservable inputs are interrelated, the use of different assumptions for one of these inputs generally leads to a revised assumption for the other input, thereby limiting the impact on fair value.

Typically, CRCD determines a range of acceptable fair values for each investment measured and uses the mid-point of the range for financial statement reporting purposes. If all the ranges are summed up, the cumulative difference between the top and bottom acceptable fair values and the investment fair value expressed as a percentage of CRCD's net assets is approximately:

| | As at June 30, 2021 \$ | As at December 31, 2020 \$ |
|--------------------------------------|---------------------------------|-------------------------------------|
| Participating controlling shares | +/- 0.4% | +/- 0.3% |
| Participating non-controlling shares | +/- 0.5% | +/- 0.4% |

According to CRCD, for each investment subject to measurement, the impact of a change in the two unobservable inputs to reflect other reasonably possible assumptions should be less than this percentage on the net assets of CRCD.

Participating shares – Recent transactions and bids

According to these techniques, the fair value of participating shares is based on an observable input, namely the price of a recent transaction negotiated between unrelated parties or the price of a bid received. CRCD must use judgment to determine whether the recent transaction is still representative of the fair value as at the measurement date or whether the bid is serious and credible. CRCD may also, if necessary, make any adjustments considered required and include unobservable inputs in the fair value measurement. The amount of the adjustments is generally immaterial compared with the related transaction or bid price used. CRCD considers that the fair value it could have obtained by using unobservable inputs based on different reasonably possible assumptions would not be materially different from the fair value used.

Note 9 – Fair value of financial instruments (continued)

Sensitivity of fair value to unobservable inputs (continued)

Fund units – Restated net assets

According to this technique, the fair value of fund units is based on an observable input, namely the net assets reported in the most recent audited financial statements of each fund held and adjusted if necessary, to reflect the acquisitions or disposals of fund units made by CRCD between the financial statement reporting date for each fund and the valuation date. In certain circumstances, CRCD must make certain other adjustments that are more judgmental in nature. CRCD considers that the fair value it could have obtained by using unobservable inputs based on different reasonably possible assumptions would not have been materially different from the fair value used.

Other valuation techniques

Since the fair value of assets measured using other techniques is not significant, CRCD considers that the fair value it could have obtained by using unobservable inputs based on different reasonably possible assumptions would not have been materially different from the fair value used.

Note 10 – Intangible assets

| | IT Development \$ |
|---------------------------------|----------------------|
| Cost | |
| As at December 31, 2019 | 4,904 |
| Acquisition | 4,146 |
| As at December 31, 2020 | 9,050 |
| Acquisition | 1,086 |
| As at June 30, 2021 | 10,136 |
| Accumulated depreciation | |
| As at December 31, 2019 | (438) |
| Depreciation | (1,390) |
| As at December 31, 2020 | (1,828) |
| Depreciation | (1,503) |
| As at June 30, 2021 | (3,331) |
| Net carrying amount | |
| As at June 30, 2021 | 6,805 |
| As at December 31, 2020 | 7,222 |

Note 11 – Accounts receivable

| | As at June 30, 2021 \$ | As at December 31, 2020 \$ |
|--|---------------------------------|-------------------------------------|
| Interest, dividends and distributions receivable on investments | 15,349 | 8,942 |
| Amounts receivable on disposal of Investments impacting the Québec economy | 23,351 | 19,423 |
| Other | 1,193 | 545 |
| Total | 39,893 | 28,910 |

The change in fair value of amounts receivable on disposal of Investments impacting the Québec economy is not attributable to changes in credit risk. These amounts receivable include amounts denominated in U.S. dollars for \$22.5 million (\$18.2 million as at December 31, 2020).

Based on the information available as at the reporting date and the assumptions made as to the timing of the collection, CRCO expects to collect accounts receivable with a fair value of \$33.4 million (\$9.7 million as at December 31, 2020) no later than 12 months after the reporting date.

Note 12 – Cash and cash equivalents

| | As at June 30, 2021 \$ | As at December 31, 2020 \$ |
|--------------------------|---------------------------------|-------------------------------------|
| Cash | 7,719 | 7,003 |
| Money market instruments | 99,974 | 14,599 |
| Total | 107,693 | 21,602 |

Note 13 – Financial liabilities

Financial liabilities are amounts that CRCD would have to pay under contractual agreements and whose fair value is determined according to changes in fair value of certain underlying Investments impacting the Québec economy.

As at June 30, 2021, financial liabilities with a fair value of \$4.2 million were related to Investments impacting the Québec economy measured in U.S. dollars (\$4.6 million as at December 31, 2020).

The payment of financial liabilities is directly related to receipts in connection with disposals of certain Investments impacting the Québec economy. Given that the timing of such receipts is contingent on whether future events occur or specific conditions are met, CRCD is not in a position to determine the period during which it will pay the financial liabilities. However, as payment typically follows receipts, liquidity risk is low.

Note 14 – Accounts payable

| | As at June 30, 2021 \$ | As at December 31, 2020 \$ |
|--|---------------------------------|-------------------------------------|
| Trade payables and accrued liabilities | 4,962 | 6,524 |
| Amounts payable on acquisitions of Other investments | 6,570 | 2,075 |
| Other | — | 187 |
| Total | 11,532 | 8,786 |

CRCD expects to pay its accounts payable no later than 12 months after the reporting date.

Note 15 – Line of credit

As at June 30, 2021 and December 31, 2020, CRCD had an authorized line of credit of \$250 million with the Fédération des caisses Desjardins du Québec (FCDQ), bearing interest at the operating credit rate of FCDQ plus 0.5% and renewable annually. The line of credit was undrawn during the six-month period ended June 30, 2021 (drawn down by \$128.2 million during the year ended December 31, 2020). As at June 30, 2021 and December 31, 2020, no amount was drawn down on this credit line. As at June 30, 2021 and December 31, 2020, an amount of \$6.2 million was reserved in the form of a letter of credit in connection with the guarantees and suretyships.

Note 16 – Share capital

Authorized

CRCD is authorized to issue Class A “Issuance” and Class B “Exchange” common shares and fractions of common shares without par value, participating, voting, with the right to elect directors to the Board of Directors, redeemable under certain conditions prescribed by the Act.

For each of its capitalization periods between March 1, 2018 and February 28, 2021, CRCD was authorized to raise an annual maximum of \$140 million in Class A “Issuance” shares and to exchange Class A “Issuance” shares held for at least seven years for Class B “Exchange” shares up to a maximum of \$100 million.

On March 26, 2021, the Government of Québec authorized CRCD to issue Class A “Issuance” shares for a maximum annual amount of \$140 million for the capitalization periods ending February 28, 2022 and February 28, 2023 and also extended, for the same periods, the share exchange program for Class B “Exchange” shares for a maximum authorized annual amount of \$50 million.

Each capitalization period, which last 12 months, begins on March 1 of each year.

Issued

The net assets of CRCD as at June 30, 2021 totalled \$2,423.3 million broken down by issue as follows:

| Issue | Balance \$M* | | | Eligible for redemption |
|-------------------|-------------------|-------------------|----------------|-------------------------|
| | "Issuance" Shares | "Exchange" Shares | Total | |
| 2001 to 2013 | 937.7 | — | 937.7 | Today |
| 2014 | 91.1 | — | 91.1 | October 2021 |
| 2015 | 214.6 | — | 214.6 | 2022 |
| 2016 | 180.9 | — | 180.9 | 2023 |
| 2017 | 170.2 | — | 170.2 | 2024 |
| 2018 | 166.2 | 118.3 | 284.5 | 2025 |
| 2019 | 152.5 | 113.5 | 266.0 | 2026 |
| 2020 | 162.4 | 115.9 | 278.3 | 2027 |
| Net assets | 2,075.6 | 347.7 | 2,423.3 | |

* Calculated as net asset value per share as at June 30, 2021.

Note 17 – Capital disclosures

CRCD's objective with respect to capital management is to ensure the availability of sufficient cash resources to fund investments in line with its mission and meet shareholders' demands for share redemptions. CRCD's capital consists of its net assets. The pandemic environment in the first six months of 2020 resulted in an increase of redemptions of CRCD's shares requests. Given its Other investments portfolio, CRCD had the necessary liquidity to fund share redemptions and make investments to support portfolio companies. To provide greater cash management flexibility, the credit facilities put in place several years ago were drawn down.

CRCD is not subject to any external capital requirements other than those governing the issuance and redemption of its shares, as indicated in note 16.

CRCD's policy is to reinvest the annual earnings generated by its operations and not to pay dividends to its shareholders, with a view to increasing the capital available for investment and enhancing share valuations.

Note 18 – Expenses

| | For the six-month periods ended June 30, | |
|--|---|--------------|
| | 2021 \$ | 2020 \$ |
| Other operating expenses | | |
| IT expenses | 2,586 | 1,303 |
| Professional services fees | 60 | 338 |
| Compensation of members of the Board of Directors and its committees | 300 | 278 |
| Audit fees | 91 | 93 |
| Custodial and trustee fees | 70 | 65 |
| Other expenses | 96 | 442 |
| Total | 3,203 | 2,519 |
| Shareholder services | | |
| Trustee fees (registration) | 1,337 | 1,095 |
| Reporting to shareholders | 56 | 282 |
| Share distribution fees | 2,392 | 2,731 |
| IT expenses | 1,707 | 1,462 |
| Other expenses | 5 | 9 |
| Total | 5,497 | 5,579 |

Note 19 – Income taxes

Income tax expense (recovery)

Income tax expense is detailed as follows:

| | For the six-month periods ended June 30, | |
|--------------|---|----------------|
| | 2021 \$ | 2020 \$ |
| Current | 67 | (1,676) |
| Deferred | 1,023 | (91) |
| Total | 1,090 | (1,767) |

Reconciliation of the income tax rate

The actual income tax rate differs from the basic income tax rate for the following reasons:

| | For the six-month periods ended June 30, | |
|---|---|----------------|
| | 2021 \$ | 2020 \$ |
| Income taxes at the combined basic tax rate of 39.5% (39.5% in 2020) | 69,879 | (46,359) |
| Permanent differences between earnings before income taxes and taxable income and other items | | |
| Realized and unrealized losses (gains) on investments | (62,108) | 48,504 |
| Non-taxable dividends | (6,760) | (2,357) |
| Other | 79 | (1,555) |
| Total | 1,090 | (1,767) |

Income tax balance

Income tax expense recognized in the Balance Sheets is detailed as follows:

| | As at June 30, 2021 \$ | As at December 31, 2020 \$ |
|---|---------------------------------|-------------------------------------|
| Assets | | |
| Refundable tax on hand | 28,657 | 30,996 |
| Income taxes recoverable | 5,022 | 87 |
| Total | 33,679 | 31,083 |
| Liabilities | | |
| Deferred taxes – Share issue expenses and Share distribution fees | 3,761 | 3,697 |
| Deferred taxes – Amounts receivable on disposal of Investments impacting the Québec economy | (8,527) | (7,025) |
| Deferred taxes – Other | (491) | (906) |
| Total | (5,257) | (4,234) |

CRCD expects to recover \$2.4 million (\$7.0 million as at December 31, 2020) in income taxes no later than 12 months after the reporting date.

Note 20 – Related party transactions

Related parties include Desjardins Capital Management Inc. (DC), CRCD's manager, which is a subsidiary of FCDQ and is part of Desjardins Group. CRCD is therefore indirectly related to Desjardins Group. Related parties also include CRCD's key management personnel.

- CRCD has entrusted DC with its management and operations, in accordance with the strategies and objectives approved by the Board of Directors. This management agreement, which had been in effect since January 1, 2018, for a three-year term, has been amended and now provides for automatic renewals of one-year terms, unless terminated by one of the parties. Under this agreement, management fees amount to a maximum rate of 1.75% (1.75% for the year ended December 31, 2020) of CRCD's annual average asset value less any amounts payable related to Investments impacting the Québec economy and Other investments. An adjustment is made to the management fees charged to CRCD to avoid double billing relative to CRCD's interest in other investment funds, whether in the portfolio of Investments impacting the Québec economy or Other investments. DC and CRCD have agreed that, for a given fiscal year, an adjustment could also be made to allow CRCD to benefit from economies of scale realized by DC with regard to the growth in CRCD's assets. The negotiation fees arising from portfolio companies are earned by DC, and their amount is deducted from the management fees payable by CRCD.
- CRCD has appointed Desjardins Trust Inc. as a shareholder registrar and share transfer agent. Desjardins Trust also acts as an intermediary for various shareholder support services. The agreement, which was in effect from July 1, 2016, to December 31, 2020, has been amended and now provides for automatic renewals of one-year terms, unless terminated by one of the parties.
- CRCD has entrusted Desjardins Trust Inc. with custody services for its assets. The custody and administration agreement that was effective on May 1, 2009, until December 31, 2020, has been amended and now provides for automatic renewals of one-year terms, unless terminated by one of the parties.
- CRCD has appointed FCDQ to oversee the distribution of its shares through the Desjardins caisse network. This agreement that was effective from July 1, 2016 until December 31, 2020 has been amended and now provides for automatic renewals of one-year terms, unless terminated by one of the parties. CRCD also agreed to pay, as needed, project fees to cover the work required to upgrade the tools and applications supporting the CRCD share distribution processes.
- CRCD has entrusted the Desjardins caisse network with issuing its shares.
- CRCD has entrusted FCDQ with the banking operations related to its day-to-day activities and its role as counterparty in foreign exchange contracts.
- CRCD has appointed Desjardins Securities as its full service broker, to serve as an intermediary for buying and selling shares traded on public markets.
- CRCD has entrusted Desjardins Technology Group Inc. with its IT development strategy (IT master plan), particularly the implementation and upgrading of a new investment management software.

Note 20 – Related party transactions (continued)

Related party transactions

CRCD has entered into transactions with other Desjardins Group entities in the normal course of business, and all these transactions are measured at the exchange amount. Unless otherwise indicated, none of the transactions incorporated special terms or conditions. The balances are generally settled in cash. The transactions and balances are detailed as follows:

| | As at June 30, 2021 | | | As at December 31, 2020 | | |
|-----------------------|---------------------|--|-------------|-------------------------|--|-------------|
| | DC \$ | Other related parties ⁽¹⁾ \$ | Total \$ | DC \$ | Other related parties ⁽¹⁾ \$ | Total \$ |
| Balance Sheets | | | | | | |
| Assets | | | | | | |
| Other investments | — | (234) | (234) | — | 719 | 719 |
| Intangible assets | — | 6,805 | 6,805 | — | 7,222 | 7,222 |
| Cash | — | 7,872 | 7,872 | — | 7,094 | 7,094 |
| Liabilities | | | | | | |
| Accounts payable | 2,317 | 3,059 | 5,376 | 907 | 5,526 | 6,433 |

| | For the six-month periods ended June 30, | | | | | |
|---|---|--|-------------|----------|--|-------------|
| | 2021 | | | 2020 | | |
| | DC \$ | Other related parties ⁽¹⁾ \$ | Total \$ | DC \$ | Other related parties ⁽¹⁾ \$ | Total \$ |
| Statements of Comprehensive Income | | | | | | |
| Revenue | | | | | | |
| Gains (losses) on investments | — | 3,182 | 3,182 | — | (3,674) | (3,674) |
| Expenses | | | | | | |
| Management fees | 13,305 | — | 13,305 | 11,646 | — | 11,646 |
| Other operating expenses | — | 2,133 | 2,133 | — | 1,265 | 1,265 |
| Shareholder services | — | 5,436 | 5,436 | — | 5,288 | 5,288 |

⁽¹⁾ Other related parties include FCDQ and its subsidiaries, namely, Desjardins Securities, Desjardins Technology Group Inc, Desjardins Trust, Desjardins Investment and Desjardins Global Asset Management. They also include Desjardins caisse network.

Key management personnel compensation

CRCD's key management personnel are the members of the Board of Directors. For the six-month period ended June 30, 2021, compensation of key management personnel comprised solely short-term benefits in the amount of \$241,000 (\$254,000 for the six-month period ended June 30, 2020).

Capital régional et coopératif Desjardins

Audited schedule of cost of investments impacting
the Québec economy
As at June 30, 2021



Independent auditor's report

To the Shareholders of Capital régional et coopératif Desjardins

Our opinion

In our opinion, the accompanying schedule of cost of investments impacting the Quebec economy (the schedule) of Capital régional et coopératif Desjardins (CRCD) as at June 30, 2021 is prepared, in all material respects, in accordance with the dispositions of Article 18 of the Regulation Respecting Development Capital Investment Fund Continuous Disclosure.

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 schedule* section of our report.

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 CRCD in accordance with the ethical requirements that are relevant to our audit of the schedule in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter – Basis of accounting and restriction on distribution and use

We draw attention to note to the schedule, which describes the basis of accounting. The schedule is prepared in order to comply with the dispositions of Article 18 of the Regulation Respecting Development Capital Investment Fund Continuous Disclosure. As a result, the schedule may not be suitable for another purpose. Our report is intended solely for CRCD.

Our report should not be distributed to or used by parties other than CRCD. Our opinion is not modified in respect of this matter.

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"PwC" refers to PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l., an Ontario limited liability partnership.



Responsibilities of management and those charged with governance for the schedule

Management is responsible for the preparation of the schedule in accordance with the dispositions of Article 18 of the Regulation Respecting Development Capital Investment Fund Continuous Disclosure, and for such internal control as management determines is necessary to enable the preparation of a schedule that is free from material misstatement, whether due to fraud or error.

In preparing the schedule, management is responsible for assessing CRCD'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 CRCD or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the schedule

Our objectives are to obtain reasonable assurance about whether the schedule as a whole is 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 this schedule.

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 schedule, 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 CRCD's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, 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 CRCD'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 schedule 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 CRCD to cease to continue as a going concern.

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.

/s/PricewaterhouseCoopers LLP¹

Montréal, Quebec
August 12, 2021

¹ CPA auditor, CA, public accountancy permit No. A117693

Audited schedule of cost of investments impacting the Québec economy
As at June 30, 2021

(in thousands of dollars)

| | Initial investment year | Industry segment | Unsecured investments | | Secured investments | | Total \$ | Guarantees and Suretyships \$ |
|--|-------------------------|------------------|---|---------------------------|---------------------------|---------------|----------|-------------------------------|
| | | | Common and Preferred shares and funds units | Loans, advances and notes | Loans, advances and notes | | | |
| | | | \$ | \$ | \$ | | | |
| Abitibi-Témiscamingue | | | | | | | | |
| 9031-2976 Québec inc. (Les produits industriels Dumotech) | 2021 | M | - | 500 | - | 500 | - | - |
| 9097-7810 Québec inc. | 2021 | S | - | 400 | - | 400 | - | - |
| 9212-9402 Québec inc. (Construction Francis Roy inc.) | 2019 | S | - | 1 100 | - | 1 100 | - | - |
| CMAC-Thyssen Global Holding inc. | 2021 | M | - | 1 365 | - | 1 365 | - | - |
| Groupe financier Pentagone inc. | 2019 | S | - | 850 | - | 850 | - | - |
| Manufacture Adria inc. (Adria Power Systems) | 2020 | M | - | 500 | - | 500 | - | - |
| Ressources minières Radisson inc. | 2019 | M | 179 | - | - | 179 | - | - |
| Trim Line de l'Abitibi inc. | 2009 | S | 125 | - | - | 125 | - | - |
| Total Abitibi-Témiscamingue | | | 304 | 4 715 | - | 5 019 | - | - |
| Bas-Saint-Laurent | | | | | | | | |
| 2862-2272 Québec inc. (Quincaillerie Home Hardware Rimouski) | 2018 | S | - | 58 | - | 58 | - | - |
| A.G.M. Construction inc. | 2020 | S | - | 200 | - | 200 | - | - |
| Alain Tardif photographie inc. | 2021 | S | - | 225 | - | 225 | - | - |
| Domaine Élie-Raphaël inc. | 2018 | S | - | 507 | - | 507 | - | - |
| Prestige Maple Products inc. | 2021 | S | - | 500 | - | 500 | - | - |
| Produits métalliques A.T. inc. (Les) | 2021 | M | 1 501 | - | - | 1 501 | - | - |
| Total Bas-Saint-Laurent | | | 1 501 | 1 490 | - | 2 991 | - | - |
| Canada Hors Québec et Ontario | | | | | | | | |
| Mogo inc. | 2021 | TI | 9 117 | - | - | 9 117 | - | - |
| Total Canada Hors Québec et Ontario | | | 9 117 | - | - | 9 117 | - | - |
| Capitale-Nationale | | | | | | | | |
| 9038-6418 Québec inc. (Etaltech) | 2019 | S | - | 200 | - | 200 | - | - |
| 9303-4338 Québec inc. (Oxio) | 2021 | S | 2 000 | - | - | 2 000 | - | - |
| 9332-2964 Québec inc. (Céramique L'Entrepôt de Québec) | 2021 | S | - | 500 | - | 500 | - | - |
| Atelier Avant-Garde inc. (L') | 2021 | S | - | 150 | - | 150 | - | - |
| AxesNetwork Solutions inc. | 2019 | TI | - | - | 1 768 | 1 768 | - | - |
| Boutique Le Pentagone inc. | 2008 | S | 2 951 | - | - | 2 951 | - | - |
| Concept Naval Experts Maritimes inc. | 2021 | S | - | 500 | - | 500 | - | - |
| Congébec Logistique II inc. | 2015 | S | - | - | 4 849 | 4 849 | - | - |
| Construction St-Pierre Roseberry inc. | 2020 | S | - | 300 | - | 300 | - | - |
| Constructions François Martel inc. | 2021 | S | - | 300 | - | 300 | - | - |
| Flash Romeo inc. (Voilà) | 2019 | TI | - | 1 160 | - | 1 160 | - | - |
| Fokus productions inc. | 2021 | S | - | 300 | - | 300 | - | - |
| Fonds Qscale s.e.c. | 2021 | S | - | 5 000 | - | 5 000 | - | - |
| Gecko Alliance Group inc. | 2016 | M | 14 772 | 6 488 | - | 21 260 | - | - |
| Groupe conseil NOVO SST inc. | 2013 | S | 750 | - | - | 750 | - | - |
| Ingéniarts Technologies inc. | 2020 | M | - | 2 913 | - | 2 913 | - | 3 500 |
| Inogéni inc. | 2021 | M | 1 475 | 500 | - | 1 975 | - | - |
| Jobillico inc. | 2015 | S | 1 020 | 4 012 | - | 5 032 | - | - |
| Laserax inc. | 2020 | M | 1 068 | 485 | - | 1 553 | - | - |
| MVT GEO-Solutions inc. | 2020 | S | - | 203 | - | 203 | - | - |
| Nuutok Entreprise inc. | 2019 | TI | - | 923 | - | 923 | - | - |
| Pâtisserie-Traiteur La Mangue Verte inc. | 2021 | S | - | 200 | - | 200 | - | - |
| Progitek Dev inc. | 2021 | S | 938 | 750 | - | 1 688 | - | - |
| Qohash inc. | 2019 | TI | 2 279 | - | - | 2 279 | - | - |
| SVI E Solutions inc. | 2021 | S | - | 500 | - | 500 | - | - |
| TB4 inc. | 2019 | S | - | 312 | - | 312 | - | - |
| Wazo Communication inc. | 2021 | TI | 968 | 968 | - | 1 936 | - | - |
| Total Capitale-Nationale | | | 28 221 | 26 664 | 6 617 | 61 502 | - | 3 500 |

**Audited schedule of cost of investments impacting the Québec economy
As at June 30, 2021**

(in thousands of dollars)

| | Initial investment year | Industry segment | Unsecured investments | | Secured investments | Total | Guarantees and Suretyships |
|--|-------------------------|------------------|---|---------------------------|---------------------------|---------------|----------------------------|
| | | | Common and Preferred shares and funds units | Loans, advances and notes | Loans, advances and notes | | |
| | | | | | | | |
| | | | \$ | \$ | \$ | \$ | \$ |
| Centre-du-Québec | | | | | | | |
| Avjet Holding inc. | 2009 | S | 3 732 | - | - | 3 732 | - |
| CBR Laser inc. | 2012 | M | - | 6 404 | - | 6 404 | - |
| Citadelle, Maple Syrup producer's Cooperative | 2016 | M | 7 500 | - | - | 7 500 | - |
| Farinart inc. | 2010 | M | 924 | - | - | 924 | - |
| Fruit d'or inc. | 2018 | M | 20 000 | - | - | 20 000 | - |
| Groupe Anderson inc. | 2007 | M | 3 340 | - | - | 3 340 | - |
| Total Centre-du-Québec | | | 35 496 | 6 404 | - | 41 900 | - |
| Chaudière - Appalaches | | | | | | | |
| 8450765 Canada inc. (Groupe Blu2) | 2021 | S | - | 500 | - | 500 | - |
| 9148-7579 Québec inc. (Les filtres J.L. Grenier) | 2020 | M | - | 385 | - | 385 | - |
| 9346-9591 Québec inc. (Construction Des Rivages inc.) | 2021 | S | - | 300 | - | 300 | - |
| 9375-3226 Québec inc. (OK Pneus La Malbaie) | 2020 | S | - | 500 | - | 500 | - |
| Amisco Industries Ltd. | 2018 | M | 17 220 | - | - | 17 220 | - |
| CareMedic System inc. | 2020 | S | - | 437 | - | 437 | - |
| Cycles Lambert inc. | 2018 | S | - | - | 3 038 | 3 038 | - |
| Fertilec Ltd. | 2019 | M | - | 467 | - | 467 | - |
| Fournier Industries Group inc. | 2013 | M | 17 000 | - | - | 17 000 | - |
| Grondin et Nadeau inc. | 2019 | S | - | 1 017 | - | 1 017 | - |
| Groupe Filgo inc. | 2012 | S | 11 386 | - | - | 11 386 | - |
| Hortau inc. | 2010 | M | 2 617 | - | - | 2 617 | - |
| Industries RAD inc. | 2021 | M | - | 3 333 | - | 3 333 | - |
| Industries Radisson inc. (Les) | 2019 | M | - | 425 | - | 425 | - |
| Liberty Spring inc. | 2019 | M | 22 500 | 12 300 | - | 34 800 | - |
| Marquis Book Printing inc. | 2007 | M | 2 551 | 900 | - | 3 451 | - |
| Solutions Chemco inc. | 2021 | S | - | 500 | - | 500 | - |
| Solutions Mécanique Diesel inc. | 2021 | S | - | 250 | - | 250 | - |
| Total Chaudière - Appalaches | | | 73 274 | 21 314 | 3 038 | 97 626 | - |
| Eastern Townships | | | | | | | |
| 9155-7280 Québec inc. (Vausco) | 2021 | S | - | 400 | - | 400 | - |
| Cdware Technologies inc. | 2021 | S | - | 250 | - | 250 | - |
| Centre de rénovation Stanstead inc. | 2020 | S | - | 500 | - | 500 | - |
| Clôtures Orford inc. | 2019 | S | - | 401 | - | 401 | - |
| Cuisines modernes de l'Estrie inc. | 2020 | S | - | 360 | - | 360 | - |
| Demtroys Technology inc. | 2019 | M | - | 422 | - | 422 | - |
| Emballages Façotek inc. | 2020 | M | - | 500 | - | 500 | - |
| E-Solutions Furniture Group inc. (ex. Bestar) | 2020 | M | 25 627 | 10 199 | - | 35 826 | - |
| Exo-s-inc. | 2012 | M | 20 572 | - | - | 20 572 | - |
| Gestion Jérico inc. | 2021 | M | - | 10 000 | - | 10 000 | - |
| Imprimerie Précé-Grafik inc. | 2009 | M | 1 500 | 529 | 265 | 2 294 | - |
| Kemestrie inc. | 2010 | TI | 527 | - | - | 527 | - |
| Leadfox technologie inc. | 2019 | TI | - | 1 694 | - | 1 694 | - |
| Microbrasserie La Memphré inc. | 2021 | S | - | 450 | - | 450 | - |
| Sherlenn hydraulique et Produits industriels inc. | 2020 | S | - | 300 | - | 300 | - |
| Technic-Eau Drillings inc. | 2017 | M | 15 223 | 1 619 | - | 16 842 | - |
| The Sustainable Development Enterprises Energy Solutions & Associates inc. | 2019 | M | 500 | - | - | 500 | - |
| Vallée Windows inc. | 2021 | S | - | 500 | - | 500 | - |
| Total Eastern Townships | | | 63 949 | 28 124 | 265 | 92 338 | - |

**Audited schedule of cost of investments impacting the Québec economy
As at June 30, 2021**

(in thousands of dollars)

| | Initial investment year | Industry segment | Unsecured investments | | Secured investments | | Total \$ | Guarantees and Suretyships \$ |
|--|-------------------------|------------------|---|---------------------------|---------------------------|---|----------|-------------------------------|
| | | | Common and Preferred shares and funds units | Loans, advances and notes | Loans, advances and notes | | | |
| | | | \$ | \$ | \$ | | | |
| Gaspésie-Îles-de-la-Madeleine | | | | | | | | |
| Les Entreprises Leblanc 3 inc. | 2018 | S | - | 498 | - | - | 498 | - |
| Total Gaspésie-Îles-de-la-Madeleine | | | - | 498 | - | - | 498 | - |
| Lanaudière | | | | | | | | |
| 9111-0767 Québec inc. | 2021 | S | - | 500 | - | - | 500 | - |
| Groupe Composites VCI inc. | 2007 | M | 2 250 | 203 | - | - | 2 453 | - |
| Total Lanaudière | | | 2 250 | 703 | - | - | 2 953 | - |
| Laval | | | | | | | | |
| DBM Technologies inc. | 2020 | M | 14 979 | - | - | - | 14 979 | - |
| Delta Ressources Limited | 2020 | M | 140 | - | - | - | 140 | - |
| Ionodes inc. | 2019 | TI | - | 2 139 | - | - | 2 139 | - |
| Total Laval | | | 15 119 | 2 139 | - | - | 17 258 | - |
| Mauricie | | | | | | | | |
| Classement Luc Beauoin inc. | 2013 | S | - | 243 | - | - | 243 | - |
| Équipements St-Arnaud inc. (Les) | 2020 | S | - | 500 | - | - | 500 | - |
| Innovations Voltflex inc. | 2006 | M | 17 | - | - | - | 17 | - |
| Louiseville Specialty Products inc. | 2021 | M | 6 398 | - | - | - | 6 398 | - |
| Total Mauricie | | | 6 415 | 743 | - | - | 7 158 | - |
| Montérégie | | | | | | | | |
| 9020-5758 Québec inc. (AVRIL) | 2021 | S | 9 919 | - | - | - | 9 919 | - |
| 9349-6347 Québec inc. (Habitations Trigone) | 2019 | S | - | 28 113 | - | - | 28 113 | - |
| A. & D. Prévost inc. | 2011 | M | 5 589 | - | - | - | 5 589 | - |
| A.T.L.A.S. Aéronautique inc. | 2010 | M | 6 354 | - | - | - | 6 354 | - |
| Atis Group inc. | 2015 | M | 34 231 | 1 741 | 817 | - | 36 789 | - |
| Ben-Mor Cables inc. | 2009 | M | - | 370 | - | - | 370 | - |
| C.A.T. North America inc. (ex. 9523383 Canada inc.) | 2016 | S | 8 224 | - | - | - | 8 224 | - |
| Collaboration Québec, coopérative de solidarité en ingénierie et construction (A.E.F.) | 2020 | S | 250 | - | - | - | 250 | - |
| Denicourt, Arpentiers-Géomètres inc. | 2021 | S | - | 500 | - | - | 500 | - |
| Dose Juices inc. | 2019 | M | 1 000 | 750 | - | - | 1 750 | - |
| FC Géosynthétiques inc. | 2021 | M | - | 500 | - | - | 500 | - |
| Frontenac Technologies inc. | 2021 | M | 680 | 320 | - | - | 1 000 | - |
| Gestion Max Lavoie inc. (BBQ Québec) | 2021 | S | - | 500 | - | - | 500 | - |
| Groupe Jafaco Gestion inc. | 2019 | M | - | 8 528 | - | - | 8 528 | - |
| Investissement Groupe Champlain RPA, S.E.C | 2020 | S | 9 085 | - | - | - | 9 085 | - |
| Locaplus inc. | 2021 | S | - | 350 | - | - | 350 | - |
| Norbec Group inc. | 2017 | M | 7 450 | - | - | - | 7 450 | - |
| Novo Poultry inc. | 2017 | M | - | 2 286 | - | - | 2 286 | - |
| Nutri Group inc. | 2018 | M | 15 000 | - | - | - | 15 000 | - |
| Résidence La Verrière (2005) inc. | 2020 | S | - | 900 | - | - | 900 | - |
| Sonoscope inc. | 2021 | TI | - | 309 | - | - | 309 | - |
| Spectra Premium Industries inc. | 2006 | M | 2 589 | - | - | - | 2 589 | - |
| Transport Claude Martel inc. | 2021 | S | - | 500 | - | - | 500 | - |
| Valtech Fabrication inc. | 2017 | M | 13 198 | 1 777 | - | - | 14 975 | - |
| Total Montérégie | | | 113 569 | 47 444 | 817 | - | 161 830 | - |

Audited schedule of cost of investments impacting the Québec economy
As at June 30, 2021

(in thousands of dollars)

| | Initial investment year | Industry segment | Unsecured investments | | Secured investments | Total \$ | Guarantees and Suretyships \$ |
|---|-------------------------|------------------|---|---------------------------|---------------------------|----------------|-------------------------------|
| | | | Common and Preferred shares and funds units | Loans, advances and notes | Loans, advances and notes | | |
| | | | | | \$ | | |
| Montréal | | | | | | | |
| 10337803 Canada inc. (Arbell Electronics inc.) | 2019 | S | - | - | 1 607 | 1 607 | - |
| 360 Agency inc. | 2016 | S | 12 692 | 500 | - | 13 192 | - |
| 9337-4791 Québec inc. (Motorleaf) | 2018 | TI | 866 | - | - | 866 | - |
| 9493662 Canada inc. (Ananda Devices) | 2019 | TI | 1 000 | - | - | 1 000 | - |
| 9813063 Canada inc. (My Intelligent Machines (MIMs)) | 2019 | TI | 2 930 | - | - | 2 930 | - |
| Agriculture Concentric inc. | 2018 | M | 2 469 | - | 1 269 | 3 738 | - |
| Alaya Care inc. | 2019 | TI | 3 543 | - | - | 3 543 | - |
| Alithya Group inc. | 2015 | S | 22 217 | - | - | 22 217 | - |
| Axya inc. | 2021 | TI | - | 519 | - | 519 | - |
| Azimut Exploration inc. | 2019 | M | 174 | - | - | 174 | - |
| Brainbox AI inc. | 2020 | TI | - | 4 290 | - | 4 290 | - |
| C2RO Cloud Robotics inc. | 2020 | TI | 250 | - | - | 250 | - |
| Compagnie de location de véhicules récréatifs VanLife | 2021 | S | - | 500 | - | 500 | - |
| Courchesne, Larose Itée | 2015 | M | - | 3 036 | - | 3 036 | - |
| DC Immo 1ère S.E.C. | 2019 | S | 6 597 | - | - | 6 597 | - |
| Deeplite inc. | 2020 | TI | 891 | - | - | 891 | - |
| Ditch Labs inc. | 2021 | TI | - | 50 | - | 50 | - |
| Emballages Deltapac inc. (Les) | 2005 | M | 7 | - | - | 7 | - |
| Emovi inc. | 2018 | M | 1 078 | - | - | 1 078 | - |
| Entreprise Nexmoov inc. | 2018 | TI | 2 074 | - | - | 2 074 | - |
| Facilis inc. | 2021 | S | 1 000 | - | - | 1 000 | - |
| Fluent.ai inc. | 2019 | TI | 1 993 | - | - | 1 993 | - |
| Groupe Solotech inc. | 2013 | S | 36 852 | 2 500 | - | 39 352 | - |
| Haleo Preventive Health Solutions inc. | 2019 | TI | - | 266 | - | 266 | - |
| Imagia Cybernetics inc. | 2019 | TI | 1 447 | - | - | 1 447 | - |
| Keatext inc. | 2018 | TI | - | 1 549 | - | 1 549 | - |
| Mako Financial Technologies, Inc. | 2021 | TI | - | 1 000 | - | 1 000 | - |
| MedHelper inc. | 2020 | TI | - | 301 | - | 301 | - |
| MY01 IP Holdings inc. | 2021 | TI | - | 306 | - | 306 | - |
| NeuroServo inc. | 2020 | M | - | 292 | - | 292 | - |
| NI2 inc. | 2017 | TI | 5 084 | - | 1 184 | 6 268 | - |
| o3d inc. | 2019 | TI | - | 273 | - | 273 | - |
| Optina Diagnostics inc. | 2018 | TI | 2 868 | - | - | 2 868 | - |
| Phildan inc. | 2015 | M | 8 250 | 1 349 | - | 9 599 | - |
| Potloc inc. | 2018 | TI | 4 146 | - | - | 4 146 | - |
| Prevu3D inc. | 2020 | TI | 750 | - | - | 750 | - |
| Rekruti Solutions inc. | 2018 | TI | - | 544 | - | 544 | - |
| RenoRun inc. | 2021 | TI | - | 6 040 | - | 6 040 | - |
| Résidences pour aînés Immo 1ere inc. | 2019 | S | 788 | - | - | 788 | - |
| Sentier médical inc. | 2021 | TI | - | 500 | - | 500 | - |
| SJM Group inc. | 2019 | M | 16 250 | 10 000 | - | 26 250 | - |
| Sollio Groupe Coopératif | 2005 | M | 95 000 | - | - | 95 000 | - |
| Stratuscent inc. | 2020 | TI | - | 250 | - | 250 | - |
| Technologies Heyday inc. | 2019 | TI | 500 | 1 536 | - | 2 036 | - |
| Tekalia Aéronautik (2010) inc. | 2019 | S | 3 069 | - | - | 3 069 | - |
| Télécon inc. | 2011 | S | 45 441 | - | - | 45 441 | 6 233 |
| Thorasys Thoracic Medical Systems inc. | 2018 | TI | 585 | 306 | - | 891 | - |
| Tink Profitabilité Numérique inc. | 2021 | S | 1 125 | - | - | 1 125 | - |
| Wrk Technologies inc. | 2020 | TI | - | 5 000 | - | 5 000 | - |
| Total Montréal | | | 281 936 | 40 907 | 4 060 | 326 903 | 6 233 |
| Nord-du-Québec | | | | | | | |
| Doré Copper Mining Corp. | 2021 | M | 350 | - | - | 350 | - |
| Genius Metals inc. | 2020 | M | 100 | - | - | 100 | - |
| Harfang Exploration inc. | 2019 | M | 240 | - | - | 240 | - |
| Kintavar Exploration inc. | 2020 | M | 120 | - | - | 120 | - |
| Maple Gold Mines Ltd. | 2018 | M | 75 | - | - | 75 | - |
| Quebec Precious Metals Corporation | 2021 | M | 198 | - | - | 198 | - |
| Sirios Resources inc. | 2019 | M | 300 | - | - | 300 | - |
| Stelmine Canada Ltd. | 2019 | M | 97 | - | - | 97 | - |
| Vior inc. | 2020 | M | 100 | - | - | 100 | - |
| Total Nord-du-Québec | | | 1 580 | - | - | 1 580 | - |

Audited schedule of cost of investments impacting the Québec economy
As at June 30, 2021

(in thousands of dollars)

| | Initial investment year | Industry segment | Unsecured investments | | Secured investments | | Total | Guarantees and Suretyships |
|---|-------------------------|------------------|---|---------------------------|---------------------------|------------------|-------|----------------------------|
| | | | Common and Preferred shares and funds units | Loans, advances and notes | Loans, advances and notes | | | |
| | | | \$ | \$ | \$ | \$ | | |
| Outaouais | | | | | | | | |
| Agrisoma Biosciences inc. | 2018 | M | - | - | 3 462 | 3 462 | 224 | - |
| Bas-Canada Brewery inc. | 2021 | M | - | 500 | - | 500 | - | - |
| Construction Michel Lacroix inc. / Michel Lacroix Construction inc. | 2019 | S | - | 425 | - | 425 | - | - |
| Rossmann Architecture inc. | 2021 | S | - | 500 | - | 500 | - | - |
| Signalisation Prosign Québec inc. | 2019 | S | - | 210 | - | 210 | - | - |
| Steamatic Canada inc. | 2021 | S | - | 500 | - | 500 | - | - |
| Total Outaouais | | | - | 2 135 | 3 462 | 5 597 | | 224 |
| Outside of Canada | | | | | | | | |
| Pharmaxis Ltd. | 2010 | TI | 2 360 | - | - | 2 360 | - | - |
| Total Outside of Canada | | | 2 360 | - | - | 2 360 | - | - |
| Saguenay-Lac-Saint-Jean | | | | | | | | |
| 10696056 Canada inc. | 2021 | M | - | 500 | - | 500 | - | - |
| 11077422 Canada inc. (Congèlerie l'Héritier) | 2019 | M | - | 1 000 | - | 1 000 | - | - |
| 9331-8384 Québec inc. (Okaze) | 2021 | S | - | 500 | - | 500 | - | - |
| 9366-5099 Québec inc. (Voie maltée Laurier) | 2018 | S | - | - | 483 | 483 | - | - |
| Béton Dunbrick inc. | 2021 | M | - | 500 | - | 500 | - | - |
| Boucherie St-Hilaire (2017) inc. | 2021 | S | - | 775 | - | 775 | - | - |
| Constructions Unibec inc. | 2021 | S | - | 488 | - | 488 | - | - |
| Équipements Pétroliers Claude Pedneault inc. (Les) | 2021 | S | - | 500 | - | 500 | - | - |
| Groupe Canmec inc. | 2004 | M | 7 013 | - | - | 7 013 | - | - |
| L.S.M. Son & Lumières inc. | 2019 | S | - | 527 | - | 527 | - | - |
| Les Toitures DICI inc. | 2021 | S | - | 300 | - | 300 | - | - |
| Nature ALU inc. | 2019 | M | - | 1 045 | - | 1 045 | - | - |
| Osblock inc. | 2020 | M | - | 398 | - | 398 | - | - |
| Produits sanitaires Lépine inc. (Les) | 2010 | M | 1 268 | - | - | 1 268 | - | - |
| RI d'Éloïse et Destany inc. | 2021 | S | - | 640 | - | 640 | - | - |
| S.E.C. Lokia Sélection Sherbrooke | 2019 | S | - | 5 698 | - | 5 698 | - | - |
| Senneco inc. | 2013 | S | - | 243 | - | 243 | - | - |
| Société en commandite Lokia St-Sacrement | 2021 | S | - | 8 310 | - | 8 310 | - | - |
| Total Saguenay-Lac-Saint-Jean | | | 8 281 | 21 424 | 483 | 30 188 | | - |
| Funds | | | | | | | | |
| Boreal Ventures I, L.P. | 2021 | F | 134 | - | - | 134 | - | - |
| Capital croissance PME s.e.c. | 2010 | F | - | - | - | - | - | - |
| Capital croissance PME II s.e.c. | 2014 | F | 36 987 | - | - | 36 987 | - | - |
| Desjardins - Innovatech S.E.C. | 2005 | F | 29 748 | 84 | - | 29 832 | - | - |
| Desjardins Capital PME s.e.c. | 2018 | F | 127 836 | - | - | 127 836 | - | - |
| Desjardins Capital Transatlantique, L.P. | 2018 | F | 16 827 | - | - | 16 827 | - | - |
| FIER Partenaires, s.e.c. | 2005 | F | - | - | - | - | - | - |
| Fonds de transfert d'entreprise du Québec, s.e.c. | 2011 | F | 3 386 | - | - | 3 386 | - | - |
| Fonds d'investissement MSBI, s.e.c. | 2004 | F | 2 615 | - | - | 2 615 | - | - |
| Fonds d'investissement pour la relève agricole (FIRA) | 2011 | F | 11 088 | - | - | 11 088 | - | - |
| Fonds Ecofuel I, S.E.C. | 2018 | F | 1 395 | - | - | 1 395 | - | - |
| Luge Investment Fund 1, L.P. | 2018 | F | 1 413 | - | - | 1 413 | - | - |
| Novacap Industries III, L.P. | 2007 | F | - | - | - | - | - | - |
| Novacap Technologies III, L.P. | 2007 | F | - | - | - | - | - | - |
| RVOMTL17 Limited Partnership | 2017 | F | 3 287 | - | - | 3 287 | - | - |
| Siparex Transatlantique - Fonds Professionnel de Capital Investissement | 2018 | F | 3 619 | - | - | 3 619 | - | - |
| Société en commandite Essor et Coopération | 2013 | F | 14 403 | - | - | 14 403 | - | - |
| Total Funds | | | 252 738 | 84 | - | 252 822 | | - |
| Total cost | | | 896 110 | 204 788 | 18 742 | 1 119 640 | | 9 957 |

Industry segment legend

M: Manufacturing
S: Services
TI: Technological innovations
F: Funds

The schedule of cost of investments impacting the Québec economy is prepared in accordance with the section 18 of the *Regulation respecting Development Capital Investment Fund Continuous Disclosure*. This audited schedule of cost of investments impacting the Québec economy provides details, per entity, of the sums invested by Capital régional et coopératif Desjardins. This amount appears in note 7 to the financial statements of CRCD, as at June 30, 2021. In addition, this schedule presents a list of the guarantees and suretyships granted by Capital régional et coopératif Desjardins.

Capital régional et coopératif Desjardins

Statement of other investments
As at June 30, 2021

Statement of other investments (unaudited)
As at June 30, 2021

(in thousands of dollars)

| Description | Par value \$ | Cost \$ | Fair Value \$ | |
|--|-------------------|------------|------------------|---------|
| Bonds (35.0%) | | | | |
| Federal and guaranteed bonds (13.5%) | | | | |
| Canada Housing Trust | 09-15-2026, 1.90% | 18,100 | 17,801 | 18,669 |
| | 06-15-2027, 2.35% | 1,480 | 1,602 | 1,563 |
| | 03-15-2028, 2.35% | 1,800 | 1,920 | 1,902 |
| | 03-15-2028, 2.65% | 6,500 | 6,965 | 6,993 |
| | 12-15-2028, 2.65% | 4,250 | 4,758 | 4,579 |
| | 09-15-2029, 2.10% | 12,000 | 12,133 | 12,434 |
| | 06-15-2030, 1.75% | 6,215 | 6,252 | 6,235 |
| Government of Canada | 02-01-2023, 0.25% | 6,000 | 5,989 | 5,987 |
| | 06-01-2027, 1.00% | 15,600 | 15,518 | 15,519 |
| | 06-01-2028, 2.00% | 5,700 | 5,993 | 6,019 |
| | 06-01-2029, 2.25% | 9,000 | 9,648 | 9,688 |
| | 06-01-2030, 1.25% | 14,170 | 13,895 | 14,065 |
| | 12-01-2030, 0.50% | 12,255 | 11,224 | 11,297 |
| | 06-01-2041, 4.00% | 1,344 | 1,948 | 1,861 |
| | 12-01-2045, 3.50% | 2,000 | 2,862 | 2,673 |
| | 12-01-2048, 2.75% | 1,000 | 1,323 | 1,200 |
| | 12-01-2050, 0.50% | 405 | 424 | 449 |
| | 12-01-2051, 2.00% | 1,000 | 1,024 | 1,036 |
| Total federal and guaranteed bonds | | 118,819 | 121,279 | 122,169 |
| Provincial, municipal or guaranteed bonds (12.9%) | | | | |
| City of Toronto | 09-24-2039, 2.60% | 200 | 199 | 200 |
| Omers Finance Trust | 05-14-2029, 2.60% | 800 | 799 | 841 |
| Ontario Hydro | 10-15-2021, 0.28% | 1,000 | 999 | 999 |
| Ontario Teachers' Finance Trust | 10-19-2027, 1.10% | 5,000 | 4,988 | 4,841 |
| OPB Finance Trust | 10-25-2026, 2.98% | 3,330 | 3,329 | 3,561 |
| Province of Alberta | 06-01-2027, 2.55% | 4,400 | 4,338 | 4,658 |
| | 06-01-2030, 2.05% | 6,650 | 6,485 | 6,700 |
| | 06-01-2031, 1.65% | 7,000 | 6,759 | 6,728 |
| | 12-01-2043, 3.45% | 235 | 276 | 267 |
| | 06-01-2050, 3.10% | 1,400 | 1,552 | 1,503 |
| Province of British Columbia | 06-18-2031, 1.55% | 9,600 | 9,204 | 9,228 |
| Province of Manitoba | 06-02-2027, 2.60% | 3,500 | 3,426 | 3,717 |
| | 06-02-2030, 2.05% | 3,000 | 2,999 | 3,031 |
| | 09-05-2046, 2.85% | 1,250 | 1,229 | 1,301 |
| Province of New Brunswick | 08-14-2027, 2.35% | 2,500 | 2,428 | 2,618 |
| | 06-03-2030, 2.50% | 1,775 | 1,421 | 1,471 |
| Province of Newfoundland and Labrador | 06-02-2029, 2.85% | 3,000 | 3,120 | 3,199 |
| | 10-17-2050, 2.65% | 1,000 | 989 | 932 |
| Province of Nova Scotia | 06-01-2028, 1.10% | 3,000 | 2,997 | 2,897 |
| Province of Ontario | 12-02-2028, 1.70% | 18,000 | 15,872 | 15,741 |
| | 12-02-2030, 1.35% | 13,550 | 13,251 | 12,820 |
| | 06-02-2031, 2.15% | 16,000 | 15,932 | 16,152 |
| | 12-02-2051, 1.90% | 470 | 460 | 398 |
| Province of Québec | 05-27-2031, 2.10% | 1,484 | 1,479 | 1,507 |
| Province of Saskatchewan | 06-02-2030, 2.20% | 10,215 | 10,145 | 10,455 |
| | 12-02-2046, 2.75% | 750 | 724 | 771 |
| Translink | 07-03-2030, 1.60% | 800 | 800 | 774 |
| Total provincial, municipal or guaranteed bonds | | 119,909 | 116,200 | 117,310 |

Statement of other investments (unaudited)
As at June 30, 2021

(in thousands of dollars)

| Description | Par value \$ | Cost \$ | Fair Value \$ | |
|--|---------------------|------------|------------------|--------|
| Financial institutions bonds (3.9%) | | | | |
| Allied Properties Real Estate Investment Trust | 11-21-2029, 3.12% | 130 | 130 | 131 |
| Bank of Montreal | 02-16-2022, 0.35% * | 750 | 750 | 750 |
| | 12-09-2026, 2.70% | 855 | 835 | 905 |
| BCI QuadReal Realty | 04-24-2030, 1.75% | 99 | 99 | 95 |
| bcIMC Realty | 12-31-2026, 3.00% | 515 | 515 | 548 |
| Choice Properties Real Estate Investment Trust | 03-21-2027, 2.85% | 191 | 191 | 198 |
| | 12-04-2029, 2.98% | 298 | 298 | 304 |
| | 09-04-2049, 3.83% | 24 | 24 | 23 |
| Crombie Real Estate Investment Trust | 04-21-2027, 3.92% | 233 | 233 | 252 |
| Canadian Tire Real Estate Investment Trust | 10-06-2030, 2.37% | 162 | 162 | 155 |
| Fairfax Financial Holdings | 09-06-2027, 4.25% | 985 | 973 | 1,070 |
| | 12-03-2030, 3.95% | 593 | 594 | 612 |
| First Capital Realty | 04-12-2027, 3.75% | 685 | 685 | 723 |
| Granite Real Estate Investment Trust | 09-18-2030, 2.38% | 680 | 680 | 659 |
| Great-West Lifeco | 11-28-2027, 3.34% | 425 | 422 | 461 |
| | 01-08-2050, 2.98% | 27 | 27 | 25 |
| H&R Real Estate Investment | 01-19-2027, 2.63% | 110 | 110 | 109 |
| Honda Canada Finance | 02-25-2028, 1.65% | 1,110 | 1,110 | 1,089 |
| IGM Financial | 10-26-2026, 3.44% | 515 | 509 | 554 |
| Intact Financial Corporation | 03-07-2027, 2.85% | 1,370 | 1,370 | 1,438 |
| | 09-16-2030, 1.93% | 675 | 675 | 647 |
| | 06-16-2050, 2.95% | 13 | 13 | 12 |
| John Deere Financial | 10-16-2026, 2.58% | 630 | 630 | 658 |
| | 09-08-2027, 1.34% | 2,055 | 2,055 | 1,992 |
| OMERS Realty | 07-04-2027, 3.24% | 2,135 | 2,126 | 2,305 |
| Riocan Real Estate Investment Trust | 01-10-2027, 2.36% | 324 | 324 | 323 |
| Royal Bank of Canada | 02-10-2022, 0.32% * | 750 | 750 | 750 |
| | 01-28-2027, 2.33% | 1,220 | 1,220 | 1,254 |
| | 01-28-2028, 1.67% | 535 | 535 | 518 |
| Scotiabank | 04-27-2022, 1.83% | 3,574 | 3,618 | 3,618 |
| | 12-02-2026, 2.62% | 2,990 | 3,016 | 3,155 |
| | 11-01-2027, 1.40% | 3,420 | 3,408 | 3,317 |
| SmartCentres Real Estate Investment Trust | 09-21-2027, 3.83% | 425 | 417 | 457 |
| | 09-20-2029, 3.53% | 370 | 370 | 386 |
| Sunlife Financial | 10-01-2030, 2.06% | 538 | 538 | 518 |
| TMX Group | 11-12-2030, 2.02% | 25 | 25 | 24 |
| Toronto Dominion Bank | 01-26-2027, 3.06% | 3,110 | 3,109 | 3,277 |
| | 03-08-2028, 1.89% | 855 | 852 | 853 |
| Toyota Credit Canada | 02-23-2026, 1.18% | 1,597 | 1,597 | 1,569 |
| Total financial institutions bonds | | 34,998 | 34,995 | 35,734 |
| Corporate bonds (4.7%) | | | | |
| 407 International | 02-04-2027, 2.43% | 1,410 | 1,349 | 1,461 |
| | 09-07-2049, 2.84% | 573 | 572 | 536 |
| Aéroports de Montréal | 10-21-2049, 3.03% | 50 | 50 | 49 |
| Alectra | 11-11-2030, 1.75% | 1,070 | 1,070 | 1,026 |
| Algonquin Power & Utilities | 10-29-2028, 4.60% | 2,050 | 2,049 | 2,369 |
| | 04-15-2031, 2.85% | 250 | 250 | 254 |
| AltaLink | 06-11-2030, 1.51% | 855 | 855 | 806 |

* Variable rate

Statement of other investments (unaudited)
As at June 30, 2021

(in thousands of dollars)

| Description | Par value \$ | Cost \$ | Fair Value \$ | |
|--------------------------------------|-------------------|------------|------------------|-------|
| Corporate bonds (cont.) | | | | |
| Bell Canada | 06-16-2027, 1.65% | 846 | 846 | 822 |
| | 03-29-2028, 2.20% | 492 | 491 | 492 |
| | 02-14-2030, 2.50% | 836 | 835 | 827 |
| | 12-17-2030, 3.00% | 425 | 425 | 434 |
| | 03-30-2050, 3.50% | 329 | 329 | 308 |
| Brookfield Asset Management | 12-16-2026, 3.80% | 2,520 | 2,434 | 2,756 |
| Brookfield Infrastructure Partners | 07-09-2029, 3.41% | 1,195 | 1,195 | 1,257 |
| | 06-01-2032, 2.86% | 59 | 59 | 58 |
| Brookfield Renewable Energy Partners | 05-05-2049, 4.29% | 745 | 744 | 840 |
| | 02-13-2050, 3.33% | 359 | 359 | 344 |
| Bruce Power | 03-21-2030, 4.00% | 449 | 449 | 498 |
| Canadian Utilities | 03-07-2049, 2.96% | 510 | 510 | 489 |
| Capital Power Corporation | 07-01-2032, 3.15% | 683 | 683 | 671 |
| Cenovus Energy | 12-07-2027, 3.50% | 1,358 | 1,342 | 1,422 |
| Enbridge | 09-27-2027, 5.38% | 1,455 | 1,455 | 1,531 |
| | 04-12-2028, 6.63% | 640 | 640 | 724 |
| | 11-22-2028, 3.52% | 685 | 685 | 741 |
| | 05-09-2029, 2.37% | 425 | 424 | 434 |
| | 07-03-2029, 2.99% | 1,624 | 1,623 | 1,674 |
| | 01-01-2030, 2.90% | 281 | 281 | 296 |
| Énergir | 02-16-2027, 2.10% | 288 | 288 | 293 |
| Epcor Utilities | 11-19-2049, 2.90% | 131 | 131 | 124 |
| FortisAlberta | 03-21-2046, 3.34% | 45 | 44 | 46 |
| | 01-13-2050, 2.54% | 14 | 14 | 12 |
| Greater Toronto Airports Authority | 03-03-2028, 1.54% | 1,070 | 1,035 | 1,046 |
| | 01-03-2029, 2.73% | 1,010 | 1,003 | 1,058 |
| | 04-17-2039, 2.75% | 432 | 431 | 417 |
| Hydro One | 11-28-2029, 2.16% | 1,965 | 1,919 | 1,962 |
| | 08-28-2049, 2.71% | 540 | 540 | 496 |
| Loblaw Companies Ltd | 02-07-2030, 2.28% | 515 | 515 | 506 |
| Lower Mattagami Energy | 10-21-2026, 2.31% | 1,110 | 1,091 | 1,151 |
| Metro | 02-28-2050, 3.41% | 137 | 137 | 130 |
| NAV Canada | 02-28-2030, 2.06% | 412 | 412 | 410 |
| | 03-29-2051, 2.92% | 7 | 7 | 7 |
| North West Redwater Partnership | 03-01-2027, 2.80% | 1,573 | 1,534 | 1,633 |
| Ontario Power Generation | 01-08-2030, 3.22% | 132 | 132 | 141 |
| | 08-21-2050, 2.95% | 181 | 181 | 168 |
| Pembina Pipeline | 03-15-2027, 4.24% | 1,110 | 1,125 | 1,225 |
| | 01-03-2029, 3.62% | 692 | 711 | 739 |
| | 10-03-2048, 4.54% | 170 | 180 | 177 |
| | 11-28-2049, 4.67% | 2 | 2 | 2 |
| Reliance | 10-01-2027, 2.68% | 528 | 528 | 535 |
| Rogers Communications | 02-01-2029, 3.25% | 855 | 848 | 894 |
| Shaw Communications | 09-09-2030, 2.90% | 780 | 779 | 780 |
| | 06-29-2049, 4.25% | 20 | 20 | 20 |
| Suncor Energy Inc. | 02-24-2029, 3.10% | 425 | 400 | 444 |
| | 01-09-2030, 5.00% | 70 | 70 | 82 |
| | 09-04-2050, 3.95% | 41 | 40 | 41 |
| TELUS | 11-27-2027, 2.35% | 215 | 214 | 217 |
| Toromont Industries | 07-27-2027, 3.84% | 640 | 640 | 696 |
| Toronto Hydro | 09-11-2029, 2.43% | 325 | 325 | 335 |
| TransCanada PipeLines | 02-05-2027, 3.80% | 600 | 599 | 651 |
| | 01-03-2048, 4.18% | 246 | 254 | 252 |
| Transcanada Trust | 05-18-2027, 4.65% | 855 | 789 | 885 |

Statement of other investments (unaudited)
As at June 30, 2021

(in thousands of dollars)

| Description | Par value \$ | Cost \$ | Fair Value \$ |
|---|-----------------------------|------------|------------------|
| Corporate bonds (cont.) | | | |
| Union Gas | 08-22-2027, 2.88% | 855 | 907 |
| Vancouver Airport Authority | 06-20-2030, 1.76% | 330 | 318 |
| WSP Global | 02-19-2028, 2.41% | 339 | 341 |
| Total corporate bonds | | 40,834 | 42,260 |
| Total bonds | | 314,560 | 317,473 |
| Money market instruments (13.9%) | | | |
| bciMC Realty | 09-02-2021, 0.22% | 3,500 | 3,499 |
| Canadian Imperial Bank of Commerce | 08-25-2021, 0.18% | 1,775 | 1,775 |
| | 09-02-2021, 0.18% | 4,583 | 4,582 |
| Greater Toronto Airports Authority | 09-14-2021, 0.22% | 500 | 500 |
| Honda Canada Finance | 07-29-2021, 0.26% | 7,750 | 7,748 |
| | 10-12-2021, 0.34% | 3,000 | 2,997 |
| National Bank of Canada | 09-01-2021, 0.18% | 2,495 | 2,494 |
| Province of Manitoba | 08-04-2021, 0.17% | 700 | 700 |
| | 08-25-2021, 0.15% | 1,250 | 1,250 |
| Province of Newfoundland and Labrador | 07-13-2021, 0.21% | 1,000 | 1,000 |
| | 08-05-2021, 0.19% | 1,725 | 1,725 |
| | 08-16-2021, 0.19% | 2,390 | 2,389 |
| | 09-29-2021, 0.20% | 9,300 | 9,295 |
| Province of Ontario | 07-07-2021, 0.18% | 1,000 | 1,000 |
| | 07-21-2021, 0.15% | 5,750 | 5,750 |
| | 08-04-2021, 0.16% | 4,250 | 4,249 |
| | 09-01-2021, 0.16% | 18,010 | 18,004 |
| Province of Prince Edward Island | 08-10-2021, 0.18% | 1,000 | 1,000 |
| Province of Québec | 09-24-2021, 0.17% | 1,000 | 1,000 |
| | 07-09-2021, 0.15% | 2,467 | 2,467 |
| | 07-09-2021, 0.16% | 500 | 500 |
| | 07-23-2021, 0.15% | 6,265 | 6,264 |
| Royal Bank of Canada | 07-29-2021, 0.20% | 4,332 | 4,331 |
| | 08-06-2021, 0.18% | 3,000 | 2,999 |
| | 10-21-2021, 0.32% | 1,504 | 1,503 |
| Scotiabank | 07-29-2021, 0.18% | 2,750 | 2,750 |
| | 08-03-2021, 0.17% | 11,250 | 11,248 |
| | 08-04-2021, 0.18% | 5,000 | 4,999 |
| Société de Transport de Montréal | 08-12-2021, 0.20% | 3,000 | 2,999 |
| Toronto Dominion Bank | 07-14-2021, 0.18% | 7,000 | 7,000 |
| | 07-28-2021, 0.18% | 5,000 | 4,999 |
| Toyota Credit Canada | 11-26-2021, 0.27% | 3,500 | 3,496 |
| Total money market instruments | | 126,546 | 126,512 |
| Foreign exchange contracts (0.0%) | | | |
| Fédération des caisses Desjardins du Québec | 09-29-2021, 1.23732 CAD/USD | 105,900 | (250) |
| | 09-29-2021, 1.47410 CAD/€ | 11,603 | 16 |
| Total foreign exchange contracts | | - | (234) |

Statement of other investments (unaudited)
As at June 30, 2021

(in thousands of dollars)

| Description | Number of units | Cost \$ | Fair Value \$ |
|---|-----------------|----------------|------------------|
| Canadian Equity Funds (10.3%) | | | |
| BMO Low Volatility Equity ETF | 1,499 | 39,181 | 46,758 |
| Fidelity Canadian Low Volatility Equity Institutional Trust | 2,759 | <u>37,722</u> | <u>47,086</u> |
| Total canadian equity funds | | <u>76,903</u> | <u>93,844</u> |
| Global Equity Funds (14.9%) | | | |
| Desjardins Global Dividend Fund | 2,658 | 53,244 | 59,510 |
| Desjardins IBrix Low Volatility Global Equity Fund | 5,691 | <u>68,555</u> | <u>75,542</u> |
| Total global equity funds | | <u>121,799</u> | <u>135,052</u> |
| Market Neutral Equity Funds (12.6%) | | | |
| CC&L Q Market Neutral Fund | 192 | 40,733 | 47,211 |
| DGIA Canadian Equity Market Neutral Fund | 6,348 | <u>66,948</u> | <u>67,047</u> |
| Total market neutral equity funds | | <u>107,681</u> | <u>114,258</u> |
| Real Estate Funds (13.3%) | | | |
| BentallGreenOak Prime Canadian Property Fund | 7,480 | 60,032 | 62,928 |
| Fiera Properties CORE Fund | 45 | <u>53,816</u> | <u>57,464</u> |
| Total real estate funds | | <u>113,848</u> | <u>120,392</u> |
| Total other investments (100.0%) | | <u>859,665</u> | <u>907,297</u> |

Capital régional et coopératif Desjardins

Index of the Company's share in investments made by
specialized funds and partner funds, at cost

As at June 30, 2021

**Index of the Company's share in investments made by specialized funds and partner funds, at cost (unaudited)
As at June 30, 2021**

(in thousands of dollars)

| Information from Annual Financial Report dated | Equity Interest of the Company % | Unsecured investments | | Secured investments | Total \$ |
|---|---|--|-----------------------------|-----------------------------|-------------|
| | | Common and Preferred shares and funds units | Loans and advances \$ | Loans and advances \$ | |
| 2020-12-31 Capital croissance PME s.e.c. | 50.00 | | | | |
| Abitibi-Témiscamingue | | | | | |
| Cartier Resources inc. | | 22 | - | - | 22 |
| Total Abitibi-Témiscamingue | | 22 | - | - | 22 |
| Capitale-Nationale | | | | | |
| Radio-Onde inc. | | 750 | - | - | 750 |
| Total Capitale-Nationale | | 750 | - | - | 750 |
| Centre-du-Québec | | | | | |
| 2543-6205 Québec inc. (Groupe MBI) | | - | - | 89 | 89 |
| 2681871 Canada inc. (Voyages Escapades Victoriaville) | | - | 56 | - | 56 |
| Total Centre-du-Québec | | - | 56 | 89 | 145 |
| Chaudière - Appalaches | | | | | |
| Entreprises de services BCE Pharma inc. (Les) | | - | - | 77 | 77 |
| Fenêtres Sélection inc. | | - | 10 | - | 10 |
| Humaco Acoustique inc. | | - | 19 | - | 19 |
| Productions Horticoles Demers (Les) | | 250 | - | - | 250 |
| Serres Demers inc. (Les) | | - | - | 271 | 271 |
| Total Chaudière - Appalaches | | 250 | 29 | 348 | 627 |
| Côte-Nord | | | | | |
| 9160-7671 Québec inc. (Pétroles MB) | | 600 | - | - | 600 |
| Carrosserie Baie-Comeau inc. | | - | - | 29 | 29 |
| Construction Leclerc et Pelletier inc. | | - | - | 11 | 11 |
| Total Côte-Nord | | 600 | - | 40 | 640 |
| Eastern Townships | | | | | |
| Innotex inc. | | - | 48 | - | 48 |
| Potesch Screw Piles inc. | | - | 501 | - | 501 |
| S.E.2 inc. | | 125 | - | - | 125 |
| Total Eastern Townships | | 125 | 549 | - | 674 |
| Funds | | | | | |
| Fonds Prêt à Entreprendre, s.e.c. | | 223 | - | - | 223 |
| Total Funds | | 223 | - | - | 223 |
| Laval | | | | | |
| 8376905 Canada inc. (Paramédic) | | - | 156 | - | 156 |
| Total Laval | | - | 156 | - | 156 |
| Mauricie | | | | | |
| Ateliers de l'électro-ménager R. Vallée inc. | | 75 | - | 43 | 118 |
| Total Mauricie | | 75 | - | 43 | 118 |

**Index of the Company's share in investments made by specialized funds and partner funds, at cost (unaudited)
As at June 30, 2021**

(in thousands of dollars)

| Information from Annual Financial Report dated | Equity Interest of the Company % | Unsecured investments | | Secured investments | Total \$ |
|---|---|--|-----------------------------|-----------------------------|--------------|
| | | Common and Preferred shares and funds units | Loans and advances \$ | Loans and advances \$ | |
| 2020-12-31 Capital croissance PME s.e.c. (cont.) | 50.00 | | | | |
| Montérégie | | | | | |
| Ben-Mor Cables inc. | | - | - | 463 | 463 |
| Comax, coopérative agricole | | 300 | - | - | 300 |
| Industries M.R. inc. (Les) | | - | - | 15 | 15 |
| Total Montérégie | | 300 | - | 478 | 778 |
| Montréal | | | | | |
| CTA de Negotium | | - | 347 | - | 347 |
| DEK Canada inc. | | 518 | 119 | - | 637 |
| Ge-ber Transport inc. | | - | - | 11 | 11 |
| LVL Studio inc. | | 625 | - | 797 | 1,422 |
| Total Montréal | | 1,143 | 466 | 808 | 2,417 |
| Nord-du-Québec | | | | | |
| Midland Exploration inc. | | 32 | - | - | 32 |
| Némaska Lithium inc. | | 9 | - | - | 9 |
| Total Nord-du-Québec | | 41 | - | - | 41 |
| Saguenay-Lac-Saint-Jean | | | | | |
| 4145275 Canada inc. (Chlorophylle) | | 200 | - | 138 | 338 |
| 9244-7770 Québec inc. (La Voie Maltée) | | - | - | 21 | 21 |
| Garage Georges Beaudoin inc. | | - | - | 5 | 5 |
| Location A.L.R. inc. | | - | - | 207 | 207 |
| Sécuor inc. | | - | 12 | - | 12 |
| Sports Guy Dumas inc. | | 27 | - | - | 27 |
| Total Saguenay-Lac-Saint-Jean | | 227 | 12 | 371 | 610 |
| | | 3,756 | 1,268 | 2,177 | 7,201 |
| Funds committed but not disbursed | | | | | 105 |
| Total Capital croissance PME s.e.c. | | | | | 7,306 |

**Index of the Company's share in investments made by specialized funds and partner funds, at cost (unaudited)
As at June 30, 2021**

(in thousands of dollars)

| Information from Annual Financial Report dated | Equity Interest of the Company % | Unsecured investments | | Secured investments | | Total \$ |
|--|---|--|-----------------------------|-----------------------------|--|--------------|
| | | Common and Preferred shares and funds units | Loans and advances \$ | Loans and advances \$ | | |
| 2020-12-31 Capital croissance PME II s.e.c. | 50.00 | | | | | |
| Abitibi-Témiscamingue | | | | | | |
| 9063-7547 Québec inc. (Usinage Laquerre) | | 800 | 98 | - | | 898 |
| 9222-0201 Québec inc. (Location Dumco) | | - | 64 | - | | 64 |
| Ace services mécaniques inc. | | - | 39 | - | | 39 |
| Autobus Maheux Itée (Les) | | - | 671 | - | | 671 |
| Cartier Resources inc. | | 87 | - | - | | 87 |
| Centre de camping et propane d'Amos | | - | 230 | - | | 230 |
| Construction Gaston Proulx et Frères inc. | | - | 30 | 52 | | 82 |
| Corporation aurifère Monarques | | 144 | - | - | | 144 |
| Falco Resources Ltd. | | 141 | - | - | | 141 |
| Gestion Martin Dandurand inc. | | - | 18 | - | | 18 |
| Hôtel des Eskers inc. | | - | 165 | - | | 165 |
| Maison des Viandes inc. | | - | 95 | - | | 95 |
| Osisko Mining inc. | | 35 | - | - | | 35 |
| Probe Metals inc. | | 78 | - | - | | 78 |
| Ressources minières Radisson inc. | | 73 | - | - | | 73 |
| Yorbeau Ressources inc. | | 53 | - | - | | 53 |
| Total Abitibi-Témiscamingue | | 1,411 | 1,410 | 52 | | 2,873 |
| Bas-Saint-Laurent | | | | | | |
| 9091-4532 Québec inc. (Cotech) | | - | 313 | - | | 313 |
| 9188-1441 Québec inc. (Caravane Rimouski) | | - | 62 | - | | 62 |
| Bouffard Sanitaire inc. | | - | - | 326 | | 326 |
| Gestion AFM-Séma inc. | | 1,926 | 174 | - | | 2,100 |
| Gestion Brasa inc. | | - | 117 | 925 | | 1,042 |
| Groupe PVP inc. | | 250 | 81 | - | | 331 |
| Les Finesses d'Alsace inc. | | - | 75 | - | | 75 |
| Location Jesna inc. | | - | 207 | 156 | | 363 |
| Produits métalliques Pouliot Machinerie inc. | | - | - | 473 | | 473 |
| Service Diron inc. | | - | 58 | - | | 58 |
| Total Bas-Saint-Laurent | | 2,176 | 1,087 | 1,880 | | 5,143 |
| Capitale-Nationale | | | | | | |
| 9166-4789 Québec inc. (RE/MAX Référence 2000) | | - | - | 279 | | 279 |
| 9265-1934 Québec inc. (Centurion Fondation) | | - | - | 108 | | 108 |
| 9295-4874 Québec inc. (Naterro - Santé, pharma et cie) | | 42 | - | - | | 42 |
| 9306-5779 Québec inc. (Ventilation CDR inc.) | | - | 179 | - | | 179 |
| 9348-0648 Québec inc. (Gestion C.C. Blouin inc.) | | - | - | 164 | | 164 |
| Capilex-Beauté ltd | | - | - | 86 | | 86 |
| DMB Distribution alimentaire inc. | | 1,303 | 121 | - | | 1,424 |
| Groupe Restos Plaisirs inc. (Le) | | - | 1,256 | - | | 1,256 |
| Lasertech industries inc. | | - | 91 | - | | 91 |
| Matériaux Blanchet inc. | | - | - | 142 | | 142 |
| Panthera Dental inc. | | 188 | - | - | | 188 |
| Pol R Entreprises inc. | | 2,713 | - | - | | 2,713 |
| R. Bouffard & Fils inc. | | - | - | 322 | | 322 |
| Ruchers Promiel inc. (Les) | | - | 259 | - | | 259 |
| Vitrierie Lepage (1995) inc. | | 123 | - | - | | 123 |
| Total Capitale-Nationale | | 4,369 | 1,906 | 1,101 | | 7,376 |

**Index of the Company's share in investments made by specialized funds and partner funds, at cost (unaudited)
As at June 30, 2021**

(in thousands of dollars)

| Information from Annual Financial Report dated | Equity Interest of the Company % | Unsecured investments | | Secured investments | Total \$ |
|--|---|--|-----------------------------|-----------------------------|--------------|
| | | Common and Preferred shares and funds units | Loans and advances \$ | Loans and advances \$ | |
| 2020-12-31 Capital croissance PME II s.e.c. (cont.) | 50.00 | | | | |
| Centre-du-Québec | | | | | |
| 9138-4529 Québec inc. (GG Telecom) | | 1,800 | - | - | 1,800 |
| 9324-9605 Québec inc. (Précolaire Vision) | | 83 | - | - | 83 |
| Advantag Canada inc. | | - | 76 | 219 | 295 |
| Davinci Compass inc. | | - | - | 153 | 153 |
| Distribution Pro-Excellence | | - | 290 | - | 290 |
| Fromagerie L'Ancêtre inc. | | - | 67 | - | 67 |
| Korok Group inc. (ex. Sipromac II inc.) | | - | - | 141 | 141 |
| Lacal Technologie inc. | | - | 195 | - | 195 |
| Produits Mobilicab Canada inc. | | - | - | 1,546 | 1,546 |
| Total Centre-du-Québec | | 1,883 | 628 | 2,059 | 4,570 |
| Chaudière - Appalaches | | | | | |
| Emballages E.B. Itée (Les) | | - | 321 | - | 321 |
| Gestion Maître C inc. | | 1,523 | - | - | 1,523 |
| Groupe Audaz inc. | | - | 155 | - | 155 |
| Humaco Acoustique inc. | | - | 227 | - | 227 |
| Industries et équipements Laliberté (Les) | | - | 245 | - | 245 |
| Lou-Tec Group inc. | | - | 86 | - | 86 |
| Productions Horticoles Demers (Les) | | 188 | 672 | - | 860 |
| Résidence intermédiaire Fortier inc. | | - | 66 | - | 66 |
| Techno-Moules P.L.C. inc. | | - | - | 33 | 33 |
| Transport St-Agapit inc. | | - | - | 338 | 338 |
| Total Chaudière - Appalaches | | 1,711 | 1,772 | 371 | 3,854 |
| Côte-Nord | | | | | |
| 9074-9664 Québec inc. (Portes et fenêtres Vaillancourt) | | - | - | 62 | 62 |
| 9160-7671 Québec inc. (Pétroles MB) | | - | 105 | - | 105 |
| Construction Leclerc et Pelletier inc. | | - | - | 125 | 125 |
| Total Côte-Nord | | - | 105 | 187 | 292 |
| Eastern Townships | | | | | |
| 9316-3251 Québec inc. (Éco-Pak inc.) | | - | - | 255 | 255 |
| Attraction inc. | | - | 236 | - | 236 |
| Avizo Experts-Conseils inc. | | - | 335 | - | 335 |
| Innotex inc. | | - | 108 | - | 108 |
| Khrome Product - Transport (KPT) inc. | | - | 298 | - | 298 |
| Nautic & Art inc. | | - | - | 422 | 422 |
| Potesch Screw Piles inc. | | 375 | 493 | - | 868 |
| S.E.2 inc. | | 125 | - | - | 125 |
| Sherlic inc. | | 350 | - | - | 350 |
| Total Eastern Townships | | 850 | 1,470 | 677 | 2,997 |
| Gaspésie-Îles-de-la-Madeleine | | | | | |
| 9044-7152 Qc inc. (Solution infomédia) (ex. Navigue.com) | | - | 264 | - | 264 |
| 9088-6086 Québec inc. (Subaru New Richmond) | | - | - | 158 | 158 |
| Construction L.F.G. inc. | | - | - | 1,250 | 1,250 |
| Entreprises Larebel inc. (Les) | | - | 99 | - | 99 |
| Hôtel Baker Ltd. | | 88 | - | - | 88 |
| Total Gaspésie-Îles-de-la-Madeleine | | 88 | 363 | 1,408 | 1,859 |

**Index of the Company's share in investments made by specialized funds and partner funds, at cost (unaudited)
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(in thousands of dollars)

| Information from Annual Financial Report dated | Equity Interest of the Company % | Unsecured investments | | Secured investments | | Total \$ |
|--|---|--|-----------------------------|-----------------------------|--|--------------|
| | | Common and Preferred shares and funds units | Loans and advances \$ | Loans and advances \$ | | |
| 2020-12-31 Capital croissance PME II s.e.c. (cont.) | 50.00 | | | | | |
| Lanaudière | | | | | | |
| Cryos Technologies Inc. | | 842 | 442 | - | | 1,284 |
| La Fromagerie Champêtre inc. | | 911 | - | - | | 911 |
| Nouveau Monde Graphite inc. | | 134 | - | - | | 134 |
| Produits de Métal Pointech inc. | | - | - | 217 | | 217 |
| Total Lanaudière | | 1,887 | 442 | 217 | | 2,546 |
| Laurentians | | | | | | |
| Distribution Multi Online inc. | | - | 536 | - | | 536 |
| Jean-Jacques Campeau inc. | | 2,000 | 320 | - | | 2,320 |
| Technoflex International inc. | | 350 | 132 | - | | 482 |
| Total Laurentians | | 2,350 | 988 | - | | 3,338 |
| Laval | | | | | | |
| 8376905 Canada inc. (Paramédic) | | - | 298 | - | | 298 |
| Norseco inc. | | - | 179 | - | | 179 |
| Numesh inc. | | - | 1,277 | - | | 1,277 |
| Total Laval | | - | 1,754 | - | | 1,754 |
| Mauricie | | | | | | |
| Ateliers de l'électro-ménager R. Vallée inc. | | - | - | 42 | | 42 |
| Maison Jamy inc. | | - | 20 | 79 | | 99 |
| Premont Foods Inc. | | - | 238 | - | | 238 |
| Somnus Société de gestion inc. | | - | - | 56 | | 56 |
| Total Mauricie | | - | 258 | 177 | | 435 |
| Montérégie | | | | | | |
| 9020-5758 Québec inc. (AVRIL) | | - | 838 | - | | 838 |
| 9286-9890 Québec inc. (Groupe Surmesure) | | - | 298 | - | | 298 |
| Acam Transport inc. | | - | - | 1,449 | | 1,449 |
| Alarme S.P.P. inc. | | - | - | 67 | | 67 |
| Autobus Bibeau inc. | | - | - | 143 | | 143 |
| Autobus Dufresne inc. | | - | 75 | - | | 75 |
| Cloisons Corflex inc. (Les) | | - | 525 | - | | 525 |
| Constructions 3P inc. | | - | 447 | - | | 447 |
| Éclairages Électroniques C.B.M. inc. (Les) | | - | 138 | 27 | | 165 |
| Groupe Bertrand Éditeurs inc. | | - | - | 88 | | 88 |
| Groupe Grégor inc. | | - | - | 730 | | 730 |
| Groupe Thomas Marine inc. | | - | - | 477 | | 477 |
| Habitations Deschênes et Pépin inc. (Les) | | - | 350 | - | | 350 |
| Helios Group inc. | | 1,500 | 495 | - | | 1,995 |
| Industries B. Rainville inc. | | - | - | 89 | | 89 |
| Placements F.I. inc. | | - | 357 | - | | 357 |
| Pro Action Diesel inc. | | - | - | 149 | | 149 |
| Rotoplast inc. | | - | 430 | - | | 430 |
| W. Côté & fils ltée | | - | - | 696 | | 696 |
| Total Montérégie | | 1,500 | 3,953 | 3,915 | | 9,368 |

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(in thousands of dollars)

| Information from Annual Financial Report dated | Equity Interest of the Company % | Unsecured investments | | Secured investments | Total \$ |
|---|---|--|-----------------------------|-----------------------------|---------------|
| | | Common and Preferred shares and funds units | Loans and advances \$ | Loans and advances \$ | |
| 2020-12-31 Capital croissance PME II s.e.c. (cont.) | 50.00 | | | | |
| Montréal | | | | | |
| 11309692 Canada inc. (Circle6 Solutions) | | 270 | - | - | 270 |
| 3236013 Canada inc. (Planète Mobile) | | - | - | 338 | 338 |
| 9230-2629 Québec inc. (Groupe Résidence des bâtisseurs) | | - | - | 3,189 | 3,189 |
| 9272-6751 Québec inc. (Studio de Yoga Wanderlust) | | - | 67 | - | 67 |
| 9303-6408 Québec inc. (Atelier d'usinage de précision Innova) | | - | - | 122 | 122 |
| Azîmut Exploration inc. | | 64 | - | - | 64 |
| CDREM Group inc. | | - | 380 | - | 380 |
| Éditions Info Presse inc. | | - | 172 | - | 172 |
| Faspac Plastiks inc. | | - | 375 | - | 375 |
| G. & S. Fer-Aluminium inc. | | - | 306 | - | 306 |
| Gorski Group Ltd. | | - | - | 411 | 411 |
| Groupe Bugatti inc. (Le) | | - | - | 1,373 | 1,373 |
| Groupe Shemie inc. | | - | - | 923 | 923 |
| JSS Medical Research inc. | | 2,000 | 391 | - | 2,391 |
| M.C. Crystal inc. | | - | - | 102 | 102 |
| Masdel inc. | | 725 | 797 | - | 1,522 |
| Multiforme Métal inc. | | - | - | 450 | 450 |
| OBOX (9210-2920 Québec inc.) | | - | 266 | - | 266 |
| Pershimex Resources Corporation | | 50 | - | - | 50 |
| Reftech international inc. | | - | - | 152 | 152 |
| Sphère Média inc.(ex. Datsit sphère inc.) | | 1,000 | 1,184 | - | 2,184 |
| Total Montréal | | 4,109 | 3,938 | 7,060 | 15,107 |
| Nord-du-Québec | | | | | |
| 9223-3196 Québec inc. (Rona) | | - | - | 163 | 163 |
| 9249-2206 Québec inc. (Construction Baie-James inc.) | | - | 57 | - | 57 |
| Dios Exploration inc. | | 103 | - | - | 103 |
| GeoMegA Resources inc. | | 147 | - | - | 147 |
| Harfang Exploration inc. | | 71 | - | - | 71 |
| Kintavar Exploration inc. | | 156 | - | - | 156 |
| Midland Exploration inc. | | 76 | - | - | 76 |
| Sirios Resources inc. | | 144 | - | - | 144 |
| Sphinx Ressources Ltd | | 50 | - | - | 50 |
| Stelmine Canada ltd. | | 101 | - | - | 101 |
| Tarku Resources Ltd | | 47 | - | - | 47 |
| Vior inc. (ex. Société d'exploration minière Vior inc.) | | 32 | - | - | 32 |
| X-Terra Resources inc. | | 112 | - | - | 112 |
| Total Nord-du-Québec | | 1,039 | 57 | 163 | 1,259 |

**Index of the Company's share in investments made by specialized funds and partner funds, at cost (unaudited)
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(in thousands of dollars)

| Information from Annual Financial Report dated | Equity Interest of the Company % | Unsecured investments | | Secured investments | Total \$ |
|--|---|--|-----------------------------|-----------------------------|---------------|
| | | Common and Preferred shares and funds units | Loans and advances \$ | Loans and advances \$ | |
| 2020-12-31 Capital croissance PME II s.e.c. (cont.) | 50.00 | | | | |
| Saguenay-Lac-Saint-Jean | | | | | |
| 130395 Canada Inc. (Nordex Inc.) | | 1,875 | - | - | 1,875 |
| 2526-0100 Qc inc. (Terrassement J. Fortin) | | - | - | 440 | 440 |
| 2956-7062 Québec (NAPA La Baie) | | - | 26 | - | 26 |
| 4145275 Canada inc. (Chlorophylle) | | - | 13 | - | 13 |
| 9182-6032 Québec inc. (La Bonne Patate) | | - | - | 56 | 56 |
| 9216-3146 Québec inc. (Micro Brasserie du Saguenay) | | - | - | 64 | 64 |
| 9280-3162 Québec inc. (Transport Réal Villeneuve inc.) | | - | 187 | - | 187 |
| 9328-9486 Québec inc. (Groupe Démex-Centrem) | | 390 | 59 | - | 449 |
| 9348-0739 Québec inc. (Voie Maltée Usine) | | - | - | 135 | 135 |
| 9365-4606 Québec inc. (Voie Maltée Holding) | | 825 | - | - | 825 |
| Cervo-Polygaz inc. | | - | - | 90 | 90 |
| Clinique médicale privée Opti-Soins inc. | | - | 427 | - | 427 |
| Communications Télésignal inc. | | 338 | - | - | 338 |
| Déménagements Tremblay Express ltée (Les) | | 250 | - | 100 | 350 |
| Équipements industriels Barsatech inc. | | - | - | 197 | 197 |
| Équipements Villeneuve inc. | | - | 122 | - | 122 |
| Gestion R. et G.G. inc. | | 2,000 | - | - | 2,000 |
| Groupe E.D.S. inc. | | - | 19 | - | 19 |
| Imprimeurs Associés ICLT-Commerciale inc. (Les) | | - | 88 | - | 88 |
| Industries G.R.C. inc. (Les) | | - | - | 33 | 33 |
| Mermax inc. | | - | - | 74 | 74 |
| Métatube (1993) inc. | | - | 112 | - | 112 |
| Pavillon des Mille Fleurs inc. | | - | - | 2,167 | 2,167 |
| Restaurant La Cuisine inc. | | - | 110 | - | 110 |
| Sécuor inc. | | - | 79 | 57 | 136 |
| Télénet Informatique inc. | | 500 | - | 74 | 574 |
| Total Saguenay-Lac-Saint-Jean | | 6,178 | 1,242 | 3,487 | 10,907 |
| | | 29,551 | 21,373 | 22,754 | 73,678 |
| Funds committed but not disbursed | | | | | 57 |
| Total Capital croissance PME II s.e.c. | | | | | 73,735 |

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(in thousands of dollars)

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|---|---|--|-----------------------------|-----------------------------|--------------|
| | | Common and Preferred shares and funds units | Loans and advances \$ | Loans and advances \$ | |
| 2020-12-31 Desjardins Capital PME s.e.c. | 39.84 | | | | |
| Abitibi-Témiscamingue | | | | | |
| 11360345 Canada inc. | | - | - | 292 | 292 |
| 2732-2304 Québec inc. (Location Dion) | | - | 478 | - | 478 |
| Abitibi Geophysics inc. | | - | 312 | - | 312 |
| Atelier Rivard inc. | | - | - | 130 | 130 |
| Draperies Réginald inc | | - | 199 | - | 199 |
| Galarneau Entrepreneur Général inc. | | - | - | 797 | 797 |
| Groupe minier Cmac-Thyssen inc. | | 1,540 | 2,142 | - | 3,682 |
| Héli Technik inc. | | - | 179 | - | 179 |
| Papeterie Commerciale de Val-d'Or inc. | | - | 159 | - | 159 |
| Perseus Services-Conseils inc. | | - | 81 | - | 81 |
| Transport Jolatem inc. | | - | 398 | - | 398 |
| Total Abitibi-Témiscamingue | | 1,540 | 3,948 | 1,219 | 6,707 |
| Bas-Saint-Laurent | | | | | |
| 3326403 Canada inc. (Méridien Maritime) | | - | - | 792 | 792 |
| 9024-0177 Québec inc. (Transport Stéphane Ross) | | - | - | 168 | 168 |
| 9416-8804 Québec inc. | | - | - | 199 | 199 |
| Bois CFM inc. | | - | - | 630 | 630 |
| Gestion AJ (2003) inc. | | - | - | 406 | 406 |
| Gestion Groupe Bouffard inc. | | 1,195 | - | - | 1,195 |
| Gestion Rima 2013 inc. | | - | - | 224 | 224 |
| La Maison du Lac Témiscouata inc. | | - | 106 | - | 106 |
| Les Conteneurs Verts inc. | | - | - | 393 | 393 |
| Les Finesses d'Alsace inc. | | - | 44 | - | 44 |
| Plastica Morneau 2014 inc. | | - | - | 84 | 84 |
| Produits métalliques A.T. inc. (Les) | | - | 370 | - | 370 |
| Services à domicile de la région de Matane (Les) | | - | - | 274 | 274 |
| St. Laurent Distillery | | - | 40 | - | 40 |
| Transport Gérard Hallé inc. | | - | 156 | - | 156 |
| Total Bas-Saint-Laurent | | 1,195 | 716 | 3,170 | 5,081 |
| Capitale-Nationale | | | | | |
| Action SST inc. | | 119 | - | 343 | 462 |
| Can-Explore inc. | | - | 414 | - | 414 |
| Capilex-Beauté ltd | | - | 433 | - | 433 |
| Centre hydraulique GMB inc. | | - | 124 | - | 124 |
| Ciao Technologies inc. | | - | 361 | - | 361 |
| Clinique d'Expertises Médicales du Québec | | - | - | 274 | 274 |
| DMB Distribution alimentaire inc. | | - | 194 | - | 194 |
| Élite Management SST inc. | | 153 | - | 73 | 226 |
| Granite D.R.C. inc. | | 637 | - | - | 637 |
| Groupe Restos Plaisirs inc. (Le) | | - | 1,260 | - | 1,260 |
| Matériaux Blanchet inc. | | - | - | 882 | 882 |
| Métafab (1996) inc | | - | 359 | - | 359 |
| Oricom internet inc. | | 192 | 246 | - | 438 |
| Piscines Soucy inc. | | - | 219 | - | 219 |
| Produits Pâtisserie Michaud inc. | | - | 122 | - | 122 |
| Pronature inc. | | - | 359 | - | 359 |
| Solugaz inc. | | - | 1,698 | - | 1,698 |
| Total Capitale-Nationale | | 1,101 | 5,789 | 1,572 | 8,462 |

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|---|---|--|-----------------------------|-----------------------------|---------------|
| | | Common and Preferred shares and funds units | Loans and advances \$ | Loans and advances \$ | |
| 2020-12-31 Desjardins Capital PME s.e.c. (cont.) | 39.84 | | | | |
| Centre-du-Québec | | | | | |
| C.M.P Mayer Fire Equipment inc. | | - | - | 289 | 289 |
| Ferblanterie Gilles Laliberté inc. | | - | 247 | - | 247 |
| Hydraulique Vigneault inc. | | - | 468 | - | 468 |
| Korok Group inc. (ex. Sipromac II inc.) | | 847 | 273 | - | 1,120 |
| Métal Pless inc. | | - | 3,984 | - | 3,984 |
| Transport Dessaults inc. | | - | - | 312 | 312 |
| Total Centre-du-Québec | | 847 | 4,972 | 601 | 6,420 |
| Chaudière - Appalaches | | | | | |
| AEF Global inc. | | - | 199 | - | 199 |
| Ancia Personnel inc. | | - | 220 | - | 220 |
| C.I.F. Métal Itée | | 1,678 | - | - | 1,678 |
| Camille Blais & Fils Ltd | | - | 299 | - | 299 |
| Canada Motor Import inc. | | - | - | 677 | 677 |
| Fonderie Poitras Ltd | | 880 | 897 | - | 1,777 |
| Garage Gilmyr inc. | | - | 80 | 545 | 625 |
| Gestion ABC Adstock inc. | | - | - | 821 | 821 |
| Humaco Construction inc. | | - | 478 | - | 478 |
| J.L. Leclerc et fils inc. | | 1,255 | - | - | 1,255 |
| Lavoie & Pleau inc. | | - | 219 | - | 219 |
| Litières Ripbec inc. (Les) | | - | 155 | - | 155 |
| Madli inc. | | - | 199 | - | 199 |
| Métal Méroc inc. | | - | - | 154 | 154 |
| Plate 2000 inc. | | - | - | 254 | 254 |
| Sablère A.D. Roy inc. | | - | - | 474 | 474 |
| Textiles Gauvin inc. (Les) | | - | 200 | - | 200 |
| Versaprofiles Products inc. (9244-6699 Québec inc.) | | 1,394 | - | - | 1,394 |
| Total Chaudière - Appalaches | | 5,207 | 2,946 | 2,925 | 11,078 |
| Côte-Nord | | | | | |
| 9389-1596 Québec inc. (Clinique d'audioprothésiste) | | - | - | 159 | 159 |
| Pêcheries LD inc. | | - | 144 | - | 144 |
| Total Côte-Nord | | - | 144 | 159 | 303 |
| Eastern Townships | | | | | |
| 9045-7631 Québec inc. (Clément Le Gourmand) | | - | - | 252 | 252 |
| AB Tech Services Polytechniques inc. | | - | 973 | - | 973 |
| Cible-Solutions d'affaires inc. | | - | - | 204 | 204 |
| Total Eastern Townships | | - | 973 | 456 | 1,429 |
| Gaspésie-Îles-de-la-Madeleine | | | | | |
| 9193-6575 Québec inc. (Pit Caribou) | | - | - | 675 | 675 |
| 9368-8828 Québec inc. (Danis Renaud Pêcheur de Homard) | | - | 139 | - | 139 |
| Total Gaspésie-Îles-de-la-Madeleine | | - | 139 | 675 | 814 |

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|--|---|--|-----------------------------|-----------------------------|-------------|
| | | Common and Preferred shares and funds units | Loans and advances \$ | Loans and advances \$ | |
| 2020-12-31 Desjardins Capital PME s.e.c. (cont.) | 39.84 | | | | |
| Lanaudière | | | | | |
| 2635-8762 Québec inc. (Express Mondor) | | - | 836 | - | 836 |
| 9293-8927 Québec inc. (Intermarché St-Roch-de-L'Achigan) | | - | - | 299 | 299 |
| EEGT inc. | | - | - | 283 | 283 |
| Paul Arbec inc. | | - | 3,612 | - | 3,612 |
| PEL International Furniture Ltd. | | - | 313 | - | 313 |
| Total Lanaudière | | - | 4,761 | 582 | 5,343 |
| Laurentians | | | | | |
| 9364-6297 Québec inc (Médifice Investissements) | | - | 3,253 | - | 3,253 |
| Centre de location G.M. inc. | | - | 1,291 | 731 | 2,022 |
| Flo-Fab inc. | | - | 279 | - | 279 |
| FRE Composites inc. | | - | - | 835 | 835 |
| Total Laurentians | | - | 4,823 | 1,566 | 6,389 |
| Laval | | | | | |
| Construction Jadco inc | | - | - | 798 | 798 |
| DBM Technologies inc. | | 3,984 | - | - | 3,984 |
| L. Nardella Associates ltd. | | 637 | 1,432 | - | 2,069 |
| Plantes d'intérieur Véronneau inc. (les) | | - | 398 | - | 398 |
| Total Laval | | 4,621 | 1,830 | 798 | 7,249 |
| Mauricie | | | | | |
| Construction et location Jenik inc. | | - | - | 338 | 338 |
| RGF Électrique inc. | | - | 417 | - | 417 |
| Solutions Genyk inc. | | - | 1,155 | - | 1,155 |
| Systèmes hydrauliques T.L.G. inc. (Les) | | 139 | - | - | 139 |
| Transport Chainé inc. | | 398 | - | - | 398 |
| Total Mauricie | | 537 | 1,572 | 338 | 2,447 |
| Montérégie | | | | | |
| 3894207 Canada inc. (Barbies TM) | | - | 404 | - | 404 |
| 9020-5758 Québec inc. (AVRIL) | | - | 1,661 | - | 1,661 |
| 9219-3267 Québec inc. (WeCook Meals) (ex. Nutrition FITPLUS) | | 1,394 | 419 | - | 1,813 |
| 9378-5962 Québec inc. (Keg Farnham) | | 239 | 566 | - | 805 |
| Alain Royer Consultant inc. | | 588 | - | - | 588 |
| Asselin Mécanique Industrielle inc. | | - | 676 | - | 676 |
| Atelier d'usinage Richelieu inc. | | - | 498 | - | 498 |
| Bigo inc. | | - | 191 | - | 191 |
| Câbles Ben-Mor inc. (Les) | | - | - | 1,163 | 1,163 |
| Éveil des Sens inc. | | - | 191 | - | 191 |
| Gestion Galiléo inc. | | 308 | - | - | 308 |
| Groupe Satori inc. | | - | 1,252 | - | 1,252 |
| H2O Traitements Industriels Inc. | | - | 155 | - | 155 |
| Helios Group inc. | | - | - | 1,225 | 1,225 |
| Hugo Corporation inc. | | - | - | 797 | 797 |
| Total Montérégie | | 2,529 | 6,013 | 3,185 | 11,727 |

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|--|---|--|-----------------------------|-----------------------------|----------------|
| | | Common and Preferred shares and funds units | Loans and advances \$ | Loans and advances \$ | |
| 2020-12-31 Desjardins Capital PME s.e.c. (cont.) | 39.84 | | | | |
| Montréal | | | | | |
| 3236013 Canada inc. (Planète Mobile) | | - | - | 478 | 478 |
| 7198795 Canada inc. (Au Noir) | | - | - | 707 | 707 |
| 9115-7115 Québec inc. (Résidence des Bâisseurs, Sept-Îles) | | - | - | 842 | 842 |
| Azur Group inc. | | 598 | - | - | 598 |
| Carrosseries de Lasalle A.M. inc. (Les) | | - | 343 | - | 343 |
| DEK Canada inc. | | - | 100 | - | 100 |
| Dentistree Solutions inc. | | 92 | - | - | 92 |
| First Choice brands inc. | | - | 398 | - | 398 |
| Gastronomia Aliments Fins inc. | | 717 | 1,309 | - | 2,026 |
| Gorski Group Ltd. | | - | - | 595 | 595 |
| Groupe Canva inc. | | 1,195 | 1,665 | - | 2,860 |
| Groupe Shemie inc. | | - | - | 2,142 | 2,142 |
| GTI Canada inc. | | - | - | 279 | 279 |
| In-RGY Global Consulting Inc. | | 881 | 480 | - | 1,361 |
| IP4B inc. | | - | 252 | - | 252 |
| Malicis Consultation inc. | | - | 598 | - | 598 |
| Momentis Systems Inc. | | - | 416 | - | 416 |
| Multiforme Métal inc. | | - | - | 84 | 84 |
| Neomed Institute | | - | - | 538 | 538 |
| Orthogone Technologies inc. | | - | 1,527 | - | 1,527 |
| Pénéga Communication inc. | | - | 192 | - | 192 |
| Reftech International Maintenance inc. | | - | - | 347 | 347 |
| Résidences pour aînés Immo 1ere inc. | | 3,784 | - | - | 3,784 |
| Substance Stratégies Numériques inc. | | - | 365 | - | 365 |
| XcCommerce inc. | | 874 | 797 | - | 1,671 |
| Total Montréal | | 8,141 | 8,442 | 6,012 | 22,595 |
| Outaouais | | | | | |
| 7510420 Canada inc. | | - | 438 | - | 438 |
| Affichage National inc. | | - | - | 293 | 293 |
| Rampes Mirik inc. (Les) | | 219 | - | - | 219 |
| Total Outaouais | | 219 | 438 | 293 | 950 |
| Saguenay-Lac-Saint-Jean | | | | | |
| 2331-8884 Québec inc. (Advantage Logistic Group) | | 239 | - | - | 239 |
| 2724600 Canada ltée (Industries Soudex) | | - | 80 | - | 80 |
| 6348017 Canada inc. (Dynamic Concept) | | - | - | 314 | 314 |
| 9292-2913 Québec inc. (Deliwok) | | - | 384 | - | 384 |
| Boucherie St-Hilaire (2017) inc. | | - | 309 | - | 309 |
| Clinique médicale privée Opti-Soins inc. | | - | 240 | - | 240 |
| Communications Télésignal inc. | | - | 294 | - | 294 |
| Groupe MYK inc. | | - | - | 439 | 439 |
| Groupe Ongermeige inc. | | - | 148 | - | 148 |
| Panorama Helicopters Ltd. | | - | - | 190 | 190 |
| Perron Télécom (9244-5113 Québec inc.) | | 48 | 259 | - | 307 |
| Service électronique professionnel (S.E.P.) inc. | | - | 71 | - | 71 |
| Société en commandite Lokia Trois-Rivières | | - | - | 2,412 | 2,412 |
| STC Manufacturier inc. | | - | 120 | - | 120 |
| Theka Industries inc. | | - | 797 | - | 797 |
| Total Saguenay-Lac-Saint-Jean | | 287 | 2,702 | 3,355 | 6,344 |
| | | 26,224 | 50,208 | 26,906 | 103,338 |
| Funds committed but not disbursed | | | | | 8,211 |
| Total Desjardins Capital PME s.e.c. | | | | | 111,549 |

**Index of the Company's share in investments made by specialized funds and partner funds, at cost (unaudited)
As at June 30, 2021**

(in thousands of dollars)

| Information from Annual Financial Report dated | Equity Interest of the Company % | Unsecured investments | | Secured investments | Total \$ |
|--|---|--|-----------------------------|-----------------------------|--------------|
| | | Preferred shares and funds units \$ | Loans and advances \$ | Loans and advances \$ | |
| 2020-12-31 Desjardins Capital Transatlantique, L.P. | 60.67 | | | | |
| Montréal | | | | | |
| Groupe Solotech inc. | | 1,041 | - | - | 1,041 |
| In-RGY Global Consulting inc. | | 486 | 264 | - | 750 |
| Total Montréal | | 1,527 | 264 | - | 1,791 |
| Outside of Canada | | | | | |
| Apside Advance | | 1,430 | 428 | - | 1,858 |
| Rondot Group | | 885 | - | - | 885 |
| Texelis Fintex | | 779 | - | - | 779 |
| Texelis Mobilitex | | - | 1,716 | - | 1,716 |
| Xtech Control | | 1,324 | - | - | 1,324 |
| Xtech Invest | | - | 1,430 | - | 1,430 |
| Total Outside of Canada | | 4,418 | 3,574 | - | 7,992 |
| | | 5,945 | 3,838 | - | 9,783 |
| Funds committed but not disbursed | | | | | - |
| Total Desjardins Capital Transatlantique, L.P. | | | | | 9,783 |

**Index of the Company's share in investments made by specialized funds and partner funds, at cost (unaudited)
As at June 30, 2021**

(in thousands of dollars)

| Information from Annual Financial Report dated | Equity Interest of the Company % | Unsecured investments | | Secured investments | Total \$ |
|--|---|--|-----------------------------|-----------------------------|-------------|
| | | Common and Preferred shares and funds units | Loans and advances \$ | Loans and advances \$ | |
| 2020-12-31 Desjardins – Innovatech S.E.C. | 54.49 | | | | |
| 7525443 Canada inc. (Nowa inc.) (ex. Inflatrolix) | | 400 | - | - | 400 |
| 9088-9148 Québec inc. (Usinage SM) | | - | 159 | - | 159 |
| 9360-4742 Québec inc. (LONGPREBP Béton préfabriqué) | | - | 94 | - | 94 |
| 9493662 Canada inc. (Ananda Devices) | | 153 | - | - | 153 |
| 9813063 Canada inc. (My Intelligent Machines (MIMs)) | | - | 157 | - | 157 |
| 9972242 Canada inc. (Entosystème) | | - | 293 | - | 293 |
| A3 Surfaces inc. | | - | 288 | - | 288 |
| Agriculture Concentric inc. | | 2,866 | - | - | 2,866 |
| Airex Énergie inc. | | 1,585 | - | 403 | 1,988 |
| Alaya Care inc. | | 136 | - | - | 136 |
| Albert Perron inc. | | 470 | - | - | 470 |
| AppMed inc. | | - | 151 | - | 151 |
| AxesNetwork Solutions inc. | | 1,933 | 916 | - | 2,849 |
| Biocéan Canada inc. | | 272 | 54 | - | 326 |
| CmLabs Simulations inc. | | 817 | - | 282 | 1,099 |
| Dymedso inc. | | - | 150 | - | 150 |
| E2Metrix inc. | | 348 | 682 | - | 1,030 |
| Emovi inc. | | 153 | - | - | 153 |
| Énergie Solution Air (ESA) | | 148 | - | - | 148 |
| FjordAI Aluminium inc. | | 163 | - | - | 163 |
| Fonds Entrepia Nord, s.e.c. (Le) | | 305 | - | - | 305 |
| Fonds Innovexport s.e.c. | | 1,629 | - | - | 1,629 |
| Fond-vers inc. | | - | 54 | - | 54 |
| Global LVL inc. | | 191 | - | - | 191 |
| Greybox Solutions inc. | | - | 152 | - | 152 |
| Groupe Icible inc. | | - | 96 | - | 96 |
| Hortau inc. | | 368 | - | - | 368 |
| Imagia Cybernetics Inc. | | 2,725 | - | - | 2,725 |
| Imeka Solutions inc. | | - | 227 | - | 227 |
| Inno-3B inc. | | - | 657 | - | 657 |
| Innomalt inc. | | - | 351 | - | 351 |
| Interactive Validated Solutions 88 Inc. | | 1,143 | - | 150 | 1,293 |
| Ionodes inc. | | 316 | - | - | 316 |
| Kinesiq inc. | | - | - | 150 | 150 |
| Kube Innovation inc. | | - | 151 | - | 151 |
| Laboratoire M2 inc. | | 817 | - | - | 817 |
| Laserax inc. | | 1,880 | 602 | - | 2,482 |
| Leadfox technologie inc. | | - | 247 | - | 247 |
| LeddarTech inc. | | 714 | 1,330 | - | 2,044 |
| Mobilus Technologies inc. | | - | 113 | - | 113 |
| Nippon Dragon Resources inc. | | 178 | - | - | 178 |
| o3d inc. | | - | 82 | - | 82 |

**Index of the Company's share in investments made by specialized funds and partner funds, at cost (unaudited)
As at June 30, 2021**

(in thousands of dollars)

| Information from Annual Financial Report dated | Equity Interest of the Company % | Unsecured investments | | Secured investments | Total \$ |
|--|---|--|-----------------------------|-----------------------------|---------------|
| | | Common and Preferred shares and funds units | Loans and advances \$ | Loans and advances \$ | |
| 2020-12-31 Desjardins – Innovatech S.E.C. (cont.) | 54.49 | | | | |
| Optina Diagnostics inc. | | 148 | - | - | 148 |
| OYO Fab inc. | | - | 159 | - | 159 |
| OxyNov inc. | | 611 | - | 305 | 916 |
| Produits forestiers LAMCO inc. | | 311 | - | - | 311 |
| Propulsa Innovations inc. | | - | 71 | - | 71 |
| Rekruti Solutions inc. | | - | 290 | - | 290 |
| Société de gestion de projets Ecotierra inc. | | 296 | - | - | 296 |
| Technologies Intelia inc. | | 235 | 603 | - | 838 |
| Thorasys Thoracic Medical Systems inc. | | 316 | - | - | 316 |
| Umanx inc. | | - | 545 | - | 545 |
| VIMAC Early Stage Fund L.P. | | 91 | - | - | 91 |
| Voltra Technologie - Réseau Synapse inc. | | - | 92 | - | 92 |
| | | 21,718 | 8,766 | 1,290 | 31,774 |
| Funds committed but not disbursed | | | | | 1,438 |
| Total Desjardins - Innovatech S.E.C. | | | | | 33,212 |

**Index of the Company's share in investments made by specialized funds and partner funds, at cost (unaudited)
As at June 30, 2021**

(in thousands of dollars)

| Information from Annual Financial Report dated | Equity Interest of the Company % | Unsecured investments | | Secured investments | Total \$ |
|--|---|--|-----------------------------|-----------------------------|----------------------|
| | | Preferred shares and funds units \$ | Loans and advances \$ | Loans and advances \$ | |
| 2020-12-31 Société en commandite Essor et Coopération | 94.55 | | | | |
| Agropur Coopérative | | 4,728 | - | - | 4,728 |
| Café Cambio, coopérative de travail | | 174 | - | - | 174 |
| Camping co-op des Érables de Montmagny | | 236 | - | - | 236 |
| Central Café - Coop de solidarité | | 177 | - | - | 177 |
| Citadelle, Maple Syrup producer's Cooperative | | 4,018 | - | - | 4,018 |
| Club coopératif de consommation d'Amos | | 859 | - | - | 859 |
| Conformit coopérative | | - | 586 | - | 586 |
| Coop Agri-Énergie Warwick | | 355 | - | - | 355 |
| Coopérative Actionnaire Les Paramédics d'Urgence Bois-Francis | | 378 | 334 | - | 712 |
| Coopérative de quilleurs et quilleuses Le Dallo de Chicoutimi | | 68 | - | - | 68 |
| Coopérative des horticulteurs de Québec (La) | | 520 | 17 | - | 537 |
| Coopérative des travailleurs actionnaires de Xpertdoc Technologies | | 405 | 385 | - | 790 |
| Coopérative forestière de Petit Paris | | - | 608 | - | 608 |
| Coopérative forestière Ferland-Boilleau | | - | 399 | - | 399 |
| Coopérative Radio Web Média des Sources | | 75 | - | - | 75 |
| Coopérative Vision-Éducation | | 650 | - | - | 650 |
| École Plein Soleil (Association coopérative) | | 946 | - | - | 946 |
| Fédération des coopératives funéraires du Québec | | 1,864 | - | - | 1,864 |
| Horisol, coopérative de travailleurs | | 425 | - | - | 425 |
| Journal de Lévis, coopérative de solidarité (Le) | | - | 170 | - | 170 |
| La Coop Avantis | | 1,377 | - | - | 1,377 |
| Québec Federation of Forestry Cooperatives | | 246 | - | - | 246 |
| Sollio Groupe Coopératif (ex. La Coop Fédérée) | | 4,728 | - | - | 4,728 |
| Uniag Coopérative (ex. La Coop Unifrontières) | | 429 | - | - | 429 |
| | | <u>22,658</u> | <u>2,499</u> | <u>-</u> | <u>25,157</u> |
| Funds committed but not disbursed | | | | | <u>6,202</u> |
| Total Société en commandite Essor et Coopération | | | | | <u>31,359</u> |

This unaudited index provides details of investments made by specialized funds and partner funds in which Capital régional et coopératif Desjardins has invested more than \$10M or by partner funds, in which it holds an equity interest of more than or equal to 50%, that respect the criteria stated in the *Regulation respecting Development Capital Investment Fund Continuous Disclosure*.



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