

Management Discussion and Analysis

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

CRCD’s interim 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.

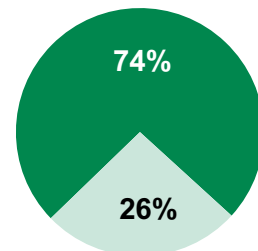
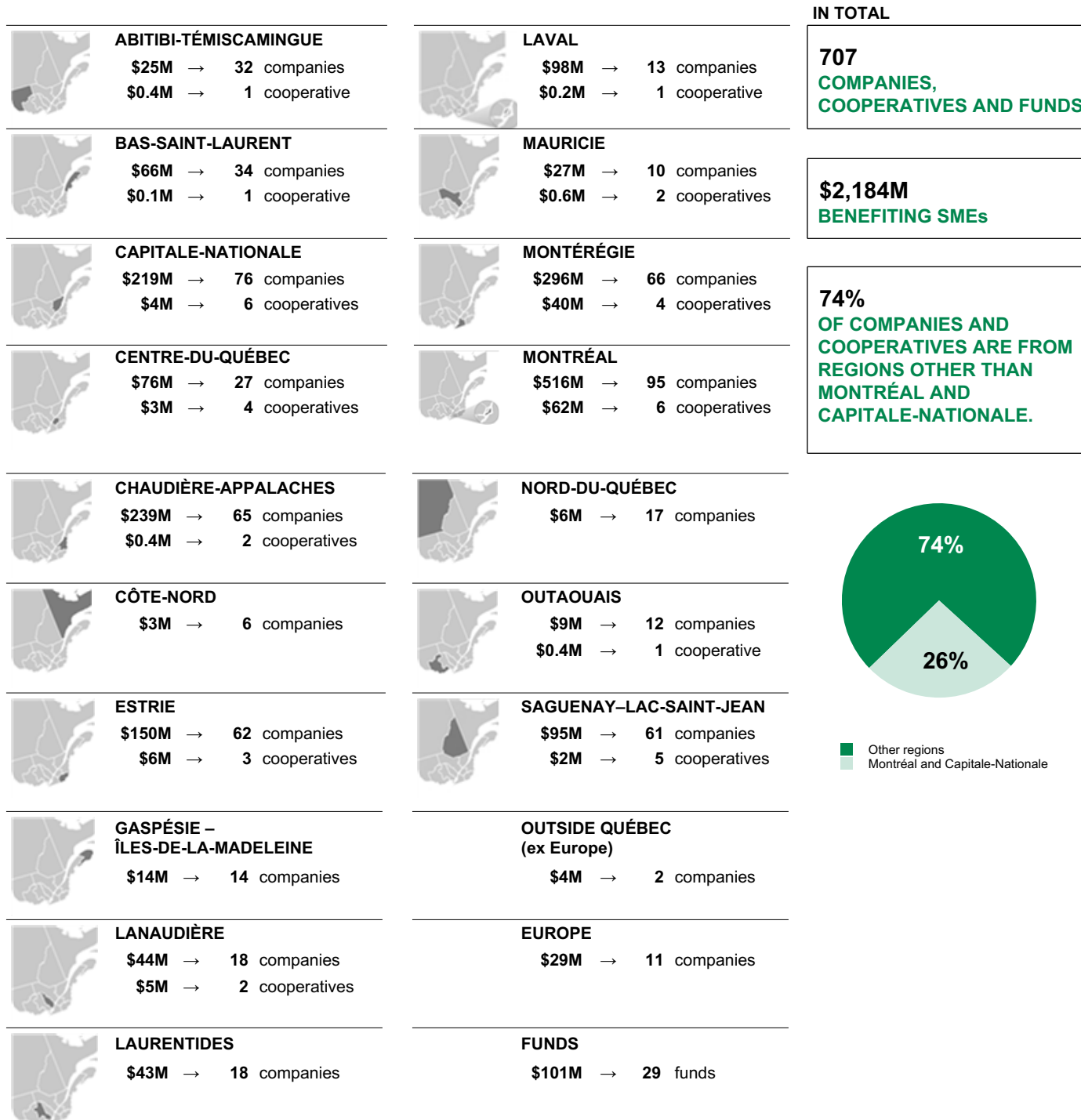
Copies of the separate interim financial statements may be obtained free of charge, on request, by calling 514-281-2322 or (toll free) 1-866-866-7000, extension 5552322, by writing to 2 Complexe Desjardins, P.O. Box 760, Desjardins Station, Montréal, Québec H5B 1B8, or from our website (www.capitalregional.com) or SEDAR+ at www.sedarplus.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, 2025, the funds committed per region were as follows:

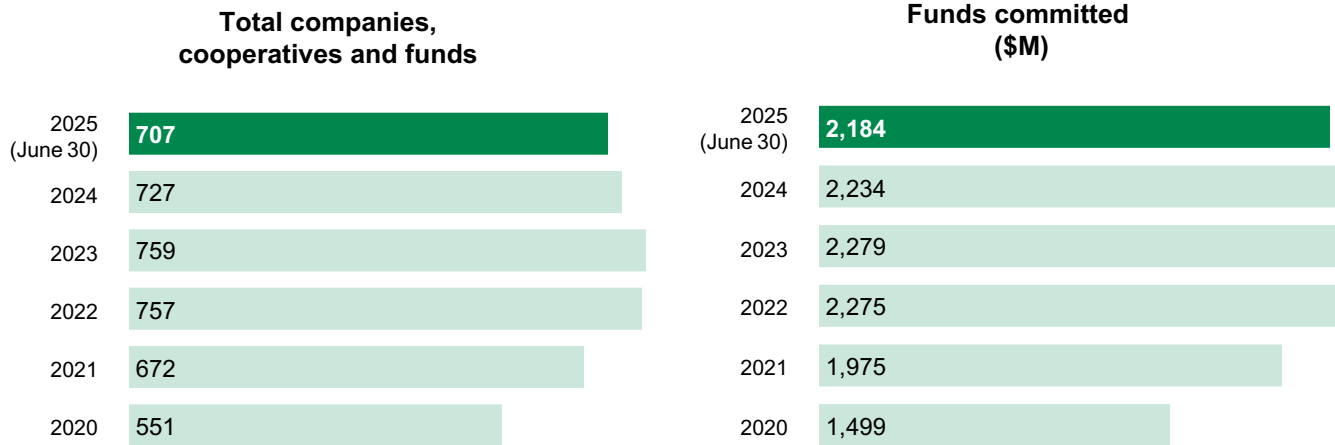


■ Other regions
■ Montréal and Capitale-Nationale

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

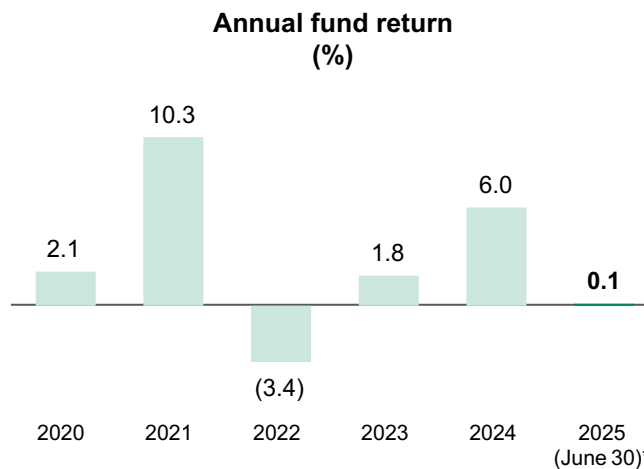
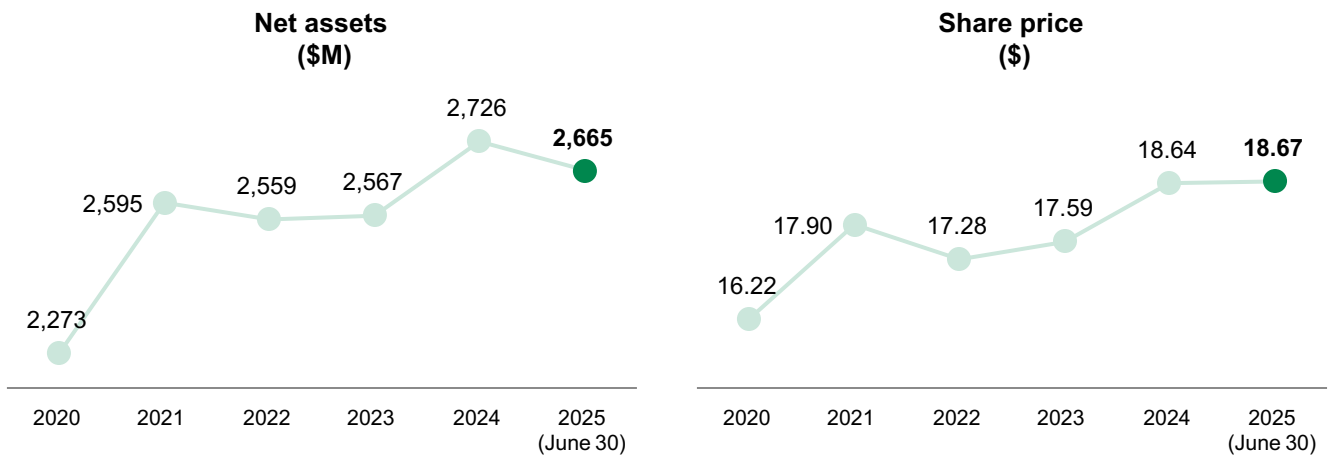
1.2 CRCD and its ecosystem support companies and cooperatives

AS AT JUNE 30, 2025 AND DECEMBER 31



1.3 CRCD financial data

AS AT JUNE 30, 2025 AND DECEMBER 31



*Non-annualized return for the six-month period ended June 30, 2025

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 and the six-month period ended June 30, 2025. 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, 2025 (6 months)	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2020
Revenue	36,939	92,079	118,104	97,830	67,951	48,233
Gains (losses) on investments	(8,342)	119,251	(15,986)	(129,518)	212,275	38,471
Net earnings (loss)	2,977	153,542	44,627	(87,918)	234,476	46,429
Net assets	2,664,783	2,725,998	2,566,618	2,559,100	2,594,703	2,272,798
Common shares outstanding (number, in thousands)	142,745	146,226	145,933	148,099	144,959	140,110
Total operating expense ratio ⁽¹⁾ (%)	1.9	2.0	2.0	2.0	1.8	1.8
Portfolio turnover rate:						
– Investments impacting the Québec economy (%)	6	6	8	8	15	13
– Other investments (%)	26	79	51	118	111	100
Trading expense ratio ⁽²⁾ (%)	—	—	—	—	—	—
Number of shareholders (number)	109,222	110,546	111,433	113,690	113,039	109,286
Issues of common shares – Class A “Issuance”	1,522	123,424	59,654	140,088	140,155	139,842
Exchanges of common shares – Class B “Exchange”	—	—	49,885	49,905	99,855	(92)
Issues of common shares – Class C “Issuance”	—	—	—	—	—	—
Redemption of common shares	65,714	117,586	96,763	87,773	52,726	221,939
Investments impacting the Québec economy at cost	1,715,324	1,622,832	1,659,283	1,658,473	1,440,623	1,108,055
Fair value of investments impacting the Québec economy	1,983,793	1,905,412	1,842,169	1,938,022	1,796,083	1,298,331
Funds committed but not disbursed including suretyships	171,006	311,804	175,937	222,262	199,130	238,226

⁽¹⁾ Total operating expense ratio is calculated by dividing total operating expenses as shown on the separate statements of comprehensive income by net assets as at the end of the period or by average net assets for the fiscal year, pursuant to Section 68 of the *Regulation respecting Development Capital Investment Fund Continuous Disclosure*.

⁽²⁾ Trading expenses include 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, 2025 (6 months)	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2020
Net assets per common share, beginning of period	18.64	17.59	17.28	17.90	16.22	15.94
Increase (decrease) attributable to operations	0.01	1.06	0.31	(0.59)	1.67	0.34
Interest, dividends, distributions and negotiation fees	0.26	0.64	0.81	0.67	0.48	0.35
Operating expenses	(0.18)	(0.37)	(0.36)	(0.34)	(0.32)	(0.27)
Income taxes	(0.01)	(0.03)	(0.03)	(0.02)	—	(0.02)
Realized gains (losses)	(0.02)	0.04	0.53	(0.14)	0.34	0.56
Unrealized gains (losses)	(0.04)	0.78	(0.64)	(0.76)	1.17	(0.28)
Difference attributable to common share issues and redemptions	0.02	(0.01)	—	(0.03)	0.01	(0.06)
Net assets per common share, end of period	18.67	18.64	17.59	17.28	17.90	16.22

3.0 Overview

CRCD ended the first six months of 2025 with net earnings of \$3.0 million (net earnings of \$30.3 million for the corresponding period in 2024), representing a non-annualized return of 0.1% (non-annualized return of 1.2% as at June 30, 2024), resulting in an increase in net assets per share to \$18.67 based on the number of shares outstanding as at June 30, 2025. 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 achieved a non-annualized return of 0.8% for the six-month period ended June 30, 2025, compared with a non-annualized return of 2.8% for the corresponding period in 2024. The performance of the investments impacting the Québec economy portfolio reflects the resilience of many Québec companies that have to deal with the rapidly changing economic and geopolitical reality. In such context, some companies choose to revise the pace of their projects or adjust their growth initiatives.

As at June 30, 2025, the cost of investments impacting the Québec economy totalled \$1,715.3 million, of which \$206.0 million was disbursed during the first six months of 2025. As at June 30, 2025, funds committed but not disbursed, including the suretyship granted to companies, cooperatives or funds, amounted to \$171.0 million. New commitments for the first six months of 2025 totalled \$62.9 million.

The other investments portfolio recorded a non-annualized return of 1.9% for the first six months of 2025. Even though most asset classes contributed positively to performance, real estate funds were impacted by the fluctuations in exchange rates and bonds were affected by the rise in long-term interest rates during the six-month period. In the corresponding period in 2024, the Other investments portfolio posted a non-annualized return of 1.1%.

During the first six months of 2025, issues of Class A "Issuance" common shares amounted to \$1.5 million, which was the remaining balance of the 2024 issuance. Share redemptions totalled \$65.7 million, compared with \$55.1 million for the corresponding period in 2024. As at June 30, 2025, the balance of shares eligible for redemption totalled \$1,193.2 million, while net assets amounted to \$2,664.8 million and shareholders numbered 109,222. For more information, please see the Subscription section of this MD&A.

3.1 Our vision for Québec entrepreneurship

Québec companies are now operating in a constantly evolving economic and geopolitical environment. In the first six months of 2025, they showed considerable resilience to this new reality, but many chose to revise the pace of their projects or adjust their growth initiatives. Investment and spending decisions were characterized by utmost caution, inciting entrepreneurs to optimize efficiency and strengthen cost control. The post-pandemic awakening has given rise to complex situations, including repayments of government assistance, changing consumer habits and delays in modernization initiatives during downturns. Some companies will need to focus on innovating and diversifying their activities, and others on digital transformation and automation to achieve sustainable growth.

In a market that continued to be favourable to divestitures, albeit less dynamic than in 2024, the first six months of 2025 were marked by several exit transactions. Successful companies attracted keen interest and were in great demand, which resulted in exit values generating satisfactory returns. However, the market remained highly competitive, with investors having large amounts of capital, which exacerbated the scarcity of investment opportunities. This phenomenon is less acute in the technology sector, where we actively continued to support innovative startups, more specifically with significant direct investments and through specialized funds.

Always on the lookout for favourable business opportunities, we maintained our sound and prudent management. For over 50 years, support has been at the heart of what we do, and the first six months of 2025 were no exception.

3.2 Growing businesses stronger

Building on over 50 years of expertise, CRCD's manager, Desjardins Capital, is ranked one of the most active investors in development and venture capital in Québec. Together, we are an indispensable business partner, supporting 707 companies, cooperatives and funds in various industries in all corners of Québec. In addition to maintaining and stimulating the productivity of Québec SMEs, we are a major socio-economic leader for ensuring the regions' vitality.

We leverage our teams' expertise and skills in investment, external funds management, business performance and business expertise and in finance and institutional services. In addition to our activities in investment and promoting Québec SMEs and

cooperatives, we offer SME governance trainings and products adapted to their needs. They can also benefit from our vast business network to support their growth and from our synergy with the whole Desjardins Group, including Desjardins Business centres.

Our closeness with our partner companies, our well-established, trust-based relationships and our deep knowledge of regional issues enable us to play the key role of catalyst in the entrepreneurial ecosystem to support the startup, development, transfer and succession of Québec businesses and flagships.

We work together with entrepreneurs to support them in integrating environmental, social and governance (ESG) criteria, by advocating education and awareness. We perform ESG diagnostics to determine their maturity and areas of support required and then provide recommendations and monitor their progress.

The *Fighting Against Forced Labour and Child Labour in Supply Chains Act* came into effect on January 1, 2024. This law requires entities to disclose in a detailed public report, as at May 31 of each year, the measures taken during the previous fiscal year to prevent and reduce the risk of forced labour or child labour being used by the entities or in their supply chain. To meet this requirement, we have shared this report in the Documentation section of www.capitalregional.com. We have also worked with a number of our partner companies to ensure they fulfill their obligations in this regard.

Inspired by industry best practices in sound governance, we also support entrepreneurs in setting up advisory committees and boards of directors. We offer them support and tools adapted to their realities. Moreover, we recruit and recommend experienced independent directors who can offer expertise related to their company's ambitions. These directors have access to numerous tools and are regularly trained and evaluated to meet the highest standards of collaboration. Our skills in governance and our support, based on agility, simplicity, strategic thinking and alignment with business needs, set us apart in the market. Moreover, regarding diversity, equity and inclusion in the governance of our SMEs, we are proud to have achieved our targets for women's representation on committees and boards.

Our closeness with the Québec entrepreneurial ecosystem and our specialized support ensures that we are actively contributing to the lasting prosperity of people and communities by investing in the growth and sustainability of local businesses.

3.3 Economic conditions

2025 ECONOMIC ENVIRONMENT

Global economy

Since the beginning of 2025, the global economy has been largely influenced by the Trump administration's trade policy in the United States. The introduction of the first tariffs and fears of widespread U.S. trade barriers gave a boost to exports from several countries in the first quarter of 2025, including Canada. On the other hand, U.S. imports fell in the second quarter, and many countries recorded declines in exports to the U.S. in the same period. As U.S. tariff policy may still be subject to change, the global economy will also be sensitive to upcoming announcements. Economic growth is nevertheless expected to slow in most countries over the coming quarters. This political and economic instability will also have repercussions in the eurozone, especially as the appreciation of the euro is not helping exporters. European growth could nevertheless gradually benefit from the spillover effects of the European Union's rearmament plan, which aims to mobilize significant funds to strengthen the defence capabilities of member states. Global real GDP is expected to grow by 2.5% in 2025 and 2.6% in 2026.

United States

The U.S. economy suffered a rare contraction in early 2025. Real GDP fell by 0.5% on an annualized basis in the first quarter. Ahead of the imposition of new tariffs, a larger share of domestic demand was met by imports. The opposite effect was noted during the second quarter as imports declined. These movements are clearly the result of the back-and-forth in the positions taken by the Trump administration on tariffs, particularly those toward China. Even though real GDP rallied in the second quarter, consumer and business confidence remains low due to the uncertainty created by the White House's trade and fiscal policies. Inflation expectations are high, but the real and direct effects of tariffs on consumer prices are not yet apparent. Growth for 2025 as a whole is expected to be 1.3%. The U.S. Federal Reserve should begin a series of key interest rate cuts starting in September. Real U.S. GDP growth in 2026 is forecast at 1.4%.

[Canada](#)

The Canadian economy had a relatively good start to 2025 as some activities were moved up to avoid the new tariffs introduced in both the United States and Canada. Due to several headwinds, the outlook for the rest of the year seems much more challenging, and a sharp slowdown in growth is expected. First, the trade war with the United States will significantly slow trade beginning in the spring, with negative consequences for real Canadian GDP. Growing uncertainty for both consumers and businesses is also expected to dampen consumer spending and investment growth. Second, new federal immigration measures are provoking a sharp slowdown in population growth, as expected, that will dampen some domestic spending. Lastly, the wave of mortgage renewals at higher interest rates could lead some households to reduce discretionary spending. That said, federal income tax cuts, combined with accelerated government spending on infrastructure and defence, should partially offset the negative effects of such headwinds. Real GDP in Canada could grow by 1.4% in 2025 and 2026.

[Québec](#)

Economic activity in Québec is gradually beginning to slow. Following sustained growth in 2024, real GDP continued to expand in early 2025, driven in particular by higher exports as businesses sped up deliveries in anticipation of the new tariffs. The labour market and the real estate sector continue to show greater resilience than expected. However, most net job creation is concentrated in sectors that are heavily dependent on public spending, such as health, education and public administration, suggesting that growth may soon slow. As Québec is more exposed to trade tensions than the Canadian average, this vulnerability could result in virtually no real GDP growth in the spring and summer. However, several factors should mitigate the slowdown. In the short term, public investment—particularly that put forward under the Québec Infrastructure Plan and future Hydro-Québec projects—will help dampen the economic shock, especially in goods-producing sectors. In the medium term, Québec's relative growth could be limited by structural constraints. These include unfavourable demographics, marked by a stagnating labour force, and the province's fiscal restraint, which limits government flexibility. These factors are likely to further curtail economic activity, particularly in those regions already facing labour shortages.

4.0 Management's discussion of financial performance

4.1 Operating results

CRCD'S NET RESULTS AND RETURNS

CRCD closed its six-month period ended June 30, 2025, with net earnings of \$3.0 million, or a non-annualized return of 0.1%, compared with net earnings of \$30.3 million (non-annualized return of 1.2%) for the corresponding period in 2024. Based on the number of common shares outstanding, this performance brings net assets per share to \$18.67 as at the end of the six-month period, compared with \$18.64 at the end of fiscal 2024. For illustrative purposes, at the current price of \$18.67, shareholders who invested seven years ago, on August 16, 2018, would obtain an annual after-tax return of more than 8.7%, taking into account the 35% income tax credit as per the rate applicable at that time.

CRCD's results stem primarily from investments impacting the Québec economy and the other investments portfolio, which generated non-annualized returns of 0.8% and 1.9%, respectively. For the corresponding period in 2024, investments impacting the Québec economy and other investments posted returns of 2.8% and 1.1%, respectively. Expenses, net of administrative charges, and income taxes had an impact of 1.0% on CRCD's non-annualized return, compared to a 1.1% for the corresponding period in 2024. As at June 30, 2025, \$21.5 million was drawn on the operating credit facility, while as at December 31, 2024, that credit facility was undrawn. Refer to the Liquidity and capital resources section for details on the credit facility used. Financial expenses relating to the use of this operating credit facility had a negligible impact 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, 2025			
	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⁾	1,948	73.5	0.8	0.6
Other investments and cash	703	26.5	1.9	0.5
	2,651	100.0	1.1	1.1
Expenses, net of administrative charges			(1.0)	(1.0)
Income taxes			—	—
CRCD's return			0.1	0.1

	As at June 30, 2024			
	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⁾	1,847	73.6	2.8	2.0
Other investments and cash	663	26.4	1.1	0.3
	2,510	100.0	2.3	2.3
Expenses, net of administrative charges			(1.1)	(1.1)
Income taxes			—	—
CRCD's return			1.2	1.2

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

INVESTMENTS IMPACTING THE QUÉBEC ECONOMY

Investments of \$221.8 million and disposals of \$128.2 million (including non-cash items) were made for a positive net balance of \$93.6 million. Combined with realized and unrealized net losses of \$15.2 million, these net investments brought the fair value of the investments impacting the Québec economy portfolio, including foreign exchange contracts, to \$1,984.2 million as at June 30, 2025 (\$1,905.9 million as at December 31, 2024).

Investments impacting the Québec economy should also be measured taking into account funds committed but not disbursed, including the suretyship, which amounted to \$171.0 million as at June 30, 2025 (\$311.8 million as at December 31, 2024). Funds committed but not disbursed of \$164.8 million, representing 6.2% of net assets, could eventually be drawn from the other investments portfolio or the credit facility and allocated to investments impacting the Québec economy.

Total commitments at cost as at June 30, 2025, amounted to \$1,886.3 million in 401 companies, cooperatives and funds, of which \$1,715.3 million was disbursed. As at June 30, 2025, backed by its entrepreneurial ecosystem, CRCD supported growth in 707 companies, cooperatives and funds.

During the first six months of 2025, investments impacting the Québec economy generated a contribution of \$15.3 million, for a non-annualized return of 0.8%, compared with a contribution of \$50.4 million for the corresponding period in 2024 (non-annualized return of 2.8%). The environment currently characterized by geopolitical and trade uncertainty is exerting pressure on some investment profiles in the investments impacting the Québec economy portfolio.

Contribution generated by investments impacting the Québec economy

(in thousands of \$)	Six months ended June 30, 2025	Six months ended June 30, 2024
Revenue	30,499	29,580
Gains and losses	(15,165)	20,847
Total	15,334	50,427

Revenue includes interest, dividends and negotiation fees related to investments impacting the Québec economy. Negotiation fees, which amounted to \$1.5 million for the six-month period ended June 30, 2025 (\$1.5 million for the corresponding period in 2024), are earned by the manager, Desjardins Capital, and a credit for that amount is applied against the management fees paid to Desjardins Capital by CRCD. These 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 places significant importance on the amounts injected into its ecosystem funds (see the following section for more details). Therefore, investments held by these ecosystem funds provide revenue in addition to the revenue generated by CRCD's direct investments. This revenue, of which CRCD's share amounted to \$16.2 million for the first six months of 2025 (\$12.5 million for the corresponding period in 2024), 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.

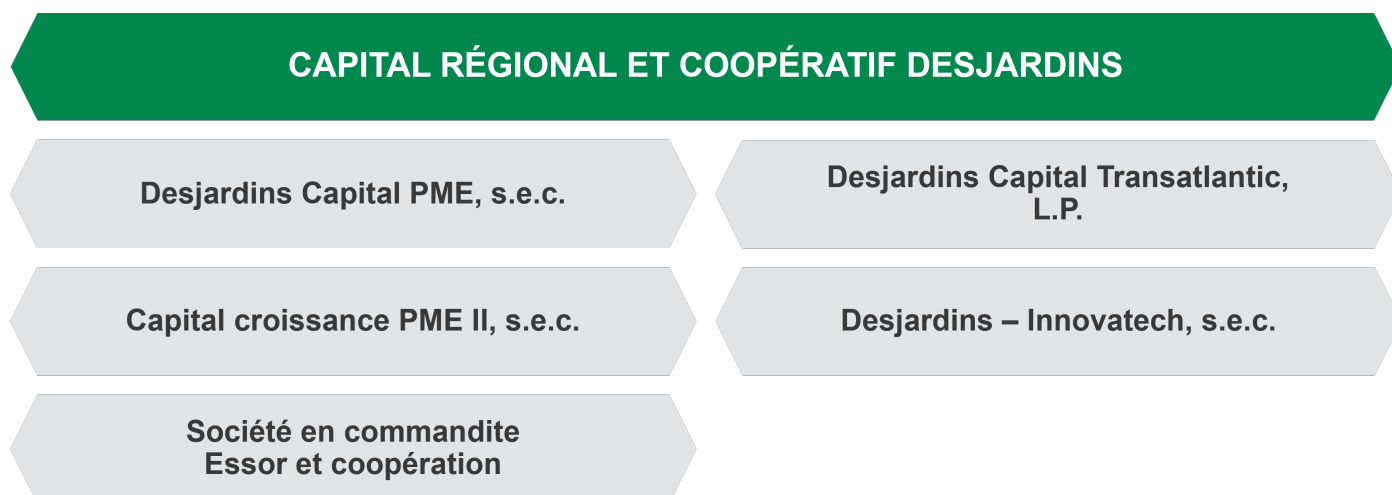
CRCD recorded in its results for the six-month period a realized and unrealized loss of \$15.2 million compared with a gain of \$20.8 million for the corresponding period in 2024. For more information, please see Entrepreneurial ecosystem performance in the following section.

As at June 30, 2025, the overall risk level of the investments impacting the Québec economy portfolio had improved compared with its December 31, 2024 level, as discussed in the Credit and counterparty risk section.

ENTREPRENEURIAL ECOSYSTEM

CRCD invests directly in Québec companies and also fulfills 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, Desjardins Capital, are detailed below:

- The main goal of Desjardins Capital PME s.e.c. fund (DCPME), created on January 1, 2018, is to invest in Québec's small- and medium-sized businesses. This sustainable fund is an open-ended limited partnership, allowing the number of limited partners to vary. The limited partners' commitments are generally made on an annual basis. As at June 30, 2025, CRCD's interest in the DCPME fund was 61.3%, while the interests of the other three limited partners, namely the DIM Private Completion Strategy Fund, Desjardins Holding Financier inc. and Desjardins Québec Balanced Fund, were 38.7%, collectively. As at June 30, 2025, CRCD has disbursed \$348.4 million (\$198.4 million as at December 31, 2024) allowing a total of 272 companies to benefit from \$635.9 million committed by the DCPME fund.
- Jointly with France-based Groupe Siparex, on July 4, 2018, Desjardins Capital 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 \$120 million to the two funds. CRCD has a 60.7% interest in DC Transatlantic. As the investment period of DC Transatlantic ended in 2024, the funds committed but not disbursed will be used to make reinvestments and pay the fund's ongoing expenses until dissolution. As at June 30, 2025, CRCD had disbursed \$32.7 million (\$32.5 million as at December 31, 2024) of its total commitment of \$36.5 million (€22.8 million), allowing 15 companies to benefit from \$40.4 million committed by the fund.
- The objective of the Société en commandite Essor et Coopération (Essor et Coopération), established on January 1, 2013, and whose investment period had ended, was to support the creation, growth and capitalization of cooperatives in Québec. CRCD and other partners, including three from the cooperative sector, had made commitments totalling \$89.9 million. CRCD has a 94.6% interest in the Essor et Coopération fund. Since the fund's inception, CRCD has disbursed \$57.2 million of its total commitment of \$85 million. As at June 30, 2025, despite the close of the investment period, CRCD maintained a commitment of \$13.7 million which will be used for reinvestment and to pay the fund's operating expenses until its winding-up. As at June 30, 2025, Essor et Coopération had committed \$28.1 million in 22 cooperatives.
- CRCD is also the joint sponsor of the Desjardins-Innovatech S.E.C. fund (DI) with the Economic Development Fund. Initially, DI undertook 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 \$0.1 million was disbursed during the first six-months of 2025 for a total disbursement of \$3.9 million. This note does not affect the units held by CRCD in this fund. DI continues to support companies, especially those that use technological innovations or that capitalize on new uses of technologies. As at June 30, 2025, DI had made commitments of \$39.4 million to support a total of 27 companies and funds.

- The Capital croissance PME II s.e.c. (CCPME II) fund, created in 2014 and whose investment period has closed, had an investment policy similar to that of the DCPME fund, which is to make capital available to Québec companies. CRCD and the Caisse de dépôt et placement du Québec, as sponsors of the fund, had originally agreed to invest, on a 50/50 basis, a total amount of \$320 million. During fiscal 2023, the original fund, Capital croissance PME s.e.c. (CCPME), transferred all its investments and the balance of its undisbursed committed funds to CCPME II and was subsequently wound up. As at June 30, 2025, CRCD had disbursed \$154.8 million of its total commitment of \$165 million to the CCPME II fund. Since its inception, the CCPME II fund has committed \$275.4 million to 240 companies. The funds committed but not disbursed will be used for reinvestments and to pay the operating expenses of CCPME II until its scheduled winding-up. A total of 45 companies and funds benefited from \$32.9 million committed by the CCPME II fund as at June 30, 2025.

In total, as at June 30, 2025, CRCD and its ecosystem supported the growth of 707 companies, cooperatives and funds in various industries spanning all Québec regions with commitments of \$2,184.4 million. Of that total, 39 cooperatives benefited from commitments of \$125.7 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.

The investment profiles related to investments impacting the Québec economy are as follows:

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

Return by investment profile

	As at June 30, 2025			
	Average assets	Weighting	Non-annualized	Non-annualized
	under management		return	contribution
	(\$M)	(%)	6 months	6 months
			(%)	(%)
Debt	518	19.5	2.5	0.5
Equity	1,067	40.2	1.0	0.4
External funds	67	2.5	8.3	0.2
Startups and technological innovations	281	10.7	(4.6)	(0.5)
Investment profiles subtotal	1,933	72.9	0.8	0.6
Other asset items held by ecosystem funds	15	0.6	4.6	—
Ecosystem total	1,948	73.5	0.8	0.6

As at June 30 2024

	Average assets under management (\$M)	Weighting (%)	Non-annualized return 6 months (%)	Non-annualized contribution 6 months (%)
Debt	540	21.5	3.0	0.7
Equity	969	38.6	4.5	1.7
External funds	62	2.5	(3.8)	(0.1)
Startups and technological innovations	266	10.6	(2.1)	(0.3)
Investment profiles subtotal	1,837	73.2	2.8	2.0
Other asset items held by ecosystem funds	10	0.4	1.0	—
Ecosystem total	1,847	73.6	2.8	2.0

The 0.8% non-annualized return of the investments impacting the Québec economy portfolio for the first six months of 2025 stemmed mainly from the under-performance of the Equity and Startups and technological innovations investment profiles compared with the corresponding period in 2024. The companies in the Equity profile were weakened by the persistent economic uncertainty amplified by, among others, the ongoing trade war with the United States. The Startups and technological innovations profile continues to feel the effect of the investors' low appetite for startup companies in the technology sector. Although slightly down compared with the corresponding period of 2024, mainly due to an additional provision for a significant investment in the portfolio, the Debt profile benefited from solid current revenue and the relative stability of corporate rates.

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, Canadian equity funds, real estate funds, an infrastructure funds and a market-neutral equity strategy fund. The other investments portfolio provides stable current revenue for CRCD and ensures sound diversification.

As at June 30, 2025, CRCD's other investments portfolio, including cash but excluding foreign exchange contracts and the bank overdraft, totalled \$638.5 million (\$767.8 million as at December 31, 2024) and consisted of the following:

Other investments portfolio

	As at June 30, 2025		As at December 31, 2024	
	Fair value (\$M)	% of portfolio	Fair value (\$M)	% of portfolio
Cash and money market instruments	17.6	2.7	83.7	10.8
Bonds	268.7	42.1	352.2	45.9
Canadian equity funds	74.0	11.6	64.2	8.4
Real estate funds	111.6	17.5	111.3	14.5
Infrastructure funds	74.6	11.7	70.5	9.2
Market neutral equity funds	92.0	14.4	85.9	11.2
Market-neutral equity strategy fund				
Listed securities	—	—	4.1	0.5
Obligations related to securities sold short	—	—	(4.1)	(0.5)
Portfolio total	638.5	100.0	767.8	100.0

During the first six months of 2025, the equity holdings and short sale positions, managed on a discretionary basis as part of a market-neutral equity strategy, were entirely divested.

As at June 30, 2025, 99.5% of portfolio bond securities were government guaranteed (83.7% as at December 31, 2024). This increase from December 31, 2024, is explained by the sale of corporate securities during the first six months of 2025 to invest in the investments impacting the Québec economy portfolio.

The other investments portfolio accounted for 24.0% of total net assets as at June 30, 2025 (28.2% as at December 31, 2024). This decrease results from the use of money market securities and a portion of the bonds to invest in the investments impacting the Québec economy portfolio. CRCD aims to maintain an overall asset allocation of approximately 30% in fixed-income securities and market-neutral equity strategy funds. Changes are made to the other investments portfolio from time to time to adjust to changes in the investments impacting the Québec economy portfolio.

Contribution generated by other investments

(in thousands of \$)	Six months ended June 30, 2025	Six months ended June 30, 2024
Revenue	7,897	8,746
Gains and losses	6,823	(1,659)
Total	14,720	7,087

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.

The \$0.8 million decrease in current revenue for the first six months of 2025 compared with the corresponding period in 2024 resulted from lower effective interest rates on bonds, combined with a lower volume of securities.

Gains of \$6.8 million in the first six months of 2025 stemmed mainly from the following financial assets:

- Bonds recorded a decline in value of \$7.4 million, essentially due to higher long-term Canadian bond rates during the period.
- The Canadian equity funds, the infrastructure fund, the market-neutral equity strategy fund and the divested neutral strategy generated gains (losses) of \$8.0 million, \$4.0 million, \$4.7 million and \$(0.1) million, respectively, during the period.
- Real estate funds recorded a loss of \$2.4 million, mainly caused by the impact of foreign exchange rates. This loss is offset by distributions received of \$2.3 million recorded under Revenue.

The financial asset management strategy is designed to use the other investments portfolio to provide a balanced overall profile and limit volatility in periods of substantial market turbulence or unfavourable events at partner companies.

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 to alter 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. CRCD's share capital now comprises three classes of shares: Class A "Issuance", Class B "Exchange" and Class C "Issuance". Class A shares were issued to raise capital until February 28, 2025, and were replaced by Class C shares as of March 1, 2025. Class B shares, whose program ended on February 28, 2023, offered shareholders who would defer the redemption of their eligible shares for seven years the option to take advantage of a new tax credit.

For the 2024 issue of Class A "Issuance" shares, CRCD had been given the right to issue \$125 million in shares and grant a 30% tax credit. In its 2025-2026 Budget tabled on March 25, 2025, the Minister of Finance of Québec authorized CRCD to raise a maximum annual amount of \$150 million in Class C "Issuance" shares and set the tax credit rate at 25%. For subsequent issuances up to February 28, 2030, the maximum annual amount that CRCD is authorized to raise will be increased by \$5 million per year to \$170 million for the 2029 issuance. In addition, to drive shareholder renewal while ensuring the accessibility of the product, the government introduced a lifetime subscription limit of \$45,000 per shareholder on the cost of personally acquired shares.

The maximum annual subscription was increased from \$3,000 to \$5,000 per investor for the 2025 issue, for a tax credit of \$1,250.

For Class A “Issuance” shares and Class B “Exchange” shares, the minimum holding period for CRCD shares before a shareholder would normally be eligible for a redemption is seven years to the day from the date of purchase or exchange. Class C “Issuance” shares must be held for a minimum period of seven (7) years and be redeemed no later than the last day of February of the capitalization period comprising the date of their 14th anniversary of holding. 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 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. No special tax was paid for the first six months of 2025 and fiscal 2024.

As at June 30, 2025, CRCD had \$1,983.5 million in share capital (\$2,024.2 million as at December 31, 2024) for 142,745,222 common shares outstanding (146,225,674 as at December 31, 2024).

During the first six months of 2025, CRCD raised \$1.5 million in Class A “Issuance” shares, which was the remaining balance of the 2024 issue.

In the first six months of 2025, redemptions of common shares totalled \$65.7 million compared with \$55.1 million in the corresponding period in 2024.

As at June 30, 2025, the balance of shares eligible for redemption amounted to \$1,193.2 million. During the second six-month period of 2025, additional shares valued at \$174.6 million will become eligible for redemption, bringing total potential redemptions to \$1,367.8 million. This balance will be reduced by the amount of shares that will be redeemed during the second six-month period of 2025.

As at June 30, 2025, shareholders numbered 109,222 compared with 110,546 as at December 31, 2024.

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, 2025	Six months ended June 30, 2024
Management fees	13,874	14,740
Other operating expenses	5,535	5,112
Shareholder services	5,448	5,339
Total	24,857	25,191

CRCD has entrusted the management of its operations, including the management of its investments impacting the Québec economy portfolio and its other investments portfolio, to Desjardins Capital, pursuant to the terms of a management agreement concluded between them. Under this agreement, CRCD pays Desjardins Capital management fees equivalent to a maximum rate of 1.75% of CRCD’s annual average assets’ value, after deducting 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 interests in other investment funds, whether in the investments impacting the Québec economy portfolio or in other investments. Desjardins Capital 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 Desjardins Capital, in particular in relation to the growth in CRCD’s assets. Such a downward adjustment of \$4.0 million was made for the six-month period ended June 30, 2025. The negotiation fees from the portfolio companies are earned by Desjardins Capital, and the management fees CRCD is required to pay are reduced by an equivalent amount. Management fees decreased by \$0.9 million compared with the corresponding period in 2024. This decrease is attributable to the increase in CRCD’s interest in one of its ecosystem funds compared with the corresponding period of the prior year, which led to an increase in the management fee adjustment made to avoid double billing relative to CRCD’s interest in other investment funds.

Expenses related to shareholder services remained relatively stable compared with the corresponding period in 2024. The main expense related to shareholder services was the compensation paid by CRCD to the Desjardins caisses for all shareholder advisory services, determined annually based on CRCD's net assets.

The majority of the services provided to CRCD are provided by Desjardins Group entities, namely the management and operation of CRCD, management and distribution of shares, registrar services and custodial services. With the exception of the management agreement with Desjardins Capital, these agreements have been amended and recast with an agreement date of January 1, 2023.

Income tax expense amounted to \$0.8 million for the first six months of 2025 compared with a \$0.6 million expense for the first six months of 2024. The nature of the income has a significant impact on the income tax expense since, unlike interest income, dividends are generally not taxable and capital gains are eligible for tax deductions and refund mechanisms. For the purposes of the *Québec Taxation Act*, CRCD is not taxed on its capital gains since, in calculating its tax payable, it benefits from a deduction to its taxable income corresponding to its taxed capital gains for the year. CRCD's strategy is to optimize the after-tax return taking into account these rules.

LIQUIDITY AND CAPITAL RESOURCES

For the six-month period ended June 30, 2025, cash outflows from share issues net of redemptions amounted to \$64.2 million (net cash outflows of \$55.1 million for the corresponding period in 2024). For the same six-month period, operating activities combined with investing activities generated net cash inflows of \$16.6 million (net cash inflows of \$21.0 million for the corresponding period in 2024). After including disbursements and proceeds from disposals from investments impacting the Québec economy, CRCD reported net cash outflows of \$77.8 million in the first six months of 2025 (net cash inflows of \$31.4 million in the corresponding period in 2024). The other investments portfolio reported net cash inflows of \$112.9 million for the first six months of 2025 (net cash outflows of \$4.6 million for the corresponding period in 2024).

As at June 30, 2025, cash and cash equivalents represented a net bank overdraft of \$3.8 million (\$43.7 million as at December 31, 2024).

CRCD had an authorized line of credit of \$300 million as at June 30, 2025. This line of credit was used during the first six months of 2025 to bridge the gap between cash inflows and outflows, especially for investments impacting the Québec economy. As at June 30, 2025, \$21.5 million was drawn on the operating credit facility (the facility was undrawn as at December 31, 2024). For the first six months of 2025, the average balance for the operating credit facility was \$7.2 million (\$4.4 million for the first six months of 2024). Although CRCD could have disposed of sufficient other investments to avoid using the credit facility, CRCD plans to draw on it, as needed, to maintain a sound allocation of its assets, and to avoid having to make disposals under potentially unfavourable conditions.

CRCD does not anticipate any shortfall in liquidity in the short or medium term and expects to be able to redeem eligible shares for those shareholders who make such a request.

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

On the initiative of Desjardins Group, CRCD was founded on the July 1, 2001 under the *Act constituting Capital régional et coopératif Desjardins* adopted by Québec's National Assembly. Its affairs are managed by its manager, Desjardins Capital.

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

4.3 Governance

BOARD OF DIRECTORS

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

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.

4.4 Risk management

PRACTICES AND POLICIES

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 THE READER

The following sections regarding market risks, credit and counterparty risks, concentration risks and liquidity risks have been reviewed by CRCD's independent auditor as part of the audit of the separate financial statements concerning which an independent auditor's report was issued on August 14, 2025.

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 rates 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, real estate funds and infrastructure 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, 2025, was \$724.2 million (\$921.9 million as at December 31, 2024). 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.

CRCD held no money market instruments as at June 30, 2025 (\$74.1 million as at December 31, 2024). These instruments are not valued based on changes in interest rates, given their very short maturities.

Bonds with a fair value of \$268.7 million (\$352.2 million as at December 31, 2024) are directly affected by changes in interest rates. A 1% increase in interest rates would have resulted in a decrease of \$40.4 million in net earnings, representing a 1.5% decrease in CRCD's share price as at June 30, 2025 (\$45.9 million for 1.7% as at December 31, 2024). Similarly, a 1% decrease in interest rates would have had the opposite effect, resulting in a \$49.2 million increase in net earnings, representing a 1.8% increase in the share price (\$54.3 million for 2.0% as at December 31, 2024). CRCD's financial asset management strategy aims to diversify the portfolio securities, thereby limiting exposure to long-term bonds. Given that the duration of the bond portfolio is based on CRCD's tolerance of the impact of a rise in interest rates on its financial results, this limits the loss in such a situation.

Real estate funds and infrastructure funds with fair values of \$111.6 million and \$74.6 million, respectively, as at June 30, 2025 (\$111.3 million and \$70.5 million as at December 31, 2024) may also be affected by interest rate fluctuations. However, unlike bonds, there is no direct correlation between interest rate fluctuations and changes in the fair value of these classes of assets.

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 \$435.0 million (\$468.1 million as at December 31, 2024), are not sensitive to changes in interest rates. Conversely, the other loans and advances and preferred shares included in the portfolio, totalling a fair value of \$269.4 million (\$313.7 million as at December 31, 2024), 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 \$4.7 million decrease in net earnings, representing a 0.2% decrease in CRCD's share price (\$5.9 million for 0.2% as at December 31, 2024). A 1% decrease in interest rates would have had the opposite effect, resulting in a \$4.8 million increase in net earnings, representing a 0.2% increase in CRCD's share price (\$6.1 million for 0.2% as at December 31, 2024).

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 stock market trends.

As at June 30, 2025, Canadian equity funds, valued at \$74.0 million (\$64.2 million as at December 31, 2024), 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 \$7.4 million increase or decrease in net earnings, representing a 0.3% increase or decrease in CRCD's share price (\$6.4 million for 0.2% as at December 31, 2024).

The market-neutral equity strategy fund, valued at \$92.0 million at June 30, 2025 (\$85.9 million as at December 31, 2024), does not have a significant exposure to stock market fluctuations as it minimizes market risk. As such, 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 \$18.9 million (\$14.2 million as at December 31, 2024). Accordingly, for these investments, a 10% increase or decrease in the quoted market prices of listed equities would have resulted in a \$1.9 million increase or decrease in net earnings, representing a 0.1% increase or decrease in CRCD's share price (\$1.4 million for 0.1% as at December 31, 2024).

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 portfolio, assets whose values fluctuate due to changes in foreign exchange rates represented a fair value of \$106.2 million or 4.0% of net assets as at June 30, 2025, compared with \$121.8 million or 4.5% of net assets as at December 31, 2024.

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, 2025, CRCD held a foreign exchange contract under which it will be required to deliver US\$56.5 million (US\$57.5 million as at December 31, 2024), at the rate of CAD/USD 1.3586 as at December 31, 2025 (CAD/USD 1.4308 as at December 31, 2024), as well as two foreign exchange contracts under which it will be required to deliver €0.5 million at the rate of CAD/EUR 1.5967 on July 3, 2025, and €19.2 million at the rate of CAD/EUR 1.6092 on December 31, 2025, compared with €20.4 million at the rate of CAD/EUR 1.5066 as at December 31, 2024. As at June 30, 2025, CRCD had no collateral on its foreign exchange contracts (\$2.0 million as at December 31, 2024).

As at June 30, 2025, the net exposure of CRCD's investments impacting the Québec economy portfolio and accounts receivable to foreign currencies was \$2.5 million (\$8.8 million as at December 31, 2024). Any fluctuation in the Canadian dollar will therefore not have a significant impact on CRCD's results.

For the other investments portfolio, the net exposure of investments to foreign currencies amounted to \$80.7 million (\$76.0 million as at December 31, 2024). Accordingly, a 10% decrease (increase) in value of the Canadian dollar relative to all other foreign currencies would have resulted in a \$8.1 million increase (decrease) in net earnings, representing a 0.3% increase (decrease) in CRCD's share price (\$7.6 million for 0.3% as at December 31, 2024).

CREDIT AND COUNTERPARTY RISK

In pursuing its investments impacting the Québec economy activities, 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.

To comply with eligibility requirements for investments impacting the Québec economy, CRCD generally does not require collateral to limit the credit risk on its loans.

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 the suretyship. As at June 30, 2025, the breakdown of risk ratings showed a decrease in the proportion of investments impacting the Québec economy ranked "High risk and insolvent". This decrease was mainly attributable to the improvement of the risk rating of certain companies with a more significant fair value weight compared to the portfolio as a whole.

Investments impacting the Québec economy, except those carried out through funds, are updated regularly and ranked by risk from 1 to 10, mostly based on the criteria defined by Moody's CreditLens tool.

Risk ratings for investments impacting the Québec economy in the form of funds are based on a number of criteria specific to this asset class. Most of these investments 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 investments impacting the Québec economy, ranked by risk (fair value amounts):

Rating	As at June 30, 2025		As at December 31, 2024		
	(in thousands of \$)	(in %)	(in thousands of \$)	(in %)	
1 to 6.5	Low to acceptable risk	1,814,883	91.5	1,625,301	85.3
7 to 9	At risk	129,325	6.5	195,242	10.2
10	High risk and insolvent	39,585	2.0	84,869	4.5
Total		1,983,793	100.0	1,905,412	100.0

Furthermore, CRCD is exposed to credit risk on financial instruments not recognized in assets, which are funds committed but not disbursed, including the suretyship, 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 the suretyship, as at the reporting date:

Rating	As at June 30, 2025		As at December 31, 2024		
	(in thousands of \$)	(in %)	(in thousands of \$)	(in %)	
1 to 6.5	Low to acceptable risk	157,431	92.1	285,643	91.6
7 to 9	At risk	7,342	4.3	20,666	6.6
10	High risk and insolvent	6,233	3.6	5,495	1.8
Total		171,006	100.0	311,804	100.0

For bonds, which represented 43.3% of the fair value of the other investments portfolio (46.4% as at December 31, 2024), credit risk is managed by diversification across numerous issuers with credit ratings as follows:

Rating ⁽¹⁾	As at June 30, 2025		As at December 31, 2024	
	(in thousands of \$)	(in thousands of \$)	(in thousands of \$)	(in thousands of \$)
AAA	90,276		116,633	
AA	169,067		206,198	
A	9,363		29,353	
Total	268,706		352,184	

⁽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 values of assets and funds committed but not disbursed, including the suretyship):

	As at June 30, 2025		As at December 31, 2024	
	% of portfolio	% of net assets	% of portfolio	% of net assets
Investments impacting the Québec economy ⁽¹⁾	36.6	29.6	35.4	28.8
Other investments ⁽²⁾	63.0	14.7	58.9	16.5

⁽¹⁾ CRCD's interest in the ecosystem funds accounted for 59% (59% as at December 31, 2024) 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 36% and 64%, respectively (48% and 52% as at December 31, 2024) 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, as at June 30, 2025, at least 50% of its investments must be made in eligible cooperatives or in companies located in Québec regions, outside the Montréal and Québec metropolitan communities. The performance of this portfolio therefore depends heavily on economic conditions in Québec. As at June 30, 2025, the investments impacting the Québec economy portfolio represented 74.6% of net assets (70.1% as at December 31, 2024).

Note that in its 2023-2024 Budget, the Québec government announced a review of the intervention frameworks and investment requirements for tax-advantaged funds in order to change the eligibility rules, with effect from January 1, 2024.

CRCD has adopted a *Global Financial Asset Management Policy* and investment guidelines to govern the holding of foreign securities within the other investments portfolio. As at June 30, 2025, the other investments portfolio included a portion of foreign securities resulting primarily from its interest in real estate and infrastructure funds and comprised 87.4% of Canadian securities (90.1% as at December 31, 2024). Other investments portfolio performance therefore depends heavily on economic conditions in Canada. As at June 30, 2025, the other investments portfolio represented 24.0% of net assets (28.2% as at December 31, 2024).

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, 2025, bond securities represented 10.1% of net assets (12.9% as at December 31, 2024).

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

LIQUIDITY RISK

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 target liquid investments that should represent approximately 20% of assets under management, CRCD can confirm that liquidity risks are adequately covered. Furthermore, a credit facility has been put in place to provide greater

leeway in cash management in order to maintain some flexibility for CRCD's current operating financing requirements. This credit facility was used in the first six months of 2025 to bridge the gap between disbursements and disposals of investments impacting the Québec economy.

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.

5.0 Recent events

In its 2025-2026 Budget, the Québec government announced new capitalization terms and conditions for CRCD. More specifically, they authorize the issuance of an amount of \$150 million for the next subscription period, which will be from March 1, 2025, to February 28, 2026. This issuance will include a mandatory holding period for a minimum of 7 years and a maximum of 14 years and give rise to a 25% tax credit. For more details, see the Subscription section.

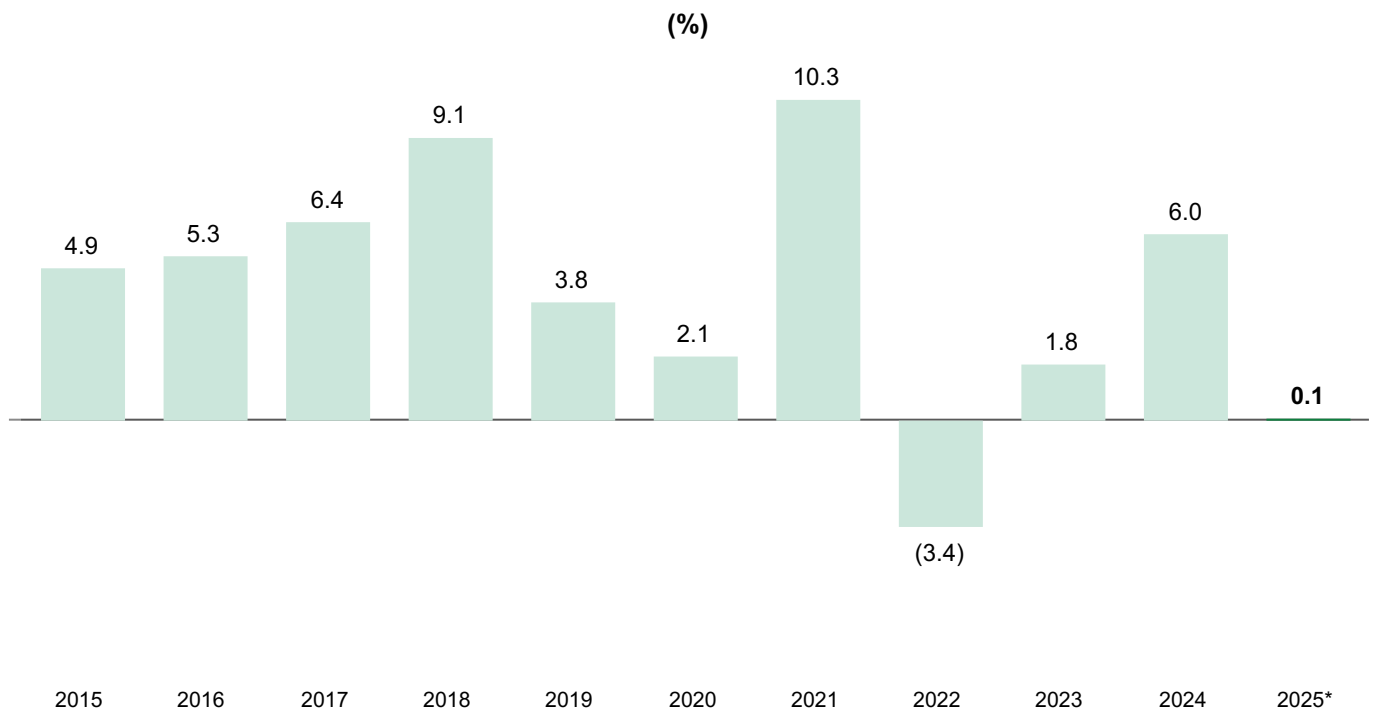
The introduction of certain tariffs on Canadian products by the US administration continues to create a climate of uncertainty in the market, due in particular to the unpredictability surrounding the outcome of the ongoing negotiations. This situation, which already had an impact on the results for the six-month period, could also have an impact on our partner companies over the longer term that potentially could, in turn, affect CRCD's financial condition, profitability and results of operations. The developments from the negotiations are constantly under watch and the investments impacting the Québec economy portfolio is closely monitored.

6.0 Past performance

This section presents 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 the six-month period ended June 30, 2025. 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, 2025

6.2 Compounded return of the common share as at June 30, 2025

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
4.3%	3.5%	4.4%	2.7%	4.9%

7.0 Portfolio summary

7.1 Core investment profiles

As at June 30, 2025, 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	19.7
Equity	41.4
External funds	2.6
Startups and technology innovations	10.2
Other asset items held by ecosystem funds	0.7
Total - Investments impacting the Québec economy	74.6
OTHER INVESTMENTS	
Cash and money market instruments	0.7
Bonds	10.1
Canadian equity funds	2.7
Real estate funds	4.2
Infrastructure funds	2.8
Market neutral equity funds	3.5
Total - Other investments	24.0

* Including foreign exchange contracts

Net assets are made up of 97.8% of investment profiles listed above and 2.2% of other asset items.

7.2 Main investments held

As at June 30, 2025, on a fair value basis, the issuers of the 25 main investments held by CRCD were as follows:

Issuers as at June 30, 2025	% of net assets
Investments impacting the Québec economy – 16 issuers*	45.0
CC&L Q Market Neutral Fund	3.5
Fiera Properties CORE Fund	3.1
DGAM Global Private Infrastructure Fund	2.8
Government of Canada	2.8
Province of Ontario	2.6
Province of Québec	2.5
Fidelity Canadian Low Volatility Equity Institutional Trust	1.4
BMO Low Volatility Equity ETF	1.3
Invesco Global Direct Real Estate Feeder Fund	1.1

*** The 16 issuers which collectively represent 45% of CRCD's net assets are as follows:**

9388-7628 Québec inc.
 Agropur Cooperative
 Avjet Holding inc.
 DC Immo 1ère S.E.C.
 Desjardins Capital PME s.e.c.
 Exo-s inc.
 Fonds Qscale s.e.c.
 Forages Technic-Eau inc.
 Fournier Group Holding inc.
 Groupe Canmec inc.
 Groupe Filgo inc.
 Groupe Solotech inc.
 Investissement Groupe Champlain RPA, S.E.C.
 Norbec Group inc.
 SJM Group inc.
 Sollio Groupe Coopératif

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

August 14, 2025

8.0 Management's report

August 14, 2025

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 separate 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 separate financial statements and that the assets are properly accounted for and safeguarded.

Furthermore, the Desjardins Group Relations director and the 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 *Regulation respecting Development Capital Investment Fund Continuous Disclosure* and have confirmed the reasonableness of the aggregate fair value of the investments impacting the Québec economy portfolio.

The Board of Directors fulfills its responsibility for the separate 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 separate financial statements, discuss the audit and other related matters and make appropriate recommendations to the Board of Directors. The Committee also analyzes the Management's Discussion and Analysis to ensure that the information therein is consistent with the separate financial statements.

The separate financial statements present the financial information available as at June 30, 2025. Prepared in accordance with *International Financial Reporting Standards* (IFRS Accounting Standards) 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's Discussion and Analysis. The financial information presented elsewhere in this report is consistent with CRCD's separate financial statements.

(signed) Frédéric Deschênes

Chief Financial Officer