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 significant 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 asset class represent CRCD's 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 date of this MD&A.

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, Montreal, Quebec 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 Recent events

1.1 New business model

CRCD, in collaboration with its manager Desjardins Capital Management Inc. ("Desjardins Capital"), implemented its new business model on January 1, 2026. This strategic shift allows CRCD to continue to fully play its role in the Quebec entrepreneurial ecosystem by meeting the needs and expectations of its shareholders, while increasing the resources available to support the growth and sustainability of local businesses.

SHIFT TO AN INDIRECT INVESTMENT MODEL

CRCD now carries out all of its development capital investment (formerly known as "investments impacting the Quebec economy") activities exclusively through indirect means by investing in private partner funds managed by Desjardins Capital. The mission of these funds is to support economic development in Quebec by fostering the growth of businesses from various sectors across the province. They make direct investments in Quebec businesses and in external private funds managed by other managers.

The changes to the business model do not affect how the other investments portfolio is managed.

Since January 1, 2026, CRCD has deployed its development capital investments mainly in the following three partner funds, each of which having a distinct investment strategy that targets specific sectors or asset classes:

- Desjardins Capital Appui PME S.E.C., a fund exclusively dedicated to CRCD, aimed at supporting Quebec SMEs by making mainly development capital investments in businesses whose revenues are less than $30 million at the time of the initial investment, as well as venture capital investments, along with investments in collective entrepreneurship and external private funds.

- Desjardins Capital Private Debt L.P. (formerly known as Desjardins Capital PME, s.e.c.), a fund created in 2018 in which CRCD and other institutional investors have invested. This fund's investment thesis has shifted as at January 1, 2026 to supporting Quebec businesses whose revenues are $30 million or more at the time of the initial investment by offering them mainly development capital financing in the form of debt.

- Desjardins Capital Private Equity L.P., an equity-dedicated fund in which other institutional investors may invest alongside with CRCD, aimed at supporting Quebec businesses whose revenues are $30 million or more at the time of the initial investment by offering them mainly financing in the form of a minority or majority interest in the development capital shareholding.

In the future, CRCD may also invest in any other partner fund set up and managed by Desjardins Capital, provided it meets CRCD's needs and objectives in terms of development capital investments. Following is an overview of the development capital investments portfolio as at June 30, 2026:

(in thousands of $)	June 30, 2026
Fund units – Desjardins Capital Appui PME S.E.C.	**817,790**
Fund units – Desjardins Capital Private Debt L.P.	**440,231**
Fund units – Desjardins Capital Private Equity L.P.	**642,963**
Fund units – Other partner funds	**68,679**
Note	**1,638**
Total	**1,971,301**

For further details, refer to note 11 – Development capital investments, in CRCD's separate financial statements.

To implement the new business model, the investments in companies, cooperatives and external funds included in CRCD's development capital investments portfolio were transferred at fair value as of January 1, 2026, to the two new partner funds as follows, in exchange for an interest in these funds equal to the value of the investments transferred:

- Development capital investments in the form of equity in businesses whose revenues are $30 million or more as at December 31, 2025 were transferred to the Desjardins Capital Private Equity L.P. fund, except for investments in businesses with a risk rating of 10 (High risk and insolvent), which were transferred to the Desjardins Capital Appui PME S.E.C. fund.

- All other direct investments included the CRCD's development capital investments portfolio were transferred to the Desjardins Capital Appui PME S.E.C. fund.

	Fair value		
(in thousands of $)	December 31, 2025	Transfer	January 1, 2026
Common shares	**813,978**	**(813,978)**	**—**
Preferred shares	**276,043**	**(276,043)**	**—**
Fund units – Desjardins Capital Appui PME S.E.C.	**—**	**931,827**	**931,827**
Fund units – Desjardins Capital Private Debt L.P.	**424,503**	**—**	**424,503**
Fund units – Desjardins Capital Private Equity L.P.	**—**	**577,459**	**577,459**
Fund units – Other partner funds	**69,817**	**—**	**69,817**
Fund units – External funds	**69,423**	**(69,423)**	**—**
Loans and advances	**349,842**	**(349,842)**	**—**
Note	**1,905**	**—**	**1,905**
Total	**2,005,511**	**—**	**2,005,511**

The transfer of these investments has no impact on shareholders or the share price.

In addition to promoting a better alignment with the investment fund sector practices, the new business model optimizes CRCD's ability to support the Quebec entrepreneurial ecosystem. It also clarifies the roles and responsibilities of CRCD as investment fund and Desjardins Capital as manager.

FEE STRUCTURE

As a result of the strategic shift of the business model, the fee structure was also adjusted. Although the method used to calculate the total fees paid by CRCD to Desjardins Capital, in effect since January 1, 2026, has changed, the management and administration fees it pays to Desjardins Capital remain capped at 1.75% of CRCD's average assets' value for fiscal 2026 and 2027. In calculating the maximum cap, any liabilities related to development capital investments and other investments are deducted from the average assets' value, and an adjustment is made to avoid double billing relative to CRCD's interests in other investment funds, whether in the development capital investments portfolio or in the other investments portfolio.

Under the new fee structure, CRCD, as a limited partner in the partner funds managed by Desjardins Capital, assumes management fees in proportion to its interest in each of these funds based on market-comparable rates for each fund. These management fees are paid for services provided by Desjardins Capital as manager of these funds. They also include fees based on the performance of each fund. These management fees include IT development and maintenance costs related to managing these funds and are deducted from each of the fund's returns.

CRCD also pays Desjardins Capital administration fees for services it provides as an investment fund manager to meet CRCD's needs with respect to managing operations, financial strategies, assets, share ownership, risk, capitalization, shareholder relations, governance and reporting. These administration fees include IT development and maintenance costs related to these services and are included in CRCD's operating expenses.

GOVERNANCE

With the implementation of the new business model, CRCD's governance was also adjusted with respect to managing and monitoring the development capital investments portfolio. As CRCD no longer holds direct investments in companies, cooperatives or external funds since January 1, 2026, Desjardins Capital is now responsible for selecting and authorizing such investments on behalf of the partner funds. As a result, Desjardins Capital created an investment committee that is responsible for approving the investments made by each of the funds it manages.

Consequently, CRCD's Development Capital Investment Committee and Venture Capital Investment Committee, which were active up to December 31, 2025, were merged with the Financial Asset Management Committee. Since January 1, 2026, this unified structure has been referred to as the Investment and Financial Asset Management Committee.

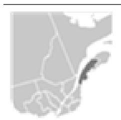
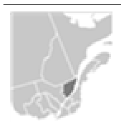
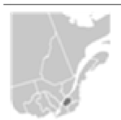
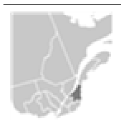
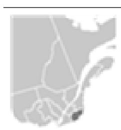
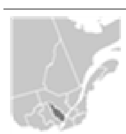
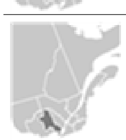
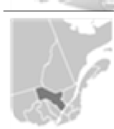
Using the same logic, CRCD's Portfolio Valuation Committee was transferred under the responsibility of Desjardins Capital on March 1, 2026, with the same mandate. Two representatives designated by CRCD sit on this Committee as observers.

2.0 Highlights

CRCD now carries out all of its development capital investment activities exclusively through indirect means by investing in private partner funds managed by Desjardins Capital. Each partner fund having a specific mission, this approach enables CRCD to leverage its resources by raising capital from various partners, thereby enhancing its positive impact on Quebec's economic development. It is with this business model that CRCD pursues its mission of supporting the growth and sustainability of local flagships.

2.1 Commitments throughout Quebec

CRCD and its ecosystem[1] make a real contribution to the economic development of the regions. As at June 30, 2026, the funds committed per region were as follows:

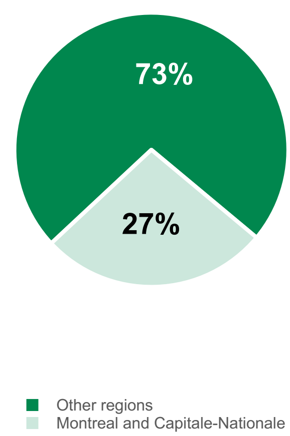
	**ABITIBI-TÉMISCAMINGUE**	**$24M** →	**31** companies
		$0.7M →	**2** cooperatives
	**BAS-SAINT-LAURENT**	**$54M** →	**34** companies
		$0.1M →	**1** cooperative
	**CAPITALE-NATIONALE**	**$230M** →	**70** companies
		$4M →	**7** cooperatives
	**CENTRE-DU-QUÉBEC**	**$73M** →	**26** companies
		$1M →	**2** cooperatives
	**CHAUDIÈRE-APPALACHES**	**$161M** →	**53** companies
		$0.4M →	**2** cooperatives
	**CÔTE-NORD**	**$2M** →	**5** companies
		$0.3M →	**1** cooperative
	**ESTRIE**	**$94M** →	**51** companies
		$6M →	**3** cooperatives
	**GASPÉSIE – ÎLES-DE-LA-MADELEINE**	**$11M** →	**12** companies
		$0.9M →	**1** cooperative
	**LANAUDIÈRE**	**$27M** →	**15** companies
		$5M →	**1** cooperative
	**LAURENTIDES**	**$36M** →	**16** companies
	**LAVAL**	**$93M** →	**10** companies
		$0.2M →	**1** cooperative
	**MAURICIE**	**$25M** →	**10** companies
		$0.5M →	**1** cooperative
	**MONTÉRÉGIE**	**$308M** →	**61** companies
		$40M →	**4** cooperatives
	**MONTRÉAL**	**$546M** →	**89** companies
		$6M →	**6** cooperatives
	**NORD-DU-QUÉBEC**	**$5M** →	**17** companies
	**OUTAOUAIS**	**$8M** →	**12** companies
		$0.4M →	**1** cooperative
	**SAGUENAY–LAC-SAINT-JEAN**	**$93M** →	**50** companies
		$1M →	**4** cooperatives
	OUTSIDE QUEBEC (ex Europe)	**$5M** →	**5** companies
	EUROPE	**$26M** →	**10** companies
	FUNDS	**$121M** →	**27** funds

IN TOTAL

641
COMPANIES, COOPERATIVES AND FUNDS

$2,009M
BENEFITING SMEs

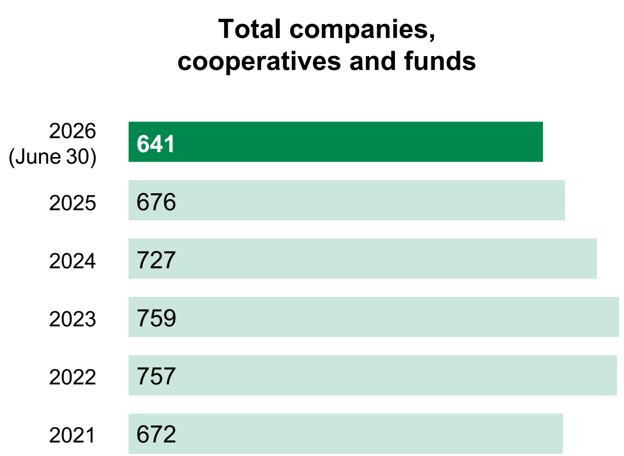
73%
OF COMPANIES AND COOPERATIVES ARE FROM REGIONS OTHER THAN MONTREAL AND CAPITALE-NATIONALE

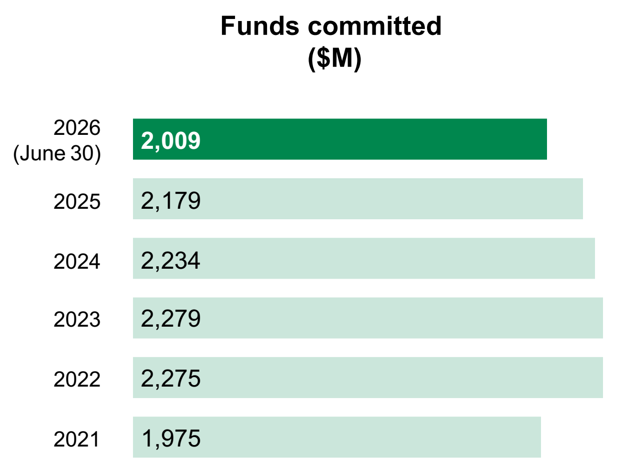


[1] See the "Entrepreneurial ecosystem" section for a detailed description of the main partner funds of the ecosystem.

2.2 CRCD and its ecosystem support companies and cooperatives

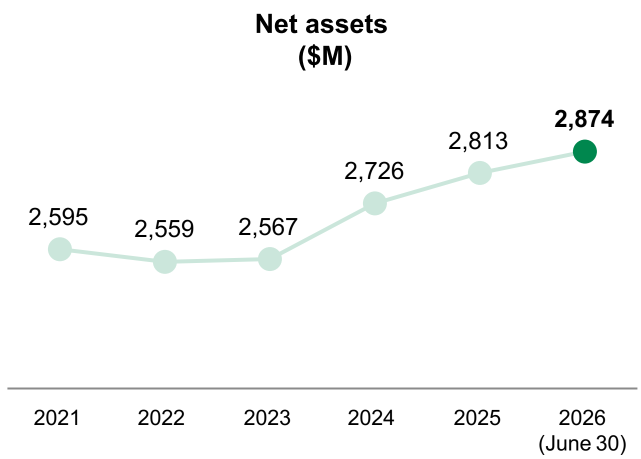
AS AT JUNE 30, 2026 AND DECEMBER 31

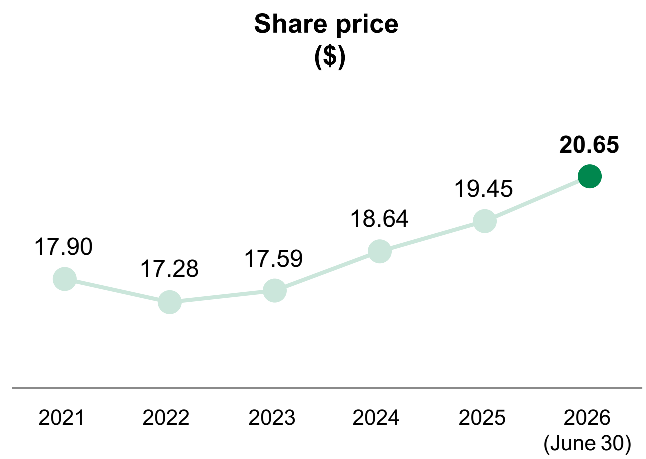


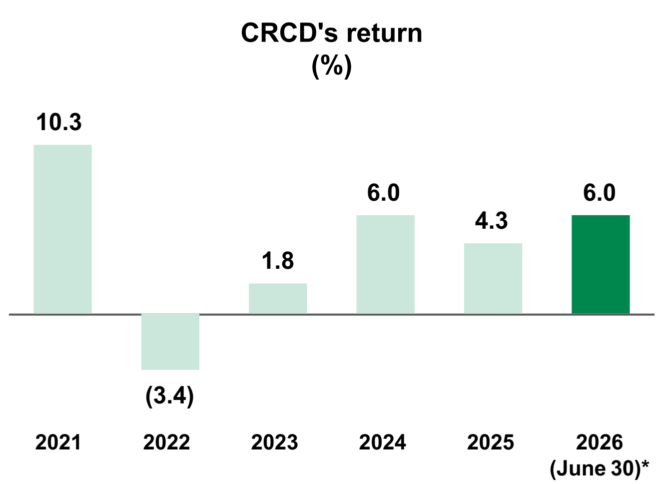


2.3 CRCD financial data

AS AT JUNE 30, 2026 AND DECEMBER 31







* Non-annualized return for the six-month period ended June 30, 2026

3.0 CRCD financial highlights

The following tables 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, 2026. This information is derived from CRCD's separate audited interim and annual financial statements.

3.1 Ratios and supplemental data

(in thousands of $, unless indicated otherwise)	**June 30, 2026 (6 months)**	**Dec. 31, 2025**	**Dec. 31, 2024**	**Dec. 31, 2023**	**Dec. 31, 2022**	**Dec. 31, 2021**
Revenue	**234,030**	121,868	92,079	118,104	97,830	67,951
Gains (losses) on development capital investments and other investments[1]	**(48,976)**	48,220	119,251	(15,986)	(129,518)	212,275
Net earnings (loss)	**164,744**	116,549	153,542	44,627	(87,918)	234,476
Net assets	**2,873,886**	2,812,581	2,725,998	2,566,618	2,559,100	2,594,703
Common shares outstanding (number, in thousands)	**139,199**	144,578	146,226	145,933	148,099	144,959
Total operating expense ratio[1], [2] (%)	**0.7**	1.9	2.0	2.0	2.0	1.8
Portfolio turnover rate:						
– Development capital investments (%)	**—**	13	6	8	8	15
– Other investments (%)	**20**	41	79	51	118	111
Trading expense ratio[3] (%)	**—**	—	—	—	—	—
Number of shareholders (number)	**107,305**	108,882	110,546	111,433	113,690	113,039
Issues of common shares – Class A "Issuance"	**—**	1,522	123,424	59,654	140,088	140,155
Exchanges of common shares – Class B "Exchange"	**—**	—	—	49,885	49,905	99,855
Issues of common shares – Class C "Issuance"	**4,571**	129,412	—	—	—	—
Redemption of common shares	**108,010**	160,900	117,586	96,763	87,773	52,726
Development capital investments at cost	**1,923,113**	1,701,251	1,622,832	1,659,283	1,658,473	1,440,623
Fair value of development capital investments	**1,971,301**	2,005,511	1,905,412	1,842,169	1,938,022	1,796,083
Funds committed but not disbursed[1] including suretyships	**66,526**	191,822	311,804	175,937	222,262	199,130

[1] As mentioned in the "Recent events" section, since January 1, 2026, CRCD has carried out all of its development capital investment activities exclusively through indirect means by investing in private partner funds. Consequently, historical data on the development capital investments portfolio's performance, management fees and funds committed but not disbursed are not directly comparable with the data for the current six-month period. See the various sections of this MD&A for more details.

[2] Total operating expense ratio is calculated by dividing total operating expenses as shown on the separate Statements of Comprehensive Income by net assets 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*.

[3] Trading expenses include brokerage fees and other portfolio transaction costs. These expenses are not material to CRCD.

3.2 Changes in net assets per common share

(in $)	**June 30, 2026 (6 months)**	**Dec. 31, 2025**	**Dec. 31, 2024**	**Dec. 31, 2023**	**Dec. 31, 2022**	**Dec. 31, 2021**
Net assets per common share, beginning of period	**19.45**	18.64	17.59	17.28	17.90	16.22
Increase (decrease) attributable to operations	**0.93**	0.80	1.06	0.31	(0.59)	1.67
Interest, dividends and distributions	**1.43**	0.85	0.64	0.81	0.67	0.48
Operating expenses	**(0.09)**	(0.36)	(0.37)	(0.36)	(0.34)	(0.32)
Income taxes	**(0.07)**	(0.02)	(0.03)	(0.03)	(0.02)	—
Realized gains (losses)	**1.28**	0.18	0.04	0.53	(0.14)	0.34
Unrealized gains (losses)	**(1.62)**	0.15	0.78	(0.64)	(0.76)	1.17
Increase attributable to other income	**0.23**	—	—	—	—	—
Difference attributable to common share issues and redemptions	**0.04**	0.01	(0.01)	—	(0.03)	0.01
Net assets per common share, end of period	**20.65**	19.45	18.64	17.59	17.28	17.90

4.0 Economic conditions

2026 ECONOMIC ENVIRONMENT

Global economy

The outlook for the global economy remained broadly positive during the first half of 2026, despite fears over the conflict in Iran. Indicators from most of the major economies point to continued growth, albeit at a relatively slow pace. The retaliatory tariffs introduced by the United States were ended by a ruling from the Supreme Court, and their replacement by a lower, temporary tariff has benefited countries that export heavily to the U.S. Strong demand for computing products is also supporting international trade. The economic environment has been disrupted by the conflict in Iran, which triggered the most serious oil supply shock in several years, provoking a sudden contraction in global production. These disruptions quickly drove up energy prices worldwide. Although the global economy has become less dependent on oil over the last few decades, the shock has nevertheless led to downward revisions of real GDP growth forecasts for the major economies overseas. However, the easing of tensions, while fragile, should help stabilize the situation, and energy prices have already decreased from their peak in April. Following growth of 3.4% in 2025, global real GDP should increase by 2.9% in 2026 and 3.2% in 2027.

United States

Following weak growth in U.S. real GDP at the end of 2025, largely caused by lower public spending due to the budget deadlock, stronger growth at an annualized rate of 2.1% was recorded in the first quarter of 2026 owing to a recovery in federal spending and new momentum in artificial intelligence investments. The situation was then undermined by the war in Iran and the dramatic surge in gasoline prices. Faced with another rise in the cost of living, U.S. households have shown some resilience, appearing to prefer cutting back on savings rather than on spending. Investments in artificial intelligence will continue to underpin non-residential investment in the short term, although this masks some weakness in other sectors, where investment is generally in decline. Job creation improved in the spring following several fluctuations over much of 2025 and during the winter of 2026. This new trend is expected to continue over the coming quarters, although at a slightly more moderate pace. Rising energy prices quickly drove up the inflation rate to over 4%, but the decline in gasoline prices that followed the peak in May should help slow inflation. Real U.S. GDP is expected to grow by 2.0% in 2026.

Canada

The Canadian economy contracted 0.1% quarter-over-quarter and on an annualized basis in the first quarter of 2026, a result that fell far short of the private-sector consensus and the Bank of Canada's expectations. Although this marked the second consecutive quarter of declining real GDP, we do not believe that the Canadian economy was in recession at the start of the year. In fact, the weakness was concentrated in a few sectors. In order to speak of a recession, the weakness would need to have been generalized across the economy. A return to positive territory is, in fact, expected for the second quarter of 2026. Furthermore, consumption is likely to make a positive contribution to growth, especially since the employment data showed notable gains in May and June. The federal government made a one-off transfer of $3.1 billion to low and middle-income households on June 5, but this measure came late in the quarter, and its impact is likely to be mainly seen in the following quarter. Private investment will likely recover due to a rally in residential and non-residential investment. Oil prices will remain high for the remainder of 2026, despite the possibility of a potential agreement between the U.S. and Iran that may lead to a gradual resolution of the conflict in the Middle East. This should encourage investment in Canada's energy sector and support oil exports and revenues in the resource-rich provinces. The parties renegotiating CUSMA (the Canada-U.S.-Mexico Agreement) failed to reach a consensus by the July 1, 2026 deadline. The U.S. President recently signed an executive order introducing new 50% tariffs on nearly 5% of Canadian exports to the U.S., to be implemented on August 19, 2026. Negotiations are expected to continue, and uncertainty abounds. Furthermore, the slowdown in population growth is expected to weigh on Canada's labour supply and aging workforce. Given these downside risks to the forecasts, we continue to be of the view that the Bank of Canada will leave its key interest rate unchanged until 2027. Ultimately, Canadian real GDP could grow by 0.6% in 2026.

Québec

Quebec's economy posted annualized GDP growth of 1.3% for the first quarter of 2026, compared to a slight contraction for the Canadian economy. However, while this result appears favourable, the fact remains that GDP rose largely due to an increase in inventories, while final domestic demand contracted, and net exports also eroded growth. Households remained cautious, as consumer spending has been essentially stagnant since the end of 2024. This weakness is in part a reflection of the recent demographic decline. Public administrations also made a negative contribution to the quarter's performance through cuts in consumption spending and investments, which nevertheless remain at historically high levels. One of the few encouraging signs comes from business investment, which rose for a second consecutive quarter. Meanwhile, trade levels continued to reflect the impacts of the U.S. shift toward protectionism, with a decline in foreign exports, particularly in the goods sector, while interprovincial trade remained sluggish. So even if Quebec is avoiding a technical recession, weak domestic demand and deteriorating foreign trade are pointing to modest economic growth in 2026, which we estimate at approximately 0.4%.

5.0 Management's discussion of financial performance

5.1 Operating results

CRCD'S NET RESULTS AND RETURNS

CRCD closed the six-month period ended June 30, 2026, with net earnings of $164.7 million, or a non-annualized return of 6.0%, compared with net earnings of $3.0 million (non-annualized return of 0.1%) in the corresponding period in 2025. Based on the number of common shares outstanding, this performance increases net assets per share to $20.65 at the end of the six-month period, compared with $19.45 at the end of fiscal 2025. For illustrative purposes, at the current price of $20.65, shareholders who invested seven years ago, on August 15, 2019, would have obtained an annual after-tax return of more than 8.9%, taking into account the 35% income tax credit as per the rate applicable at that time.

CRCD's results stem primarily from development capital investments and the other investments portfolio, which generated non-annualized returns of 6.2% and 4.1%, respectively. For the same period in 2025, development capital investments and other investments posted non-annualized returns of 0.8% and 1.9%, respectively. Other income net of operating expenses and income taxes had a favourable impact of 0.4% on CRCD's non-annualized return, compared to a 1.0% impact in the corresponding period a year ago.

Further to the implementation of the new business model as at January 1, 2026, CRCD carries out all its development capital investment activities exclusively through indirect means in partner funds. Consequently, the development capital investments portfolio's return includes the operating expenses of the partner funds that CRCD indirectly assumes in proportion to its interest in each of these funds. As a result, the return now presented cannot be compared with the historical gross return generated by directly held companies.

To support its mission and strategic orientations, CRCD adopts an overall financial asset management approach by jointly considering its development capital investments portfolio and its other investments portfolio. This approach enables it to maintain a balanced profile and reduce the impact of sharp market fluctuations or adverse events that could affect its portfolios. CRCD therefore seeks to strike the right balance between its mission to drive regional economic development and long-term return for its shareholders. To ensure these portfolios are soundly diversified, CRCD monitors changes in its asset allocation and its performance by asset classes as described in the "Development capital investments" and "Other investments" sections.

Return by activity

	As at June 30, 2026			
	Average assets under management ($M)	Weighting (%)	Non-annualized return 6 months (%)	Non-annualized contribution 6 months (%)
Activities related to development capital investments[1]	1,989	72.2	6.2	4.5
Other investments and cash	766	27.8	4.1	1.1
	2,755	100.0	5.6	5.6
Other income and expenses			0.8	0.8
Income taxes			(0.4)	(0.4)
CRCD's return			6.0	6.0

	As at June 30, 2025			
	Average assets under management ($M)	Weighting (%)	Non-annualized return 6 months (%)	Non-annualized contribution 6 months (%)
Activities related to development capital investments[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
Other income and expenses			(1.0)	(1.0)
Income taxes			—	—
CRCD's return			0.1	0.1

[1] Includes development capital investments, amounts receivable on disposal of investments and foreign exchange contracts.

CRCD accounts for its investments at fair value and carries out two comprehensive reviews each year: one covers the six-month period ending June 30 and the other covers the six-month period ending December 31. As at June 30, 2026, the fair value of development capital investments was derived from the latest audited financial statements of the partner funds, adjusted to factor in any item that occurred between the financial statement date and the valuation date.

DEVELOPMENT CAPITAL INVESTMENTS

Guided by its mission, CRCD invests a significant portion of its assets in the development capital investments portfolio to provide capital to Quebec-based companies and cooperatives. Up to December 31, 2025, CRCD invested directly in companies, cooperatives and external funds as well as in its ecosystem partner funds, which are managed by Desjardins Capital.

As mentioned in the “Recent events” section, since January 1, 2026, CRCD had carried out all of its development capital investment activities exclusively through indirect means, by investing in private partner funds managed by Desjardins Capital. These partner funds invest directly in Quebec-based companies and cooperatives, in both debt and equity, as well as in external private funds.

The asset classes related to development capital investment activities reflect the nature of the assets held by the partner funds in which CRCD invests, in proportion to its interest. They are as follows:

- Debt: represents investments in the form of advances and/or mainly unsecured loans and/or non-participating preferred shares and provides a current return through interest income;
- Equity: encompasses 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 in the Venture capital asset class. The potential return on these assets is greater that those in the Debt class, but has a greater level of risk;
- Venture capital: includes investments in companies in the start-up, pre start-up and post start-up phases. They are characterized by a high level of risk and a return that is expected mainly over a long-term investment horizon;
- External funds: combines investments in funds other than the partner funds managed by Desjardins Capital aimed at further diversifying the portfolio and expanding access to a wider range of companies, sectors and investment strategies.

Return by asset class

The return generated by the development capital investments portfolio for the first six-month period of 2026 includes the operating expenses of the partner funds that CRCD indirectly assumes in proportion to its interest in each of these funds, unlike the return for the first six-month period ended June 30, 2025, which represented the gross return related to the performance of the companies and cooperatives directly held by CRCD. As a result, the return on investments in partner funds is not directly comparable with the return on investments directly made in companies.

	As at June 30, 2026			
	Average assets under management ($M)	Weighting (%)	Non-annualized return 6 months (%)	Non-annualized contribution 6 months (%)
Debt	**441**	**16.0**	**1.6**	**0.2**
Equity	**1,187**	**43.1**	**9.5**	**4.2**
Venture capital	**208**	**7.5**	**(2.6)**	**(0.1)**
External funds	**77**	**2.8**	**7.0**	**0.2**
Subtotal	**1,913**	**69.4**	**6.2**	**4.5**
Other assets held by partner funds	**76**	**2.8**	**2.3**	**—**
Ecosystem total	**1,989**	**72.2**	**6.2**	**4.5**

	As at June 30, 2025			
	Average assets under management ($M)	Weighting (%)	Non-annualized return 6 months (%)	Non-annualized contribution 6 months (%)
Debt	518	19.5	2.5	0.5
Equity	1,144	43.2	0.9	0.4
Venture capital	204	7.7	(5.8)	(0.5)
External funds	67	2.5	8.3	0.2
Subtotal	1,933	72.9	0.8	0.6
Other assets held by partner funds	15	0.6	4.6	—
Ecosystem total	1,948	73.5	0.8	0.6

The 6.2% non-annualized return on the development capital investments portfolio for the first six-month period of 2026 stemmed mainly from the performance of the Equity class. Despite the uncertainty surrounding the Quebec economy, companies were generally resilient. In addition, this class greatly benefited from the disposal of a major portfolio investment in a company operating in a sector generating keen investor interest. On the other hand, the Debt class struggled with the deterioration of the credit risk of several companies in the portfolio. The Venture capital class continued to be adversely affected by the weak investor appetite for start-ups in the technology sector. Lastly, the External funds class posted a performance that was relatively similar to that of 2025.

OTHER INVESTMENTS

Managing the other investments portfolio involves the portion of assets not earmarked for development capital investments, including temporarily available cash resources prior to their investment in partner funds.

CRCD has implemented management strategies for the other investments portfolio to optimize potential returns while retaining the required cash resources to meet liquidity needs arising from redemption requests from shareholders and development capital investments it expects to make. This portfolio, consisting primarily of liquid assets, includes bonds, Canadian equity funds, real estate funds, an infrastructure fund and a market-neutral equity fund. The other investments portfolio provides stable current revenue for CRCD and ensures sound diversification. This portfolio is adjusted from time to time to reflect changes in the development capital investments portfolio.

Return by asset class

	As at June 30, 2026			
	Average assets under management ($M)	**Weighting (%)**	**Non-annualized return 6 months (%)**	**Non-annualized contribution 6 months (%)**
Cash	**126**	**4.6**	**0.6**	**—**
Bonds	**279**	**10.1**	**3.5**	**0.4**
Canadian equity	**84**	**3.1**	**8.7**	**0.2**
Real estate	**95**	**3.4**	**3.0**	**0.1**
Infrastructure	**78**	**2.8**	**3.5**	**0.1**
Market-neutral equity	**104**	**3.8**	**7.9**	**0.3**
Total	**766**	**27.8**	**4.1**	**1.1**

	As at June 30, 2025			
	Average assets under management ($M)	Weighting (%)	Non-annualized return 6 months (%)	Non-annualized contribution 6 months (%)
Cash	51	1.9	0.4	—
Bonds	310	11.7	(0.6)	(0.1)
Canadian equity	69	2.6	12.7	0.3
Real estate	111	4.2	(0.2)	—
Infrastructure	73	2.7	5.8	0.2
Market-neutral equity(1)	89	3.4	5.4	0.1
Total	703	26.5	1.9	0.5

(1) Includes the discretionary market-neutral equity strategy that was completely divested during the first six-month period of 2025.

The 4.1% non-annualized return on the other investments portfolio for the first six-month period of 2026 is mainly explained by the Canadian equity and market-neutral equity funds, which benefited from the solid stock market performance. The real estate funds and the infrastructure fund also contributed positively to the return due to growth in underlying revenue and the increase in the value of assets.

Lastly, bond securities contributed positively to the overall return of the portfolio, as opposed to the same period in 2025. The decrease in long-term market interest rates facilitated the increase in the value of fixed-income securities and supported the portfolio's performance.

EXPENSES AND INCOME TAXES

Expenses

(in thousands of $)	**Six months ended June 30, 2026**	Six months ended June 30, 2025
Administration fees	**2,768**	—
Management fees	**—**	13,874
Other operating expenses	**1,173**	5,535
Shareholder services	**5,774**	5,448
Total	**9,715**	24,857

CRCD has entrusted the management of its operations to Desjardins Capital, pursuant to the terms of a management agreement concluded between them. This agreement was amended and restated effective January 1, 2026 in connection with the implementation of the new business model to adjust the fee structure, among other things. Under this agreement, CRCD pays Desjardins Capital, its manager, administration fees for services provided as investment fund manager. In addition, as a limited partner of the partner funds, CRCD has indirectly assumed, since January 1, 2026, in proportion to its interest in these funds, management fees for each fund based on comparable market rates. These management fees are paid for services provided by Desjardins Capital as manager of these funds. In addition, CRCD indirectly assumes performance fees when the return on its interest exceeds the threshold set out in contractual agreements and established based on market practices. These fees are deducted from the return of each of the funds, which explains why there are no management fee expense for the six-month period ended June 30, 2026 compared to the corresponding six-month period in 2025, when CRCD paid fees for the management of its direct investments in companies.

Although the method used to calculate the total fees paid by CRCD to Desjardins Capital that has been effective since January 1, 2026, has changed, the management fees and administration fees paid directly or indirectly by CRCD will continue to be capped at 1.75% of CRCD's average assets' value for fiscal 2026 and 2027. In calculating the maximum cap, any liabilities related to development capital investments and other investments are deducted from the average assets' value, and an adjustment is made to avoid double billing relative to CRCD's interests in other investment funds, whether in the development capital investments or in the other investments portfolio.

The decrease in other operating expenses compared with the corresponding period in 2025 is mainly explained by IT development and maintenance costs related to investment management, which are now included in the partner funds' management fees as a result of the implementation of the new business model as at January 1, 2026.

Expenses related to shareholder services remained relatively stable compared with the corresponding period in 2025, the slight increase being attributable to the share issue promotional campaign. In addition, 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 average 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.

The income tax expense amounted to $10.5 million for the first six-month period of 2026 compared with $0.8 million for the first six-month period of 2025. Whether CRCD invests directly in companies or indirectly in partner funds, the nature of income for tax purposes remains the same. This nature 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 *Quebec 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, 2026, cash outflows from share issues net of redemptions amounted to $103.4 million (net cash outflows of $64.2 million for the corresponding period in 2025). For this same six-month period, operating activities combined with investing activities generated net cash inflows of $133.4 million (net cash inflows of $16.6 million for the corresponding period in 2025). If we combine acquisitions and proceeds from the disposal of development capital investments, which include capital calls and redemptions of partner fund units, CRCD posted net cash outflows of $31.0 million (net cash outflows of $77.8 million for the corresponding period in 2025). The other investments portfolio reported net cash outflows of $12.6 million in the six-month period ended June 30, 2026 (net cash inflows of $112.9 million for the corresponding period in 2025). As at June 30, 2026, cash amounted to $141.1 million ($111.2 million as at December 31, 2025).

CRCD had an authorized line of credit of $300 million as at June 30, 2026. This line of credit was used during the first six-month period of 2026 to bridge the gap between cash inflows and outflows, especially for share redemption requests. As at June 30, 2026 and December 31, 2025, no amount was drawn on the line of credit. For the first six-month period of 2026, the average balance used on the line of credit was $17.8 million ($7.2 million for the first six-month period of 2025). Although CRCD could have disposed of sufficient other investments to avoid using the credit facility, it plans to draw on it, as needed, to promote maintaining a sound allocation of its assets, and to avoid having to dispose of investments 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.

SUBSCRIPTION AND REDEMPTIONS

CRCD offers its common shares for subscription through the Desjardins caisse network in Quebec 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 Quebec 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 have been replaced by Class C shares since March 1, 2025. Class B shares, whose exchange 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.

In its 2025-2026 Budget tabled on March 25, 2025, the Minister of Finance of Quebec authorized CRCD to raise a maximum annual amount of $150 million in Class C "Issuance" shares for the 2025 issuance 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 is increased by $5 million per year to $170 million for the 2029 issuance. As a result, the authorized amount for the 2026 issuance is $155 million. 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 is $5,000 per investor, 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 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 amounts, and control mechanisms have been implemented by CRCD to ensure compliance. No special tax was paid for the first six-month period of 2026 and fiscal 2025.

As at June 30, 2026, CRCD had $1,984.6 million in share capital ($2,050.3 million as at December 31, 2025) for 139,198,759 common shares outstanding (144,577,598 as at December 31, 2025).

During the first six-month period of 2026, CRCD received subscriptions from the 2025 issuance amounting to $4.6 million in Class C shares. Redemptions of common shares during the first six-month period of 2026 totalled $108.0 million compared with $65.7 million in the corresponding period in 2025.

As at June 30, 2026, the balance of shares eligible for redemption amounted to $1,434.4 million. During the second six-month period of 2026, additional shares valued at $307.9 million will become eligible for redemption, bringing total potential redemptions to $1,742.3 million. This balance will be reduced by the amount of shares that will be redeemed during the second six-month period of 2026.

As at June 30, 2026, shareholders numbered 107,305 compared with 108,882 as at December 31, 2025.

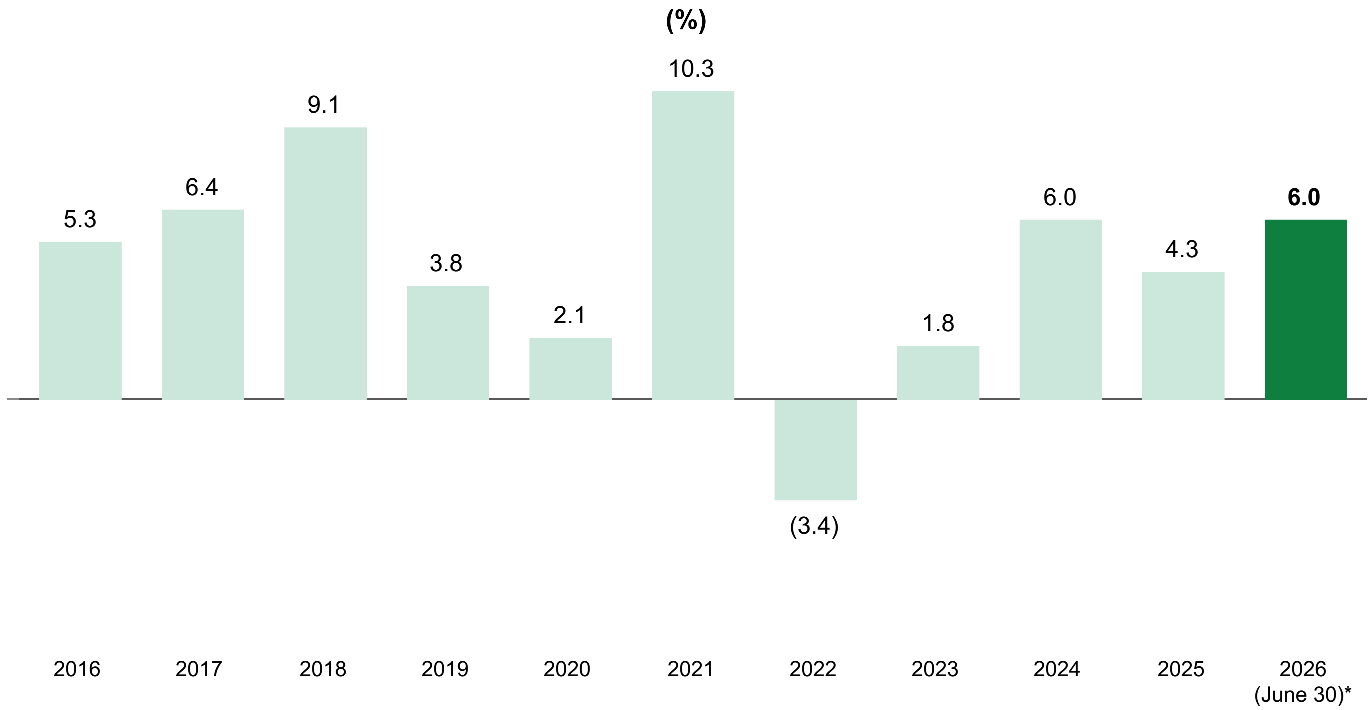
CRCD's policy is to reinvest income from operations and proceeds from disposals rather than pay dividends to its shareholders in order to increase the capital available for making investments that are beneficial to Quebec SMEs, cooperatives and funds and to create share value appreciation.

6.0 Past performance

This section presents CRCD's historical returns. These returns do not include the $50 account opening and closing fees incurred 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, 2026. 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, 2026

6.2 Compounded return of the common share as at June 30, 2026

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
4.8%	3.7%	3.4%	5.2%	10.6%

7.0 Portfolio summary

7.1 Core asset classes

As at June 30, 2026, the assets in the development capital investments portfolio, which is presented based on the nature of underlying assets of the partner funds in proportion to CRCD's interest in these funds, and in the other investments portfolio on a fair value basis, were allocated as follows:

Asset classes	% of net assets
DEVELOPMENT CAPITAL INVESTMENTS*	
Debt	14.9
Equity	39.3
Venture capital	7.3
External funds	2.8
Other assets held by partner funds	4.3
Total - Development capital investments	**68.6**
OTHER INVESTMENTS	
Cash	4.9
Bonds	10.1
Canadian equity	3.1
Real estate	3.1
Infrastructure	2.7
Market-neutral equity	3.8
Total - Other investments	**27.7**

* Including foreign exchange contracts

Net assets are made up of 96.3% of the portfolios listed above and 3.7% of other assets.

7.2 Main investments held

Since January 1, 2026, the development capital investments portfolio has been exclusively comprised of partner funds in which CRCD invests. The other investments portfolio has been comprised of bonds as well as Canadian equity, real estate, infrastructure and market-neutral equity funds.

As a result, the issuers of all the investments held by CRCD, on a fair value basis, were as follows as at June 30, 2026:

Development capital investments	% of net assets	Other investments	% of net assets
Desjardins Capital Appui PME S.E.C.	28.5	CC&L Q Market Neutral Fund	3.8
Desjardins Capital Private Equity L.P.	22.4	Government of Canada	3.3
Desjardins Capital Private Debt L.P.	15.3	Fiera Properties CORE Fund	3.1
Desjardins Capital Transatlantic, L.P.	0.8	DGAM Global Private Infrastructure Fund	2.7
Desjardins-Innovatech S.E.C	0.6	Province of Ontario	2.5
Société en commandite Essor et Coopération	0.6	Province of Quebec	2.3
Capital croissance PME II S.E.C.	0.4	Fidelity Canadian Low Volatility Equity Institutional Trust	1.6
		BMO Low Volatility Canadian Equity ETF	1.5
		Province of British Columbia	0.6
		Canada Housing Trust	0.5
		Province of Manitoba	0.4
		Province of Saskatchewan	0.3
		Hydro-Québec	0.1
		4 issuers*	0.1

* The 4 issuers representing, as a group, 0.1% of CRCD's net assets are:
City of Montreal
Municipality of Metropolitan Toronto
Province of Newfoundland and Labrador
TransLink

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

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

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

MISSION AND VISION

As part of its last strategic planning exercise, CRCD reflected on how to give greater impetus to the acquisition of investor clients who want to see Quebec businesses get ahead.

To better represent the strength of its shareholder base, CRCD's mission is stated as follows: invest its pooled capital for the benefit of Quebec companies to promote wealth creation across all regions and for future generations.

With this in mind and in order to better demonstrate its investment ambitions, the vision is as follows: to be a high-performance investor acting as a catalyst for productivity and sustainable growth for Quebec businesses.

This approach is in line with the ongoing modernization of CRCD's positioning.

CRCD'S STRATEGIC PRIORITIES

In February 2025, the Board of Directors approved its 2025-2027 strategic plan setting out CRCD's ambitions and priorities for the coming years. Each year, the Board updates its priorities and establishes an implementation plan, monitoring initiatives and key performance indicators quarterly.

In order to achieve its vision and objectives, CRCD has established the following priorities:

- Optimization of its capitalization and return to shareholders;
- A stronger impact on the Quebec economy; and
- A higher profile.

STRATEGIES

CRCD adopts an overall financial asset management approach by jointly considering its development capital investments portfolio and its other investments portfolio. This approach enables it to maintain a balanced profile and reduce the impact of sharp market fluctuations or adverse events that could affect its portfolios. CRCD therefore seeks to strike the right balance between its mission to drive regional economic development and long-term return for its shareholders.

To do this, the strategy based on the *Global Financial Asset Management Policy* 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, ensuring that the shares remain attractive to shareholders with due consideration to the tax credit they receive.
- A sufficient portion of CRCD's financial assets must be invested in liquid securities to meet any share redemption requests that exceed issues and agreed upon commitments in the development capital investments 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.

Under its constituting act, CRCD is required to fulfill its mission within certain investment rules. CRCD's eligible investments, as defined in the Act, must represent on average at least 65% of CRCD's average net assets for the preceding year. Furthermore, a portion representing at least 50% of that percentage must be invested in entities located in the regions of Quebec outside the Montreal and Quebec metropolitan communities or in eligible cooperatives.

If these requirements are not met as at December 31, 2026, the authorized issue of capital for the capitalization period following the end of the fiscal year could be reduced. As at December 31, 2025, all of those rules were met.

9.0 Entrepreneurial ecosystem

9.1 Our vision for Quebec entrepreneurship

Quebec companies are now operating in a constantly evolving economic and geopolitical environment. During the first six-month period of 2026, 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. 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, the first half of the year was 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.

Always on the lookout for favourable business opportunities, we maintained our sound and prudent management. True to our mission focused on support, which remains at the heart of what we do, the first six-month period of 2026 was no exception.

9.2 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 Quebec. Together, we are an indispensable business partner, supporting 641 companies, cooperatives and funds in various industries in all corners of Quebec. In addition to maintaining and stimulating the productivity of Quebec SMEs, we are a major socio-economic leader for ensuring the regions' vitality.

We leverage our teams' expertise and skills in investment, fund management, business performance and expertise and finance. In addition to our activities in investment and promoting Quebec SMEs and cooperatives, we offer SME governance training 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 start-up, development, transfer and succession of Quebec businesses.

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.

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 Quebec entrepreneurial ecosystem and our specialized support ensure that we are actively contributing to the lasting prosperity of people and communities by investing in the growth and sustainability of local businesses.

9.3 Partner funds

As mentioned in the "Recent events" section, since January 1, 2026, CRCD has carried out all of its development capital investment activities exclusively through indirect means by investing in private partner funds managed by Desjardins Capital. Each partner fund having a specific mission, this approach enables CRCD to leverage its resources by raising capital from various partners, thereby enhancing its positive impact on Quebec's economic development. This entrepreneurship ecosystem helps driving, promoting and anchoring local entrepreneurship in a sustainable manner. As at June 30, 2026, $2,009 million had been committed in 641 companies, cooperatives and external funds operating in various segments from all the Quebec regions.

FUNDS IN ACTIVE DEPLOYMENT

Funds in active deployment are funds that actively invest their capital in businesses. As these funds are open-ended and without a finite life, capital deployment and divestitures occur concurrently. Accordingly, although these funds actively invest in new opportunities and continue to build their portfolio, they also make targeted divestitures when market conditions or the maturity stage of the assets warrant it. This approach allows for capital recycling, dynamic portfolio management and ongoing adjustment of the asset exposure based on the fund's strategic objectives.

Name of the fund:	**Desjardins Capital Appui PME S.E.C.**
Mission of the fund:	Fund exclusively dedicated to CRCD to support Quebec SMEs by mainly making development capital investments in businesses whose revenues are less than $30 million at the time of the initial investment, as well as venture capital investments, along with investments in collective entrepreneurship and external private funds.
Creation date:	January 1, 2026
Type of fund:	Open-ended
Net assets of the fund:	$818 million
Number of businesses in the portfolio:	341
CRCD's interest in the fund:	100.0%

Name of the fund:	**Desjardins Capital Private Debt L.P.** (formerly known as Desjardins Capital PME s.e.c.)
Mission of the fund:	This fund's investment thesis has shifted as at January 1, 2026 to supporting Quebec businesses whose revenues are $30 million or more at the time of the initial investment by offering them mainly development capital financing in the form of debt.
Creation date:	January 1, 2018
Type of fund:	Open-ended
Net assets of the fund:	$718 million
Number of businesses in the portfolio:	247
CRCD's interest in the fund:	61.7%

Name of the fund:	**Desjardins Capital Private Equity L.P.**
Mission of the fund:	This fund is aimed at supporting Quebec businesses whose revenues are $30 million or more at the time of the initial investment by offering them mainly financing in the form of a minority or majority interest in the development capital shareholding. This fund may accept other institutional investors alongside CRCD.
Creation date:	January 1, 2026
Type of fund:	Open-ended
Net assets of the fund:	$643 million
Number of businesses in the portfolio:	27
CRCD's interest in the fund:	100.0%

FUNDS IN HARVESTING MODE

Funds in harvesting mode are closed-end funds with a finite life that have completed their investment phase and, consequently, are in the divestiture phase of their portfolio. These funds no longer make new investments. Their activities are mainly focused on monitoring the portfolio, supporting the businesses and implementing exit strategies to gradually liquidate assets and distribute all proceeds to investors.

Name of the fund:	**Société en commandite Essor et Coopération**	**Capital croissance PME II s.e.c.**	**Desjardins-Innovatech S.E.C.**	**Desjardins Capital Transatlantic, L.P.**
Creation date:	January 1, 2013	January 1, 2014	June 29, 2005	July 4, 2018
Type of fund:	Closed-end	Closed-end	Closed-end	Closed-end
Expected dissolution:	December 31, 2031	December 31, 2026	June 29, 2027	July 3, 2028
Net assets of the fund:	$19 million	$25 million	$31 million	€24 million
Number of businesses in the portfolio:	15	23	22	13
CRCD's interest in the fund:	94.6%	50.0%	54.5%	60.7%
Mission of the fund:	Support the creation, growth and capitalization of cooperatives in Quebec.	Make capital available to Quebec small and medium enterprises.	Support Quebec technology or innovation businesses through each stage of their development.	Co-invest in Quebec- and Europe-based SMEs to support them in their marketing or acquisition efforts on both sides of the Atlantic.

10.0 Risk management

Robust risk management practices are essential to CRCD's success. Risk-taking is an integral part of business activities and represents a source of both opportunities and challenges. In that respect, CRCD's *Integrated Risk Management and Risk Appetite Policy* defines a structured framework governing risk identification, assessment and management as well as risk appetite and tolerance levels. This policy is supported by complementary strategies, policies and procedures to ensure risks are managed proactively and consistently. Among other things, it clarifies expectations with respect to risk-taking, introduces robust governance, guides decision-making, anticipates risks and strengthens the integration of risk management in achieving strategic and operational objectives.

As mentioned in the "Recent events" section, since January 1, 2026, CRCD has carried out all of its development capital investment activities exclusively through indirect means by investing in private partner funds managed by Desjardins Capital. In managing certain risks, CRCD takes into account the underlying investments made in partner funds, which are considered in proportion to CRCD's interest in these funds. To improve presentation, certain comparative information for the year ended December 31, 2025 has been aggregated to conform to the presentation adopted for the current period.

NOTE TO THE READER

The following section regarding financial risks, namely market, credit, concentration and liquidity risks, is an integral part of CRCD's separate financial statements, on which an unmodified opinion was expressed in an independent auditor's report issued on August 13, 2026. This section should be read in conjunction with these audited separate financial statements to obtain the full picture of the information provided on financial risk management.

10.1 Financial risks

Financial risks encompass the main risks that could have a direct impact on CRCD's financial position, results or financial capacity.

MARKET RISK

Market risk is the risk of financial loss arising from changes in the fair value of CRCD's financial instruments due to their exposure to capital markets and, indirectly, to general changes in economic conditions. The various risks that make up market risk and have an impact on CRCD are presented below.

In accordance with CRCD's overall financial asset management approach, the impact of interest rates and stock market risks and their interrelatedness are taken into account when determining the overall financial asset allocation. CRCD mitigates the overall impact of these risks by diversifying its portfolios, among other things.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate fluctuations have an impact on the fair value of fixed-income securities, real estate funds and the infrastructure fund held directly or indirectly through CRCD's interest in partner funds, which is determined based on market conditions.

Fixed-income securities held in the other investments portfolio are comprised of bonds whose duration management is established based on CRCD's tolerance to the risk of fair value fluctuating in such a situation. The following table presents the impact on net earnings of an interest rate increase or decrease to which bond securities are exposed. The corresponding impact on the share price is expressed as a percentage.

	As at June 30, 2026		As at December 31, 2025	
	(in thousands of $)	(in %)	(in thousands of $)	(in %)
1% increase in interest rates	(42,911)	(1.5)	(40,600)	(1.5)
1% decrease in interest rates	51,864	1.8	49,200	1.8

Fixed-income securities held in the development capital investments portfolio comprise loans and advances and preferred shares. As at June 30, 2026, these securities were indirectly held by CRCD through its interest in partner funds and, as at December 31, 2025, they were directly and indirectly held. The impact of an interest rate fluctuation on these directly or indirectly held securities would not have a material impact on CRCD's net earnings.

Real estate funds and the infrastructure fund held in the other investments portfolio may be affected by interest rate fluctuations. However, unlike bond securities, there is no direct correlation between interest rate fluctuations and changes in the fair value of these classes of assets.

Stock market risk

Stock market risk is the risk that the fair value of a financial instrument will fluctuate because of price changes on stock markets. Changes in these markets have an impact of CRCD's financial assets as they affect, on the one hand, the fair value measurement of listed shares held in the development capital investments portfolio. As at June 30, 2026, these listed shares were indirectly held through CRCD's interest in partner funds and, as at December 31, 2025, they were directly held. On the other hand, changes in the stock markets have an indirect impact on the fair value measurement of the equity funds held in the other investments portfolio.

As listed shares represent a small proportion of CRCD's net assets, namely 3.4% (3.5% as at December 31, 2025), a 10% increase or decrease in listed share prices would increase or decrease net earnings by $9.8 million, or 0.3% of the share price ($9.8 million or 0.4% as at December 31, 2025).

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency fluctuations have an impact on the activities of some companies included in the development capital investments portfolio depending on whether they are importing or exporting goods or services. As at June 30, 2026, companies were indirectly held through CRCD's interest in partner funds and, as at December 31, 2025, they were directly and indirectly held. The net effect of an appreciation in the Canadian dollar is not necessarily always negative, nor is a depreciation necessarily positive. However, rapid fluctuations in the Canadian dollar heighten the difficulties faced by these companies.

In addition, foreign currency fluctuations impact the fair value of assets initially valued in a foreign currency and subsequently translated into Canadian dollars at the prevailing exchange rate.

Due to the small proportion of securities directly or indirectly held in the development capital investments, securities held in the other investments portfolio, CRCD's accounts receivable and cash balances exposed to foreign currencies (portfolio, US dollar and euro), namely 6.5% (6.9% as at December 31, 2025), any fluctuation in the Canadian would not have a material impact on CRCD's net earnings. Nevertheless, CRCD aims to systematically hedge foreign exchange risk for assets measured in foreign currency, unless the exposure is part of the long-term expected returns of certain asset classes. CRCD's net exposure to the various foreign currencies amounted to $52.9 million ($67.8 million as at December 31, 2025).

CREDIT AND COUNTERPARTY RISK

Credit and counterparty risk is the possibility of incurring financial losses as a result of the inability of a company, an issuer or a counterparty to meet its financial obligations.

CRCD is exposed to credit and counterparty risk due mainly to its mission-driven development capital investments, whether they are held directly or indirectly through CRCD's interest in partner funds, which are generally unsecured to comply with its investment rules. This risk is however mitigated, on the one hand, by a robust diversification of financial assets in each of the partner funds' portfolios in terms of entities, financial instruments, geographic areas and segments. On the other hand, the volatility of these portfolios that could result from adverse events affecting one entity is limited by an in-depth due diligence process, with ongoing support and regular investment monitoring by Desjardins Capital as manager of the partner funds in which CRCD invests.

Desjardins Capital relies on a structured rating system to assess the credit risk level of development capital investments, which are ranked and reassessed regularly using a rating scale ranging from 1 to 10. This assessment is mainly based on the risk criteria defined by Moody's CreditLens system.

The maximum credit risk exposure is the fair value of financial instruments at the reporting date. As at June 30, 2026, financial instruments were held indirectly through CRCD's interest in partner funds, and as at December 31, 2025, they were directly and indirectly held.

The following table shows development capital investments held directly or indirectly in proportion to CRCD's interest in the partner funds by risk rating (amounts at fair value, including CRCD's funds committed but not disbursed and suretyships, if any):

		As at June 30, 2026		As at December 31, 2025	
Rating		(in thousands of $)	(in %)	(in thousands of $)	(in %)
1 to 8	Low to acceptable risk	**1,938,607**	**95.1**	2,137,090	97.3
8.5 to 9	At risk and under watch	**26,036**	**1.3**	20,036	0.9
10	High risk and insolvent	**73,184**	**3.6**	40,207	1.8
Total		**2,037,827**	**100.0**	2,197,333	100.0

Bond securities represented 44.5% of the fair value of the other investments portfolio (42.7% as at December 31, 2025), and 99.5% of them were guaranteed by a government (99.2% as at December 31, 2025). Credit risk is managed through diversification across numerous issuers with credit ratings as follows:

	As at June 30, 2026	As at December 31, 2025
Rating(1)	(in thousands of $)	(in thousands of $)
AAA	**110,551**	96,517
AA	**168,447**	159,830
A	**11,837**	10,458
Total	**290,835**	266,805

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

Pursuant to 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. No money market instruments were held as at June 30, 2026 and December 31, 2025.

CONCENTRATION RISK

Concentration risk arises from the possibility that a significant portion of CRCD's development capital investments portfolio or other investments portfolio might be in a single issuer, region, segment or financial product, which could make CRCD vulnerable to any financial difficulties experienced by such sub-groups.

Risk of concentration in an issuer

Since January 1, 2026, CRCD has carried out all of its development capital investment activities exclusively through partner funds, which are subject to specific concentration limits. Given the large number of businesses in which these funds invest, CRCD's interest in these partner funds does not represent a high concentration risk. Based on its interest in each of these funds, CRCD ensures that its indirect exposure to a single entity in the portfolio of these partner funds does not exceed 5% of its net assets.

CRCD's direct concentration in the five largest issuers in each of its development capital investments and other investments portfolios is as follows (percentages are based on fair values of assets and CRCD's funds committed but not disbursed, including the suretyships):

	As at June 30, 2026		As at December 31, 2025	
	% of portfolio	% of net assets	% of portfolio	% of net assets
Development capital investments	**97.7**	**69.3**	37.7	29.4
Other investments	**67.8**	**15.4**	65.1	14.4

For other investments, government issuers and issues guaranteed by government entities, as well as diversified investment funds, represented 37.8% and 62.2%, respectively (35.8% and 64.2% as at December 31, 2025) of the five largest issuers or counterparties in the other investments portfolio.

See the "Main investments held" section for the details by portfolio.

Risk of concentration by region

In keeping with its regional socio-economic mission, the development capital investments portfolio, which represented 68.6% of net assets as at June 30, 2026 (71.3% as at December 31, 2025), is essentially invested in Quebec.

Under its constituting act, CRCD is required to fulfill its mission within certain investment rules. CRCD's eligible investments, as defined in the act, must represent on average at least 65% of CRCD's average net assets for the preceding year. Furthermore, a portion representing at least 50% of that percentage must be invested in entities located in the regions of Quebec outside the Montreal and Quebec metropolitan communities or in eligible cooperatives. The performance of this portfolio therefore depends heavily on economic conditions in Quebec.

As at June 30, 2026, the other investments portfolio, which represented 27.7% of net assets (26.2% as at December 31, 2025), included a portion of foreign securities resulting primarily from its interest in the infrastructure fund. As the other investments portfolio comprised 93.9% of Canadian securities (91.2% as at December 31, 2025), its performance therefore depends heavily on economic conditions in Canada.

Risk of concentration in a segment or financial product

The *Global Financial Asset Management Policy* promotes global integrated management of the development capital investments and other investments portfolios. The policy establishes limits by asset class and these limits are applied by the manager. CRCD aims at maintaining an overall asset allocation with a maximum of 70% in growth securities. Specific envelopes may also be put in place as needed to limit the risk of concentration in a specific segment.

LIQUIDITY RISK

Liquidity risk is the risk that CRCD will not have sufficient cash resources to fulfill its financial obligations. CRCD must make disbursements on a daily basis, in particular when it redeems shares held by its shareholders, disburses amounts it committed to investing in partner funds and pays operating expenses.

To meet its liquidity needs mainly arising from share redemptions and, since January 1, 2026, commitments related to development capital investments now made through partner funds, CRCD keeps at least 20% of its assets in its other investments portfolio, which must include bond securities representing 10% of assets, to avoid being dependent on the markets and being forced to carry out transactions under unfavourable conditions.

In addition, to optimize liquid asset management and, by virtue of that fact, benefit from the return of other asset classes that are better performing, a credit facility has been put in place. One of the objectives of this credit facility is to provide greater flexibility in cash resources management in order to maintain some leeway for CRCD's current operating financing requirements. This credit facility was used in the first six-month period of 2026 to bridge some gap between redemptions and issues of shares.

Since January 1, 2026, development capital investments have been made exclusively through partner funds. As open-ended funds, the partner funds in which other investors may be limited partners alongside CRCD will give CRCD greater flexibility in cash resources management compared with the investments previously made directly in companies or cooperatives. This structure allows CRCD to request the redemption of its interests or transfer its fund units as needed, in accordance with the terms and conditions of these partner funds.

CRCD also ensures that robust controls designed to effectively address liquidity risk are implemented and monitored. These mechanisms are completed by regular stress tests, which confirm whether liquidity risk is adequately managed to meet share redemption requests, even in adverse stress conditions. As at June 30, 2026, the balance of shares eligible for redemption amounted to $1,434.4 million ($1,328.9 million as at December 31, 2025). During the second six-month period of 2026, additional shares valued at $307.9 million will become eligible for redemption, bringing total potential redemptions to $1,742.3 million. This balance will be reduced by the amount of shares that will be redeemed or purchased by mutual agreement during the second six-month period of 2026.

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 economic development mission.

10.2 Non-financial risks

Non-financial risks are mainly related to operations, governance, compliance, reputation and the external environment in which CRCD operates.

OPERATIONAL AND REGULATORY RISKS

Operational and regulatory risks encompass threats that could affect performance or compliance with regulations to which CRCD is subject due to the failure of or deficiencies in processes, controls or systems, external events or non-compliance with legal and regulatory obligations. Operational and regulatory risks are mitigated through management frameworks and structured internal controls, formal processes and robust information system management. Managing these risks is based on the three lines of defence model, combining controls performed by operational teams, monitoring and oversight by the risk management and compliance functions and independent assurance mechanisms. Ongoing monitoring of activities and the regulatory environment enables CRCD to identify discrepancies quickly, support compliance with applicable requirements and strengthen existing practices with a view to continuous improvement.

STRATEGIC RISK

Strategic risk is the risk of loss attributable to events or inappropriate strategic orientations or insufficient ability to adapt that could hinder achieving strategic objectives and undermine the long-term viability of CRCD. CRCD mitigates its strategic risk notably through a structured, annual strategic planning exercise, accompanied by a detailed execution plan whose progress is monitored quarterly by the Board of Directors. Considering the outsourcing model, under which CRCD's management and operations are handed over to its manager, mechanisms for regular reporting are in place, including monitoring portfolio performance, changes in subscriptions and key performance indicators, which are presented quarterly to the Board of Directors. Furthermore, formal communication channels and an ongoing collaboration between CRCD and its manager ensure that adequate oversight is performed, strategic alignment is maintained and timely adjustments are made as required.

REPUTATION RISK

Reputation risk is the risk that a negative perception by the stakeholders, whether or not justified, of CRCD's practices, actions or lack of action could have an adverse impact on CRCD's credibility, trust and reputation. CRCD manages and controls this risk in collaboration with Desjardins Group, and more specifically with its manager, Desjardins Capital. This risk is mitigated through various mechanisms, including offering training sessions to CRCD's directors and Desjardins employees involved in investment and share distribution activities, setting up frameworks, procedures and controls for priority activities, applying sound governance and risk management practices and monitoring the external environment on an ongoing basis.

EXTERNAL RISKS

External risks arise from factors that are related, in particular, to the economic, financial, regulatory and geopolitical environment, over which CRCD has little or no control. CRCD mitigates these risks through ongoing monitoring of the external environment and regular dialogue with its stakeholders, which help it anticipate potential impacts and adapt its management and investment practices.

Lastly, the economic and financial environment is continuously evolving, which may change the nature and intensity of the risks to which CRCD is exposed. Through its manager, CRCD closely monitors these risks and adapts its management practices to maintain a risk profile that is consistent with its mission, its strategic objectives and its risk appetite.

11.0 Governance

BOARD OF DIRECTORS

In accordance with CRCD's constituting act, the Board of Directors (the "Board") is made up of 13 directors, the majority of whom are independent persons. Furthermore, the Board must be chaired by an independent director. The following is a snapshot of the Board as of the date of this report:

Jean-Guy Senécal
FCPA

Chair of the Board, CRCD and Corporate Director

Anne-Marie Renaud
BSc, ICD.D, CEC, PCC

Vice-Chair of the Board, CRCD, Corporate Director and Executive Coach

Marinella Ermacora
BCompSc, MBA, ICD.D

Secretary of the Board, CRCD and Corporate Director

Linda Labbé
CPA

Director, Desjardins Group Relations and Corporate Director

Charles Auger
BBA Finance

McDonald's franchisee

Bernard Bolduc
BBA Finance, ICD.D

President, Altrum inc.

Éric Charron
BBA Finance, C.Adm, F.Pl.

General Manager, Caisse Desjardins de Gatineau

René Delsanne
MSc, FCIA, CFA

President, Delsanne conseil

Souad Elmallem
BBA., ICD.D

Executive partner, 6temik

Vanessa Guimond
CPA Auditor, D. Fisc.

Partner, Audacie

Shirley Marquis
MBA, F.Pl., ASC

Senior Director and Practice Lead, Lussier

Gilles Mourette
MSc, ASC

Corporate Director

Louis Roy
BAA, MBA, DAE

Director, Information Technologies, Revenu Québec

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 and geopolitical and economic risk oversight.

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

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

To support the strategic transformation of CRCD's business model, as discussed in the "Recent events" section, CRCD's governance had to be modified. As at June 30, 2026, CRCD's governance structure has been as follows:

Other than the specific mandates assigned from time to time by the Board, the main responsibilities of the committees are described below.

Governance and Outreach Committee

The Governance and Outreach Committee's mandate is to provide oversight of the application of the rules relating to governance, independence, conflict of interest management, ethics and professional conduct. It is in particular responsible for drawing up skills and experience profiles for the Chair of the Board and the Desjardins Group Relations Director as well as the collective profile for Board members. It also ensures that a succession plan is put in place for the Chair of the Board and the Desjardins Group Relations Director. It recommends to the Board an evaluation process for the performance of directors and committee members, the Board and its chair, the committees and their chairs, the Desjardins Group Relations Director and Desjardins Capital's key resources. It also assesses the services provided by Desjardins Capital under the Management Agreement entered into by the parties. Furthermore, it oversees CRCD's recognition and outreach activities.

Lastly, this Committee also has the duty to oversee reputation risk and conflict of interest risks, as well as governance risk.

Audit and Risk Management Committee

The Audit and Risk Management Committee's mandate is to assist the Board of Directors in its oversight and accountability roles with aspects relating to the quality, reliability and integrity of financial reporting and continuous disclosure. It ensures that Desjardins Capital has implemented and maintains effective internal control over financial reporting, safeguarding of assets and fraud detection. It receives from Desjardins Capital a certification on the internal control environment in connection with the operations outsourced by CRCD and ensures that Desjardins Capital implements and maintains adequate compliance mechanisms relating to legal and statutory requirements that may have a material effect on financial reporting. Its role also includes a component related to the work, performance, independence, recommendation of appointment and compensation of the independent auditor.

Lastly, this Committee is also responsible for monitoring CRCD's overall integrated risk management process, recommending to the Board changes to CRCD's *Integrated Risk Management and Risk Appetite Policy*, and more specifically monitors operational and regulatory risks as well as environmental and social risks.

Investment and Financial Asset Management Committee

The Investment and Financial Asset Management Committee's mandate is to coordinate and align CRCD's financial assets to optimize the risk/return balance. It recommends to the Board CRCD's investments and reinvestments in and divestitures of Desjardins Capital's partner funds and monitors them. The Committee monitors CRCD's performance and ensures that CRCD complies with the legislative and regulatory requirements relating to financial assets. It also oversees the implementation of and compliance with CRCD's *Global Financial Asset Management Policy* and related guidelines. The Committee is also responsible for recommending to the Board the appointment of portfolio advisors for the other investments portfolio as well as its asset allocation and monitors it.

Lastly, the Committee also monitors credit risk, market risks, concentration risks and liquidity risk.

12.0 Management's report

August 13, 2026

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 development capital investments 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 development capital investments 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, 2026. 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