



Annual financial report

2022

 **Desjardins**
Capital régional
et coopératif



Table of contents

Management discussion and analysis	3
1.0 Highlights.....	4
2.0 CRCQ financial highlights.....	6
3.0 Overview.....	7
4.0 Management's discussion of financial performance.....	10
5.0 Recent events.....	27
6.0 Past performance.....	27
7.0 Portfolio summary.....	28
8.0 Management's report.....	30
Complete audited separate financial statements, including the notes and the independent auditor's report	31
Audited schedule of cost of Investments impacting the Québec economy	65
Statement of Other investments	79
Index of the Company's share in investments made by specialized funds and partner funds, at cost	83

Management discussion and analysis

This annual management discussion and analysis (“MD&A”) supplements the separate financial statements and contains financial highlights but does not reproduce the full separate annual 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 annual and compounded returns expressed in this MD&A are net of expenses and income taxes while returns by activity or investment profile represent returns before expenses and income taxes.

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


Copies of the separate annual 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. 760, Desjardins Station, Montréal, Québec H5B 1B8, or from our website (www.capitalregional.com) or SEDAR at www.sedar.com.

Interim 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 December 31, 2022, the funds committed per region were as follows:




ABITIBI-TÉMISCAMINGUE*
\$33M → 38 companies
\$0.6M → 1 cooperative




BAS-SAINT-LAURENT*
\$72M → 38 companies
\$0.2M → 1 cooperative




CAPITALE-NATIONALE
\$174M → 78 companies
\$9M → 6 cooperatives




CENTRE-DU-QUÉBEC
\$47M → 22 companies
\$9M → 3 cooperatives




CHAUDIÈRE-APPALACHES
\$258M → 72 companies
\$1M → 3 cooperatives




CÔTE-NORD*
\$7M → 8 companies




ESTRIE
\$241M → 65 companies
\$7M → 3 cooperatives




GASPÉSIE – ÎLES-DE-LA-MADELEINE*
\$13M → 13 companies




LANAUDIÈRE
\$41M → 21 companies
\$5M → 2 cooperatives




LAURENTIANS
\$22M → 13 companies



LAVAL
\$107M → 19 companies




MAURICIE*
\$27M → 14 companies
\$0.4M → 1 cooperative




MONTÉRÉGIE
\$298M → 77 companies
\$39M → 1 cooperative




MONTREAL
\$504M → 112 companies
\$108M → 3 cooperatives



NORD-DU-QUÉBEC*
\$7M → 19 companies



OUTAOUAIS
\$12M → 14 companies



SAGUENAY-LAC-SAINT-JEAN*
\$112M → 74 companies
\$1M → 5 cooperatives

OUTSIDE QUÉBEC (ex Europe)
\$16M → 4 companies

EUROPE
\$20M → 9 companies

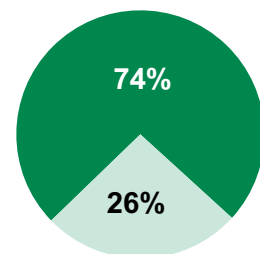
FUNDS
\$85M → 18 funds

IN TOTAL

757
COMPANIES,
COOPERATIVES AND FUNDS

\$2,275M
BENEFITING SMEs

74%
OF COMPANIES AND
COOPERATIVES BASED IN
QUÉBEC ARE FROM
REGIONS OTHER THAN
MONTREAL AND
CAPITALE-NATIONALE.



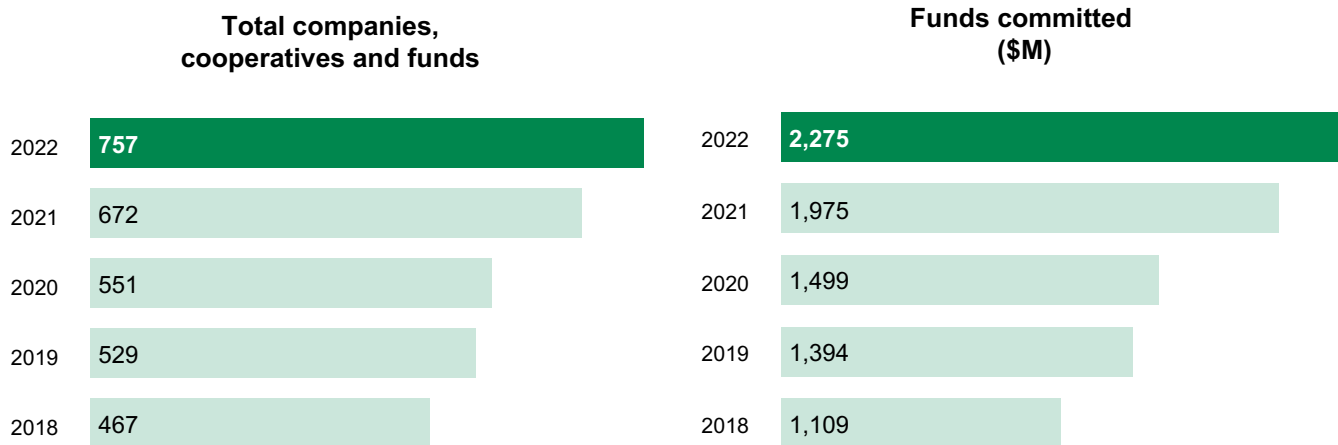
■ Other regions
 ■ Montréal and Capitale-Nationale

* Resource region

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

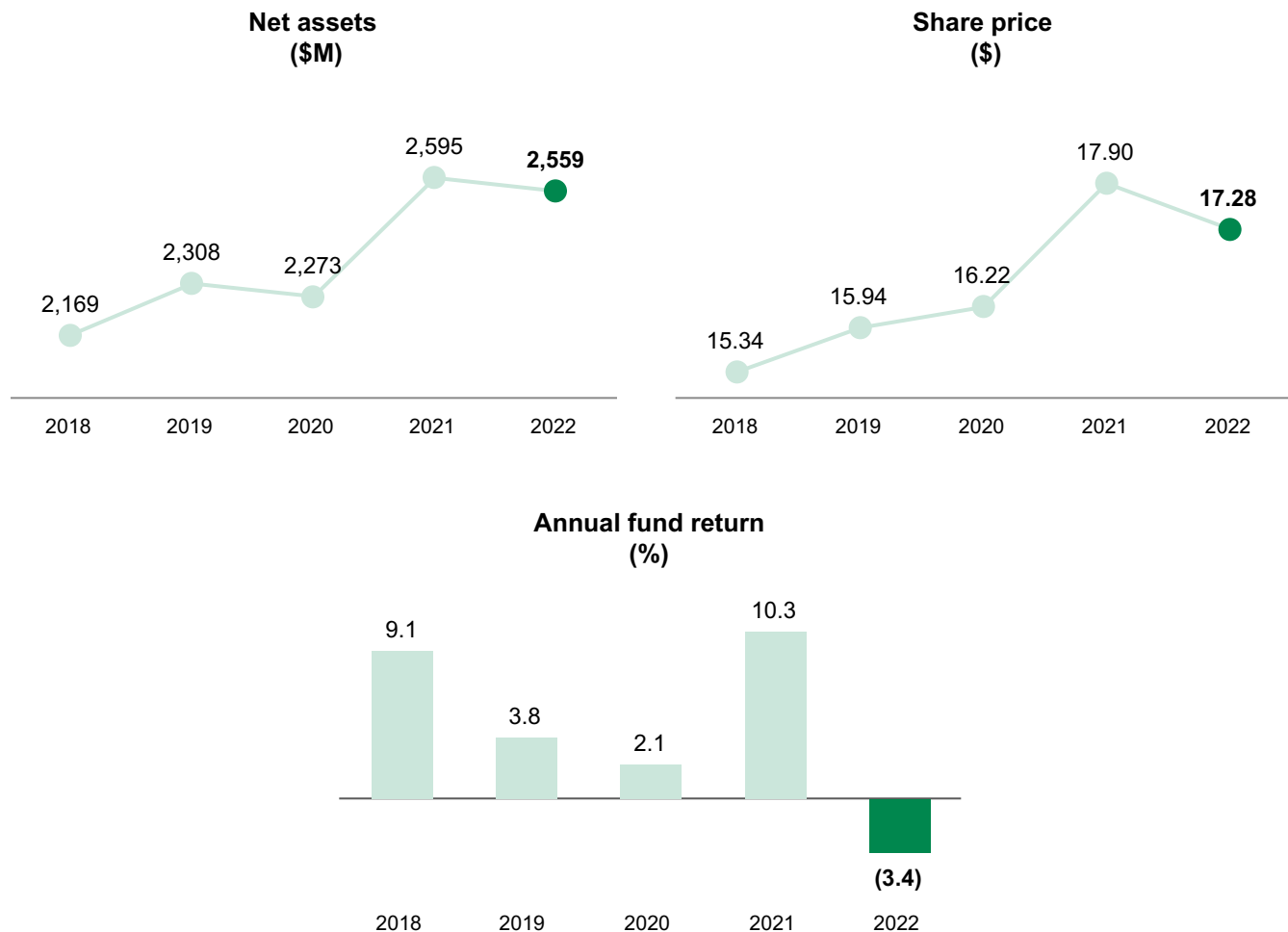
1.2 CRCD and its ecosystem support companies and cooperatives

AS AT DECEMBER 31



1.3 CRCD financial data

AS AT DECEMBER 31



2.0 CRCD financial highlights

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

2.1 Ratios and supplemental data

(in thousands of \$, unless indicated otherwise)	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018
Revenue	97,830	67,951	48,233	55,210	70,285
Gains (losses) on investments	(129,518)	212,275	38,471	63,703	138,632
Net earnings (loss)	(87,918)	234,476	46,429	81,302	174,894
Net assets	2,559,100	2,594,703	2,272,798	2,308,466	2,168,804
Common shares outstanding (number, in thousands)	148,099	144,959	140,110	144,849	141,391
Total operating expense ratio and common share issue expense ratio ⁽¹⁾ (%)	2.0	1.8	1.8	1.6	1.6
Portfolio turnover rate:					
– Investments impacting the Québec economy (%)	8	15	13	10	17
– Other investments (%)	118	111	100	101	163
Trading expense ratio ⁽²⁾ (%)	—	—	—	—	—
Number of shareholders (number)	113,690	113,039	109,286	109,364	107,862
Issues of common shares – Class A “Issuance”	140,088	140,155	139,842	140,017	141,179
Exchanges of common shares – Class B “Exchange”	49,905	99,855	(92)	199,445	—
Common share issue expenses, net of related taxes	—	—	—	—	2,523
Redemption of common shares	87,773	52,726	221,939	81,657	90,088
Investments impacting the Québec economy at cost	1,658,473	1,440,623	1,108,055	1,014,864	838,258
Fair value of Investments impacting the Québec economy	1,938,022	1,796,083	1,298,331	1,249,967	1,080,069
Funds committed but not disbursed including guarantees and suretyships	222,262	199,130	238,226	237,009	192,169

⁽¹⁾ The ratio of total operating expenses and common share issue expenses is calculated by dividing total operating expenses as shown on the separate statements of comprehensive income and common share issue expenses as shown on the separate statements of changes in net assets by net assets as at the end of the fiscal year 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 expense includes brokerage fees and other portfolio transaction costs. These expenses are not material to CRCD.

2.2 Changes in net assets per common share

(in \$)	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018
Net assets per common share, beginning of year	17.90	16.22	15.94	15.34	14.09
Increase (decrease) attributable to operations	(0.59)	1.67	0.34	0.58	1.28
Interest, dividends, distributions and negotiation fees	0.67	0.48	0.35	0.39	0.51
Operating expenses	(0.34)	(0.32)	(0.27)	(0.25)	(0.21)
Income taxes	(0.02)	—	(0.02)	(0.01)	(0.03)
Realized gains (losses)	(0.14)	0.34	0.56	0.25	0.79
Unrealized gains (losses)	(0.76)	1.17	(0.28)	0.20	0.22
Difference attributable to common share issues and redemptions	(0.03)	0.01	(0.06)	0.02	(0.03)
Net assets per common share, end of year	17.28	17.90	16.22	15.94	15.34

3.0 Overview

CRCD ended fiscal 2022 with a net loss of \$87.9 million (net earnings of \$234.5 million in 2021), representing a negative return of 3.4% (return of 10.3% in 2021), resulting in a decrease in net assets per share to \$17.28 based on the number of shares outstanding as at December 31, 2022. 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, as was the case in 2022, or due to unfavourable events at partner companies.

Investments impacting the Québec economy posted a negative return of 0.1% in 2022, compared with a return of 18.5% in 2021. After a significant increase in performance in 2021 driven by the rapid economic recovery following the pandemic, the return for fiscal 2022 was impacted by economic uncertainty that negatively affected the profitability of companies operating in certain sectors.

As at December 31, 2022, the cost of Investments impacting the Québec economy totalled \$1,658.5 million, of which \$322.9 million was disbursed during fiscal 2022. As at December 31, 2022, commitments made but not disbursed, including guarantees and suretyships granted to companies, cooperatives or funds, amounted to \$222.3 million. New commitments for the year totalled \$346.0 million.

The Other investments portfolio recorded a negative return of 3.4%. This negative return was mainly attributable to the decline in bond prices caused by the hike in long-term interest rates during the first six-month period of the year. On the upside, real estate funds and market neutral equity strategy funds performed well. In 2021, return on the Other investments portfolio was 4.4%.

During the year, issues of Class A "Issuance" common shares totalled \$140.1 million, comprising the balance of the 2021 issue and all of the maximum authorized amount for the 2022 issue. Share redemptions totalled \$87.8 million, compared with \$52.7 million in 2021. Net assets amounted to \$2,559.1 million and shareholders numbered 113,690 as at December 31, 2022. As at December 31, 2022, the balance of shares eligible for redemption totalled \$1,070.8 million. For more information, please see the Subscriptions section of this MD&A.

3.1 Our vision for Québec entrepreneurship

First of all, we applaud the resilience and passion of Québec entrepreneurs. Despite the difficult last few years, they repeatedly demonstrated their ability to overcome adversity. While 2021 ended with growth and 2022 allowed somewhat for a return to normalcy, other challenges emerged. The various levels of government supported companies during the pandemic, but the termination of these aid programs contributed to the slowdown in the second half of 2022.

Several companies went into debt during the pandemic, which impacted their capital structure and limited their capacity for growth. We must therefore redouble our efforts to support and promote our partner companies and cooperatives and help them through the economic slowdown.

Small businesses, which have a significant impact on GDP, exports and employability, are omnipresent in Québec. Already weakened by the labour shortage and supply chain issues, they now have to deal with inflationary pressures and their limited ability to borrow. They will need assistance in order to stay competitive and manage their environmental transition. They will have to be combative, bold and surround themselves with allies.

Amid the current challenges, including the aging population, business transfers remain essential for maintaining and developing our regions. We will continue to encourage the next generation and business succession so that the entrepreneurs of yesterday can enjoy their retirement, those of today can prosper and those of tomorrow can dream.

3.2 Growing businesses stronger

Building on nearly 50 years of expertise, Desjardins Capital, CRCD's manager, is one of the most active players in development and venture capital in Québec. Together, we are an indispensable business partner, supporting over 750 businesses, cooperatives and funds in various industries spanning all Québec regions. In addition to maintaining and creating several thousands of jobs, we are a major economic leader for ensuring the province's 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 trainings and products adapted and tailored 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 over thirty 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 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 regularly evaluate their progress.

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 regularly conduct trainings and assessments 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, distinguishes us in the market.

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

2022 ECONOMIC ENVIRONMENT AND 2023 OUTLOOK

Global economy

In 2022, the global economy continued to recover from the pandemic. However, the 3.1% growth in global real GDP recorded for 2022 fell significantly short of the 6.2% gain in 2021. Several economies also struggled during the period. Global production was affected by waves of COVID-19, particularly in China and, more importantly, it was further hampered by the war in Ukraine. This led to a surge in prices for raw materials, including energy and food. The war also led to more supply chain problems, further exacerbating inflation, which was already high in many parts of the world. The war's impacts were most apparent in Europe, including the United Kingdom, which faced sharply higher energy prices that undermined household incomes and severely wore down consumer confidence. In China, the economy suffered when major cities were closed in the spring and fall under the government's zero-COVID policy.

Growth is expected to slow even further in most countries in 2023, as the rising cost of living continues to erode real consumer income and interest rate hikes suppress demand for goods and services, particularly in the housing market. Global real GDP growth for 2023 is projected at only 2.2%.

The world's major equity indices posted significant declines in 2022. Although the inflationary environment continued to support growth in corporate profits, surging interest rates took a heavy toll on returns in the financial markets. Higher interest rates first hit government bonds early in the year, and the central banks quickly followed suit with cycles of monetary tightening in Canada, the United States and elsewhere in the world. With the entire yield curve now at the highest levels in 15 years, the risks are driving down economic growth, and this may continue to weigh on equity market performance.

United States

The U.S. economy faced several challenges in 2022. Real GDP actually declined in the first two quarters of the year. However, it was difficult to speak of a recession at that time, as several other indicators, including domestic demand and the labour market, continued to rise. Real GDP growth improved in the third and fourth quarters. Inflation remained problematic throughout 2022, although it peaked at 9.1% in June according to the annual change in the consumer price index. In order to fight excessive growth in the cost of living and keep inflationary expectations under control, the U.S. Federal Reserve began monetary tightening in March and subsequently picked up the pace. The sharp increase in policy rates and market rates, including those on mortgages, was detrimental to the economy. The problems began in the housing market, which declined for most of the year. There was also a marked slowdown in the consumption of goods, even though the post-pandemic recovery in the consumption of services continued unabated.

Annual GDP growth is expected to be sluggish in 2023 as households and businesses continue to be affected by rising interest rates. A recession is therefore expected. A recovery should become apparent in the second half of 2023 as inflation eases and the economy, including the labour market, rebalances. U.S. real GDP grew by a strong 5.9% in 2021 and a respectable 2.1% in 2022, but only 0.7% growth is expected in 2023.

Canada

The Canadian economy continued to recover at a healthy pace in the first half of 2022. In June, the unemployment rate even reached a new historic low of 4.9%. However, there have been significant imbalances due to a combination of strong demand and supply that was constrained by problems in global supply chains and some shortages. As in many other regions of the world, these imbalances caused inflation to accelerate sharply, from 4.8% in December 2021 to a high of 8.1% in June 2022. To bring supply and demand back into better balance and ease the pressures driving up prices, the Bank of Canada began raising its key interest rates in March 2022, followed by other increases throughout the year. By the end of 2022, the target overnight rate stood at 4.25%, up from just 0.25% at the start of the year.

Sharply higher interest rates have had a significant impact on the Canadian economy, particularly in sectors that are most sensitive to interest rates. The housing market declined sharply as prices slipped and sales of existing homes fell. Under these conditions, real GDP growth slowed in the second half of 2022. On the other hand, the much tighter monetary policy began to affect inflation, which began a gradual decline in July 2022. For 2022 as a whole, Canadian real GDP is expected to have grown 3.6%, and inflation should average 6.8%. The problems are expected to peak in 2023 and provoke a recession in Canada. However, Canadian real GDP is expected to post positive growth again in the fall. For 2023 as a whole, Canadian real GDP is expected to be almost of approximately 0.7%. Inflation should continue to normalize throughout the year and average 3.5% for 2023.

Québec

Following an exceptional start to the year, economic growth slowed sharply in the spring of 2022. Annualized real GDP growth fell from 5.5% in the first quarter to 1.2% in the second quarter. The second half of 2022 was particularly challenging. In the third quarter, real GDP contracted at an annualized rate of 1.9%, which could be marking the beginning of a recession. The housing market, which changed course in spring 2022, continued to cool. Sales of existing homes declined, with the average price falling 6.9% from the high reached in April to December 2022. Housing starts declined approximately 15% in 2022, ending the strong growth recorded during the pandemic. Rising interest rates also placed pressure on household spending, which was sorely tested. Consumers were contending with high inflation, which was eroding their purchasing power. The inflation rate reached 6.7% in 2022, and Quebecers' confidence plummeted to a level almost as low as that reached at the height of the pandemic. The savings rate, however, remained high at close to 10% in 2022 due to government support measures and relatively limited consumer spending. The overheated labour market conditions nevertheless continued. The unemployment rate reached 4.3% in 2022, and wages grew quickly. As for businesses, supply chain disruptions began to ease, and the cost of shipping containers by sea from Asia fell to near pre-pandemic levels. However, exporting companies are confronted with the global economic slowdown that began in 2022. In addition, high interest rates have made highly leveraged households and businesses more vulnerable. The environment in Québec became more difficult in 2022, and the deterioration of the economy will continue in 2023.

4.0 Management's discussion of financial performance

4.1 Operating results

CRCD'S NET RESULTS AND RETURNS

CRCD closed its fiscal year ended December 31, 2022, with a net loss of \$87.9 million, or a negative return of 3.4%, compared with net earnings of \$234.5 million (return of 10.3%) for 2021. As a result, based on the number of common shares outstanding, net assets per share amounted to \$17.28 as at year-end, compared with \$17.90 at the end of fiscal 2021. For illustrative purposes, at the current price of \$17.28, shareholders who invested seven years ago, on February 18, 2016, would obtain an annual after-tax return of more than 11.2%, taking into account the 40% income tax credit as per the rate applicable at that time.

CRCD's results stem primarily from Investments impacting the Québec economy and Other investments, which generated negative returns of 0.1% and 3.4%, respectively. For 2021, Investments impacting the Québec economy and Other investments posted returns of 18.5% and 4.4% respectively. Expenses, net of administrative charges and income taxes, had an impact of 2.2% on CRCD's return. Financial expenses had a negative impact of 0.1% on CRCD's return.

With significant declines in the stock and bond markets, CRCD was able to limit the decrease in profitability of its various portfolios, owing to its asset allocation strategy aimed at achieving a more balanced portfolio profile, while fully contributing to Québec's economic development.

Return by activity

	2022			
	Average assets under management (\$M)	Weighting (%)	1 year return (%)	1 year contribution (%)
Activities related to Investments impacting the Québec economy ⁽¹⁾	1,880	74.0	(0.1)	(0.1)
Other investments and cash	659	26.0	(3.4)	(1.0)
Financial expenses			(0.1)	(0.1)
	2,539	100.0	(1.2)	(1.2)
Expenses, net of administrative charges			(2.1)	(2.1)
Income taxes			(0.1)	(0.1)
CRCD's return			(3.4)	(3.4)

	2021			
	Average assets under management (\$M)	Weighting (%)	1 year return (%)	1 year contribution (%)
Activities related to Investments impacting the Québec economy ⁽¹⁾	1,560	65.0	18.5	10.7
Other investments and cash	838	35.0	4.4	1.8
	2,398	100.0	12.5	12.5
Expenses, net of administrative charges			(2.2)	(2.2)
Income taxes			—	—
CRCD's return			10.3	10.3

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

As at December 31, 2022, the amount drawn from the operating credit facility amounted to \$4.5 million (nil as at December 31, 2021). Financial expenses related to this credit facility were recorded in the results of the financial year. Refer to the Liquidity and capital resources section for details on the credit facility used.

INVESTMENTS IMPACTING THE QUÉBEC ECONOMY

Investments of \$405.8 million and disposals of \$189.8 million (including non-cash items) were made for a positive net balance of \$216.0 million. Combined with realized and unrealized net losses of \$77.1 million, these net investments brought the fair value of the Investments impacting the Québec economy portfolio, including foreign exchange contracts, to \$1,938.3 million as at December 31, 2022 (\$1,798.3 million as at December 31, 2021).

Investments impacting the Québec economy should also be measured taking into account funds committed but not disbursed, including guarantees and suretyships, which amounted to \$222.3 million as at December 31, 2022, compared with \$199.1 million as at December 31, 2021. Commitments already made but not disbursed of \$212.3 million, representing 8.3% of net assets, will eventually be made from the Other investments portfolio and credit facilities and allocated to Investments impacting the Québec economy.

Total commitments at cost as at December 31, 2022, amounted to \$1,880.7 million in 393 companies, cooperatives and funds, of which \$1,658.5 million was disbursed. As at December 31, 2022, backed by its entrepreneurial ecosystem, CRCD supported growth in 757 companies, cooperatives and funds.

During fiscal 2022, Investments impacting the Québec economy generated a negative contribution of \$1.4 million, for a negative return of 0.1%, compared with a contribution of \$243.7 million for fiscal 2021 (return of 18.5%). After a significant increase in performance in 2021 with the rapid economic recovery following the pandemic, the return for fiscal 2022 was impacted by economic uncertainty that negatively affected the profitability of companies operating in certain sectors.

Contribution generated by Investments impacting the Québec economy

(in thousands of \$)	2022	2021
Revenue	75,648	48,904
Gains and losses	(77,066)	194,772
Total	(1,418)	243,676

Revenue includes interest, dividends and negotiation fees related to Investments impacting the Québec economy. Negotiation fees, which amounted to \$4.8 million for the year ended December 31, 2022 (\$4.6 million in 2021), are earned by Desjardins Capital, the manager, and a credit for that amount is applied against the management fees paid to Desjardins Capital by CRCD. Negotiation fees are included in the contribution generated by the Investments impacting the Québec economy as they are included in the profitability analysis of the investments. The profile of the investments held by CRCD 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 generate revenue in addition to the revenue generated by CRCD's direct investments. This revenue, of which CRCD's share amounted to \$20.7 million for fiscal 2022 (\$21.2 million for fiscal 2021), 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.

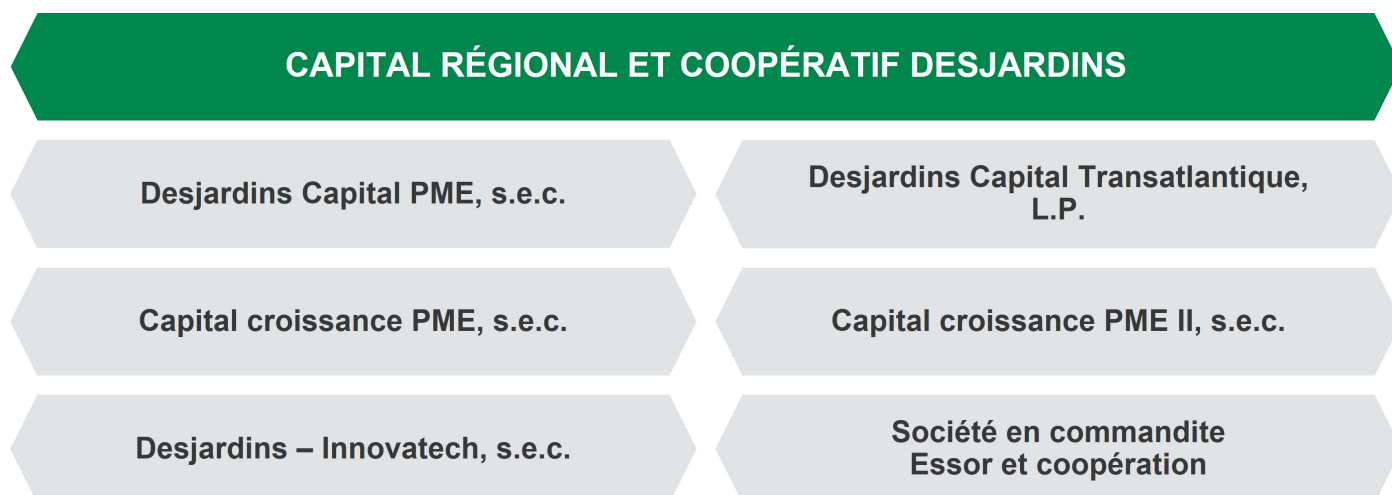
CRCD recorded in its results for the fiscal year a realized and unrealized loss of \$77.1 million compared with a gain of \$194.8 million for fiscal 2021. For more information, please see Entrepreneurial ecosystem performance in the following section.

As at December 31, 2022, the overall risk level of the Investments impacting the Québec economy portfolio was relatively stable compared with its December 31, 2021 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 December 31, 2022, CRCD's interest in the DCPME fund was 39.5%, while the interests of the other three limited partners, the DIM Private Completion Strategy Fund (DIM), Desjardins Holding Financier (DHF), and Desjardins Québec Balanced Fund (DQBF), were 60.5%, collectively. As at December 31, 2022, CRCD has disbursed \$185.6 million (\$173.4 million as at December 31, 2021) allowing a total of 260 companies to benefit from \$546.3 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 \$109 million to the two funds. DC Transatlantic's five-year planned investment period closes on July 4, 2023. CRCD has a 60.7% interest in DC Transatlantic. As at December 31, 2022, CRCD had disbursed \$25.4 million (\$21.5 million as at December 31, 2021) of its total commitment of \$47.5 million (€32.8 million), allowing 14 companies to benefit from \$31.8 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 ended December 31, 2021, 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 \$49.3 million of its total commitment of \$85 million. As at December 31, 2022, despite the close of the investment period, CRCD maintained a commitment of \$21.6 million which will be used for reinvestment and to pay the fund's operating expenses until its winding-up. As at December 31, 2022, Essor et Coopération had committed \$37.6 million in 26 cooperatives.
- CRCD is also the joint sponsor of the Desjardins-Innovatech S.E.C. fund (DI) with the Economic Development Fund. DI has undertaken to inject a total of \$85 million to support Québec technology or innovation businesses through each stage of their development. CRCD's interest in DI is 54.5%. In addition to this interest, CRCD has agreed to make an additional investment in the form of a note for a maximum amount of \$5.0 million in DI of which \$0.4 million was disbursed during fiscal 2022 for a total disbursement of \$3.5 million. This note does not affect the units held by CRCD in this fund. DI helps create innovative business accelerators in partnership with specialized organizations located in various regions of Québec, enabling it to support businesses from the embryonic stage through the commercialization phase. As at December 31, 2022, DI had committed \$56.7 million to support a total of 44 companies and funds.

- The Capital croissance PME s.e.c. and Capital croissance PME II s.e.c. funds (collectively, the “CCPME” funds), created in 2010 and 2014, respectively, and whose investment periods have closed, had an investment policy similar to that of the DCPME fund, which is to make capital available to Québec companies. CRCD and the Caisse de dépôt et placement du Québec (CDPQ), as sponsors of the funds, had agreed to invest, on an equal parts basis, a total amount of \$540 million. As at December 31, 2022, CRCD had disbursed \$256.2 million of its total commitment of \$270 million. Funds committed but not disbursed will be used for reinvestment and to pay the CCPME funds’ operating expenses until their winding-up. A total of 110 companies and funds benefited from \$79.6 million committed by the CCPME funds as at December 31, 2022. Since their inception, the funds have committed \$460.4 million to 376 companies.

In total, as at December 31, 2022, CRCD and its ecosystem supported the growth of 757 companies, cooperatives and funds in various industries spanning all Québec regions with commitments of \$2,275 million. Of that total, 29 cooperatives benefited from commitments of \$181 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 Startup and technology innovation profile;
- External funds: investments in funds outside CRCD’s entrepreneurial ecosystem; and
- Startup and technology innovation: investments in companies in pre-startup, startup or post-startup stages.

Return by investment profile

	2022			
	Average assets under management	Weighting	1 year return	1 year contribution
	(\$M)	(%)	(%)	(%)
Debt	533	21.0	2.1	0.4
Equity	1,007	39.6	1.3	0.5
External funds	52	2.1	10.0	0.2
Startup and technology innovation	271	10.7	(11.4)	(1.2)
Investment profiles subtotal	1,863	73.4	(0.2)	(0.1)
Other asset items held by ecosystem funds	17	0.6	2.5	—
Ecosystem total	1,880	74.0	(0.1)	(0.1)

	2021			
	Average assets under management	Weighting	1 year return	1 year contribution
	(\$M)	(%)	(%)	(%)
Debt	477	19.9	5.7	1.1
Equity	827	34.5	22.5	6.9
External funds	45	1.9	29.2	0.6
Startup and technology innovation	190	7.9	43.1	2.1
Investment profiles subtotal	1,539	64.2	18.8	10.7
Other asset items held by ecosystem funds	21	0.8	(3.4)	—
Ecosystem total	1,560	65.0	18.5	10.7

The negative 0.1% return of the Investments impacting the Québec economy portfolio for fiscal 2022 stemmed partly from the Startup and technological innovation investment profile, which recorded a negative return of 11.4%. After generating strong growth in 2021, the negative return was mainly due to a stock market decline in this sector, making it more difficult to find funding for these companies. The Debt and Equity profiles did not perform as well as in 2021 because of current market conditions, namely the sharp increase in corporate bond rates during the year, inflation, the downturn in equity markets, and because of difficulties our partner companies encountered regarding supply chain issues and labour scarcity. External funds generated a solid return in 2022, driven mainly by a significant gain in one of our holdings.

OTHER INVESTMENTS

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

CRCD has implemented management strategies for the Other investments portfolio to optimize potential returns while retaining the required liquidity to meet liquidity needs arising from redemption requests from shareholders and Investments impacting the Québec economy it expects to make. This portfolio, consisting primarily of liquid assets, includes fixed-income securities, global equity funds up to December 2022, Canadian equity funds, real estate funds, infrastructure funds and market neutral equity funds. This portfolio provides a current revenue stream for CRCD and ensures sound diversification.

As at December 31, 2022, CRCD's Other investments portfolio, including cash, but excluding foreign exchange contracts and the bank overdraft, totalled \$566.7 million (\$752.3 million as at December 31, 2021) and consisted of the following:

Other investments portfolio

	As at December 31, 2022		As at December 31, 2021	
	Fair value (\$M)	% of portfolio	Fair value (\$M)	% of portfolio
Cash and money market instruments	6.6	1.1	27.4	3.6
Bonds	274.1	48.4	317.6	42.2
Global equity funds	—	—	61.9	8.3
Canadian equity funds	57.7	10.2	101.3	13.5
Real estate funds	126.9	22.4	79.2	10.5
Infrastructure funds	28.9	5.1	—	—
Market neutral equity funds	72.5	12.8	164.9	21.9
Portfolio total	566.7	100.0	752.3	100.0

As at December 31, 2022, 99.7% of portfolio bond securities were government guaranteed (99.7% as at December 31, 2021).

The Other investments portfolio accounted for 22.1% of total net assets as at the end of fiscal 2022 (29.0% as at December 31, 2021). This decrease is mainly due to significant divestments made during the year to rebalance the total equity asset allocation by divesting from the Global Dividend Fund and to partially repay the credit facility by divesting some of the market neutral equity funds.

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 \$)	2022	2021
Revenue	26,669	23,274
Gains and losses	(52,451)	17,503
Total	(25,782)	40,777

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.

Revenue for fiscal 2022 was up \$3.4 million compared to the same period in 2021, due to the increase in distributions received on the equity and real estate funds, and by higher interest income on the bond portfolio following an increase in effective rates during the year.

Losses of \$52.5 million in fiscal 2022 stemmed mainly from the following financial assets:

- Bonds recorded a loss of \$51.1 million, as 10-year government bond yields rose 188 basis points during the fiscal year, especially in the first six-months, in response to inflationary pressures.
- Equity funds suffered stock market setbacks with a loss of \$6.1 million, including \$3.8 million for global equity funds completely divested in December 2022.
- Real estate funds realized net gains of \$7.1 million, mainly during the first half of the year.
- Finally, market neutral equity funds recorded a loss of \$3.9 million, but this was more than offset in revenue by a distribution of \$10.7 million.

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. Furthermore, CRCD seeks to match the average maturity of the bond portfolio with the average maturity of expected cash outflows, thereby limiting the long-term effect of changes in bond rates on CRCD's results.

SUBSCRIPTION

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

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

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

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

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

The minimum holding period for CRCD shares, regardless of their class, before a shareholder would normally be eligible for a redemption is seven years to the day from the date of purchase or exchange. Note, however, that shareholders who withdraw some or all of their shares after the seven-year holding period may no longer claim a tax credit for any subscription or exchange for which the tax credit would apply in the current tax year or in any subsequent tax year. A special tax is payable by CRCD if it fails to comply with the authorized issuance or exchange amounts, and control mechanisms have been implemented by CRCD to ensure compliance. No special tax was paid for fiscal 2022 or 2021.

As at December 31, 2022, CRCD had \$1,963.9 million in share capital (\$1,859.6 million as at December 31, 2021) for 148,098,572 common shares outstanding (144,959,191 as at December 31, 2021).

During the year, CRCD raised \$140.1 million in Class A “Issuance” shares, or the balance from the 2021 issue and all of the 2022 issue, compared to \$140.2 million in 2021. The subscription period for the 2023 issue will begin in the fall.

The exchange registration period for the 2022 taxation year took place in the fall of 2022 and acceptance of applications was completed and recorded in January 2023 for an authorized amount of \$50 million.

In fiscal 2022, redemptions of common shares totalled \$87.8 million, compared with \$52.7 million in 2021.

As at December 31, 2022, the balance of shares eligible for redemption totalled \$1,070.8 million. During fiscal 2023, additional shares valued at approximately \$175.8 million will also become eligible for redemption bringing total potential redemptions to approximately \$1,246.6 million. This amount will be reduced by \$50 million for exchange requests accepted in January 2023 and the number of shares that may be redeemed in fiscal 2023.

As at December 31, 2022, shareholders numbered 113,690 compared with 113,039 as at December 31, 2021.

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 \$)	2022	2021
Management fees	27,791	26,168
Other operating expenses	9,518	8,564
Shareholder services	12,373	11,147
Total	49,682	45,888

CRCD has entrusted the management of its operations, including the management of its Investments impacting the Québec economy and Other investments portfolios, 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 deduction of any amounts payable related to Investments impacting the Québec economy and Other investments. An adjustment is made to the management fees to avoid double billing relative to CRCD’s interest in other investment funds, whether in the Investments impacting the Québec economy portfolio or in Other investments. 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 \$6.0 million was made for the year ended December 31, 2022. The negotiation fees from the portfolio companies are earned by Desjardins Capital, and their amount is deducted from the management fees payable by CRCD. The increase in management fees is mainly due to the increase in CRCD’s average value of assets under management as at December 31, 2022, compared with 2021.

The \$0.9 million increase in operating expenses compared to fiscal 2021 was mainly due to higher expenses related to the IT master plan to support long-term asset growth.

Shareholder services increased by \$1.2 million compared to fiscal 2021, driven primarily by the higher spending on the development of applications for the supply of services. The main expense under shareholder services, whose variation compared to the year ended December 31, 2021 is insignificant, was the compensation paid by CRCD to the caisses for all shareholder

advisory services, determined annually based on CRCD's net assets and the degree to which share subscription and redemption transactions are automated.

The agreements in effect as at December 31, 2022 between the different entities of the Desjardins Group and CRCD are currently under review ahead of their renewal.

Income tax expense amounted to \$3.5 million for fiscal 2022, compared with a \$0.1 million recovery for fiscal 2021. The nature of the income has a significant impact on the income tax expense (recovery) since, unlike interest income, dividends are generally not taxable and capital gains are eligible for tax deductions and refund mechanisms. CRCD's strategy is to optimize the after-tax return taking into account these rules.

LIQUIDITY AND CAPITAL RESOURCES

For the year ended December 31, 2022, cash inflows from share issues net of redemptions amounted to \$52.3 million (net cash inflows of \$87.4 million in 2021). For fiscal 2022, operating activities combined with fees for the development of intangible assets generated net cash outflows of \$77.2 million (net cash outflows of \$82.7 million in 2021). After including disbursements and proceeds from disposals from Investments impacting the Québec economy, CRCD reported net cash outflows of \$180.2 million (net cash outflow of \$293.5 million in 2021) at the end of fiscal 2022. These outflows were partly offset by the Other investments portfolio, which generated net cash inflows of \$108.2 million, (inflows of \$193.9 million in 2021), especially with the divestments in global equity funds and some of the market neutral equity funds.

As at December 31, 2022, cash and cash equivalents totalled \$1.5 million (\$26.3 million as at December 31, 2021).

CRCD had an authorized line of credit of \$300 million as at December 31, 2022. This line of credit was used during the year to bridge the gap between cash inflows and outflows, especially for Investments impacting the Québec economy. As at December 31, 2022, the amount drawn from the operating credit facility amounted to \$4.5 million (nil as at December 31, 2021). For fiscal 2022, the average balance for the operating credit facility was \$128.5 million (\$1.2 million in 2021). Although CRCD could dispose of sufficient additional investments to repay the credit facility in full, CRCD plans to use the credit facility, as needed, to maintain a sound allocation of its assets, and to avoid having to make disposals under potentially unfavourable conditions. To maintain some flexibility for CRCD's current operating financing requirements, an increase in the credit facility from \$250 million to \$300 million was authorized by CRCD's Board of Directors on August 11, 2022.

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

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

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

MISSION

CRCD strives to value and nurture the best of Québec entrepreneurship that is part of the collective wealth that is ours to have and to hold. With that in mind, CRCD's mission is to:

Energize our entrepreneurship. Prioritize Québec ownership. Grow our collective wealth and make it last for generations to come. By building bridges to the future, we're working together to energize our economy.

Steps will be taken to update CRCD's mission statement in 2023.

CRCD'S VISION AND STRATEGIC PRIORITIES

In 2022, the Board of Directors approved a strategic plan setting out CRCD's ambitions and priorities through 2024. Each year, the Board establishes an implementation plan and monitors its progress and key performance indicators quarterly to realize its goals.

CRCD aims to be the #1 choice of investors wishing to contribute to the regional vitality of Québec and to remain a beacon to entrepreneurs and SMEs, by prioritizing:

- The sustainability of its business model;
- The growth of its capitalization; and
- A greater impact on the Québec economy.

CRCD's strategic plan is aligned with that of Desjardins Capital and Desjardins Group, each of which includes relevant goals for CRCD. Together, we are always there for investors and entrepreneurs, supporting the growth of SMEs and cooperatives across all regions of Québec.

STRATEGIES

Desjardins Capital organizes its teams to optimize efficiency and control management fees. This administrative organization aims to appropriately fulfill our mandate of driving regional and cooperative development and Québec's economic development in general.

CRCD monitors changes in asset allocation and performance by investment profile to better manage operations. Each investment profile includes the assets held by CRCD and similar assets held by the funds in its ecosystem according to their respective interests.

CRCD aims for a balance between its mission to drive regional economic development and reasonable long-term return for the shareholders. Using a global approach to managing its financial assets, CRCD manages its portfolio of Investments impacting the Québec economy jointly with its Other investments portfolio. This management approach allows CRCD to benefit from a balanced overall profile and limit volatility in periods of substantial market turbulence or due to unfavourable events at partner companies.

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 enjoy.
- 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 Investments impacting the Québec economy portfolio, while taking into account available credit facilities.
- A sufficient portion of CRCD's financial assets must be invested in securities that generate current income to meet its expenses.

Finally, CRCD is required to fulfill its mission within certain guidelines, which include investing 65% of its average net assets in eligible Québec companies at December 31 of each year. In addition, 35% of eligible investments must be made in Québec's resource regions or in eligible cooperatives. If these requirements are not met, the authorized issue of capital for the capitalization period following the end of the fiscal year could be reduced. As at December 31, 2022, and 2021, all of those rules were met.

4.3 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, with one directorship vacant:



Bernard Bolduc
BBA Finance, ICD.D

Chair of the Board of CRCD and President, Altrum Inc.



Muriel McGrath
BA, MA, ICD.D

Vice-chair of the Board of CRCD and President, MC² Consilium inc.



Marc Barbeau
CPA, M. Fisc.

Secretary of the Board of CRCD and President and Chief Executive Officer, Ovivo Inc.



Linda Labbé
CPA

Desjardins Group Relations Director and Corporate Director



Charles Auger
BBA Finance

Vice-President of Operations, Chocolats Favoris



Éric Charron
BBA Finance, AdMA, PIFin.

General Manager, Caisse Desjardins of Gatineau



Annie Demers
CPA

Organizational Development Advisor, Québec City



Marinella Ermacora
BSc, MBA, ICD.D

Corporate Director



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

Corporate Director and Executive Coach



Louis Roy
BBA, MBA, DAE

Director of Business Intelligence, Revenu Québec



Jean-Guy Sénécal
FCPA, BBA

Corporate Director



Louis-Régis Tremblay
Eng., ICD.D

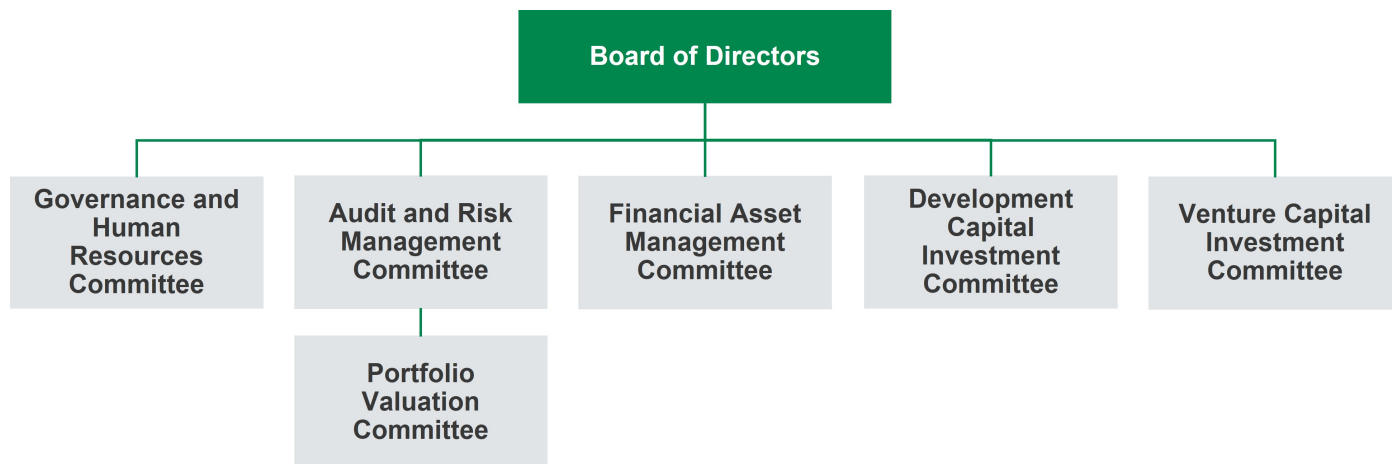
Management Consultant and Corporate Director

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, Desjardins Capital, reports on outsourced activities through its executives who attend meetings of the Board and the committees.

CRCD governance structure is 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 Human Resources Committee

The Governance and Human Resources 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 Desjardins Group Relations Director and Board members. It also 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 the Manager. Furthermore, the Committee ensures that a succession plan is in place for the Desjardins Group Relations Director.

This Committee also has the duty to oversee general reputation risk and conflict of interest risks. It is informed of the reputational risk associated with the investment, which is monitored by the investment committees.

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 the manager has implemented and maintains effective internal control over financial reporting, safeguarding of assets and fraud detection. It receives annual certification of the manager's internal control environment in connection with the operations outsourced by CRCD. It verifies that the manager 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.

The Committee is also responsible for monitoring CRCD's overall integrated risk management process, recommending to the Board changes to *CRCD's Risk Management Policy*, and more specifically monitors all operational and regulatory risks. It is informed of market risks related to interest rates, foreign currencies and stock markets, which are monitored by the Financial Asset Management Committee.

Financial Asset Management Committee

The Financial Asset Management Committee's mandate is to coordinate and align CRCD's financial asset management to optimize the risk/return balance. 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. The Committee is made up of individuals who possess a range of complementary expertise and sufficient financial, accounting and economic knowledge and skills to fully understand the nature of CRCD's financial assets and the resulting financial risks.

The Committee also monitors market risks related to interest rates, foreign currencies and stock markets, geographic and sector concentration risk related to net assets and liquidity risk. It is informed of the sector concentration risk of Investments impacting the Québec economy and the credit and counterparty risk of the Investments impacting the Québec economy that are under the supervision of the investment committees.

Portfolio Valuation Committee

The Portfolio Valuation Committee's mandate is to review all relevant information concerning the valuations of CRCD's Investments impacting the Québec economy portfolio on a semi-annual basis in order to provide reasonable assurance to the Audit and Risk Management Committee and the Board that the valuation process complies with the requirements of the *Regulation respecting Development Capital Investment Fund Continuous Disclosure*. It also reviews, from time to time, the *Fair Value Methodology* and recommends to the Audit and Risk Management Committee and the Board such changes as it deems necessary. The majority of this committee's members are independent qualified valuers in accordance with the above Regulation.

Investment committees

The general mandate of the Development Capital and Venture Capital investment committees is to evaluate, authorize or recommend and oversee transactions related to Investments impacting the Québec economy within the limits of the decision-making process approved by the Board and in accordance with CRCD's mission. The members of these committees are selected based on their expertise and experience in the sectors targeted by the various policies governing investment activities and on their ability to assess the quality of an investment, detect risks and contribute to its future growth in value.

The Development Capital Investment Committee reviews investments in sectors other than the technological and industrial innovation sectors for companies that have demonstrated financial results that satisfy the criteria established in the applicable policies and guidelines, and that require capital, especially for growth projects or others, as well as for those in the startup or post-startup stages. It also reviews investments in external private funds that qualify as strategic performing development capital funds.

The Venture Capital Investment Committee reviews investment requests to support companies in the technological and industrial innovation sectors with high value creation potential, that are generally in the pre-startup, startup or post-startup stage. It also reviews investments in external private funds that qualify as strategic performing venture capital funds.

These committees also have a role in overseeing investment-related reputation risk, sector concentration risk related to Investments impacting the Québec economy, and credit and counterparty risk related to Investments impacting the Québec economy. They are informed of the strategic risk associated with the investment eligibility requirements set out in CRCD's constituting act, which is supervised by the Board.

Attendance record and compensation

The following table presents the attendance record and compensation of CRCD's directors and external committee members for fiscal 2022.

Names	Board of Directors	Governance and Human Resources Committee	Audit and Risk Management Committee	Financial Asset Management Committee	Portfolio Valuation Committee	Development Capital Investment Committee	Venture Capital Investment Committee	Compensation (\$)
Number of meetings	8	5	5	4	4	20	13	
Directors and external committee members active as at the date of this MD&A								
Charles Auger	8/8	-	5/5	-	-	-	13/13	\$ 44,000
Marc Barbeau	8/8	-	-	4/4	-	20/20	-	\$ 62,000
Bernard Bolduc	7/8	4/5	-	-	-	-	-	\$ 70,000
Éric Charron	7/8	-	-	3/4	-	-	-	\$ 26,000
Annie Demers	6/6	-	-	-	2/3	-	-	\$ 19,999
Marinella Ermacora	8/8	5/5	4/4	-	-	-	-	\$ 32,088
Linda Labbé	7/8	5/5	5/5	4/4	4/4	-	-	\$ 73,589
Muriel McGrath	8/8	5/5	-	-	-	-	12/13	\$ 36,000
Anne-Marie Renaud	7/8	-	-	-	-	19/20	-	\$ 50,000
Louis Roy	8/8	-	-	-	-	-	13/13	\$ 30,000
Jean-Guy Senécal	8/8	-	5/5	-	4/4	20/20	-	\$ 72,000
Louis-Régis Tremblay	7/8	5/5	-	4/4	-	-	-	\$ 32,000
Marco Champagne *	-	-	-	-	3/4	-	-	\$ 9,600
René Delsanne*	-	-	-	3/4	-	-	-	\$ 10,000
Lucie Demers*	1/2	-	1/1	-	4/4	-	-	\$ 16,024
Sophie Fortin *	-	-	-	-	-	18/20	-	\$ 20,500
Claudia Gagné*	-	-	-	4/4	-	-	-	\$ 11,000
François Gervais*	-	-	-	-	-	20/20	-	\$ 22,000
Mario Gosselin *	-	-	-	-	-	15/16	-	\$ 16,577
Sébastien Mailhot *	-	-	-	-	3/4	-	-	\$ 9,600
Normand Tremblay *	-	-	-	-	-	-	13/13	\$ 16,750
Francis Trudeau*	-	-	-	-	3/4	-	-	\$ 9,600
Paul Vokaty *	-	-	-	-	-	-	13/13	\$ 16,750
Directors and external committee members no longer in office as at the date of this MD&A								
George Rossi *	-	-	-	-	4/4	-	-	\$ 10,800
Michel Rouleau *	-	-	-	-	-	3/4	-	\$ 3,918
TOTAL COMPENSATION								\$ 720,795

* External committee member

EXPLANATORY NOTES TO TABLE:

Compensation includes fees in connection with meetings of the Board of Directors and the committees, training sessions and working meetings. Only external committee members receive fees for meetings.

As at the date of this MD&A, the Chair of the Board of Directors and the Desjardins Group Relations Director receive annual retainers of \$70,000 and \$60,000, respectively. They receive no additional compensation, unless the Desjardins Group Relations director chairs a committee of which they are not the ex officio chair. They will then receive a supplementary annual retainer equivalent to the difference between the chair of the committee's expected annual retainer and that of a member director of the committee.

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 February 16, 2023.

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 December 31, 2022, was \$829.4 million (\$761.4 million as at December 31, 2021). Fixed-income securities held in the Other investments portfolio include money market instruments and bonds. Fixed-income securities held in the Investments impacting the Québec economy portfolio include loans and advances and preferred shares.

Money market instruments with a fair value of \$0.8 million (\$8.3 million as at December 31, 2021) are not valued based on changes in interest rates, given their short maturities.

Bonds with a fair value of \$274.1 million (\$317.6 million as at December 31, 2021) are directly affected by changes in interest rates. A 1% increase in interest rates would have resulted in a \$32.6 million decrease in net earnings, representing a 1.3% decrease in CRCD's share price as at December 31, 2022 (\$23.2 million for 0.9% as at December 31, 2021). Similarly, a 1% decrease in interest rates would have had the opposite effect, resulting in a \$37.6 million increase in net earnings, representing a 1.5% increase in the share price (\$25.2 million for 1.0% as at December 31, 2021). CRCD's financial asset management strategy aims to diversify the portfolio securities, thereby limiting exposure to long-term bonds. Given that CRCD matches the maturities of bonds held in its portfolio with the average maturity of expected cash outflows, the long-term effect of interest rates on results should be limited.

Real estate funds and infrastructure funds with fair values of \$126.9 million and \$28.9 million, respectively, as at December 31, 2022 (\$79.2 million and nil as at December 31, 2021) 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 \$508.3 million (\$408.3 million as at December 31, 2021), 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 \$398.8 million (\$356.3 million as at December 31, 2021), 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 an \$8.7 million decrease in net earnings, representing a 0.3% decrease in CRCD's share price (\$8.2 million for 0.3% as at December 31, 2021). A 1% decrease in interest rates would have had the opposite effect, resulting in a \$9.0 million increase in net earnings, representing a 0.4% increase in CRCD's share price (\$8.7 million for 0.3% as at December 31, 2021).

Stock market risk

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

As at December 31, 2022, Canadian equity funds, valued at \$57.7 million (global and Canadian equity funds valued at \$163.3 million as at December 31, 2021), 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 \$5.8 million increase or decrease in net earnings, representing a 0.2% increase or decrease in CRCD's share price (\$16.3 million for 0.6% as at December 31, 2021).

Market-neutral equity funds, valued at \$72.5 million as at December 31, 2022 (\$164.9 million as at December 31, 2021), are less exposed to stock market fluctuations as they minimize market risks. 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 \$16.1 million (\$28.1 million as at December 31, 2021). Accordingly, for these investments, a 10% increase or decrease in the quoted market prices of listed equities would have resulted in a \$1.6 million increase or decrease in net earnings, representing a 0.1% increase or decrease in CRCD's share price (\$2.8 million for 0.1% as at December 31, 2021).

Currency risk

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

Currency fluctuations impact the fair value of assets valued initially in a foreign currency and subsequently translated into Canadian dollars at the prevailing rate of exchange. In the portfolio of Investments impacting the Québec economy, assets whose values fluctuate due to changes in foreign exchange rates represented a fair value of \$115.6 million or 4.5% of net assets as at December 31, 2022, compared with \$194.2 million or 7.5% of net assets as at December 31, 2021.

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 December 31, 2022, CRCD held a foreign exchange contract under which it will be required to deliver US\$80.0 million (US\$114.0 million as at December 31, 2021), at the rate of CAD/USD 1.3586 (CAD/USD 1.2849 as at December 31, 2021), as well as a foreign exchange contract under which it will be required to deliver €18.7 million (€15.8 million as at December 31, 2021) at the rate of CAD/EUR 1.4523 (CAD/EUR 1.4555 as at December 31, 2021) on March 31, 2023. As at December 31, 2022, CRCD had \$3.8 million in collateral on its foreign exchange contracts (nil as at December 31, 2021).

As at December 31, 2022, the net exposure of CRCD's Investments impacting the Québec economy portfolio and accounts receivable to foreign currencies was thus \$19.8 million (\$27.2 million as at December 31, 2021). Any fluctuation in the Canadian dollar will therefore not have a significant impact on CRCD's results. However, following the revaluation of assets carried out on December 31, 2022, the exposure to foreign currencies exceeded CRCD's internal guidelines. As a result, an adjustment was made to foreign exchange contracts after December 31, 2022 to reduce net foreign currency exposure to \$1.8 million.

For the Other investments portfolio, the net exposure of investments to foreign currencies amounted to \$62.6 million (\$61.5 million as at December 31, 2021). Accordingly, a 10% decrease (increase) in value of the Canadian dollar relative to all other foreign currencies would have resulted in a \$6.3 million increase (decrease) in net earnings, representing a 0.3% increase (decrease) in CRCD's share price (\$6.1 million for 0.2% as at December 31, 2021).

CREDIT AND COUNTERPARTY RISKS

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

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

The maximum credit risk is the carrying amount of the financial instruments at the end of the reporting period, in addition to funds committed but not disbursed, including guarantees and securities. The risk ratings below are generated and updated based on our portfolio companies' annual financial documents. There is therefore a lag between the current economic reality and the risk ratings.

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

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

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

Rating		As at December 31, 2022		As at December 31, 2021	
		(in thousands of \$)	(in %)	(in thousands of \$)	(in %)
1 to 6.5	Low to acceptable risk	1,742,500	89.9	1,533,608	85.4
7 to 9	At risk	168,160	8.7	200,248	11.1
10	High risk and insolvent	27,362	1.4	62,227	3.5

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

Rating		As at December 31, 2022		As at December 31, 2021	
		(in thousands of \$)	(in %)	(in thousands of \$)	(in %)
1 to 6.5	Low to acceptable risk	157,251	70.8	164,861	82.8
7 to 9	At risk	58,778	26.4	28,036	14.1
10	High risk and insolvent	6,233	2.8	6,233	3.1

For the bonds, which represented 48.8% of the fair value of the Other investments portfolio (43.2% as at December 31, 2021), credit risk is managed by diversification across numerous issuers with credit ratings as follows:

Rating ⁽¹⁾	As at December 31, 2022		As at December 31, 2021	
	(in thousands of \$)		(in thousands of \$)	
AAA	131,891		188,811	
AA	127,225		114,790	
A	14,946		14,003	

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

Consistent with the *Global Financial Asset Management Policy*, money market instruments have a minimum credit rating of R-1 (low), thus limiting the credit risk associated with these financial instruments.

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

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

CONCENTRATION RISKS

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

Risk of concentration in an entity

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

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

	As at December 31, 2022		As at December 31, 2021	
	% of portfolio	% of net assets	% of portfolio	% of net assets
Investments impacting the Québec economy ⁽¹⁾	28.0	23.7	27.4	21.1
Other investments ⁽²⁾	65.5	14.4	59.2	16.7

⁽¹⁾ CRCD's interest in the ecosystem funds accounted for 46% (53% as at December 31, 2021) 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 46% and 54% respectively (29% and 71% as at December 31, 2021) of the five largest issuers or counterparties in the Other investments portfolio.

Risk of concentration by region

In keeping with its mission of Québec economic development, the Investments impacting the Québec economy portfolio chiefly comprises businesses whose employees are, in the majority, residents of Québec. Furthermore, at least 35% of its investments must be made in companies located in the resource regions or in eligible cooperatives. Portfolio performance therefore depends heavily on economic conditions in Québec and the resource regions. As at December 31, 2022, the Investments impacting the Québec economy portfolio represented 76.3% of net assets (69.6% as at December 31, 2021).

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 December 31, 2022, the Other investments portfolio included a portion of foreign securities resulting primarily from its interest in real estate and infrastructure funds and comprised 89.0% of Canadian securities (91.8% as at December 31, 2021). Other investments portfolio performance therefore depends heavily on economic conditions in Canada. As at December 31, 2022, the Other investments portfolio represented 22.1% of net assets (29.0% as at December 31, 2021).

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 December 31, 2022, bond securities represented 10.7% of net assets (12.2% as at December 31, 2021).

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

LIQUIDITY RISKS

CRCD must maintain sufficient liquid assets to fund share redemptions and committed Investments impacting the Québec economy. If it failed to do so, CRCD would be dependent on the markets and could be forced to carry out transactions under unfavourable conditions. With target liquid investments that should represent approximately 25% of assets under management, and using a management approach that ensures that the average maturity of bonds is close to the average maturity of expected outflows, CRCD can confirm that liquidity risks are adequately covered. Furthermore, a credit facility has been put in place to provide greater cash management flexibility. To maintain some flexibility for CRCD's current operating financing requirements, an increase in the credit facility from \$250 million to \$300 million was authorized by CRCD's Board of Directors on August 11, 2022. This credit facility was used in 2022 to bridge the gap between disbursements and disposals of Investments impacting the Québec economy.

Given the significant balance of redeemable shares of CRCD, new temporary measures were announced by the Québec government to allow eligible CRCD shareholders to commit their redeemable capital for an additional seven-year period. With an authorized annual amount of \$50 million for the 2021 and 2022 issues, this initiative has allowed greater availability of capital for Investments impacting the Québec economy by reducing cash requirements related to share redemptions. Since its inception in 2018, this initiative has been well received by shareholders as the authorized amounts have been fully subscribed. See the Subscription section for more information.

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

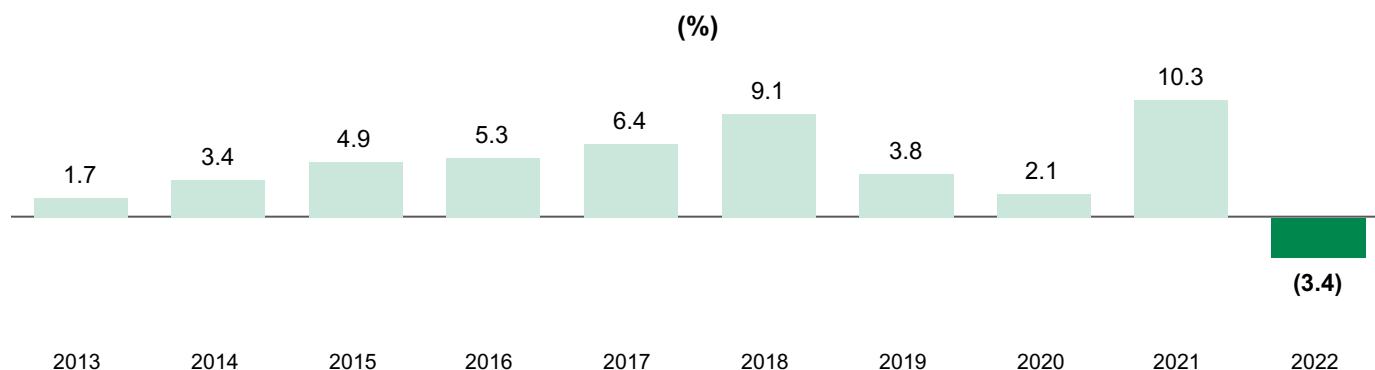
The uncertain economy described in this MD&A could affect performance in CRCD’s next six-month periods. CRCD is continuing to actively monitor the situation and the impacts on its operations.

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. Annual return is calculated by dividing earnings (loss) per share for the period by the share price at the beginning of the period.



6.2 Compounded return of the common share as at December 31, 2022

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
4.2%	4.6%	4.2%	2.7%	(3.5)%

7.0 Portfolio summary

7.1 Core investment profiles

As at December 31, 2022, 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	21.6
Equity	41.3
External funds	2.3
Startup and technology innovation	10.7
Other asset items held by ecosystem funds	0.4
Total - Investments impacting the Québec economy	76.3
OTHER INVESTMENTS	
Cash and money market instruments	0.3
Bonds	10.7
Canadian equity funds	2.3
Real estate funds	4.9
Infrastructure funds	1.1
Market neutral equity funds	2.8
Total - Other investments	22.1

* Including foreign exchange contracts

Net assets are made up of 98.2% investment profiles listed above, net of the bank overdraft, and 1.8% other asset items.

7.2 Main investments held

As at December 31, 2022, on a fair value basis, the issuers of the 25 main investments held by CRCD were as follows:

Issuers as at December 31, 2022	% of net assets
Investments impacting the Québec economy – 18 issuers*	42.9
Government of Canada	3.9
Fiera Properties CORE Fund	3.6
CC&L market neutral funds	2.8
Province of Ontario	2.7
Invesco Global Direct Real Estate Feeder Fund	1.3
Canada Housing Trust	1.3
Fidelity Canadian Low Volatility Equity Institutional Trust	1.1

* The 18 issuers which collectively represent 42.9% of CRCD's net assets are:

9388-7628 Québec inc.
 Agropur Coopérative
 Avjet Holding inc.
 Capital croissance PME II s.e.c.
 DC Immo 1ère S.E.C.
 Desjardins Capital PME s.e.c.
 Desjardins – Innovatech S.E.C.
 Exo-s-inc.
 Fonds Qscale s.e.c.
 Fournier Industries Group Inc.
 Gestion Jérico inc.
 Groupe Solotech inc.
 Investissement Groupe Champlain RPA, S.E.C
 Marquis Book Printing Inc.
 Norbec Group Inc.
 SJM Group Inc.
 Sollio Cooperative Group
 Technic-Eau Drillings Inc.

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

February 16, 2023

8.0 Management's report

February 16, 2023

CRCD's separate financial statements together with the financial information contained in this annual 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 Chief Financial Officer have certified that the method used to determine the fair value of each of the Investments impacting the Québec economy complies with the requirements of the Autorité des marchés financiers and have confirmed the reasonableness of the aggregate fair value of the portfolio of Investments impacting the Québec economy.

The Board of Directors 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 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 December 31, 2022. Prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board, these statements have been audited by PricewaterhouseCoopers LLP.

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

(signed) Yves Calloc'h, CPA

Chief Financial Officer

Capital régional et coopératif Desjardins

Separate Financial Statements
December 31, 2022 and 2021
(in thousands of Canadian dollars)



Independent auditor's report

To the Shareholders of Capital régional et coopératif Desjardins

Our opinion

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of Capital régional et coopératif Desjardins (CRCD) as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited

CRCD's separate financial statements comprise:

- the separate balance sheets as at December 31, 2022 and 2021;
- the separate statements of comprehensive income for the years then ended;
- the separate statements of changes in net assets for the years then ended;
- the separate statements of cash flows for the years then ended; and
- the notes to the separate financial statements, which include significant accounting policies and other explanatory information.

Certain required disclosures have been presented elsewhere in the Management's Discussion and Analysis, rather than in the notes to the separate financial statements. These disclosures are cross-referenced from the separate financial statements and are identified as audited.

Basis for opinion

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

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

Independence

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

PricewaterhouseCoopers LLP
1250 René-Lévesque Boulevard West, Suite 2500, Montréal, Québec, Canada H3B 4Y1
T: +1 514 205 5000, F: +1 514 876 1502

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



Other information

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

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

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

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

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

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

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

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

Auditor's responsibilities for the audit of the separate financial statements

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



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

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

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

/s/PricewaterhouseCoopers LLP¹

Montréal, Quebec
February 16, 2023

¹ CPA auditor, public accountancy permit No. A117693

Separate Balance Sheets

(in thousands of Canadian dollars, except for number of common shares outstanding and net asset value per common share)	Notes	As at December 31, 2022 \$	As at December 31, 2021 \$
ASSETS			
Investments impacting the Québec economy	7	1,938,022	1,796,083
Other investments	8	561,112	735,584
Intangible assets	10	5,102	6,033
Income taxes receivable	19	38,034	33,452
Accounts receivable	11	29,967	20,692
Cash	12	5,824	19,116
		2,578,061	2,610,960
LIABILITIES			
Financial liabilities	13	2,197	1,210
Income taxes payable	19	1,655	3,801
Accounts payable	14	10,642	11,246
Bank overdraft	12 and 15	4,467	—
		18,961	16,257
NET ASSETS	16	2,559,100	2,594,703
NUMBER OF COMMON SHARES OUTSTANDING		148,098,572	144,959,191
NET ASSET VALUE PER COMMON SHARE		17.28	17.90

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

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

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

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

Separate Statements of Comprehensive Income

For the years ended December 31

(in thousands of Canadian dollars, except for weighted average number of common shares and net earnings per common share)	Notes	2022 \$	2021 \$
REVENUE			
Interest	7 and 8	43,995	28,410
Dividends and distributions		53,512	39,208
Administrative charges		323	333
		97,830	67,951
GAINS (LOSSES) ON INVESTMENTS			
Realized		(19,886)	48,480
Unrealized		(109,632)	163,795
		(129,518)	212,275
Financial Fees	15	(3,055)	(9)
TOTAL NET REVENUE AND GAINS (LOSSES) ON INVESTMENTS		(34,743)	280,217
OPERATING EXPENSES			
Management fees		27,791	26,168
Other operating expenses	18	9,518	8,564
Shareholder services	18	12,373	11,147
		49,682	45,879
EARNINGS (LOSSES) BEFORE INCOME TAXES		(84,425)	234,338
Income taxes (recovery)	19	3,493	(138)
NET EARNINGS (NET LOSSES) FOR THE YEAR		(87,918)	234,476
WEIGHTED AVERAGE NUMBER OF COMMON SHARES		144,695,121	140,551,094
NET EARNINGS (NET LOSSES) PER COMMON SHARE		(0.61)	1.67

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

Separate Statements of Changes in Net Assets

For the years ended December 31

(in thousands of Canadian dollars)	Share capital (note 16)						Retained earnings	Net assets
	"Issuance" Shares ⁽¹⁾		"Exchange" Shares ⁽¹⁾		Total			
	Number	\$	Number	\$	Number	\$		
BALANCE - DECEMBER 31, 2021	125,101,939	1,561,304	19,857,252	298,301	144,959,191	1,859,605	735,098	2,594,703
Net loss for the year	—	—	—	—	—	—	(87,918)	(87,918)
Share capital transactions								
Issuance of common shares	8,130,277	140,088	—	—	8,130,277	140,088	—	140,088
Redemption of common shares ⁽²⁾	(4,911,631)	(54,868)	(79,265)	(1,200)	(4,990,896)	(56,068)	(31,705)	(87,773)
Exchange of common shares	(2,853,370)	(29,599)	2,853,370	49,905	—	20,306	(20,306)	—
BALANCE - DECEMBER 31, 2022	125,467,215	1,616,925	22,631,357	347,006	148,098,572	1,963,931	595,169	2,559,100
BALANCE - DECEMBER 31, 2020	126,847,667	1,523,336	13,262,562	198,918	140,110,229	1,722,254	550,544	2,272,798
Net earnings for the year	—	—	—	—	—	—	234,476	234,476
Share capital transactions								
Issuance of common shares	8,017,183	140,155	—	—	8,017,183	140,155	—	140,155
Redemption of common shares ⁽²⁾	(3,136,784)	(33,681)	(31,437)	(472)	(3,168,221)	(34,153)	(18,573)	(52,726)
Exchange of common shares	(6,626,127)	(68,506)	6,626,127	99,855	—	31,349	(31,349)	—
BALANCE - DECEMBER 31, 2021	125,101,939	1,561,304	19,857,252	298,301	144,959,191	1,859,605	735,098	2,594,703

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

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

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

Separate Statements of Cash Flows

For the years ended December 31

(in thousands of Canadian dollars)	Notes	2022 \$	2021 \$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES			
Net earnings (net loss) for the year		(87,918)	234,476
Non-cash items:			
Losses (gains) on investments		129,518	(212,275)
Amortization of premiums and discounts on Other investments		(1,533)	(880)
Amortization of intangible assets		3,298	3,019
Deferred taxes		1,147	(3,726)
Capitalized interest and other non-cash items		(38,493)	(3,861)
Changes in operating assets and liabilities			
Income taxes		(7,875)	924
Accounts receivable		(350)	(1,537)
Accounts payable		(604)	2,647
Acquisition of Investments impacting the Québec economy		(322,877)	(514,382)
Proceeds from disposals of Investments impacting the Québec economy		142,677	220,862
Acquisition of Other investments		(826,001)	(944,825)
Proceeds on disposal of Other investments		934,224	1,138,652
		(74,787)	(80,906)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES			
Acquisition of intangible assets		(2,367)	(1,830)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES			
Issuance of common shares		140,088	140,155
Redemption of common shares		(87,773)	(52,726)
		52,315	87,429
Net change in cash and cash equivalents during the year		(24,839)	4,693
Cash and cash equivalents – Beginning of year		26,295	21,602
CASH AND CASH EQUIVALENTS – END OF YEAR	12	1,456	26,295
Supplemental information about cash flows from operating activities			
Interest received		27,795	20,553
Dividends and distributions received		37,073	21,947
Income taxes paid		(10,169)	(2,665)

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

Notes to Separate Financial Statements

Note 1 – Governing statute, administration and investments

Governing statute

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

Administration

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

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

Investments

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

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

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

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

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

If one of these targets is not met at the end of the fiscal year, the authorized issue of capital could be reduced for the capitalization period following the end of this fiscal year. As at December 31, 2022 and 2021, the targets were met.

Note 2 – Basis of presentation

Statement of compliance

CRCD has prepared its separate financial statements (the “financial statements”) in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These financial statements were approved by the Board of Directors on February 16, 2023.

Basis of measurement

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

Investment entity

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

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

Presentation and functional currency

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

Note 3 – Significant accounting policies

a) Financial instruments

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

Classification and measurement

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

Contractual cash flow characteristics

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

Business model

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

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

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

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

Note 3 – Significant accounting policies (continued)

b) Fair value measurement

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

Fair value of assets and liabilities traded in a market

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

Fair value of assets and liabilities not traded in a market

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

Loans and advances, non-participating shares

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

Participating shares

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

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

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

Note 3 – Significant accounting policies (continued)

b) Fair value measurement (continued)

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

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

Guarantees and suretyships

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

Note

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

Financial liabilities

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

Amounts receivable on disposal of Investments impacting the Québec economy

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

c) Intangible assets

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

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

Intangible assets	Method	Period
IT development	Straight-line	3 years

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

Impairment of assets

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

Note 3 – Significant accounting policies (continued)

d) Cash and cash equivalents

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

e) Share capital

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

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

f) Revenue recognition

Interest

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

Dividends and distributions

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

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

Administration charges

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

Gains and losses

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

Note 3 – Significant accounting policies *(continued)*

g) Functional currency and foreign currency translation

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

h) Taxes

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

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

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

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

i) Net earnings per common share

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

Note 4 – Significant judgments, estimates and assumptions

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

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

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

Current supply chain disruptions, geopolitical conflicts, inflationary pressures and the risk of recession caused by less accommodating monetary policies also increases the level of uncertainty on the assumptions made.

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

Note 5 – Accounting standards issued but not yet adopted

No accounting standards issued by the IASB and not yet effective as at December 31, 2022 could have a material impact on CRCD's financial statements.

Note 6 – Risks associated with financial instruments

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

Note 7 – Investments impacting the Québec economy

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

	As at December 31, 2022		
	Cost \$	Unrealized gain (loss) \$	Fair value \$
Unsecured			
Common shares	537,237	90,672	627,909
Preferred shares	333,285	89,565	422,850
Fund units	282,798	118,021	400,819
Loans and advances	494,483	(17,294)	477,189
Note ⁽¹⁾	480	1,666	2,146
Secured			
Loans and advances	10,190	(3,081)	7,109
Total	1,658,473	279,549	1,938,022

	As at December 31, 2021		
	Cost \$	Unrealized gain (loss) \$	Fair value \$
Unsecured			
Common shares	473,766	149,227	622,993
Preferred shares	304,397	97,212	401,609
Fund units	290,240	116,379	406,619
Loans and advances	357,454	(6,454)	351,000
Note ⁽¹⁾	125	1,764	1,889
Secured			
Loans and advances	14,641	(2,668)	11,973
Total	1,440,623	355,460	1,796,083

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

Investments impacting the Québec economy include investments valued at fair value in U.S. dollars for an amount of \$74.2 million (\$162.2 million as at December 31, 2021) and in euros for an amount of \$24.5 million (\$25.2 million as at December 31, 2021).

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

Loans and advances bear interest at a weighted average rate of 7.5% (7.6% as at December 31, 2021). The interest rate is fixed for substantially all interest-bearing loans and advances. For the year ended December 31, 2022, interest income recognized at the contractual rate amounted to \$34.5 million (\$19.8 million for the year ended December 31, 2021). Substantially all of the change in the fair value of loans and advances resulted from changes in the rates charged on these types of product and to a lesser extent, changes in credit risk.

Loans and advances have an annual residual maturity of 4.8 years (5.7 years as at December 31, 2021) and the fair market value of the current portion maturing in less than one year is \$85.5 million (\$15.4 million as at December 31, 2021).

Note 7 – Investments impacting the Québec economy (continued)

Allocation of investments and funds committed by segment

Investments and funds committed are allocated by segment as follows:

Segment	As at December 31, 2022				
	Manufacturing \$	Services \$	Technological innovations \$	Funds \$	Total \$
Investments at cost	693,215	546,258	135,722	283,278	1,658,473
Unrealized gain (loss)	127,133	46,841	(14,112)	119,687	279,549
Fair value	820,348	593,099	121,610	402,965	1,938,022
Funds committed but not disbursed ⁽¹⁾	23,111	6,499	14,300	168,619	212,529
Guarantees and suretyships ⁽¹⁾⁽²⁾	3,500	6,233	—	—	9,733
Total	846,959	605,831	135,910	571,584	2,160,284

Segment	As at December 31, 2021				
	Manufacturing \$	Services \$	Technological innovations \$	Funds \$	Total \$
Investments at cost	645,550	394,334	110,374	290,365	1,440,623
Unrealized gain (loss)	169,923	59,290	8,104	118,143	355,460
Fair value	815,473	453,624	118,478	408,508	1,796,083
Funds committed but not disbursed ⁽¹⁾	52,100	20,552	2,416	114,105	189,173
Guarantees and suretyships ⁽¹⁾⁽²⁾	3,724	6,233	—	—	9,957
Total	871,297	480,409	120,894	522,613	1,995,213

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

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

Guarantees and suretyships

As at December 31, 2022, CRCD had provided guarantees totalling \$9.7 million (\$10 million as at December 31, 2021) in respect of loans to companies in which CRCD has invested. Such guarantees may be enforced only in the event that a company fails to meet its contractual obligations. The term of these guarantees as of granted date is four to five years (two to five years as at December 31, 2021).

As at December 31, 2022 and December 31, 2021, no amount has been recognized in liabilities as a provision for losses arising from any such guarantees.

Note 7 – Investments impacting the Québec economy (continued)

Funds committed but not disbursed

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

2023 \$	2024 \$	2025 \$	2026 \$	2027 and thereafter \$	Total \$
134,765	25,269	22,526	25,520	4,449	212,529

Investments in subsidiaries and associates

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

	As at December 31, 2022		As at December 31, 2021	
	Number	Fair value \$	Number	Fair value \$
Subsidiaries				
Partner companies	7	322,905	7	304,638
Associates				
Partner companies	53	606,957	43	467,080
Funds	9	362,576	10	381,941

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

Interests in the share capital of these partner companies consist of common shares and preferred shares. The percentage of equity securities held by CRCDC in each of the partner companies is equal to or over 50% for the subsidiaries, and between 2% and 45% as at December 31, 2022 and December 31, 2021, for associates. As at December 31, 2022, the voting rights are equivalent to the proportion of interests held except for two subsidiaries and four associates (two subsidiaries and three associates as at December 31, 2021).

As at December 31, 2022 and December 31, 2021, the interests in the funds were made up of units and the holding percentage varied from 13% to 95%.

Note 8 – Other investments

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

	As at December 31, 2022		
	Cost \$	Unrealized gain (loss) \$	Fair value \$
Bonds			
Federal or guaranteed	136,955	(5,064)	131,891
Provincial, municipal or guaranteed	154,424	(12,253)	142,171
	291,379	(17,317)	274,062
Money market instruments ⁽¹⁾	780	—	780
Foreign exchange contracts ⁽²⁾	—	369	369
Canadian equity funds	51,700	5,982	57,682
Real estate funds	111,948	14,929	126,877
Infrastructure funds	27,311	1,566	28,877
Market neutral equity funds	71,747	718	72,465
Total	554,865	6,247	561,112

	As at December 31, 2021		
	Cost \$	Unrealized gain (loss) \$	Fair value \$
Bonds			
Federal or guaranteed	188,915	(104)	188,811
Provincial, municipal or guaranteed	128,527	266	128,793
	317,442	162	317,604
Money market instruments ⁽¹⁾	8,322	—	8,322
Foreign exchange contracts ⁽²⁾	—	2,340	2,340
Canadian equity funds	83,960	17,354	101,314
Global equity funds	58,535	3,403	61,938
Real estate funds	71,343	7,849	79,192
Market neutral equity funds	156,014	8,860	164,874
Total	695,616	39,968	735,584

Note 8 – Other investments (continued)

Breakdown of bonds by maturity date

	As at December 31, 2022			
	Under 1 year \$	1 to 5 years \$	Over 5 years \$	Total \$
Cost	274	—	291,105	291,379
Par value	275	—	326,197	326,472
Fair value	274	—	273,788	274,062
Average nominal rate ⁽³⁾	1.75%	—	2.22%	2.22%
Average effective rate	4.03%	—	3.31%	3.31%

	As at December 31, 2021			
	Under 1 year \$	1 to 5 years \$	Over 5 years \$	Total \$
Cost	4,130	3,329	309,983	317,442
Par value	4,131	3,330	318,225	325,686
Fair value	4,130	3,499	309,975	317,604
Average nominal rate ⁽³⁾	0.35%	2.98%	1.46%	1.46%
Average effective rate	0.35%	2.99%	1.69%	1.68%

⁽¹⁾ As at December 31, 2022 and December 31, 2021, money market instruments primarily consisted of Treasury bills, commercial paper and bankers' acceptances.

⁽²⁾ Foreign exchange contracts to sell US\$80.0 million (US\$114.0 million as at December 31, 2021) and €18.7 million (€15.8 million as at December 31, 2021) have three-month maturities.

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

Other investments include investments which represent foreign currency exposure with a fair value of \$62.6 million (\$61.5 million as at December 31, 2021).

For the year ended December 31, 2022, interest income from bonds recognized at the effective rate amounted to \$8.0 million (\$6.7 million for the year ended December 31, 2021).

Funds committed but not disbursed

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

2023 \$	2024 \$	2025 \$	2026 \$	2027 and thereafter \$	Total \$
32,789	—	—	—	—	32,789

Note 9 – Fair value of financial instruments

Hierarchy levels of financial instruments measured at fair value

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

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

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

	As at December 31, 2022			
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets				
Investments impacting the Québec economy	16,143	—	1,921,879	1,938,022
Other investments	403,406	1,952	155,754	561,112
Amounts receivable on disposal of Investments impacting the Québec economy	—	—	18,593	18,593
Total financial assets	419,549	1,952	2,096,226	2,517,727
Financial liabilities	—	—	2,197	2,197

	As at December 31, 2021			
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets				
Investments impacting the Québec economy	28,098	—	1,767,985	1,796,083
Other investments	645,652	10,740	79,192	735,584
Amounts receivable on disposal of Investments impacting the Québec economy	—	—	9,668	9,668
Total financial assets	673,750	10,740	1,856,845	2,541,335
Financial liabilities	—	—	1,210	1,210

Transfers between hierarchy levels of financial instruments measured at fair value are made at the reporting date. No transfer between hierarchy levels took place during the year ended December 31, 2022 (no transfer during the year ended December 31, 2021).

Note 9 – Fair value of financial instruments (continued)

Level 3 financial instruments

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

	As at December 31, 2022			
	Investments impacting the Québec economy \$	Other investments \$	Amounts receivable on disposal of Investments impacting the Québec economy \$	Financial liabilities \$
Fair value as at December 31, 2021	1,767,985	79,192	9,668	(1,210)
Realized gains (losses)	1,804	—	6,334	(987)
Unrealized gains (losses)	(62,688)	8,646	—	—
Acquisitions/issuances	404,529	67,916	6,193	—
Disposals/repayments	(189,751)	—	(3,602)	—
Fair value as at December 31, 2022	1,921,879	155,754	18,593	(2,197)
Unrealized gains (losses) in comprehensive income on investments and financial liabilities as at December 31, 2022	59,272	8,646	—	—

	As at December 31, 2021			
	Investments impacting the Québec economy \$	Other investments \$	Amounts receivable on disposal of Investments impacting the Québec economy \$	Financial liabilities \$
Fair value as at December 31, 2020	1,278,935	111,735	19,423	(4,645)
Realized gains (losses)	28,867	4,920	4,322	411
Unrealized gains (losses)	167,055	6,892	—	—
Acquisitions/issuances	521,041	20,597	2,722	—
Disposals/repayment	(227,913)	(64,952)	(16,799)	3,024
Fair value as at December 31, 2021	1,767,985	79,192	9,668	(1,210)
Unrealized gains (losses) in comprehensive income on investments and financial liabilities as at December 31, 2021	167,231	6,892	—	—

Note 9 – Fair value of financial instruments (continued)

Level 3 financial instruments (continued)

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

	As at December 31, 2022			
	Fair value \$	Main valuation techniques	Unobservable inputs	Input value range (weighted average)
Investment impacting the Québec economy				
Loans and advances	287,560	Discounted cash flows	Required return	6.4% to 15.0% (10.5%)
	8,316	Other ⁽³⁾	—	—
Non-participating shares	121,728	Discounted cash flows	Required return	7.5% to 9.5% (9.1%)
Participating controlling shares	300,921	Capitalized cash flows	Capitalization rate	9.3% to 12.1% (10.9%)
			% of representative cash flows ⁽¹⁾	11.5% to 15.0% (12.8%)
	—	Recent transactions and bids	Paid/bid price	—
	81,599	Restated net assets	Entity's net assets	(2)
Participating non-controlling shares	289,027	Capitalized cash flows	Capitalization rate	8.4% to 20.6% (11.9%)
			% of representative cash flows ⁽¹⁾	5.6% to 41.1% (14.7%)
	227,159	Recent transactions and bids	Paid/bid price	—
	135,410	Restated net assets	Entity's net assets	(2)
	67,194	Other ⁽³⁾	—	—
Note	2,146	Restated net assets	Fund's net assets	(4)
Fund units	400,819	Restated net assets	Fund's net assets	(2)
	1,921,879			
Other investments – Real estate funds and Infrastructure funds	155,754	Restated net assets	Fund's net assets	(2)
Amounts receivable on disposal of Investments impacting the Québec economy	18,593	Discounted cash flows	Required return	4.0% to 8.0% (6.5%)
Financial liabilities	(2,197)	Miscellaneous	—	

Note 9 – Fair value of financial instruments (continued)

	As at December 31, 2021			
	Fair value \$	Main valuation techniques	Unobservable inputs	Input value range (weighted average)
Investment impacting the Québec economy				
Loans and advances	239,047	Discounted cash flows	Required return	5.0% to 16.1% (8.4%)
	5,137	Other ⁽³⁾	—	—
Non-participating shares	129,853	Discounted cash flows	Required return	6.4% to 12.6% (7.8%)
Participating controlling shares	314,237	Capitalized cash flows	Capitalization rate % of representative cash flows ⁽¹⁾	8.3% to 11.7% (10.2%) 9.9% to 19.9% (13.8%)
	2,488	Recent transactions and bids	Paid/bid price	—
	70,585	Restated net assets	Entity's net assets	(2)
Participating non-controlling shares	204,422	Capitalized cash flows	Capitalization rate % of representative cash flows ⁽¹⁾	8.9% to 19.0% (10.4%) 6.7% to 31.3% (16.4%)
	283,291	Recent transactions and bids	Paid/bid price	—
	82,112	Restated net assets	Entity's net assets	(2)
	28,305	Other ⁽³⁾	—	
Note	1,889	Restated net assets	Fund's net assets	(4)
Fund units	406,619	Restated net assets	Fund's net assets	(2)
	1,767,985			
Other investments – Real estate funds	79,192	Restated net assets	Fund's net assets	(2)
Amounts receivable on disposal of Investments impacting the Québec economy	9,668	Discounted cash flows	Required return	0.3% to 9.0% (6.3%)
Financial liabilities	(1,210)	Miscellaneous	—	

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

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

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

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

Note 9 – Fair value of financial instruments (continued)

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

Sensitivity of fair value to unobservable inputs

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

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

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

Participating shares – Capitalized cash flows

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

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

	As at December 31, 2022 \$	As at December 31, 2021 \$
Participating controlling shares	+/- 0.4%	+/- 0.5%
Participating non-controlling shares	+/- 0.4%	+/- 0.6%

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

Participating shares – Recent transactions and bids

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

Note 9 – Fair value of financial instruments (continued)

Sensitivity of fair value to unobservable inputs (continued)

Fund units – Restated net assets

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

Other valuation techniques

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

Note 10 – Intangible assets

	IT Development \$
Cost	
As at December 31, 2020	9,050
Acquisition	1,830
As at December 31, 2021	10,880
Acquisition	2,367
As at December 31, 2022	13,247
Accumulated depreciation	
As at December 31, 2020	(1,828)
Depreciation	(3,019)
As at December 31, 2021	(4,847)
Depreciation	(3,298)
As at December 31, 2022	(8,145)
Net carrying amount	
As at December 31, 2022	5,102
As at December 31, 2021	6,033

Note 11 – Accounts receivable

	As at December 31, 2022 \$	As at December 31, 2021 \$
Interest, dividends and distributions receivable on investments	10,772	10,757
Amounts receivable on disposal of Investments impacting the Québec economy	18,593	9,668
Other	602	267
Total	29,967	20,692

The change in fair value of amounts receivable on disposal of Investments impacting the Québec economy is not attributable to changes in credit risk. These amounts receivable include amounts denominated in U.S. dollars for \$16.8 million (\$6.7 million as at December 31, 2021).

Based on the information available as at the reporting date and the assumptions made as to the timing of the collection, CRCD expects to collect accounts receivable with a fair value of \$16.8 million (\$13.6 million as at December 31, 2021) no later than 12 months after the reporting date.

Note 12 – Cash and cash equivalents

	As at December 31, 2022 \$	As at December 31, 2021 \$
Cash	5,824	19,116
Bank overdraft	(4,467)	—
Money market instruments	99	7,179
Total	1,456	26,295

As at December 31, 2022, the cash includes an amount of \$0.1 million (\$12.2 million as at December 31, 2021) in trust.

Note 13 – Financial liabilities

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

As at December 31, 2022, financial liabilities with a fair value of \$2.2 million were related to Investments impacting the Québec economy measured in U.S. dollars (\$1.2 million as at December 31, 2021).

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

Note 14 – Accounts payable

	As at December 31, 2022 \$	As at December 31, 2021 \$
Trade payables and accrued liabilities	8,127	8,142
Other	2,515	3,104
Total	10,642	11,246

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

Note 15 – Line of credit

As at December 31, 2022, CRCD had an authorized line of credit of \$300 million (\$250 million December 31, 2021) with the Fédération des caisses Desjardins du Québec (FCDQ), bearing interest at the offered rate of Desjardins plus 0.5% as of December 31, 2022 and December 31, 2021 and renewable annually. The line of credit was used up to an amount of \$223.6 million during the year ended 2022 (\$48.5 million during the year ended 2021). As at December 31, 2022 an amount of \$4.5 million was drawn down on this credit line (no amount as at December 31, 2021). As at December 31, 2022 and December 31, 2021, an amount of \$6.2 million was reserved in the form of a letter of credit in connection with the guarantees and suretyships.

Note 16 – Share capital

Authorized

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

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

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

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

Issued

The net assets of CRCD as at December 31, 2022 totalled \$2,559.1 million broken down by issue as follows:

Issue	Balance \$M*			Eligible for redemption
	"Issuance" Shares	"Exchange" Shares	Total	
2001 to 2015	1,070.8	—	1,070.8	Today
2016	177.8	—	177.8	2023
2017	167.4	—	167.4	2024
2018	163.6	116.3	279.9	2025
2019	150.2	111.5	261.7	2026
2020	160.0	114.0	274.0	2027
2021	138.0	49.2	187.2	2028
2022	140.3	—	140.3	2029
Net assets	2,168.1	391.0	2,559.1	

* Calculated as net asset value per share as at December 31, 2022.

Note 17 – Capital disclosures

CRCD's objective with respect to capital management is to ensure the availability of sufficient cash resources to fund investments in line with its mission and meet shareholders' demands for share redemptions. CRCD's capital consists of its net assets.

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

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

Note 18 – Expenses

	2022 \$	2021 \$
Other operating expenses		
IT expenses	7,435	6,101
Professional services fees	1,032	890
Compensation of members of the Board of Directors and its committees	721	633
Audit fees	189	176
Custodial and trustee fees	141	133
Other expenses	—	631
Total	9,518	8,564
Shareholder services		
Trustee fees (registration)	2,373	2,226
Reporting to shareholders	435	76
Share distribution fees	5,024	4,561
IT expenses	4,240	3,735
Other expenses	301	549
Total	12,373	11,147

Note 19 – Income taxes

Income tax expense (recovery)

Income tax expense is detailed as follows:

	2022 \$	2021 \$
Current	2,346	3,588
Deferred	1,147	(3,726)
Total	3,493	(138)

Reconciliation of the income tax rate

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

	2022 \$	2021 \$
Income taxes at the combined basic tax rate of 39.5% in 2022 and 2021	(33,349)	92,565
Permanent differences between earnings before income taxes and taxable income and other items		
Realized and unrealized losses (gains) on investments	53,888	(83,650)
Non-taxable dividends	(13,805)	(9,028)
Other	(3,241)	(25)
Total	3,493	(138)

Income tax balance

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

	As at December 31, 2022 \$	As at December 31, 2021 \$
Assets		
Refundable tax on hand	29,249	33,452
Income taxes receivable	8,785	—
Total	38,034	33,452
Liabilities		
Income taxes payable	—	(3,293)
Deferred taxes – Share issue expenses and Share distribution fees	3,639	3,602
Deferred taxes – Amounts receivable on disposal of Investments impacting the Québec economy	(4,261)	(2,313)
Deferred taxes – Other	(1,033)	(1,797)
Total	(1,655)	(3,801)

CRCD expects to receive \$10.3 million (\$1.8 million payable as at December 31, 2021) in income taxes no later than 12 months after the reporting date.

Note 20 – Related party transactions

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

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

Note 20 – Related party transactions (continued)

Related party transactions

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

	As at December 31, 2022			As at December 31, 2021		
	Desjardins Capital \$	Other related parties ⁽¹⁾ \$	Total \$	Desjardins Capital \$	Other related parties ⁽¹⁾ \$	Total \$
Balance Sheets						
Assets						
Other investments	—	369	369	—	2,340	2,340
Intangible assets	—	5,102	5,102	—	6,033	6,033
Cash	—	5,975	5,975	—	7,004	7,004
Liabilities						
Accounts payable	1,496	5,072	6,568	2,627	4,904	7,531
Bank overdraft	—	4,467	4,467	—	—	—

	2022			2021		
	Desjardins Capital \$	Other related parties ⁽¹⁾ \$	Total \$	Desjardins Capital \$	Other related parties ⁽¹⁾ \$	Total \$
Statements of Comprehensive Income						
Revenue						
Gains (losses) on investments	—	8,249	8,249	—	721	721
Financial Fees	—	(3,055)	(3,055)	—	—	—
Expenses						
Management fees	27,791	—	27,791	26,168	—	26,168
Other operating expenses	—	6,502	6,502	—	6,011	6,011
Shareholder services	—	11,838	11,838	—	10,522	10,522

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

Key management personnel compensation

CRCD's key management personnel are the members of the Board of Directors. For the year ended December 31, 2022, compensation of key management personnel comprised solely short-term benefits in the amount of \$555,500 (\$498,000 for the year ended December 31, 2021).

Note 21 – Comparative figures

Certain comparative figures have been reclassified to conform with the presentation adopted in the current year.

Capital régional et coopératif Desjardins

Audited schedule of cost of investments impacting
the Québec economy

As at December 31, 2022

(in thousands of Canadian dollars)



Independent auditor's report

To the Shareholders of Capital régional et coopératif Desjardins

Our opinion

In our opinion, the accompanying schedule of cost of investments impacting the Québec economy (the schedule) of Capital régional et coopératif Desjardins (CRCD) as at December 31, 2022 is prepared, in all material respects, in accordance with the provisions of Section 18 of the Regulation respecting Development Capital Investment Fund Continuous Disclosure.

What we have audited

CRCD's schedule as at December 31, 2022 and the note to the schedule.

Basis for opinion

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

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

Independence

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

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

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

We acknowledge the disclosure of our report, in full only, by CRCD at its discretion, to the shareholders of CRCD. We make no representations or warranties of any kind to CRCD or any other third party in respect of this report.

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

PricewaterhouseCoopers LLP
1250 René-Lévesque Boulevard West, Suite 2500, Montréal, Québec, Canada H3B 4Y1
T: +1 514 205 5000, F: +1 514 876 1502

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



Responsibilities of management and those charged with governance for the schedule

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

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

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

Auditor's responsibilities for the audit of the schedule

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

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

- Identify and assess the risks of material misstatement of the schedule, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CRCD's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.



- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on CRCD’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the schedule or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause CRCD to cease to continue as a going concern.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

/s/PricewaterhouseCoopers LLP¹

Montréal, Quebec
February 16, 2023

¹ CPA auditor, public accountancy permit No. A117693

Audited schedule of cost of investments impacting the Québec economy

As at December 31, 2022

	Initial investment year	Industry segment	Unsecured investments		Secured investments	Total \$	Guarantees and Suretyships \$
			Common and Preferred shares and funds units \$	Loans, advances and notes \$	Loans, advances and notes \$		
Abitibi-Témiscamingue							
3344541 Canada inc. (Restaurant Pizza Bella)	2022	S	—	500	—	500	—
7884257 Canada inc. (Construction Sayeur Électrique)	2021	S	—	500	—	500	—
9031-2976 Québec inc. (Les produits industriels Dumotech)	2021	M	—	500	—	500	—
9045-2491 Québec inc. (Entreprises Gaétan Jolicoeur)	2021	S	—	500	—	500	—
9097-7810 Québec inc. (Pro-Portes)	2021	S	—	301	—	301	—
9145-1625 Québec inc. (MC Industriel)	2021	M	—	475	—	475	—
9212-9402 Québec inc. (Construction Francis Roy inc.)	2019	S	—	600	—	600	—
9252-7217 Québec inc. (Roy Hydraulmec)	2022	S	—	500	—	500	—
9269-2011 Québec inc. (Zone Chasse & Pêche)	2022	S	—	500	—	500	—
9332-0414 Québec inc. (Garage Patriote)	2022	S	—	250	—	250	—
Boulons Abitibi Itée	2022	S	—	500	—	500	—
Ghislain Tremblay (Rouyn) inc. (Maison des Viandes)	2022	S	—	367	—	367	—
CMAC-Thyssen Global Holding inc.	2021	M	—	5,365	—	5,365	—
Groupe financier Pentagone inc.	2019	S	—	1,823	—	1,823	—
Probe Metals inc.	2022	M	437	—	—	437	—
Ressources minières Radisson inc.	2019	M	179	—	—	179	—
Sogitex Services inc.	2021	S	—	500	—	500	—
Total Abitibi-Témiscamingue			616	13,181	—	13,797	—
Bas-Saint-Laurent							
9147-1227 Québec inc.	2022	S	—	250	—	250	—
A.G.M. Construction inc.	2020	S	—	500	—	500	—
Alain Tardif photographie inc.	2021	S	—	191	—	191	—
Aménagements Forêtmax inc. (Les)	2021	S	—	450	—	450	—
Arseno & Associés inc.	2022	M	—	500	—	500	—
Distributions B.S.L. inc. (Les)	2021	S	—	1,200	—	1,200	—
Domaine Élie-Raphaël inc.	2018	S	—	444	—	444	—
Premier Tech ltd	2022	M	—	15,886	—	15,886	—
Pré-vert Plus inc.	2022	S	—	275	—	275	—
Prestige Maple Products inc.	2021	S	—	5,000	—	5,000	—
Produits métalliques A.T. inc. (Les)	2021	M	1,501	—	—	1,501	—
Résidence St-Louis Lafontaine inc.	2021	S	—	1,000	—	1,000	—
Total Bas-Saint-Laurent			1,501	25,696	—	27,197	—
Canada Hors Québec et Ontario							
HootSuite inc.	2021	IT	4,254	—	—	4,254	—
Mogo inc.	2021	IT	9,117	—	—	9,117	—
Total Canada Hors Québec et Ontario			13,371	—	—	13,371	—

Audited schedule of cost of investments impacting the Québec economy

As at December 31, 2022

	Initial investment year	Industry segment	Unsecured investments		Secured investments	Total \$	Guarantees and Suretyships \$
			Common and Preferred shares and funds units \$	Loans, advances and notes \$	Loans, advances and notes \$		
Capitale-Nationale							
9038-6418 Québec inc. (Etaltech)	2019	S	—	153	—	153	—
9049-3636 Québec inc. (Bello Restaurante)	2022	S	—	500	—	500	—
9174-1330 Québec inc. (Packaging Capital)	2022	S	—	500	—	500	—
9303-4338 Québec inc. (Oxio)	2021	S	2,000	—	—	2,000	—
9317-5578 Québec inc. (La Bûche, Cuisine québécoise)	2022	S	—	500	—	500	—
9332-2964 Québec inc. (Céramique L'Entrepôt de Québec)	2021	S	—	500	—	500	—
9370-8956 Québec inc. (Les Constructions 3CR)	2022	S	—	300	—	300	—
9372-0779 Québec inc.	2022	S	—	150	—	150	—
9450-4214 Québec inc.	2022	S	—	5,240	—	5,240	—
Accair inc.	2021	M	—	350	—	350	—
Ai-Genetika inc. (BioTwin)	2021	IT	—	318	—	318	—
Atelier Avant-Garde inc. (L')	2021	S	—	150	—	150	—
Automatisation D2E inc.	2021	S	—	500	—	500	—
AxesNetwork Solutions inc.	2019	IT	6,821	—	—	6,821	—
Clinique de l'auto D.L.H. inc.	2022	S	—	400	—	400	—
Concept Naval Experts Maritimes inc.	2021	S	—	500	—	500	—
Concetti Design inc.	2021	M	—	500	—	500	—
Construction St-Pierre Roseberry inc.	2020	S	—	291	—	291	—
Constructions François Martel inc.	2021	S	—	300	—	300	—
Coopérative de travailleurs actionnaires EBM Laser et Després	2022	M	—	604	—	604	—
Coopérative nationale de l'information indépendante, Coop de	2022	S	—	—	500	500	—
Flash Romeo inc. (Voilà)	2019	IT	3,860	—	—	3,860	—
Fokus productions inc.	2021	S	—	1,300	—	1,300	—
Gecko Alliance Group Limited Partnership	2022	M	11,368	—	—	11,368	—
Groupe conseil NOVO SST inc.	2013	S	2,507	2,800	—	5,307	—
Ingéniarts Technologies inc.	2020	M	5,898	—	—	5,898	3,500
Inogéni inc.	2021	M	1,475	1,170	—	2,645	—
KSO inc.	2021	S	2,950	—	—	2,950	—
Laserax inc.	2020	M	1,068	547	—	1,615	—
Lauréat Pépin inc.	2021	S	—	400	—	400	—
LeddarTech inc.	2021	IT	1,994	—	—	1,994	—
Micro Logic Sainte-Foy Itée	2022	S	—	—	91	91	—
Mécanique J. Clair inc.	2021	S	—	500	—	500	—
Nuutok Entreprise inc.	2019	IT	—	1,072	—	1,072	—
OxyNov inc.	2021	IT	—	—	1,204	1,204	—
Prehos inc.	2021	S	—	1,000	—	1,000	—
Progitek Dev inc.	2021	S	938	750	—	1,688	—
Pâtisserie-Traiteur La Mangue Verte inc.	2021	S	—	200	—	200	—
Qohash inc.	2019	IT	4,733	—	—	4,733	—
Service de Pneus Central inc.	2021	S	—	175	—	175	—
Services Denco inc. (Les)	2022	S	—	100	—	100	—
Smart Mill BD inc.	2022	M	—	500	—	500	—
Soudure D.G. Tech inc.	2022	S	—	500	—	500	—
SVI E Solutions inc.	2021	S	—	500	—	500	—
Sylroy Management Consulting inc.	2021	S	—	1,107	—	1,107	—
TB4 inc.	2019	S	—	254	—	254	—
Vireo inc.	2021	M	—	444	—	444	—
Wazo Communications inc.	2021	IT	4,039	—	—	4,039	—
Womance Style de Vie inc.	2021	S	—	500	—	500	—
Total Capitale-Nationale			49,651	25,575	1,795	77,021	3,500

Audited schedule of cost of investments impacting the Québec economy

As at December 31, 2022

	Initial investment year	Industry segment	Unsecured investments		Secured investments		Total \$	Guarantees and Suretyships \$
			Common and Preferred shares and funds units \$	Loans, advances and notes \$	Loans, advances and notes \$			
Centre-du-Québec								
9046-8984 Québec inc. (Équipements Tousignant)	2022	S	—	500	—	500	—	
9319-4496 Québec inc. (EBGO)	2021	S	—	500	—	500	—	
Airex Énergie inc.	2022	M	3,800	—	—	3,800	—	
Avjet Holding inc.	2009	S	3,732	—	—	3,732	—	
Citadelle, Maple Syrup producer's Cooperative	2016	M	6,250	—	—	6,250	—	
CR Nouvel-Air 2018 inc.	2022	S	—	398	—	398	—	
Entreprise X Protect inc.	2022	S	—	500	—	500	—	
Farinart inc.	2010	M	924	—	—	924	—	
Fruit d'or inc.	2018	M	20,000	—	—	20,000	—	
Groupe Anderson inc.	2007	M	2,490	—	—	2,490	—	
Maisonsetchaletsalouer.com inc.	2022	S	—	420	—	420	—	
Réfrigération Drummond inc.	2022	S	—	500	—	500	—	
Total Centre-du-Québec			37,196	2,818	—	40,014	—	
Chaudière - Appalaches								
8450765 Canada inc. (Groupe Blu2)	2021	S	—	500	—	500	—	
9148-7579 Québec inc. (Les filtres J.L. Grenier)	2020	M	—	385	—	385	—	
9346-9591 Québec inc. (Construction Des Rivages inc.)	2021	S	—	500	—	500	—	
9349-1256 Québec inc. (Roulez en Vélo de Style)	2022	S	—	400	—	400	—	
9358-9307 Québec inc. (Hôtel-Motel La Différence)	2021	S	—	375	—	375	—	
9375-3226 Québec inc. (OK Pneus La Malbaie)	2020	S	—	500	—	500	—	
9375-3325 Québec inc. (Enviro Jim)	2022	S	—	500	—	500	—	
Amisco Industries Ltd.	2018	M	17,220	—	—	17,220	—	
CareMedic System inc.	2020	S	—	600	—	600	—	
Caron automobiles inc.	2022	S	—	400	—	400	—	
Centre de production Laflamme inc.	2022	M	—	500	—	500	—	
Fertilec Ltd.	2019	M	—	317	—	317	—	
Fonds Qscale s.e.c.	2021	S	40,000	22,000	—	62,000	—	
Fournier Group Holding inc.	2022	M	13,600	—	—	13,600	—	
Fournier Industries Group inc.	2013	M	—	8,335	—	8,335	—	
Garage Henri-Louis Bégin inc.	2022	S	—	375	—	375	—	
Grondin et Nadeau inc.	2019	S	—	867	—	867	—	
Groupe Filgo inc.	2012	S	11,386	—	—	11,386	—	
Hortau inc.	2010	M	2,617	—	—	2,617	—	
Importation Kayaks Sup inc.	2022	S	—	500	—	500	—	
Industries RAD inc.	2021	M	—	3,125	—	3,125	—	
Inovia inc.	2022	M	—	306	—	306	—	
Liberty Spring inc.	2019	M	22,500	14,692	—	37,192	—	
Marquis Book Printing inc.	2007	M	2,206	2,551	—	4,757	—	
Métal Duquet (1994) inc.	2022	M	—	500	—	500	—	
Milmonde Kitchen Cabinets inc.	2021	M	—	500	—	500	—	
P.H. Tech inc.	2022	M	2,906	1,003	—	3,909	—	
Poissonnerie Lauzier inc.	2022	S	—	175	—	175	—	
Pro-Merit inc.	2022	S	—	500	—	500	—	
Quantum Juricomptable inc.	2021	S	—	250	—	250	—	
Québec Peinture inc.	2021	S	—	100	—	100	—	
Réalisations Élite inc.	2022	M	—	300	—	300	—	
Solutions Chemco inc.	2021	S	—	500	—	500	—	
Solutions Mécanique Diesel inc.	2021	S	—	500	—	500	—	
Venture Carpets inc.	2022	M	—	500	—	500	—	
Total Chaudière - Appalaches			112,435	62,556	—	174,991	—	

Audited schedule of cost of investments impacting the Québec economy

As at December 31, 2022

	Initial investment year	Industry segment	Unsecured investments		Secured investments		Total \$	Guarantees and Suretyships \$
			Common and Preferred shares and funds units \$	Loans, advances and notes \$	Loans, advances and notes \$			
Côte-Nord								
2311-7757 Québec inc. (Construction et Ferblanterie J.B. Sept-îles)	2021	S	—	500	—	500	—	
9011-1501 Québec inc. (Location Gestion S.P.)	2021	S	—	500	—	500	—	
9454-0192 Québec inc. (BX Flight Services)	2022	S	—	500	—	500	—	
CJB inc.	2022	S	—	500	—	500	—	
Total Côte-Nord			—	2,000	—	2,000	—	
Eastern Townships								
135456 Canada inc. (Créations Jade)	2022	M	—	500	—	500	—	
9075-8665 Québec inc. (Trevi Granby)	2022	S	—	500	—	500	—	
9155-7280 Québec inc. (Vausco)	2021	S	—	500	—	500	—	
9283-1312 Québec inc. (Vraies Richesses (Les))	2022	M	—	250	—	250	—	
9321691 Canada inc. (Unik Parquet)	2021	S	—	500	—	500	—	
A7 Intégration inc.	2021	M	—	500	—	500	—	
Bornes électriques Québec inc.	2021	M	—	500	—	500	—	
Cdware Technologies inc.	2021	S	—	900	—	900	—	
Centre de rénovation Stanstead inc.	2020	S	—	500	—	500	—	
CFO masqué inc. (Le)	2022	S	—	350	—	350	—	
Clôtures Orford inc.	2019	S	—	331	—	331	—	
Consultants Serge Brochu inc. (Les)	2022	S	—	500	—	500	—	
Cuisines modernes de l'Estrie inc.	2020	M	—	355	—	355	—	
Demtroys Technology inc.	2019	M	—	411	—	411	—	
E-Solutions Groupe d'ameublement inc. (anc. Bestar inc.)	2020	M	28,660	10,199	—	38,859	—	
E2Metrix inc.	2022	IT	—	1,036	—	1,036	—	
Emballages Façoteck inc. (Les)	2020	M	—	500	—	500	—	
Exo-s-inc.	2012	M	20,572	52,343	—	72,915	—	
Ferblanterie de l'Estrie inc.	2022	S	—	170	—	170	—	
FuturCarb inc.	2022	S	—	500	—	500	—	
Gestion Jérico inc.	2021	M	—	50,000	—	50,000	—	
Groupe conseil Briau 2011 inc.	2022	S	—	500	—	500	—	
Imeka Solutions inc.	2021	IT	—	535	—	535	—	
Imprimerie Précé-Grafik inc.	2009	M	1,500	466	223	2,189	—	
Innomalt inc.	2021	IT	1,250	2,000	—	3,250	—	
Kemestrie inc.	2010	IT	527	—	—	527	—	
Leadfox technologie inc.	2019	IT	—	2,190	—	2,190	—	
Mécanique de performance Panthera Motorsports inc.	2021	M	—	325	—	325	—	
Microbrasserie La Memphré inc.	2021	S	—	450	—	450	—	
Monteurs d'acier inc. (Les)	2022	M	—	100	—	100	—	
Plastique M.P. inc.	2021	M	—	500	—	500	—	
Secur-It Scaffolding inc.	2022	M	—	500	—	500	—	
Soudure Richard St-Amant inc.	2022	M	—	500	—	500	—	
Technic-Eau Drillings inc.	2017	M	12,136	9,638	—	21,774	—	
The Sustainable development enterprises Energy Solutions & Associates inc.	2019	M	500	—	—	500	—	
TherAppx inc.	2022	IT	—	311	—	311	—	
Vallée Windows inc.	2021	M	—	500	—	500	—	
Vistech Estrie inc.	2022	S	—	500	—	500	—	
Total Eastern Townships			65,145	140,360	223	205,728	—	

Audited schedule of cost of investments impacting the Québec economy

As at December 31, 2022

	Initial investment year	Industry segment	Unsecured investments		Secured investments		Total \$	Guarantees and Suretyships \$
			Common and Preferred shares and funds units \$	Loans, advances and notes \$	Loans, advances and notes \$			
Gaspésie-Îles-de-la-Madeleine								
9253-1466 Québec inc. (Lapierre Ancestrale)	2022	S	—	500	—	500	—	
Atelier du Pêcheur inc.	2022	S	—	500	—	500	—	
Entreprises Leblanc 3 inc. (Les)	2018	S	—	456	—	456	—	
Kemer inc.	2022	S	—	400	—	400	—	
Protection Garvex inc.	2021	S	—	500	—	500	—	
Total Gaspésie-Îles-de-la-Madeleine			—	2,356	—	2,356	—	
Lanaudière								
9111-0767 Québec inc. (Gary Schwartz)	2021	S	—	500	—	500	—	
ACGM Mécanique du bâtiment inc.	2022	S	—	500	—	500	—	
Arbo-Design inc.	2022	S	—	350	—	350	—	
Cloud Monitored Objects inc.	2022	S	—	250	—	250	—	
Électricité Kingston inc.	2022	S	—	500	—	500	—	
Équipements JP inc.	2022	S	—	400	—	400	—	
Groupe Composites VCI inc.	2007	M	2,250	203	—	2,453	—	
Machineries Nordtrac Itée	2022	S	—	500	—	500	—	
Pépinières de production Trussard Itée	2022	S	—	500	—	500	—	
Total Lanaudière			2,250	3,703	—	5,953	—	
Laurentians								
9476-5724 Québec inc. (La Moisson)	2022	S	—	500	—	500	—	
Construction Dramis inc.	2021	S	—	500	—	500	—	
Construction Ultimateck inc.	2021	S	—	500	—	500	—	
MFL Électrique inc.	2021	S	—	500	—	500	—	
Total Laurentians			—	2,000	—	2,000	—	
Laval								
6394612 Canada inc. (Basco World)	2022	S	—	500	—	500	—	
9388-7628 Québec inc.	2021	S	40,000	—	—	40,000	—	
DBM Technologies inc.	2020	M	14,979	—	—	14,979	—	
Ionodes inc.	2019	IT	—	2,555	—	2,555	—	
Recharge Véhicule électrique inc.	2022	S	—	500	—	500	—	
Ressources Delta Itée	2020	M	140	—	—	140	—	
Signalisation Kalitec inc.	2021	M	—	500	—	500	—	
Total Laval			55,119	4,055	—	59,174	—	
Mauricie								
Classement Luc Beaudoin inc.	2013	S	—	161	—	161	—	
Équipements St-Arnaud inc. (Les)	2020	S	—	479	—	479	—	
Gestions Thrace inc. (Les)	2022	S	—	110	—	110	—	
Innovations Voltflex inc.	2006	M	13	—	—	13	—	
Louiseville Specialty Products inc.	2021	M	7,411	—	—	7,411	—	
Wood Atmosphere inc.	2022	M	—	500	—	500	—	
Total Mauricie			7,424	1,250	—	8,674	—	

Audited schedule of cost of investments impacting the Québec economy

As at December 31, 2022

	Initial investment year	Industry segment	Unsecured investments		Secured investments		Total \$	Guarantees and Suretyships \$
			Common and Preferred shares and funds units \$	Loans, advances and notes \$	Loans, advances and notes \$			
Montérégie								
9020-5758 Québec inc. (AVRIL)	2021	S	9,919	—	—	9,919	—	
9349-6347 Québec inc. (Habitations Trigone)	2019	S	—	32,091	—	32,091	—	
A. & D. Prévost inc.	2011	M	5,589	—	—	5,589	—	
A.T.L.A.S. Aéronautique inc.	2010	M	6,749	—	—	6,749	—	
Agropur Coopérative	2014	M	—	31,435	—	31,435	—	
Angel Host inc.	2021	IT	1,258	—	—	1,258	—	
Denicourt, Arpenteurs-Géomètres inc.	2021	S	—	425	—	425	—	
Distribution Emblème inc.	2021	S	—	400	—	400	—	
Divin Paradis inc.	2021	S	—	500	—	500	—	
Dose Juices inc.	2019	M	1,472	878	—	2,350	—	
Équipements colpron St-Clet inc. (Les)	2022	S	—	400	—	400	—	
FC Géosynthétiques inc.	2021	S	—	3,500	—	3,500	—	
Frontenac Technologies inc.	2021	M	680	320	—	1,000	—	
Gazéo inc.	2021	S	—	500	—	500	—	
Gestion Distinct'O inc. (Amerispa)	2021	S	1,222	—	—	1,222	—	
Gestion Max Lavoie inc. (BBQ Québec)	2021	S	—	500	—	500	—	
Gorepas industrie inc.	2022	M	—	500	—	500	—	
Groupe Jafaco Gestion inc.	2019	M	—	19,000	—	19,000	—	
Groupe Llenar inc.	2021	M	—	333	—	333	—	
Industries Rainville inc.	2021	M	—	500	—	500	—	
Investissement Groupe Champlain RPA, S.E.C.	2020	S	49,845	—	—	49,845	—	
Les Entrepreneurs-Peintres B.S.R. inc.	2022	S	—	250	—	250	—	
Locaplus inc.	2021	S	—	350	—	350	—	
Moulées Bellifrance inc. (Les)	2022	S	—	500	—	500	—	
Mulligan International inc.	2022	S	—	500	—	500	—	
Norbec Group inc.	2017	M	7,450	—	—	7,450	—	
Novo Poultry inc.	2017	M	—	1,979	—	1,979	—	
Nutri Group inc.	2018	M	15,000	—	—	15,000	—	
Optima Aero inc.	2021	M	—	500	—	500	—	
Résidence La Verrière (2005) inc.	2020	S	—	813	—	813	—	
Sonoscope inc.	2021	IT	—	359	—	359	—	
Spectra Premium Industries inc.	2006	M	2,589	—	—	2,589	—	
Tando inc.	2021	S	—	500	—	500	—	
Transport Claude Martel inc.	2021	S	—	425	—	425	—	
Tremcar Technologies inc.	2021	M	—	17,000	—	17,000	—	
Valtech Fabrication inc.	2017	M	5,589	13,280	—	18,869	—	
Total Montérégie			107,362	127,738	—	235,100	—	
Montréal								
10337803 Canada inc. (Arbell)	2019	S	—	—	998	998	—	
2744-0072 Québec inc. (Moving Performance (PMI))	2022	S	—	500	—	500	—	
360 Agency inc.	2016	S	12,692	500	—	13,192	—	
9262-9450 Québec inc. (Multi Temp Trans)	2022	S	—	500	—	500	—	
9337-4791 Québec inc. (Motorleaf)	2018	IT	866	—	—	866	—	
9437924 Canada inc. (ÔPLANT Urban Farms)	2022	S	—	305	—	305	—	
9456-1826 Québec inc.	2022	S	12,180	—	—	12,180	—	
9813063 Canada inc. (My Intelligent Machines (MIMs))	2019	IT	2,930	—	260	3,190	—	
Ad Hoc Research inc.	2022	S	—	500	—	500	—	
Agences AirPC inc. (Les)	2022	M	—	300	—	300	—	
Agriculture Concentric inc.	2018	M	2,469	—	1,669	4,138	—	
Alaya Care inc.	2019	IT	3,543	—	—	3,543	—	
Alithya Group inc.	2015	S	22,217	—	—	22,217	—	
Ananda Devices inc.	2019	IT	1,000	784	—	1,784	—	
Axya inc. (ex. GRAD4 inc.)	2021	IT	548	—	—	548	—	
Brainbox AI inc.	2020	IT	9,348	—	—	9,348	—	
C2RO Cloud Robotics inc.	2020	IT	250	—	—	250	—	

Audited schedule of cost of investments impacting the Québec economy

As at December 31, 2022

	Initial investment year	Industry segment	Unsecured investments		Secured investments		Total \$	Guarantees and Suretyships \$
			Common and Preferred shares and funds units \$	Loans, advances and notes \$	Loans, advances and notes \$			
Montreal (continued)								
CMP Ecom inc. (Naturae Decor)	2021	S	—	500	—	500	—	—
Compagnie de location de véhicules récréatifs VanLife	2021	S	—	500	—	500	—	—
COOK IT recipes inc.	2022	S	—	5,154	—	5,154	—	—
CRI Communications inc.	2022	S	—	500	—	500	—	—
DC Immo 1ère S.E.C.	2019	S	6,194	—	—	6,194	—	—
Deeplite inc.	2020	IT	891	—	—	891	—	—
Distributions Triple A inc. (Les)	2021	S	—	500	—	500	—	—
Ditch Labs inc.	2021	IT	—	300	—	300	—	—
Emovi inc.	2018	M	1,279	—	—	1,279	—	—
Entreprise Nexmoov inc. (Local Logic)	2018	IT	4,745	—	—	4,745	—	—
Facilis inc.	2021	S	1,000	—	—	1,000	—	—
Fluent.ai inc.	2019	IT	2,830	—	—	2,830	—	—
G2MC inc.	2022	S	20,000	—	—	20,000	—	—
Groupe Solotech inc.	2013	S	43,372	13,500	—	56,872	—	—
Haleo Preventive Health Solutions inc.	2019	IT	1,060	—	—	1,060	—	—
Imagia Canexia Health inc.	2019	IT	2,447	—	—	2,447	—	—
Indalo Studio inc. (o3d)	2019	IT	—	—	142	142	—	—
Keatext inc.	2018	IT	—	1,596	—	1,596	—	—
Korbit Technologies inc.	2022	IT	2,000	—	—	2,000	—	—
Kube Innovation inc.	2022	IT	—	258	—	258	—	—
Lexop Solutions inc.	2022	IT	1,500	—	—	1,500	—	—
Mako Financial Technologies, inc.	2021	IT	1,104	—	—	1,104	—	—
MedHelper inc.	2020	IT	—	601	—	601	—	—
MY01 IP Holdings inc.	2021	IT	—	1,448	—	1,448	—	—
Neon Clothing Company of Canada inc.	2021	S	295	410	—	705	—	—
NeuroServo inc.	2020	M	—	321	—	321	—	—
Ni2 inc.	2017	IT	5,084	—	1,257	6,341	—	—
Optable Technologies inc.	2021	IT	—	2,176	—	2,176	—	—
Optina Diagnostics inc.	2018	IT	4,212	—	—	4,212	—	—
ORO Health inc.	2021	IT	1,250	—	—	1,250	—	—
Orthogone Technologies inc.	2021	S	3,292	—	—	3,292	—	—
Pathway Medical inc.	2021	IT	500	—	—	500	—	—
Phildan inc.	2015	M	8,250	444	—	8,694	—	—
Potloc inc.	2018	IT	8,283	—	—	8,283	—	—
Prevu3D inc.	2020	IT	750	—	—	750	—	—
Proaction International inc.	2021	S	488	—	13	501	—	—
Rekruti Solutions inc.	2018	IT	—	544	—	544	—	—
RenoRun inc.	2021	IT	6,390	—	—	6,390	—	—
Résidences pour aînés Immo 1ère inc.	2019	S	788	—	—	788	—	—
Restock Canada inc.	2022	S	—	1,350	—	1,350	—	—
SJM Group inc.	2019	M	16,250	7,833	—	24,083	—	—
Sollio Groupe Coopératif	2005	M	102,254	—	—	102,254	—	—
Stratuscent inc.	2020	IT	2,000	—	—	2,000	—	—
Télécon inc.	2011	S	45,441	—	—	45,441	—	6,233
Thorasys Thoracic Medical Systems inc.	2018	IT	585	1,994	—	2,579	—	—
Tink Profitabilité Numérique inc.	2021	S	1,125	—	—	1,125	—	—
Vital MFG Corp.	2021	M	—	500	—	500	—	—
Wrk Technologies inc.	2020	IT	8,453	—	—	8,453	—	—
Zorah Bio Cosmetics inc.	2022	M	2,000	—	—	2,000	—	—
Total Montréal			374,155	43,818	4,339	422,312		6,233

Audited schedule of cost of investments impacting the Québec economy

As at December 31, 2022

	Initial investment year	Industry segment	Unsecured investments		Secured investments		Total \$	Guarantees and Suretyships \$
			Common and Preferred shares and funds units \$	Loans, advances and notes \$	Loans, advances and notes \$			
Nord-du-Québec								
Azimut Exploration inc.	2019	M	459	—	—	459	—	
Doré Copper Mining Corp.	2021	M	350	—	—	350	—	
Genius Metals inc.	2020	M	225	—	—	225	—	
GeoMegA Resources inc.	2022	S	150	—	—	150	—	
Harfang Exploration inc.	2019	M	440	—	—	440	—	
Kintavar Exploration inc.	2020	M	334	—	—	334	—	
Maple Gold Mines Ltd	2018	M	75	—	—	75	—	
Midland Exploration inc.	2022	M	280	—	—	280	—	
Quebec Precious Metals Corporation	2021	M	198	—	—	198	—	
Sirios Resources inc.	2019	M	300	—	—	300	—	
Soudure G.A.M. (Chibougamau) inc.	2022	M	—	500	—	500	—	
Stelmine Canada Ltd.	2019	M	173	—	—	173	—	
Vior inc.	2020	M	300	—	—	300	—	
X-Terra Resources inc.	2021	M	135	—	—	135	—	
Total Nord-du-Québec			3,419	500	—	3,919	—	
Outaouais								
13993655 Canada inc. (Gascon Équipement)	2022	S	—	450	—	450	—	
3863573 Canada inc. (Mechanical PCI)	2021	S	—	500	—	500	—	
9198-6455 Québec inc. (Thompson's Corner Store)	2022	S	—	1,000	—	1,000	—	
Agrisoma Biosciences inc.	2018	M	—	—	3,462	3,462	—	
Bas-Canada Brewery inc.	2021	M	—	500	—	500	—	
Construction Michel Lacroix inc.	2019	S	—	331	—	331	—	
Entreprises d'Électricité Denis Lucas inc.	2021	S	—	500	—	500	—	
Rossmann Architecture inc.	2021	S	—	500	—	500	—	
Signalisation Prosign Québec inc.	2019	S	—	165	—	165	—	
Steamatic Canada inc.	2021	S	—	500	—	500	—	
Total Outaouais			—	4,446	3,462	7,908	—	
Outside of Canada								
Pharmaxis Ltd	2010	IT	2,360	—	—	2,360	—	
Total Outside of Canada			2,360	—	—	2,360	—	

Audited schedule of cost of investments impacting the Québec economy

As at December 31, 2022

	Initial investment year	Industry segment	Unsecured investments		Secured investments	Total \$	Guarantees and Suretyships \$
			Common and Preferred shares and funds units \$	Loans, advances and notes \$	Loans, advances and notes \$		
Saguenay-Lac-Saint-Jean							
10696056 Canada inc. (Widescape)	2021	M	—	1,000	—	1,000	—
11077422 Canada inc. (Congèlerie l'Héritier)	2019	M	—	822	—	822	—
9003-2541 Québec inc. (Épicerie - Boucherie Culinaire)	2022	S	—	200	—	200	—
9115-3023 Québec inc. (Voie maltée - Jonquière)	2022	S	—	—	371	371	—
9123-6794 Québec inc.	2022	S	12,600	—	—	12,600	—
9311-8818 Québec inc. (Le Lion bleu)	2022	M	—	350	—	350	—
9331-8384 Québec inc. (Okaze)	2021	S	—	425	—	425	—
9340-9415 Québec inc. (Multi DJS)	2022	S	—	100	—	100	—
9367-8126 Québec inc. (Bistro Café Summum Chicoutimi)	2022	S	—	200	—	200	—
9423-1917 Québec inc. (AquaJford Enterprises)	2021	M	—	300	—	300	—
9445-0210 Québec inc. (Restaurant Bar Mario Tremblay)	2021	S	—	250	—	250	—
9448-9911 Québec inc. (Val-Éo)	2021	S	—	3,896	—	3,896	—
A3 Surfaces inc.	2022	M	—	1,038	—	1,038	—
Boucherie St-Hilaire (2017) inc.	2021	S	—	775	—	775	—
Béton Dunbrick inc.	2021	M	—	500	—	500	—
Chouape inc. (La)	2022	M	—	200	—	200	—
Constructions Unibec inc.	2021	S	—	380	—	380	—
Équipements Pétroliers Claude Pedneault inc. (Les)	2021	S	—	500	—	500	—
Extreme Auto Classic Car inc.	2022	S	—	250	—	250	—
Forestiers G.T. inc.	2022	S	—	275	—	275	—
Grimard.ca inc.	2021	S	—	500	—	500	—
Groupe Canmec inc.	2004	M	11,498	1	—	11,499	—
Jean Dumas Maximum Sport inc.	2022	S	—	500	—	500	—
L.S.M. Son & Lumières inc.	2019	S	—	477	—	477	—
Lokia MT inc.	2022	S	14,420	—	—	14,420	—
MGS Métal inc.	2021	S	—	500	—	500	—
Nature ALU inc.	2019	M	—	1,045	—	1,045	—
RI d'Éloïse et Destany inc.	2021	S	—	579	—	579	—
Société en commandite Lokia St-Sacrement	2021	S	—	9,545	—	9,545	—
Société en commandite Lokia Sherbrooke	2019	S	—	5,698	—	5,698	—
Spécialité du frein St-Félicien inc.	2022	S	—	175	—	175	—
St-Félicien Diesel (1988) inc.	2022	S	—	500	—	500	—
Structures M.H. inc.	2021	S	—	300	—	300	—
Toitures d'ici inc. (Les)	2021	S	—	300	—	300	—
Transform Moulding inc.	2021	M	—	350	—	350	—
Transport P.L.M. Doucet inc.	2022	S	—	100	—	100	—
V.R. du Lac inc. (Au)	2022	S	—	400	—	400	—
Total Saguenay-Lac-Saint-Jean			38,518	32,431	371	71,320	—

Audited schedule of cost of investments impacting the Québec economy

As at December 31, 2022

	Initial investment year	Industry segment	Unsecured investments		Secured investments	Total \$	Guarantees and Suretyships \$
			Common and Preferred shares and funds units \$	Loans, advances and notes \$	Loans, advances and notes \$		
Funds							
Boreal Ventures I, L.P.	2021	F	413	—	—	413	—
Capital croissance PME s.e.c.	2010	F	—	—	—	—	—
Capital croissance PME II s.e.c.	2014	F	651	—	—	651	—
Claridge Food Group, L.P.	2022	F	2,569	—	—	2,569	—
Desjardins - Innovatech S.E.C.	2005	F	21,770	480	—	22,250	—
Desjardins Capital PME s.e.c.	2018	F	185,562	—	—	185,562	—
Desjardins Capital Transatlantique, L.P.	2018	F	20,428	—	—	20,428	—
FIER Partenaires, s.e.c.	2005	F	26	—	—	26	—
Fonds d'investissement MSBI, s.e.c.	2004	F	—	—	—	—	—
Fonds d'investissement pour la relève agricole (FIRA)	2011	F	9,311	—	—	9,311	—
Fonds de transfert d'entreprise du Québec, s.e.c.	2011	F	3,735	—	—	3,735	—
Fonds Ecofuel I, S.E.C.	2018	F	2,210	—	—	2,210	—
Gestion FIRA inc.	2011	F	—	—	—	—	—
Gestion Fonds de transfert d'entreprise du Québec inc.	2011	F	—	—	—	—	—
Luge Investment Fund 1, L.P.	2018	F	2,144	—	—	2,144	—
Novacap Industries III, L.P.	2007	F	—	—	—	—	—
Novacap Technologies III, L.P.	2007	F	—	—	—	—	—
RVOMTL17 Limited Partnership	2017	F	3,709	—	—	3,709	—
Siparex Transatlantique - Fonds Professionnel de Capital Investissement	2018	F	4,296	—	—	4,296	—
Société en commandite Essor et Coopération	2013	F	17,703	—	—	17,703	—
W Investments Group II L.P.	2022	F	8,271	—	—	8,271	—
Total Funds			282,798	480	—	283,278	—
Total cost			1,153,320	494,963	10,190	1,658,473	9,733

Industry segment legend

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

The schedule of cost of investments impacting the Québec economy is prepared in accordance with the section 18 of the *Regulation respecting Development Capital Investment Fund Continuous Disclosure*. This audited schedule of cost of investments impacting the Québec economy provides details per entity, of the sums invested by Capital régional et coopératif Desjardins. This amount appears in note 7 to the financial statements of CRCD, as at December 31, 2022. In addition, this schedule presents a list of the guarantees and suretyships granted by Capital régional et coopératif Desjardins.

Capital régional et coopératif Desjardins

Statements of other investments

As at December 31, 2022

(in thousands of Canadian dollars)

Statement of other investments (unaudited)

As at December 31, 2022

Description			Par value \$	Cost \$	Fair Value \$
Bonds (48.8%)					
Federal and guaranteed bonds (23.5%)					
Canada Housing Trust	09-15-2029	2.10 %	3,200	2,943	2,896
	03-15-2031	1.10 %	37,375	33,413	30,460
Government of Canada	03-01-2023	1.75 %	275	275	275
	03-01-2028	3.50 %	23,500	23,363	23,621
	12-01-2030	0.50 %	47,350	38,504	38,188
	06-01-2032	2.00 %	4,300	3,898	3,850
	12-01-2032	2.50 %	16,850	16,084	15,716
	06-01-2041	4.00 %	3,900	4,714	4,232
	12-01-2045	3.50 %	2,500	2,941	2,563
	12-01-2048	2.75 %	6,200	5,936	5,600
	12-01-2051	2.00 %	628	527	477
	12-01-2053	1.75 %	5,699	4,357	4,013
Total federal and guaranteed bonds			151,777	136,955	131,891
Provincial, municipal or guaranteed bonds (25.3%)					
City of Toronto	09-24-2039	2.60 %	200	199	153
Hydro-Québec	02-15-2060	2.10 %	3,300	2,169	1,986
Omers Finance Trust	05-14-2029	2.60 %	800	800	734
Province of Alberta	12-01-2033	3.90 %	1,810	1,720	1,766
	12-01-2043	3.45 %	235	274	206
	06-01-2050	3.10 %	4,325	3,896	3,502
Province of British Columbia	06-18-2031	1.55 %	7,600	7,256	6,277
	06-18-2044	3.20 %	1,200	1,082	1,012
	06-18-2050	2.95 %	4,500	4,185	3,550
Province of Manitoba	06-02-2030	2.05 %	3,000	2,999	2,629
	03-05-2043	3.35 %	2,425	2,200	2,069
	09-05-2048	3.40 %	1,850	1,616	1,559
	09-05-2052	2.05 %	527	341	325
Province of New Brunswick	06-03-2030	2.50 %	1,775	1,476	1,312
Province of Newfoundland and Labrador	06-02-2031	2.05 %	7,500	7,331	6,361
	10-17-2050	2.65 %	1,000	989	690
Province of Nova Scotia	12-01-2031	2.40 %	2,500	2,491	2,190
Province of Ontario	06-02-2026	2.40 %	1	1	1
	11-01-2029	1.55 %	9,297	8,110	7,983
	12-02-2030	1.35 %	12,995	10,731	10,686
	06-02-2039	4.60 %	5,500	5,422	5,665
	06-02-2043	3.50 %	8,200	7,395	7,260
	06-02-2045	3.45 %	3,400	3,054	2,966
	12-02-2046	2.90 %	13,000	11,932	10,232
	06-02-2048	2.80 %	8,000	6,786	6,133
	06-02-2049	2.90 %	4,350	3,567	3,387
	12-02-2051	1.90 %	10,375	6,824	6,323
	12-02-2052	2.55 %	10,325	8,004	7,362
	12-02-2053	3.75 %	1,620	1,539	1,485
Province of Québec	09-01-2032	3.25 %	10,300	9,939	9,661
	12-01-2045	3.50 %	5,185	4,663	4,564
	12-01-2048	3.50 %	1,600	1,451	1,400
	12-01-2051	3.10 %	11,000	10,561	8,908
	12-01-2053	2.85 %	800	642	611
Province of Saskatchewan	02-03-2042	3.40 %	1,400	1,312	1,224
	12-02-2046	2.75 %	9,600	8,567	7,310
	06-02-2048	3.30 %	2,400	2,100	2,015
Translink	07-03-2030	1.60 %	800	800	674
Total provincial, municipal or guaranteed bonds			174,695	154,424	142,171
Total bonds			326,472	291,379	274,062

Statement of other investments (unaudited)

As at December 31, 2022

Description			Par value \$	Cost \$	Fair Value \$
Money market instruments (0.1%)					
Bank of Montreal	01-31-2023	4.27 %	100	100	100
Canadian Imperial Bank of Commerce	01-16-2023	4.35 %	59	58	58
Government of Canada	09-14-2023	4.15 %	25	24	24
National Bank of Canada	02-15-2023	4.36 %	100	99	99
Province of Newfoundland and Labrador	01-12-2023	3.97 %	100	100	100
Province of Ontario	03-15-2023	4.35 %	100	99	99
Royal Bank of Canada	01-16-2023	4.25 %	100	100	100
Scotiabank	01-16-2023	4.35 %	100	100	100
Toronto Dominion Bank	01-31-2023	4.30 %	100	100	100
Total money market instruments			784	780	780
Foreign exchange contracts (0.1%)					
Fédération des caisses Desjardins du Québec	03-31-2023, 1.35865 CAD/USD		80,012	—	456
	03-31-2023, 1.45229 €/CAD		18,700	—	(87)
Total foreign exchange contracts				—	369

Statement of other investments (unaudited)

As at December 31, 2022

Description	Number of units	Cost \$	Fair Value \$
Canadian Equity Funds (10.3%)			
BMO Low Volatility Equity ETF	848,543	25,441	28,341
Fidelity Canadian Low Volatility Equity Institutional Trust	1,734,887	26,259	29,341
Total canadian equity funds		51,700	57,682
Market Neutral Equity Funds (12.9%)			
CC&L Q Market Neutral Fund	292,008	71,747	72,465
Total market neutral equity funds		71,747	72,465
Real Estate Funds (22.6%)			
Fiera Properties CORE Fund	62,577	79,810	92,930
Invesco Global Direct Real Estate Feeder Fund	21,814	32,138	33,947
Total real estate funds		111,948	126,877
Infrastructure Funds (5.2%)			
DGAM Global Private Infrastructure Fund	1	27,311	28,877
Total Infrastructure funds		27,311	28,877
Total other investments (100.0%)		554,865	561,112

Capital régional et coopératif Desjardins

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

As at December 31, 2022

(in thousands of Canadian dollars)

Index of the Company's share in investments made by specialized funds and partner funds, at cost (unaudited)
As at December 31, 2022

Information from the most recent audited financial reports dated	Equity interest of the Company %	Unsecured investments		Secured investments	Total \$
		Common and Preferred shares and funds units \$	Loans, advances and notes \$	Loans, advances and notes \$	
2022-12-31 Capital croissance PME s.e.c.	50.00				
Centre-du-Québec					
2681871 Canada inc. (Voyages Escapades Victoriaville)		—	58	—	58
Total Centre-du-Québec		—	58	—	58
Chaudière - Appalaches					
Productions Horticoles Demers inc. (Les)		250	—	—	250
Serres Demers inc. (Les)		—	—	220	220
Total Chaudière - Appalaches		250	—	220	470
Côte-Nord					
9160-7671 Québec inc. (Pétroles MB)		600	—	—	600
Total Côte-Nord		600	—	—	600
Eastern Townships					
S.E.2 inc.		125	—	—	125
Total Eastern Townships		125	—	—	125
Funds					
Fonds Prêt à Entreprendre, s.e.c.		165	—	—	165
Total Funds		165	—	—	165
Laval					
8376905 Canada inc. (Paramédic)		—	36	—	36
Total Laval		—	36	—	36
Mauricie					
Ateliers de l'électro-ménager R. Vallée inc.		75	—	9	84
Total Mauricie		75	—	9	84
Montréal					
DEK Canada inc.		518	60	—	578
Total Montréal		518	60	—	578
Nord-du-Québec					
Midland Exploration inc.		32	—	—	32
Total Nord-du-Québec		32	—	—	32

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

As at December 31, 2022

Information from the most recent audited financial reports dated	Equity Interest of the Company %	Unsecured investments		Secured investments	Total \$
		Common and Preferred shares and funds units \$	Loans, advances and notes \$	Loans, advances and notes \$	
2022-12-31 Capital croissance PME s.e.c. (cont.)	50.00				
Saguenay-Lac-Saint-Jean					
Sports Guy Dumas inc.		9	—	—	9
Total Saguenay-Lac-Saint-Jean		9	—	—	9
		1,774	154	229	2,157
Funds committed but not disbursed					90
Total Capital croissance PME s.e.c.					2,247

**Index of the Company's share in investments made by specialized funds and partner funds, at cost (unaudited)
As at December 31, 2022**

Information from the most recent audited financial reports dated	Equity Interest of the Company %	Unsecured investments		Secured investments	Total \$
		Common and Preferred shares and funds units \$	Loans, advances and notes \$	Loans, advances and notes \$	
2022-12-31 Capital croissance PME II s.e.c.	50.00				
Abitibi-Témiscamingue					
9003-4257 Québec inc. (Centre de camping et propane d'Amos)		—	131	—	131
9063-7547 Québec inc. (Usinage Laquerre)		150	—	—	150
Cartier Resources inc.		86	—	—	86
Corporation minière Monarch		79	—	—	79
Falco Resources Ltd.		141	—	—	141
Hôtel des Eskers inc.		—	137	—	137
Osisko Mining inc.		35	—	—	35
Probe Metals inc.		38	—	—	38
Ressources minières Radisson inc.		73	—	—	73
Yorbeau Ressources inc.		53	—	—	53
Total Abitibi-Témiscamingue		655	268	—	923
Bas-Saint-Laurent					
9091-4532 Québec inc. (Cotech)		—	73	—	73
Gestion AFM-Séma inc.		1,823	90	—	1,913
Gestion Brasa inc.		—	—	535	535
Location Jesna inc.		—	127	86	213
Produits métalliques Pouliot Machinerie inc.		—	—	298	298
PVP Média inc. (ex. Groupe PVP inc.)		250	—	—	250
Total Bas-Saint-Laurent		2,073	290	919	3,282
Capitale-Nationale					
9295-4874 Québec inc. (Naterro - Santé, pharma et cie)		37	—	—	37
9306-5779 Québec inc. (Ventilation CDR inc.)		—	92	—	92
9348-0648 Québec inc. (Gestion C.C. Blouin inc.)		—	—	29	29
DMB Distribution alimentaire inc.		823	21	—	844
Groupe Restos Plaisirs inc. (Le)		—	889	—	889
Lasertech industries inc.		—	53	—	53
Panthera Dental inc.		188	—	—	188
Pol R Entreprises inc.		2,713	—	—	2,713
R. Bouffard & Fils inc.		—	—	229	229
Total Capitale-Nationale		3,761	1,055	258	5,074
Centre-du-Québec					
Distribution Pro-Excellence inc.		—	—	127	127
Fromagerie L'Ancêtre inc.		—	4	—	4
Lacal Technologie inc.		—	71	—	71
Mobilicab inc.		—	—	990	990
Total Centre-du-Québec		—	75	1,117	1,192

Index of the Company's share in investments made by specialized funds and partner funds, at cost (unaudited)
As at December 31, 2022

Information from the most recent audited financial reports dated	Equity Interest of the Company %	Unsecured investments		Secured investments	Total \$
		Common and Preferred shares and funds units \$	Loans, advances and notes \$	Loans, advances and notes \$	
2022-12-31 Capital croissance PME II s.e.c. (cont.)	50.00				
Chaudière - Appalaches					
2851-8249 Québec inc. (Résidence intermédiaire Fortier)		—	20	—	20
Emballages E.B. Itée (Les)		—	87	—	87
Gestion Maître C inc.		755	—	—	755
Groupe Audaz inc.		—	98	—	98
Humaco Acoustique inc.		—	74	—	74
Productions Horticoles Demers inc. (Les)		188	576	—	764
Transport St-Agapit inc.		—	—	222	222
Total Chaudière - Appalaches		943	855	222	2,020
Côte-Nord					
9160-7671 Québec inc. (Pétroles MB)		—	50	—	50
Total Côte-Nord		—	50	—	50
Eastern Townships					
Attraction inc.		—	134	—	134
Avizo Experts-Conseils inc.		—	171	—	171
Innotex inc.		—	44	—	44
Khrome Product - Transport (KPT) inc.		—	228	—	228
S.E.2 inc.		125	—	—	125
Total Eastern Townships		125	577	—	702
Gaspésie-Îles-de-la-Madeleine					
9413-1927 Québec inc. (Solution infomédia)		—	198	—	198
Construction L.F.G. inc.		—	—	749	749
Entreprises Leblanc 3 inc. (Les)		—	—	130	130
Total Gaspésie-Îles-de-la-Madeleine		—	198	879	1,077
Lanaudière					
Cryos Technologies inc.		857	317	—	1,174
Nouveau Monde Graphite inc.		53	—	—	53
Produits de Métal Pointech inc.		—	—	58	58
Total Lanaudière		910	317	58	1,285
Laurentians					
Jean-Jacques Campeau inc.		2,000	120	—	2,120
Multi Online Distribution inc. (Multinautic)		—	308	—	308
Technoflex International inc.		350	—	—	350
Total Laurentians		2,350	428	—	2,778
Laval					
8376905 Canada inc. (Paramédic)		—	141	—	141
Norseco inc.		—	4	—	4
Numesh inc.		—	—	377	377
Total Laval		—	145	377	522

**Index of the Company's share in investments made by specialized funds and partner funds, at cost (unaudited)
As at December 31, 2022**

Information from the most recent audited financial reports dated	Equity Interest of the Company %	Unsecured investments		Secured investments	Total \$
		Common and Preferred shares and funds units \$	Loans, advances and notes \$	Loans, advances and notes \$	
2022-12-31 Capital croissance PME II s.e.c. (cont.)	50.00				
Mauricie					
Ateliers de l'électro-ménager R. Vallée inc.		—	—	23	23
Premont Foods Inc.		—	141	—	141
Total Mauricie		—	141	23	164
Montérégie					
9286-9890 Québec inc. (Groupe Surmesure)		—	58	—	58
Cloisons Corflex inc. (Les)		—	475	—	475
Constructions 3P inc.		—	351	—	351
Éclairages Électroniques C.B.M. inc. (Les)		—	76	18	94
Placements F.I. inc.		—	66	—	66
Pro Action Diesel inc.		—	—	64	64
Rotoplast inc.		—	100	—	100
W. Côté & fils Itée		—	482	—	482
Total Montérégie		—	1,608	82	1,690
Montréal					
9210-2920 Québec inc. (Obox Group)		—	157	—	157
9230-2629 Québec inc. (Groupe Résidence des bâtisseurs)		—	—	3,347	3,347
9272-6751 Québec inc. (Studio Mile End)		—	57	—	57
Faspac Plastiks inc.		—	175	—	175
Groupe CDREM inc. (Centre du rasoir)		—	253	—	253
Groupe Infopresse inc.		—	38	—	38
Groupe Shemie inc.		—	—	703	703
JSS Medical Research inc.		2,000	305	—	2,305
Masdel inc.		225	42	—	267
Pershimex Resources Corporation		50	—	—	50
Reftch international inc.		—	—	66	66
Sphere Media inc.		1,000	808	—	1,808
Total Montréal		3,275	1,835	4,116	9,226
Nord-du-Québec					
9223-3196 Québec inc. (Rona)		—	—	82	82
Azimet Exploration inc.		64	—	—	64
Dios Exploration inc.		103	—	—	103
GeoMegA Resources inc.		122	—	—	122
Harfang Exploration inc.		103	—	—	103
Kintavar Exploration inc.		156	—	—	156
Midland Exploration inc.		75	—	—	75
Sirios Resources inc.		144	—	—	144
Sphinx Ressources Ltd		50	—	—	50
Stelmine Canada Ltd.		71	—	—	71
Tarku Resources Ltd		48	—	—	48
Vior inc.		24	—	—	24
X-Terra Resources inc.		113	—	—	113
Total Nord-du-Québec		1,073	—	82	1,155

**Index of the Company's share in investments made by specialized funds and partner funds, at cost (unaudited)
As at December 31, 2022**

Information from the most recent audited financial reports dated	Equity Interest of the Company %	Unsecured investments		Secured investments	Total \$
		Common and Preferred shares and funds units \$	Loans, advances and notes \$	Loans, advances and notes \$	
2022-12-31 Capital croissance PME II s.e.c. (cont.)	50.00				
Saguenay-Lac-Saint-Jean					
130395 Canada Inc. (Nordex)		1,875	—	—	1,875
9216-3146 Québec inc. (Micro Brasserie du Saguenay)		—	—	42	42
9328-9486 Québec inc. (Groupe Démex-Centrem)		103	—	—	103
9348-0739 Québec inc. (L'Usine - VM)		—	—	103	103
9365-4606 Québec inc. (La Voie Maltée)		975	—	—	975
Clinique médicale privée Opti-Soins inc.		—	327	—	327
Communications Télésignal inc.		338	—	—	338
Déménagements Tremblay Express ltée (Les)		208	—	—	208
Équipements industriels Barsatech inc.		—	—	157	157
Gestion R. et G.G. inc.		—	1,161	—	1,161
Imprimeurs Associés ICLT-Commerciale inc. (Les)		—	28	—	28
Pavillon des Mille Fleurs inc.		—	—	561	561
Restaurant La Cuisine inc.		—	64	—	64
Sécur inc.		—	—	17	17
Télénet Informatique inc.		377	—	—	377
Transport Réal Villeneuve inc.		—	87	—	87
Total Saguenay-Lac-Saint-Jean		3,876	1,667	880	6,423
		19,041	9,509	9,013	37,563
Funds committed but not disbursed					—
Total Capital croissance PME II s.e.c.					37,563

**Index of the Company's share in investments made by specialized funds and partner funds, at cost (unaudited)
As at December 31, 2022**

Information from the most recent audited financial reports dated	Equity Interest of the Company %	Unsecured investments		Secured investments	Total \$
		Common and Preferred shares and funds units \$	Loans, advances and notes \$	Loans, advances and notes \$	
2022-12-31 Desjardins Capital PME s.e.c.	39.54				
Abitibi-Témiscamingue					
11360345 Canada inc.		—	—	231	231
2732-2304 Québec inc. (Location Dion)		—	158	—	158
9063-7547 Québec inc. (Usinage Laquerre)		—	254	—	254
Abitibi Geophysics inc.		—	233	—	233
Atelier Rivard inc.		—	—	70	70
Cmac-Thyssen mining group inc.		1,223	1,646	—	2,869
Créations Thermodoor inc.		—	198	—	198
Draperies Réginald inc		—	104	—	104
Galarnreau Entrepreneur Général inc.		—	—	1,257	1,257
Globale CMAC-Thyssen Global Holding inc.		—	251	—	251
Héli Technik inc.		—	107	—	107
Papeterie Commerciale de Val-d'Or inc.		—	113	—	113
Perseus Services-Conseils inc.		—	56	—	56
Transport Jolatem inc.		—	122	—	122
Total Abitibi-Témiscamingue		1,223	3,242	1,558	6,023
Bas-Saint-Laurent					
3326403 Canada inc. (Méridien Maritime)		—	—	610	610
9024-0177 Québec inc. (Transport Stéphane Ross)		—	—	108	108
André Hallé & fils ltée		—	631	—	631
Bois CFM inc.		—	—	504	504
Créations Verbois inc.		—	791	—	791
Électronique Mercier ltée		—	348	—	348
Fromagerie des Basques inc.		—	573	—	573
Gestion AJ (2003) inc.		—	—	157	157
Gestion Rima 2013 inc.		—	—	112	112
Gestion Rock Morel inc.		—	—	297	297
Groupe Chênevert inc.		—	781	—	781
Maison du Lac Témiscouata inc. (La)		—	79	—	79
Maskinen inc.		—	—	198	198
Pavage Cabano ltée et 9378-2910 Québec inc.		—	—	410	410
Produits métalliques A.T. inc. (Les)		—	284	—	284
Services à domicile de la région de Matane (Les)		—	—	213	213
Signalisation B.S.L. inc. (ex. 9416-8804 Québec inc.)		—	—	198	198
St. Laurent Distillery		—	534	—	534
Transport Gérard Hallé inc.		—	106	—	106
Total Bas-Saint-Laurent		—	4,127	2,807	6,934

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

As at December 31, 2022

Information from the most recent audited financial reports dated	Equity Interest of the Company %	Unsecured investments		Secured investments	Total \$
		Common and Preferred shares and funds units \$	Loans, advances and notes \$	Loans, advances and notes \$	
2022-12-31 Desjardins Capital PME s.e.c. (cont.)	39.54				
Capitale-Nationale					
9333-9455 Québec inc.		—	—	593	593
9450-4214 Québec inc.		—	2,589	—	2,589
Can-Explore inc.		—	364	—	364
Capilex-Beauté Ltd		—	273	—	273
Centre hydraulique GMB inc.		—	57	—	57
Ciao Technologies inc.		—	197	—	197
Clinique d'Expertises Médicales du Québec		—	—	199	199
Connec Outdoors inc.		—	74	—	74
DMB Distribution alimentaire inc.		—	118	—	118
Équipements E.S.F inc.		—	1,977	—	1,977
Gestion 3MS inc.		—	—	187	187
Granite D.R.C. inc.		633	876	—	1,509
Groupe Restos Plaisirs inc. (Le)		—	1,257	—	1,257
KSO inc.		3,203	—	—	3,203
Lasertech industries inc.		—	198	—	198
Métafab (1996) inc.		—	201	—	201
Micro Logic Sainte-Foy ltée		—	—	359	359
Oricom internet inc.		23	137	—	160
Piscines Soucy inc.		—	98	—	98
Pleau inc. (anc. Lavoie & Pleau inc.)		—	228	—	228
Produits Pâtisserie Michaud inc.		—	75	—	75
Progitek Dev inc.		618	494	—	1,112
Pronature inc.		—	225	—	225
Radio-Onde inc.		—	890	—	890
Service d'équipement G.D. inc.		—	—	1,977	1,977
Solugaz inc.		—	1,502	—	1,502
Xeos Imaging inc.		—	395	—	395
Total Capitale-Nationale		4,477	12,225	3,315	20,017
Centre-du-Québec					
9091-8558 Québec inc. (Service Avicole JGL)		—	—	366	366
Académie internationale Zig Zag		—	—	178	178
Atelier Pro Signature inc.		—	66	—	66
Korok Group inc.		575	204	—	779
Maçonneries Blanchette inc. (Les)		—	395	—	395
Sérigraphie Élite inc.		—	226	—	226
Transport Dessaults inc.		—	—	265	265
Total Centre-du-Québec		575	891	809	2,275

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

As at December 31, 2022

Information from the most recent audited financial reports dated	Equity Interest of the Company %	Unsecured investments		Secured investments	Total \$
		Common and Preferred shares and funds units \$	Loans, advances and notes \$	Loans, advances and notes \$	
2022-12-31 Desjardins Capital PME s.e.c. (cont.)	39.54				
Chaudière - Appalaches					
9244-6699 Québec inc. (Versaprofiles Products inc.)		1,859	—	—	1,859
AEF Global inc.		—	118	—	118
Ancia Personnel inc.		—	160	—	160
C.I.F. Métal Itée		1,666	—	—	1,666
Camille Blais & Fils Ltd		—	231	—	231
Construction M.G.P. inc.		—	—	572	572
Fabrication P.F.L. inc.		—	—	297	297
Fonderie Poitras Ltd		871	890	—	1,761
Garage Gilmyr inc.		—	32	401	433
Garage S.M. Audet inc.		—	232	—	232
Gestion ABC Adstock inc.		—	—	498	498
Humaco Acoustique inc.		—	178	—	178
Humaco Construction inc.		—	407	—	407
Immobilisation 2010 inc.		—	—	1,107	1,107
Industries RAD inc.		—	2,471	—	2,471
Isothermic Doors & Windows inc.		—	652	—	652
J.L. Leclerc et fils inc.		1,342	—	—	1,342
L'entrepôt du pneu de la Mauricie inc.		—	—	593	593
L. & G. Cloutier inc.		—	—	791	791
Litières Ripbec inc. (Les)		—	110	—	110
Madli inc.		—	198	—	198
Mercier Wood Flooring inc.		—	—	1,977	1,977
Métal Méroc inc.		—	—	95	95
Métallifer Aluminium inc.		—	—	2,422	2,422
Nutech inc.		495	764	—	1,259
P.H. Tech inc.		2,985	1,029	—	4,014
Placide Martineau inc.		—	—	526	526
Plate 2000 inc.		—	—	181	181
Productions Horticoles Demers inc. (Les)		1,036	386	168	1,590
Sablère A.D. Roy inc.		—	—	239	239
SCM-GL inc.		—	—	395	395
Textiles Gauvin inc. (Les)		—	18	—	18
Vachon Auto Itée		—	—	1,325	1,325
Total Chaudière - Appalaches		10,254	7,876	11,587	29,717
Côte-Nord					
9115-7115 Québec inc. (Résidence des Bâisseurs, Sept-Îles)		—	—	490	490
GAUMAR Environnement inc.		—	—	757	757
Pêcheries LD inc.		—	95	—	95
Total Côte-Nord		—	95	1,247	1,342

Index of the Company's share in investments made by specialized funds and partner funds, at cost (unaudited)
As at December 31, 2022

Information from the most recent audited financial reports dated	Equity Interest of the Company %	Unsecured investments		Secured investments	Total \$
		Common and Preferred shares and funds units \$	Loans, advances and notes \$	Loans, advances and notes \$	
2022-12-31 Desjardins Capital PME s.e.c. (cont.)	39.54				
Eastern Townships					
4369530 Canada inc.		—	—	613	613
9045-7631 Québec inc. (Clément Le Gourmand)		—	—	195	195
9055-2647 Québec inc. (Rock Moto Sport)		—	—	593	593
9386-3660 Québec inc. (IND Group)		—	119	—	119
9470-0135 Québec inc.		—	—	395	395
AB Tech Services Polytechniques inc.		—	980	—	980
Agendrix inc.		415	—	435	850
Agri-Services St-Laurent inc.		—	435	—	435
Centrik Capital inc.		237	—	—	237
Cible-Solutions d'affaires inc.		—	—	167	167
DBO Expert inc.		—	198	—	198
Distribution MC Arsenal inc.		—	672	—	672
Lefko Produits de Plastique inc.		—	792	—	792
Pliages Apaulo inc. (Les)		99	665	—	764
Pompape de béton JPB inc.		—	—	297	297
Wiptec inc.		—	791	—	791
Total Eastern Townships		751	4,652	2,695	8,098
Gaspésie-Îles-de-la-Madeleine					
9131-0037 Québec inc. (Manoir du Havre)		—	—	971	971
9193-6575 Québec inc. (Pit Caribou)		—	—	537	537
9368-8828 Québec inc. (Danis Renaud Pêcheur de Homard)		—	28	—	28
9413-1927 Québec inc. (Solution infomédia)		—	158	—	158
9428-7356 Québec inc. (Constructions M.R.S. inc. (Les))		—	494	—	494
9440-9760 Québec inc.		—	—	129	129
Entreprises Leblanc 3 inc. (Les)		—	—	198	198
Poissons frais des Îles inc.		—	466	—	466
Total Gaspésie-Îles-de-la-Madeleine		—	1,146	1,835	2,981
Lanaudière					
2635-8762 Québec inc. (Express Mondor)		1,977	754	—	2,731
9269-1419 Québec inc. (LabSurface)		—	—	380	380
9293-8927 Québec inc. (Intermarché St-Roch-de-L'Achigan)		—	—	250	250
Cyberimpact inc.		—	633	—	633
Industries Mailhot inc.		—	4,173	—	4,173
Pattes et Griffes inc.		—	—	791	791
Paul Arbec inc.		—	2,534	—	2,534
PEL International Furniture Ltd.		—	263	—	263
Total Lanaudière		1,977	8,357	1,421	11,755
Laurentians					
12420015 Canada inc.		—	791	—	791
9364-6297 Québec inc. (Médifice Investissements)		—	2,612	—	2,612
Agrikom inc.		—	—	1,186	1,186
Excavation Mastromatteo inc.		—	593	—	593
Flo-Fab inc.		—	202	—	202
Pièces d'autos Léon Grenier (1987) inc. (Les)		—	218	—	218
Total Laurentians		—	4,416	1,186	5,602

**Index of the Company's share in investments made by specialized funds and partner funds, at cost (unaudited)
As at December 31, 2022**

Information from the most recent audited financial reports dated	Equity Interest of the Company %	Unsecured investments		Secured investments	Total \$
		Common and Preferred shares and funds units \$	Loans, advances and notes \$	Loans, advances and notes \$	
2022-12-31 Desjardins Capital PME s.e.c. (cont.)	39.54				
Laval					
9257-4607 Québec inc. (Piscine Okéanos Québec)		—	1,489	—	1,489
9388-7628 Québec inc.		3,954	—	—	3,954
Construction Jadco inc		—	—	2,808	2,808
D'Aronco, Pineau, Hébert, Varin inc.		—	—	1,186	1,186
DBM Technologies inc.		3,954	—	—	3,954
Investissements Odevco inc.		—	—	1,186	1,186
MEDIAVORE interactive inc.		—	119	—	119
Plantes d'intérieur Véronneau inc. (Les)		—	293	—	293
Savons Prolav inc.		—	593	—	593
Total Laval		7,908	2,494	5,180	15,582
Mauricie					
9027-9118 Québec inc. (Trois-Rivières Honda)		—	1,582	—	1,582
Intersis Capital inc.		—	—	753	753
Louiseville Specialty Products inc.		3,574	—	—	3,574
RGF Électrique inc.		—	360	—	360
Solutions Genyk inc.		—	696	—	696
Systèmes hydrauliques T.L.G. inc. (Les)		69	—	—	69
Transport Chainé inc.		161	—	—	161
Total Mauricie		3,804	2,638	753	7,195

**Index of the Company's share in investments made by specialized funds and partner funds, at cost (unaudited)
As at December 31, 2022**

Information from the most recent audited financial reports dated	Equity Interest of the Company %	Unsecured investments		Secured investments	Total \$
		Common and Preferred shares and funds units \$	Loans, advances and notes \$	Loans, advances and notes \$	
2022-12-31 Desjardins Capital PME s.e.c. (cont.)	39.54				
Montérégie					
10310387 Canada inc. (Bathica)		—	989	—	989
3894207 Canada inc. (Barbies TM)		—	236	—	236
4209214 Canada inc. (V12 Trackside International)		—	297	—	297
9020-5758 Québec inc. (AVRIL)		4,283	831	—	5,114
9049-1135 Québec inc. (Propane du Suroît)		—	2,373	—	2,373
9165-1083 Québec inc. (Groupe Chevalier et Séguin)		—	633	—	633
9219-3267 Québec inc. (WeCook Meals)		2,793	415	—	3,208
9378-5962 Québec inc.		237	405	—	642
Alain Royer Consultant inc.		584	—	—	584
Asselin Mécanique Industrielle inc.		—	579	—	579
Atelier d'usinage Richelieu inc.		—	474	—	474
Ben-Mor Cables inc.		—	—	816	816
Bigo inc.		—	164	—	164
Canadian Medical Partners Liaison Langevin & Associates inc.		—	593	—	593
Cloisons Corflex inc. (Les)		—	395	—	395
Construction A.R. Laprade Itée		—	593	—	593
Creos Experts-Conseils inc.		—	—	198	198
Dynamat inc.		—	158	—	158
Éveil des Sens inc.		—	133	—	133
Excavation Laflamme et Ménard inc.		—	252	—	252
Excellence Hydraulique inc.		—	1,043	—	1,043
Gestion Dclac inc.		—	1,483	—	1,483
Gestion Distinct'O inc. (Amerispa)		822	—	—	822
Groupe Galileo inc.		306	—	—	306
Groupe Icible inc.		—	395	—	395
Groupe Satori inc.		—	619	—	619
H2O Traitements Industriels inc.		—	14	—	14
Helios Group inc.		—	—	1,879	1,879
Hugo Corporation inc.		—	—	573	573
Import / Export Beauchamp International inc.		—	—	633	633
Location Thomas inc.		—	395	—	395
Martins Industries inc.		—	1,360	—	1,360
Multi Pression L.C. inc.		—	395	—	395
SP Apparel inc.		—	—	1,779	1,779
Talthi inc.		—	395	—	395
Tremcar Technologies inc.		—	3,954	—	3,954
Total Montérégie		9,025	19,573	5,878	34,476

**Index of the Company's share in investments made by specialized funds and partner funds, at cost (unaudited)
As at December 31, 2022**

Information from the most recent audited financial reports dated	Equity Interest of the Company %	Unsecured investments		Secured investments	Total \$
		Common and Preferred shares and funds units \$	Loans, advances and notes \$	Loans, advances and notes \$	
2022-12-31 Desjardins Capital PME s.e.c. (cont.)	39.54				
Montréal					
7198795 Canada inc. (Au Noir)		—	—	633	633
9286-7373 Québec inc. (Ewool Heated Liners)		—	791	—	791
9459-1054 Québec inc.		—	—	514	514
Athlete RMS inc.		—	2,242	—	2,242
Carrosseries de Lasalle A.M. inc. (Les)		—	309	—	309
DEK Canada inc.		—	67	—	67
Digitad Group inc.		—	593	—	593
Emballages OnduCorr inc. (Les)		—	554	—	554
Entrepôts Fruigor inc. (Les)		—	573	—	573
First Choice brands inc.		—	486	—	486
Fleece Factory inc.		—	395	—	395
G2MC inc.		3,954	—	—	3,954
Gastronomia Aliments Fins inc.		712	1,105	—	1,817
Gorski Group Ltd		—	—	545	545
Groupe Bugatti inc. (Le)		—	1,121	—	1,121
Groupe Canva inc.		1,186	2,294	—	3,480
Groupe Shemie inc.		—	—	1,712	1,712
GTI Canada inc.		—	—	288	288
In-RGY Global Consulting inc.		965	306	—	1,271
Intelligent Solutions AISury Inc.		25	—	—	25
IP4B inc.		—	146	—	146
Kim Lam (1982) inc.		—	—	234	234
Malicis Consultation inc.		—	593	—	593
Minicucci Media Group inc.		—	—	791	791
Momentis Systems inc.		—	314	—	314
Neomed Institute		—	—	513	513
Neon Clothing Company of Canada inc.		1,166	1,617	—	2,783
Orthogone Technologies inc.		2,653	989	—	3,642
Pénéga Communication inc.		—	333	—	333
Physio Extra inc.		—	—	951	951
Proaction International inc.		3,267	—	85	3,352
Reftch international inc.		—	—	1,186	1,186
Reftch International Maintenance inc.		—	—	246	246
Résidences pour aînés Immo 1ère inc.		3,757	—	—	3,757
Substance Stratégies Numériques inc.		—	168	—	168
Tink Profitabilité Numérique inc.		741	—	—	741
XcCommerce inc.		868	582	—	1,450
Total Montréal		19,294	15,578	7,698	42,570
Nord-du-Québec					
I.D. Logic inc.		—	198	—	198
Total Nord-du-Québec		—	198	—	198
Outaouais					
7510420 Canada inc.		—	343	—	343
Affichage National inc.		—	—	170	170
Arrosage Outaouais Lawn Care inc.		—	79	—	79
Raymond and Associate Group		—	—	890	890
Total Outaouais		—	422	1,060	1,482

**Index of the Company's share in investments made by specialized funds and partner funds, at cost (unaudited)
As at December 31, 2022**

Information from the most recent audited financial reports dated	Equity Interest of the Company %	Unsecured investments		Secured investments	Total \$
		Common and Preferred shares and funds units \$	Loans, advances and notes \$	Loans, advances and notes \$	
2022-12-31 Desjardins Capital PME s.e.c. (cont.)	39.54				
Saguenay-Lac-Saint-Jean					
2331-8884 Québec inc. (Advantage Logistic Group)		198	—	—	198
2724600 Canada ltée (Industries Soudex)		—	62	—	62
6348017 Canada inc. (Dynamic Concept)		—	—	259	259
9020-2938 Québec inc. (Service de pneus Potvin)		—	721	—	721
9244-5113 Québec inc. (Perron Télécom)		47	117	—	164
9429-0947 Québec inc. (Fabmec)		—	—	41	41
Charl-Pol inc.		—	791	—	791
Clinique médicale privée Opti-Soins inc.		—	183	—	183
Communications Télésignal inc.		—	222	—	222
Groupe MYK inc.		—	—	435	435
Groupe Ongerneige inc.		—	115	—	115
Inotech Fabrication Normandin inc.		217	694	—	911
Lokia MT inc.		2,206	—	—	2,206
Panorama Helicopters Ltd.		—	—	102	102
Produits sanitaires Lépine inc. (Les)		—	554	—	554
Senneco inc.		—	—	84	84
Service électronique professionnel (S.E.P.) inc.		—	48	—	48
Services internet Sag-Lac Wimax inc. (UniRéso Télécom)		—	119	—	119
Société en commandite Lokia Trois-Rivières		—	—	2,395	2,395
STC Manufacturier inc.		—	86	—	86
Theka Industries inc.		—	633	—	633
Total Saguenay-Lac-Saint-Jean		2,668	4,345	3,316	10,329
		61,956	92,275	52,345	206,576
Funds committed but not disbursed					9,460
Total Desjardins Capital PME s.e.c.					216,036

**Index of the Company's share in investments made by specialized funds and partner funds, at cost (unaudited)
As at December 31, 2022**

Information from the most recent audited financial reports dated	Equity Interest of the Company %	Unsecured investments		Secured investments	Total \$
		Common and Preferred shares and funds units \$	Loans, advances and notes \$	Loans, advances and notes \$	
2022-12-31 Desjardins Capital Transatlantique, L.P.	60.67				
Laval					
DBM Technologies inc.		2,672	—	—	2,672
Total Laval		2,672	—	—	2,672
Montréal					
9456-1826 Québec inc.		1,583	—	—	1,583
Groupe Solotech inc.		1,303	—	—	1,303
In-RGY Global Consulting inc.		536	169	—	705
Proaction International inc.		1,138	—	—	1,138
Total Montréal		4,560	169	—	4,729
Outside of Canada					
Aldes Aeraulique SAS		1,680	762	—	2,442
Apside Advance		1,430	512	—	1,942
Finakem (Minafin)		717	180	—	897
Ginger Participations		918	423	—	1,341
Rondot Group		885	1	—	886
Texelis Fintex		779	—	—	779
Texelis Mobilitex		—	1,849	—	1,849
Vanoise Stratégie		92	647	—	739
Xtech Holding (OEP French Bidco)		1,047	—	—	1,047
Total Outside of Canada		7,548	4,374	—	11,922
		14,780	4,543	—	19,323
Funds committed but not disbursed					—
Total Desjardins Capital Transatlantique, L.P.					19,323

**Index of the Company's share in investments made by specialized funds and partner funds, at cost (unaudited)
As at December 31, 2022**

Information from the most recent audited financial reports dated	Equity Interest of the Company %	Unsecured investments		Secured investments	Total \$
		Common and Preferred shares and funds units \$	Loans, advances and notes \$	Loans, advances and notes \$	
2022-12-31 Desjardins - Innovatech S.E.C.	54.49				
7525443 Canada inc. (Nowa inc.)		400	—	—	400
9360-4742 Québec inc. (LONGPREBP Béton Préfabriqué)		—	97	—	97
9813063 Canada inc. (My Intelligent Machines (MIMs))		158	—	—	158
A3 Surfaces inc.		—	322	—	322
Agriculture Concentric inc.		2,866	—	—	2,866
Airex Énergie inc.		3,179	—	—	3,179
Alaya Care inc.		136	—	—	136
Ananda Devices inc.		153	—	—	153
AppMed inc.		—	—	145	145
AxesNetwork Solutions inc.		2,934	—	—	2,934
Dymedso inc.		—	150	—	150
E2Metrix inc.		318	682	—	1,000
Emovi inc.		153	—	—	153
FjordAl Aluminium inc.		163	—	—	163
Fonds Entrepia Nord, s.e.c. (Le)		305	—	—	305
Fonds Innovexport s.e.c.		262	—	—	262
G.E.T.T. Gold inc. (Nippon Dragon Resources inc.)		178	—	—	178
Greybox Solutions inc.		—	141	—	141
Groupe Icible inc.		—	41	—	41
Hortau inc.		368	—	—	368
Imagia Canexia Health inc.		2,725	—	—	2,725
Imeka Solutions inc.		—	262	—	262
Indalo Studio inc. (o3d)		—	—	15	15
Inno-3B inc.		—	801	—	801
Innomalt inc.		351	—	—	351
Interactive Validated Solutions 88 Inc.		1,143	—	202	1,345
Ionodes inc.		316	—	—	316
Kinesiq inc.		—	—	97	97
Kube Innovation inc.		—	166	—	166
Laboratoire M2 inc.		817	—	—	817
Laserax inc.		2,443	319	—	2,762
Leadfox technologie inc.		—	290	—	290
LeddarTech inc.		3,265	—	—	3,265
Mobilus Technologies inc.		—	132	—	132
Optina Diagnostics inc.		148	—	—	148
OxyNov inc.		612	—	534	1,146
Rekruti Solutions inc.		—	290	—	290
Société de gestion de projets Ecotierra inc.		296	31	—	327
Technologies Intelia inc.		235	680	149	1,064
The Sustainable development enterprises Energy Solutions &		148	—	—	148
Thorasys Thoracic Medical Systems inc.		316	—	—	316
VIMAC Early Stage Fund L.P.		91	—	—	91
Voltra Technologie - Réseau Synapse inc.		—	100	—	100
		<u>24,479</u>	<u>4,504</u>	<u>1,142</u>	<u>30,125</u>
Funds committed but not disbursed					<u>753</u>
Total Desjardins - Innovatech S.E.C.					<u>30,878</u>

**Index of the Company's share in investments made by specialized funds and partner funds, at cost (unaudited)
As at December 31, 2022**

Information from the most recent audited financial reports dated	Equity Interest of the Company %	Unsecured investments		Secured investments	Total \$
		Common and Preferred shares and funds units \$	Loans, advances and notes \$	Loans, advances and notes \$	
2022-12-31 Société en commandite Essor et Coopération	94.55				
Agropur Coopérative		—	7,091	—	7,091
Bizz Coopérative de solidarité en alimentation locale		75	—	—	75
Café Cambio, coopérative de travail		176	—	—	176
Camping co-op des Érables de Montmagny		207	—	—	207
Central Café - Coop de solidarité		149	—	—	149
Chope Angus - Coop de solidarité (La)		242	—	—	242
Citadelle, Maple Syrup producer's Cooperative		1,954	—	—	1,954
Club coopératif de consommation d'Amos		603	—	—	603
Conformit coopérative		—	524	—	524
Coop Agri-Énergie Warwick		355	—	—	355
Coop Edgar		891	142	—	1,033
Coopérative Actionnaire Les Paramédics d'Urgence Bois-Francis		378	50	—	428
Coopérative de quilleurs et quilleuses Le Dallo de Chicoutimi		73	—	—	73
Coopérative des horticulteurs de Québec (La)		520	—	—	520
Coopérative des travailleurs actionnaires de Xpertdoc		126	—	—	126
Coopérative forestière de Petit Paris		—	62	—	62
Coopérative Radio Web Média des Sources		75	—	—	75
Coopérative Vision-Éducation		414	—	—	414
École Plein Soleil (Association coopérative)		473	—	—	473
Fédération des coopératives funéraires du Québec		2,525	—	—	2,525
Horisol, coopérative de travailleurs		383	—	—	383
La Coop Avantis		439	—	—	439
Sollio Groupe Coopératif		5,102	—	—	5,102
		15,160	7,869	—	23,029
Funds committed but not disbursed					12,547
Total Société en commandite Essor et Coopération					35,576

This unaudited index provides details of investments, as well as the guarantees and suretyships granted, that respect the criteria stated in the *Regulation respecting Development Capital Investment Fund Continuous Disclosure* and are made by:

- partner funds in which Capital régional et coopératif Desjardins (CRCD) holds an equity interest of more than or equal to 50%; or
- specialized funds in which CRCD has invested an amount equal or superior to the highest of 0,2 % of its net asset or \$10M.



2 Complexe Desjardins
P.O. Box 760, Desjardins Station
Montréal, Québec H5B 1B8

Investor Relations
1 888 522-3222

capitalregional.com