

# NEWS RELEASE

## FOR IMMEDIATE RELEASE



POWER CORPORATION  
OF CANADA

### Power Corporation's FinTech Strategies Creating Shareholder Value – Wealthsimple announces \$114 million investment led by TCV

Readers are referred to the section "Forward-Looking Statements" at the end of this release. All figures are expressed in Canadian dollars.

**Montréal, Québec, October 14, 2020** – Wealthsimple Financial Corp. ("Wealthsimple"), a member of the Power Corporation Group of Companies, today announced it had raised \$114 million on a pre-money valuation of \$1.4 billion (the "Investment"). The Investment was led by TCV, one of the largest growth equity investors focused on technology, along with Greylock Partners, Meritech Capital, Allianz X and Two Sigma Ventures. Additional details of the Investment are disclosed in Wealthsimple's press release from earlier today at

<https://www.newswire.ca/news-releases/wealthsimple-announces-cad-114-million-investment-led-by-tcv-to-transform-financial-services-in-canada-889996456.html>.

As a result of the Investment, these investors acquire an ownership interest of 7.5% on a fully diluted basis. The purchase price associated with the Investment values the equity of Wealthsimple at \$1.5 billion (versus a \$1.4 billion pre-money valuation).

Wealthsimple is one of Canada's leading financial technology companies and operates one of the country's largest and fastest-growing digital investing services. Prior to the Investment, Power Corporation of Canada (TSX: POW) ("Power Corporation" or "PCC"), IGM Financial Inc. ("IGM Financial") and Great-West Lifeco Inc. (the "PCC Group") together had a controlling interest in Wealthsimple of 70.1%, on a fully diluted basis, of which PCC's interest is 26.2%. Since the initial investments in 2015, the PCC Group has invested \$315 million. At a pre-money valuation of Wealthsimple of \$1.4 billion, the PCC Group's investment has a fair value of \$934 million. This increase in value of \$619 million represents an internal rate of return of 44%, gross of fees, expenses and carried interest. With the closing of the Investment, the PCC Group now has an ownership interest in Wealthsimple of 61.7% on a fully diluted basis, of which PCC's interest is 23.1%.

Today, IGM Financial also announced the change in its ownership interest in Wealthsimple. Prior to the Investment, IGM Financial held (directly and indirectly) an ownership interest of 41% in Wealthsimple, on a fully diluted basis, and following the Investment now holds 36%. IGM Financial has cumulatively invested \$187 million in Wealthsimple. At June 30, 2020, this investment was recorded at a fair value of \$252 million. With this Investment, IGM Financial will adjust this fair value assessment by \$298 million to \$550 million to reflect this revised valuation of Wealthsimple. Additional details are disclosed in IGM Financial's press release from earlier today at [www.igmfinancial.com/en/news/2020](http://www.igmfinancial.com/en/news/2020).

#### About Wealthsimple

Wealthsimple is a financial company on a mission to help everyone achieve financial freedom by providing products and advice that are accessible and affordable. Using smart technology, Wealthsimple takes financial services that are often confusing, opaque and expensive and makes them simple, transparent, and low-cost. The company was founded by a team of financial experts and technology entrepreneurs, and is headquartered in Toronto, Canada. To learn more, visit [www.wealthsimple.com](http://www.wealthsimple.com).



## About Power Corporation

Power Corporation is an international management and holding company that focuses on financial services in North America, Europe and Asia. Its core holdings are leading insurance, retirement, wealth management and investment businesses, including a portfolio of alternative asset investment platforms. To learn more, visit [www.PowerCorporation.com](http://www.PowerCorporation.com).

### Forward-Looking Statements

Certain statements in this news release, other than statements of historical fact, are forward-looking statements based on certain assumptions and reflect the Corporation's current expectations. Forward-looking statements are provided to present information about management's current expectations and plans relating to the future and the reader is cautioned that such statements may not be appropriate for other purposes. These statements may include, without limitation, statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of the Corporation, including the Corporation's fintech strategy and the expected impact of the COVID-19 pandemic on the Corporation's activities. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects", "anticipates", "plans", "believes", "estimates", "seeks", "intends", "targets", "projects", "forecasts" or negative versions thereof and other similar expressions, or future or conditional verbs such as "may", "will", "should", "would" and "could".

By its nature, this information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. A variety of factors, many of which are beyond the Corporation's and its subsidiaries' control, affect the operations, performance and results of the Corporation and its subsidiaries and their businesses, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results. These factors include, but are not limited to: the impact or unanticipated impact of general economic, political and market factors in North America and internationally, fluctuations in interest rates, inflation and foreign exchange rates, monetary policies, business investment and the health of local and global equity and capital markets, management of market liquidity and funding risks, risks related to investments in private companies and illiquid securities, risks associated with financial instruments, changes in accounting policies and methods used to report financial condition (including uncertainties associated with significant judgments, estimates and assumptions), the effect of applying future accounting changes, business competition, operational and reputational risks, technological changes, cybersecurity risks, changes in government regulation and legislation, changes in tax laws, unexpected judicial or regulatory proceedings, catastrophic events, manmade disasters, terrorist attacks, wars and other conflicts, or an outbreak of a public health pandemic or other public health crises, the Corporation's and its subsidiaries' ability to complete strategic transactions, integrate acquisitions and implement other growth strategies, and the Corporation's and its subsidiaries' success in anticipating and managing the foregoing factors.

The reader is cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements. Information contained in forward-looking statements is based upon certain material assumptions that were applied in drawing a conclusion or making a forecast or projection, including, without limitation, management's perceptions of historical trends, current conditions and expected future developments, as well as other considerations that are believed to be appropriate in the circumstances, including that the list of factors in the previous paragraph, collectively, are not expected to have a material impact on the Corporation and its subsidiaries. While the Corporation considers these assumptions to be reasonable based on information currently available to management, they may prove to be incorrect.

Other than as specifically required by applicable Canadian law, the Corporation undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise.



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Additional information about the risks and uncertainties of the Corporation's business and material factors or assumptions on which information contained in forward-looking statements is based is provided in its disclosure materials, including its most recent Management's Discussion and Analysis and Annual Information Form, filed with the securities regulatory authorities in Canada and available at [www.sedar.com](http://www.sedar.com).

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