News Release
For immediate release

POWER CORPORATION
OF CANADA

Power Corporation Reports
First Quarter 2021 Financial Results

Readers are referred to the sections "Non-IFRS Financial Measures and Presentation" and "Forward-Looking Statements" at the end of this release. All figures are expressed in Canadian dollars unless otherwise noted.

Montréal, Québec, May 13, 2021 – Power Corporation of Canada (Power Corporation or the Corporation) (TSX: POW) today reported earnings results for the three months ended March 31, 2021.

Power Corporation
Consolidated results for the period ended March 31, 2021

HIGHLIGHTS

- The Corporation's net asset value (NAV) per share [1] was $45.94 at March 31, 2021, compared with $41.27 at December 31, 2020, an increase of 11.3%.
- The Corporation reported net earnings per share of $0.82 for the first quarter of 2021, compared to net earnings per share of $0.36 for the first quarter of 2020. Adjusted net earnings per share[1] was $1.16, compared to $0.62 per share in 2020.
- Great-West Lifeco Inc.'s (Lifeco) assets under administration were $2.1 trillion at March 31, 2021, an increase of 5% from December 31, 2020.
- IGM Financial Inc. (IGM) reported record assets under management and advisement of $248.5 billion, up 3.6% in the quarter.
- IGM's net earnings at March 31, 2021 were $202.2 million or $0.85 per share, compared with $160.9 million or $0.68 per share in the first quarter of 2020. This represents a 25.0% increase in earnings per share and is the highest first quarter result in IGM's history.
- Groupe Bruxelles Lambert's (GBL) NAV was €21.1 billion at March 31, 2021, compared with €20.5 billion at December 31, 2020, an increase of 2.9%.
- Wealthsimple Financial Corp. (Wealthsimple) announced a $750 million financing round on May 3, 2021, which values the Power group's investment at $2.6 billion compared to invested capital of $315 million. The Power group will receive proceeds of $500 million from a secondary offering and will retain an interest of $2.1 billion in Wealthsimple.
- Sagard Credit Partners II completed an additional closing in April 2021, increasing the fund size to US$909 million.
- Launch of third fintech fund, Portage Ventures III LP, with an initial closing of US$148 million.
- Power Sustainable Capital Inc. (Power Sustainable) launched the Power Sustainable Energy Infrastructure Partnership, a $1 billion investment platform dedicated to the North American renewable energy sector, in January 2021.
- Lion began trading on the Toronto Stock Exchange (TSX: LEV) and the New York Stock Exchange (NYSE: LEV) on May 7, 2021. Lion's market capitalization on May 12, 2021 was US$2.8 billion, which values the Corporation's investment at $1.2 billion.

[1] NAV, NAV per share and adjusted net earnings per share are non-IFRS financial measures. See the Non-IFRS Financial Measures and Presentation section later in this news release.

Net Asset Value

Net asset value per share represents management's estimate of the fair value of participating shareholders' equity of the Corporation. Net asset value is the fair value of the assets of the combined Power Financial Corporation (Power Financial) and Power Corporation non-consolidated balance sheet less their net debt and preferred shares. Refer to the detailed Net Asset Value section later in this news release for a reconciliation to the non-consolidated combined balance sheet.

The Corporation's net asset value per share was $45.94 at March 31, 2021, compared with $41.27 at December 31, 2020, representing an increase of 11.3%.

	(in millions of dollars, except per share amounts)	March 31, 2021	December 31, 2020	Variation %
Publicly Traded Operating Companies	Lifeco	20,741	18,825	10
	IGM	5,666	5,105	11
	GBL	2,907	2,870	1
		29,314	26,800	9
Alternative Asset Investment Platforms	Sagard Holdings [1]	1,958	1,298	51
	Power Sustainable [1]	1,581	1,872	(16)
		3,539	3,170	12
Other	China AMC [2]	690	715	(3)
	Standalone businesses [3]	1,369	1,351	1
	Other assets and investments	618	548	13
	Cash and cash equivalents	1,315	1,226	7
	Gross asset value	36,845	33,810	9
	Liabilities and preferred shares	(5,758)	(5,859)	2
	Net asset value	31,087	27,951	11
	Shares outstanding (millions)	676.7	677.2	
	Net asset value per share	45.94	41.27	11

[1] Includes the management companies of the investment funds at their carrying value.

[2] China Asset Management Co., Ltd. (China AMC).

[3] Includes Lion, Lumenpulse Group Inc. (Lumenpulse), Peak Achievement Athletics Inc. (Peak) and GP Strategies.

Power Corporation's Ownership in Publicly Traded Operating Companies

	Ownership [1] (%)	Shares held [1] (in millions)	Share price March 31, 2021	Share price December 31, 2020
Lifeco	**66.8**	**620.3**	**$33.44**	$30.35
IGM	**62.1**	**147.9**	**$38.30**	$34.51
GBL [2]	**14.1**	**22.8**	**€88.26**	€82.52

[1] As at March 31, 2021.

[2] Held through Parjointco.

POWER CORPORATION OF CANADA

FIRST QUARTER

Net earnings attributable to participating shareholders were $556 million or $0.82 per share, compared with $200 million or $0.36 per share in 2020.

Adjusted net earnings attributable to participating shareholders [1] were $786 million or $1.16 per share, compared with $345 million or $0.62 per share in 2020.

Contributions to Power Corporation's Earnings per Share

	2021		2020 [2]	
(in dollars per Power Corporation share)	**Net Earnings**	**Adjusted Net Earnings**	Net Earnings	Adjusted Net Earnings
Lifeco	**0.70**	**0.73**	0.27	0.52
IGM	**0.18**	**0.18**	0.15	0.15
GBL [3]	**0.08**	**0.08**	0.01	0.01
Effect of consolidation [4]	**(0.18)**	**(0.02)**	0.05	0.06
	0.78	**0.97**	0.48	0.74
Alternative and other investments [5][6]	**0.23**	**0.38**	0.12	0.12
China AMC	**0.02**	**0.02**	0.02	0.02
Standalone businesses [6]	**–**	**–**	(0.08)	(0.08)
	1.03	**1.37**	0.54	0.80
Corporate operations and Other [7]	**(0.21)**	**(0.21)**	(0.18)	(0.18)
	0.82	**1.16**	0.36	0.62
Average shares outstanding (in millions)		***677.1***		*560.2*

Lifeco: contribution to net earnings per share increased by 159%; contribution to adjusted net earnings per share increased by 40%.

IGM: contribution to net earnings and adjusted net earnings per share increased by 20%.

GBL: contribution to net earnings per share of $0.08, compared with $0.01 per share in the corresponding period in 2020.

Alternative and other investments: net earnings per share includes realized gains of $0.34 per share on the Power Pacific portfolio, a contribution from Sagard Holdings of $0.04 to adjusted net earnings per share, and a charge of $0.15 per share related to the remeasurement of the put right liability of the non-controlling interests in Wealthsimple due to the increase in the fair value of Wealthsimple.

As part of the reorganization completed in February 2020, the Corporation projected significant near-term cost reductions of approximately $50 million per year within two years by eliminating duplicative public company-related expenses and rationalizing other general and administrative expenses. To date, the Corporation has implemented actions to achieve 66% of the targeted reduction.

Adjustments to net earnings, which were excluded from adjusted net earnings, were a negative net impact of $230 million or $0.34 per share in the first quarter of 2021. These mainly related to the Corporation's share of the charge arising from the remeasurement of the put right liability of certain of the non-controlling interests in Wealthsimple to fair value of $208 million. These were reflected in the Adjustments of the alternative and other investments and in the Effect of consolidation based on Lifeco and IGM's respective interest. Adjustments to the net earnings in 2020, which were excluded from adjusted net earnings, were a negative net impact of $145 million or $0.26 per share, mainly related to the Corporation's share of Lifeco's adjustments, which consisted of market-related impacts as well as actuarial assumption changes and management actions.

[1] Adjusted net earnings and adjusted net earnings per share are non-IFRS financial measures; see Non-IFRS Financial Measures and Presentation later in this news release.
[2] The Corporation completed a reorganization transaction on February 13, 2020 in which it acquired the minority interests of Power Financial (the Reorganization) and now holds 100% of the common shares of Power Financial.
[3] Adjustments in 2020 are as previously reported by Pargesa.
[4] Effect of consolidation reflects: i) the elimination of intercompany transactions; ii) the application of the Corporation's accounting method for investments under common control to the reported net earnings of the publicly traded operating companies, which includes an allocation of the results of the fintech portfolio, including Wealthsimple, Koho, Portage I and Portage II, to the contributions from Lifeco and IGM based on their respective interest; and iii) adjustments in accordance with IAS 39 for IGM and GBL.
[5] Alternative asset investment platforms includes earnings (losses) from investment platforms including controlled and consolidated subsidiaries and other investments.
[6] Presented in Alternative and other investments in the Non-Consolidated Statements of Earnings section of the Corporation's most recent MD&A.
[7] Includes operating and other expenses, dividends on non-participating shares of the Corporation and its share of Power Financial's corporate operations; refer to the Earnings Summary below.

Great-West Lifeco, IGM Financial and Groupe Bruxelles Lambert
Results for the quarter ended March 31, 2021

The information below is derived from Lifeco and IGM's first quarter MD&As, as prepared and disclosed by the respective companies in accordance with applicable securities legislation, and which are also available either directly from SEDAR (www.sedar.com) or from their websites, www.greatwestlifeco.com and www.igmfinancial.com. The information below related to GBL is derived from publicly disclosed information, as issued by GBL in its first quarter press release. Further information on GBL's results is available on its website at www.gbl.be.

GREAT-WEST LIFECO INC.

FIRST QUARTER

Net earnings attributable to common shareholders were $707 million or $0.76 per share, compared with $342 million or $0.37 per share in 2020.

Adjusted net earnings [1] attributable to common shareholders were $739 million or $0.80 per share, compared with $543 million or $0.59 per share in 2020. Lifeco acquired the retirement services business of Massachusetts Mutual Life Insurance Company (MassMutual) on December 31, 2020, which contributed $48 million (US$38 million) to adjusted net earning in the first quarter.

Adjustments in the first quarter of 2021, excluded from adjusted net earnings, were a net negative impact to earnings of $32 million, compared with a net negative impact to earnings of $201 million in 2020. Lifeco's adjustments in 2021 consisted of a net positive impact of actuarial assumption changes and other management actions, offset by a negative market-related impact on liabilities and restructuring and integration charges related to the acquisitions of Personal Capital Corporation (Personal Capital) and MassMutual.

IGM FINANCIAL INC.

FIRST QUARTER

Net earnings available to common shareholders were $202.2 million or $0.85 per share, compared with $160.9 million or $0.68 per share in 2020.

Assets under management and advisement at March 31, 2021 were $248.5 billion, an increase of 3.6% in the quarter and 47.6% from the prior year, including $30.3 billion in net business acquisitions in 2020.

GROUPE BRUXELLES LAMBERT

FIRST QUARTER

GBL reported net earnings of €225 million, compared with net earnings of €15 million in 2020.

GBL reported a net asset value at March 31, 2021 of €21,090 million, representing €130.70 per share, compared with €20,498 million or €127.03 per share at December 31, 2020.

GBL adopted IFRS 9 in 2018. Power Corporation continues to apply IAS 39; this results in a positive adjustment to the contribution from GBL of $24 million in the first quarter of 2021.

[1] Described as "base earnings" by Lifeco. For additional information, please refer to the Non-IFRS Financial Measures and Presentation section later in this news release.

Alternative and Other Investments
Results for the quarter ended March 31, 2021

Alternative and other investments are comprised of the results of the Corporation's alternative asset investment platforms, Sagard Holdings and Power Sustainable, which includes income earned from asset management and investing activities. Asset management activities includes management fees and carried interest, net of investment platform expenses. Investing activities comprises income earned on the capital invested by the Corporation (proprietary capital) in each platform and the share of earnings (losses) of controlled and consolidated subsidiaries held within the alternative asset investment platforms. Other includes the share of earnings (losses) of standalone businesses and the Corporation's investments in investment and hedge funds. For additional information, refer to the table later in this news release.

FIRST QUARTER

Income from the Corporation's alternative and other investments, including standalone businesses, was $156 million, compared with $25 million in the corresponding period in 2020. Adjusted net earnings from alternative and other investments was $256 million, compared with $25 million in the comparative period in 2020.

Adjusted net earnings in the first quarter include a net contribution of $29 million from Sagard Holdings, and a net contribution of $206 million from Power Sustainable primarily due to the recognition of realized gains of $229 million on the disposal of investments in Power Pacific. A charge of $100 million related to the remeasurement of the put right liability held by certain of the non-controlling interests in Wealthsimple to fair value has been included in the Adjustments.

On May 3, 2021, Wealthsimple announced that it had signed a $750 million equity offering. The Corporation currently holds a 23% equity interest in Wealthsimple, on a fully diluted basis. The Corporation will receive proceeds of $187 million ($164 million after-tax) from the secondary offering and will retain a 16% equity interest in Wealthsimple, on a fully diluted basis, valued at $796 million.

Subsequent to the first quarter, Lion completed its business combination and on May 7, 2021 began trading as "LEV" on the TSX and the NYSE. At the close of business on May 12, 2021, the market capitalization of Lion was US$2.8 billion. The fair value of the Corporation's investment in Lion on May 12, 2021 was $1.2 billion, including $150 million related to the fair value of its call rights, an increase in the Corporation's net asset value of $351 million from March 31, 2021.

COVID-19

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, imposing restrictions on certain non-essential businesses, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Governments and central banks have responded with significant monetary and fiscal interventions designed to stabilize economic conditions. Equity markets in particular have been volatile, experiencing material and rapid declines in the first quarter of 2020; however, the markets have since experienced recoveries.

The duration and impact of the COVID-19 pandemic is unknown at this time. While the conditions have become more stable, governments and central banks in the jurisdictions in which the Corporation and its operating subsidiaries operate have implemented and extended many of the measures introduced earlier in 2020 to deal with the economic impacts of the COVID-19 pandemic; however, the depth and length of the recession, rollout and efficacy of vaccines, and durability and effectiveness of government and central bank interventions are unknown. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation and its operating subsidiaries in future periods.

POWER CORPORATION OF CANADA

Dividend on Power Corporation Participating Shares

The Board of Directors declared a quarterly dividend of 44.75 cents per share on the Participating Preferred Shares and the Subordinate Voting Shares of the Corporation, payable July 30, 2021 to shareholders of record June 30, 2021.

Dividends on Power Corporation Non-Participating Preferred Shares

The Board of Directors also declared quarterly dividends on the Corporation's preferred shares, payable July 15, 2021 to shareholders of record June 23, 2021:

Series	Stock Symbol	Amount	Series	Stock Symbol	Amount
1986 Series	POW.PR.F	Floating rate[1]	Series C	POW.PR.C	36.25¢
Series A	POW.PR.A	35¢	Series D	POW.PR.D	31.25¢
Series B	POW.PR.B	33.4375¢	Series G	POW.PR.G	35¢

[1] Equal to one quarter of 70% of the average prime rate of two major Canadian chartered banks for the period March 1 to May 31, 2021.

POWER CORPORATION OF CANADA

Investor Information

Access to Quarterly Results Materials:	Quarterly Earnings Conference Call:
The first quarter earnings news release and shareholder report are available on the Power Corporation website at www.powercorporation.com/en/investors	Power Corporation will host an earnings call and live audio webcast on Friday, May 14, 2021 at 2 p.m. (Eastern Time). A question-and-answer period with analysts will follow the presentation. Shareholders, investors and other stakeholders are welcome to participate on a listen-only basis. The live audio webcast and presentation materials will be available at: www.powercorporation.com/en/investors/events-presentations To listen via telephone, please dial 1-833-979-2697 toll-free in North America or 647-689-6826 for international calls and enter passcode 9947642#. A replay of the conference call will be available from May 14, 2021 at 5 p.m. (Eastern Time) until August 5, 2021 by calling 1-800-585-8367 toll-free in North America or 416-621-4642 for international calls, using the access code 9947642#. A webcast archive will also be available on Power Corporation's website.
Investor Relations Contact:	
Treasury 514-286-7400 investor.relations@powercorp.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.

At March 31, 2021, Power Corporation held the following economic interests:

100% – Power Financial		www.powerfinancial.com
66.8%	**Great-West Lifeco** (TSX: GWO)	www.greatwestlifeco.com
62.1%	**IGM Financial** (TSX: IGM)	www.igmfinancial.com
14.1%	**GBL** [1] (Euronext: GBLB)	www.gbl.be
74.0%	**Wealthsimple Financial Corp.** [2]	www.wealthsimple.com

Investment Platforms		
100%	**Sagard Holdings**	www.sagardholdings.com
100%	**Power Sustainable**	www.powersustainable.com
	Power Pacific	www.powerpacificim.com
	Power Sustainable Energy Infrastructure	

13.9% – China AMC [3]	www.chinaamc.com

[1] Held through Parjointco, a jointly controlled corporation (50%).

[2] Undiluted equity interest held by Portage I, Power Financial and IGM, representing a fully diluted equity interest of 61.7%.

[3] IGM also holds a 13.9% interest in China AMC.

POWER CORPORATION OF CANADA

Earnings Summary

Contribution to Net and Adjusted Net Earnings

(unaudited) (in millions of dollars)	Three months ended March 31, 2021	2020
Adjusted net earnings		
Lifeco [1]	**494**	363
IGM [1]	**125**	100
GBL [1]	**50**	4
Effect of consolidation [2]	**(14)**	71
	655	538
Alternative asset investment platforms and Other [3][4]	**255**	69
China AMC	**13**	9
Standalone businesses [3][5]	**1**	(44)
Corporate operating and other expenses	**(91)**	(63)
Dividends on non-participating and perpetual preferred shares	**(47)**	(48)
Non-controlling interests of Power Financial	**–**	(116)
Adjusted net earnings [6]	**786**	345
Adjustments – see below	**(230)**	(145)
Net earnings [6]	**556**	200

[1] As reported by Lifeco, IGM and GBL.

[2] Effect of consolidation includes the elimination of intercompany transactions, as well as the application of the Corporation's accounting method for investments under common control to the reported net earnings of the publicly traded operating companies, which includes an allocation of the results of the fintech portfolio including Wealthsimple, Koho, Portage I and Portage II, to the contributions from Lifeco and IGM based on their respective interest and reflects adjustments in accordance with IAS 39 for IGM and GBL. Refer to the detailed table in the Non-Consolidated Statements of Earnings section of the Corporation's most recent MD&A.

[3] Presented in Alternative and other investments in the Non-Consolidated Statements of Earnings section of the Corporation's most recent MD&A.

[4] Includes earnings of the Corporation's alternative asset investment platforms including investments held through Power Financial.

[5] Includes the results of Peak, GP Strategies, Lumenpulse, Lion and IntegraMed America, Inc. (IntegraMed) (up to the date of deconsolidation on May 20, 2020).

[6] Attributable to participating shareholders.

POWER CORPORATION OF CANADA

Contribution to Net and Adjusted Net Earnings per Share

(unaudited) (in dollars per share)	Three month ended March 31, 2021	2020
Adjusted net earnings per share – basic		
Lifeco [1]	**0.73**	0.52
IGM [1]	**0.18**	0.15
GBL [1]	**0.08**	0.01
Effect of consolidation [2]	**(0.02)**	0.06
	0.97	0.74
Alternative asset investment platforms and Other [3][4]	**0.38**	0.12
China AMC	**0.02**	0.02
Standalone businesses [3][5]	**–**	(0.08)
Corporate operating and other expenses and dividends on non-participating and perpetual preferred shares	**(0.21)**	(0.18)
Adjusted net earnings per share [6]	**1.16**	0.62
Adjustments – see below	**(0.34)**	(0.26)
Net earnings per share [6]	**0.82**	0.36

[1] As reported by Lifeco, IGM and GBL.

[2] Effect of consolidation includes the elimination of intercompany transactions, as well as the application of the Corporation's accounting method for investments under common control to the reported net earnings of the publicly traded operating companies, which includes an allocation of the results of the fintech portfolio including Wealthsimple, Koho, Portage I and Portage II, to the contributions from Lifeco and IGM based on their respective interest and reflects adjustments in accordance with IAS 39 for IGM and GBL. Refer to the detailed table in the Non-Consolidated Statements of Earnings section of the Corporation's most recent MD&A.

[3] Presented in Alternative and other investments in the Non-Consolidated Statements of Earnings section of the Corporation's most recent MD&A.

[4] Includes earnings of the Corporation's alternative asset investment platforms including investments held through Power Financial.

[5] Includes the results of Peak, GP Strategies, Lumenpulse, Lion and IntegraMed (up to the date of deconsolidation on May 20, 2020).

[6] Attributable to participating shareholders.

Alternative and Other Investments – Earnings

(unaudited) (in millions of dollars)	Three months ended March 31, 2021	2020
Sagard Holdings		
Asset management activities [1]	**59**	(5)
Investing activities (proprietary capital) [2]	**(30)**	28
Power Sustainable		
Asset management activities [1]	**(5)**	(3)
Investing activities (proprietary capital) [3]	**211**	53
Standalone businesses [4]	**1**	(44)
Investment and hedge funds and Other [5]	**20**	(4)
	256	25

[1] Includes management fees charged by the investment platform on proprietary capital. Management fees paid by the Corporation are deducted from income from investing activities.

[2] Includes the Corporation's share of earnings (losses) of Wealthsimple and Koho (up to the date of deconsolidation on December 1, 2020). The first quarter of 2021 includes a charge of $52 million related to the Corporation's share of the carried interest payable due to increases in fair value of investments held in the Portage Funds and Wealthsimple; as well, excludes a charge of $100 million related to the remeasurement of the put right liability held by certain of the non-controlling interests in Wealthsimple to fair value which has been included in Adjustments. The increase in fair value of the Corporation's investment, including its investment held through Power Financial, in Portage I, Portage II, Koho and Wealthsimple was $605 million in the first quarter of 2021, compared with no change in the fair value in the first quarter of 2020.

[3] Mainly comprised of gains (losses) realized on the disposal of investments and dividends received. In the first quarter of 2021, the Corporation recognized realized gains on the disposal of investments in Power Pacific of $229 million.

[4] Includes the Corporation's share of earnings (losses) of IntegraMed (up to the date of deconsolidation), Lumenpulse, Lion, a jointly controlled corporation and associates.

[5] Other consists mainly of foreign exchange gains or losses and interest on cash and cash equivalents.

Adjustments (not included in Adjusted net earnings)

(unaudited) (in millions of dollars)	Three months ended March 31, 2021	2020
Share of Lifeco's adjustments:		
Actuarial assumption changes and other management actions	**4**	(35)
Market-related impacts on liabilities	**(16)**	(100)
Transaction costs related to the acquisitions of Personal Capital and MassMutual	**(1)**	–
Restructuring and integration charges	**(8)**	–
	(21)	(135)
Effect of consolidation [1][2]	**(11)**	–
	(32)	(135)
Share of IGM's adjustments:		
Effect of consolidation [1][2]	**(98)**	(5)
Share of GBL's adjustments [3]:		
Other charges	**–**	(1)
Alternative and other investments [2]	**(100)**	–
Non-controlling interest of Power Financial	**–**	(4)
	(230)	(145)

[1] The Effect of consolidation reflects the elimination of intercompany transactions and the application of the Corporation's accounting method for investments under common control to the Adjustments reported by Lifeco and IGM, which includes an allocation of the Adjustments related to the fintech portfolio based on their respective interest. Includes IGM's share of Lifeco's Adjustments for the impact of actuarial assumption changes and management actions and market impact on insurance contract liabilities, in accordance with the Corporation's definition of Adjusted net earnings.

[2] On May 3, 2021, Wealthsimple announced that it had signed a $750 million equity offering. As a result, in the first quarter of 2021, the fair value increase in Wealthsimple resulted in a charge related to the remeasurement of the put right liability of certain of the non-controlling interests in Wealthsimple to fair value. The Corporation's share of the charge on the remeasurement of the put right liability was $208 million and is included as an Adjustment. The charge has been reflected in the Adjustments of the alternative asset investment platforms, Lifeco and IGM, based on their respective interest in the Effect of consolidation, of $100 million, $11 million and $97 million, respectively.

[3] As previously reported by Pargesa; GBL does not identify Adjustments.

POWER CORPORATION OF CANADA

Net Asset Value

Net asset value represents management's estimate of the fair value of the participating shareholders' equity of the Corporation. Net asset value is the fair value of the assets of the combined Power Financial and Power Corporation's non-consolidated balance sheet less their net debt and preferred shares. The Corporation's net asset value per share is presented on a look-through basis.

The Corporation's net asset value per share was $45.94 at March 31, 2021, compared with $41.27 at December 31, 2020, representing an increase of 11.3%.

March 31, 2021 (in millions of dollars, except per share amounts)	Combined non-consolidated balance sheet	Fair value adjustment	Net asset value
Assets			
Investments			
Power Financial			
Lifeco	14,685	6,056	20,741
IGM	2,807	2,859	5,666
GBL	4,089	(1,182)	2,907
Alternative and other investments			
Sagard Holdings [1][2]	915	1,043	1,958
Power Sustainable [1]	1,191	390	1,581
Other			
Standalone businesses [3]	567	802	1,369
Other	255	24	279
China AMC [4]	690	–	690
Cash and cash equivalents	1,315	–	1,315
Other assets	339	–	339
Total assets	26,853	9,992	36,845
Liabilities and non-participating shares			
Debentures and other debt instruments	982	–	982
Other liabilities [5]	991	–	991
Non-participating shares and perpetual preferred shares	3,785	–	3,785
Total liabilities and non-participating shares	5,758	–	5,758
Net value			
Participating shareholders' equity / Net asset value	21,095	9,992	31,087
Per share	**31.17**		**45.94**

[1] Includes the management companies of the investment funds at their carrying value in accordance with IFRS.

[2] Includes the Corporation's investments in Portage I, Portage II, Wealthsimple and Koho, held by Power Financial.

[3] At March 31, 2021, the investment in Lion was valued based on the subscription price of US$10.00 per share for the private placement of common shares announced as part of the merger transaction with Northern Genesis. Subsequent to the completion of the merger on May 6, 2021, the investment in Lion increased to $1.2 billion, valued based on the market value of Lion at May 12, 2021, and including $150 million related to the fair value of its call rights, representing an increase of $0.52 per share.

[4] Valued at carrying value in accordance with IFRS.

[5] In accordance with IAS 12, *Income Taxes*, no deferred tax liability is recognized with respect to temporary differences associated with investments in subsidiaries and jointly controlled corporations as the Corporation is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. If the Corporation were to dispose of an investment in a subsidiary or a jointly controlled corporation, income taxes payable on such disposition would be minimized through careful and prudent tax planning and structuring, as well as with the use of available tax attributes not otherwise recognized on the balance sheet, including tax losses, tax basis, safe income and foreign tax surplus associated with the subsidiary or jointly controlled corporation.

POWER CORPORATION OF CANADA

NON-IFRS FINANCIAL MEASURES AND PRESENTATION

The Corporation completed the Reorganization and announced a change in its strategy in early 2020. Subsequent to the Reorganization, the corporate operations of both the Corporation and Power Financial are being managed together and have been presented on a combined basis throughout the "Results of the Corporation" section of the MD&A. The investment activities of Power Financial are primarily interests held in fintech investments, all of which are managed by Sagard Holdings, and have been presented combined with the investing activities of Sagard Holdings, which represents the management and oversight structure.

Net earnings attributable to participating shareholders are comprised of:

- Adjusted net earnings attributable to participating shareholders; and
- Adjustments, which include the after-tax impact of any item that in management's judgment, including those identified by management of its publicly traded operating companies, would make the period-over-period comparison of results from operations less meaningful. Adjustments includes the Corporation's share of Lifeco's impact of actuarial assumption changes and management actions, direct equity and interest rate market impacts on insurance contract liabilities net of hedging, as well as items that management believes are not indicative of the underlying business results which include those identified by a subsidiary or a jointly controlled corporation.

Management uses these financial measures in its presentation and analysis of the financial performance of Power Corporation and believes that they provide additional meaningful information to readers in their analysis of the results of the Corporation. Adjusted net earnings, as defined by the Corporation, assist the reader in comparing the current period's results to those of previous periods as it reflects management's view of the operating performance of the Corporation and its subsidiaries and excludes items that are not considered to be part of the underlying business results.

Adjusted net earnings attributable to participating shareholders and adjusted net earnings per share are non-IFRS financial measures that do not have a standard meaning and may not be comparable to similar measures used by other entities.

The Corporation also uses a non-consolidated basis of presentation to present and analyze its results whereby the Corporation's controlling interests held through Power Financial in Lifeco, IGM, Portage I, Portage II, and Wealthsimple, as well as other subsidiaries and investment funds consolidated by Power Corporation, are accounted for using the equity method. Presentation on a non-consolidated basis is a non-IFRS presentation. However, it is useful to the reader as it presents the holding company's (parent) results separately from the results of its consolidated operating subsidiaries.

Net asset value is commonly used by holding companies to assess their value. Net asset value is the fair value of Power Corporation's non-consolidated assets less its net debt and preferred shares. The investments held in public entities (including Lifeco, IGM and GBL) are measured at their market value and investments in private entities and investment funds are measured at management's estimate of fair value. This measure presents the fair value of the net assets of the holding company to management and investors, and assists the reader in determining or comparing the fair value of investments held by the company or its overall fair value.

This news release may also contain other non-IFRS financial measures which are publicly disclosed by the Corporation's subsidiaries such as sales, assets under management and assets under administration. Refer to the "Non-IFRS Financial Measures and Presentation" section of the Corporation's most recent Management's Discussion and Analysis for the definition of non-IFRS financial measures and their reconciliation with IFRS financial measures.

ELIGIBLE DIVIDENDS

For purposes of the *Income Tax Act* (Canada) and any similar provincial legislation, all of the above dividends on the Corporation's preferred shares (including the Participating Preferred Shares) and Subordinate Voting Shares are eligible dividends.

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, or with respect to disclosure regarding the Corporation's public subsidiaries, reflect such subsidiaries' disclosed current expectations. Forward-looking statements are provided for the purposes of assisting the reader in understanding the Corporation's financial performance, financial position and cash flows as at and for the periods ended on certain dates and 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 and its subsidiaries, the completion of the Wealthsimple financing round, including the expected proceeds from the primary and secondary offerings and the resulting size and value of the Corporation's ownership interest, the expected impact of the COVID-19 pandemic on the Corporation and its subsidiaries' operations, results and dividends, as well as the outlook for North American and international economies for the current fiscal year and subsequent periods and the intended effects of the Reorganization. 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, man-made disasters, terrorist attacks, wars and other conflicts, or an outbreak of a public health pandemic or other public health crises (such as COVID-19), the Corporation's and its subsidiaries' ability to complete strategic transactions, integrate acquisitions and implement other growth strategies, the Corporation's and its subsidiaries' success in anticipating and managing the foregoing factors and with respect to forward-looking statements of the Corporation's subsidiaries disclosed in this news release, the factors identified by such subsidiaries in their respective MD&A.

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 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 and with respect to forward-looking statements of the Corporation's subsidiaries disclosed in this news release, the risks identified by such subsidiaries in their respective MD&A and annual information form most recently filed with the securities regulatory authorities in Canada and available at www.sedar.com. 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.

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 annual, and subsequently filed interim, MD&A and Annual Information Form, filed with the securities regulatory authorities in Canada and available at www.sedar.com.

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