News Release

For immediate release

POWER CORPORATION OF CANADA

Power Corporation Reports

Second 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, August 6, 2021 – Power Corporation of Canada (Power Corporation or the Corporation) (TSX: POW) today reported earnings results for the three and six months ended June 30, 2021.

Power Corporation

Consolidated results for the period ended June 30, 2021

HIGHLIGHTS

- The Corporation reported net earnings per share of $1.47 for the second quarter of 2021, compared with $0.99 in 2020 and record high adjusted net earnings per share [1] of $1.51, compared with $0.79 per share in 2020.
- The Corporation's net asset value (NAV) per share [1] increased 12.3% to $51.60 at June 30, 2021, compared with $45.94 at March 31, 2021.
- Great-West Lifeco Inc. (Lifeco) announced several key strategic business transactions in the U.S., Canada, and Ireland to add scale and grow its businesses:
  - On July 21, 2021, its U.S. subsidiary, which operates primarily as Empower Retirement, announced a definitive agreement to acquire Prudential Financial, Inc.'s full-service retirement business for a total value of approximately $4.45 billion (US$3.55 billion), solidifying Empower's position as the second largest retirement plan service provider in the United States.
  - Irish Life Group Limited, a subsidiary of Lifeco, announced on July 13, 2021 that it had entered into an agreement to acquire Ark Life Assurance Company dac from Phoenix Group Holdings plc for €230 million, adding significant scale to its retail division and enhancing its ability to provide customers with market-leading wealth and insurance solutions.
  - The Canada Life Assurance Company, a subsidiary of Lifeco, announced, on July 13, 2021, an agreement to acquire ClaimSecure Inc., an industry-leading health and dental claims management and administration firm to private and public businesses in Canada, extending its presence in a growing segment of the market.
- Lifeco's assets under administration were $2.2 trillion at June 30, 2021, an increase of 9.1% from December 31, 2020.
- IGM Financial Inc. (IGM) reported net earnings of $237.4 million, or $0.99 per share in the second quarter, the highest in its history, and up 28.6% from the second quarter of 2020.
- IGM reported record high assets under management and advisement of $262.0 billion, up 5.4% in the quarter and 39.2% from June 30, 2020, and record high second quarter investment fund net sales of $1.9 billion.
- Groupe Bruxelles Lambert's (GBL) NAV was €23.1 billion at June 30, 2021, compared with €21.1 billion at March 31, 2021, an increase of 9.3%.
- Sagard Holdings Inc. (Sagard) launched Portage Fintech Acquisition Corporation (PFAC), a special purpose acquisition company sponsored by an affiliate of Sagard. PFAC successfully completed an initial public offering, raising gross proceeds of US$240 million.
- Wealthsimple Financial Corp. (Wealthsimple) completed its previously announced $750 million financing round on May 12, 2021, including a $500 million secondary offering by the Corporation, IGM and Lifeco (Power Group). The Power Group retained an interest of $2.1 billion in Wealthsimple.
- The Lion Electric Company (Lion) completed its business combination with Northern Genesis Acquisition Corp. and on May 7, 2021 began trading as "LEV" on the TSX and the New York Stock Exchange. The Corporation held a 35.7% interest in Lion at June 30, 2021.

[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 $51.60 at June 30, 2021, compared with $45.94 at March 31, 2021, representing an increase of 12.3%.

	(in millions of dollars, except per share amounts)	June 30, 2021	March 31, 2021	Variation %
Publicly Traded Operating Companies	Lifeco	22,838	20,741	10
	IGM	6,474	5,666	14
	GBL	3,100	2,907	7
		32,412	29,314	11
Alternative Asset Investment Platforms	Sagard [1][2]	1,790	1,958	(9)
	Power Sustainable [1]	1,738	1,581	10
		3,528	3,539	–
Other	China AMC [3]	705	690	2
	Standalone businesses [4]	2,004	1,369	46
	Other assets and investments	635	618	3
	Cash and cash equivalents	1,370	1,315	4
	Gross asset value	40,654	36,845	10
	Liabilities and preferred shares	(5,749)	(5,758)	–
	Net asset value	34,905	31,087	12
	Shares outstanding (millions)	676.5	676.7	
	Net asset value per share	51.60	45.94	12

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

[2] During the second quarter, the Corporation completed a secondary offering of a portion of its interest in Wealthsimple held through the Sagard platform.

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

[4] Includes Lion, LMPG Inc. (LMPG), 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 June 30, 2021	Share price March 31, 2021
Lifeco	**66.7**	**620.3**	**$36.82**	$33.44
IGM	**61.9**	**147.9**	**$43.76**	$38.30
GBL [2]	**14.1**	**22.8**	**€94.34**	€88.26

[1] As at June 30, 2021.

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

POWER CORPORATION OF CANADA

SECOND QUARTER

Net earnings attributable to participating shareholders were $994 million or $1.47 per share, compared with $666 million or $0.99 per share in 2020.

Adjusted net earnings attributable to participating shareholders [1] were $1,020 million or $1.51 per share, compared with $533 million or $0.79 per share in 2020.

Contributions to Power Corporation's Earnings per Share

	2021		2020	
(in dollars per Power Corporation share)	**Net Earnings**	**Adjusted Net Earnings**	Net Earnings	Adjusted Net Earnings
Lifeco	**0.76**	**0.81**	0.86	0.70
IGM	**0.22**	**0.22**	0.17	0.17
GBL [2]	**0.03**	**0.03**	0.11	0.12
Effect of consolidation [3]	**0.15**	**0.14**	(0.06)	(0.07)
	1.16	**1.20**	1.08	0.92
Alternative and other investments [4][5]	**0.18**	**0.18**	(0.01)	(0.01)
China AMC	**0.02**	**0.02**	0.01	0.01
Standalone businesses [5]	**0.23**	**0.23**	0.05	0.01
	1.59	**1.63**	1.13	0.93
Corporate operations and Other [6]	**(0.12)**	**(0.12)**	(0.14)	(0.14)
	1.47	**1.51**	0.99	0.79
Average shares outstanding (in millions)		***676.8***		*676.3*

Lifeco: contribution to net earnings per share decreased by 11.6%; contribution to adjusted net earnings per share increased by 15.7%.

IGM: contribution to net earnings per share and adjusted net earnings per share increased by 29.4%.

GBL: contribution to net earnings per share of $0.03, compared to $0.11 per share in 2020. Results include a charge of $0.08 per share in the quarter for losses due to an increase in the put right liability of the non-controlling interests in Webhelp Group (Webhelp) and charges related to Webhelp's employee incentive plan.

Alternative and other investments: net earnings per share includes realized gains of $0.08 per share on the Power Pacific portfolio and a contribution from Sagard of $0.10 to net earnings per share which includes gains realized on dispositions by Sagard Europe 3.

Standalone businesses: results include a positive impact of $0.23 per share resulting from the gains on the change in ownership in Lion on the completion of Lion's business combination with Northern Genesis Acquisition Corp. (Northern Genesis), including the increase in fair value of call rights held by Power Sustainable during the quarter partially offset by an increase in amounts payable for long-term incentive plans and deferred taxes.

Corporate operations and Other: 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 89% of the targeted reduction.

[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] Adjustments in 2020 are as previously reported by Pargesa Holding SA (Pargesa).

[3] 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: a) an adjustment related to Lifeco's investment in the Power Sustainable Energy Infrastructure Partnership (PSEIP); and b) an allocation of the results of the fintech portfolio including Wealthsimple, Koho, Portage I, Portage II and Portage III to the contributions from Lifeco and IGM based on their respective interest; and iii) 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.

[4] Alternative asset investment platforms includes earnings (losses) from investment platforms including controlled and consolidated subsidiaries and other investments.

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

[6] Includes operating and other expenses, dividends on non-participating shares of the Corporation and Power Financial's corporate operations; refer to the Earnings Summary below.

Adjustments in the second quarter of 2021, excluded from adjusted net earnings, were a negative impact to earnings of $26 million or $0.04 per share, mainly related to the Corporation's share of Lifeco's adjustments, which consist of negative market-related impacts on liabilities, transaction, restructuring and integration charges and negative impacts from the tax legislative changes in Europe, partially offset by actuarial assumption changes and management actions. Adjustments in the second quarter of 2020 were a net positive impact to earnings of $133 million or $0.20 per share mainly related to the Corporation's share of Lifeco's adjustments, which consist of positive market-related impacts on liabilities and actuarial assumption changes and management actions, as well as a recovery on the deconsolidation of IntegraMed America, Inc. (IntegraMed).

SIX MONTHS

Net earnings attributable to participating shareholders were $1,550 million or $2.29 per share, compared with $866 million or $1.40 per share in 2020.

Adjusted net earnings attributable to participating shareholders were $1,806 million or $2.67 per share, compared with $878 million or $1.42 per share in 2020.

Contributions to Power Corporation's Earnings per Share

	2021		2020 [1]	
(in dollars per Power Corporation share)	**Net Earnings**	**Adjusted Net Earnings**	Net Earnings	Adjusted Net Earnings
Lifeco	**1.46**	**1.54**	1.18	1.23
IGM	**0.40**	**0.40**	0.31	0.31
GBL [2]	**0.11**	**0.11**	0.13	0.14
Effect of consolidation [3]	**(0.03)**	**0.12**	(0.01)	(0.01)
	1.94	**2.17**	1.61	1.67
Alternative and other investments [4][5]	**0.41**	**0.56**	0.11	0.11
China AMC	**0.04**	**0.04**	0.03	0.03
Standalone businesses [5]	**0.23**	**0.23**	(0.02)	(0.06)
	2.62	**3.00**	1.73	1.75
Corporate operations and Other [6]	**(0.33)**	**(0.33)**	(0.33)	(0.33)
	2.29	**2.67**	1.40	1.42
Average shares outstanding (in millions)		***676.9***		*618.2*

Adjustments to net earnings in the six-month period were a negative net impact of $256 million or $0.38 per share, mainly related to the Corporation's share of Lifeco's adjustments and its 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 recognized in the first quarter. 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 in the six-month period of 2020 were a negative net impact of $12 million or $0.02 per share, mainly related to the Corporation's share of Lifeco's adjustments, which consisted of negative market-related impacts on liabilities, partially offset by actuarial assumption changes and management actions, as well as a recovery on the deconsolidation of IntegraMed.

[1] 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.

[2] Adjustments in 2020 are as previously reported by Pargesa.

[3] 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: a) an adjustment related to Lifeco's investment in PSEIP; and b) an allocation of the results of the fintech portfolio including Wealthsimple, Koho, Portage I, Portage II and Portage III to the contributions from Lifeco and IGM based on their respective interest; and iii) 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.

[4] Alternative asset investment platforms includes earnings (losses) from investment platforms including controlled and consolidated subsidiaries and other investments.

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

[6] 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.

POWER CORPORATION OF CANADA

Great-West Lifeco, IGM Financial and Groupe Bruxelles Lambert

Results for the quarter ended June 30, 2021

The information below is derived from Lifeco and IGM's second 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 half-year report at June 30, 2021. Further information on GBL's results is available on its website at www.gbl.be.

GREAT-WEST LIFECO INC.

SECOND QUARTER

Net earnings attributable to common shareholders were $784 million or $0.84 per share, compared with $863 million or $0.93 per share in 2020.

Adjusted net earnings [1] attributable to common shareholders were $826 million or $0.89 per share, compared with $706 million or $0.76 per share in 2020.

Adjustments in the second quarter of 2021, excluded from adjusted net earnings, were a net negative impact to earnings of $42 million, compared with a net positive impact to earnings of $157 million in 2020. Lifeco's adjustments in the second quarter of 2021 consisted of negative market-related impacts on liabilities, tax legislative changes, transaction costs related to the acquisitions of Personal Capital Corporation (Personal Capital) and Massachusetts Mutual Life Insurance Company (MassMutual) and restructuring and integration costs partially offset by positive impacts from actuarial assumption changes and other management actions.

IGM FINANCIAL INC.

SECOND QUARTER

Net earnings available to common shareholders were $237.4 million or $0.99 per share, compared with $183.5 million or $0.77 per share in 2020.

Assets under management and advisement at June 30, 2021 were $262.0 billion, up 5.4% in the quarter and 39.2% from June 30, 2020 (including $30.3 billion in net business acquisitions in 2020).

GROUPE BRUXELLES LAMBERT

SECOND QUARTER

GBL reported net earnings of €110 million, compared with net earnings of €370 million in 2020.

GBL reported a net asset value at June 30, 2021 of €23,057 million, representing €142.89 per share, compared with €21,090 million or €130.70 per share at March 31, 2021.

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 $107 million in the second quarter of 2021.

[1] Described by Lifeco as "base earnings". 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 June 30, 2021

Alternative and other investments are comprised of the results of the Corporation's alternative asset investment platforms, Sagard 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.

SECOND QUARTER

Income from the Corporation's alternative and other investments, including standalone businesses, was $275 million, compared with $28 million in the corresponding period in 2020. Adjusted net earnings from alternative and other investments was $275 million, compared with $1 million in the comparative period in 2020.

Adjusted net earnings in the second quarter include a net contribution of $68 million from Sagard, and a net contribution of $48 million from Power Sustainable, primarily due to realized gains on the sale of investments by Sagard Europe 3 and within the Power Pacific portfolio.

Adjusted net earnings from the standalone businesses in the second quarter of 2021 was $154 million, compared with $5 million in the comparative period in 2020. The second quarter includes gains of $209 million related to the effect of change in ownership in Lion as a result of the completion of the merger transaction between Lion and Northern Genesis and the revaluation of certain call rights held by Power Sustainable, which were partially exercised in the quarter, partially offset by an increase in amounts payable for long-term incentive plans and deferred taxes of $56 million. The Corporation also recorded a reversal of a previously recognized impairment on its investment in GP Strategies of $33 million.

At June 30, 2021, Sagard had US$8.1 billion of assets under management, including unfunded commitments. In July 2021, subsequent to quarter end, Sagard Credit Partners II LP completed an additional closing of approximately US$78 million, increasing the fund size to US$987 million and Portage Ventures III LP completed an additional closing of US$145 million, increasing total commitments to US$358 million.

At June 30, 2021, Power Sustainable had $3.0 billion of assets under management, including unfunded commitments, of which $370 million is managed on behalf of third-party investors in Power Pacific's China A-shares core strategy.

At June 30, 2021, the fair value of standalone businesses was $2.3 billion.

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 full impacts of the COVID-19 pandemic are still unknown at this time. The distribution of vaccines has resulted in the easing of restrictions in many economies; though the COVID-19 pandemic continues to cause material disruption to businesses globally, resulting in continued economic pressures. While the conditions have become more stable, many factors continue to extend economic uncertainty including the rollout and efficacy of vaccines, emergence of new COVID-19 variants and the durability and effectiveness of government and central bank interventions. 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.

Dividend on Power Corporation Participating Shares

The Board of Directors declared a quarterly dividend of 44.75 cents per share on the Corporation's Participating Preferred Shares and the Subordinate Voting Shares, payable November 1, 2021, to shareholders of record September 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 October 15, 2021, to shareholders of record September 24, 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 June 1 to August 31, 2021.

POWER CORPORATION OF CANADA

Investor Information

Access to Quarterly Results Materials:	Quarterly Earnings Conference Call:
The second 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 Monday, August 9, 2021 at 8:30 a.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 9199980#. A replay of the conference call will be available from August 9, 2021 at 11:30 a.m. (Eastern Time) until November 9, 2021 by calling 1-800-585-8367 toll-free in North America or 416-621-4642 for international calls, using the access code 9199980#. 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 June 30, 2021, Power Corporation held the following economic interests:

100% – Power Financial		www.powerfinancial.com
66.7%	**Great-West Lifeco** (TSX: GWO)	www.greatwestlifeco.com
61.9%	**IGM Financial** (TSX: IGM)	www.igmfinancial.com
14.1%	**GBL** [1] (Euronext: GBLB)	www.gbl.be
55.9%	**Wealthsimple** [2]	www.wealthsimple.com

Investment Platforms		
100%	**Sagard**	www.sagard.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 42.6%.

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

POWER CORPORATION OF CANADA

Earnings Summary

Contribution to Adjusted and Net Earnings

(unaudited) (in millions of dollars)	Three months ended June 30		Six months ended June 30	
	2021	2020	**2021**	2020
Adjusted net earnings				
Lifeco [1]	**551**	472	**1,045**	835
IGM [1]	**148**	114	**273**	214
GBL [1]	**24**	84	**74**	88
Effect of consolidation [2]	**92**	(50)	**78**	21
	815	620	**1,470**	1,158
Alternative asset investment platforms and Other [3][4]	**121**	(4)	**376**	65
China AMC	**15**	10	**28**	19
Standalone businesses [3][5]	**154**	5	**155**	(39)
Corporate operating and other expenses	**(38)**	(51)	**(129)**	(114)
Dividends on non-participating and perpetual preferred shares	**(47)**	(47)	**(94)**	(95)
Non-controlling interests of Power Financial	**–**	–	**–**	(116)
Adjusted net earnings [6]	**1,020**	533	**1,806**	878
Adjustments – see below	**(26)**	133	**(256)**	(12)
Net earnings [6]	**994**	666	**1,550**	866

Contribution to Adjusted and Net Earnings per Share

(unaudited) (in dollars per share)	Three months ended June 30		Six months ended June 30	
	2021	2020	**2021**	2020
Adjusted net earnings per share – basic				
Lifeco [1]	**0.81**	0.70	**1.54**	1.23
IGM [1]	**0.22**	0.17	**0.40**	0.31
GBL [1]	**0.03**	0.12	**0.11**	0.14
Effect of consolidation [2]	**0.14**	(0.07)	**0.12**	(0.01)
	1.20	0.92	**2.17**	1.67
Alternative asset investment platforms and Other [3][4]	**0.18**	(0.01)	**0.56**	0.11
China AMC	**0.02**	0.01	**0.04**	0.03
Standalone businesses [3][5]	**0.23**	0.01	**0.23**	(0.06)
Corporate operating and other expenses and dividends on non-participating and perpetual preferred shares	**(0.12)**	(0.14)	**(0.33)**	(0.33)
Adjusted net earnings per share [6]	**1.51**	0.79	**2.67**	1.42
Adjustments – see below	**(0.04)**	0.20	**(0.38)**	(0.02)
Net earnings per share [6]	**1.47**	0.99	**2.29**	1.40

[1] As reported by Lifeco, IGM and GBL.
[2] 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: a) an adjustment related to Lifeco's investment in PSEIP; and b) an allocation of the results of the fintech portfolio including Wealthsimple, Koho, Portage I, Portage II and Portage III to the contributions from Lifeco and IGM based on their respective interest; and iii) 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 Lion, LMGP, Peak, GP Strategies 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 June 30,		Six months ended June 30,	
	2021	2020	**2021**	2020
Sagard				
Asset management activities [1]	**3**	1	**62**	(4)
Investing activities (proprietary capital) [2][3]	**65**	(3)	**35**	25
Power Sustainable				
Asset management activities [1]	**(7)**	(5)	**(12)**	(8)
Investing activities (proprietary capital) [4]	**55**	(2)	**266**	51
Standalone businesses [5]	**154**	5	**155**	(39)
Investment and hedge funds and Other [6]	**5**	5	**25**	1
	275	1	**531**	26

[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 included 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, it excluded 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, Portage III, Koho and Wealthsimple was $609 million in the six-month period ended June 30, 2021, compared with an increase of $1 million in fair value in the corresponding period in 2020.

[3] The second quarter includes realized gains on disposals by Sagard 3 of private equity investments.

[4] Mainly comprised of gains (losses) realized on the disposal of investments and dividends received. In the first and second quarters of 2021, the Corporation recognized realized gains on the disposal of investments in Power Pacific of $229 million and $54 million, respectively.

[5] In the second quarter of 2021, the Corporation recorded a net gain of $153 million related to its investment in Lion which is comprised of i) a gain of $62 million related to the effect of the change in ownership as a result of the completion of the merger transaction between Lion and Northern Genesis, ii) a gain of $147 million related to the revaluation of call rights held by Power Sustainable, a portion of which were exercised during the quarter, and iii) an expense of $56 million related to the increase in amounts payable for long term incentive plans and deferred taxes. The Corporation also recorded a reversal of a previously recognized impairment on its investment in GP Strategies of $33 million. Includes the Corporation's share of earnings (losses) of IntegraMed (up to the date of deconsolidation on May 20, 2020), LMPG, Lion, a jointly controlled corporation, and associates.

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

POWER CORPORATION OF CANADA

Adjustments (excluded from Adjusted Net Earnings)

(unaudited) (in millions of dollars)	Three months ended June 30		Six months ended June 30	
	2021	2020	**2021**	2020
Share of Lifeco's adjustments:				
Actuarial assumption changes and other management actions	**25**	82	**29**	47
Market-related impacts on liabilities	**(13)**	23	**(29)**	(77)
Transaction costs related to the acquisitions of Personal Capital and MassMutual	**(16)**	–	**(17)**	–
Tax legislative changes impact on liabilities	**(14)**	–	**(14)**	–
Restructuring and integration charges	**(10)**	–	**(18)**	–
	(28)	105	**(49)**	(30)
Effect of consolidation [1][2]	**3**	–	**(8)**	–
	(25)	105	**(57)**	(30)
Share of IGM's adjustments:				
Effect of consolidation [1][2]	**(1)**	4	**(99)**	(1)
Share of GBL's adjustments [3]:				
Other charges	**–**	(3)	**–**	(4)
Alternative and other investments	**–**	27	**(100)**	27
Non-controlling interest of Power Financial	**–**	–	**–**	(4)
	(26)	133	**(256)**	(12)

[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.

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 $51.60 at June 30, 2021, compared with $45.94 at March 31, 2021, representing an increase of 12.3%.

June 30, 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	14,860	7,978	22,838
IGM	3,209	3,265	6,474
GBL	4,407	(1,307)	3,100
Alternative and other investments			
Sagard [1][2]	1,105	685	1,790
Power Sustainable [1]	1,375	363	1,738
Other			
Standalone businesses [3]	752	1,252	2,004
Other	267	19	286
China AMC [4]	705	–	705
Cash and cash equivalents	1,370	–	1,370
Other assets	349	–	349
Total assets	28,399	12,255	40,654
Liabilities and non-participating shares			
Debentures and other debt instruments	927	–	927
Other liabilities [5]	1,037	–	1,037
Non-participating shares and perpetual preferred shares	3,785	–	3,785
Total liabilities and non-participating shares	5,749	–	5,749
Net value			
Participating shareholders' equity / Net asset value	22,650	12,255	34,905
Per share	**33.48**		**51.60**

[1] Includes the management companies of the investment funds, which are presented at their carrying value in accordance with IFRS and are primarily composed of cash and net carried interest receivable.

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

[3] An additional deferred tax liability of $177 million has been included in the net asset value with respect to the investments in standalone businesses at fair value, without taking into account possible tax reduction strategies. The Corporation has tax attributes (not otherwise recognized on the balance sheet) that could be available to minimize the tax if the Corporation were to dispose of its interests held in the standalone businesses.

[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.

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, and have been presented combined with the investing activities of Sagard, 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, Portage III 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 companies.

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' current expectations as disclosed in their respective MD&A. 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, including the fintech strategy, 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, the intended effects of the Reorganization (as defined herein), the Corporation's NCIB (as defined herein), management of standalone businesses to realize value over time, fundraising activities by investment platforms, timing of the proposed GP Strategies transaction (as defined herein), and the Corporation's subsidiaries' disclosed expectations, including the acquisition of the Prudential full-service retirement business (as defined herein), ClaimSecure Inc., Ark Life (as defined herein) and related synergies, impacts, and timing thereof as well as a result of the acquisition of the retirement services business of MassMutual, Personal Capital, Northleaf and related synergies, impacts and timing thereof. 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 the availability of cash to complete purchases under the NCIB, 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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