

NEWS RELEASE

FOR IMMEDIATE RELEASE



POWER CORPORATION
OF CANADA



POWER FINANCIAL
CORPORATION

Power Corporation Group of Companies Consolidates Interest in China Asset Management Co., Ltd. Under IGM Financial

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

- *Power continues to simplify corporate structure*
- *Power Corporation sells its 13.9% interest in ChinaAMC to IGM Financial*
- *Transaction to be partially funded through sale by IGM of common shares of Great-West Lifeco to Power Corporation*
- *Further opportunity to support Power share buyback program*

Montréal, Quebec, January 5, 2022 – Power Corporation of Canada (Power Corporation or Power) (TSX: POW) today announced that it has entered into an agreement under which the Power Corporation group of companies' current combined 27.8% equity ownership stake in China Asset Management Co., Ltd. (ChinaAMC) will be consolidated at IGM Financial Inc. (IGM) (TSX: IGM). Under the agreement, Power will sell its 13.9% ownership stake to Mackenzie Financial Corporation, a wholly owned subsidiary of IGM, for aggregate consideration of \$1.15 billion in cash. Power shareholders will continue to participate in ChinaAMC through Power's 64.3% economic interest in IGM.

To partially fund the transaction, IGM has agreed to sell 15,200,662 Great-West Lifeco Inc. (Great-West Lifeco) (TSX: GWO) common shares to a subsidiary of Power Financial Corporation (Power Financial or PFC), for aggregate consideration of \$575 million, representing a price of \$37.83 per share which is equivalent to the 5-day volume-weighted average price of the Great-West Lifeco common shares as at the close of business on January 5, 2022 (the Great-West Lifeco Share Transfer).

"We continue to execute on our strategy to simplify and streamline Power and to deliver value for our shareholders," said R. Jeffrey Orr, President and Chief Executive Officer of Power Corporation. "We look forward to continued participation in ChinaAMC through our ownership of IGM. We also believe this is an attractive opportunity to both increase our ownership in Great-West Lifeco and support our share buyback initiatives."

Power Corporation expects to return a portion of the net cash proceeds from the transaction to its shareholders, after factoring in the purchase of Great-West Lifeco common shares, through share repurchases over time pursuant to a normal course issuer bid of Power. The transaction is expected to be accretive to Power's net asset value.

Timing and Regulatory Approvals

The sale of Power's interest in ChinaAMC will be subject to, among other things, approval by the China Securities Regulatory Commission and by certain other Chinese regulatory authorities.

The acquisition by Power of the Great-West Lifeco common shares is conditional on the closing of the sale of the ChinaAMC shares.

The transactions are expected to close in the first half of 2022.

Advisors

BMO Capital Markets and Morgan Stanley are acting as financial advisors to Power. Blake, Cassels & Graydon LLP, and Baker McKenzie are acting as Power's legal advisors.

Early Warning Disclosure

PFC currently beneficially owns, including through its controlling interest in IGM, an aggregate of 657,587,165 Great-West Lifeco common shares, representing approximately 70.7% of the issued and outstanding Great-West Lifeco common shares (69.1% on an economic basis). Excluding Great-West Lifeco common shares beneficially owned by IGM, PFC currently owns 620,250,032 Great-West Lifeco common shares, representing approximately 66.7% of the issued and outstanding Great-West Lifeco common shares.

On closing of the Great-West Lifeco Share Transfer, PFC will indirectly acquire 15,200,662 additional Great-West Lifeco common shares (representing approximately 1.6% of the issued and outstanding Great-West Lifeco common shares) such that PFC will beneficially own an aggregate of 635,450,694 Great-West Lifeco common shares, excluding those beneficially owned by IGM, representing 68.3% of the issued and outstanding Great-West Lifeco common shares. The Great-West Lifeco Share Transfer will not impact the aggregate beneficial ownership of Great-West Lifeco common shares by PFC, which shall remain at 70.7% of the issued and outstanding Great-West Lifeco common shares (including indirect beneficial ownership through its controlling interest in IGM). PFC's economic interest will increase to 69.8%. PFC and its subsidiaries will continue to own, in the aggregate, voting securities representing approximately 65% of the votes attached to all voting securities of Great-West Lifeco.

PFC holds the Great-West Lifeco common shares for investment purposes and, in accordance with applicable securities laws, may increase or decrease its investment in Great-West Lifeco depending on market conditions and then relevant factors. PFC relies on Part 5 of National Instrument 62-103 in respect of aggregation relief relating to any securities that may be held by Great-West Lifeco and its subsidiaries, IGM and its subsidiaries, and any investment fund managed by entities within the Power Corporation group of companies.

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.

Power Financial, a wholly owned subsidiary of Power Corporation of Canada, is an international management and holding company with interests in financial services and asset management businesses in Canada, the United States and Europe. It also has significant holdings in a portfolio of global companies based in Europe. PFC is continued under the *Canada Business Corporations Act* and its head office is located at 751 Victoria Square, Montréal, Quebec H2Y 2J3. To learn more, visit www.PowerFinancial.com.

About China Asset Management Co., Ltd

Founded in 1998 as one of the first fund management companies in China, China Asset Management Co., Ltd. (ChinaAMC) has maintained a market leading position in China's asset management industry with total AUM of approximately RMB¥1.607 trillion (\$309 billion) at June 30, 2021. The company currently serves over 75,000 institutional clients and 184 million retail investors. ChinaAMC boasts one of the industry's strongest investment teams with over 250 dedicated investment professionals. CITIC Securities is the largest shareholder of ChinaAMC. To learn more, visit fund.chinaamc.com for more information.

About IGM Financial Inc.

IGM Financial Inc. is one of Canada's leading diversified wealth and asset management companies with approximately \$270 billion in total assets under management and advisement at November 30, 2021. The company provides a broad range of financial planning and investment management services to help more than

two million Canadians meet their financial goals. Its activities are carried out principally through IG Wealth Management, Mackenzie Investments and Investment Planning Counsel. To learn more, visit www.igmfinancial.com.

About Great-West Lifeco Inc.

Great-West Lifeco Inc. is an international financial services holding company with interests in life insurance, health insurance, retirement and investment services, asset management and reinsurance businesses. It operates in Canada, the United States and Europe under the brands Canada Life, Empower Retirement, Putnam Investments, and Irish Life. To learn more, visit www.greatwestlifeco.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 Power's and PFC's current expectations, or with respect to disclosure regarding Power's and PFC's public subsidiaries, reflects such subsidiaries' disclosed current expectations as disclosed in their respective MD&A. Forward-looking statements are provided for the purposes of assisting the reader in understanding the Power's and PFC'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 include, without limitation, statements regarding the anticipated benefits of the disposition of Power's equity ownership stake in ChinaAMC and the Great-West Lifeco Share Transfer, the timing of the completion of the disposition of Power's equity ownership stake in ChinaAMC and the Great-West Lifeco Share Transfer, the timing for the receipt of the required regulatory and other approvals, the interest of PFC in Great-West Lifeco following the Great-West Lifeco Share Transfer, repurchases pursuant to a normal course issuer bid of Power, and the effect of the disposition of Power's equity ownership stake in ChinaAMC and the Great-West Lifeco Share Transfer on Power's and PFC's future operations, financial conditions and share price performance. 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 Power's and PFC's and their respective subsidiaries' control, affect the operations, performance and results of Power and PFC and their respective 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), Power's and PFC's and their respective subsidiaries' ability to complete strategic transactions, integrate acquisitions and implement other growth strategies, the disposition of Power's equity ownership stake in ChinaAMC and the Great-West Lifeco Share Transfer not occurring as expected, including failure of any condition to the disposition of Power's equity ownership stake in ChinaAMC and the Great-West Lifeco Share Transfer, or the failure to achieve the anticipated benefits of the disposition of Power's equity ownership stake in ChinaAMC and the Great-West Lifeco Share Transfer and Power's or PFC's and their respective 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 management's perceptions of historical trends, current conditions and expected future developments, that the required approvals for the disposition of Power's equity ownership stake in ChinaAMC will be received, as well as other considerations that are believed to be appropriate in the circumstances, including the availability of cash to complete purchases under normal course issuer bid, and that the list of factors in the preceding paragraph, collectively, are not expected to have a material impact on Power or PFC and their respective subsidiaries. While each of Power and PFC consider 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, each of Power and PFC 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 Power's and PFC's business and material factors or assumptions on which information contained in forward-looking statements is based is provided in their disclosure materials, including each of Power Corporation's most recent Management's Discussion and Analysis and Annual Information Form, filed with the securities regulatory authorities in Canada available at www.sedar.com.

Non-IFRS Financial Measures and Presentation

This press release presents and discusses a financial measure which is not in accordance with International Financial Reporting Standards (IFRS). Net Asset Value presents the fair value of the net assets of Power, expressed on a per share basis. Net Asset Value presents the fair value of the net assets of Power and is used to assist in assessing value, on a per share basis. This non-IFRS financial measure does not have a standard meaning and may not be comparable to similar measures used by other entities. Reconciliations of the Net Asset Value and the non-IFRS basis of presentation with the presentation reported in accordance with IFRS are included in Power's most recent Management's Discussion and Analysis.

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