

**FOR IMMEDIATE RELEASE**

**Early Warning Filing by Desmarais Family Residuary Trust  
in connection with Announced Transaction by  
Power Corporation of Canada and Power Financial Corporation**

**MONTRÉAL, QUÉBEC – (December 13, 2019)** Power Corporation of Canada (“PCC”) and Power Financial Corporation (“PFC”) today announced the execution of a definitive agreement to effect a reorganization transaction (the “Transaction”) pursuant to which each common share of PFC held by holders of PFC common shares other than PCC, will be exchanged for 1.05 Subordinate Voting Shares of PCC and \$0.01 in cash. In accordance with the pre-emptive right (the “Pre-Emptive Right”) in favour of holders of Participating Preferred Shares included in PCC’s articles, PCC will make an offer to holders of Participating Preferred Shares allowing them to acquire, on a pro rata basis, such number of Participating Preferred Shares that is equal to 12.0% of the number of PCC Subordinate Voting Shares proposed to be issued pursuant to the Transaction for a consideration per share that is equal to the stated capital amount per share for which the Subordinate Voting Shares are to be issued.

The Desmarais Family Residuary Trust (the “Trust”) announces today that the Trust, through Pansolo Holding Inc. (“Pansolo”), its controlled holding company, intends to acquire, and has agreed with PCC and PFC to acquire, pursuant to exercise of the Pre-Emptive Right, between 5 million and 6 million Participating Preferred Shares.

Immediately before and after the triggering of the requirement to issue this news release and file an early warning report (and without giving effect to the Transaction or acquisition of any shares under the Pre-Emptive Right), the Trust exercises control over Pansolo which, directly and indirectly, owns 48,697,962 Participating Preferred Shares and 48,363,392 Subordinate Voting Shares of PCC, representing 99.68% and 12.81%, respectively, of the outstanding shares of such classes and 61.81% and 22.76%, respectively, of the votes associated with, and quantity of, the total outstanding shares of PCC.

Assuming Pansolo acquires between 5 million and 6 million Participating Preferred Shares upon exercise of the Pre-Emptive Right, and no other holders of Participating Preferred Shares acquire any Participating Preferred Shares under the Pre-Emptive Right, Pansolo would own between 53,697,962 and 54,697,962 Participating Preferred Shares and the Trust’s securityholding percentage of Participating Preferred Shares would increase from 99.68% to approximately 99.71%.

The Trust and Pansolo will not directly or indirectly acquire any Subordinate Voting Shares of PCC in the Transaction and, as a result, if the Transaction is implemented the Trust’s securityholding percentage of the outstanding Subordinate Voting Shares will be reduced immediately following completion of the Transaction. It is expected that, following the foregoing transactions, the Trust (through Pansolo) will control, directly or indirectly Subordinate Voting Shares and Participating Preferred Shares representing in aggregate 50.2% to 50.6% of the total votes of all PCC voting shares to be outstanding.

Participating Preferred Shares acquired pursuant to exercise of the Pre-Emptive Right will be acquired for investment purposes. The Trust may, from time to time, directly or indirectly, take such actions in respect of holdings in securities of PCC as it may deem appropriate, in light of the circumstances then existing, including the purchase of additional Participating Preferred Shares or Subordinate Voting Shares or the disposition of all or a portion of its direct or indirect shareholdings in PCC, subject in each case to applicable securities laws and the terms of such securities.

If the Transaction is implemented, PCC would become the owner of all of the common shares of PFC. The joint announcement of the Transaction by PCC and PFC also stated that (i) PCC's strategy will emphasize financial services, including the businesses of PFC and the investment platform businesses of PCC, (ii) following completion of the Transaction, PCC and PFC intend to redeem an aggregate of \$350 million of their respective First Preferred Shares with available cash, (iii) Paul Desmarais Jr. and André Desmarais have decided to retire as Co-Chief Executive Officers of PCC, and will maintain their positions as Chairman and Deputy Chairman, respectively, of PCC's board of directors, (iv) the PCC board of directors has indicated that it will appoint R. Jeffrey Orr, current President and Chief Executive Officer of PFC, as President and Chief Executive Officer of PCC upon completion of the Transaction, and (v) the board of directors of PCC has stated that, following the Transaction, it intends to increase the quarterly dividend paid to holders of Subordinate Voting Shares and Participating Preferred Shares to 44.75 cents per share and move forward the regular quarterly payment dates by approximately two months, commencing with the dividends to be paid in the second quarter of 2020.

Scotiabank acted as advisor to Pansolo.

The head office address of Power Corporation of Canada is 751 Square Victoria, Montréal, Québec H2Y 2J3. The Trust's address is 759 Square Victoria, Suite 520, Montréal, Québec H2Y 2J7. An early warning report will be filed by the Trust in accordance with applicable securities laws and will be available at [www.sedar.com](http://www.sedar.com) or by contacting the contact person noted below.

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