

# News Release

For immediate release



POWER CORPORATION  
OF CANADA

## Power Corporation Reports

### Third 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, November 10, 2021** – Power Corporation of Canada (Power Corporation or the Corporation) (TSX: POW) today reported earnings results for the three and nine months ended September 30, 2021.

#### Power Corporation

Consolidated results for the period ended September 30, 2021

#### HIGHLIGHTS

##### Power Corporation

- Net earnings per share of \$1.09 for the third quarter of 2021, compared with \$0.75 in 2020 and adjusted net earnings per share<sup>[1]</sup> of \$1.10, compared with \$0.72 per share in 2020.
- Net asset value (NAV) per share<sup>[1]</sup> increased 2% to \$52.81 at September 30, 2021, compared with \$51.60 at June 30, 2021.
- Completed the sale of its 37.1% interest in the Sagard Europe 3 Fund (Sagard Europe 3) in a secondary transaction in the third quarter. The Corporation received proceeds of \$334 million (€225 million) and realized a gain of \$66 million in net earnings.
- The Corporation intends to resume normal course share buybacks under its normal course issuer bid.

##### Power Financial Corporation (Power Financial)

- Completed an offering of 8,000,000 4.50% Non-Cumulative First Preferred Shares, Series 23 for gross proceeds of \$200 million on October 15, and on October 18 announced its intention to redeem all of its outstanding \$200 million 6.00% Non-Cumulative First Preferred Shares, Series I.

##### Great-West Lifeco Inc. (Lifeco)

- Assets under administration were approximately \$2.2 trillion at September 30, 2021, an increase of 11% from December 31, 2020.
- Lifeco and Sagard Holdings Inc. (Sagard) announced, on October 7, 2021, they had agreed to enter into a long-term strategic relationship, which includes the sale of Lifeco's United States-based subsidiaries EverWest Real Estate Investors, LLC and EverWest Advisors, LLC (EverWest) to Sagard, in exchange for a minority shareholding in Sagard's subsidiary, Sagard Holdings Management Inc. The strategic relationship with Sagard is intended to advance Lifeco's strategy to further broaden its access to alternative investment options.
- On August 16, 2021, Lifeco issued \$1.5 billion aggregate principal amount 3.60% Limited Recourse Capital Notes Series 1 (Subordinated Indebtedness), maturing on December 31, 2081 and on October 8, 2021, issued 8,000,000 Series Y, 4.50% Non-Cumulative First Preferred Shares for gross proceeds of \$200 million. On November 3, 2021, Lifeco announced that it intends to redeem all of its outstanding 5.90% Non-Cumulative First Preferred Shares, Series F on December 31, 2021.

##### IGM Financial Inc. (IGM)

- Record high net earnings of \$270.8 million, or \$1.13 per share, up 42% from the third quarter of 2020 and up 14% from the second quarter of 2021.
- Record high quarter-end assets under management and advisement of \$265.2 billion, up 1% in the quarter and 35% from September 30, 2020 (including \$30.3 billion in net business acquisitions in 2020).

##### Groupe Bruxelles Lambert (GBL)

- GBL announced measures to enhance shareholder returns including an additional share buyback of up to €500 million.

[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 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 \$52.81 at September 30, 2021, compared with \$51.60 at June 30, 2021, representing an increase of 2.3%.

(in millions of dollars, except per share amounts)		September 30, 2021	June 30, 2021	Change (%)
<b>Publicly Traded Operating Companies</b>	Lifeco	23,904	22,838	5
	IGM	6,694	6,474	3
	GBL	3,145	3,100	1
		33,743	32,412	4
<b>Alternative Asset Investment Platforms</b>	Sagard <sup>[1][2]</sup>	1,407	1,790	(21)
	Power Sustainable <sup>[1]</sup>	1,726	1,738	(1)
		3,133	3,528	(11)
<b>Other</b>	China AMC <sup>[3]</sup>	740	705	5
	Standalone businesses <sup>[4]</sup>	1,568	2,004	(22)
	Other assets and investments	684	635	8
	Cash and cash equivalents	1,575	1,370	15
	<b>Gross asset value</b>	41,443	40,654	2
	Liabilities and preferred shares	(5,718)	(5,749)	1
	<b>Net asset value</b>	35,725	34,905	2
	Shares outstanding (millions)	676.5	676.5	
	<b>Net asset value per share</b>	52.81	51.60	2

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

[2] During the third quarter, the Corporation completed the sale of its 37.1% interest in Sagard Europe 3.

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

[4] Includes The Lion Electric Co. (Lion), LMPG Inc. (LMPG), Peak Achievement Athletics Inc. (Peak) and GP Strategies. The decrease in the September 30, 2021 NAV is primarily due to a decrease in market value of Lion compared to June 30, 2021 (US\$12.62 per share at September 30, 2021 compared with US\$19.44 per share on June 30, 2021).

## Power Corporation's Ownership in Publicly Traded Operating Companies

	Ownership <sup>[1]</sup> (%)	Shares held <sup>[1]</sup> (in millions)	Share price	
			September 30, 2021	June 30, 2021
Lifeco	66.7	620.3	\$38.54	\$36.82
IGM	61.8	147.9	\$45.25	\$43.76
GBL <sup>[2]</sup>	14.1	22.8	€95.08	€94.34

[1] As at September 30, 2021.

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



## THIRD QUARTER

Net earnings attributable to participating shareholders were \$741 million or \$1.09 per share, compared with \$505 million or \$0.75 per share in 2020.

Adjusted net earnings attributable to participating shareholders<sup>[1]</sup> were \$748 million or \$1.10 per share, compared with \$483 million or \$0.72 per share in 2020.

### Contributions to Power Corporation's Earnings per Share

(in dollars per Power Corporation share)	2021		2020	
	Net Earnings	Adjusted Net Earnings	Net Earnings	Adjusted Net Earnings
Lifeco <sup>[2]</sup>	0.86	0.86	0.82	0.67
IGM <sup>[2]</sup>	0.25	0.25	0.18	0.20
GBL <sup>[2]</sup>	(0.02)	(0.02)	(0.02)	(0.02)
Effect of consolidation <sup>[3]</sup>	-	(0.01)	(0.12)	(0.06)
	1.09	1.08	0.86	0.79
Alternative asset investment platforms and Other <sup>[4][5]</sup>	0.06	0.06	(0.05)	(0.01)
China AMC	0.03	0.03	0.02	0.02
Standalone businesses <sup>[5]</sup>	0.09	0.09	0.03	0.03
	1.27	1.26	0.86	0.83
Corporate operations and Other <sup>[6]</sup>	(0.18)	(0.16)	(0.11)	(0.11)
	1.09	1.10	0.75	0.72
<i>Average shares outstanding (in millions)</i>		676.7		676.3

**Lifeco:** contribution to net earnings per share increased by 4.9% and contribution to adjusted net earnings per share increased by 28.4%.

**IGM:** contribution to net earnings per share increased by 38.9% and contribution to adjusted net earnings per share increased by 25.0%.

**GBL:** negative contribution to net earnings per share of \$0.02. Results include a charge of \$0.06 per share in the quarter of both 2021 and 2020 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 asset investment platforms:** net earnings per share includes realized gains of \$0.03 per share on the Power Pacific portfolio and a contribution from Sagard of \$0.05 to net earnings per share which includes the Corporation's realized gain on the disposition of its interest in Sagard Europe 3.

**Standalone businesses:** results include a positive impact of \$0.08 per share resulting from the contribution from Lion in the quarter which consists of the Corporation's share of earnings of Lion, a decrease in the fair value of the outstanding call rights held by Power Sustainable Capital Inc. (Power Sustainable) and a decrease in amounts payable for long-term incentive plans, net of related taxes.

**Corporate operations and Other:** As part of the reorganization completed in February 2020 (the Reorganization), the Corporation projected 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 93% 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. In the first quarter of 2021, the charge related to the remeasurement of the put right liability of certain of the non-controlling interests in WealtheSimple Financial Corp. (WealtheSimple) to fair value was presented as an Adjustment as these rights were extinguished at the close of the transaction and thereafter will not have future fair value changes. The fair value changes in the put right obligations were not previously presented as an Adjustment as they were expected to be recurring. The related amounts in the comparative periods have been reclassified as an Adjustment to reflect this presentation. Adjusted net earnings in the third quarter of 2020 has been restated to reflect this change. The Corporation's share of the charge on the remeasurement of the put right liability was \$45 million in the third quarter of 2020. 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 \$22 million, \$2 million and \$21 million, respectively. For additional information, please refer to the Non-IFRS Financial Measures and Presentation section further in this news release.

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

[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 WealtheSimple, Koho Financial Inc. (Koho), Portag3 Ventures Limited Partnership (Portage I), Portag3 Ventures II Limited Partnership (Portage II) and Portage Ventures III Limited Partnership (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 third quarter of 2021, excluded from adjusted net earnings, were a negative net impact to earnings of \$7 million or \$0.01 per share, mainly related to the Corporation's net restructuring charge of \$13 million in conjunction with the Reorganization, partially offset by the Corporation's share of Lifeco's adjustments, which consist of positive market-related impacts on liabilities, actuarial assumption changes and management actions partially offset by transaction, restructuring and integration charges. Adjustments in the third quarter of 2020 were a net positive impact to earnings of \$22 million or \$0.03 per share mainly related to the Corporation's share of Lifeco's adjustments, partially offset by the Corporation's share of IGM's adjustments and the 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 \$45 million. These were reflected in the Adjustments of the alternative and other investments and in the Effect of consolidation based on Lifeco's and IGM's respective interest.

## NINE MONTHS

Net earnings attributable to participating shareholders were \$2,291 million or \$3.38 per share, compared with \$1,371 million or \$2.15 per share in 2020.

Adjusted net earnings attributable to participating shareholders were \$2,554 million or \$3.77 per share, compared with \$1,361 million or \$2.13 per share in 2020.

### Contributions to Power Corporation's Earnings per Share

(in dollars per Power Corporation share)	2021		2020 <sup>[1]</sup>	
	Net Earnings	Adjusted Net Earnings	Net Earnings	Adjusted Net Earnings
Lifeco <sup>[2]</sup>	2.32	2.40	2.02	1.91
IGM <sup>[2]</sup>	0.65	0.65	0.50	0.52
GBL <sup>[2][3]</sup>	0.09	0.09	0.10	0.11
Effect of consolidation <sup>[4]</sup>	(0.03)	0.11	(0.13)	(0.07)
	3.03	3.25	2.49	2.47
Alternative asset investment platforms and Other <sup>[5][6]</sup>	0.47	0.62	0.04	0.08
China AMC	0.07	0.07	0.04	0.04
Standalone businesses <sup>[6]</sup>	0.32	0.32	0.02	(0.02)
	3.89	4.26	2.59	2.57
Corporate operations and Other <sup>[7]</sup>	(0.51)	(0.49)	(0.44)	(0.44)
	3.38	3.77	2.15	2.13
Average shares outstanding (in millions)		676.9		637.7

Adjustments to net earnings in the nine-month period were a negative net impact of \$263 million or \$0.39 per share, mainly related to the Corporation's net charges of \$13 million in conjunction with the Reorganization, its 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's and IGM's respective interest. Adjustments in the nine-month period of 2020 were a positive net impact of \$10 million or \$0.02 per share, mainly related to the Corporation's share of Lifeco's adjustments, a recovery on the deconsolidation of IntegraMed America, Inc. (IntegraMed), partially offset by the Corporation's share of IGM's adjustments and the 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 \$45 million discussed in the explanation of the third quarter above.

[1] Pursuant to the Reorganization, the Corporation acquired the minority interests of Power Financial and now holds 100% of the common shares of Power Financial.

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

[3] Adjustments in 2020 are as previously reported by Pargesa SA (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: 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.

[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 September 30, 2021

The information below is derived from Lifeco and IGM's third 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](http://www.sedar.com)) or from their websites, [www.greatwestlifeco.com](http://www.greatwestlifeco.com) and [www.igmfinc.com](http://www.igmfinc.com). The information below related to GBL is derived from publicly disclosed information, as issued by GBL in its third quarter press release at September 30, 2021. Further information on GBL's results is available on its website at [www.gbl.be](http://www.gbl.be).

### GREAT-WEST LIFECO INC.

#### THIRD QUARTER

Net earnings attributable to common shareholders were \$872 million or \$0.938 per share, compared with \$826 million or \$0.891 per share in 2020.

Adjusted net earnings<sup>[1]</sup> attributable to common shareholders were \$870 million or \$0.934 per share, compared with \$679 million or \$0.732 per share in 2020.

Adjustments in the third quarter of 2021, excluded from adjusted net earnings, were a net positive earnings impact of \$2 million. Lifeco's adjustments in the third quarter of 2021 consisted of positive impact on earnings from:

- Actuarial assumption changes and other management actions of \$69 million; and
- Market-related impact on liabilities of \$47 million.

Partially offset by:

- Transaction costs of \$90 million related to the acquisitions of the full-service retirement business of Prudential Financial, Inc. (Prudential), Personal Capital Corporation (Personal Capital) and the retirement services business of Massachusetts Mutual Life Insurance Company (MassMutual), which includes a provision for payments relating to Lifeco's 2003 acquisition of The Canada Life Assurance Company of \$58 million; and
- Restructuring and integration costs of \$24 million.

### IGM FINANCIAL INC.

#### THIRD QUARTER

Net earnings available to common shareholders were \$270.8 million or \$1.13 per share, compared with \$190.9 million or \$0.80 per share in 2020.

Adjusted net earnings available to common shareholders were \$270.8 million or \$1.13 per share, compared with \$214.2 million or \$0.90 per share in 2020.

Assets under management and advisement at September 30, 2021 were \$265.2 billion, up 1.2% in the quarter and 35.0% from September 30, 2020 (including \$30.3 billion in net business acquisitions in 2020).

### GROUPE BRUXELLES LAMBERT

#### THIRD QUARTER

GBL reported a net loss of €44 million, compared with a net loss of €62 million in 2020.

GBL reported a net asset value at September 30, 2021 of €22,489 million, representing €139.37 per share, compared with €23,057 million or €142.89 per share at June 30, 2021.

GBL adopted IFRS 9 in 2018. Power Corporation continues to apply IAS 39; this resulted in a positive adjustment to the contribution from GBL of \$5 million in the third 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 September 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.

### THIRD QUARTER

Net earnings of alternative and other investments, including standalone businesses, was \$103 million, compared with a net loss of \$14 million in the corresponding period in 2020. Adjusted net earnings of alternative and other investments was \$103 million, compared with \$8 million in the comparative period in 2020.

#### SAGARD AND POWER SUSTAINABLE

- Sagard Credit Partners announced on October 20, 2021 the launch of a new Senior Loans strategy which will focus on first-lien lending to non sponsor-owned North American companies with \$50 million or less in EBITDA.

Net earnings in the third quarter include a net contribution of \$37 million from Sagard, and a net contribution of \$6 million from Power Sustainable, primarily due to a realized gain on the sale of the Corporation's interest in Sagard Europe 3 and realized gains within the Power Pacific portfolio.

Summary of assets under management (including unfunded commitments):

(in billions of dollars)	September 30, 2021	September 30, 2020
Sagard <sup>[1][2]</sup>	9.5	5.6
Power Sustainable <sup>[2]</sup>	3.0	1.7
<b>Total</b>	<b>12.5</b>	<b>7.3</b>
Percentage of third-party and associates	71%	54%

[1] Includes ownership in Wealthsimple valued at \$2.1 billion based on its May 2021 investment round and excludes AUM of Sagard's wealth management business.

[2] Excludes the fair value of interests held in standalone businesses.

#### STANDALONE BUSINESSES

- On October 15, 2021, GP Strategies completed its previously announced transaction and was acquired by Learning Technologies Group (AIM: LTG.L). Sagard disposed of its 21.0% equity interest and received proceeds of US\$76 million.

Net earnings of the standalone businesses in the third quarter of 2021 was \$58 million, compared with \$23 million in the comparative period in 2020. The third quarter of 2021 includes a net contribution of \$55 million from Lion which consists of the Corporation's share of earnings of Lion, a decrease in the fair value of outstanding call rights held by Power Sustainable and a decrease in amounts payable for long-term incentive plans, net of related taxes.

At September 30, 2021, the fair value of standalone businesses was \$1.7 billion, compared with \$0.6 billion at September 30, 2020.

## 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 February 1, 2022, to shareholders of record December 31, 2021.

## Dividends on Power Corporation Non-Participating Preferred Shares

The Board of Directors also declared quarterly dividends on the Corporation's preferred shares, payable January 15, 2022, to shareholders of record December 24, 2021:

Series	Stock Symbol	Amount	Series	Stock Symbol	Amount
1986 Series	POW.PR.F	Floating rate <sup>[1]</sup>	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 September 1 to November 30, 2021.



## Investor Information

### Access to Quarterly Results Materials:

The third quarter earnings news release and shareholder report are available on the Power Corporation website at [www.powercorporation.com/en/investors](http://www.powercorporation.com/en/investors)

### Investor Relations Contact:

Treasury 514-286-7400  
[investor.relations@powercorp.com](mailto:investor.relations@powercorp.com)

### Quarterly Earnings Conference Call:

Power Corporation will host an earnings call and live audio webcast on Thursday, November 11, 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](http://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 7390136#.

A replay of the conference call will be available from November 11, 2021 at 11:30 a.m. (Eastern Time) until March 16, 2022 by calling 1-800-585-8367 toll-free in North America or 416-621-4642 for international calls, using the access code 7390136#. A webcast archive will also be available on Power Corporation's website.

## About Power Corporation

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

At September 30, 2021, Power Corporation held the following economic interests:

<b>100%</b>	<b>Power Financial</b>	<a href="http://www.powerfinancial.com">www.powerfinancial.com</a>
<b>66.7%</b>	<b>Great-West Lifeco</b> (TSX: GWO)	<a href="http://www.greatwestlifeco.com">www.greatwestlifeco.com</a>
<b>61.8%</b>	<b>IGM Financial</b> (TSX: IGM)	<a href="http://www.igmfinc.com">www.igmfinc.com</a>
<b>14.1%</b>	<b>GBL</b> <sup>[1]</sup> (Euronext: GBLB)	<a href="http://www.gbl.be">www.gbl.be</a>
<b>55.0%</b>	<b>Wealthsimple</b> <sup>[2]</sup>	<a href="http://www.wealthsimple.com">www.wealthsimple.com</a>

Investment Platforms		
<b>100%</b>	<b>Sagard</b>	<a href="http://www.sagard.com">www.sagard.com</a>
<b>100%</b>	<b>Power Sustainable</b>	<a href="http://www.powersustainable.com">www.powersustainable.com</a>
	<b>Power Pacific</b>	<a href="http://www.powerpacificim.com">www.powerpacificim.com</a>
	<b>Power Sustainable Energy Infrastructure</b>	<a href="http://www.powersustainable.com">www.powersustainable.com</a>

<b>13.9%</b>	<b>China AMC</b> <sup>[3]</sup>	<a href="http://www.chinaamc.com">www.chinaamc.com</a>
--------------	---------------------------------	--

[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.



## Earnings Summary

### Contribution to Adjusted and Net Earnings

(unaudited) (in millions of dollars)	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
<b>Adjusted net earnings</b> <sup>[1]</sup>				
Lifeco <sup>[2]</sup>	580	454	1,625	1,289
IGM <sup>[2]</sup>	167	133	440	347
GBL <sup>[2]</sup>	(11)	(15)	63	73
Effect of consolidation <sup>[3]</sup>	(4)	(31)	74	(10)
	732	541	2,202	1,699
Alternative asset investment platforms and Other <sup>[4][5]</sup>	45	(15)	421	50
China AMC	17	11	45	30
Standalone businesses <sup>[4][6]</sup>	58	23	213	(16)
Corporate operating and other expenses	(57)	(30)	(186)	(144)
Dividends on non-participating and perpetual preferred shares	(47)	(47)	(141)	(142)
Non-controlling interests of Power Financial	-	-	-	(116)
<b>Adjusted net earnings</b> <sup>[7]</sup>	748	483	2,554	1,361
Adjustments – see below	(7)	22	(263)	10
<b>Net earnings</b> <sup>[7]</sup>	741	505	2,291	1,371

### Contribution to Adjusted and Net Earnings per Share

(unaudited) (in dollars per share)	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
<b>Adjusted net earnings per share – basic</b> <sup>[1]</sup>				
Lifeco <sup>[2]</sup>	0.86	0.67	2.40	1.91
IGM <sup>[2]</sup>	0.25	0.20	0.65	0.52
GBL <sup>[2]</sup>	(0.02)	(0.02)	0.09	0.11
Effect of consolidation <sup>[3]</sup>	(0.01)	(0.06)	0.11	(0.07)
	1.08	0.79	3.25	2.47
Alternative asset investment platforms and Other <sup>[4][5]</sup>	0.06	(0.01)	0.62	0.08
China AMC	0.03	0.02	0.07	0.04
Standalone businesses <sup>[4][6]</sup>	0.09	0.03	0.32	(0.02)
Corporate operating and other expenses and dividends on non-participating and perpetual preferred shares	(0.16)	(0.11)	(0.49)	(0.44)
<b>Adjusted net earnings per share</b> <sup>[7]</sup>	1.10	0.72	3.77	2.13
Adjustments – see below	(0.01)	0.03	(0.39)	0.02
<b>Net earnings per share</b> <sup>[7]</sup>	1.09	0.75	3.38	2.15

[1] For a reconciliation of Lifeco, IGM, GBL, and Alternative and other investments' non-IFRS adjusted net earnings to their net earnings, refer to the section "Contribution to net earnings and adjusted net earnings" of the Corporation's most recent MD&A.

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

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

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

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

[7] Attributable to participating shareholders.



## Alternative and Other Investments – Adjusted Net Earnings

(unaudited) (in millions of dollars)	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Sagard				
Asset management activities <sup>[1]</sup>	<b>(18)</b>	4	<b>44</b>	-
Investing activities (proprietary capital) <sup>[2][3]</sup>	<b>55</b>	(15)	<b>90</b>	10
Power Sustainable				
Asset management activities <sup>[1]</sup>	<b>(7)</b>	(6)	<b>(19)</b>	(14)
Investing activities (proprietary capital) <sup>[4]</sup>	<b>13</b>	1	<b>279</b>	52
Standalone businesses <sup>[5]</sup>	<b>58</b>	23	<b>213</b>	(16)
Investment and hedge funds and Other <sup>[6]</sup>	<b>2</b>	1	<b>27</b>	2
	<b>103</b>	8	<b>634</b>	34

[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 a realized gain of \$66 million recognized by the Corporation on disposal of its interest in Sagard Europe 3 in the third quarter of 2021, as well as realized gains on disposals by Sagard Europe 3 of private equity investments in the second and third quarters of 2021.

[3] 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, Portage III, Koho and Wealthsimple was \$606 million in the nine-month period ended September 30, 2021, compared with an increase of \$184 million in fair value in the corresponding period in 2020.

[4] Mainly comprised of gains (losses) realized on the disposal of investments and dividends received. In 2021, the Corporation recognized realized gains on the disposal of investments in Power Pacific of \$229 million, \$56 million and \$18 million, respectively, in the first, second and third quarters.

[5] The third quarter of 2021, includes a net contribution of \$55 million from Lion which consists of the Corporation's share of earnings of Lion, a decrease in the fair value of outstanding call rights held by Power Sustainable and a decrease in amounts payable for long-term incentive plans, net of related taxes. 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 Acquisition Corp., 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 second 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 in the second quarter. 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.



## Adjustments (excluded from Adjusted Net Earnings)

(unaudited) (in millions of dollars)	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Share of Lifeco's adjustments <sup>[1]</sup>				
Actuarial assumption changes and other management actions	45	44	74	91
Market-related impacts on liabilities	32	13	3	(64)
Transaction costs related to acquisitions	(60)	(21)	(77)	(21)
Tax legislative changes impact on liabilities	-	-	(14)	-
Net gain on business dispositions	-	63	-	63
Restructuring and integration charges	(16)	-	(34)	-
	1	99	(48)	69
Effect of consolidation <sup>[2]</sup>	5	(2)	(3)	(2)
	6	97	(51)	67
Share of IGM's adjustments <sup>[1]</sup>				
Gain on the sale of Personal Capital	-	19	-	19
Restructuring and other charges	-	(34)	-	(34)
	-	(15)	-	(15)
Effect of consolidation <sup>[2]</sup>	-	(36)	(99)	(37)
	-	(51)	(99)	(52)
Share of GBL's adjustments <sup>[3]</sup>				
Other charges	-	(2)	-	(6)
Alternative and other investments				
Remeasurements of Wealthsimple's put right liability	-	(22)	(100)	(22)
Recovery on deconsolidation of IntegraMed	-	-	-	27
	-	(22)	(100)	5
Corporate operations				
Reorganization charges	(13)	-	(13)	-
Non-controlling interest of Power Financial	-	-	-	(4)
	(7)	22	(263)	10

[1] As reported by Lifeco and IGM.

[2] The 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 Adjustments reported by Lifeco and IGM, which includes an allocation of the Adjustments related to the fintech portfolio based on their respective interest, iii) 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. As well, the three- and nine-month periods ended September 30, 2020 reflect the adjustment to the Corporation's share of IGM's Adjustment related to the gain on disposal of Personal Capital; the Corporation has not included this amount as an Adjustment as the gain recognized by the Corporation relates to the remeasurement of the investment in Personal Capital at fair value on the date Lifeco acquired control.

[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 \$52.81 at September 30, 2021, compared with \$51.60 at June 30, 2021, representing an increase of 2.3%.

September 30, 2021 (in millions of dollars, except per share amounts)	Combined non-consolidated balance sheet	Fair value adjustment	Net asset value
<b>Assets</b>			
Investments			
Power Financial			
Lifeco	15,295	8,609	23,904
IGM	3,315	3,379	6,694
GBL	4,278	(1,133)	3,145
Alternative and other investments			
Sagard <sup>[1][2]</sup>	714	693	1,407
Power Sustainable <sup>[1]</sup>	1,380	346	1,726
Other			
Standalone businesses <sup>[3]</sup>	820	748	1,568
Other	280	38	318
China AMC <sup>[4]</sup>	740	-	740
Cash and cash equivalents	1,575	-	1,575
Other assets	366	-	366
<b>Total assets</b>	<b>28,763</b>	<b>12,680</b>	<b>41,443</b>
<b>Liabilities and non-participating shares</b>			
Debentures and other debt instruments	897	-	897
Other liabilities <sup>[5]</sup>	1,037	-	1,037
Non-participating shares and perpetual preferred shares	3,784	-	3,784
<b>Total liabilities and non-participating shares</b>	<b>5,718</b>	<b>-</b>	<b>5,718</b>
<b>Net value</b>			
Participating shareholders' equity / Net asset value	23,045	12,680	35,725
<b>Per share</b>	<b>34.07</b>		<b>52.81</b>

[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 \$99 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, other than those held in publicly traded operating companies, 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.

### Comparative Figures

In the first quarter of 2021, the charge related to the remeasurement of the put right liability of certain of the non-controlling interests in Wealthsimple to fair value was presented as an Adjustment as these rights were extinguished at the close of the transaction and thereafter will not have future fair value changes. The fair value changes in the put right obligations were not previously presented as an Adjustment as they were expected to be recurring. The related amounts in the comparative periods have been reclassified as an Adjustment to reflect this presentation. Adjusted net earnings in the third quarter of 2020 has been restated to reflect this change.

The Corporation's share of the charge on the remeasurement of the put right liability was \$45 million in the third quarter of 2020. 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 \$22 million, \$2 million and \$21 million, respectively.

### 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, the Corporation's normal course issuer bid, redemption by Power Financial of its Series I First Preferred Shares, fundraising activities by investment platforms, and the Corporation's subsidiaries' disclosed expectations, including the acquisition of the Prudential full-service retirement business (as defined herein), impacts, and timing thereof as well as a result of the acquisition of the retirement services business of MassMutual, Personal Capital and related synergies, impacts and timing thereof as well as the impacts and timing of the EverWest transaction. 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 normal course issuer bid, 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](http://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](http://www.sedar.com).

- 30 -

**For further information, please contact:**

Stéphane Lemay  
Vice-President, General Counsel and Secretary  
514 286-7400