

# News Release

For immediate release



POWER CORPORATION  
OF CANADA

## Power Corporation Reports Fourth Quarter and 2020 Financial Results

Readers are referred to the sections "Non-IFRS Financial Measures and Presentation" and "Forward-Looking Statements" at the end of this release.

**Montréal, Québec, March 17, 2021** – Power Corporation of Canada (Power Corporation or the Corporation) (TSX: POW) today reported earnings results for the fourth quarter and twelve months ended December 31, 2020.

### Power Corporation Consolidated results for the period ended December 31, 2020

#### HIGHLIGHTS

- The Corporation's net asset value (NAV) per share<sup>[1]</sup> was \$41.27 at December 31, 2020, compared with \$34.94 at September 30, 2020, an increase of 18.1%.
- The Corporation was one of only three Canadian companies, along with Great-West Lifeco Inc. (Lifeco), to earn an A ("Leadership") rating on CDP's 2020 Climate Change Questionnaire, a rating which identifies the global leaders in the management of carbon, climate change risks and low-carbon opportunities.
- The Corporation announced its notice of intention to make a normal course issuer bid on February 23, 2021.
- On December 31, 2020, Empower Retirement, a subsidiary of Lifeco, completed the acquisition of the retirement services business of Massachusetts Mutual Life Insurance Company (MassMutual) for US\$2.3 billion, strengthening Empower Retirement's position as the second-largest retirement services provider in the U.S. based on assets under administration and number of retirement plan participants.
- Lifeco's assets under administration were \$2.0 trillion at December 31, 2020, an increase of 21% from December 31, 2019 primarily due to the MassMutual transaction.
- IGM Financial Inc. (IGM) reported record-high assets under management and advisement of \$240.0 billion, up 6.7% in the quarter and 10.3% in the year (excluding \$30.3 billion in net business acquisitions).
- On December 31, 2020, Mackenzie Financial Corporation (Mackenzie) acquired GLC Asset Management Group Ltd. (GLC), a wholly owned subsidiary of Lifeco. This transaction allows Mackenzie to become one of Canada's largest asset managers and expands its distribution reach.
- The merger between Pargesa Holding SA (Pargesa) and Parjointco Switzerland SA, a wholly owned subsidiary of Parjointco SA, was completed on November 20, 2020. Accordingly, Pargesa was delisted from the Swiss Stock Exchange.
- Sagard Holdings Inc. (Sagard Holdings) has recently announced:
  - First closing of its second credit fund, Sagard Credit II, with commitments of US\$650 million. Fundraising efforts will continue in 2021.
  - Launch of its Canadian Private Equity platform, a strategy which will focus on the middle market in Canada.
  - Final closing of Sagard Healthcare Royalty Partners, LP (SHRP) with commitments totalling approximately US\$725 million.
- Power Sustainable Capital Inc. (Power Sustainable) announced the launch of the Power Sustainable Energy Infrastructure Partnership, a \$1 billion investment platform dedicated to the North American renewable energy sector, on January 19, 2021.
- The Lion Electric Co. (Lion) announced it intends to combine with Northern Genesis Acquisition Corp. (Northern Genesis), a public corporation, on November 30, 2020.

[1] NAV, NAV per share, adjusted net earnings and adjusted net earnings per share are non-IFRS 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 equity. Net asset value is the fair value 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 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 \$41.27 at December 31, 2020, compared with \$34.94 at September 30, 2020, representing an increase of 18.1%.

(in millions of Canadian dollars, except per share amounts)		December 31, 2020	September 30, 2020	Variation %
<b>Publicly Traded Operating Companies</b>	Lifeco	18,825	16,139	17
	IGM	5,105	4,516	13
	GBL	2,870	2,678	7
		26,800	23,333	15
<b>Alternative Asset Investment Platforms</b>	Sagard Holdings <sup>[1]</sup>			
	Investments	1,298	1,292	-
	Power Sustainable <sup>[1]</sup>			
	Power Pacific	1,142	977	17
	Power Energy Corporation	730	735	(1)
		3,170	3,004	6
<b>Other</b>	China AMC <sup>[2]</sup>	715	709	1
	Standalone businesses <sup>[3]</sup>	1,351	625	116
	Other assets and investments	548	624	(12)
	Cash and cash equivalents	1,226	1,216	1
	<b>Gross asset value</b>	33,810	29,511	15
	Liabilities and preferred shares	(5,859)	(5,884)	-
	<b>Net asset value</b>	27,951	23,627	18
	Shares outstanding (millions)	677.2	676.3	
	<b>Net asset value per share</b>	41.27	34.94	18

[1] The management companies of the investment funds are included at their carrying value.

[2] China Asset Management Co., Ltd.

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

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

	Ownership <sup>[1]</sup> (%)	Shares held <sup>[1]</sup> (in millions)	Share price	
			December 31, 2020	September 30, 2020
Lifeco	66.8	620.3	\$30.35	\$26.02
IGM	62.1	147.9	\$34.51	\$30.53
GBL <sup>[2]</sup>	14.1	22.8	€82.52	€76.98

[1] As at December 31, 2020. [2] Held through Parjointco.



## FOURTH QUARTER

Net earnings attributable to participating shareholders were \$623 million or \$0.92 per share, compared with \$179 million or \$0.42 per share in 2019.

Adjusted net earnings attributable to participating shareholders<sup>[1]</sup> were \$627 million or \$0.93 per share, compared with \$357 million or \$0.84 per share in 2019.

### Contributions to Power Corporation's earnings per share

(in dollars per Power Corporation share)	2020 <sup>[2]</sup>		2019	
	Net Earnings	Adjusted Net Earnings	Net Earnings	Adjusted Net Earnings
Lifeco <sup>[3]</sup>	0.73	0.73	0.51	0.84
IGM <sup>[3]</sup>	0.19	0.19	0.17	0.18
GBL <sup>[4]</sup>	0.02	0.02	0.05	0.08
Effect of consolidation	(0.05)	(0.05)	-	-
	0.89	0.89	0.73	1.10
Alternative asset investment platforms <sup>[5][6]</sup>	0.05	0.05	(0.03)	(0.03)
China AMC	0.02	0.02	0.02	0.02
Standalone businesses <sup>[6]</sup>	0.07	0.07	(0.09)	(0.05)
	1.03	1.03	0.63	1.04
Corporate operations and Other <sup>[7]</sup>	(0.11)	(0.10)	(0.21)	(0.20)
	0.92	0.93	0.42	0.84
Average shares outstanding (in millions)		676.7		426.3

**Lifeco:** contribution to net earnings per share increased by 43%; contribution to adjusted net earnings per share decreased by 13%.

**IGM:** contribution to net earnings per share increased by 12%; contribution to adjusted net earnings per share increased by 6%.

**GBL:** results include a charge of \$0.07 per share in the quarter for losses due to an increase in the put right liability of the non-controlling interests in Webhelp and charges related to Webhelp's employee incentive plan.

**Alternative asset investment platforms:** results of the fourth quarter include a gain of \$0.05 per share recognized on the deconsolidation of Koho Financial Inc. (Koho).

**Standalone businesses:** results include a positive impact of \$0.03 per share mainly resulting from an increase in fair value of Lion, which was reflected in the value of existing call rights to acquire additional shares, partially offset by an increase in management's long-term incentives, including the Corporation's share of Lion's incentive plans, as well as the positive impact of \$0.03 related to the Corporation's share of a gain recognized by Peak on the sale of its Easton business.

As part of the Reorganization completed in February 2020, the Corporation anticipates 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 61% of the targeted reduction.

[1] A non-IFRS financial measure; see Non-IFRS Financial Measures and Presentation later in this news release.

[2] The Corporation completed a reorganization transaction on February 13, 2020 in which it acquired the minority interests of Power Financial (the Reorganization) and now holds 100% of the common shares of Power Financial.

[3] The Corporation eliminated the gain recognized by Lifeco on the sale of GLC, and the gain recognized by IGM on the sale of the Quadrus Group of Funds (QGOF) from the contribution to the Corporation's net earnings.

[4] Adjustments in 2019 are as previously reported by Pargesa.

[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 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.



Adjustments in the fourth quarter of 2020, excluded from adjusted net earnings, were a net negative impact to earnings of \$4 million or \$0.01 per share, mainly related to the Corporation's net charges of \$8 million in conjunction with the Reorganization, partially offset by the Corporation's share of Lifeco's and IGM's net adjustments. Adjustments in the fourth quarter of 2019 were a negative impact to earnings of \$178 million or \$0.42 per share, mainly related to the Corporation's share of Lifeco's and GBL's adjustments and a goodwill impairment charge by IntegraMed America, Inc. (IntegraMed).

## TWELVE MONTHS

Net earnings attributable to participating shareholders were \$1,994 million or \$3.08 per share, compared with \$1,108 million or \$2.53 per share in 2019.

Adjusted net earnings attributable to participating shareholders were \$1,943 million or \$3.00 per share, compared with \$1,275 million or \$2.92 per share in 2019.

### Contributions to Power Corporation's earnings per share

(in dollars per Power Corporation share)	2020 <sup>[1]</sup>		2019	
	Net Earnings	Adjusted Net Earnings	Net Earnings	Adjusted Net Earnings
Lifeco <sup>[2][3]</sup>	2.76	2.65	2.33	2.67
IGM <sup>[3]</sup>	0.66	0.71	0.68	0.70
GBL	0.13	0.14	0.22	0.27
Effect of consolidation	(0.16)	(0.16)	0.05	0.05
Alternative asset investment platforms <sup>[4][5]</sup>	3.39	3.34	3.28	3.69
China AMC	0.09	0.09	0.14	0.14
Standalone businesses <sup>[5]</sup>	0.06	0.06	0.07	0.07
	0.09	0.05	(0.21)	(0.17)
Corporate operations and Other <sup>[6]</sup>	3.63	3.54	3.28	3.73
	(0.55)	(0.54)	(0.75)	(0.81)
	3.08	3.00	2.53	2.92
Average shares outstanding (in millions)		647.5		437.5

Adjustments in the twelve-month period of 2020, excluded from adjusted net earnings, were a net positive impact to earnings of \$51 million or \$0.08 per share, mainly related to the Corporation's share of Lifeco's adjustments and a recovery on the deconsolidation of IntegraMed, offset by the Corporation's share of IGM's adjustments. Adjustments in the twelve-month period of 2019 were a net negative impact to earnings of \$167 million or \$0.39 per share, mainly related to the Corporation's share of Lifeco's and GBL's adjustments, partially offset by a favourable change to the Corporation's income tax provision estimates.

[1] The Corporation completed the Reorganization on February 13, 2020 and now holds 100% of the common shares of Power Financial. In the second quarter of 2019, the Corporation completed a substantial issuer bid and repurchased 9.8% of its Subordinate Voting Shares.

[2] Power Financial participated in Lifeco's substantial issuer bid in the second quarter of 2019; the number of shares held by Power Financial decreased by 7.4%.

[3] The Corporation eliminated the gain recognized by Lifeco on the sale of GLC, and the gain recognized by IGM on the sale of the Quadrus Group of Funds (QGOF) from the contribution to the Corporation's net earnings.

[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 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.



## Great-West Lifeco, IGM Financial and Groupe Bruxelles Lambert Results for the quarter ended December 31, 2020

The information below is derived from Lifeco and IGM's annual 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.igmfinancial.com](http://www.igmfinancial.com). The information below related to GBL is derived from publicly disclosed information, as issued by GBL in its fourth quarter press release. Further information on GBL's results is available on its website at [www.gbl.be](http://www.gbl.be).

### GREAT-WEST LIFECO INC.

#### FOURTH QUARTER

Net earnings attributable to common shareholders were \$912 million or \$0.98 per share, compared with \$513 million or \$0.55 per share in 2019.

Adjusted net earnings<sup>[1]</sup> attributable to common shareholders were \$741 million or \$0.80 per share, compared with \$831 million or \$0.90 per share in 2019.

Adjustments in the fourth quarter of 2020, excluded from adjusted net earnings, were a net positive impact to earnings of \$171 million, compared with a net negative impact to earnings of \$318 million in 2019. Lifeco's adjustments in 2020 consisted of a net positive impact of the revaluation of a deferred tax asset of \$196 million in the U.S. segment and a net gain of \$143 million related to the sale of GLC<sup>[2]</sup>, partially offset by transaction, restructuring and integration costs of \$114 million related to acquisitions in the U.S. and strategic initiatives in the Canada segment, as well as the negative impacts of actuarial assumption changes and market-related impacts on liabilities.

### IGM FINANCIAL INC.

#### FOURTH QUARTER

Net earnings available to common shareholders were \$229.1 million or \$0.96 per share, compared with \$191.6 million or \$0.80 per share in 2019.

Adjusted net earnings available to common shareholders were \$204.3 million or \$0.86 per share, compared with \$200.8 million or \$0.84 per share in 2019.

Adjustments, not included in adjusted net earnings, in the fourth quarter of 2020 were a net positive impact of \$24.8 million consisting of a gain on the sale of the Quadrus Group of Funds<sup>[2]</sup>, net of acquisition costs, of \$21.4 million after tax and IGM's proportionate share of Lifeco's after-tax adjustments related to the revaluation of a deferred tax asset, less certain restructuring and transaction costs, of \$3.4 million.

Assets under management and advisement at December 31, 2020 were \$240.0 billion, an increase of 6.7% in the quarter and 10.3% (excluding \$30.3 billion in net business acquisitions) from the prior year.

### GROUPE BRUXELLES LAMBERT

#### FOURTH QUARTER

GBL reported net earnings of €68 million, compared with net earnings of €134 million in 2019.

GBL reported a net asset value at December 31, 2020 of €20,498 million, representing €127.03 per share, compared with €18,008 million or €111.61 per share at September 30, 2020.

GBL adopted IFRS 9 in 2018. Power Corporation continues to apply IAS 39; this results in a negative adjustment to the contribution from GBL of \$61 million in the fourth quarter of 2020.

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

[2] The Corporation eliminated the gain recognized by Lifeco on the sale of GLC, and the gain recognized by IGM on the sale of QGOF, from reported net earnings.



## Alternative and Other Investments

Results for the quarter ended December 31, 2020

Alternative and other investments are comprised of the results of the Corporation's alternative asset investment platforms, Sagard Holdings and Power Sustainable, which includes income earned from asset management activities and investing activities. Asset management activities includes management fees and carried interests, 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.

### FOURTH QUARTER

Income from the Corporation's alternative and other investments, including standalone businesses, was \$78 million, compared with a loss of \$35 million in 2019.

Income in the fourth quarter includes the Corporation's share of a gain recognized on the deconsolidation of Koho of \$31 million, as well as a net gain of \$20 million mainly related to the increase in value of call rights on shares of Lion, net of an increase in long-term incentives including the Corporation's share of Lion's incentives, reflecting Lion's fair value increase in the quarter.

### 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, 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, during the remainder of 2020, the markets have experienced recoveries.

The Corporation is managing the risks associated with the COVID-19 pandemic utilizing its existing risk management framework. At Power Corporation and its group companies, the focus has continued to be on managing the safety and well-being of its people, maintaining operational effectiveness, ensuring that the group can serve its customers, assessing impacts on earnings, liquidity and capital, planning for different potential scenarios and engaging with stakeholders. The respective boards of directors of Power Financial, Lifeco, IGM, and GBL are responsible for the governance structures and processes to oversee the management of the risk and potential impacts presented by the current economic slowdown and other potential consequences due to COVID-19.

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



## Dividend on Power Corporation Participating Shares

The Board of Directors declared a quarterly dividend of 44.75 cents per share on the Participating Preferred Shares and the Subordinate Voting Shares of the Corporation, payable April 30, 2021 to shareholders of record March 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 April 15, 2021 to shareholders of record March 29, 2021:

Series	Stock Symbol	Amount	Series	Stock Symbol	Amount
1986 Series	POW.PR.F	21.44¢ <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 December 1, 2020 to February 28, 2021.



## Investor Information

### Access to Quarterly Results Materials:

Interested investors, the media and others may view the fourth quarter earnings news release and shareholder report on the Power Corporation website at [www.powercorporation.com/en/investors](http://www.powercorporation.com/en/investors)

### Investor Relations Contact:

Treasury 514-286-7400

### Quarterly Earnings Conference Call:

Power Corporation will host an earnings call and live audio webcast on Thursday, March 18, 2021 at 8 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 6298744#.

A replay of the conference call will be available from March 18, 2021 at 11 a.m. (Eastern Time) until May 13, 2021 by calling 1-800-585-8367 toll-free in North America or 416-621-4642 for international calls, using the access code 6298744#. 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 December 31, 2020, 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>66.8%</b>	<b>Great-West Lifeco</b> (TSX: GWO)	<a href="http://www.greatwestlifeco.com">www.greatwestlifeco.com</a>
<b>62.1%</b>	<b>IGM Financial</b> (TSX: IGM)	<a href="http://www.igmfinancial.com">www.igmfinancial.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>74.9%</b>	<b>Wealthsimple Financial Corp.</b> <sup>[2]</sup>	<a href="http://www.wealthsimple.com">www.wealthsimple.com</a>

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

<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 Portag3 I, Power Financial and IGM, representing a fully diluted equity interest of 61.7%.

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



## Earnings Summary

### Contribution to net and adjusted net earnings

(in millions of Canadian dollars)	Three months ended December 31,		Twelve months ended December 31,	
	2020	2019	2020	2019
<b>Adjusted net earnings</b> <sup>[1]</sup>				
Lifeco <sup>[2]</sup>	495	556	1,784	1,814
IGM <sup>[2]</sup>	127	125	474	473
GBL <sup>[2]</sup>	16	51	89	181
Effect of consolidation <sup>[3]</sup>	(34)	(3)	(67)	33
	<b>604</b>	729	<b>2,280</b>	2,501
Alternative asset investment platforms and other <sup>[4][5]</sup>	31	(11)	59	58
China AMC	12	7	42	30
Standalone businesses <sup>[4][6]</sup>	47	(24)	31	(76)
Corporate operating and other expenses	(20)	(61)	(164)	(246)
Dividends on non-participating and perpetual preferred shares	(47)	(48)	(189)	(191)
Non-controlling interests of Power Financial	-	(235)	(116)	(801)
<b>Adjusted net earnings</b> <sup>[7]</sup>	<b>627</b>	357	<b>1,943</b>	1,275
Adjustments – see below	(4)	(178)	51	(167)
<b>Net earnings</b> <sup>[7]</sup>	<b>623</b>	179	<b>1,994</b>	1,108

[1] Effective the first quarter of 2020, the Corporation introduced a modified definition of its non-IFRS earnings measures, Adjusted net earnings. The comparative figures have been restated. For additional information, please refer to the Non-IFRS Financial Measures and Presentation section later in this news release.

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

[3] Effect of consolidation includes the elimination of intercompany transactions, as well as the application of the Corporation's accounting treatment of commonly held investments to the reported net earnings of the publicly traded operating companies, which include an allocation of the results of the fintech portfolio including Wealthsimple, Koho, Portag3 I and Portag3 II, to the contributions from Lifeco and IGM based on their respective interest and reflects adjustments in accordance with IAS 39 for IGM and GBL. Refer to the detailed table in the Non-Consolidated Statements of Earnings section of the Corporation's most recent MD&A.

[4] Presented in Alternative and other investments in the Non-Consolidated Statements of Earnings 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 and earnings (losses) from Power Energy Corporation.

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

[7] Attributable to participating shareholders.



## Contribution to net and adjusted net earnings per share

(in Canadian dollars per share)	Three months ended December 31,		Twelve months ended December 31,	
	2020	2019	2020	2019
<b>Adjusted net earnings per share – basic</b> <sup>[1]</sup>				
Lifeco <sup>[2]</sup>	<b>0.73</b>	0.84	<b>2.65</b>	2.67
IGM <sup>[2]</sup>	<b>0.19</b>	0.18	<b>0.71</b>	0.70
GBL <sup>[2]</sup>	<b>0.02</b>	0.08	<b>0.14</b>	0.27
Effect of consolidation <sup>[3]</sup>	<b>(0.05)</b>	-	<b>(0.16)</b>	0.05
	<b>0.89</b>	1.10	<b>3.34</b>	3.69
Alternative asset investment platforms and other <sup>[4][5]</sup>	<b>0.05</b>	(0.03)	<b>0.09</b>	0.14
China AMC	<b>0.02</b>	0.02	<b>0.06</b>	0.07
Standalone businesses <sup>[4][6]</sup>	<b>0.07</b>	(0.05)	<b>0.05</b>	(0.17)
Corporate operating and other expenses and dividends on non-participating and perpetual preferred shares	<b>(0.10)</b>	(0.20)	<b>(0.54)</b>	(0.81)
<b>Adjusted net earnings per share</b> <sup>[7]</sup>	<b>0.93</b>	0.84	<b>3.00</b>	2.92
Adjustments – see below	<b>(0.01)</b>	(0.42)	<b>0.08</b>	(0.39)
<b>Net earnings per share</b> <sup>[7]</sup>	<b>0.92</b>	0.42	<b>3.08</b>	2.53

[1] Effective the first quarter of 2020, the Corporation introduced a modified definition of its non-IFRS earnings measures, Adjusted net earnings. The comparative figures have been restated. For additional information, please refer to the Non-IFRS Financial Measures and Presentation section later in this news release.

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

[3] Effect of consolidation includes the elimination of intercompany transactions, as well as the application of the Corporation's accounting treatment of commonly held investments to the reported net earnings of the publicly traded operating companies, which include an allocation of the results of the fintech portfolio including Wealthsimple, Koho, Portag3 I and Portag3 II, to the contributions from Lifeco and IGM based on their respective interest and reflects adjustments in accordance with IAS 39 for IGM and GBL. Refer to the detailed table in the Non-Consolidated Statements of Earnings section of the Corporation's most recent MD&A.

[4] Presented in Alternative and other investments in the Non-Consolidated Statements of Earnings 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 and earnings (losses) from Power Energy Corporation.

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

[7] Attributable to participating shareholders.

## Alternative and Other Investments – Earnings

(in millions of Canadian dollars)	Three months ended December 31,		Twelve months ended December 31,	
	2020	2019	2020	2019
Sagard Holdings				
Asset management activities <sup>[1]</sup>	<b>(3)</b>	(7)	<b>(3)</b>	(31)
Investing activities (proprietary capital)	<b>40</b>	(8)	<b>28</b>	(20)
Power Sustainable				
Investing activities (proprietary capital)	<b>(21)</b>	(5)	<b>17</b>	61
Standalone businesses <sup>[2]</sup>	<b>47</b>	(24)	<b>31</b>	(76)
Investment and hedge funds and other <sup>[3]</sup>	<b>15</b>	9	<b>17</b>	48
	<b>78</b>	(35)	<b>90</b>	(18)

[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 increase in fair value of Power Sustainable's call rights on Lion shares of \$102 million, partially offset by an increase in long-term incentive plans and deferred taxes of \$47 million and the Corporation's share of Lion's net loss in the amount of \$35 million. The net loss of Lion includes charges related to their employee incentive plan and an increase in fair value of warrants. Includes the Corporation's share of earnings (losses) of IntegraMed (up to the date of deconsolidation on May 20, 2020), Lumenpulse, Lion, a jointly controlled corporation and associates.

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



## Adjustments (not included in adjusted net earnings)

(in millions of Canadian dollars)	Three months ended December 31,		Twelve months ended December 31,	
	2020	2019	2020	2019
Share of Lifeco's adjustments <sup>[1]</sup> :				
Actuarial assumption changes and other management actions	<b>(15)</b>	(52)	<b>76</b>	115
Market-related impacts on liabilities	<b>(21)</b>	(9)	<b>(85)</b>	(60)
Net gain (charge) on business dispositions	-	6	<b>63</b>	(128)
Transaction costs related to the acquisitions of Personal Capital and MassMutual	<b>(31)</b>	-	<b>(52)</b>	-
Revaluation of a deferred tax asset	<b>131</b>	(133)	<b>131</b>	(133)
Restructuring and integration charges	<b>(56)</b>	(24)	<b>(56)</b>	(24)
Share of IGM's adjustments	<b>(1)</b>	-	<b>(1)</b>	-
	<b>7</b>	(212)	<b>76</b>	(230)
Share of IGM's adjustments <sup>[1]</sup> :				
Restructuring and other charges	-	-	<b>(34)</b>	-
Transaction costs related to acquisition of GLC	<b>(3)</b>	-	<b>(3)</b>	-
Share of Lifeco's adjustments	-	(8)	<b>3</b>	(9)
	<b>(3)</b>	(8)	<b>(34)</b>	(9)
Share of GBL's adjustments <sup>[2]</sup> :				
Imerys – Impairments, restructuring charges and other	-	(11)	<b>(3)</b>	(18)
Parques and other charges	-	(13)	<b>(3)</b>	(19)
	-	(24)	<b>(6)</b>	(37)
Alternative and other investments:				
Recovery on deconsolidation of IntegraMed	-	-	<b>27</b>	-
Share of IntegraMed's goodwill impairment charge	-	(16)	-	(16)
	-	(16)	<b>27</b>	(16)
Corporate operations:				
Reduction of income tax estimates	-	-	-	31
Reorganization charges	<b>(8)</b>	(9)	<b>(8)</b>	(9)
	<b>(8)</b>	(9)	<b>(8)</b>	22
Non-controlling interest of Power Financial	-	91	<b>(4)</b>	103
	<b>(4)</b>	(178)	<b>51</b>	(167)

[1] 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. In the fourth quarter, excludes the gain of \$159 million on the sale of GLC recognized by Lifeco and the gain of \$30 million on the sale of QGOF by IGM, as the Corporation will continue to consolidate GLC; the gains recognized by Lifeco and IGM, respectively, were eliminated from reported net earnings. In the third quarter, excludes 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. For additional information, please refer to the Non-IFRS Financial Measures and Presentation section later in this news release.

[2] 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 \$41.27 at December 31, 2020, compared with \$34.94 at September 30, 2020, representing an increase of 18.1%.

December 31, 2020 (in millions of Canadian dollars, except per share amounts)	Combined non-consolidated balance sheet	Fair value adjustment	Net asset value
<b>Assets</b>			
Investments			
Power Financial			
Lifeco	14,451	4,374	18,825
IGM	2,853	2,252	5,105
GBL	4,216	(1,346)	2,870
Alternative and other investments			
Sagard Holdings <sup>[1]</sup>			
Investments <sup>[2]</sup>	988	310	1,298
Power Sustainable <sup>[1]</sup>			
Power Pacific	1,142	-	1,142
Power Energy Corporation	427	303	730
Other			
Standalone businesses <sup>[3]</sup>	563	788	1,351
Other	247	19	266
China AMC <sup>[4]</sup>	715	-	715
Cash and cash equivalents	1,226	-	1,226
Other assets	282	-	282
<b>Total assets</b>	<b>27,110</b>	<b>6,700</b>	<b>33,810</b>
<b>Liabilities and non-participating shares</b>			
Debentures and other debt instruments	1,006	-	1,006
Other liabilities <sup>[5]</sup>	1,067	-	1,067
Non-participating shares and perpetual preferred shares	3,786	-	3,786
<b>Total liabilities and non-participating shares</b>	<b>5,859</b>	<b>-</b>	<b>5,859</b>
<b>Net value</b>			
Participating shareholders' equity / Net asset value	21,251	6,700	27,951
<b>Per share</b>	<b>31.38</b>		<b>41.27</b>

[1] The management companies of the investment funds are included at their carrying value.

[2] Includes the Corporation's investments in Portag3 I, Portag3 II, Wealthsimple and Koho, held by Power Financial.

[3] At December 31, 2020, the investment in Lion was valued based on the subscription price of US\$10.00 per share for the private placement of common shares announced as part of the merger transaction with Northern Genesis.

[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 announced a Reorganization and its strategy in early 2020. The Corporation has modified the presentation of the activities held through Power Financial. Previously, Power Financial's results including its corporate operations were presented separately by the Corporation. 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 Corporation's 2020 Annual MD&A. The investment activities of Power Financial are primarily interests held in fintech investments, all of which are managed by Sagard Holdings, and have been presented combined with the investing activities of Sagard Holdings, which represents the management and oversight structure. The comparatives in the non-consolidated earnings statements, non-consolidated balance sheets and non-consolidated statements of cash flows have been restated to reflect this change.

As well, in the second quarter of 2020, the Corporation modified the presentation of the asset management companies held by the investment platforms. Previously, the asset management activities were consolidated and included as corporate activities within the non-consolidated balance sheet of the Corporation. The activities of each asset management company are now presented within their operations. The comparatives in the non-consolidated balance sheets and non-consolidated statements of cash flows have been restated to reflect this change.

Effective the first quarter of 2020, the Corporation introduced a modified definition of its non-IFRS earnings measure, Adjusted net earnings. This change is consistent with the introduction of base earnings (loss) by Lifeco which was introduced in the first quarter of 2020 to reflect management's view of the operating performance of Lifeco. Lifeco defines base earnings (loss) as net earnings excluding the impact of actuarial assumption changes and management actions, direct equity and interest rate market impacts on insurance contract liabilities net of hedging, and items that management believes are not indicative of the company's underlying business results. The definition of Adjustments includes what the Corporation previously presented as other items and also includes Lifeco's impact of actuarial assumption changes and management actions, and direct equity and interest rate market impacts on insurance contract liabilities net of hedging. The definition of Adjustments used in Adjusted net earnings is being adopted to enhance comparability of results between reporting periods and in anticipation of Lifeco's implementation of accounting changes related to IFRS 17, *Insurance Contracts*, on January 1, 2023. The comparative periods have been restated to reflect the introduction of this modified measure.

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, Portag3 I, Portag3 II, and Wealthsimple, as well as other subsidiaries consolidated by Power Corporation, are accounted for using the equity method. Presentation on a non-consolidated basis is a non-IFRS presentation. However, it is useful to the reader as it presents the holding company's (parent) results separately from the results of its consolidated operating subsidiaries.

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

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

## ELIGIBLE DIVIDENDS

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



## FORWARD-LOOKING STATEMENTS

Certain statements in this news release, other than statements of historical fact, are forward-looking statements based on certain assumptions and reflect the Corporation's current expectations, or with respect to disclosure regarding the Corporation's public subsidiaries, reflect such subsidiaries' disclosed current expectations. Forward-looking statements are provided for the purposes of assisting the reader in understanding the Corporation's financial performance, financial position and cash flows as at and for the periods ended on certain dates and to present information about management's current expectations and plans relating to the future and the reader is cautioned that such statements may not be appropriate for other purposes. These statements may include, without limitation, statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of the Corporation and its subsidiaries, the 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, the completion of the Lion merger transaction and the timing thereof, and the Corporation's subsidiaries' disclosed expectations, including as a result of the acquisition of the retirement services business of MassMutual, Personal Capital 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 Corporation's 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 Management's Discussion and Analysis 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