



POWER CORPORATION
OF CANADA

Annual Meeting of Shareholders

Address to the Shareholders by
R. Jeffrey Orr
President and Chief Executive Officer
May 16, 2023

CHECK AGAINST DELIVERY



FORWARD-LOOKING STATEMENTS

For the meaning of the abbreviations used herein, see the list of abbreviations provided following the section titled "Organization of the Interim MD&A" in the Corporation's most recent interim MD&A filed with the securities regulatory authorities in Canada and available under the Corporation's SEDAR profile at www.sedar.com.

In the course of today's meeting, representatives of the Corporation may make, in their remarks or in response to questions, and the accompanying materials may include, statements containing forward-looking information.

Certain statements, 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 listener/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 outlook for North American and international economies for the current fiscal year and subsequent periods, the Corporation's normal course issuer bid programs and the return of net cash proceeds from the sale of interests in ChinaAMC to IGM, management of standalone businesses to realize value over time, fundraising activities by investment platforms, capital commitments by the Power group and third parties, the intended acquisition opportunity of Portage Fintech Acquisition Corporation, and the Corporation's subsidiaries' disclosed expectations, including in respect of the proposed acquisition of IPC by Canada Life from IGM, the completion of the Webhelp transaction, as well as expectations as a result of the acquisition of the Prudential full-service retirement business, the purchase by IGM of an interest in Rockefeller, and statements in respect of ESG goals and initiatives. 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 (such as the invasion of Ukraine), 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 at today's meeting, the factors identified by such subsidiaries in their respective Management's Discussion & Analysis (MD&A).

The listener/reader is cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements. Information contained in forward-looking statements is based upon certain material assumptions that were applied in drawing a conclusion or making a forecast or projection, including management's perceptions of historical trends, current conditions and expected future developments, that any required approvals (including regulatory approvals) for strategic transactions, acquisitions, divestitures or other growth or optimization strategies will be received when and on such terms as are expected, 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 risks and uncertainties 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 at today's meeting, the risks identified by such subsidiaries in their respective MD&A and Annual Information Form most recently filed with the securities regulatory authorities in Canada and available at www.sedar.com. While the Corporation considers these assumptions to be reasonable based on information currently available to management, they may prove to be incorrect.

Other than as specifically required by applicable Canadian law, the Corporation undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise.

Additional information about the risks and uncertainties of the Corporation's business and material factors or assumptions on which information contained in forward-looking statements is based is provided in its disclosure materials, including its current annual and most recent interim MD&A and Annual Information Form, filed with the securities regulatory authorities in Canada and available at www.sedar.com.



NON-IFRS FINANCIAL MEASURES AND OTHER MEASURES

In the course of today's meeting, representatives of the Corporation may reference, in their remarks or in response to questions, and the accompanying materials contain financial measures (including ratios) that do not have a standard meaning under International Financial Reporting Standards (IFRS). Terms by which non-IFRS financial measures are identified include, but are not limited to, "adjusted net earnings", "adjusted net earnings per share", "adjusted net asset value", "adjusted net asset value per share", "consolidated assets and assets under management", "consolidated assets and assets under administration" and "fee-related earnings". They may also include other measures used to discuss activities of the Corporation's consolidated publicly traded operating companies and alternative asset investment platforms including, but not limited to, "assets under management", "assets under administration", "assets under management and advisement", "book value per participating share", "carried interest", "fee-bearing capital", "market capitalization", "net asset value", "net carried interest" and "unfunded commitments". Management uses these non-IFRS and other financial measures in its presentation and analysis of the financial performance, financial condition and cash flows of the Corporation, and believes that they provide additional meaningful information to listeners/readers in their analysis of the results of the Corporation. These non-IFRS and other financial measures may not be comparable to similar measures used by other entities. Adjusted net asset value ("NAV" or "Net asset value") is commonly used by holding companies to assess their value. Adjusted net asset value represents the fair value of the participating shareholders' equity of Power Corporation. Adjusted net asset value is calculated as the fair value of the assets of the combined Power Corporation and Power Financial holding company (also referred to as gross asset value) less their net debt and preferred shares. The investments held in publicly traded 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 participating shareholders equity of the holding company and is used to assist the listener/reader in determining or comparing the fair value of investments held by the holding company or its overall fair value. Adjusted net asset value per share is calculated as adjusted net asset value divided by the number of participating shares outstanding. The discount to adjusted net asset value ("discount to NAV" or "NAV discount") is defined as the percentage difference (expressed in relation to the adjusted net asset value) between the market capitalization of the Corporation and the adjusted net asset value. Refer to the section entitled "Non-IFRS Financial Measures" in Part A of the Corporation's current annual and most recent interim MD&A located under the Corporation's profile on SEDAR at www.sedar.com for further explanations of their uses and specifically the sub-sections entitled "Adjusted Net Earnings", "Adjusted Net Asset Value", "Consolidated Assets and Assets Under Management and Consolidated Assets and Assets Under Administration" and "Fee-related Earnings" included in the section entitled "Reconciliations of IFRS and Non-IFRS Financial Measures" for the appropriate reconciliations of these non-IFRS financial measures to measures prescribed by IFRS, including those used in calculating non-IFRS ratios, and to the section "Other Measures" in Part A of the Corporation's current annual and most recent interim MD&A located under the Corporation's profile on SEDAR at www.sedar.com for definitions of the other financial measures, which further explanations, reconciliations and definitions are incorporated herein by reference and into any written materials made available to the public which accompany today's meeting.

DISCLOSURES CONCERNING PUBLIC INVESTEES

Information in this presentation and any accompanying oral statements in the course of today's meeting, including in response to questions, (i) concerning Great-West Lifeco and IGM, as applicable, has been derived from their respective current annual and most recent interim MD&A, as prepared and disclosed by the respective companies in accordance with applicable securities legislation, and which is also available either directly from SEDAR (www.sedar.com) or directly from their websites, www.greatwestlifeco.com and www.igmfinc.com and (ii) concerning Groupe Bruxelles Lambert (GBL) has been derived from publicly disclosed information, as issued by GBL, including in its fourth quarter press release, and further information on GBL's results is available on its website at www.gbl.be. For definitions and reconciliations of non-IFRS financial measures, refer to the "Non-GAAP Financial Measures and Ratios" section of Great-West Lifeco's and "Non-IFRS Financial Measures and Additional IFRS Measures" section of IGM's annual MD&A for the year ended December 31, 2022, included in the 2022 Annual MD&A and most recent interim MD&A located under their respective profiles on SEDAR at www.sedar.com.

All information is as at December 31, 2022, unless otherwise noted.



Address to the Shareholders by
R. Jeffrey Orr
President and Chief Executive Officer

Annual Meeting of Shareholders

May 16, 2023

Thank you, Mr. Chairman, and to all of you joining us today for Power Corporation's Annual Meeting of Shareholders.

In early 2022, public attention shifted quickly from the pandemic and other pressing social issues to the war in Ukraine, energy security, rising inflation, rising interest rates, and volatile financial markets.

This environment underscored the need for individuals and businesses to be prepared and have a plan. In this regard, the advice, planning and financial security provided to our clients by our group companies has never been more important.

All the while, the need to address the risks posed by climate change and to pursue greater equity and inclusion in our society, and enhance diversity in our workplaces, has in no way diminished.

Across Power and our group companies, resources and energy continued to be devoted to making progress on these important challenges. Success in meeting these challenges is vital to our success as a company, as it is for all of us collectively, as a society.

Throughout the year, we continued to embed ESG considerations in our businesses through our board representation at our group companies, senior management engagement, knowledge sharing, and our group-wide working groups.

On climate, our group companies are engaged in better understanding their own footprint and that of their portfolios. Great-West Lifeco, IGM and GBL have each set GHG emissions-related targets. Great-West Lifeco, IGM and Power's alternative investment platforms are also growing their sustainable investment solutions to give customers more options to invest in support of the global climate transition movement.

Across our companies, important steps were made to attract, retain and develop diverse talent and nurture inclusive and equitable workplaces. Both Great-West Lifeco and IGM set targets to increase the representation of women and employees from under-represented groups within their respective leadership, management, or general workforce, and they are progressing well towards achieving these targets.

In the spirit of Truth and Reconciliation with Indigenous peoples, several initiatives were also rolled out to build greater awareness at work and in the community.

In line with our deeply held value of corporate citizenship, the Power group also invested substantially in our communities in 2022, with close to \$44 million in contributions to over 1,800 community organizations.



Attracting and developing employees with the right skills and expertise, as well as building thriving cultures, is more important than ever. As we emerged from the pandemic, we enhanced existing employee development programs, emphasized the importance of health and wellness, and sought to build flexible, balanced and engaging workplaces.

In 2022, we continued in the execution of our value creation strategy, announced as part of the reorganization of Power Corporation and Power Financial in early 2020. The strategy includes three levers:

- 1) realizing higher organic growth at our publicly traded operating companies;
- 2) adding to that growth through M&A; and
- 3) creating additional returns through various opportunities at the Power Corporation level.

The strategy also includes simplifying our group in several ways:

- simplifying what we do by placing our focus on financial services, not diversification;
- simplifying how we are structured; and
- simplifying how we communicate to our various stakeholders.

Overall performance

While we are still in the early stages of executing our strategy, it has already yielded strong results. Our shareholders have realized attractive total returns above the TSX and TSX Financial benchmarks, despite the challenging conditions and macro environment that have prevailed during the past several years.

Great-West Lifeco and IGM Financial delivered solid earnings in 2022 despite the challenging environment

All in all, earnings in 2022 for Power Corporation were solid in a challenging year.

Great-West Lifeco and IGM Financial, which represent approximately 75% of the fair value of the Corporation's assets, have produced the great majority of Power's recurring earnings from year to year. In 2022 they achieved solid earnings despite significantly lower equity and bond market levels relative to 2021, which reduced fee income at both companies.

A combination of strong business momentum across their many business platforms and discipline in expense management contributed to the solid performance.

Transformation to enhance growth

In addition to delivering solid earnings, Great-West Lifeco and IGM have been transforming their businesses to position them for greater growth in the future.

Great-West Lifeco has significantly transformed its U.S. business. Since 2019, it has exited its individual insurance business and made three significant acquisitions to position Empower as a market leader in the U.S. retirement space, with a growing business in wealth management.

Today, Empower is the second-largest U.S. retirement services provider, serving over 18 million individuals with \$1.4 trillion in assets under administration.



In 2022, Empower completed the integration of MassMutual's retirement services business and of Personal Capital, meeting or exceeding the objectives set in 2020 when these two acquisitions were announced. Empower also completed the acquisition of Prudential's full-service retirement business.

Great-West Lifeco is also strengthening its leading Canadian business, Canada Life. In 2019, it combined Great-West Life, London Life and Canada Life into one larger company, Canada Life, now serving 12 million Canadians.

Last month, Canada Life announced it was accelerating its vision of establishing a leading wealth management platform for independent advisors and their clients, by agreeing to acquire Investment Planning Counsel from IGM Financial. Canada Life is building one of Canada's largest non-bank wealth providers, positioning it for strong organic growth.

IGM has also invested meaningfully over the past few years to reposition its businesses for long-term success:

- IG Wealth has retooled its advisor force and revamped its product suite and technology platform for the benefit of all of its clients and to cater to the high-net-worth market.
- In December, IG Wealth announced a strategic agreement to have nesto, a company in one of our Portage fintech funds, provide next-generation white-label mortgage services to IG Wealth clients across Canada.
- In 2020, Mackenzie acquired GLC, strengthening its position as a leading Canadian asset manager.
- Finally, in partnership with Northleaf Capital, Mackenzie launched numerous alternative investment products to give retail investors access to private-market investment solutions.

Earlier this year, IGM completed the purchase of Power's position in ChinaAMC, combining the group's ownership of ChinaAMC in one place, under IGM.

A few weeks ago, IGM also announced the acquisition of a 20.5% equity interest in high-growth U.S. wealth manager Rockefeller Capital Management, for US\$622 million. This will expand IGM's footprint into the U.S., with an iconic and unparalleled brand and a business model focused on the high-net-worth and ultra-high-net-worth segments.

IGM now has leading businesses in its home market in both wealth and asset management with IG Wealth, Mackenzie and Northleaf, and has significant growth drivers in the U.S. and in China, the two largest markets in the world, through Rockefeller Capital Management and ChinaAMC.

Moving to GBL and the other investments held by Power – which represent approximately 25% of the fair value of the Corporation's assets – their earnings can be volatile from period to period given the nature of their respective business strategies and their stage of development.

In 2022, GBL continued to pursue its strategy of increasing its investment mix towards private assets, with 23% of its assets now in private holdings.

GBL's business model and strategy focus on growing the value of its investment portfolio over time, versus producing stable earnings.



For example, this past March, one of GBL's portfolio investments, Webhelp, announced a transaction to combine with Concentrix. GBL had recorded cumulative accounting losses from its ownership of Webhelp over the past few years, even though Webhelp's value had been increasing. The transaction validated GBL's strategy of investing in Webhelp, and valued GBL's interest at €1.5 billion at the date of announcement, which represents a 1.8 times multiple on its initial investment.

Our alternative asset management businesses continued to raise funds and build scale

As they are in earlier stages of development, Power's alternative asset management businesses and some of its standalone businesses are not yet producing recurring earnings. These companies can experience large variations in value that sometimes flow through Power's income statements, generating overall gains in years such as 2020 and 2021, and occasionally losses, as in 2022.

Sagard and Power Sustainable continued to fundraise and build scale through the launch of new strategies and funds in 2022. They raised a total of \$2.4 billion, primarily from third parties and associated companies.

Power Sustainable launched Power Sustainable Lios, its North American agri-food private equity strategy, and closed the second vintage of its Power Sustainable Energy Infrastructure Partnership. In early 2023, it also launched its Global and European infrastructure credit strategies.

For its part, Sagard launched Portage Capital Solutions, a late-stage fintech-focused fund, as well as its Sagard Senior Lending Partners fund, and, a few weeks ago, closed the Sagard NewGen fund. Sagard also announced the final close of its third Portage Ventures fund in 2022.

At the end of 2022, the platforms had \$21.1 billion in funded and unfunded assets under management, up from \$19.1 billion at the end of 2021 and almost four times the amount under management three years ago. This growth has been driven by third parties and associated companies, as Power currently has approximately \$2.5 billion of capital invested in these strategies, in line with what it had in the first quarter of 2020.

As both platforms continue to mature, we expect the scale generated by third-party fundraises and product launches will drive both Sagard and Power Sustainable towards positive fee-related earnings.

We continued to simplify our structure and returned capital to shareholders

At the Power level, we have created value in the past few years by monetizing assets and using proceeds to buy back Power Corporation shares. Since the beginning of 2021 we have monetized \$1.8 billion worth of assets. In parallel, we've surfaced value at our standalone businesses by taking Lion Electric public and raising capital at Lumenpulse.

In 2022, Power returned \$1.7 billion of capital to shareholders with \$1.3 billion of dividends paid and \$415 million of shares repurchased. The Corporation purchased 11.2 million subordinate voting shares for cancellation, representing 1.7% of its participating shares. We did that while building cash and maintaining a strong financial position. As of March 31, Power has approximately \$1.35 billion of available cash, which includes the net proceeds from the sale of its ChinaAMC stake received in January of this year.

In March of 2023, the Corporation also declared a quarterly dividend of 52.50 cents per participating share, an increase of 6.1%.



Underlying our value creation strategy is our commitment to improving communication with our stakeholders. This has been a group-wide effort comprised of increasing our regulatory disclosures, improving the transparency and clarity of these disclosures and constantly enhancing investor and analyst engagement.

Over the past several years, our value creation strategy has provided a clear path to guide Power's decisions and actions through the many challenges and risks presented by global events. This strategy has led to the discount to net asset value coming down from our pre-reorganization average of approximately 34%.

First quarter 2023 earnings

I will now turn to Power Corporation's results for the first quarter of 2023.

Of note, Great-West Lifeco adopted the new accounting standards IFRS 17 and IFRS 9, a milestone which marks the successful implementation of IFRS 17 and culmination of a multi-year enterprise-wide initiative at Great-West Lifeco. The Corporation is reporting under the new standards for the first time for the quarter ended March 31, 2023.

Net earnings were \$313 million or \$0.47 per share, compared with \$862 million or \$1.28 per share in 2022. Adjusted net earnings were \$514 million or \$0.77 per share, compared with \$442 million or \$0.65 per share in 2022.

We are well positioned for further value creation

As we continue to execute on our strategy, realizing the benefits of our growth drivers at operating companies, continuing to simplify our structure, building scaled and profitable alternative asset managers and returning capital to shareholders, we see a path to creating further value for shareholders. While we recognize that we are operating in an environment of heightened risk, we are confident we are well positioned and optimistic about the opportunities in front of us.

We would like to thank our shareholders for their support, and our clients and business partners for the trust they place in us. We also thank our talented management teams and employees for their dedication and hard work.