



POWER CORPORATION  
OF CANADA

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## Annual Meeting of Shareholders

Address to the Shareholders by  
**R. Jeffrey Orr**  
President and Chief Executive Officer  
May 12, 2022

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## FORWARD-LOOKING STATEMENTS

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 listener/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 Corporation's normal course issuer bid commenced in 2022, the Corporation's sale of its interest in ChinaAMC to IGM Financial Inc. (IGM), and IGM's sale of a portion of its interest in Great-West Lifeco Inc. (Great-West Lifeco), and related impacts and timing thereof, management of standalone businesses to realize value over time, fundraising activities by investment platforms, capital commitments by the Power group and third parties, intended acquisition opportunity of Portage Fintech Acquisition Corporation, the objective to maintain a minimum level of cash and cash equivalents relative to fixed charges, and the Corporation's subsidiaries' disclosed expectations, including the expectations as a result of acquisitions, and related synergies, impacts and timing thereof as well as the impacts and timing of pending acquisitions. 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, the factors identified by such subsidiaries in their respective Management's Discussion and 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](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 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](http://www.sedar.com).

## NON-IFRS FINANCIAL 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" and "consolidated assets and assets under administration". Management uses these 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 financial measures may not be comparable to similar measures used by other entities. Refer to the section "Non-IFRS Financial Measures" in the Corporation's current annual and most recent interim MD&A (each available on SEDAR at [www.sedar.com](http://www.sedar.com)) for the appropriate reconciliations of these non-IFRS financial measures to measures prescribed by IFRS as well as additional details on each measure, which disclosures are incorporated by reference into any written materials made available to the public which accompany today's meeting.

## 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 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". As well, a non-consolidated basis of presentation is used to present and analyze the financial position and cash flows of the Corporation as a holding company. Refer to the section "Other Measures" in the Corporation's current annual and most recent interim MD&A for a definition of each measure, which definitions are incorporated by reference into any written materials made available to the public which accompany today's meeting.



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

## **Annual Meeting of Shareholders**

### **May 12, 2022**

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

After over two years of coping with a pandemic, with the path back to a more normal world just starting to come into view, a number of new challenges have emerged, highlighted by the horrors created by the unprovoked invasion of Ukraine, and the terrible human tragedy associated with it.

We are also now witnessing inflation levels unseen in many decades, higher interest rates and much higher volatility in financial markets generally. And of course, the issue of global warming, and the many social and inclusion issues that exist, are also significant challenges remaining to be addressed.

These are serious challenges, but the world has confronted and overcome serious challenges before, and we can and will do so again.

Times of challenge reinforce the clear need for what the Power group companies provide to society.

We help millions of people manage risk and build financial security for themselves and their families. The need for the advice that we and our industry provide has never been greater.

Companies across the globe are asking themselves what role they play in society, what value they provide, and to which stakeholders they are accountable. For a very long time across the Power group, we have thought of our clients, our people, and our communities as key stakeholders. The rising expectations being created by the current focus on Environmental, Social and Governance matters, or "ESG", are raising the bar for us, as they are for all companies.

At Power, responsible management is an intrinsic component of our long-term approach to building our businesses, and it has been for decades.

The Chairman will address our responsible management philosophy in more detail in his remarks. For my part, I will just touch on a few highlights of the past year to illustrate the Power group's focus on ESG initiatives.

Great-West Lifeco, IGM and GBL each made public commitments regarding climate targets.

Power Corporation was one of only three companies in Canada named on the Carbon Disclosure Project's Climate "A List".

In 2021, we made a total of \$45 million in charitable contributions to approximately 2,000 community organizations across Canada. Initiatives funded by the Power group include projects supporting the advancement of women and gender equality, diversity and inclusion, the environment, Indigenous reconciliation, and financial inclusion.

Finally, we continued to enhance our strong governance framework.



In 2021, we held our first annual advisory vote on the Corporation's approach to executive compensation.

We also adopted an objective of having no less than 30 per cent female representation on our Board by 2025. Four women are nominated for election to the Board at today's Meeting, representing 29 per cent of the Board.

As much as we have made significant progress, we also recognize that there is still much work to do, for our companies and for society as a whole.

At the same time, providing attractive returns to our shareholders has, and will remain, the core objective which allows us to continue contributing to the well-being of all our stakeholders.

In this regard, Power Corporation has been pursuing a particular value creation strategy focused on financial services announced as part of its reorganization some two years ago. It entails three key 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.

### **We made substantial progress in 2021 by pulling on all three value creation levers**

We made substantial progress in 2021 by pulling on all three of these value creation levers, and we have carried over that momentum into 2022.

Power Corporation drove shareholder value creation through a combination of strong growth at our OpCos, that is to say Great-West Lifeco, IGM and GBL, the benefit of acquisitions made by the OpCos, and a number of initiatives at the Power level. The latter included scaling our alternative asset management businesses, surfacing and realizing value from other assets, and continuing to simplify our structure and our business.

Power Corporation reported record-high net earnings and adjusted net earnings in 2021, up 46 per cent and 62 per cent, respectively, from 2020 levels. Net earnings were \$2.9 billion in 2021, and adjusted net earnings were \$3.2 billion.

The adjusted net asset value of the Corporation's shares increased 27 per cent during 2021, with the year-end value at \$52.60 per share. In November, the Corporation increased the quarterly dividend declared on its participating shares by 10.6 per cent, to 49.50 cents per share.

As a result of share price appreciation and dividends, shareholders realized a total return of 49.9 per cent for the twelve months ended December 31, 2021 and realized annual compounded total returns of 27.0 per cent and 13.1 per cent over the three- and five-year periods, respectively. These total return numbers are above those realized by the S&P TSX Composite Index and Financial Services Sub-Index for each of the corresponding periods.



### **Our operating companies successfully executed on organic growth and M&A strategies**

After several years of investing in their businesses to enhance their competitive positions, the management teams of each of our OpCos are highly focused on translating these investments into higher earnings and cash flow growth, and, in the case of GBL, higher net asset value growth.

Great-West Lifeco reported record financial results in 2021 based on strong business performance across segments and several acquisitions which advanced the company's value creation priorities and accelerated its growth.

The most significant of these was the acquisition of Prudential Financial's retirement business by Great-West Lifeco's U.S.-based Empower Retirement for \$4.45 billion.

The transaction, which just closed last month, follows Empower's 2020 acquisitions of Personal Capital and MassMutual's retirement plan businesses.

Empower is now the second-largest provider of employer-based retirement savings programs in the U.S., serving more than 17 million American residents who have US\$1.4 trillion of their savings with Empower. It is well positioned for continued strong growth in market share and earnings in the years ahead.

IGM continued to implement growth strategies at IG Wealth Management, Mackenzie Investments and Investment Planning Counsel, and delivered record-high investment flows, assets under management and advisement, and earnings in 2021.

IGM benefitted from Mackenzie's acquisition of Canada Life's Canadian asset management business and its acquisition of an interest in Northleaf, both completed in 2020.

IGM is well positioned for continued earnings and cash flow growth.

Finally, GBL continued to actively manage its portfolio companies, rotating increasingly to private investments and focusing on consumer, health, sustainability and technology mega-trends in order to increase net asset value.

GBL reported a 13 per cent increase in net asset value per share over the year, driven by contributions from private and alternative assets, and lower net debt.

### **We made significant headway in growing our alternative asset management businesses**

Our strategies at the Power Corporation level are progressing well too.

We made significant headway in creating scale as asset managers, attracting third-party capital to fuel growth. Total assets under management of our alternative asset investment platforms grew to \$19.1 billion at year-end, up significantly from \$8.5 billion the previous year.

As at year-end, third-party funding at our alternative asset investment platforms represented 81 per cent of our platforms' total assets under management, up from 58 per cent at the end of 2020.

Alternative asset management is also synergistic with the businesses of our OpCos. Both Great-West Lifeco and IGM are focused on increasing their participation in this area, either for their own balance sheet needs or to meet their clients' investing needs.



In 2021, Sagard acquired Great-West Lifeco's U.S.-based real estate investment management firm EverWest, with Great-West Lifeco committing to invest approximately US\$2 billion in EverWest investment vehicles, and up to approximately US\$500 million in other Sagard strategies.

GBL is also building its private asset capabilities through its alternative investments and real assets platform, Sienna Investment Managers.

### **We surfaced and realized value while simplifying our business**

Power owns a number of standalone businesses that are not focused on financial services. Our strategy consists of managing these businesses to surface and then realize value over time.

Owning fewer businesses, and having them focused on financial services, is also part of our simplification strategy.

In 2021, the public listing of Lion Electric through a merger with a special purpose acquisition company surfaced significant value relative to Power's carrying value.

We also monetized our position in GP Strategies with the closing of GP Strategies' merger with Learning Technologies Group.

Power and IGM are, together, the largest shareholder of Wealthsimple, one of Canada's leading financial technology companies and operating one of the country's largest and fastest-growing digital investing services.

A round of fundraising in 2021 by Wealthsimple, led by a number of the world's leading technology investors, confirmed the significant value that has been created at Wealthsimple. The Power group took advantage of the fundraising round to sell some of its shares, more than recouping the group's total investment in the company, while still maintaining a significant ownership position of 43 per cent, on a fully diluted basis.

These various transactions, together with other asset sales, generated pre-tax proceeds of \$769 million in 2021, providing additional liquidity that can be deployed in support of Power's share buyback program.

In addition, in early January of 2022, we continued to simplify our corporate structure and announced the consolidation of the Power group's ownership stake in ChinaAMC at IGM.

### **We returned capital to shareholders and reduced costs**

Having raised liquidity through asset sales in 2021, we also took steps to return additional capital to our shareholders.

After a period of approximately a year and a half during which Power had decided to maintain its dividend level in the face of increased potential risk due to the pandemic, we were pleased to announce in November the 10.6 per cent increase in the quarterly dividend rate declared on Power's participating shares. At that time, we also announced the resumption of the Corporation's share buyback program.

At the end of the fourth quarter, we announced that Power had met its target of reducing its annual operating expenses at the holding company by \$50 million, which had been set at the time of the reorganization as part of the Corporation's value creation strategy.



### **We enhanced investor relations and stakeholder communications**

Finally, we remain committed to improving our communications to increase investors and other stakeholders' understanding of our business model, active management approach, value creation strategies, and performance.

### **First quarter 2022 earnings**

I will now turn to Power Corporation's first quarter 2022 results.

Net earnings were \$478 million or \$0.71 per share, compared with \$556 million in 2021 or \$0.82 per share. Adjusted net earnings were \$515 million or \$0.76 per share, compared with \$786 million or \$1.16 per share.

Strong year-over-year growth in the contributions from our publicly traded operating companies was offset by realized losses and impairments in the China portfolio due to the recent decline in Chinese equity markets, as compared to very strong gains from the China portfolio in 2021.

### **Quarterly dividend**

At the meeting of the Board which was held yesterday, the Directors declared a quarterly dividend of 49.50 cents per share on the participating shares of Power Corporation.

### **We are well positioned for further value creation**

Throughout 2021, and into 2022, we made significant progress in executing our value creation strategy.

Looking to the future, we have many value-enhancing opportunities to pursue as we continue to execute our strategy. Although there is enhanced risk in the current global and economic environment, we will continue to pursue our goals and our vision, while we manage risk for our clients and for our own businesses. We believe we are well positioned for further value creation.

Before I close, I would like to say thank you to J. David A. Jackson. You have made a great contribution as a director of Power, and before that, as a director of Great-West Lifeco and IGM.

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.

Thank you.