

Wealthsimple Equity Offerings Accelerate Momentum and Enhance Value for IGM Financial Shareholders

Value of IGM Financial's Investment in Wealthsimple Increases by \$900 Million to \$1.45 Billion

Winnipeg – May 3, 2021: IGM Financial Inc. (“IGM” or “the Company”) (TSX: IGM), one of Canada’s leading diversified wealth and asset management companies, today issued the following statement on Wealthsimple’s announcement of CAD \$750 million equity offerings.

IGM is the largest shareholder in Wealthsimple and holds a 36 per cent interest, prior to the closing of the transaction. Reflecting today’s revised valuation of Wealthsimple, IGM will increase its fair value assessment by \$900 million (\$3.78 per IGM share), from \$550 million to \$1.45 billion for such interest. This represents an approximately eight-fold increase in the value of IGM’s cumulative investment of \$187 million and a compound annual return on investment of approximately 80 per cent.

“We’re proud of our investment and relationship with Wealthsimple, and are excited by today’s announcement, its ongoing growth and enhanced value,” said James O’Sullivan, President & CEO, IGM Financial. “The company is a pioneer in online Canadian financial services, and we expect today’s news will continue to accelerate its success and generate ongoing value for our shareholders.”

The offerings consist of a \$250 million primary fundraising by Wealthsimple, as well as a \$500 million secondary offering by the Power Corporation of Canada group of companies. IGM along with other members of the Power Corporation group of companies will reduce their respective stakes in Wealthsimple on a pro-rata basis as a result of the offering.

As part of the secondary equity offering, IGM will receive proceeds of approximately \$295 million (approximately \$260 million after-tax). Pro forma, IGM will continue to be the largest shareholder in Wealthsimple with an interest of 23 per cent and its continuing investment will have a value of \$1.15 billion. Fully-diluted, the Power Corporation of Canada group of companies will have 60 per cent voting control, control of the board and 43 per cent economic interest. The transaction is subject to customary closing conditions and is expected to close by mid-May 2021.

IGM’s strategic investments, along with its wealth management and asset management businesses, play a key role in positioning the company for future growth. Wealthsimple is a key part of a portfolio of fintech investments that IGM and the Power group have cultivated. These investments include the investee companies of Portag3, along with IGM’s previous investment in Personal Capital that was sold to Empower Retirement (also a member of the Power Corporation of Canada group of companies) during 2020. Investments in organizations such as Wealthsimple, China AMC, Northleaf Capital Partners and Portag3 enhance the capabilities of IGM’s core operating businesses while giving it exposure to new markets with favorable secular trends.

*NOTE: All references to percentage ownership are fully-diluted. IGM’s pro forma interests, are arrived at by taking into account all options outstanding and does not include consideration of the proceeds that would be available to the company should all options vest and be exercised.

ABOUT IGM FINANCIAL INC.

IGM Financial Inc. is one of Canada's leading diversified wealth and asset management companies with approximately \$248 billion in total assets under management and advisement. The company provides a broad range of financial planning and investment management services to help more than two million Canadians meet their financial goals. Its activities are carried out principally through IG Wealth Management, Mackenzie Investments and Investment Planning Counsel. IGM Financial is a member of the Power Corporation group of companies.

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FORWARD-LOOKING STATEMENTS

Certain statements in this Release, other than statements of historical fact, are forward-looking statements based on certain assumptions and reflect IGM's current expectations. Forward-looking statements are provided to assist the reader in understanding the Company's financial position and results of operations 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. Readers are cautioned that such statements may not be appropriate for other purposes. These statements may include, without limitation, statements regarding the expected increase in fair value assessment of the Wealthsimple investment, the anticipated future performance of Wealthsimple, the expected proceeds from the primary and secondary offerings and the resulting size and value of the ownership interests of members of the Company and the Power Corporation group of companies, and the closing of the transaction and expected 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".

This information is based upon certain material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking statements, including the perception of historical trends, current conditions and expected future developments, as well as other factors that are believed to be appropriate in the circumstances. While IGM considers these assumptions to be reasonable based on information currently available to management, they may prove to be incorrect. 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 material factors, many of which are beyond IGM's and its subsidiaries' control, affect the operations, performance and results of IGM and its subsidiaries, and their respective 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, interest and foreign exchange rates, global equity and capital markets, management of market liquidity and funding risks, changes in accounting policies and methods used to report financial condition (including uncertainties associated with critical accounting assumptions and estimates), the effect of applying future accounting changes, operational and reputational risks, business competition, technological change, changes in government regulations and legislation, changes in tax laws, unexpected judicial or regulatory proceedings, catastrophic events, outbreaks of disease or pandemics (such as COVID-19), IGM's ability to complete strategic transactions, integrate acquisitions and implement other growth strategies, and IGM's and its subsidiaries' success in anticipating and managing the foregoing factors.

The reader is cautioned that the foregoing list is not exhaustive of the factors that may affect any of IGM's forward-looking statements. The reader is also cautioned to consider these and other factors, uncertainties and potential events carefully and not place undue reliance on forward-looking statements.

Other than as specifically required by applicable Canadian law, IGM undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date on which such statements are 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 IGM's businesses and material factors or assumptions on which information contained in forward-looking statements is based is provided in its disclosure materials filed with the securities regulatory authorities in Canada, available at www.sedar.com.