



Power Financial Announces Results of Conversion Rights of Non-Cumulative 5-Year Rate Reset First Preferred Shares, Series P and Non-Cumulative Floating Rate First Preferred Shares, Series Q

Readers are referred to the section "Forward-Looking Statements" at the end of this release.

Montréal, Quebec, January 20, 2026 – Further to Power Financial Corporation's ("Power Financial" or the "Corporation") (TSX: PWF.PR.P, PWF.PR.Q) press releases dated December 2, 2025 and January 2, 2026, Power Financial announced today that all of its outstanding 1,542,484 Non-Cumulative Floating Rate First Preferred Shares, Series Q (the "Series Q shares") will be converted on February 2, 2026, on a one-for-one basis, into Non-Cumulative 5-Year Rate Reset First Preferred Shares, Series P (the "Series P shares") of Power Financial. During the conversion notice period which ran from January 2, 2026 to January 16, 2026, 4,200 Series P shares were tendered for conversion into Series Q shares and 856,753 Series Q shares were tendered for conversion into Series P shares. Pursuant to the terms and conditions of the Series Q shares, since there would remain outstanding on February 2, 2026, after having taken into account all Series P shares and Series Q shares tendered for conversion, less than 1,000,000 Series Q shares, all remaining Series Q shares will automatically be converted into Series P shares without the consent of the holders, regardless of whether they were initially tendered for conversion by holders.

In addition, despite the fact that, during the conversion notice period 4,200 Series P shares were tendered for conversion into Series Q shares, since there would be fewer than 1,000,000 Series Q shares outstanding on February 2, 2026, after having taken into account all Series P shares and Series Q shares tendered for conversion, holders of Series P shares who elected to tender their shares for conversion will not have their Series P shares converted into Series Q shares on February 2, 2026, in accordance with the terms and conditions of the Series P shares.

Consequently, no Series Q shares will be issued on February 2, 2026 and all 1,542,484 Series Q shares will be automatically converted into Series P shares on February 2, 2026. As a result of the foregoing, after February 2, 2026, there will be 11,200,000 Series P shares outstanding and no Series Q shares outstanding.

The Series P shares and Series Q shares are currently listed on the Toronto Stock Exchange under the symbols PWF.PR.P and PWF.PR.Q, respectively.

About Power Financial

Power Financial, a wholly owned subsidiary of Power Corporation of Canada, is an international management and holding company with interests in financial services and asset management businesses in Canada, the United States and Europe. It also has significant holdings in a portfolio of global companies based in Europe. To learn more, visit www.powerfinancial.com.

Readers are reminded that Power Financial relies on certain of the continuous disclosure documents filed by Power Corporation of Canada pursuant to an exemption from the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations* as provided in the decision of the Autorité des marchés financiers and the Ontario Securities Commission, dated September 10, 2024, regarding Power Financial and Power Corporation of Canada, and that such continuous disclosure documents can be found for viewing in electronic format under the profile of Power Financial on SEDAR+ at www.sedarplus.ca.

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 as disclosed in Power Corporation of Canada's MD&A. Forward-looking statements are provided 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 conversion of the Series Q shares into Series P shares. 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 administrations, regulation, legislation and policies, changes in tax laws, the impact of trade-relations and ongoing trade tensions, including the threat of tariffs and other governmental actions as well as retaliatory actions, 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, the Corporation's and its subsidiaries' ability to complete strategic transactions, integrate acquisitions and implement other growth strategies, and the Corporation's and its subsidiaries' success in anticipating and managing the foregoing factors.

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, and that strategic transactions, acquisitions, divestitures or other growth or optimization strategies will be completed on expected terms, including that any required approvals 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 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. 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 Power Corporation of Canada's most recent annual MD&A and subsequent interim MD&A and Annual Information Form, filed with the securities regulatory authorities in Canada and available at www.sedarplus.ca.

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