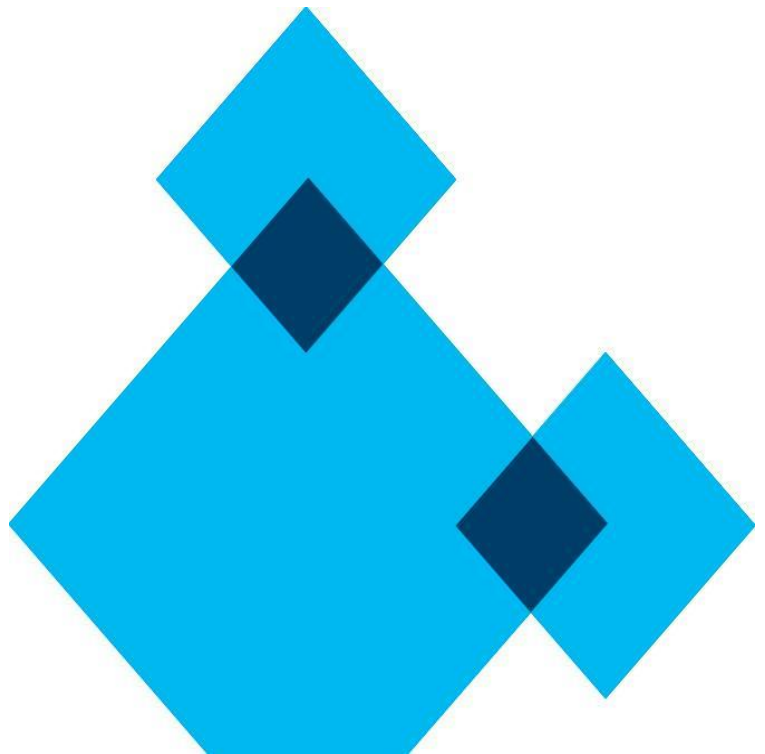




AUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2022 and 2021





MANAGEMENT'S REPORT

The accompanying consolidated financial statements of Aimia Inc. are the responsibility of management and have been approved by the Board of Directors. The consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles, which are International Financial Reporting Standards ("IFRS"). The consolidated financial statements include some amounts and assumptions based on management's best estimates which have been derived with careful judgment.

In fulfilling its responsibilities, management of the corporation has developed and maintains a system of internal accounting controls. These controls are designed to provide reasonable assurance that the financial records are reliable for preparation of the financial statements. The Board of Directors reviews and approves the corporation's consolidated financial statements.

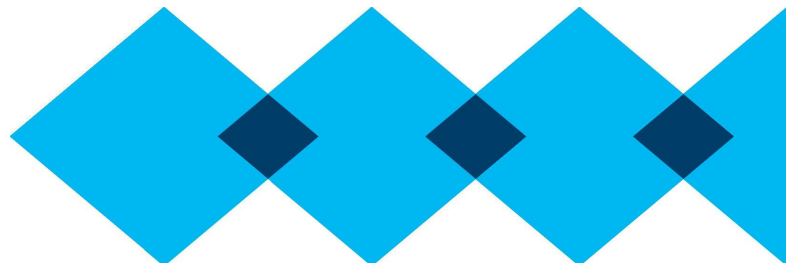
March 15, 2023

(signed) "Philip Mittleman"

PHILIP MITTLEMAN
Chief Executive Officer

(signed) "Steven Leonard"

STEVEN LEONARD
Chief Financial Officer





Independent auditor's report

To the shareholders of Aimia Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Aimia Inc. and its subsidiaries (together, the Corporation) as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

What we have audited

The Corporation's consolidated financial statements comprise:

- the consolidated statements of operations for the years ended December 31, 2022 and 2021;
- the consolidated statements of comprehensive income (loss) for the years then ended;
- the consolidated statements of financial position as at December 31, 2022 and 2021;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP
1250 René-Lévesque Boulevard West, Suite 2500, Montréal, Quebec, Canada H3B 4Y1
T: +1 514 205 5000, F: +1 514 876 1502



Key audit matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key audit matter

How our audit addressed the key audit matter

Valuation of certain Level 3 Investments in private companies and other financial instruments

Refer to note 2 – Summary of significant accounting policies and note 3 – Financial instruments to the consolidated financial statements.

The Corporation's investments in private companies and other financial instruments of \$170.4 million, include financial instruments for which there were significant unobservable inputs and for which management determined fair value estimates using a variety of valuation techniques (Level 3 financial instruments). These Level 3 financial instruments include equity investments in Clear Media Limited (Clear Media), an investment in preferred shares of TRADE X and investments in convertible notes of TRADE X and Kognitiv Corporation (Kognitiv). The valuation of these financial instruments required management to exercise judgment when determining the fair value in the absence of quoted market values.

As at December 31, 2022, management determined fair value estimates for the equity investments in Clear Media of \$54.7 million, using income and market approach valuation techniques. The income and market approach valuation techniques include key valuation inputs related to the Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)

Our approach to addressing the matter included the following procedures, among others:

Tested how management determined the fair values of the Level 3 financial instruments, which included the following:

- For the equity investments in Clear Media:
 - With the assistance of professionals with specialized skill and knowledge in the field of valuation, assessed the appropriateness of the income and market approach and the reasonableness of the EBITDA multiple and the discount rate used in the approach.
 - Tested the mathematical accuracy of the calculation.
 - Tested the underlying data used by management in the approach.
 - Evaluated the reasonableness of the return to historical profitability, by considering Clear Media's current and past performance and relevant external market data.
- For the investment in preferred shares of TRADE X:
 - With the assistance of professionals with specialized skill and knowledge in the field of valuation, developed an independent point estimate of the fair value estimate based on data and key valuation inputs used by management, including an independent expectation for a revenue multiple.
 - Tested the mathematical accuracy of the calculation.



Key audit matter

As at December 31, 2022, management determined fair value estimates for the investment in preferred shares of TRADE X of \$40.2 million, using a market approach valuation technique. The market approach valuation technique includes key valuation inputs related to the EBITDA multiple, revenue multiple and the Series A financing round enterprise value.

As at December 31, 2022, management determined fair value estimates of \$9.8 million for the investment in the convertible notes of Kognitiv and of \$35.0 million for the investment in the convertible note of TRADE X using a market approach valuation technique. The valuation technique includes key valuation inputs related to the conversion price (maturity), qualified financing conversion discount, share price, implied credit spread and volatility.

We considered this a key audit matter due to the judgment required by management when determining the fair value estimates of these financial instruments. This in turn led to a high degree of auditor subjectivity, judgment and effort in performing procedures relating to the valuation of these financial instruments. The audit effort involved the use of professionals with specialized skill and knowledge in the field of valuation.

How our audit addressed the key audit matter

- Tested the underlying data used in developing the independent point estimate.
- Compared the independent point estimate to management's estimate to evaluate the reasonableness of management's estimate.
- For the convertible notes in Kognitiv and TRADE X:
 - With the assistance of professionals with specialized skill and knowledge in the field of valuation, assessed the appropriateness of the market approach and the reasonableness of the conversion price (maturity), qualified financing conversion discount, share price, implied credit spread and volatility key valuation inputs used in the approach.
 - Tested the mathematical accuracy of the calculation.
 - Tested the underlying data used by management in the approach.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Corporation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Andrew Popliger.

*PricewaterhouseCoopers LLP*¹

Montréal, Quebec
March 15, 2023

¹ CPA auditor, public accountancy permit No. A125677



CONSOLIDATED STATEMENTS OF OPERATIONS

		Years Ended December 31,	
<i>(in millions of Canadian dollars, except share and per share amounts)</i>		2022	2021
Income			
Share of net income (loss) of equity-accounted investments	Note 4	\$ (27.5)	\$ (10.2)
Net change in fair value of investments	Note 3	(39.5)	11.9
Interest, dividend and other investment income	Notes 3, 4 & 14A	11.5	1.6
Revenue from investment management fees	Note 14A	1.5	2.4
Gain on disposal of equity-accounted investments	Note 4	530.5	6.9
		476.5	12.6
Expenses			
Compensation and benefits	Note 14A	12.0	16.4
Professional, advisory and service fees		5.5	4.4
Insurance, technology and other office expenses		3.1	3.5
Fair value (gain) loss on contingent consideration		(1.0)	0.8
Other financial (income) expense, net		3.0	(0.3)
Depreciation and amortization	Note 6	0.1	0.7
Impairment charge	Note 6	11.4	—
		34.1	25.5
Decrease in limited partners' capital liability	Note 15	2.9	0.8
		445.3	(12.1)
Earnings (loss) before income taxes			
Income tax expense			
Current	Note 7	(5.2)	(5.0)
		(5.2)	(5.0)
Net earnings (loss) from continuing operations			
Net earnings from discontinued operations	Note 16	—	0.7
Net earnings (loss)		\$ 440.1	\$ (16.4)
Weighted average number of shares - Basic			
	Note 5	87,682,533	90,922,527
Basic earnings (loss) per common share			
Continuing operations	Note 5	\$ 4.88	\$ (0.33)
Discontinued operations		—	0.01
Total		\$ 4.88	\$ (0.32)
Diluted earnings (loss) per common share			
Continuing operations	Note 5	\$ 4.83	\$ (0.33)
Discontinued operations		—	0.01
Total		\$ 4.83	\$ (0.32)

The accompanying notes are an integral part of these consolidated financial statements.



CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

	Years Ended December 31,	
	2022	2021
<i>(in millions of Canadian dollars)</i>		
Net earnings (loss)	\$ 440.1	\$ (16.4)
Other comprehensive income (loss):		
<i>Items that may be reclassified subsequently to net earnings (loss)</i>		
Foreign currency translation adjustments	14.9	(0.2)
Reclassification to net earnings of cumulative translation adjustments related to equity-accounted investments disposed of	Note 4 (32.4)	0.6
Share of other comprehensive income (loss) of equity-accounted investments	Note 4 (0.6)	1.3
Other comprehensive income (loss)	(18.1)	1.7
Comprehensive income (loss)	\$ 422.0	\$ (14.7)
Comprehensive income (loss):		
Continuing operations	422.0	(15.4)
Discontinued operations	—	0.7
	\$ 422.0	\$ (14.7)



CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at		December 31,	December 31,
<i>(in millions of Canadian dollars)</i>		2022	2021
ASSETS			
<i>Current assets</i>			
Cash and cash equivalents	Note 2	\$ 505.3	\$ 34.8
Restricted cash	Note 2	—	1.8
Investments in marketable securities	Note 3	52.9	77.5
Income taxes receivable		0.9	0.9
Accounts receivable		0.7	0.9
Prepaid expenses		1.5	1.5
Receivable from related party	Note 13	2.0	—
		563.3	117.4
<i>Non-Current assets</i>			
Investments in private companies and other financial instruments	Note 3	170.4	171.9
Equity-accounted investments	Note 4	18.7	95.3
Customer Relationships	Note 6	1.1	1.1
Goodwill	Note 6	—	11.0
Other non-current assets	Note 14B	50.5	34.3
		\$ 804.0	\$ 431.0
LIABILITIES AND EQUITY			
<i>Current liabilities</i>			
Accounts payable and accrued liabilities	Note 14B	7.3	4.7
Limited partners' capital liability	Note 15	2.2	5.4
		9.5	10.1
<i>Non-Current liabilities</i>			
Other non-current liabilities	Note 14B	17.6	16.9
		27.1	27.0
Total equity	Note 10	776.9	404.0
		\$ 804.0	\$ 431.0
Contingencies and commitments	Notes 8 & 11		

Approved by the Board of Directors

(signed) Karen Basian

Karen Basian
Director

(signed) Jordan G. Teramo

Jordan G. Teramo
Director



CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2021 and 2022	Common shares outstanding	Share capital	Retained earnings (deficit)	Accumulated other comprehensive income (loss)	Contributed surplus	Total equity
<i>(In millions of Canadian dollars, except share amounts)</i>						
Balance, December 31, 2020	92,488,212	\$ 235.9	\$ (2,100.8)	\$ 30.8	\$ 2,265.4	\$ 431.3
Total comprehensive income (loss)						
Net loss			(16.4)			(16.4)
Other comprehensive income (loss):						
Foreign currency translation adjustments				(0.2)		(0.2)
Reclassification to net earnings of cumulative translation adjustments related to equity-accounted investment disposed of	Note 4			0.6		0.6
Share of other comprehensive income of equity-accounted investments	Note 4			1.3		1.3
Total comprehensive income (loss)	—	—	(16.4)	1.7	—	(14.7)
Transactions with owners, recorded directly in equity						
Dividends	Note 9		(12.6)			(12.6)
Total distributions to owners	—	—	(12.6)	—	—	(12.6)
Balance, December 31, 2021	92,488,212	\$ 235.9	\$ (2,129.8)	\$ 32.5	\$ 2,265.4	\$ 404.0
Total comprehensive income (loss)						
Net earnings			440.1			440.1
Other comprehensive income (loss):						
Foreign currency translation adjustments				14.9		14.9
Reclassification to net earnings of cumulative translation adjustments related to equity-accounted investment disposed of	Note 4			(32.4)		(32.4)
Share of other comprehensive loss of equity-accounted investments	Note 4			(0.6)		(0.6)
Total comprehensive income (loss)	—	—	440.1	(18.1)	—	422.0
Transactions with owners, recorded directly in equity						
Common shares repurchased	Note 10	(8,323,598)	(0.4)		(36.1)	(36.5)
Dividends	Note 9		(12.6)			(12.6)
Total distributions to owners		(8,323,598)	(0.4)		(36.1)	(49.1)
Balance, December 31, 2022	84,164,614	\$ 235.5	\$ (1,702.3)	\$ 14.4	\$ 2,229.3	\$ 776.9

The accompanying notes are an integral part of these consolidated financial statements.



CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31,

(in millions of Canadian dollars)

2022

2021

CASH FLOWS FROM (USED IN)

Operating activities

Net earnings (loss)		\$	440.1	\$	(16.4)
Adjustments for:					
Depreciation and amortization			0.1		0.7
Share-based compensation and other performance awards			(2.4)		7.3
Share of net (earnings) loss of equity-accounted investments			27.5		10.2
Net financial income			(8.5)		(1.9)
Income tax expense			5.2		4.8
Litigation provision			4.0		—
Impairment charge			11.4		—
Net change in fair value of investments in equity instruments			39.5		(11.9)
Fair value (gain) loss on contingent consideration			(1.0)		0.8
Gain on disposal of equity-accounted investments			(530.5)		(6.9)
Changes in Limited Partners' Capital Liability			(2.9)		(0.8)
Changes in operating assets and liabilities	Note 14C		1.3		3.7
Other			(1.0)		0.1
			(457.3)		6.1
Cash used in operating activities before the following items:			(17.2)		(10.3)
Distributions received from equity-accounted investments	Note 4		—		26.4
Proceeds from disposal of marketable securities held for trading	Note 3		8.6		45.2
Purchases of marketable securities held for trading	Note 3		(8.0)		(38.1)
Interest and dividend received	Note 4		4.1		0.8
Income taxes paid			(5.2)		(2.6)
Net cash from (used in) operating activities	Note 16		(17.7)		21.4

Investing activities

Net proceeds from the disposal of equity-accounted investment, businesses and other assets	Note 4		537.2		4.3
Purchase of investments in marketable securities, private companies and other financial instruments	Note 3		(10.0)		(118.2)
Proceeds from disposal of investments in marketable securities, private companies and other financial instruments	Note 3		2.1		—
Investment in investment funds	Note 3		—		(5.0)
Loans granted to related parties	Note 13		(3.3)		—
Net cash from (used in) investing activities	Note 16		526.0		(118.9)

Financing activities

Preferred dividends	Note 9		(12.6)		(12.6)
Repurchase of common shares	Note 10		(36.5)		—
Net cash used in financing activities			(49.1)		(12.6)
Net change in cash and cash equivalents			459.2		(110.1)
Translation adjustment related to cash			11.3		(1.2)
Cash and cash equivalents, beginning of period			34.8		146.1
Cash and cash equivalents, end of period			505.3		34.8

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

THESE FINANCIAL STATEMENTS CONTAIN THE FOLLOWING NOTES:

1.	STRUCTURE OF THE CORPORATION	13
2.	SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	13
3.	FINANCIAL INSTRUMENTS	29
4.	EQUITY-ACCOUNTED INVESTMENTS	45
5.	EARNINGS (LOSS) PER COMMON SHARE	52
6.	LONG-LIVED INTANGIBLES AND GOODWILL	53
7.	INCOME TAXES	55
8.	CONTINGENT LIABILITIES	57
9.	DIVIDENDS	59
10.	CAPITAL STOCK	60
11.	COMMITMENTS	64
12.	CAPITAL MANAGEMENT	64
13.	RELATED PARTIES	65
14.	ADDITIONAL FINANCIAL INFORMATION	67
15.	INVESTMENT IN PRECOG CAPITAL PARTNERS L.P.	70
16.	DISCONTINUED OPERATIONS AND DISPOSAL OF BUSINESSES AND OTHER ASSETS	71
17.	SEGMENTED INFORMATION	72
18.	SUBSEQUENT EVENTS	74

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

1. STRUCTURE OF THE CORPORATION

Aimia Inc. ("Aimia" or the "Corporation") was incorporated on May 5, 2008 under the *Canada Business Corporations Act*. The registered and head office of Aimia is located at 176 Yonge Street, 6th floor, Toronto, Ontario, M5C 2L7.

The Corporation is a holding company with a focus on making long-term investments in public and private companies, on a global basis, through controlling or minority stakes.

The company owns a portfolio of investments which include: a 10.85% stake in Clear Media Limited, an outdoor advertising firm in China, a 48.8% equity stake in Kognitiv Corporation ("Kognitiv"), a B2B company enabling global brands to redefine loyalty with solutions for multi-enterprise collaboration, a 11.8% equity stake in TRADE X, a global B2B cross-border automotive trading platform as well as a wholly owned investment advisory business, Mittleman Investment Management, LLC.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

(a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and by all Aimia entities, except for adoption of revised accounting standards as described below in changes in accounting policies section.

These consolidated financial statements were authorized for issue by the Corporation's Board of Directors on March 15, 2023.

Impact of COVID-19 on the consolidated financial statements

Over the past years, we have seen the impact that the COVID-19 pandemic is having on human health, the global economy and associated government measures to curb the spread of the virus, which includes varying degrees of self-quarantine and border closures. Aimia has the ability to perform its activities as a holding company by working remotely without significant disruption.

However, the pandemic has impacted, or is impacting, the operations of certain of our investments or their partners to various degrees, which are detailed below.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Clear Media

Clear Media's revenues began to decline substantially in February 2020 amid the outbreak of COVID-19 which further slowed China's economic growth, negatively impacted customers' advertising spend and reduced demand for advertising space. During that year Clear Media's revenue bottomed in March 2020 (prior to Aimia's investment in Clear Media) and afterwards started to recover for the remainder of 2020. In 2021, Clear Media's revenue increased by 22% for the full year over 2020.

However, during the year ended December 31, 2022, facing the resurgence of COVID-19 cases, China applied a zero-COVID policy, which triggered full and partial lockdowns in many Chinese cities, including Shanghai, Beijing, and Guangzhou. These lockdowns have significantly affected the demand for outdoor advertising during the year and therefore, Clear Media has reported a decrease in revenue of 43% for the full year over 2021. Clear Media has mitigated these impacts via various cost-saving plans and delays in capital expenditures compared to normal course, and continues to do so.

The investment in Clear Media is recorded at fair value at each reporting period. As of December 31, 2022, the fair value of the indirect investment in Clear Media Limited has been estimated at \$54.7 million. Aimia recognized an unrealized fair value loss of \$13.6 million during the year ended December 31, 2022. The assumptions and estimates used in the valuation of Clear Media are described in *Note 3*.

(b) Basis of Measurement

These consolidated financial statements have been prepared on the historical cost basis except for the following balance sheet items:

- Investment in marketable securities, private companies and other financial instruments are measured at fair value (*Note 3*);
- Liabilities for cash-settled share-based payment arrangements are measured at fair value (*Note 14B*);
- Contingent considerations related to business acquisition or disposal are measured at fair value (*Note 14B*).

(c) Presentation Currency

These consolidated financial statements are expressed in Canadian Dollars.

(d) Use of Estimates and Judgments

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts reported as assets, liabilities, income and expenses in the financial statements. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which they occur and in any future periods affected. Information about assumptions, judgements and estimation with a significant risk of resulting in material adjustments within the next year are included within the following notes:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- Impact of COVID-19 on the value of certain of Aimia's investments. Refer to section (*Note 2(a)*) above;
- Measurement of the fair value of the investments in Clear Media and TRADE X, which include significant unobservable inputs. These inputs are detailed in *Note 3*;
- Measurement of the fair value of the investments in convertible notes of TRADE X and Kognitiv, which include significant unobservable inputs. These inputs are detailed in *Note 3*;
- Measurement of the recoverable value of the investment in Kognitiv, which include significant unobservable inputs. These inputs are detailed in *Note 4*;
- Measurement of the fair value of the contingent consideration receivable, which include significant unobservable inputs. These inputs are described in *Note 4*;
- Income Taxes (*Notes 7, 8 & 14B*);
- Contingent Liabilities (*Note 8*).

PRINCIPLES OF CONSOLIDATION

Subsidiaries

Subsidiaries are entities over which the Corporation has control. The Corporation controls an entity when the Corporation is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries' financial statements are included in the consolidated financial statements from the date of commencement of control until the date that control ceases. Subsidiaries' accounting policies have been changed, when necessary, to align with the policies adopted by Aimia.

These consolidated financial statements include the accounts of the Corporation and the accounts of its subsidiaries. All inter-company balances and transactions have been eliminated.

The Corporation had the following significant subsidiaries at December 31, 2022:

Name	Nature of business	Country of incorporation and place of business	Proportion of ownership held directly by Aimia Inc. (%)	Proportion of ownership by the group (%)
Aimia Holdings UK Limited	Holding company	United Kingdom	100	
Aimia Holdings UK II Limited	Holding company	United Kingdom	100	
City Lead II Developments Limited ^(a)	Holding company	Cayman Islands	100	
Mittleman Investment Management	Investment Management	United States		100
Precog Capital Partners, L.P. ^(b)	Investment Fund	United States		86

(a) City Lead II Developments Limited is the holding company that was created as part of the Clear Media privatization (*Note 3*).

(b) The ownership percentage represents Aimia's capital portion over the total limited partners capital in Precog Capital Partners L.P. as of December 31, 2022. The limited partners capital that is not owned by Aimia is reported on the statement of financial position as "Limited partners capital liability". Precog's general partner and investment manager is Mittleman Investment Management, a wholly-owned subsidiary of the Corporation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Limited Partners Capital liability (Note 15)

The Limited Partners' Capital liability represents the capital in Precog Capital Partners, L.P. that is not owned by the Corporation. Following twelve months after a partner's admission to the partnership, such partner can withdraw, at the end of any calendar month, any amount equal to or less than 50% of the partner's capital account balance. Three months later, such partner can withdraw the remainder of the partner's capital account balance. A notice period of 60 days must be given before any withdrawal.

Investments in Associates and Joint Arrangements (Note 4)

Associates are entities over which the Corporation has significant influence. Joint arrangements are entities over which the Corporation has joint control and are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor.

Investments in associates and joint ventures are accounted for using the equity method and are initially recognized at cost. The Corporation's investment includes goodwill identified on acquisition. The consolidated financial statements include the Corporation's share of the income and expenses, other comprehensive income and certain equity movements of equity-accounted investees, after aligning with the accounting policies of the Corporation, from the date that joint control or significant influence commences until the date that joint control or significant influence ceases. For equity-settled share-based compensation issued by equity-accounted investees to its own employees, Aimia records its share of the investee's share-based compensation expense as part of its share of the investee's profit or loss but does not account for a share in the credit to shareholders' equity recognized by the investee.

When the Corporation's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to nil, and the recognition of further losses is discontinued except to the extent that the Corporation has an obligation or has made payments on behalf of the investee.

When the Corporation contributes a controlled business to a joint venture or associate or, when it loses control over a business but retains a significant influence in the investment either as a joint venture or associate, the Corporation recognizes a full gain under the IFRS 10 - *Consolidated Financial Statements* approach. IFRS 10 requires the retained interest in an associate or joint venture to be measured at fair value, with the full disposal gain recognized in the income statement.

The Corporation had the following investments in associates and joint arrangements at December 31, 2022:

Name	Nature of business	Nature of investment	Reporting segment	Country of incorporation and place of business	% of ownership interest	Measurement method
Kognitiv	B2B Technology	Associate	Holdings	Canada (worldwide operations)	48.8	Equity

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

REVENUE RECOGNITION

Investment Management

Through MIM, Aimia derives investment management fees providing discretionary portfolio management to institutional and high-net-worth investors. Management fees are calculated based on a percentage of assets under management and are usually payable quarterly. Aimia recognizes this revenue on an over time basis, as the services are provided.

EMPLOYEE FUTURE BENEFITS

Defined Contribution

Substantially all Aimia employees participate in the Corporation's defined contribution pension plans, which provide pension benefits based on the accumulated contributions and fund earnings. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in earnings in the periods during which services are rendered by employees.

Short-Term Employee Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Corporation has a present legal or constructive obligation to pay such an amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Termination Benefits

Termination benefits are generally payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary separation in exchange for these benefits.

The Corporation recognizes termination benefits at the earlier of the following dates: (a) when the Corporation can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of IAS 37 - *Provisions, contingent liabilities and contingent assets*, and involves the payment of termination benefits.

INCOME TAXES

Income tax expense includes current and deferred tax and is recognized in earnings except to the extent that it relates to a business combination, or to items recognized directly in equity or in other comprehensive income.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Current tax is the expected tax payable or recoverable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Aimia provides for deferred income taxes using the liability method of tax allocation. Under this method, deferred income tax assets and liabilities are determined based on deductible or taxable temporary differences between the financial statement carrying values and the tax base of assets and liabilities, using enacted or substantively enacted income tax rates expected to be in effect for the year in which the differences are expected to reverse. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

FOREIGN CURRENCY TRANSACTIONS

Monetary assets and liabilities denominated in foreign currencies are translated into each of Aimia's entities' functional currency at rates of exchange in effect at the date of the consolidated statement of financial position. Gains and losses are included in other financial expense on the consolidated statements of operations. Non-monetary assets, non-monetary liabilities, revenues and expenses arising from transactions denominated in foreign currencies are translated at rates of exchange in effect at the date of the transaction.

FOREIGN OPERATIONS

Most of Aimia's foreign operations have a functional currency different from the presentation currency. The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated at the rates of exchange prevailing at the consolidated statement of financial position date. Revenues and expenses are translated at the average rates for the year. Translation gains or losses are recognized in other comprehensive income and included in accumulated other comprehensive income.

When a foreign operation is disposed of, the relevant amount in the cumulative amount of foreign currency translation adjustments is transferred to earnings as part of the profit or loss on disposal. On the partial disposal of a subsidiary that includes a foreign operation, the relevant proportion of such cumulative amount is reattributed to non-controlling interest.

Foreign exchange gains or losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future and which in substance is

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

considered to form part of the net investment in the foreign operation, are recognized in other comprehensive income in the cumulative amount of foreign currency translation adjustments.

FINANCIAL INSTRUMENTS

Recognition and Initial Measurement

Trade receivables and debt securities issued are initially recognized when they are originated. Regular way purchases of equity instruments are recognized using the settlement date, which is the date that the equity instruments are delivered to the Corporation. All other financial assets and financial liabilities are initially recognized when the Corporation becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss ("FVPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification

Aimia has classified its financial instruments as follows:

Financial instrument	Amortized cost	Classification		
		Fair value through profit and loss ("FVPL")	Fair value through other comprehensive income ("FVOCI") - debt	Fair value through other comprehensive income ("FVOCI") - equity
Measured at amortized cost				
Cash and cash equivalents and restricted cash	X			
Accounts receivable and receivable from related party	X			
Limited partners' capital liability	X			
Accounts payable and accrued liabilities	X			
Measured at fair value				
Investments in marketable securities		X		
Investments in private companies and other financial instruments ^(a)		X		
Contingent consideration receivable		X		
Contingent consideration payable		X		

(a) These investments are not subject to significant influence.

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVPL. The classification of financial assets is based on an entity's business models and the financial asset's contractual cash flow characteristics. Business models are reassessed periodically and contractual

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

cash flows characteristics are assessed to determine whether they are solely payments of principal and interest. Financial assets are not reclassified subsequent to their initial recognition unless the Corporation changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows;
- and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets;
- and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Corporation may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVPL. This includes all derivative financial assets. On initial recognition, the Corporation may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities are classified as measured at amortized cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.

Presentation of investment in marketable securities

The Corporation's strategy is to focus on long-term investments in public and private companies, on a global basis, through controlling or minority stakes. The Corporation classifies its investments between current and non-current assets based on liquidity of the financial instruments. Therefore, the investments in public companies equity instruments not subject to significant influence are presented as investments in marketable securities on the consolidated statement of financial position and the associated cash flows are presented as investing activities, unless those investments are considered held for trading.

Investments in marketable securities are considered held for trading when:

- they are acquired or incurred principally for the purpose of selling them in the near term;
- on initial recognition, they are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The associated cash flows of investments in marketable securities that are held for trading are presented as operating activities in the statement of cash flows. Management designate investments in marketable securities as held for trading at initial recognition. All of the equity instruments held through Precog Capital Partners are considered held for trading.

Subsequent Measurement and Gains and Losses

Financial assets	
Amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
FVPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial liabilities	
Amortized cost	These liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.
FVPL	These liabilities are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Derecognition

The Corporation derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Corporation neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Corporation derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Corporation also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Corporation currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of Financial Assets (Including Receivables)

The Corporation recognizes an allowance for expected credit losses (“ECL”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Corporation expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a “12-month ECL”). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a “lifetime ECL”).

For trade receivables, the Corporation applies a simplified approach in calculating ECLs. Therefore, the Corporation does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

The Corporation consider a financial asset to be in default when internal or external information indicates that the Corporation is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Corporation. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

SHARE CAPITAL

Common shares and preferred shares that are not redeemable or are redeemable only at the Corporation's option are classified as equity. Incremental costs directly attributable to the issuance of common and preferred shares and share options are recognized as a deduction from equity, net of any tax effects.

Dividends payable by Aimia to its common and preferred shareholders, which are determined at the discretion of the Board of Directors and in accordance with the terms of each series of preferred shares (*Notes 9 & 10*), are recorded when declared. Dividends on common and preferred shares are recognized as distributions within consolidated statement of changes in equity.

When share capital recognized as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from share capital for the shares' assigned value, any excess being allocated to contributed surplus to the extent that contributed surplus was created by a net excess of proceeds over cost on cancellation or resale of shares of the same class, and any discount being assigned to contributed surplus. Repurchased shares are cancelled.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of funds in current operating bank accounts, term deposits and fixed income securities with an original term to maturity of three months or less. The weighted average effective interest rate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

earned on cash and cash equivalents held at December 31, 2022 and 2021 was not significant. At December 31, 2022 and 2021, cash and cash equivalents consisted of funds in current operating bank accounts.

RESTRICTED CASH

As of December 31, 2021, restricted cash represented security in the form of cash collateral related to certain specified contracts related to the Loyalty Solutions business that were contributed into Kognitiv on June 18, 2020 (*Note 16*) as well as cash in trust related to a former retirement compensation arrangement. The funds held in restricted cash at December 31, 2021 were all remitted to Aimia during the year ended December 31, 2022.

CUSTOMER RELATIONSHIPS

Customer relationships and other intangibles are considered long-lived assets with finite lives.

Customer relationships are recorded at cost less accumulated impairment losses and are amortized using the straight-line method over their estimated lives, typically 5 - 25 years.

The weighted-average remaining amortization period of customer relationships is 8.5 years as at December 31, 2022. The amortization period reflects estimates based on historical attrition for similar customer relationships.

GOODWILL

Goodwill represents the excess of the cost of an acquisition over the fair value of the Aimia's share of the net identifiable assets of the acquired subsidiary at the date of acquisition and it is measured net of accumulated impairment losses. Goodwill is not amortized, but instead tested for impairment annually, or more frequently, should events or changes in circumstances indicate that the goodwill may be impaired.

Acquisitions

Aimia measures goodwill at the fair value of the consideration transferred including, when elected, the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognized immediately in earnings. Aimia elects on a transaction-by-transaction basis whether to measure non-controlling interest at its fair value, or at its proportionate share of the recognized amount of the identifiable net assets, at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities incurred by Aimia in connection with a business combination are expensed as incurred.

IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amounts of Aimia's non-financial assets, which includes Aimia's equity-accounted investments, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable value of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU"). For the purposes of goodwill impairment testing, goodwill acquired in a business combination is allocated to the CGU, or the group of CGUs, that is expected to benefit from the synergies of the combination. This allocation is subject to an operating segment ceiling test and reflects the lowest level at which that goodwill is monitored for internal reporting purposes.

Goodwill that forms part of the carrying amount of the investment in the jointly controlled entity accounted for using the equity method is not recognized separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in the jointly controlled entity is tested for impairment as a single asset when there is objective evidence that the investment may be impaired.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in earnings. Impairment losses recognized in respect of CGUs that include goodwill are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis not beyond the highest of:

- the fair value less costs of disposal; and
- value in use of the individual asset, if determinable.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

PROVISIONS

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. A provision is recognized if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. When the effect of the time value of money is material, provisions are determined by discounting the best estimate of expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance cost.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

STOCK-BASED COMPENSATION PLANS

Deferred Share Unit Plan

The Deferred Share Unit Plan (the “DSU Plan”) was established as a means of compensating directors and designated employees of Aimia and of promoting share ownership and alignment with the shareholders' interests. Directors of Aimia are automatically eligible to participate in the DSU Plan while employees may be designated from time to time, at the sole discretion of the Board of Directors.

Vesting conditions may be attached to DSUs at the Board of Directors' discretion. DSUs granted to directors vest immediately. DSUs that were granted to executives as part of a special grant in 2020 vest over 6 years or immediately. Certain of these DSUs granted to executives also include performance-based vesting conditions (Aimia's share price trading at a weighted average of \$6.00/share or higher over a consecutive 20 day trading period).

Upon termination of service, the DSU Plan participants are entitled to receive for each DSU credited to their account, a payment in cash equivalent to the value on the date of termination of service of an Aimia common share and accrued dividends from the time of grant.

DSUs are considered cash-settled awards. The fair value of DSUs, at the date of grant to DSU Plan participants, is recognized as compensation expense over the vesting period, with a credit to other non-current liabilities. In addition, the DSUs are fair valued at the end of every reporting period and at the settlement date. Any changes in the fair value of the liability are recognized as compensation expense in earnings.

Long-Term Incentive Plan

The Aimia Long-Term Incentive Plan (the “LTIP”) was established to provide an opportunity for officers, senior executives and other employees of Aimia and its subsidiaries to participate in the successful growth and development of Aimia. Stock options and/or performance share units (“PSUs”) may be granted to eligible employees. These grants are established annually on the basis of qualitative and quantitative criteria. All awards are made at the discretion of the Board of Directors and are subject to board approval, as are any performance vesting criteria and targets that apply to awards made. The maximum number of shares reserved and available for grant and issuance under the LTIP is limited to 16,381,000 common shares.

The vesting conditions of options and PSUs issued may include time and performance criteria, and are determined at the time of grant. In the case of options, the option term cannot exceed ten years, whereas the vesting period of PSUs shall end no later than December 31 of the calendar year which is three years after the calendar year in which the award is granted.

Stock options are considered equity-settled awards. The fair value of stock options, at the date of grant to the eligible employees, is recognized as compensation expense and a credit to contributed surplus over the applicable vesting period using the graded method of amortization. The cumulative expense for stock options at each reporting date represents the extent to which the vesting period has expired and management's best estimate of the number of equity instruments that will ultimately vest. For options with graded vesting, each tranche is considered a separate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

grant with a different vesting date and fair value, and each tranche is accounted for separately. When the stock options are exercised, the Corporation issues new shares. The proceeds received, net of any directly attributable transaction costs together with the related portion previously recorded in contributed surplus, are credited to share capital.

PSUs are considered cash-settled awards as they have historically been settled in cash. The fair value of PSUs, at the date of grant to PSU participants, is recognized as compensation expense over the vesting period using the graded method of amortization, with a credit to other non-current liabilities. The fair value of employee services received is calculated by multiplying the number of units expected to vest with the fair value of one unit as of grant date based on the market price of the Corporation's common shares. In addition, PSUs are fair valued at the end of every reporting period. There were no outstanding PSUs as at December 31, 2022 and 2021.

EARNINGS PER COMMON SHARE

Earnings per common share are calculated by dividing the earnings attributable to common shareholders of the Corporation by the weighted average number of common shares outstanding for the period.

Diluted earnings per common share are determined using the treasury stock method to evaluate the dilutive effects of stock options, convertible instruments and equivalents, when applicable.

SEGMENT REPORTING

An operating segment is a component of the Corporation that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of Aimia's other segments. All operating segments' operating results are reviewed regularly by Aimia's Chief Executive Officer to make decisions about the allocation of resources to the respective segments and assess their individual performance.

Segment results that are reported to the Chief Executive Officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

CHANGES IN ACCOUNTING POLICIES

Adoption of revised accounting standards

The Corporation has adopted the following revised standards as detailed below:

Annual Improvements to IFRS Standards 2018-2020

The IASB issued 'Annual Improvements to IFRS Standards 2018 - 2020, which includes amendments to the following standards:

- IFRS 9, *Financial instruments* was amended to address which fees should be included in the 10% test for derecognition of financial liabilities.
- IFRS 16, *Leases* amended illustrative example 13 to remove the illustration of payments from the lessor related to leasehold improvements.

These amendments are effective for annual reporting periods beginning on or after January 1, 2022. The amendments did not have any impact on the consolidated statements of the Corporation.

Reference to Conceptual Framework (Amendments to IFRS 3)

The IASB issued 'Reference to the Conceptual Framework (Amendments to IFRS 3) with amendments to IFRS 3 'Business Combinations' that update an outdated reference in IFRS 3 without significantly changing its requirements, add a new exception for certain liabilities and contingent liabilities to refer to IAS 37 or IFRIC 21 rather than the 2018 Conceptual Framework, and clarify that an acquirer should not recognize contingent assets at the acquisition date. The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The amendments did not have any impact on the consolidated statements of the Corporation.

IAS 37 Onerous contracts - Cost of fulfilling a contract

The IASB issued 'Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)' amending the standard regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous. The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The amendments did not have any impact on the consolidated statements of the Corporation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

FUTURE ACCOUNTING CHANGES

The following standards and amendments have been published and their adoption is mandatory for future accounting periods.

Deferred taxes related to assets and liabilities arising from a single transaction (Amendments to IAS 12, IFRS 1)

The IASB issued 'Deferred taxes related to assets and liabilities arising from a single transaction (Amendments to IAS 12). The amendments require an entity to recognise deferred tax on certain transactions that give rise to equal amounts of taxable and deductible temporary differences on initial recognition. The amendments are effective for annual reporting periods beginning on or after January 1, 2023, with early application permitted. The Corporation has assessed the amendments to IAS 12 and concluded that these changes will not have an impact on its consolidated financial statements.

Accounting policy disclosures: Changes in estimates vs accounting policies (Amendments to IAS 1, IAS 8)

The IASB issued Definition of Accounting Estimates, which amended IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments introduced the definition of accounting estimates and included other amendments to IAS 8 to help entities distinguish changes in accounting estimates from changes in accounting policies. The amendments are effective for annual reporting periods beginning on or after January 1, 2023, with early application permitted. At this time, the Corporation does not anticipate that these changes will have a significant impact, if any, on its consolidated financial statements.

Lease liability in a sale leaseback (Amendments to IFRS 16)

The IASB has issued narrow-scope amendments to requirements for sale and leaseback transactions in IFRS 16 explaining how an entity accounts for a sale and leaseback after the date of the transaction. The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with early application permitted. At this time, the Corporation does not anticipate that these changes will have a significant impact, if any, on its consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

3. FINANCIAL INSTRUMENTS

Aimia's financial instruments consist of cash and cash equivalents, restricted cash, accounts receivable, receivable from related party, investment in marketable securities, investments in private companies and other financial instruments (not subject to significant influence), accounts payable and accrued liabilities, contingent consideration receivable and payable.

FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair Value Hierarchy

Financial instruments recorded at fair value on the consolidated statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices observed in active markets for identical assets or liabilities.

Level 2 - valuation techniques based on inputs that are quoted prices of similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; inputs other than quoted prices used in a valuation model that are observable for that instrument; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - valuation techniques with significant unobservable market inputs.

A financial instrument is classified at the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

3. FINANCIAL INSTRUMENTS (continued)

The following table presents the fair value of the Corporation's investments and their fair value hierarchy classification.

		December 31,	December 31,
	Hierarchy	2022	2021
Investment in marketable securities			
Capital A			
Capital A - Common shares	Level 1	21.4	29.2
Capital A - Redeemable convertible unsecured Islamic debt securities ("RCUIDS")	Level 1	8.4	9.0
Capital A - Warrants	Level 1	1.2	1.3
Cineplex	Level 1	5.7	9.6
Marketable securities - held through Precog Capital Partners, L.P. (Note 15) ^(a)	Level 1	16.2	28.4
Total		52.9	77.5
Investment in private companies and other financial instruments			
Clear Media Limited	Level 3	54.7	68.3
TRADE X			
TRADE X - Preferred shares	Level 3	40.2	44.6
TRADE X - Convertible Note	Level 3	35.0	32.0
TRADE X - Warrants	Level 3	4.0	—
Kognitiv - Convertible Note	Level 3	9.8	—
Special purpose vehicles	Level 2	21.9	21.7
Investment funds	Level 2	4.8	5.3
Total		170.4	171.9

(a) Included in Precog's portfolio of equity instruments is an investment of \$0.8 million in Cineplex.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

3. FINANCIAL INSTRUMENTS (continued)

The net change in fair value of investments for the years ended December 31, 2022 and 2021 is detailed below.

	Hierarchy	Years Ended December 31,	
		2022	2021
Realized fair value gain (loss)			
JCDecaux	Level 1	—	6.9
Newmark Group	Level 1	—	9.7
Capital A - Common shares	Level 1	(0.6)	—
Marketable securities - held through Precog Capital Partners, L.P.	Level 1	(1.6)	0.6
Net change in unrealized fair value			
JCDecaux	Level 1	—	(3.6)
Clear Media	Level 3	(13.6)	(0.7)
Capital A			
<i>Capital A - Common shares</i>	Level 1	(5.1)	(2.5)
<i>Capital A - RCUIDS</i>	Level 1	(0.6)	0.7
<i>Capital A - Warrants</i>	Level 1	(0.1)	0.3
TRADE X			
<i>TRADE X - Preferred shares</i>	Level 3	(4.4)	0.6
<i>TRADE X - Convertible Note</i>	Level 3	0.4	0.2
<i>TRADE X - Warrants</i>	Level 3	4.0	—
Cineplex	Level 1	(3.9)	1.3
Kognitiv - Convertible Note	Level 3	(1.3)	—
Marketable securities - held through Precog Capital Partners, L.P.	Level 1	(11.1)	(4.4)
Special purpose vehicles	Level 2	(1.0)	2.3
Investment funds	Level 2	(0.6)	0.5
Net change in fair value of investments		(39.5)	11.9

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

3. FINANCIAL INSTRUMENTS (continued)

The following table provides information about how the fair value of the investments in private companies and other financial instruments were derived.

December 31, 2022				
Investments	Valuation technique	Key valuation inputs	Range	Sensitivity
Clear Media Limited	Income & Market Approach - EBITDA multiple (adjusted for change in accounting pronouncements)	EBITDA multiple	8.0x - 8.5x	+/- 1.0x = +/- \$7.1MM
		Return to historical profitability by	2025	
		Discount rate	19% - 21%	
TRADE X - Preferred shares	Market Approach - Combination of valuation techniques and inputs, including Preferred Shares Series A financing round, Revenue and EBITDA multiples.	EBITDA multiple	9.0x - 10.0x	A combined change in multiple of +/- 1.0x on EBITDA multiple and 0.1x on revenue multiple would have an impact of +/- \$2.2MM
		Revenue multiple	0.5x	
		Series A financing round enterprise value	US\$285MM	
TRADE X - Convertible Note	Market Approach - Coupled partial differential equations solved numerically using finite difference methods.	Conversion price (maturity)	US\$108.40	
		Qualified Financing conversion discount	27.5%	
		Share price	US\$91.60	+/- 10% = +/- \$0.4MM
		Implied Credit Spread	41%	+/- 1% = +/- \$0.1MM
		Volatility	60%	+ 5% = - \$0.4MM - 5% = - \$0.2MM
TRADE X - Warrants	Market Approach - Black-Scholes option pricing model	Share price	US\$91.60	+/- 10% = +/- \$0.4MM
		Volatility	60%	
		Exercise price	US\$0.001	
Kognitiv - Convertible Note	Market Approach - Coupled partial differential equations solved numerically using finite difference methods.	Conversion price (maturity)	US\$4.00	
		Qualified Financing conversion discount	20%	
		Share price	US\$0.74	+/- 10% = +/- \$0.1MM
		Implied Credit Spread	22%	+/- 1% = +/- \$0.2MM
		Volatility	74%	+/- 5% = +/- \$0.1MM
Special purpose vehicles	Net Asset Value attributed based on investor statement	N/A	N/A	N/A
Investment funds	Net Asset Value attributed based on investor statement	N/A	N/A	N/A

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

3. FINANCIAL INSTRUMENTS (continued)

December 31, 2021				
Investments	Valuation technique	Key valuation inputs	Range	Sensitivity
Clear Media Limited	Market Approach - EBITDA multiple (adjusted for change in accounting pronouncements)	EBITDA multiple	7.0x - 8.0x	+/- 1.0x = +/- \$9.3MM
		Return to historical profitability by	2024	
		Discount rate	18% - 20%	
TRADE X - Preferred shares	Market Approach - Preferred Shares Series A financing round	Enterprise value of US\$285.0m	N/A	N/A
TRADE X - Convertible Note	Market Approach - Principal amount advanced for the note, adjusted for interest accrued	N/A	N/A	N/A
Special purpose vehicles	Net Asset Value attributed based on investor statement	N/A	N/A	N/A
Investment funds	Net Asset Value attributed based on investor statement	N/A	N/A	N/A

The following table presents the change in Level 3 financial instruments.

Investments	Balance, December 31, 2021	New investments	Disposals	Net change in fair value	Interest income	Transfers in / out	Balance, December 31, 2022
Clear Media	68.3	—	—	(13.6)	—	—	54.7
TRADE X - Preferred Shares	44.6	—	—	(4.4)	—	—	40.2
TRADE X - Convertible Note	32.0	—	—	0.4	2.6	—	35.0
TRADE X - Warrants	—	—	—	4.0	—	—	4.0
Kognitiv - Convertible Note	—	10.0	—	(1.3)	1.1	—	9.8
Total	144.9	10.0	—	(14.9)	3.7	—	143.7

Investments	Balance, December 31, 2020	Purchases	Disposals	Net change in fair value	Interest income	Transfers in / out	Balance, December 31, 2021
Clear Media	69.0	—	—	(0.7)	—	—	68.3
TRADE X - Preferred Shares	—	44.0	—	0.6	—	—	44.6
TRADE X - Convertible Note	—	31.6	—	0.2	0.2	—	32.0
Total	69.0	75.6	—	0.1	0.2	—	144.9

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

3. FINANCIAL INSTRUMENTS (continued)

The cash flow movements associated with the Corporation's investments for the years ended December 31, 2022 and 2021 are detailed below.

	Years Ended December 31,	
	2022	2021
INCLUDED IN OPERATING ACTIVITIES		
Purchases of marketable securities held for trading		
Marketable securities - held through Precog Capital Partners, L.P.	(8.0)	(33.7)
Newmark Group	—	(4.4)
Total	(8.0)	(38.1)
Proceeds from disposal of marketable securities held for trading		
JC Decaux	—	17.4
Newmark Group	—	18.7
Marketable securities - held through Precog Capital Partners, L.P.	8.6	9.1
Total	8.6	45.2
INCLUDED IN INVESTING ACTIVITIES		
Purchase of investments in marketable securities, private companies and other financial instruments, and investment funds		
Kognitiv - Convertible Note	(10.0)	—
Capital A - Common shares	—	(9.4)
Capital A - RCUIDS	—	(9.2)
Capital A - Warrants	—	(0.1)
TRADE X - Preferred shares	—	(44.0)
TRADE X - Convertible Note	—	(31.6)
Special purpose vehicles	—	(15.6)
Cineplex	—	(8.3)
Investment funds	—	(5.0)
Total	(10.0)	(123.2)
Proceeds from disposal of investments in marketable securities, private companies and other financial instruments		
Capital A - Common shares	2.1	—
Total	2.1	—

Investments in equity instruments of Clear Media Limited

In May 2020, the Corporation invested \$76.2 million (HK\$419.6 million) to acquire 58,774,450 common shares of Clear Media Limited, representing a 10.85% ownership interest in the company. This investment was made at the time in anticipation of a change of control transaction in which, former controlling shareholder, Clear Channel Outdoor (NYSE: CCO), would sell its stake in Clear Media to Ever Harmonic Global Limited ("Ever Harmonic"). Ever Harmonic is the company used by a consortium to acquire the shares of Clear Media Limited and the initial indirect

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

3. FINANCIAL INSTRUMENTS (continued)

shareholders were Clear Media Limited's former CEO Han Zi Jing (Forward Elite Holdings Limited, "Forward Elite"), Ant Fin (Hong Kong) Holding Limited, JCDecaux SA (FP: DEC), and China Wealth Growth Fund III L.P.

Aimia did not acquire control or significant influence in the operations of Clear Media Limited. On July 14, 2020, Clear Media announced that the percentage of the public float of the shares of the company had fallen below 15% and that, at the request of the Clear Media, trading in the shares of Clear Media on The Stock Exchange of Hong Kong Limited was suspended.

On July 5, 2021, Ever Harmonic and Clear Media Limited jointly announced a voluntary conditional offer to acquire all of the shares of Clear Media Limited that were not already owned or agreed to be acquired by the consortium or parties acting in concert with it.

The conditional offer was made by Ever Harmonic on August 3, 2021 to owners of Clear Media Limited shares to accept either (i) the cash alternative (HK\$7.12 per common share), or (ii) the share alternative (one new holding company share per Clear Media Limited common share), with the new holding company (City Lead II Developments Limited, "City Lead II") having a direct investment in Ever Harmonic, which would wholly-own Clear Media Limited. Following Aimia's review of the Composite Document dated August 3, 2021, Aimia elected to accept the share alternative and to maintain an indirect 10.85% shareholding in the privatized Clear Media. The transaction closed and the listing of the shares of Clear Media on the Hong Kong Stock Exchange was withdrawn.

For the purpose of this conditional offer, as well as the initial March 30, 2020 offer by Ever Harmonic to acquire all outstanding shares of Clear Media Limited, Ever Harmonic has secured external financing. The external financing was and is for the purpose of enabling Forward Elite to pay for its pro rata share of the consideration of these offers since Forward Elite had not provided any actual funding in Ever Harmonic.

Although the external financing was and is for the benefit of Forward Elite, the security for the external financing, includes, amongst others, the charge of the Clear Media Limited common shares held by Ever Harmonic in favor of the lenders. As part of the external financing agreement, Ever Harmonic is obliged to apply any and all distributions received from Clear Media Limited and any of its other subsidiaries towards satisfaction of the repayment of the external financing, and shall not declare or pay any dividends or distributions, in each case unless and until the external financing has been fully and finally repaid and discharged. To compensate City Lead II for its loss of its indirect pro rata share in any distributions from Clear Media Limited which needs to be applied by Ever Harmonic to the repayment of the external financing, Forward Elite entered into an undertaking with City Lead II. Under the terms of this undertaking, if any funds of Ever Harmonic (which would otherwise be available for distribution to the consortium and City Lead II) are used by Ever Harmonic to repay the external financing, Forward Elite will undertake to pay City Lead II an amount equal to City Lead II's pro rata share (in proportion to its shareholding in Ever Harmonic) of the relevant funds of Ever Harmonic so used ("Forward Elite Payables"). The Forward Elite Payables may be repaid in any amount from time to time, provided that all Forward Elite Payables shall be repaid in full to City Lead II by no later than 18 months following the date of full repayment of the external financing.

As of December 31, 2022, the fair value of the indirect investment in Clear Media Limited has been estimated at \$54.7 million. Aimia recognized an unrealized fair value loss of \$13.6 million during the year ended December 31, 2022, mainly due to the impacts of COVID-19 related lockdowns in China on demand for outdoor advertising, which

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

3. FINANCIAL INSTRUMENTS (continued)

have caused delays in the execution of Clear Media's business plan, offset in part by the strengthening of the Hong-Kong dollar versus the Canadian dollar. Refer to *Note 2a)* for additional details.

On November 10, 2022, Clear Media Limited declared a dividend to Ever Harmonic which was paid on the same date. On November 5, 2021, Clear Media Limited declared a dividend to Ever Harmonic which were paid in two installments of 50% each in November 2021 and May 2022. The dividends received by Ever Harmonic have been used to repay the external financing, creating Forward Elite Payables in the amount of \$3.7 million owed to Aimia as of December 31, 2022 which is included in other non-current assets in the statement of financial position (*Note 14B*). Of this amount, \$3.0 million was recorded in other investment income in the consolidated statement of operations during the year ended December 31, 2022.

Investments in TRADE X

Preferred shares

On July 27, 2021, Aimia invested \$44.0 million (US\$35.0 million) in convertible preferred shares series A of TRADE X, a global B2B cross-border automotive trading platform using a proprietary data and analytics technology. On August 11, 2021, an additional US\$10.0 million of convertible preferred shares series A were issued by TRADE X to other strategic investors in a subsequent closing to achieve its target round size of US\$45.0 million. Since Aimia's initial investment, TRADE X pursued its growth strategy both organically through the development of new international trade corridors and through the acquisition of two Canadian companies, including Techlantic Ltd., an Ontario-based automotive trading, redistribution, and financing company.

As of December 31, 2022, the fair value of the preferred shares has been estimated at \$40.2 million (US\$29.6 million) and the Corporation recorded an unrealized fair value loss of \$4.4 million during the year ended December 31, 2022 for this investment based on the assumptions listed above, offset in part by the strengthening of the US dollar versus the Canadian dollar.

Convertible note and warrants

In December 2021, Aimia invested \$31.6 million (US\$25.0 million) in a convertible note of TRADE X (the "Original Note"). The Original Note had an 8% interest bearing rate and, unless converted as a result of a qualified financing, was scheduled to mature 12 months after the closing date. At maturity, Aimia had the option to convert the Original Note and accrued interest into TRADE X preferred shares using the original issue price, which was based on the preferred shares series A financing round mentioned above, or have the Original Note and accrued interests paid in full. In December 2022, in connection with the upcoming maturity of the Original Note, Aimia and TRADE X negotiated an amended and restated secured the convertible note ("A&R Note").

The A&R Note has an 8% interest bearing rate (until the interest peek date) and, unless converted as a result of a qualified financing, will mature in December 2023. At maturity, Aimia has the option to convert the A&R Note and accrued interest into TRADE X preferred shares using the original issue price, which is based on the preferred shares series A financing round, or have the A&R Note and accrued interests paid in full.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

3. FINANCIAL INSTRUMENTS (continued)

The interest peek date is defined as the earlier of (i) June 8, 2023 if the sale of a certain TRADE X subsidiary has not been consummated by such date, or (ii) the maturity date. After the interest peek date, the A&R Note will have a 12% interest bearing rate.

In the event a qualified financing occurs, the A&R Note will automatically convert into the same equity instruments than such qualified financing at the lesser of (i) 27.5% discount over the qualified financing price per share; and (ii) price per share based on a certain pre-money valuation cap.

If the sale of a certain TRADE X subsidiary is consummated, the Corporation could be entitled to a partial or full repayment of the A&R Note depending on the proceeds generated from such sale.

As of December 31, 2022, the fair value of the convertible note has been estimated at \$35.0 million (US\$25.8 million). The Corporation has accrued interest of \$2.6 million, as well as recorded an unrealized net fair value gain of \$0.4 million during the year ended December 31, 2022 for this investment based on the assumptions listed above and the strengthening of the US dollar versus the Canadian dollar.

Concurrent with the execution of the A&R Note, TRADE X granted Aimia warrants to purchase common shares of TRADE X. Each warrant enables Aimia to purchase one common share of TRADE X at a purchase price of US\$0.001 and exercisable for a period of 5 years from the date of their issuance. As of December 31, 2022, the fair value of the warrants has been estimated at \$4.0 million (US\$3.0 million). The value recognized on the grant of these warrants to Aimia was recorded in net change in fair value of investments in the consolidated statement of operations during the year ended December 31, 2022.

Investment in Capital A Berhad

Common shares

In the year ended December 31, 2021, the Corporation participated in the second tranche of a private placement of new ordinary shares in Capital A Berhad (formerly known as AirAsia Group Berhad, "Capital A"). Aimia subscribed for 35.6 million of new common shares for an amount of \$9.4 million (MYR30.8 million). Aimia also entered into a binding memorandum of understanding with Capital A to sell Aimia's investment in BIGLIFE in exchange for 85.9 million of new common shares of Capital A. On April 14, 2021, the parties entered into a share sale and purchase agreement under the same terms. This agreement was subject to Capital A shareholders approval as well as approval from Bursa Malaysia Securities Berhad ("Bursa Securities") on the listing of and quotation for the shares on the Main Market of Bursa Securities. With both conditions fulfilled, the sale of Aimia's investment in BIGLIFE closed on June 28, 2021.

During the year ended December 31, 2022, the Corporation sold 10,355,900 common shares of Capital A for total proceeds of \$2.1 million (MYR 7.2 million). The disposal of Capital A shares resulted in a realized loss of \$0.6 million during the year ended December 31, 2022.

As of December 31, 2022, the fair value of the total investment remaining in common shares of Capital A was \$21.4 million and Aimia recognized an unrealized fair value loss of \$5.1 million during the year ended December 31, 2022.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

3. FINANCIAL INSTRUMENTS (continued)

An unrealized fair value loss of \$2.5 million was recognized during the year ended December 31, 2021 for this investment.

RCUIDS and Warrants

In the twelve months ended December 31, 2021, Capital A announced to its shareholders the issuance of renounceable rights for 7-year redeemable convertible unsecured Islamic debt securities ("RCUIDS") with a nominal value of MYR0.75 each, on the basis of two RCUIDS with one warrant for every six Capital A Shares held by entitled shareholders.

As an entitled shareholder, Aimia was allotted 40.5 million RCUIDS and 20.2 million warrants, which were subscribed for by the Corporation for \$9.3 million (MYR 30.4 million). The rights issue was completed on December 31, 2021, with the listing and quotation of the RCUIDS and warrants on the main market of Bursa Securities.

As of December 31, 2022, the fair values of the RCUIDS and warrants were \$8.4 million and \$1.2 million, respectively, and Aimia recognized an unrealized fair value loss of \$0.6 million for the RCUIDS and an unrealized fair value loss of \$0.1 million for the warrants, during the year ended December 31, 2022. Aimia also recorded dividend income of \$0.7 million related to the RCUIDS during the year ended December 31, 2022.

Practice Note 17 ("PN 17")

As announced by Capital A in January 2022, Capital A continued to trigger the prescribed criteria pursuant to Paragraph 8.04 and Paragraphs 2.1(a) and 2.1(e) of PN17 of the Main Listing Requirements of Bursa Malaysia Securities Berhad. The company triggered the prescribed criteria given that (i) its December 31, 2020 audited financial statements included a unqualified audit opinion with material uncertainty relating to going concern from its external auditors, and (ii) Capital A's shareholders' equity on a consolidated basis was 25% or less of its share capital and such equity is less than MYR40.0 million based on the audited financial statements for the year ended December 31, 2020.

In the event Capital A fails to comply with any part of its obligations to regularize its condition within the timeframes permitted by Bursa Securities, Bursa Securities shall (i) suspend the trading of the company's listed securities on the 6th market day after the date of notification of suspension by Bursa Securities; and (ii) de-list the company subject to the company's right to appeal against the de-listing which appeal by the company must be submitted to Bursa Securities within 5 market days from the date of notification of de-listing by Bursa Securities.

On 21 December 2022, Capital A announced that Bursa Securities had granted the Company an extension of time of six months until July 7, 2023 for the Company to submit its regularization plan to the relevant regulatory authorities. As of this date, Capital A is in the midst of formulating a regularization plan to address its financial condition. The regularization plan is not expected to result in a significant change in the business direction or policy of the Company. Aimia is closely monitoring the developments.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

3. FINANCIAL INSTRUMENTS (continued)

Investment in secured subordinated convertible note of Kognitiv

In January 2022, Aimia invested an amount of \$10.0 million in a secured subordinated convertible note of Kognitiv. The note has a 12% interest bearing rate (paid-in-kind) and, unless converted as a result of a qualified financing, will mature 18 months after the closing date. Unless the note has been repaid before or on the maturity date, at the option of Aimia, the principal and accrued interest under the note may be:

- i. subject to the approval of other senior secured lenders, repaid in cash, in which case Aimia will also be issued a warrant to acquire 5 common shares of the Company at the then fair market value for each \$1,000 of principal amount of notes outstanding, which warrant shall be exercisable for a period of five years from the date of issuance; or
- ii. converted into an aggregate number of the shares of the most senior ranking share capital of the Kognitiv then outstanding (such class or series, the "Senior Shares") at a discount to the fair market value of such Senior Shares.

In the event the approval of other senior secured lenders is not obtained in i) above (and the note is not converted in accordance with ii) above), the note shall remain outstanding and the interest rate of the outstanding note shall be increased by 5% from the maturity date until such repayment is completed.

In the event a qualified financing occurs, Aimia has the option to convert the note into the same series of securities issued in the qualified financing at a 20% discount to the price at which such securities are offered.

As of December 31, 2022, the fair value of the investment has been estimated at \$9.8 million. The Corporation has accrued interest of \$1.1 million as well as recorded an unrealized fair value loss of \$1.3 million during the year ended December 31, 2022 for this investment based on the assumptions listed above.

Investment in Precog Capital Partners L.P.

On June 1, 2021, the Corporation invested \$25.0 million in Precog Capital Partners L.P., an investment fund whose general partner is MIM, a wholly-owned subsidiary of the Corporation. As a result of this investment, Aimia concluded it had control over the investment fund per the definition of IFRS 10 and therefore consolidates the fund. Aimia recognized a realized fair value loss of \$1.6 million during the year ended December 31, 2022 as well as an unrealized fair value loss of \$11.1 million during the year ended December 31, 2022 in regards to the equity instruments held through Precog. Refer to *Note 15* for additional details.

The following table presents additional details on the equity instruments held through Precog as at December 31, 2022 and 2021:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

3. FINANCIAL INSTRUMENTS (continued)

As at December 31, 2022						
	China	Australia	Canada	United States	Other	Total
Industrial	5.8	—	—	0.4	—	6.2
Consumer, Cyclical	—	4.8	1.1	0.8	—	6.7
Consumer, Non-Cyclical	—	—	—	1.3	—	1.3
Other	—	—	1.0	—	1.0	2.0
Total	5.8	4.8	2.1	2.5	1.0	16.2

As at December 31, 2021						
	China	Australia	Canada	United States	Other	Total
Industrial	8.7	—	—	—	—	8.7
Consumer, Cyclical	—	8.4	3.0	1.3	—	12.7
Consumer, Non-Cyclical	—	—	—	3.2	0.5	3.7
Other	—	—	2.0	—	1.3	3.3
Total	8.7	8.4	5.0	4.5	1.8	28.4

Investments in Special Purpose Vehicles

Special Purpose Vehicle 1

Starting in 2020, the Corporation invested \$6.5 million (US\$5.0 million) into a special purpose vehicle created to pursue a leveraged buyout of a target company. Aimia has the option to purchase up to a total of 25% of the potential acquired company in the event the leveraged buyout is consummated. Aimia recognized an unrealized fair value loss of \$2.5 million during the year ended December 31, 2022 and an unrealized fair value gain of \$1.7 million during the year ended December 31, 2021 for this investment.

Subsequent to December 31, 2022, the Corporation redeemed its capital invested in the SPV, which amounted to \$6.3 million at the redemption date.

Special Purpose Vehicle 2

On November 9, 2021, Aimia invested \$12.4 million (US\$10.0 million) in a second special purpose vehicle which was created also to pursue a leverage buyout strategy. Aimia recognized unrealized fair value gains of \$1.5 million and \$0.6 million during the year ended December 31, 2022 and December 31, 2021, respectively, for this investment.

Investments in equity instruments of JCDecaux

During the year ended December 31, 2020, the Corporation purchased 481,164 common shares of JCDecaux (DEC.PA), for a total of \$10.5 million (€6.8 million). In 2021, the Corporation disposed of all of its JCDecaux common shares for proceeds of \$17.4 million (€11.8 million), resulting in a \$6.9 million overall realized gain on the investment. The fair value of the investment in equity instruments of JCDecaux was based on the quoted market value for its publicly traded equity securities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

3. FINANCIAL INSTRUMENTS (continued)

Investments in equity instruments of Newmark Group

The Corporation purchased 500,000 common shares of Newmark Group (NMRK) in the year ended December 31, 2020 as well as an additional 491,700 common shares in the three months ended March 31, 2021 for a total of \$9.1 million (US\$7.1 million). In the fourth quarter of 2021, Aimia sold all of its investment in Newmark Group and received total proceeds of \$18.7 million (US\$15.1 million), resulting in an overall realized gain of \$9.7 million (US\$8.0 million) on the investment. The fair value of the investment in equity instruments of Newmark Group was based on the quoted market value for its publicly traded equity securities.

Financial assets and financial liabilities at amortized cost

The carrying amounts reported in the consolidated statement of financial position for cash and cash equivalents, restricted cash, accounts receivable, accounts payable and accrued liabilities approximate fair values based on the immediate or short-term maturities of these financial instruments.

FINANCIAL RISK MANAGEMENT

Aimia, through its financial assets and liabilities, has exposure to the following risks from its use of financial instruments: equity price risk, interest rate risk, credit risk, liquidity risk and currency risk. Senior management is responsible for setting risk levels and reviewing risk management activities as they determine to be necessary.

Equity Price Risk

Equity price risk refers to the risk that the fair value of investments in equity instruments will vary as a result of changes in market prices of the investments. The carrying values of investments subject to equity price risk are based on quoted market prices as of the consolidated statements of financial position dates. Market prices are subject to fluctuation and, consequently, the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Fluctuations in the market price of a security may have no relation to the intrinsic value of the security. Furthermore, amounts realized in the sale of a particular security may be affected by the quantity of the security being sold. The Corporation manages its equity price risk by limiting the size of these investments relative to its total assets.

The table below shows the impact to the Corporation on consolidated earnings before income taxes of a 10% increase or decrease in quoted market prices on investments subject to equity price risk in the consolidated statements of financial position of the Company. The selected change does not reflect what could be considered the best or worst case scenarios.

December 31, 2022	Fair value	Price change %	Estimated fair value after price change	Pre-tax impact on net income
Investments in marketable securities	52.9	+10%	58.2	5.3
Investments in marketable securities	52.9	-10%	47.6	(5.3)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

3. FINANCIAL INSTRUMENTS (continued)

December 31, 2022	Fair value	NAV change %	Estimated fair value after NAV change	Pre-tax impact on net income
Investments in special purpose vehicles and investments funds	26.7	+10%	29.4	2.7
Investments in special purpose vehicles and investments funds	26.7	-10%	24.0	(2.7)

December 31, 2021	Fair value	Price change %	Estimated fair value after price change	Pre-tax impact on net income
Investments in marketable securities	77.5	+10%	85.3	7.8
Investments in marketable securities	77.5	-10%	69.7	(7.8)

December 31, 2021	Fair value	NAV change %	Estimated fair value after NAV change	Pre-tax impact on net income
Investments in special purpose vehicles and investments funds	27.0	+10%	29.7	2.7
Investments in special purpose vehicles and investments funds	27.0	-10%	24.3	(2.7)

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Aimia is exposed to fluctuations in interest rates with respect to cash and cash equivalents as well as restricted cash, which bear interest at variable rates and are mainly held in the form of bank trading or saving accounts.

At December 31, 2022, the interest rate risk profile of Aimia's interest bearing financial instruments was as follows:

	December 31,	
	2022	2021
Variable rate instruments		
Cash, cash equivalents and restricted cash	505.3	36.6
Total	505.3	36.6

For the year ended December 31, 2022, a 1% variance in the interest rates on Aimia's interest bearing financial instruments, would have an impact of approximately \$5.1 million (2021: \$0.4 million) on earnings before income taxes. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis than for the year ended December 31, 2021.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

3. FINANCIAL INSTRUMENTS (continued)

Credit Risk

Credit risk is the risk of loss due to a counterparty's inability to meet its obligations. At December 31, 2022 and 2021 Aimia's credit risk exposure consists mainly of the carrying amounts of cash and cash equivalents, restricted cash, accounts receivable, receivable from related party, convertible notes and other investment income receivable.

The credit risk on cash and cash equivalents is limited because the counterparties are Canadian and international banks with high credit-ratings assigned by international credit-rating agencies. Aimia has no history of credit loss arising from those financial instruments. For the years ended December 31, 2022 and 2021, no expected credit loss allowance has been recorded in regards to those financial instruments.

As of December 31, 2022, the majority of Aimia's accounts receivable are from institutional investors and dividends from marketable securities. Aimia has no history of significant credit loss arising from those financial instruments. For the years ended December 31, 2022 and 2021, no significant expected credit loss allowance has been recorded in regards to those financial instruments.

As of December 31, 2022, Aimia also has investment in convertible notes of TRADE X and Kognitiv.

For the TRADE X A&R Note, the Corporation is exposed to credit risk in the event that the A&R Note is not previously converted into equity of TRADE X or repaid in accordance with the terms of the A&R Note described above. As of December 31, 2022, the principal and accrued interest of the A&R Note amount to \$36.8 million (US\$27.1 million). The A&R Note is secured by an hypothec of \$45.0 million on the universality of all of TRADE X's movable property, corporeal and incorporeal, present and future, of whatever nature and wherever situated. This security is subordinated to the security granted by TRADE X under other external financing agreement entered into by TRADE X.

For the Kognitiv secured subordinated convertible note, the Corporation is exposed to credit risk in the event that the note is not previously converted into equity of Kognitiv in accordance with the terms of the convertible note described above. As of December 31, 2022, the principal and accrued interest of the Kognitiv convertible note amount to \$11.1 million. The convertible note is secured by Kognitiv's present and after-acquired property, assets, rights, benefits, privileges and undertakings of every nature and kind, real or personal, moveable or immoveable, tangible and intangible, wherever situated, together with all increases, additions and accessions, all substitutions and replacements therefor. This security is subordinated to the security granted by Kognitiv under other external financing agreement entered into by Kognitiv.

Liquidity Risk

Aimia's objective is to maintain sufficient liquidity to meet its financial liabilities as they come due. At December 31, 2022, the Corporation is exposed to liquidity risk on its accounts payable and accrued liabilities. Aimia manages liquidity risk through the use and monitoring of its cash balances and cash flows generated from operations to meet financial liability requirements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

3. FINANCIAL INSTRUMENTS (continued)

At December 31, 2022, maturities of the financial liabilities are as follows:

	Total	2023	2024	2025	2026	2027	Thereafter
Accounts payable and accrued liabilities	7.3	7.3	—	—	—	—	—
Total	7.3	7.3	—	—	—	—	—

Limited partners' capital liability (\$2.2 million) do not have fixed maturities.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Corporation can invest in various international equity instruments that are denominated in a currency that is not the functional currency of the Corporation or any of its subsidiaries. At December 31, 2022 and 2021, the Corporation's main exposures to those currencies was as follows:

	Balance as at December 31, 2022		
	USD	HKD	MYR
Financial assets			
Cash and cash equivalents	0.2	—	—
Accounts receivables	—	—	0.2
Investments in marketable securities	—	—	31.0
Investment in private companies and other financial instruments	84.0	54.7	—
Long-term receivable	—	3.7	—
	84.2	58.4	31.2
Foreign currency exposure	84.2	58.4	31.2
Effect of a 1% change in the exchange rate	0.8	0.6	0.3
	Balance as at December 31, 2021		
	USD	HKD	MYR
Financial assets			
Cash and cash equivalents	5.5	—	—
Investments in marketable securities	—	—	39.5
Investment in private companies and other financial instruments	81.9	68.3	—
Long-term receivable	—	0.6	—
	87.4	68.9	39.5
Financial liabilities			
Trade and other payables	0.2	—	—
	0.2	—	—
Foreign currency exposure	87.2	68.9	39.5
Effect of a 1% change in the exchange rate	0.9	0.7	0.4

The Corporation's exposure to other foreign exchange movement is not significant.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

4. EQUITY-ACCOUNTED INVESTMENTS

As at	December 31,	December 31,
	2022	2021
PLM Premier, S.A.P.I. de C.V. ^(a)	—	48.0
Kognitiv	18.7	47.3
Total	18.7	95.3

- (a) The divestiture of Aimia's investment in PLM closed on July 15, 2022. During the year ended December 31, 2022, Aimia received distributions from PLM of \$2.9 million (US\$2.3 million), compared to distributions of \$26.4 million (US\$20.9 million) for the year ended December 31, 2021. The distributions received during the year ended December 31, 2022 have been received when the investment was classified as an asset held for sale and, therefore, the distributions have been recognized in "Interest, dividend and other investment income" in the consolidated statement of operations. Prior to the reclassification of the investment in PLM to assets held for sale on February 8, 2022, the distributions received from PLM were recorded as a reduction of the carrying amount of the investment.

Share of net earnings (loss) of equity-accounted investments	Years Ended December 31,	
	2022	2021
PLM Premier, S.A.P.I. de C.V. ^(a)	0.6	19.6
Kognitiv	(28.1)	(29.1)
BIGLIFE ^(b)	—	(0.7)
Total	(27.5)	(10.2)

- (a) The share of net earnings of PLM for the year ended December 31, 2022, represents the share of the net earnings from PLM prior to the classification of the investment as asset held for sale on February 8, 2022.
- (b) On June 28, 2021, Aimia disposed of its investment in BIGLIFE in exchange of 85.9 million of new common shares of Capital A.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

4. EQUITY-ACCOUNTED INVESTMENTS (continued)

INVESTMENT IN PLM PREMIER, S.A.P.I. DE C.V.

On February 8, 2022, Aimia announced that it had entered into a binding letter of intent (the "Binding LOI") with PLM and Grupo Aeromexico, S.A.B. de C.V. and Aerovías de México, S.A. de C.V. (collectively, "Aeromexico") to divest the company's 48.9% equity stake in PLM upon which PLM would become a wholly-owned subsidiary of Aeromexico.

The Mexican antitrust authorities "COFECE" approved the proposed transaction on June 16, 2022. On June 30, Aimia confirmed the execution of the Definitive Agreement in connection with the previously announced PLM transaction, subject to the satisfaction of certain closing conditions. Upon the satisfaction of the closing conditions, Aimia completed the divestiture of its investment in PLM on July 15, 2022.

At the closing of the transaction, Aimia received \$536.9 million (US\$410.1 million) in net cash proceeds, which was subject to certain adjustments to be made pursuant to the Definitive Agreement. As a result of these adjustments, Aimia received an additional \$4.5 million (US\$3.5 million) in net cash proceeds in September 2022.

In addition, an earn-out in an amount of \$28.0 million (US\$20.6 million) on a net basis, is payable to Aimia in cash should the PLM loyalty program achieve 100% of targeted annual gross billings amounts in either of the years 2022, 2023 or 2024 (the "earn-out years"). The earn-out that could be payable to Aimia is subject to an adjustment based on the actual gross billings achieved by PLM compared to the target and could vary from \$12.8 million (US\$9.4 million) based on 97.5% of the target, up to \$38.1 million (US\$28.1 million) based on 115% of the target, on a net basis. Aimia is only entitled to receive an earn-out amount once in respect of the earn-out years and, accordingly, to the extent that PLM's annual gross billings for any of the earn-out years are equal to or more than 97.5% of the target, Aimia shall receive such earn-out amount for that earn-out year. Once an earn-out amount is received, Aimia will not be entitled to receive an additional earn-out amount in respect of any subsequent earn-out year. On July 15, 2022, using an expected value approach based on probability assigned to various annual gross billings scenarios and a discount rate based on the estimated credit risk of the counterparty, the fair value of the earn-out receivable was estimated at \$11.0 million (US\$8.4 million) and is presented in Other non-current assets in the consolidated statement of financial position. As of December 31, 2022, the fair value of the earn-out has been estimated at \$11.9 million (US\$8.8 million) (*Note 14B*).

Based on the carrying value of PLM as of July 15, 2022, Aimia recognized a gain net of tax on divestiture of approximately \$530.5 million in the year ended December 31, 2022, including the reclassification to net earnings of \$32.4 million of cumulative translation adjustments ("CTA") related to the PLM investment, based on the calculation below.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

4. EQUITY-ACCOUNTED INVESTMENTS (continued)

Consideration associated with the PLM divestiture	
Net consideration	541.4
Earn-out recognized at fair-value	11.0
Transaction costs	(4.4)
Consideration relating to the divestiture of PLM	548.0
Carrying value of PLM	(49.9)
Gain before reclassification to net earnings of cumulative translation adjustments	498.1
Reclassification to net earnings of cumulative translation adjustments	32.4
Gain on the divestiture of PLM	530.5

As part of the PLM divestiture, the Corporation agreed to provide indemnification to PLM and Aeromexico in the event that PLM and Aeromexico suffer losses resulting from the default or breach by the Corporation of its obligations under the Definitive Agreement. The maximum potential future payments that the Corporation could be required to make under these indemnifications are not determinable at this time, as any future payments would be dependent on the type and extent of the related claims, and all available defenses, which cannot be estimated. However, historically, costs incurred to settle claims related to these indemnifications have not been material to the Corporation's consolidated financial position, net income or cash flows.

In addition, Aimia and PLM and Aeromexico have agreed to share certain potential additional Mexican income and withholding tax liabilities that could result solely from this transaction. If any additional Mexican income and withholding tax liabilities are to be assessed by the Mexican tax authorities (the "Liability"), Aimia would assume and shall be solely responsible for the first US\$27.5 million of Liability, PLM and Aeromexico would assume and be jointly and severally responsible for the next US\$27.5 million and, for any amount above such US\$55.0 million of the Liability, the Liability shall be assumed and shared equally between the parties, whereby Aimia shall be responsible for 50% of such Liability and PLM and Aeromexico shall assume and are jointly and severally responsible for the other 50% of such Liability. Aimia's responsibility and obligation to pay its share of the Liability is limited to US\$50.0 million and will not extend beyond five years from the date of filing before the tax authorities of the annual income tax return of PLM containing the tax liability resulting from this transaction, subject to statute of limitation extension by the tax authorities whereby the indemnification term would be extended until the expiration of such statute of limitations. No amount has been recorded in these financial statements with respect to this clause.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

4. EQUITY-ACCOUNTED INVESTMENTS (continued)

INVESTMENT IN KOGNITIV

Presented below are the summarized balance sheet and statement of operations for Kognitiv, excluding amounts relating to identifiable assets and goodwill recognized on the date of acquisition. The information reflects the amounts presented in the financial statements of Kognitiv adjusted for differences in accounting policies between the Corporation and Kognitiv.

Discontinued operations

Kognitiv's core business is focused on advanced loyalty, data activation and partner collaboration. Travel and travel products are important in the context of loyalty, and as such, Kognitiv has travel capabilities and technology. As the company streamlines its operations around its core capabilities, it is exploring investment and partnership opportunities to optimize these alternative travel assets. As discussions with counterparties in these proposed opportunities were in advanced stages as of December 31, 2022, operations of the alternative assets are presented as discontinued operations in Kognitiv's summarized statement of operations presented below.

Additionally, in March 2021, Kognitiv announced a sales transaction and partnership agreement with IRI, a provider of big data, predictive analytics and forward-looking insights for CPG, OTC health care organizations, retailers, financial services and media companies. IRI acquired from Kognitiv the Intelligent Shopper Solutions ("ISS") business. ISS operations are also presented as discontinued operations in Kognitiv's summarized statement of operations presented below.

Financing

In January 2022, Kognitiv secured new financing from the following sources:

- \$31.0 million in the form of secured subordinated convertible notes. Investors in the secured subordinated convertible notes included \$15.0 million from a new U.S. institutional investor, \$10.0 million from Aimia, and \$1.25 million from company insiders, including members of the board of directors and senior management, among other investors.
- \$17.5 million in the form of a senior debt facility.

During the year ended December 31, 2022, Kognitiv collected \$6.4 million related to the remaining deferred consideration related to the ISS transaction and repaid amounts outstanding under its senior debt facility.

Refer to *Note 3* for additional details on Aimia's investment in these convertible notes.

Subsequent to December 31, 2022, Kognitiv secured new debt financing in the form of secured promissory notes. Investors in the secured promissory notes included US\$6.0 million from a U.S. institutional investor and \$5.0 million from Aimia (of which \$2.0 million was advanced to Kognitiv as of December 31, 2022). The secured promissory note to Aimia was fully repaid by Kognitiv on March 7, 2023. Refer to *Note 13* for additional details.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

4. EQUITY-ACCOUNTED INVESTMENTS (continued)

Summarized balance sheet

As at	December 31,	December 31,
	2022	2021
Cash and cash equivalents	10.2	10.3
Other current assets	36.9	50.8
Total current assets	47.1	61.1
Total non current assets	2.2	9.2
Total assets	49.3	70.3
Total current liabilities	(49.1)	(57.2)
Total non-current liabilities	(43.6)	(9.9)
Total liabilities	(92.7)	(67.1)
Net assets (liabilities)	(43.4)	3.2

Summarized statement of operations

	Years Ended December 31,	
	2022	2021
Revenue ^(a)	47.7	47.7
Cost of sale and operating expenses ^(a)	(87.4)	(92.1)
Depreciation and amortization	(0.4)	(1.1)
Loss before net financial income and income tax expense ^(a)	(40.1)	(45.5)
Net loss	(47.3)	(52.3)
Other comprehensive income (loss)	(1.2)	2.6
Comprehensive loss	(48.5)	(49.7)
<i>Included in Net loss:</i>		
Net loss from discontinued operations ^(b)	(1.4)	(4.3)

(a) Revenue, cost of sale and operating expenses and loss before net financial income and income tax expense for the years ended December 31, 2022 and 2021 are presented on a continuing operations basis.

(b) Net earnings from discontinued operations include ISS operations up to March 17, 2021 and the gain on disposal. The gain on disposal has been calculated based on the transaction terms and the values of the net assets disposed of. This includes values from Aimia's notional purchase price allocation process for customer relationships and technology intangible assets as well as goodwill that have been allocated to the ISS business based on the relative values of the operations disposed of and the ones retained.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

4. EQUITY-ACCOUNTED INVESTMENTS (continued)

Reconciliation of summarized financial information to the carrying amount and Aimia's share of net earnings

	Years Ended December 31,	
	2022	2021
Kognitiv net assets, beginning of year	3.2	10.3
Net loss for the year	(47.3)	(52.3)
Other comprehensive income (loss)	(1.2)	2.6
Share-based compensation	2.0	3.8
Other equity movements	(0.1)	(0.4)
Adjustment for intangibles and goodwill recognized on acquisition related to business disposal and other equity adjustments	—	39.2
Kognitiv net assets, end of year	(43.4)	3.2
Interest in Kognitiv @ 48.8% (2021: 48.9%)	(21.2)	1.6
Cumulative undeclared dividends on preferred shares not owned by Aimia	(5.5)	(3.1)
Share of equity movements not impacting equity pick-up	(2.6)	(1.7)
Share of net book value of intangibles assets and goodwill recognized on acquisition	48.0	50.5
Carrying value, end of year	18.7	47.3

	Years Ended December 31,	
	2022	2021
Net loss	(47.3)	(52.3)
Share of net loss of Kognitiv	(23.2)	(25.6)
Amortization expense related to identifiable assets recognized on acquisition	(1.7)	(1.5)
Cumulative undeclared dividends on preferred shares not owned by Aimia	(2.4)	(2.0)
Impairment charge related to identifiable assets recognized on acquisition	(0.8)	—
Aimia's share of Kognitiv net loss	(28.1)	(29.1)

Impairment tests

Year ended December 31, 2022

During the year ended December 31, 2022, the delays in the execution of Kognitiv's business plan, which have pushed out the achievement of profitability further, were considered to be an indication that Kognitiv's carrying amount might have been impaired.

The recoverable value was determined using a market approach consisting of a multiple of trailing twelve months revenue from continuing operations.

The key assumption for the market approach was as follows:

- Trailing twelve months revenue from continuing operations multiple of 1.5x.
- Expected proceeds from businesses identified as discontinued operations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

4. EQUITY-ACCOUNTED INVESTMENTS (continued)

The multiples selected were taken from a list of comparable companies offering loyalty and marketing services.

Based on the results of the impairment test, the carrying amount of the investment in Kognitiv was determined to be lower than its recoverable value, and therefore no impairment was recorded.

Sensitivity

If the trailing twelve months average revenue multiple applied to Kognitiv's revenues for the year ended December 31, 2022, would be below 1.25x, the recoverable value of the investment in Kognitiv would have been determined to be lower than its carrying amount at December 31, 2022.

Year ended December 31, 2021

During the year ended December 31, 2021, the emergence of new COVID-19 variants, extension of travel restrictions and lockdowns across various jurisdictions as well as restructuring activities following the Intelligent Shopper Solutions transaction caused additional delays in the execution of Kognitiv's business plan. Aimia tested the investment for impairment at that time, as these delays to the business plan, which have pushed out the achievement of profitability further, were considered to be an indication that Kognitiv's carrying amount might have been impaired.

The recoverable value was determined using a market approach consisting of a multiple of projected revenues. These valuations were based on the most recent financial long-range plan prepared by Kognitiv's management.

The key assumptions for the market approach were as follows:

- Forecasted Revenues multiple range of 1.4x - 2.2x
- Revenue growth rate of 30%

The multiples selected were taken from a list of comparable companies offering marketing services and are in line with the implied multiples from the disposal of ISS by Kognitiv in 2021.

Based on the results of the impairment test, the carrying amount of the investment in Kognitiv was determined to be lower than its recoverable value, and therefore no impairment was recorded.

INVESTMENT IN BIGLIFE

On March 22, 2021, Aimia entered into a binding memorandum of understanding with Capital A to sell Aimia's investment in BIGLIFE in exchange for 85.9 million of new common shares of Capital A. On April 14, 2021, the parties entered into a share sale and purchase agreement under the same terms. This agreement was subject to Capital A shareholders approval as well as approval from Bursa Malaysia Securities Berhad ("Bursa Securities") on the listing of and quotation for the shares on the Main Market of Bursa Securities. With both conditions fulfilled, the sale of Aimia's investment in BIGLIFE closed on June 28, 2021.

The fair value of the Capital A common shares received on that date was \$22.3 million (MYR75.1 million), resulting in a gain on disposal of equity-accounted investment of \$6.9 million.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

5. EARNINGS (LOSS) PER COMMON SHARE

	Years Ended December 31,	
	2022	2021
Net earnings (loss) attributable to equity holders of the Corporation	440.1	(16.4)
Deduct: Dividends declared on preferred shares related to the period (Note 9)	(12.6)	(12.6)
Net earnings (loss) attributable to common shareholders	427.5	(29.0)
Weighted average number of common shares - Basic ^(a)	87,682,533	90,922,527
<i>Adjustments for calculation of diluted earnings per share:</i>		
Stock options	17,982	—
Escrow shares	747,392	—
Weighted average number of common shares - Diluted	88,447,907	90,922,527
Basic earnings (loss) per common share	\$ 4.88	\$ (0.32)
Continuing operations	\$ 4.88	\$ (0.33)
Discontinued operations	—	0.01
Diluted earnings (loss) per common share	\$ 4.83	\$ (0.32)
Continuing operations	\$ 4.83	\$ (0.33)
Discontinued operations	—	0.01

(a) The weighted average number of basic common shares calculation excludes common shares issued and deposited in escrow as part of the MIM transaction (Note 10) as they are still subject to forfeitures as of December 31, 2022.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

6. LONG-LIVED INTANGIBLES AND GOODWILL

	Customer Relationships	Goodwill
Year ended December 31, 2021		
Opening net carrying amount	1.8	11.1
Depreciation and amortization expense	(0.7)	—
Exchange differences and other	—	(0.1)
Closing net carrying amount	1.1	11.0
At December 31, 2021		
Cost	2.5	11.0
Less: accumulated depreciation and amortization	1.4	—
Closing net carrying amount	1.1	11.0
Year ended December 31, 2022		
Opening net carrying amount	1.1	11.0
Depreciation and amortization expense	(0.1)	—
Impairment charges	—	(11.4)
Exchange differences and other	0.1	0.4
Closing net carrying amount	1.1	—
At December 31, 2022		
Cost	1.7	11.4
Less: accumulated depreciation and amortization	0.6	—
Less: accumulated impairment charges	—	11.4
Closing net carrying amount	1.1	—

GEOGRAPHIC INFORMATION

Non-current assets

As at	December 31,	
	2022	2021
Canada	32.9	32.9
United States	1.1	12.1
Total	34.0	45.0

Non-current assets for this purpose include amounts relating to intangible assets, goodwill and the tax deposit included in other non-current assets.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

6. LONG-LIVED INTANGIBLES AND GOODWILL (continued)

IMPAIRMENT OF NON-FINANCIAL ASSETS

Goodwill

For the purpose of impairment testing, goodwill was allocated to Aimia's Holdings cash-generating unit ("CGU") which represented the lowest level within Aimia at which goodwill was monitored for internal management purposes, and was not higher in the hierarchy than Aimia's operating segments.

Year ended December 31, 2022

Following the PLM transaction, Aimia's Holdings cash generating unit ("CGU") was mostly composed either of assets for which the carrying amounts are equal to their fair values or financial instruments measured at fair value. As a result, the carrying amount of the Holdings CGU (including goodwill) was determined to be higher than its recoverable amount and therefore, an impairment of \$11.4 million was recorded during the year ended December 31, 2022.

Year ended December 31, 2021

The carrying amount of the CGU as of December 31, 2021 was \$421.0 million.

The recoverable value of Aimia's Holdings CGU for the year ended December 31, 2021 was based on the fair value less costs of disposal calculation. The resulting recoverable value is the sum of assets fair values using different valuation techniques classified as level 1 and level 3 in accordance with the fair value hierarchy described in *Note 3*.

Key assumptions and unobservable valuation inputs associated valuation techniques classified as level 3 include:

- Investment in PLM: assumptions in accordance to binding letter of intent between Aimia and Aeromexico as described in *Note 4*;
- Investment in Clear Media: assumptions and inputs aligned with fair value calculation described in *Note 3*;
- Investment in TRADE X: assumptions and inputs aligned with fair value calculation described in *Note 3*;
- Investment in Kognitiv: assumptions and inputs aligned with recoverable value calculation for impairment test performed, as described in *Note 4*;
- Recurring central operating costs, including costs related to public company disclosure and Board costs, executive leadership, finance and administration valued using a multiple of 6.0x;

Based on the results of the impairment tests conducted as of December 31, 2021, the carrying amount of the Holdings cash generating unit was determined to be lower than its recoverable amount and therefore, no impairment was recorded.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

7. INCOME TAXES

Income Tax Expense

Income tax expense (recovery) from continuing operations for the year is as follows:

	Years Ended December 31,	
	2022	2021
Current tax expense (recovery)		
Current Part VI.1 tax expense for the year	5.1	5.1
Current tax expense for the year	0.1	(0.1)
Total current tax expense	5.2	5.0

Income taxes included in the statement of earnings differ from the statutory rate as follows:

	Years Ended December 31,			
	2022		2021	
	%	\$	%	\$
Reconciliation of statutory tax rate				
Income tax expense (recovery) at Canadian statutory tax rate:	26.50	118.0	26.50	(3.2)
Adjusted for the effect of:				
Temporary differences for which no deferred income tax asset has been recorded	2.21	9.8	1.65	(0.2)
Permanent differences - other	3.15	14.0	(44.67)	5.4
Permanent differences - divestiture of equity-accounted investment	(22.64)	(100.8)	—	—
Foreign operations - subject to different tax rates	(9.21)	(41.0)	15.70	(1.9)
Prior year adjustments	0.02	0.1	1.65	(0.2)
Part VI.1 tax	1.14	5.1	(42.15)	5.1
Income tax expense (recovery) as reported in the consolidated statements of operations and effective tax rate	1.17	5.2	(41.32)	5.0

The Corporation's applicable tax rate is the Canadian combined rates applicable in the jurisdictions in which the Corporation operates.

Deferred income tax assets and liabilities

At December 31, 2022 and 2021, Aimia had no deferred tax assets. Deferred tax assets on a continuing basis have not been recorded in the accounts as it is currently not considered probable that taxable profits will be available against which deferred tax assets could be utilized.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

7. INCOME TAXES (continued)

At December 31, 2022, no deferred tax assets were recognized for temporary differences of \$70.7 million (2021: no deferred tax liabilities were recognized for temporary differences of \$59.4 million) related to investments in subsidiaries because Aimia controls whether the assets will be utilized and it is satisfied that it will not be utilized in the foreseeable future.

Operating tax losses

At December 31, 2022, Aimia had the following operating tax losses available for carryforward, for which the deferred tax benefit has not been recorded in the accounts, which may be used to reduce taxable income in future years:

Country	Carryforward period	
(i) Canada		
losses available for carryforward	0.2	2028
	0.6	2036
	3.7	2038
	65.2	2039
	22.9	2040
	31.6	2041
	19.5	2042
	143.7	
(ii) United Kingdom		
losses available for carryforward	16.8	Indefinite with limitations on usage
(iii) United States		
losses available for carryforward	2.6	2029
	10.9	2030
	33.1	2031
	24.9	2032
	37.2	2033
	10.6	2034
	16.3	2035
	14.1	2036
	10.2	2037
	82.7	Indefinite with limitations on usage
	242.6	

Capital tax losses

At December 31, 2022, Aimia had Canadian capital tax losses of \$260.3 million, for which the deferred tax benefit has not been recorded in the consolidated financial statements, which may be used to reduce taxable capital income in future years.

Other deductible temporary differences

At December 31, 2022, Aimia had other deductible temporary differences of \$3.6 million which may be used to reduce taxable income in future years and for which no deferred tax benefit has been recorded in the accounts.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

8. CONTINGENT LIABILITIES

GUARANTEES AND INDEMNIFICATIONS

Aimia has agreed to indemnify its directors and officers, and the directors and officers of its subsidiaries, to the extent permitted under corporate law, against costs and damages incurred as a result of lawsuits or any other judicial, administrative or investigative proceeding in which said directors or officers are sued as a result of their services. The directors and officers are covered by directors' and officers' liability insurance.

In limited circumstances, Aimia may provide guarantees and/or indemnifications to third parties to support the performance obligations of its subsidiaries under commercial contracts or in regards to representations and warranties made by Aimia when Aimia disposed of businesses and other assets. No amount has been recorded in these financial statements with respect to the indemnification and guarantee agreements.

Aeroplan transaction

On January 10, 2019, Aimia completed the sale of Aeroplan Inc. (formerly known as Aimia Canada Inc.), the owner and operator of the Aeroplan loyalty program, to Air Canada, pursuant to the share purchase agreement entered into (the "SPA").

In addition to customary transactional indemnity clauses, Aimia had agreed to indemnify Air Canada for income tax payments that may arise after the closing date relating to pre-closing tax periods for Aeroplan Inc. This included the income tax audit conducted by the CRA regarding certain Aeroplan income tax matters dating back to 2013 (the "2013 CRA audit"). In regards to this tax payment indemnification clause, \$100.0 million of the purchase proceeds were deposited in a separate interest-bearing account jointly controlled by Aimia and Air Canada pending the conclusion of the 2013 CRA audit.

Since the transaction close, Aimia received notices of reassessment from the CRA and Revenu Québec for the 2012 through 2017 taxation years and notices of assessment for the 2018 and 2019 taxation years. Aimia has funded the amounts due upon receipt of the assessments from the restricted cash account. The remaining restricted cash account balance of \$66.9 million was released to Aimia in July 2020 in accordance with the terms of the SPA between Aimia and Air Canada.

Aimia, in conjunction with Aeroplan Inc., has initiated the process to vigorously contest these matters. Based on external advice it has received, the Corporation believes that it is more likely than not that Aeroplan Inc. will prevail in the recourse procedures available to taxpayers in these situations, which could eventually lead to a court contestation. Based on this assessment, Aimia did not record any income tax expenses related to discontinued operations in its financial statements and presents the amount funded in other non-current assets (*Note 14B*). Should Aeroplan Inc. be successful in its recourse procedures, the \$32.9 million remitted to the CRA and Revenu Québec from the original \$100.0 million restricted cash account would be returned to Aimia.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

8. CONTINGENT LIABILITIES (continued)

PLM Transaction

Refer to *Note 4* for a description of the indemnification clauses related to the divestiture of PLM.

CLASS ACTIONS

Class actions seeking reimbursement of fuel surcharges, airport improvement fees and passenger charges

Following the completion of the sale of the Aeroplan Program and related assets on January 10, 2019, Aimia will bear 50% of the liability and costs, if any, associated with these class action proceedings against Aeroplan Inc., up to a cap of \$25.0 million for Aimia, after which Air Canada is solely responsible.

Management believes that Aeroplan Inc. has a strong defense to these class actions and believes that it is more likely than not that its position will ultimately be sustained; therefore, no amount was recorded in the Corporation's consolidated financial statements as at December 31, 2022 and December 31, 2021.

OTHER CLAIMS AND LITIGATION

Claim from former executive

On November 12, 2020, a former executive of the Corporation filed a statement of claim with the Ontario Superior Court against Aimia seeking, among other remedies, an aggregate of at least \$9.0 million in compensatory and punitive damages for breach of contract and wrongful dismissal. Aimia has filed a statement of defense and counterclaim in January 2021. The counterclaim against the plaintiff seeks damages on the basis of the plaintiff's breach of his employment contract. The parties have exchanged productions and conducted examinations for discovery. During the year ended December 31, 2022, the Corporation has recorded a provision of \$4.0 million for this claim. The provision has been classified in Compensation and benefits in the consolidated statements of operations (*Note 14A*) and in Other non-current liabilities in the consolidated statements of financial position (*Note 14B*).

The Corporation is actively contesting this claim.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

9. DIVIDENDS

Quarterly dividends declared to preferred shareholders of Aimia for the years ended December 31, 2022 and 2021, were as follows:

Three months ended	2022		2021	
	Amount	Per preferred share	Amount	Per preferred share
Series 1				
March 31,	1.5	0.300125	1.5	0.300125
June 30,	1.6	0.300125	1.6	0.300125
September 30,	1.5	0.300125	1.5	0.300125
December 31,	1.5	0.300125	1.5	0.300125
Total	6.1	1.200500	6.1	1.200500
Series 3				
March 31,	1.7	0.375688	1.7	0.375688
June 30,	1.6	0.375688	1.6	0.375688
September 30,	1.6	0.375688	1.6	0.375688
December 31,	1.6	0.375688	1.6	0.375688
Total	6.5	1.502752	6.5	1.502752
Total preferred dividends on Series 1 and Series 3	12.6		12.6	

Aimia is subject to Part VI.1 tax under the Income Tax Act (Canada) (the "ITA") at an imposed tax rate of 40% associated with dividends paid on its preferred shares. For the year ended December 31, 2022, the gross amount of Part VI.1 tax expense is \$5.1 million (2021: \$5.1 million). In prior years when Aimia paid dividends on its Preferred Shares, Aimia transferred all or part of its Part VI.1 tax liability to its related Canadian subsidiaries to offset the Part VI.1 tax by reducing the taxable income of its Canadian subsidiary and Part 1 tax liability. However, following the sale of Aeroplan in 2019 and the Kognitiv transaction in 2020, Aimia and its related Canadian subsidiaries currently do not have sufficient Canadian taxable income to benefit from the Part VI.1 tax deduction to offset the Part 1 tax. Any unused Part VI.1 tax deduction are carried forward as non-capital losses under the rules specifically provided under the ITA.

During the years ended December 31, 2022 and 2021, the Corporation paid \$5.1 million and \$5.1 million of Part VI.1 tax, respectively.

On March 15, 2023, the Board of Directors of Aimia declared quarterly dividends of \$0.300125 per Series 1 preferred share and \$0.375688 per Series 3 preferred share, in each case payable on March 31, 2023, to shareholders of record on March 24, 2023.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

10. CAPITAL STOCK

A) CAPITAL STOCK

Authorized:

An unlimited number of common shares, voting, no par value;

An unlimited number of preferred shares, non-voting, non-participating, issuable in series, no par value. In the event that Aimia has not paid the dividends accrued and payable for any eight quarters, whether or not consecutive and whether or not such dividends have been declared, the holders of preferred shares become entitled to receive notice of and to attend meetings of the shareholders of the Corporation, other than meetings at which only holders of another specified class or series are entitled to vote, and to vote together with all other shareholders of the Corporation entitled to vote at such meetings on the basis of one vote for each preferred share.

COMMON SHARES:

Issued and outstanding	December 31, 2022		December 31, 2021	
	Number of shares	\$	Number of shares	\$
Opening balance ^(a)	92,488,212	4.8	92,488,212	4.8
Shares repurchased under the normal course issuer bid program	(8,323,598)	(0.4)	—	—
Closing balance ^(a)	84,164,614	4.4	92,488,212	4.8

(a) The common shares issued include 1.6 million shares subject to forfeiture and/or clawback clauses that have been issued and deposited in escrow.

Normal course issuer bid

On June 17, 2021, the Corporation announced it had received approval from the Toronto Stock Exchange to purchase up to 7,349,638 of its issued and outstanding common shares under a normal course issuer bid ("NCIB") during the period from June 21, 2021 to no later than June 20, 2022 (the "2021-2022 NCIB"). During the year ended December 31, 2022, Aimia repurchased, under the 2021-2022 NCIB, 543,276 common shares for a total consideration of \$2.6 million. Share capital was reduced by a negligible amount and the remaining \$2.6 million was accounted for as a reduction of contributed surplus.

On June 17, 2022, the Corporation announced it had received approval from the Toronto Stock Exchange to purchase up to 7,780,322 of its issued and outstanding common shares under a normal course issuer bid during the period from June 21, 2022 to no later than June 20, 2023 (the "2022-2023 NCIB"). During the year ended December 31, 2022, Aimia repurchased, under the 2022-2023 NCIB, 7,780,322 common shares for a total consideration of \$33.9 million. Share capital was reduced by \$0.4 million and the remaining \$33.5 million was accounted for as a reduction of contributed surplus.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

10. CAPITAL STOCK (continued)

Escrow shares and contingent shares

On June 19, 2020, Aimia announced the closing of the acquisition of all outstanding shares of Mittleman Brothers LLC, a related party to the Corporation and the parent company of Mittleman Investment Management, LLC, an SEC-registered adviser that provides discretionary portfolio management to institutional investors and high-net-worth individuals.

The fair value of the total consideration was estimated at \$16.4 million and included of \$14.4 million related to the business acquisition and \$2.0 million of deferred compensation. The total consideration consisted of \$6.3 million (US\$4.6 million) in cash paid at closing and up to approximately 4.2 million common shares of the Corporation. The consideration in common shares included 1.5 million common shares that were issued as initial consideration and up to 2.7 million common shares that will be issued to the sellers subject to achievement of certain earn-out and performance related targets. Of those 2.7 million common shares, 1.6 million are subject to forfeiture and/or clawback clauses, and have already been issued and deposited in escrow (the "escrow shares"). The remaining 1.1 million common shares will be issued upon achieving the performance related targets (the "contingent shares").

The performance related targets include a significant increase in MIM's assets under management or Aimia's share price trading at a weighted average of \$6.00/share or higher over a consecutive 20 day trading period, in each case, prior to the fourth anniversary of the closing of the transaction.

PREFERRED SHARES:

Issued and outstanding	December 31, 2022		December 31, 2021	
	Number of shares	\$	Number of shares	\$
Opening balance	9,438,403	231.1	9,438,403	231.1
Closing balance	9,438,403	231.1	9,438,403	231.1
Represented by:				
Preferred Shares, Series 1	5,083,140	124.4	5,083,140	124.4
Preferred Shares, Series 3	4,355,263	106.7	4,355,263	106.7

Preferred shares, Series 1

As of December 31, 2022, there are 5,083,140 issued and outstanding Series 1 Preferred Shares, all of which are listed on the Toronto Stock Exchange. The holders of the Series 1 Shares are entitled to receive quarterly fixed, cumulative, preferential cash dividends, as and when declared by the Corporation's Board of Directors, subject to compliance with the provisions of the *Canada Business Corporations Act*. The annual dividend rate of the Series 1 Preferred Shares for the five-year period from and including March 31, 2020 up to but excluding March 31, 2025 is 4.802%, being 3.75% over the five-year Government of Canada bond yield, as determined in accordance with the rights, privileges, restrictions and conditions attaching to the Series 1 Preferred Shares.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

10. CAPITAL STOCK (continued)

Preferred shares, Series 3

As of December 31, 2022, there are 4,355,263 issued and outstanding Series 3 Preferred Shares, all of which are listed on the Toronto Stock Exchange. The holders of the Series 3 Shares are entitled to receive quarterly fixed, cumulative, preferential cash dividends, as and when declared by the Corporation's Board of Directors, subject to compliance with the provisions of the *Canada Business Corporations Act*. The annual dividend rate for the five-year period from and including March 31, 2019 up to but excluding March 31, 2024 is 6.01%, being 4.20% over the five-year Government of Canada bond yield, as determined in accordance with the rights, privileges, restrictions and conditions attaching to the Series 3 Preferred Shares.

B) STOCK-BASED COMPENSATION AND OTHER PERFORMANCE AWARDS

The total stock-based compensation and other performance awards expense for the years ended December 31, 2022 and 2021 was as follows:

	Years Ended December 31,	
	2022	2021
DSU compensation	(2.4)	7.2
Total stock-based compensation	(2.4)	7.2
Performance cash awards	—	0.1
Total stock-based compensation and other performance awards	(2.4)	7.3

Aimia Long-Term Incentive Plan

The Corporation did not issue stock options for the years ended December 31, 2022 and 2021.

A summary of stock option activity related to the employees participating in the Aimia Long-Term Incentive Plan is as follows:

	2022		2021	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Options outstanding - Beginning of year	96,349	5.46	644,310	8.85
Forfeited	—	—	—	—
Expired	(21,207)	13.30	(547,961)	9.45
Options outstanding - end of year	75,142	3.25	96,349	5.46
Options exercisable - end of year	56,355	3.25	58,777	6.88

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

10. CAPITAL STOCK (continued)

The details of options outstanding and exercisable at December 31, 2022 are as follows:

Year granted	Options Outstanding		Options Exercisable		Expiration Date
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price	
2019	75,142	3.25	56,355	3.25	2026
	75,142	3.25	56,355	3.25	

Aimia Deferred Share Unit Plan

The details of Aimia's DSUs described in Note 2 are as follows:

December 31,	DSU	
	2022	2021
Number of units outstanding - beginning of year	4,158,534	4,102,113
Units granted during the year	227,108	143,685
Units forfeited during the year	(833,333)	—
Units settled during the year	—	(87,264)
Number of units outstanding - end of year	3,552,309	4,158,534
Weighted average fair value per unit on date of grant (\$)	\$ 4.33	\$ 4.63

The DSUs granted to directors are not subject to vesting conditions. During the year ended December 31, 2020, a special grant of 3.8 million DSUs were issued to executives and had the following characteristics:

- 516,667 were not subject to vesting conditions;
- 600,000 are subject to performance vesting conditions (Aimia's share price trading at a weighted average of \$6.00/share or higher over a consecutive 20 day trading period). If the performance condition is met, the DSUs are vesting in equal parts at each grant anniversary over the next 6 years;
- 2,683,333 vesting in equal parts at each grant anniversary over 5 or 6 years. 833,333 of those DSUs were forfeited during the year ended December 31, 2022.

DSUs are payable only upon termination of service. At December 31, 2022, the intrinsic value of vested DSUs amounted to \$6.9 million (2021: \$6.8 million).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

11. COMMITMENTS

As at December 31, 2022, the non-cancellable estimated future minimum payments under various short-term operating leases and other contractual obligations are as follows:

	Total	2023	2024	2025	2026	2027	Thereafter
Operating leases	0.1	0.1	—	—	—	—	—
Technology infrastructure and other	0.4	0.3	0.1	—	—	—	—
Total	0.5	0.4	0.1	—	—	—	—

12. CAPITAL MANAGEMENT

Aimia's main objectives when managing capital are:

- to provide a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business;
- to maintain a flexible capital structure that optimizes the cost of capital at acceptable risk and preserves the ability to meet financial obligations; and
- to provide a rewarding return on investment to shareholders.

Aimia considers its capital structure to include shareholders' equity and, to the extent it exists, interest-bearing debt.

Aimia manages its capital structure and adjusts it considering changes in economic conditions and the risk characteristics of the underlying financial instruments. The Corporation may issue new shares or debt as well as repurchase common and/or preferred shares using normal course issuer bid to maintain or adjust its capital structure. As of December 31, 2022 and 2021, Aimia was not subject to externally imposed capital requirements.

The total capital as at December 31, 2022 and 2021 is as follows:

	December 31,	
	2022	2021
Share Capital	235.5	235.9
Contributed surplus	2,229.3	2,265.4
Accumulated other comprehensive income	14.4	32.5
Deficit	(1,702.3)	(2,129.8)
Total capital	776.9	404.0

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

13. RELATED PARTIES

ULTIMATE CONTROLLING PARTY

During the years ended December 31, 2022 and 2021, shares of the Corporation were widely held and the Corporation did not have an ultimate controlling party.

TRANSACTIONS WITH DIRECTORS AND KEY MANAGEMENT PERSONNEL

As of December 31, 2022, key management personnel is identified as the Corporation's:

- Chief Executive Officer;
- President;
- Chief Financial Officer;
- Chief Legal Officer.

Key management personnel also included the Chief Investment Officer of Aimia until the role was changed to being solely acting as the Chief Investment Officer of Mittleman Investment Management, LLC, a wholly-owned subsidiary of Aimia. The role change became effective on March 29, 2022.

Key management personnel based in Canada participate in registered defined contributions pension plan with annual contributions of 15% of base salary, through co-payment by the Corporation and the executive, up to the annual maximum permitted under relevant legislation. Once the maximum allowable deductible pension contribution is reached, Aimia contributes to a non-registered plan to achieve the target annual contribution of 15% of base salary.

Key management personnel based in the United States participate in a 401(k) retirement savings plan. Under the plan and subject to IRS annual contribution maximums, employees may contribute up to the maximum established for the fiscal year. Where the employee contributes the maximum allowable value, the Corporation shall do the same to maximize the employee's 401(k) plan for the year.

Key management personnel of Aimia also participate in the DSU Plan (deferred share units) and may participate in the LTIP (stock options) and the SUP (performance share units and restricted share units).

The compensation for services paid or payable to directors and to key management roles identified above is shown below:

	Years Ended December 31,	
	2022	2021
Director compensation, and key management salaries and benefits ^(a)	6.0	5.5
Post-employment benefits	0.2	0.2
Share-based compensation and other performance awards	(1.8)	7.3
Total	4.4	13.0

(a) Salaries and benefits include short-term incentive compensation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

13. RELATED PARTIES (continued)

In addition to the above amounts, the Corporation is committed to pay incremental benefits to certain members of key management up to \$2.2 million in the event of a termination without cause or up to \$9.6 million in the event of a termination resulting from a change in control.

TRANSACTIONS WITH POST-EMPLOYMENT BENEFIT PLANS

Aimia offers post-employment benefits to its former employees by way of defined contribution plans. The transactions with these plans are limited to contributions and payment of benefits (*Note 14A*).

LOAN TO A FORMER EXECUTIVE

Effective March 29, 2022, Mr. Christopher Mittleman ceased to be Chief Investment Officer of Aimia to serve solely as the Chief Investment Officer of Mittleman Investment Management, LLC, a wholly-owned subsidiary of Aimia. In connection therewith, on March 29, 2022, all unvested DSUs held by Mr. Mittleman have been forfeited. The liability associated with these unvested DSUs has been derecognized during the quarter ended March 31, 2022. Additionally, on July 8, 2022, the Corporation entered into a secured promissory note agreement to lend Mr. Mittleman an amount of \$1.3 million (US\$1.0 million).

The secured promissory note bears interest at 7.5% annually and matures at the earlier of (1) July 8, 2027 or (2) the date upon which the vested DSUs granted to Mr. Mittleman are settled pursuant to the terms and conditions of the DSU plan. Interests are payable on a quarterly basis. The promissory note is secured by 300,000 common shares of the Corporation held by Mr. Mittleman. The secured promissory note is presented as part of Other non-current assets on the consolidated statement of financial position (*Note 14B*).

TRANSACTIONS WITH KOGNITIV

Convertible note

During the year ended December 31, 2022, the Corporation invested \$10.0 million in a secured subordinated convertible note of Kognitiv. Refer to *Note 3* for additional details.

Promissory Note

Subsequent to December 31, 2022, the Corporation entered in to a secured promissory note agreement with Kognitiv whereby the Corporation has agreed to lend an amount of \$5.0 million to Kognitiv. The promissory note bears interest at 12%, was subject to a 3% structuring fee and had a maturity date as of March 7, 2023 and was secured by all present and future accounts receivable of the Borrowers and all proceeds thereof. The promissory note was fully repaid by Kognitiv on March 7, 2023.

As of December 31, 2022, Aimia advanced to Kognitiv an amount of \$2.0 million out of the \$5.0 million in regards to that promissory note and recorded interest income of \$0.1 million. The amount is presented as Receivable from related party on the consolidated statements of financial position.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

14. ADDITIONAL FINANCIAL INFORMATION

The following sections provide additional information regarding certain primary financial statement captions:

A) STATEMENTS OF OPERATIONS

REVENUE

All of the Corporation's revenues from customers from continuing operations (investment management fees) have been recognized in the United States. Revenue from customers are attributed to a country on the basis of the country where the contractual and management responsibility for the customer resides.

INTEREST, DIVIDEND AND OTHER INVESTMENT INCOME

	Years Ended December 31,	
	2022	2021
Interest income		
Interest on cash and cash equivalents, restricted cash	0.3	0.4
Interest on convertible notes and other financial instruments	4.4	0.2
Total interest income	4.7	0.6
Dividend income		
Dividend income from marketable securities	0.8	—
Dividend income from marketable securities held through Precog	0.1	0.4
Distribution from PLM (<i>Note 4</i>)	2.9	—
Total dividend income	3.8	0.4
Other investment income		
Other investment income (<i>Note 3</i>)	3.0	0.6
Total other investment income	3.0	0.6
Total interest, dividend and other investment income	11.5	1.6

COMPENSATION AND BENEFITS

	Years Ended December 31,	
	2022	2021
Salaries and benefits	10.4	9.1
Share-based compensation (<i>Note 10</i>)	(2.4)	7.3
Litigation provision (<i>Note 8</i>)	4.0	—
Total	12.0	16.4

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

14. ADDITIONAL FINANCIAL INFORMATION (continued)

Employee benefits

Total employee benefit expenses, including salary and wages, pension costs, share-based compensation, termination and other benefits, but excluding compensation expenses related to Board of Directors members and the litigation provision, for the year ended December 31, 2022 amounted to \$7.4 million (2021: \$15.3 million).

Defined contribution plan

Total employee pension costs, as recognized by Aimia under required defined contribution employee future benefit, amounted to \$0.3 million for the year ended December 31, 2022 (2021: \$0.4 million).

B) STATEMENTS OF FINANCIAL POSITION

OTHER NON-CURRENT ASSETS

As at	December 31,	December 31,
	2022	2021
Tax deposit (Note 8)	32.9	32.9
Contingent consideration (earn-out) receivable (Note 4)	11.9	—
Other investment income receivable (Note 3)	3.7	0.6
Loan receivable from a related party (Note 13)	1.4	—
Prepayments	0.6	0.8
Total	50.5	34.3

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at	December 31,	December 31,
	2022	2021
Non-trade payables and other accrued expenses	4.0	2.0
Employee compensation and benefits accruals (excluding share-based compensation)	3.3	2.7
Total	7.3	4.7

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

14. ADDITIONAL FINANCIAL INFORMATION (continued)

OTHER NON-CURRENT LIABILITIES

As at	December 31,	December 31,
	2022	2021
Share-based compensation	10.5	12.9
Litigation provision (<i>Note 8</i>)	4.0	—
Contingent consideration - Business acquisition	2.4	3.4
Deferred compensation - Business acquisition	0.7	0.6
Total	17.6	16.9

C) STATEMENTS OF CASH FLOWS

CHANGES IN OPERATING ASSETS AND LIABILITIES

	Years Ended December 31,	
	2022	2021
Restricted cash	1.7	(0.8)
Accounts receivable	0.3	3.7
Prepaid expenses	0.2	0.2
Accounts payable and accrued liabilities	(1.0)	0.2
Other non-current liabilities	0.1	0.4
Total	1.3	3.7

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

15. INVESTMENT IN PRECOG CAPITAL PARTNERS L.P.

On June 1, 2021, the Corporation invested \$25.0 million (US\$20.7 million) in Precog Capital Partners L.P. ("Precog"), a Delaware limited partnership. The fund may invest in equity, debt or hybrid investments both domestically and internationally of varying market capitalization. Precog's general partner and investment manager is MIM, a wholly-owned subsidiary of the Corporation. The Corporation's capital invested in the fund represented approximately 81% of the total limited partners' capital at the time the investment was made. As a result of the investment, Aimia concluded it had control over the investment fund per the IFRS 10 definition and therefore is required to consolidate the fund since June 1, 2021. The amount invested by Aimia in Precog was subsequently used by Precog to invest in marketable securities.

The investment does not grant to Aimia ownership rights over the capital invested by the other limited partners. Per the limited partnership agreement, twelve months after a partner's admission to the partnership, such partner can withdraw, at the end of any calendar month, any amount equal to or less than 50% of the partner's capital account balance. Three months later, such partner can withdraw the remainder of the partner's capital account balance. A notice period of 60 days must be given before any withdrawal. At this time, Aimia's invested capital in the fund can be withdrawn at the end of any calendar month upon a notice period of 30 days. Based on these withdrawal rights, the limited partners capital balance is considered a liability under IFRS. The Corporation's capital balance in Precog is eliminated on consolidation. The other limited partners' capital balance is reported on the statement of financial position as "Limited Partners Capital liability".

Precog has the ability to borrow from its broker to purchase investments or cover short positions, based on the value of its portfolio holdings on a daily basis. The borrowing accrues interest at an annual rate that ranges from the upper limit of the US Federal Funds Target Range plus 1% to 2% depending on the average monthly borrowing amount. Precog had a negligible outstanding margin balance as at December 31, 2022.

As of December 31, 2022, the fund had 275,000 Aimia shares in its investment portfolio. These shares were acquired by the fund prior to Aimia's June 1, 2021 investment and are held on behalf of the other limited partners. The Corporation does not have any direct legal interest of any kind in any securities issued by Aimia held by the partnership and none of the profits and losses resulting from the partnership's ownership of any securities issued by Aimia can be attributed to the Corporation. The Corporation has made the IAS 32.33A irrevocable election not to deduct those shares from its equity, to account for these shares as a financial asset and measure them at fair value through profit or loss in accordance with IFRS 9.

Subsequent accounting

The financial results of Precog are consolidated using the same accounting policies and presentation than other subsidiaries of the Corporation. However, the net change in the other limited partners' capital, resulting from Precog's operations, gets attributed to the "Limited Partners Capital liability" on the consolidated statement of financial position via the line "(Increase) Decrease in limited partners capital liability" in the consolidated statement of operations. This results in no impact on net earnings for the portion of the Precog results that is not allocated to Aimia's capital balance. The management fees paid by Precog to MIM is eliminated on consolidation.

Refer to *Note 3* for more details on the financial performance of Precog during the period.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

16. DISCONTINUED OPERATIONS AND DISPOSAL OF BUSINESSES AND OTHER ASSETS

DISCONTINUED OPERATIONS

Kognitiv transaction - Loss of control in Loyalty Solutions business and related assets

On June 18, 2020, Aimia completed the divestiture of the Loyalty Solution business as part of the Kognitiv transaction. The transaction was a contribution of cash and Aimia's Loyalty Solutions business, which included Intelligent Shopper Solutions and the Air Miles Middle East program, in exchange of an ownership interest in Kognitiv, a B2B technology company enabling global brands to redefine loyalty with solutions for multi-enterprise collaboration.

The operating results of the Loyalty Solutions business are presented as discontinued operations.

	Years Ended December 31,	
	2022	2021
Results of the Loyalty Solutions business and related assets		
Total revenue	—	—
Total operating expenses (recoveries)	—	(0.5)
Earnings before income taxes	—	0.5
Income tax (expense) recovery	—	0.2
Net earnings	—	0.7

Cash flows from (used in) discontinued operations included within the consolidated statements of cash flows are as follows:

	Years Ended December 31,	
	2022	2021
Net cash flows of the Loyalty Solutions business and related assets		
Cash flows from (used in):		
Operating activities ^(a)	—	1.3
Investing activities - Proceeds (payments) for the disposal of businesses, including cash disposed	—	4.3
Total	—	5.6

- (a) Cash flows used in operating activities for the year ended December 31, 2021 include cash put aside of \$0.9 million in the form of cash collateral in accordance with the Kognitiv transaction agreement, offset by an income tax refund of \$1.7 million resulting from loss carry-backs on discontinued operations as well as \$0.5 million from research and development credit related to eligible expenses incurred before the disposal of Loyalty Solutions.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

17. SEGMENTED INFORMATION

As of December 31, 2022, Aimia, through its own operations and those of its subsidiaries, operates two reportable and operating segments, namely, Holdings and Investment Management. For each of the operating segments, the Corporation's Group Chief Executive Officer review internal management reports on a monthly basis. Accounting policies applied for the Holdings and Investment Management segments are identical to those used for the purposes of the consolidated financial statements.

Holdings

The Holdings segment includes Aimia's investments in Clear Media Limited, Kognitiv, TRADE X, as well as minority investments in various public company securities and limited partnerships.

Holdings also includes central operating costs, including costs related to public company disclosure and Board costs, executive leadership, finance and administration.

Prior to their respective disposals on July 15, 2022 and June 28, 2021, the results associated with Aimia's 48.9% investment in PLM and Aimia's 20% investment in BIGLIFE (*Note 4*) were included in the Holdings segment.

Investment Management

The Investment Management segment includes Mittleman Investment Management, an SEC-registered investment adviser of the same name that provides discretionary portfolio management to institutional investors and high-net-worth individuals.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

17. SEGMENTED INFORMATION (continued)

The table below summarizes the relevant financial information by operating segment:

	Years Ended December 31,							
	2022	2021	2022	2021	2022	2021	2022	2021
Operating Segment	Holdings		Investment Management		Eliminations		Total	
Share of net income (loss) of equity-accounted investments	(27.5)	(10.2)	—	—	—	—	(27.5)	(10.2)
Net change in fair value of investments in equity instruments	(39.5)	11.9	—	—	—	—	(39.5)	11.9
Interest, dividend and other investment income	11.5	1.6	—	—	—	—	11.5	1.6
Revenue from investment management fees	—	—	1.8	2.7	(0.3)	(0.3)	1.5	2.4
Gain on disposal of equity-accounted investments	530.5	6.9	—	—	—	—	530.5	6.9
Total Income	475.0	10.2	1.8	2.7	(0.3)	(0.3)	476.5	12.6
Compensation and benefits	9.6	14.7	2.4	1.7	—	—	12.0	16.4
Professional, advisory and service fees	5.4	4.3	0.4	0.4	(0.3)	(0.3)	5.5	4.4
Insurance, technology and other office expenses	2.9	3.3	0.2	0.2	—	—	3.1	3.5
Fair value (gain) loss on contingent consideration	(1.0)	0.8	—	—	—	—	(1.0)	0.8
Other financial (income) expense, net	3.0	(0.3)	—	—	—	—	3.0	(0.3)
Depreciation and amortization	—	—	0.1	0.7	—	—	0.1	0.7
Impairment charges	11.4	—	—	—	—	—	11.4	—
Total Expenses	31.3	22.8	3.1	3.0	(0.3)	(0.3)	34.1	25.5
Decrease in limited partners' capital liability	2.9	0.8	—	—	—	—	2.9	0.8
Earnings (loss) before income taxes ^(a)	446.6	(11.8)	(1.3)	(0.3)	—	—	445.3	(12.1)
Total assets	802.5	429.1	1.5	1.9	—	—	804.0	431.0

(a) The reconciliation of the consolidated earnings (loss) before income taxes to the consolidated net earnings (loss) for the years ended December 31, 2022, and December 31, 2021, is presented in the consolidated statements of operations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

Unaudited

18. SUBSEQUENT EVENTS

Business Acquisition - Tufropes

On January 31, 2023, Aimia announced that it had signed definitive agreements to acquire all of the issued and outstanding shares of Tufropes Pvt Ltd. as well as substantially all the net assets of India Nets (together referred to as "Tufropes"). The purchase price for the acquisition amounts to \$252.6 million (₹15,216.5 million; based on INR/CAD of 0.0166 as of March 15, 2023) on a cash-free and debt-free basis, and is subject to customary adjustments related to net debt and working capital at closing.

Tufropes is a global manufacturer of high-performance synthetic fiber ropes and netting solutions for the aquaculture and maritime sectors, as well as diversified industrial end markets. Tufropes has a global sales network and five manufacturing facilities across India.

Aimia expects to close this transaction on or about March 17, 2023. Aimia estimates that transaction costs of approximately \$13.2 million will be incurred in regard to this transaction, which includes due diligence, stamp duties and other Indian related transfer fees, warranty and indemnity insurance as well as success fees. Of this total, \$2.1 million was incurred prior to December 31, 2022 and is recorded in professional, advisory and service fees in the consolidated statements of operations.

Paladin Private Equity LLC ("Paladin") is acting as Aimia's partner on the transaction. Upon closing of the transaction, Aimia and Paladin will enter into certain agreements providing for, among other things, governance rights, preferred return for Aimia, carry related rights to the benefit of Paladin, and an option for Paladin to acquire a minority equity position of Tufropes from Aimia.

Paladin Option

Within one year of closing, Paladin will have the option, through an investment fund to be established and managed by Paladin, to purchase a minimum of 10% and a maximum of 19.9% of Tufropes' equity at its fully-loaded cost (i.e. purchase price inclusive of pro-rata share of all aggregate transaction costs) plus an 8% per annum cost of capital charge.

Paladin Carried Interest - Upon Crystallization

In the event that Aimia disposes of Tufropes or a carried interest crystallization event occurs, for a period of 10 years after the closing date, Paladin will be entitled to certain carried interest distributions, in addition to any rights it would have under its equity ownership in the event that it exercised the Paladin Option described above. These distribution rights will commence only if and when Aimia has earned an 8% annual compound return on its investment. More specifically, in the event of a disposal or carried interest crystallization event, distribution of the proceeds to Aimia and Paladin would be as follows:

- i. Aimia is entitled to receive its initial investment at its fully-loaded cost (inclusive of all aggregate transaction costs);
- ii. Next, Aimia is entitled to an 8% preferred return over its initial investments at its fully-loaded cost, compounded annually;
- iii. Next, Paladin would receive each additional dollar until it received 25% of the preferred return received by Aimia (under ii above);

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

Unaudited

18. SUBSEQUENT EVENTS (continued)

- iv. Thereafter, any remaining funds shall accrue and be allocated 80% to Aimia and 20% to Paladin.

Paladin Carried Interest - Crystallization events

In each of year three to year ten post-closing, the Paladin carried interest can be crystallized by either Aimia or Paladin subject to certain conditions in each case. After year ten, in the event the carry calculation does not result in a payout per the thresholds described above, Paladin shall no longer be entitled to any carried interest.

Business Acquisition - Bozzetto

On March 6, 2023, Aimia announced that it had signed a definitive agreement to acquire substantially all of the issued and outstanding shares of Giovanni Bozzetto S.p.A. ("Bozzetto") from Chequers Capital and other minority shareholders. Bozzetto is a provider of specialty chemicals, manufacturing proprietary chemicals to service its core textile, water solutions, and dispersion end markets.

The purchase price will be based on an enterprise value of approximately \$332.4 million (€227.0 million; based on EUR/CAD of 1.4645 as of March 15, 2023). The transaction closing, which is subject to regulatory approval and other customary conditions, is expected to occur before the end of the second quarter of 2023. Aimia estimates that transaction costs of approximately \$8.6 million will be incurred in regard to this transaction, which includes due diligence, warranty and indemnity insurance as well as success fees.

Paladin will act as Aimia's partner on the transaction. In connection thereto, upon closing of the transaction, Aimia and Paladin will enter into certain agreements on customary terms and conditions and providing for, among other things, minority governance rights, preferred return for Aimia, certain carry related rights to the benefit of Paladin, and an option for Paladin to acquire a minority equity position of Bozzetto within one year of closing.

Paladin Option

Within one year of closing, Paladin will have the option, through an investment fund to be established and managed by Paladin, to purchase a minimum of 10% and a maximum of 19.9% of Bozzetto' equity at its fully-loaded cost (i.e. purchase price inclusive of pro-rata share of all aggregate transaction costs) plus an 8% per annum cost of capital charge.

Paladin Carried Interest - Upon Crystallization

In the event that Aimia disposes of Bozzetto or a carried interest crystallization event occurs, for a period of 10 years after the closing date, Paladin will be entitled to certain carried interest distributions, in addition to any rights it would have under its equity ownership in the event that it exercised the Paladin Option described above. These distribution rights will commence only if and when Aimia has earned an 8% annual compound return on its investment. More specifically, in the event of a disposal or carried interest crystallization event, distribution of the proceeds attributable to Aimia and Paladin would be as follows:

- i. Aimia is entitled to receive its initial investment at its fully-loaded cost (inclusive of all aggregate transaction costs);

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

Unaudited

18. SUBSEQUENT EVENTS (continued)

- ii. Next, Aimia is entitled to an 8% preferred return over its initial investments at its fully-loaded cost, compounded annually;
- iii. Next, Paladin would receive each additional dollar until it received 25% of the preferred return received by Aimia (under ii above);
- iv. Thereafter, any remaining funds shall accrue and be allocated 80% to Aimia and 20% to Paladin.

Paladin Carried Interest - Crystallization events

In each of year three to year ten post-closing, the Paladin carried interest can be crystallized by either Aimia or Paladin subject to certain conditions in each case. After year ten, in the event the carry calculation does not result in a payout per the thresholds described above, Paladin shall no longer be entitled to any carried interest.

Bozzetto management reinvestment

Bozzetto's executive management will reinvest a portion of their after tax sales proceeds into the new investment structure, which currently represents a minority position of approximately 6.4% of equity after expected debt financing. After the closing date, other Bozzetto executive managers may also invest into the new investment structure by acquiring in aggregate up to 4.3% of the equity. Included in the Bozzetto executive management share structure, is a class of shares, which will provide enhanced returns should the value of the business achieve specified valuation thresholds in a disposal or crystallization event scenario.