



NEW REPORTING SEGMENTATION FOR 2019 AND PROFORMA 2018 FINANCIALS

MAY 10, 2019

NON-GAAP FINANCIAL MEASURES

*Aimia uses the following non-GAAP financial measures which it believes provides investors and analysts with additional information to better understand results as well as assess its potential. GAAP means generally accepted accounting principles in Canada and represents International Financial Reporting Standards (“IFRS”). For a reconciliation of non-GAAP financial measures to the most comparable GAAP measure, please refer to the section entitled “Performance Indicators (including certain non-GAAP financial measures)” in our Management Discussion & Analysis on pages 7 to 11 for the three and twelve months ended December 31, 2018 which can be accessed here: <https://www.aimia.com/en/investors/quarterly-reports.html>. **A reconciliation table to the most directly comparable GAAP measure, if any, is available in our Management Discussion & Analysis.***

Adjusted EBITDA

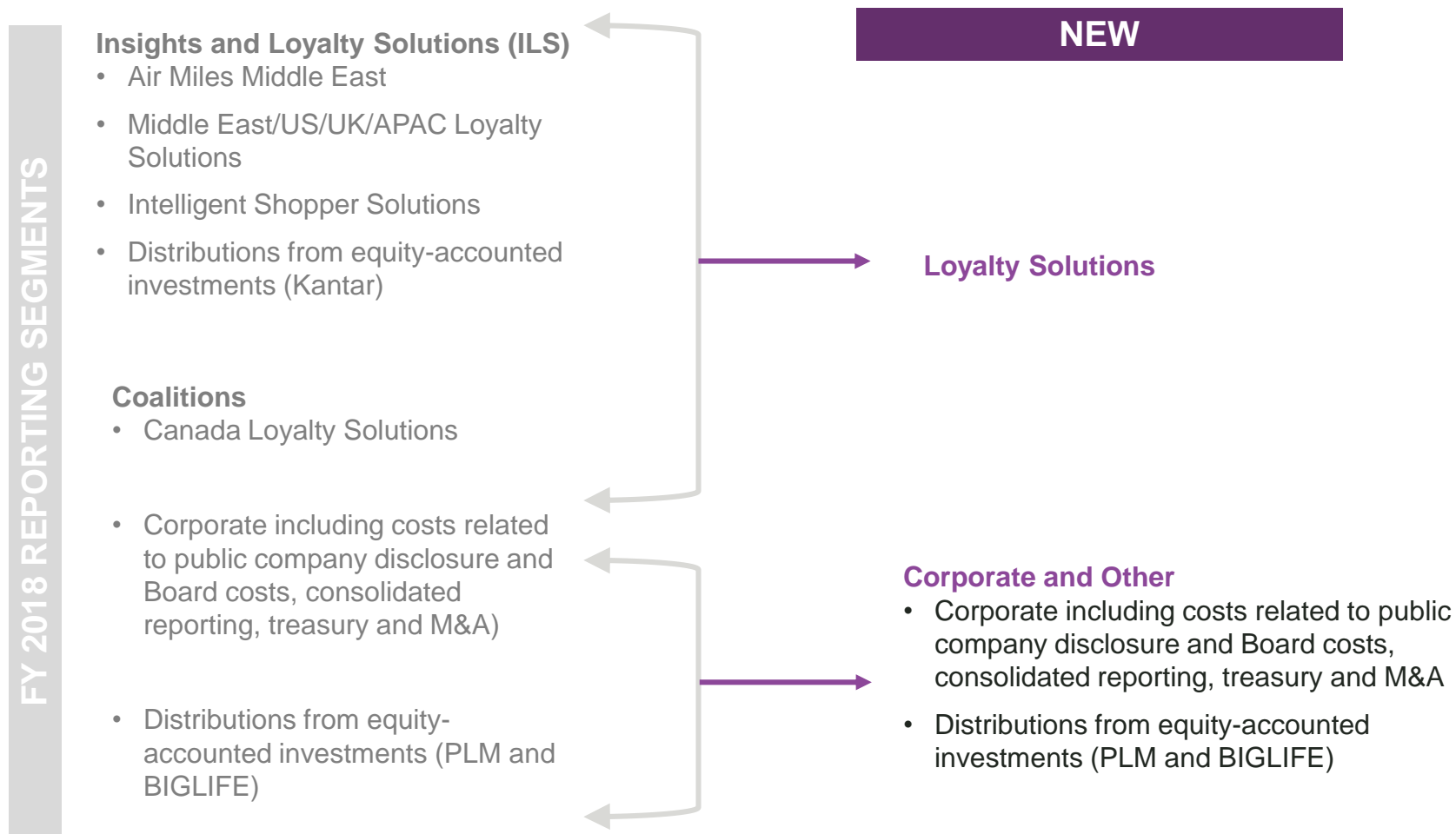
*Adjusted EBITDA is not a measurement based on GAAP, is not considered an alternative to operating income or net earnings in measuring performance, and is not comparable to similar measures used by other issuers. We do not believe that Adjusted EBITDA has an appropriate directly comparable GAAP measure. **As an alternative, we do however provide a reconciliation to operating income in our MD&A.** Adjusted EBITDA is used by management to evaluate performance, and to measure compliance with debt covenants. Management believes Adjusted EBITDA assists investors in comparing the Corporation’s performance on a consistent basis without regard to depreciation and amortization and impairment charges, which are non-cash in nature and can vary significantly depending on accounting methods and non-operating factors such as historical cost. Adjusted EBITDA is operating income adjusted to exclude depreciation, amortization and impairment charges and also includes distributions and dividends received or receivable from equity-accounted investments. Adjusted EBITDA should not be used as an exclusive measure of cash flow because it does not account for the impact of working capital growth, capital expenditures, debt repayments and other sources and uses of cash, which are disclosed in the statements of cash flows.*

GAAP TO NON-GAAP RECONCILIATION

<i>(in millions of Canadian dollars)</i>					
	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018
Revenue from Loyalty Units	4,300	3,800	3,700	700	12,500
Revenue from Loyalty Services and Other	40,700	39,000	38,800	36,100	154,600
Intercompany revenue	-	-	-	-	-
Total revenue	45,000	42,800	42,500	36,800	167,100
Cost of rewards and direct costs	4,300	5,100	4,800	3,100	17,300
Gross margin before depreciation and amortization	40,700	37,700	37,700	33,700	149,800
Depreciation and amortization	4,500	4,400	3,500	4,000	16,400
Gross margin	36,200	33,300	34,200	29,700	133,400
Operating expenses before share-based compensation and other performance awards and impairment charges	53,600	62,800	47,700	59,500	223,600
Share-based compensation	(2,000)	2,000	2,600	3,500	6,100
Impairment charges	-	8,000	-	30,400	38,400
Total operating expenses	51,600	72,800	50,300	93,400	268,100
Operating income (loss)	(15,400)	(39,500)	(16,100)	(63,700)	(134,700)
Depreciation and amortization	4,500	4,400	3,500	4,000	16,400
Impairment charges	-	8,000	-	30,400	38,400
Distributions from equity-accounted investments	4,400	4,400	5,400	5,400	19,600
Adjusted EBITDA	(6,500)	(22,700)	(7,200)	(23,900)	(60,300)

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NEW REPORTING SEGMENTS FROM FY 2019



SUMMARY OF KEY METRICS AND SEGMENTATION FROM 2019

Key metrics:

- **Given the changes in our business, we expect to focus on the revenue metric going forward**
- **Adjusted EBITDA definition updated to reflect the move away from coalition-based activities**
- **All other metrics remain unchanged**

Segmentation from 2019:

- **Segmentation simplified with all operating client-facing business in one segment (“Loyalty Solutions”) and corporate costs related to items such as public company disclosure and Board costs, consolidated reporting, treasury and M&A, reported in (“Corporate and Other”)**

CHANGE IN ADJUSTED EBITDA DEFINITION

Previous definition	New definition	Rationale
Adjusted EBITDA = Operating income +D&A expense +Impairments +change in deferred revenue +change in future redemption costs +Distributions from equity-accounted investments	Adjusted EBITDA = Operating income +D&A expense +Impairments +Distributions from equity-accounted investments	Adjustments for the change in deferred revenue and change in future redemption costs have been removed to reflect the shift in the business away from coalition loyalty to a more service-based business

CONTINUING OPERATIONS

FY 2018

Year ended December 31, 2018

(in millions of Canadian dollars)

Operating Segments	Loyalty Solutions	Corporate and Other	Continuing operations
Revenue from Loyalty Units	12,500	-	12,500
Revenue from Loyalty Services and Other	154,600	-	154,600
Intercompany revenue	-	-	-
Total revenue	167,100	-	167,100
Cost of rewards and direct costs	17,300	-	17,300
Gross margin before depreciation and amortization	149,800	-	149,800
Depreciation and amortization	16,000	400	16,400
Gross margin	133,800	(400)	133,400
Operating expenses before share-based compensation and other performance awards and impairment charges ⁽¹⁾	175,000	48,600	223,600
Share-based compensation	3,700	2,400	6,100
Impairment charges	38,400	-	38,400
Total operating expenses ⁽¹⁾	217,100	51,000	268,100
Operating income (loss)	(83,300)	(51,400)	(134,700)
Adjusted EBITDA ⁽¹⁾	(27,200)	(33,100)	(60,300)
Included in Adjusted EBITDA:			
Distributions from equity-accounted investments	1,700	17,900	19,600
Additions to non-current assets	9,700	-	9,700

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CONTINUING OPERATIONS

Q4 2018

Three months ended December 31, 2018

(in millions of Canadian dollars)

Operating Segments	Loyalty Solutions	Corporate and Other	Continuing operations
Revenue from Loyalty Units	700	-	700
Revenue from Loyalty Services and Other	36,100	-	36,100
Intercompany revenue	-	-	-
Total revenue	36,800	-	36,800
Cost of rewards and direct costs	3,100	-	3,100
Gross margin before depreciation and amortization	33,700	-	33,700
Depreciation and amortization	4,000	-	4,000
Gross margin	29,700	-	29,700
Operating expenses before share-based compensation and other performance awards and impairment charges ⁽¹⁾	46,300	13,200	59,500
Share-based compensation	1,900	1,600	3,500
Impairment charges	30,400	-	30,400
Total operating expenses ⁽¹⁾	78,600	14,800	93,400
Operating income (loss)	(48,900)	(14,800)	(63,700)
Adjusted EBITDA ⁽¹⁾	(13,700)	(10,200)	(23,900)
<u>Included in Adjusted EBITDA:</u>			
Distributions from equity-accounted investments	800	4,600	5,400
Additions to non-current assets	1,800	-	1,800

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CONTINUING OPERATIONS

Q3 2018

Three months ended September 30, 2018

(in millions of Canadian dollars)

Operating Segments	Loyalty Solutions	Corporate and Other	Continuing operations
Revenue from Loyalty Units	3,700	-	3,700
Revenue from Loyalty Services and Other	38,800	-	38,800
Intercompany revenue	-	-	-
Total revenue	42,500	-	42,500
Cost of rewards and direct costs	4,800	-	4,800
Gross margin before depreciation and amortization	37,700	-	37,700
Depreciation and amortization	3,400	100	3,500
Gross margin	34,300	(100)	34,200
Operating expenses before share-based compensation and other performance awards and impairment charges ⁽¹⁾	40,100	7,600	47,700
Share-based compensation	1,000	1,600	2,600
Impairment charges	-	-	-
Total operating expenses ⁽¹⁾	41,100	9,200	50,300
Operating income (loss)	(6,800)	(9,300)	(16,100)
Adjusted EBITDA ⁽¹⁾	(2,500)	(4,700)	(7,200)
Included in Adjusted EBITDA:			
Distributions from equity-accounted investments	900	4,500	5,400
Additions to non-current assets	3,000	-	3,000

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CONTINUING OPERATIONS

Q2 2018

Three months ended June 30, 2018

(in millions of Canadian dollars)

Operating Segments	Loyalty Solutions	Corporate and Other	Continuing operations
Revenue from Loyalty Units	3,800	-	3,800
Revenue from Loyalty Services and Other	39,000	-	39,000
Intercompany revenue	-	-	-
Total revenue	42,800	-	42,800
Cost of rewards and direct costs	5,100	-	5,100
Gross margin before depreciation and amortization	37,700	-	37,700
Depreciation and amortization	4,300	100	4,400
Gross margin	33,400	(100)	33,300
Operating expenses before share-based compensation and other performance awards and impairment charges ⁽¹⁾	44,400	18,400	62,800
Share-based compensation	700	1,300	2,000
Impairment charges	8,000	-	8,000
Total operating expenses ⁽¹⁾	53,100	19,700	72,800
Operating income (loss)	(19,700)	(19,800)	(39,500)
Adjusted EBITDA ⁽¹⁾	(7,400)	(15,300)	(22,700)
Included in Adjusted EBITDA:			
Distributions from equity-accounted investments	-	4,400	4,400
Additions to non-current assets	1,600	-	1,600

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CONTINUING OPERATIONS

Q1 2018

Three months ended March 31, 2018

(in millions of Canadian dollars)

Operating Segments	Loyalty Solutions	Corporate and Other	Continuing operations
Revenue from Loyalty Units	4,300	-	4,300
Revenue from Loyalty Services and Other	40,700	-	40,700
Intercompany revenue	-	-	-
Total revenue	45,000	-	45,000
Cost of rewards and direct costs	4,300	-	4,300
Gross margin before depreciation and amortization	40,700	-	40,700
Depreciation and amortization	4,300	200	4,500
Gross margin	36,400	(200)	36,200
Operating expenses before share-based compensation and other performance awards and impairment charges ⁽¹⁾	44,200	9,400	53,600
Share-based compensation	100	(2,100)	(2,000)
Impairment charges	-	-	-
Total operating expenses ⁽¹⁾	44,300	7,300	51,600
Operating income (loss)	(7,900)	(7,500)	(15,400)
Adjusted EBITDA ⁽¹⁾	(3,600)	(2,900)	(6,500)
Included in Adjusted EBITDA:			
Distributions from equity-accounted investments	-	4,400	4,400
Additions to non-current assets	3,300	-	3,300

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CONTACT

Karen Keyes

Senior Vice President / Investor Relations

T +1 647 459 3506

E karen.keyes@aimia.com

Tom Tran

Director of Finance

T +1 647 329 5128

E tom.tran@aimia.com





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