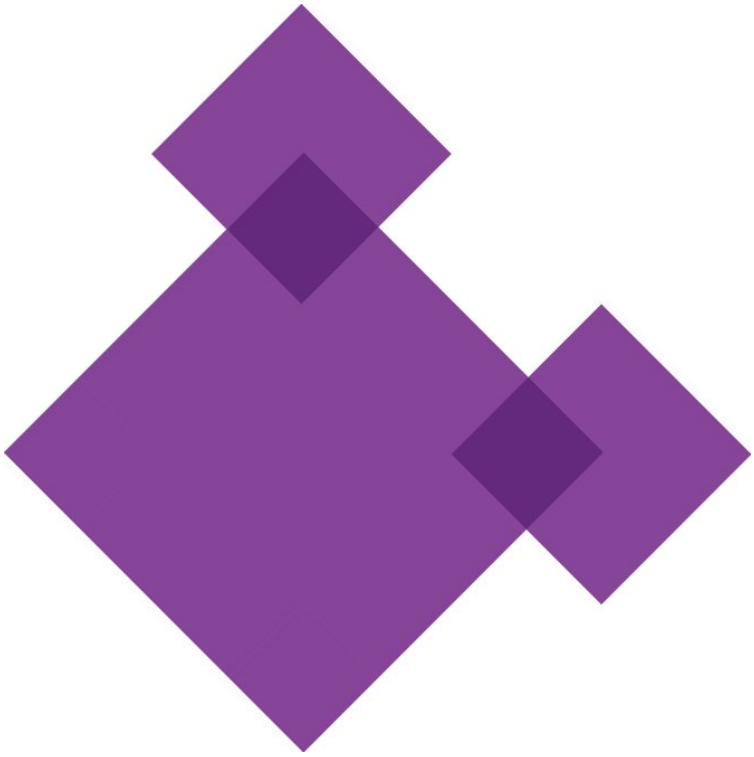
AIMIA

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2019 and 2018

Unaudited



AIMIA

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.

August 13, 2019

(signed) "Jeremy Rabe"

JEREMY RABE
Chief Executive Officer

(signed) "Steven Leonard"

STEVEN LEONARD
Chief Financial Officer

AIMIA

CONSOLIDATED STATEMENTS OF OPERATIONS

(in millions of Canadian dollars, except share and per share amounts)		Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
		(unaudited)	(unaudited) (Restated - Note 5)	(unaudited)	(unaudited) (Restated - Note 5)
Revenue	Notes 3, 4 & 9	**$ 31.0**	$ 42.8	**$ 65.7**	$ 87.8
Cost of sales					
Cost of rewards and direct costs		**2.2**	5.1	**4.2**	9.4
Depreciation and amortization		**0.3**	3.7	**0.5**	7.5
Amortization of accumulation partners' contracts, customer relationships and technology		**0.8**	0.7	**1.6**	1.4
		3.3	9.5	**6.3**	18.3
Gross margin		**27.7**	33.3	**59.4**	69.5
Operating expenses					
Selling and marketing expenses		**28.8**	32.4	**57.4**	66.2
General and administrative expenses	Note 17A	**20.6**	32.4	**42.7**	50.2
Impairment charges	Note 17A	**—**	8.0	**—**	8.0
		49.4	72.8	**100.1**	124.4
Operating loss		**(21.7)**	(39.5)	**(40.7)**	(54.9)
Loss on disposal of businesses and other assets	Note 5	**—**	—	**—**	(5.3)
Financial income		**2.6**	2.1	**5.1**	7.0
Financial expenses, net	Note 11	**0.2**	(5.8)	**(6.2)**	(13.2)
Net fair value gain on investments in equity instruments	Note 16	**37.7**	27.5	**60.2**	33.8
Net financial income		**40.5**	23.8	**59.1**	27.6
Share of net earnings of equity-accounted investments	Note 8	**7.3**	5.4	**14.2**	15.0
Earnings (loss) before income taxes		**26.1**	(10.3)	**32.6**	(17.6)
Income tax (expense) recovery					
Current		**(1.7)**	(0.6)	**(13.2)**	(1.3)
Deferred		**(0.4)**	(0.3)	**1.4**	(1.5)
		(2.1)	(0.9)	**(11.8)**	(2.8)
Net earnings (loss) from continuing operations		**$ 24.0**	$ (11.2)	**20.8**	(20.4)
Net earnings from discontinued operations	Note 5	**19.5**	22.3	**1,069.8**	52.9
Net earnings		**$ 43.5**	$ 11.1	**$ 1,090.6**	$ 32.5
Weighted average number of shares		**137,252,440**	152,307,196	**144,738,230**	152,307,196
Earnings (loss) per common share					
Continuing operations - Basic and fully diluted	Note 6	**$ 0.14**	$ (0.10)	**$ 0.08**	$ (0.19)
Discontinued operations - Basic and fully diluted	Note 6	**$ 0.15**	$ 0.14	**7.39**	0.35
	Note 6	**$ 0.29**	$ 0.04	**$ 7.47**	$ 0.16

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

AIMIA

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(in millions of Canadian dollars)		Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
		(unaudited)	(unaudited) (Restated - Note 5)	(unaudited)	(unaudited) (Restated - Note 5)
Net earnings		**$ 43.5**	$ 11.1	**$ 1,090.6**	$ 32.5
Other comprehensive income (loss):					
Items that may be reclassified subsequently to net earnings (loss)					
Foreign currency translation adjustments		**(4.9)**	0.6	**(6.8)**	6.8
Reclassification to net earnings of cumulative translation adjustments related to businesses disposed of	Note 5	**—**	—	**—**	(14.0)
Items that will not be reclassified subsequently to net earnings (loss)					
Defined benefit plans actuarial gains (losses), net of tax	Note 17C	**—**	3.1	**(0.3)**	4.2
Other comprehensive income (loss)		**(4.9)**	3.7	**(7.1)**	(3.0)
Comprehensive income		**$ 38.6**	$ 14.8	**$ 1,083.5**	$ 29.5
Comprehensive income (loss):					
Continuing operations		**19.1**	(10.6)	**14.0**	(14.6)
Discontinued operations		**19.5**	25.4	**1,069.5**	44.1
		$ 38.6	$ 14.8	**$ 1,083.5**	$ 29.5

AIMIA

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at *(in millions of Canadian dollars)*		June 30, 2019 (unaudited)	December 31, 2018
ASSETS			
Current assets			
Cash and cash equivalents		**$ 119.7**	$ 311.9
Restricted cash	Note 5	**102.4**	19.0
Short-term investments		**96.6**	69.0
Accounts receivable		**63.7**	59.7
Inventories		**1.3**	1.8
Prepaid expenses and deposits	Note 2	**23.4**	18.7
Assets held for sale	Note 5	**—**	2,596.4
		407.1	3,076.5
Long-term assets			
Deferred income taxes		**6.8**	4.0
Cash held in escrow	Note 5	**2.3**	—
Long-term investments	Note 7	**178.8**	208.9
Equity-accounted investments	Note 8	**69.9**	83.5
Property and equipment		**0.9**	1.0
Intangible assets	Note 17A	**20.5**	23.4
Other long-term assets	Note 17A	**29.0**	—
		$ 715.3	$ 3,397.3
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	Notes 2 & 17A	**$ 53.2**	$ 119.7
Income taxes payable	Note 13	**10.6**	0.8
Provisions	Note 10	**3.1**	3.2
Customer deposits		**12.6**	11.3
Deferred revenue	Note 9	**39.8**	46.6
Current portion of long-term debt	Note 11	**—**	300.9
Liabilities held for sale	Note 5	**—**	3,187.7
		119.3	3,670.2
Long-term liabilities			
Provisions	Note 10	**—**	1.4
Other long-term liabilities	Notes 2 & 17A	**11.9**	11.1
Deferred income taxes		**1.5**	—
Deferred revenue	Note 9	**3.2**	9.5
		135.9	3,692.2
Total equity	Note 14	**579.4**	(294.9)
		$ 715.3	$ 3,397.3
Contingencies and commitments	Notes 12 & 15		

Approved by the Board of Directors

(signed) Robert Christopher Kreidler
Robert Christopher Kreidler
Director

(signed) Thomas D. Gardner
Thomas D. Gardner
Director

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

AIMIA

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the six months ended June 30, 2018 and 2019 (unaudited)		Common shares outstanding	Share capital	Retained earnings (deficit)	Accumulated other comprehensive income (loss)	Contributed surplus	Total equity
(In millions of Canadian dollars, except share amounts)							
Balance, December 31, 2017		152,307,196	$ 1,665.1	$ (3,070.4)	$ 28.9	$ 1,155.4	$ (221.0)
Total comprehensive income (loss)							
Net earnings				32.5			32.5
Other comprehensive income (loss):							
Foreign currency translation adjustments					6.8		6.8
Reclassification to net earnings of cumulative translation adjustments related to businesses disposed of	Note 5				(14.0)		(14.0)
Defined benefit plans actuarial gains, net of tax	Note 17C			4.2			4.2
Total comprehensive income (loss)		—	—	36.7	(7.2)	—	29.5
Transactions with owners, recorded directly in equity							
Accretion related to stock-based compensation plans						0.6	0.6
Total contributions by and distributions to owners		—	—	—	—	0.6	0.6
Balance, June 30, 2018		152,307,196	$ 1,665.1	$ (3,033.7)	$ 21.7	$ 1,156.0	$ (190.9)
Balance, December 31, 2018		**152,307,196**	**$ 1,665.1**	**$ (3,139.5)**	**$ 24.3**	**$ 1,155.2**	**$ (294.9)**
Change in accounting policy	Note 2			**(10.8)**			**(10.8)**
Balance, January 1, 2019 - Restated		**152,307,196**	**$ 1,665.1**	**$ (3,150.3)**	**$ 24.3**	**$ 1,155.2**	**$ (305.7)**
Total comprehensive income (loss)							
Net earnings				**1,090.6**			**1,090.6**
Other comprehensive income (loss):							
Foreign currency translation adjustments					**(6.8)**		**(6.8)**
Defined benefit plans actuarial losses, net of tax	Note 17C			**(0.3)**			**(0.3)**
Total comprehensive income (loss)		**—**	**—**	**1,090.3**	**(6.8)**	**—**	**1,083.5**
Transactions with owners, recorded directly in equity							
Common shares repurchased	Note 14	**(38,348,474)**	**(0.2)**			**(163.2)**	**(163.4)**
Dividends	Note 13			**(34.8)**			**(34.8)**
Reduction of stated capital account - common shares	Note 14		**(1,348.3)**			**1,348.3**	**—**
Accretion related to stock-based compensation plans						**(0.2)**	**(0.2)**
Total contributions by and distributions to owners		**(38,348,474)**	**(1,348.5)**	**(34.8)**	**—**	**1,184.9**	**(198.4)**
Balance, June 30, 2019		**113,958,722**	**$ 316.6**	**$ (2,094.8)**	**$ 17.5**	**$ 2,340.1**	**$ 579.4**

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

AIMIA

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions of Canadian dollars)		Three Months Ended June 30, 2019 (unaudited)	Three Months Ended June 30, 2018 (unaudited)	Six Months Ended June 30, 2019 (unaudited)	Six Months Ended June 30, 2018 (unaudited)
CASH FLOWS FROM (USED IN)					
Operating activities					
Net earnings		**$ 43.5**	$ 11.1	**$ 1,090.6**	$ 32.5
Adjustments for:					
Depreciation and amortization		**1.1**	52.4	**2.1**	106.9
Share-based compensation and other performance awards		**0.3**	2.3	**1.0**	0.3
Share of net earnings of equity-accounted investments		**(7.3)**	(5.4)	**(14.2)**	(15.5)
Net financial income		**(40.5)**	(23.8)	**(59.1)**	(25.9)
Income tax expense		**2.1**	1.6	**12.9**	8.6
Impairment charges		**—**	8.0	**—**	8.0
Gain on disposal of businesses and other assets		**(19.5)**	—	**(1,063.1)**	(0.1)
Changes in operating assets and liabilities	Note 17B	**(43.0)**	(15.5)	**(93.5)**	(49.3)
Other		**(0.3)**	0.6	**0.9**	0.9
		(107.1)	20.2	**(1,213.0)**	33.9
Cash generated from (used in) operating activities before the following items:		**(63.6)**	31.3	**(122.4)**	66.4
Interest received		**3.5**	3.8	**5.7**	5.0
Distributions received from equity-accounted investments	Note 8	**5.8**	4.4	**24.7**	8.8
Interest paid		**(0.2)**	(11.3)	**(7.8)**	(12.0)
Income taxes received (paid), net		**(1.1)**	(0.8)	**(3.1)**	3.0
Net cash from (used in) operating activities	Note 5	**(55.6)**	27.4	**(102.9)**	71.2
Investing activities					
Net proceeds from (payments for) the disposal of businesses and other assets	Note 5	**14.7**	(33.6)	**500.5**	(200.0)
Restricted cash	Notes 5 & 11	**2.0**	—	**(108.0)**	—
Cash held in escrow	Note 5	**—**	—	**(2.3)**	—
Proceeds from disposal of investments in equity instruments	Note 7	**—**	—	**9.8**	—
Proceeds from investments in corporate and government bonds		**48.7**	40.7	**271.8**	50.2
Purchases of investments in corporate and government bonds		**—**	(29.7)	**(223.1)**	(38.9)
Additions to property, equipment, software and technology		**—**	(7.4)	**—**	(10.8)
Net cash from (used in) investing activities	Note 5	**65.4**	(30.0)	**448.7**	(199.5)
Financing activities					
Dividends	Note 13	**(4.3)**	—	**(69.5)**	—
Acquisition of non-controlling interest		**(2.3)**	—	**(2.3)**	(2.7)
Repurchase of common shares	Note 14	**(162.1)**	—	**(162.1)**	—
Principal elements of lease payments		**(0.4)**	—	**(0.7)**	—
Repayment of the revolving facility	Note 11	**—**	(20.2)	**(51.1)**	(120.2)
Repayment of Senior Secured Notes	Note 11	**—**	—	**(250.0)**	—
Net cash used in financing activities		**(169.1)**	(20.2)	**(535.7)**	(122.9)
Net change in cash and cash equivalents		**(159.3)**	(22.8)	**(189.9)**	(251.2)
Translation adjustment related to cash		**(1.1)**	(0.5)	**(2.3)**	9.9
Cash and cash equivalents, beginning of period		**280.1**	271.9	**311.9**	489.9
Cash and cash equivalents, end of period		**$ 119.7**	$ 248.6	**$ 119.7**	$ 248.6

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

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

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NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

(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 525 Viger Avenue West, Suite 1000, Montreal, Quebec, Canada, H2Z 0B2.

Aimia, a loyalty and travel consolidator, through its subsidiaries, operates one reportable and operating segment, namely, Loyalty Solutions, as well as Corporate and Other (*Note 3*).

Loyalty Solutions

Within the Loyalty Solutions segment, Aimia provides clients with comprehensive end-to-end loyalty solutions across the globe. The Loyalty Solutions business provides clients with loyalty strategy, program design, implementation, campaign, analytics and rewards fulfillment, as well as deploys Aimia's loyalty platforms, including the Aimia Loyalty Platform - Enterprise and Aimia Loyalty Platform - SAAS, as part of its loyalty solutions. The segment also includes the Middle East loyalty solutions business, which includes the Air Miles Middle East program, as well as Intelligent Shopper Solutions ("ISS"), Aimia's international analytics and services business.

Corporate and Other

Corporate and Other includes central operating costs, including costs related to public company disclosure and Board costs, consolidated reporting, treasury and M&A, that have not been allocated to the Loyalty Solutions segment. Corporate and Other also includes investments in the following joint ventures: PLM, the owner and operator of Club Premier, a Mexican coalition loyalty program, and BIGLIFE, the owner and operator of BIG Loyalty, AirAsia's loyalty program; as well as a minority interests in Cardlytics, a US-based company that makes marketing more relevant and measurable through their purchase intelligence platform, and Fractal Analytics until its disposal on February 14, 2019 (*Notes 7 & 16*).

Discontinued Operations (Note 5)

Discontinued operations include the results of the Aeroplan coalition loyalty program and related assets until their disposal on January 10, 2019. In addition, discontinued operations include the results of the Nectar U.K. coalition loyalty program, Aimia's Intelligent Shopper Solutions U.K. and Intelligent Research businesses, and its 50% participation in i2C, a joint venture with Sainsbury's, until their disposal on January 31, 2018.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

(a) Statement of Compliance

These condensed unaudited consolidated interim financial statements ("interim financial statements") were prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), and in compliance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34"). Accordingly, certain information and notes disclosures normally included in the audited annual consolidated financial statements, have been omitted or condensed. These interim financial statements should be read in conjunction with the Corporation's audited annual consolidated financial statements for the year ended December 31, 2018.

The interim financial statements include all adjustments considered necessary by management to fairly state the Corporation's results of operations, financial position and cash flows. The operating results for interim periods are not necessarily indicative of results that may be expected for any other interim period or for the full year.

These interim financial statements were authorized for issue by the Corporation’s Board of Directors on August 13, 2019.

(b) Basis of Measurement

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

- Assets held for sale were measured at the lower of carrying amount and fair value less costs of disposal (*Note 5*);
- Investments in equity instruments are measured at fair value (*Notes 7 & 16*);
- Liabilities for cash-settled share-based payment arrangements are measured at fair value;
- Accrued pension benefit liability was recognized as the net total of the fair value plan assets, less the present value of the defined benefit obligation (*Note 5*);
- Contingent considerations related to business acquisitions or disposals were measured at fair value (*Notes 5 & 16*).

(c) Presentation Currency

These interim financial statements are expressed in Canadian Dollars.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

(d) Use of Estimates and Judgments

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Corporation's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are the same as those set out in *Note 2* of the Corporation's audited annual consolidated financial statements for the year ended December 31, 2018.

(e) Accounting Policies

These interim financial statements have been prepared using the same accounting policies as those presented in the Corporation's audited annual consolidated financial statements for the year ended December 31, 2018, except as described below.

Changes in Accounting Policies

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

IFRS 16 Leases

i. Transition impact

IFRS 16 - *Leases* replaces IAS 17 - *Leases* and related interpretations. The new standard has been applied using a modified restrospective approach, with the cumulative effect of adopting IFRS 16 being recognized in equity as an adjustment to the opening balance of retained earnings for the current period. Prior periods have not been restated.

For contracts in place at the date of initial application, being January 1, 2019, Aimia has elected to apply the definition of a lease from IAS 17 and related interpretations and has not applied IFRS 16 to arrangements that were previously not identified as lease under IAS 17 and related interpretations.

At the date of initial application, Aimia has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid lease payments that existed at the date of transition. On transition, Aimia has applied the optional exemptions to not recognize the right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term for every leases previously accounted for as operating leases with a remaining lease term of less than 12 months, with the exception of its prepaid rent related to its operations in the UK.

On transition to IFRS 16, the weighted average incremental borrowing rate applied to lease liabilities recognized under IFRS 16 was 9.0%.

Due to impairment charges recognized in the past years in the businesses in which the Corporation has contracted leases, the Corporation has made the assessment that all of its right-of-use assets would be impaired on transition to IFRS 16. As a results, the right-of-use assets were impaired immediately in the 2019 opening equity.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

The following is a reconciliation of total operating lease commitments at December 31, 2018 to the lease liabilities recognized at January 1, 2019:

Total operating lease commitments as at December 31, 2018	10.0
Recognition exemptions - selected leases with remaining term of less than 12 months	(1.1)
Other minor adjustments relating to commitment disclosures	(0.1)
Operating lease liabilities before discounting	8.8
Discounting using incremental borrowing rate	(2.7)
Total lease liabilities recognized under IFRS 16 at January 1, 2019	**6.1**

The following is a summary of the impact of transition to IFRS 16 at January 1, 2019:

Retained earnings (deficit) at December 31, 2018	(3,139.5)
Impaired right-of-use asset related to prepaid rent	(4.7)
Lease liabilities	(6.1)
Retained earnings (deficit) at January 1, 2019	**(3,150.3)**

ii. Accounting Policy applicable from January 1, 2019

For any new contracts entered into on or after January 1, 2019, the Corporation considers whether a contract is, or contains a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. To apply this definition, the Corporation assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Corporation;
- the Corporation has the right to obtain substantially all of the economics benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract;
- the Corporation has the right to direct the use of the identified asset throughout the period of use.

At June 30, 2019, the Corporation had contracted leases for office spaces only.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

At lease commencement date, the Corporation recognizes a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Corporation, an estimate of any costs to dismantle or restore the asset at the end of the lease, and any lease payments made in advance of the lease commencement date, net of any incentive received.

The Corporation depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the end of the lease term. The Corporation also assess the right-of-use asset for impairment when such indicators exist. As at June 30, 2019, due to impairment charges recorded in the past years in the businesses in which the Corporation has contracted leases, the right-of-use assets are not recognized on the balance sheet at commencement date, but rather recognized in operating expenses.

At the commencement date, the Corporation measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the Corporation's incremental borrowing rate. The weighted average incremental borrowing rate applied to lease liabilities recognized was 9.0%.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including payments that are, in substance, fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonable certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Corporation has elected to account for short-term leases and leases of low-value assets using the practical expedients. As a result, instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, the short term portion of the lease liabilities has been included in accounts payables and accrued liabilities. The long term portion has been included in other long-term liabilities.

IAS 19 Amendments, Employee benefits

The IASB issued amendments to IAS 19 - *Employee benefits* which require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement. The amendments also require an entity to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendments are effective for plan amendments, settlements or curtailments that occur after the beginning of the first annual reporting period beginning on or after January 1, 2019. The new standard had no impact on the Corporation's financial statements.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

Annual Improvements to IFRSs 2015-2017 Cycle

The IASB issued Annual Improvements to IFRSs 2015-2017 Cycle, which includes amendments to the following standards:

- IFRS 3, *Business Combinations* was amended to clarify measurement of previously held interests in a joint operation when control is obtained.
- IFRS 11, *Joint Arrangements* was amended to clarify that when an entity obtains joint control of a business that is a joint operation, it does not remeasure previously held interests.
- IAS 12, *Income Taxes* was amended to clarify income tax consequences of payments on financial instruments classified as equity.
- IAS 23, *Borrowing Costs* was amended to clarify borrowing costs eligible for capitalization.

These amendments are effective for annual periods beginning on or after January 1, 2019. The Corporation has assessed the impact of the IFRS 3, IFRS 11, IAS 12 and IAS 23 amendments and concluded that they had no impact on its financial statements.

IFRIC 23, Uncertainty over income tax treatments

The IFRS Interpretations Committee issued IFRIC 23 - *Uncertainty over income tax treatments* which clarifies how the recognition and measurement requirements of IAS 12 - *Income Taxes* are applied where there is uncertainty over income tax treatments. The Interpretation is effective for annual periods beginning on or after January 1, 2019, with earlier application permitted. The Corporation has assessed the impact of this Interpretation and concluded that it had no impact on its consolidated financial statements.

SEASONALITY OF OPERATIONS

Results of the Corporation are not significantly impacted by seasonality.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

3. SEGMENTED INFORMATION

Effective January 1, 2019, the Corporation was reorganized in a divisional structure, which consisted of a single reportable and operating segment, namely, Loyalty Solutions, as well as Corporate and Other. Previously, the divisional structure and its two reportable and operating segments were Coalitions and Insights & Loyalty Solutions, as well as Other Businesses. As a result of those changes, the comparative information has been restated to conform with the new segmentation.

The Corporation's Chief Executive Officer reviews the segment internal management reports on a monthly basis. The reportable and operating segment was identified on a divisional basis and is aligned with the organizational structure and strategic direction of the organization.

The Loyalty Solutions segment derives its revenues primarily from loyalty services, including revenue from the Aimia Loyalty Platform - Enterprise, the Aimia Loyalty Platform - SAAS, the Aimia Insights Platform and the Air Miles Middle East loyalty program.

Corporate and Other includes central operating costs, including costs related to public company disclosure and Board costs, consolidated reporting, treasury and M&A, that have not been allocated to the Loyalty Solutions segment. Corporate and Other also includes investments in the following joint ventures: PLM, the owner and operator of Club Premier, a Mexican coalition loyalty program, and BIGLIFE, the owner and operator of BIG Loyalty, AirAsia's loyalty program; as well as a minority interests in Cardlytics, a US-based company that makes marketing more relevant and measurable through their purchase intelligence platform, and Fractal Analytics until its disposal on February 14, 2019 (*Notes 7 & 16*).

Accounting policies relating to each segment are identical to those used for the purposes of the consolidated financial statements.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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The tables below summarize the relevant financial information by operating segment:

	Three Months Ended June 30,					
	2019	2018 [e]	2019	2018 [e]	2019	2018 [e]
Operating Segment	**Loyalty Solutions**		**Corporate and Other**		**Continuing operations (unless otherwise noted)**	
Revenue from Loyalty Units	**1.9**	3.8	**—**	—	**1.9**	3.8
Revenue from Loyalty Services and Other	**29.1**	39.0	**—**	—	**29.1**	39.0
Total revenue	**31.0**	42.8	**—**	—	**31.0**	42.8
Cost of rewards and direct costs	**2.2**	5.1	**—**	—	**2.2**	5.1
Depreciation and amortization [a]	**1.1**	4.3	**—**	0.1	**1.1**	4.4
Gross margin	**27.7**	33.4	**—**	(0.1)	**27.7**	33.3
Operating expenses before share-based compensation, other performance awards and impairment charges	**38.0**	44.4	**11.1**	18.4	**49.1**	62.8
Share-based compensation and other performance awards	**0.3**	0.7	**—**	1.3	**0.3**	2.0
Impairment charges	**—**	8.0	**—**	—	**—**	8.0
Total operating expenses	**38.3**	53.1	**11.1**	19.7	**49.4**	72.8
Operating loss [b]	**(10.6)**	(19.7)	**(11.1)**	(19.8)	**(21.7)**	(39.5)
Additions to non-current assets [c]	**—**	1.6	**—**	—	**—**	1.6
Non-current assets [c]	**20.9**	57.1	**0.5**	2,541.4 [d]	**21.4**	2,598.5 [d]

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

(a) Includes depreciation and amortization as well as amortization of Accumulation Partners' contracts, customer relationships and technology.

(b) The reconciliation of the consolidated operating income (loss) to the consolidated earnings (loss) before income taxes for the three months ended June 30, 2019 and June 30, 2018 is presented in the consolidated statements of operations.

(c) Non-current assets include amounts relating to goodwill, intangible assets and property and equipment.

(d) Includes non-current assets related to the Aeroplan Program and related assets of $2,540.6 million at June 30, 2018. At December 31, 2018, non-current assets related to the Aeroplan Program and related assets were presented as assets held for sale (*Note 5*).

(e) The Corporation used the modified retrospective approach for its adoption of IFRS 16, therefore, 2018 financial information was not restated (*Note 2*).

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

	Six Months Ended June 30,					
	2019	2018 [e]	2019	2018 [e]	2019	2018 [e]
Operating Segment	**Loyalty Solutions**		**Corporate and Other**		**Continuing operations (unless otherwise noted)**	
Revenue from Loyalty Units	**6.0**	8.1	**—**	—	**6.0**	8.1
Revenue from Loyalty Services and Other	**59.7**	79.7	**—**	—	**59.7**	79.7
Total revenue	**65.7**	87.8	**—**	—	**65.7**	87.8
Cost of rewards and direct costs	**4.2**	9.4	**—**	—	**4.2**	9.4
Depreciation and amortization [a]	**2.0**	8.6	**0.1**	0.3	**2.1**	8.9
Gross margin	**59.5**	69.8	**(0.1)**	(0.3)	**59.4**	69.5
Operating expenses before share-based compensation and other performance awards	**80.9**	88.6	**18.0**	27.8	**98.9**	116.4
Share-based compensation and other performance awards	**0.1**	0.8	**1.1**	(0.8)	**1.2**	—
Impairment charges	**—**	8.0	**—**	—	**—**	8.0
Total operating expenses	**81.0**	97.4	**19.1**	27.0	**100.1**	124.4
Operating loss [b]	**(21.5)**	(27.6)	**(19.2)**	(27.3)	**(40.7)**	(54.9)
Additions to non-current assets [c]	**—**	4.9	**—**	—	**—**	4.9
Non-current assets [c]	**20.9**	57.1	**0.5**	2,541.4 [d]	**21.4**	2,598.5 [d]

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

(a) Includes depreciation and amortization as well as amortization of Accumulation Partners' contracts, customer relationships and technology.

(b) The reconciliation of the consolidated operating income (loss) to the consolidated earnings (loss) before income taxes for the six months ended June 30, 2019 and June 30, 2018 is presented in the consolidated statements of operations.

(c) Non-current assets include amounts relating to goodwill, intangible assets and property and equipment.

(d) Includes non-current assets related to the Aeroplan Program and related assets of $2,540.6 million at June 30, 2018. At December 31, 2018, non-current assets related to the Aeroplan Program and related assets were presented as assets held for sale (*Note 5*).

(e) The Corporation used the modified retrospective approach for its adoption of IFRS 16, therefore, 2018 financial information was not restated (*Note 2*).

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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4. GEOGRAPHIC INFORMATION

Revenue from continuing operations

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Canada [(a)]	**7.4**	9.0	**15.3**	18.5
United Kingdom	**8.0**	9.5	**16.3**	18.4
United Arab Emirates	**3.3**	6.1	**8.7**	13.0
United States	**5.7**	6.4	**11.2**	14.0
Australia	**3.4**	6.1	**7.9**	13.1
Other	**3.2**	5.7	**6.3**	10.8
Total	**31.0**	42.8	**65.7**	87.8

(a) Includes revenue recognized by the Canadian loyalty solutions business for services rendered to the Aeroplan Program of $2.5 million and $4.8 million for the three and six months ended June 30, 2018.

Revenue from customers are attributed to a country on the basis of the country where the contractual and management responsibility for the customer resides.

Non-current assets

As at	June 30,	
	2019	2018
Canada [(a)]	**0.8**	2,541.6
United Arab Emirates	**18.0**	30.3
Other	**2.6**	26.6
Total	**21.4**	2,598.5

(a) Includes non-current assets related to the Aeroplan Program and related assets of $2,540.6 million at June 30, 2018. At December 31, 2018, non-current assets related to the Aeroplan Program and related assets were presented as assets held for sale (*Note 5*).

Non-current assets for this purpose include amounts relating to goodwill, intangible assets and property and equipment.

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5. DISCONTINUED OPERATIONS AND DISPOSAL OF BUSINESSES AND OTHER ASSETS

DISCONTINUED OPERATIONS

Aeroplan coalition loyalty program and related assets

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 and announced on November 26, 2018 (the "SPA"). Gross transaction proceeds amounted to $516.4 million, after final closing adjustments of $66.4 million which were primarily related to favourable working capital adjustments relative to the working capital target set out in the share purchase agreement. Offsetting this cash consideration is an aggregate of $16.0 million, consisting of transaction fees of $7.4 million as well as $8.6 million termination fees associated with agreements entered into with Porter Airlines, Air Transat and Flair Airlines.

Aimia and Air Canada have agreed to provide each other transition services for a period of up to 15 months. These services include finance, technology, human resources and facility management.

The SPA provides that, as of and after the closing date, each of Aimia and Air Canada shall indemnify one another, as well as certain affiliates and their respective representatives, for losses suffered as a result of or arising in connection with any inaccuracy, misrepresentation or breach of any representation or warranty made or given in the agreement or any certificate delivered pursuant thereto and any failure to observe, fulfill or perform any covenant or obligation in the agreement. With respect to those general indemnification clauses, Aimia has no obligation to indemnify Air Canada unless and until the aggregate amount of the losses incurred exceeds $2.25 million, in which case all losses above $2.25 million are indemnifiable. Aimia’s liability for such indemnity claims shall not exceed $55 million in all cases except with respect to (i) Aimia’s fundamental representations, where its liability shall not exceed the purchase price (ii) tax claims for pre-closing tax periods, where Aimia's liability is uncapped, and (iii) non-compliance with anti-spam laws, consumer protection laws, privacy laws or other laws pertaining to the security and protection of personal information, where Aimia's liability is uncapped.

In addition to the foregoing, Aimia has 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 includes 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 the indemnification clauses described above, $2.25 million of the purchase price proceeds have been deposited with a third-party escrow agent to cover any potential valid general indemnity claims that may be made by Air Canada against Aimia under the SPA and $100 million of the purchase proceeds have been deposited in a separate interest-bearing account jointly controlled by Aimia and Air Canada pending the conclusion of the 2013 CRA audit. Any interest or other income earned on the funds in the account shall be transferred or disbursed to Aimia on a monthly basis.

On February 25, 2019, Aimia announced it received a final letter for the 2012 and 2013 taxation years from the CRA concluding on their audit. During the three months ended June 30, 2019, Aimia received the notices of re-assessment

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for the 2012 through 2017 taxation years from the CRA for an amount of $24.3 million, including $4.0 million in interest payable. Aimia has funded the amounts due upon receipt of the re-assessments from the $100 million restricted cash account set up as part of the sale of Aeroplan Inc. Subsequent to June 30, 2019, Aimia received the notices of assessment for the 2018 and 2019 taxation years from the CRA for an amount of $2.6 million, including interests of $0.1 million. Aimia has funded the amounts due upon receipt of the assessments from the restricted cash account. Notices of re-assessment are also expected from Revenu Québec. For the notices of re-assessment from Revenu Québec, Aimia will use its existing non-capital losses to offset the increase in taxable income related from the 2013 CRA audit, which will result in estimated income taxes payable in the 2018 and 2019 taxation years of up to $8.0 million.

Aimia, in conjunction with Aeroplan Inc., has initiated the process to vigorously contest the matter. 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. Should Aeroplan Inc. be successful in its recourse procedures, any amounts that were remitted to the CRA from the $100 million restricted cash account would be returned to Aimia.

The balance of the funds in the restricted cash account is expected to be released to Aimia in accordance with the terms of the SPA between Aimia and Air Canada.

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Consideration associated with the disposal of the Aeroplan program and related assets	
Cash	450.0
Transaction and termination fees	(16.0)
Consideration relating to disposed assets and liabilities, net of transaction and termination fees	**434.0**
Closing adjustments related to working capital and future redemption liability	66.4
Net consideration [a)]	**500.4**
Assets and liabilities disposed of	
Cash and cash equivalents	0.2
Accounts receivable	163.7
Prepaid expenses	12.5
Property and equipment	14.4
Software and technology	77.7
Accumulation partners' contracts and customer relationships	423.4
Trade names	275.0
Goodwill	1,675.8
Accounts payable and accrued liabilities	(153.1)
Provisions	(10.7)
Deferred revenue	(2,905.1)
Pension and other long-term liabilities	(47.7)
Deferred income taxes	(88.8)
Net assets (liabilities) disposed of	**(562.7)**
Gain on disposal of the Aeroplan program and related assets	**1,063.1**

(a) The net consideration, related to the disposal of the Aeroplan program and related assets includes the following:

- $496.7 million of gross transaction proceeds received at initial transaction closing, of which $100.0 million was set aside in a restricted account until conclusion of an ongoing CRA audit and $2.25 million set aside in an escrow account. An additional $19.7 million, related to final closing adjustments was received during the three months ended June 30, 2019;

- $5.0 million and $15.9 million of transaction and termination fees paid during the three and six months ended June 30, 2019, respectively. At June 30, 2019, $0.1 million of transaction fees were presented in accounts payable and accrued liabilities.

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The operating results are presented as discontinued operations and prior periods have been restated.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Results of the Aeroplan Program and related assets				
Revenue from Loyalty Units	**—**	325.9	**35.3**	679.0
Revenue from Loyalty Services and Other	**—**	6.7 *(b)*	**1.0**	14.6 *(b)*
Total revenue	**—**	332.6 *(b)*	**36.3**	693.6 *(b)*
Cost of rewards and direct costs	**—**	216.9 *(b)*	**24.5**	459.3 *(b)*
Depreciation and amortization [(a)]	**—**	48.0	**—**	98.0
Gross margin	**—**	67.7	**11.8**	136.3
Operating expenses before share-based compensation and other performance awards	**—**	44.4	**4.2**	84.9
Share-based compensation and other performance awards	**—**	0.3	**(0.2)**	0.3
Total operating expenses	**—**	44.7	**4.0**	85.2
Operating income	**—**	23.0	**7.8**	51.1
Gain on disposal of businesses and other assets	**19.5**	—	**1,063.1**	—
Income tax expense	**—**	(0.7)	**(1.1)**	(5.8)
Net earnings from the Aeroplan Program and related assets	**19.5**	22.3	**1,069.8**	45.3

(a) Includes depreciation and amortization as well as amortization of Accumulation Partners' contracts, customer relationships and technology.

(b) These figures are net of intercompany transactions between the Canadian loyalty solutions business and the Aeroplan Program of $2.5 million and $4.8 million for the three and six months ended June 30, 2018.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net cash flows of the Aeroplan Program and related assets				
Cash flows from (used in):				
Operating activities	**—**	54.0	**(27.6)**	115.8
Investing activities				
Additions to property, equipment, software and technology	**—**	(5.8)	**—**	(5.9)
Net proceeds from the disposal of businesses and other assets	**14.7**	—	**500.5**	—
Restricted cash	**—**	—	**(100.0)**	—
Cash held in escrow	**—**	—	**(2.3)**	—
Total	**14.7**	48.2	**370.6**	109.9

Nectar coalition loyalty program and related assets

On January 31, 2018, Aimia sold the Nectar coalition loyalty program and related assets to J Sainsbury plc (“Sainsbury's”). The related assets include the Nectar trademarks, the Intelligent Shopper Solutions U.K and Intelligent Research businesses, and Aimia's 50% equity stake in its i2c joint venture.

The Corporation received gross consideration of $104.3 million (£60.0 million). Offsetting this cash consideration was cash transferred to cover the Nectar redemption liability of $182.7 million (£105.0 million) and net working capital of $84.0 million (£48.3 million). The transaction was subject to customary working capital adjustments based on closing accounts. The amount owed to Sainsbury’s related to working capital adjustments of $20.5 million (£11.8 million) was accrued in the three months ended March 31, 2018, offsetting cash generated by the disposed business in January, and was paid in April 2018.

Aimia and Sainsbury’s provided to each other transition services for a period of up to nine months. These services included finance, technology, human resources and facility management. Aimia has subleased the London office space from one of the entities which was sold to Sainsbury’s in the transaction. As part of the arrangement, Aimia agreed to pay for the remaining lease term for the sublease space at the transaction date. Aimia recorded this prepayment of $11.8 million (£6.7 million) as an outflow in cash from operating activities in the first quarter of 2018.

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Consideration associated with the disposal of the Nectar program and related assets	
Cash	104.3
Transaction costs	(4.0)
Consideration relating to disposed assets and liabilities, net of transaction costs	**100.3**
Working capital adjustment	(20.5)
Net consideration	**79.8**
Assets and liabilities disposed of	
Cash and cash equivalents	266.7
Accounts receivable	79.9
Prepaid expenses	3.1
Equity-accounted investments	3.4
Property and equipment	5.2
Software and technology	13.5
Accumulation partners' contracts and customer relationships	3.5
Trade names	36.1
Goodwill	116.1
Accounts payable and accrued liabilities	(189.2)
Deferred revenue	(248.0)
Deferred income taxes	(1.9)
Net assets (liabilities) disposed of	**88.4**
Loss before reclassification to net earnings of cumulative translation	**(8.6)**
Reclassification to net earnings of cumulative translation adjustments [(a)]	10.2
Gain on disposal of the Nectar program and related assets [(a)]	**1.6**

(a) During the first quarter of 2018, the reclassification to net earnings of cumulative translation adjustments was determined to be $14.0 million, resulting in a gain on disposal of $5.4 million. During the fourth quarter of 2018, the reclassification to net earnings of cumulative translation adjustments amount was reduced to $10.2 million, resulting in a reduction of $3.8 million of the gain on disposal from $5.4 million to $1.6 million.

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The operating results are presented as discontinued operations and prior periods have been restated.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Results of the Nectar Program and related assets				
Revenue from Loyalty Units	—	—	—	6.5
Revenue from Loyalty Services and Other	—	—	—	1.5
Intercompany revenue	—	—	—	—
Total revenue	—	—	—	8.0
Cost of rewards and direct costs	—	—	—	—
Depreciation and amortization	—	—	—	—
Gross margin	—	—	—	8.0
Total operating expenses	—	—	—	4.6
Operating income	—	—	—	3.4
Gain on disposal of businesses and other assets	—	—	—	5.4
Net financial expenses	—	—	—	(1.7)
Share of net earnings of equity-accounted investments	—	—	—	0.5
Income tax expense	—	—	—	—
Net earnings from the Nectar Program and related assets	—	—	—	7.6

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net cash flows of the Nectar Program and related assets				
Cash flows from (used in):				
Operating activities	—	—	—	15.3
Investing activities - Additions to property, equipment, software and technology	—	—	—	—
Investing activities - Net payments for the disposal of businesses and other assets	—	(21.2)	—	(187.6)
Total	—	(21.2)	—	(172.3)

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DISPOSAL OF BUSINESSES AND OTHER ASSETS

Canadian Air Miles trademarks

On August 25, 2017, Aimia sold the Canadian Air Miles trademarks for a cash consideration of $53.75 million. In addition, a contingent consideration, up to a maximum of $13.75 million, to be paid to Aimia within the next three years, subject to certain milestones being met. These milestones included the long term contract renewal of Bank of Montreal as a program sponsor in the Canadian Air Miles Reward Program as well as the performance of the program post contract renewal. On August 25, 2017, the fair value of the contingent consideration receivable was estimated at $5.3 million and was presented in long-term receivable in the consolidated statement of financial position.

During the first quarter of 2018, the carrying amount of the contingent consideration receivable was fully reversed given that certain milestone conditions were not met. The adjustment is recorded in loss on disposal of businesses and other assets in the consolidated statements of operations. In addition, current tax expense was reduced by $1.3 million following the reversal of the contingent consideration receivable.

During the second quarter of 2018, Aimia paid income taxes of $12.4 million related to the transaction which was included in investing activities in the consolidated statement of cash flows.

6. EARNINGS (LOSS) PER COMMON SHARE

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net earnings attributable to equity holders of the Corporation	**43.5**	11.1	**1,090.6**	32.5
Deduct: Dividends declared on preferred shares related to the period (*Note 13*)	**(4.3)**	—	**(8.8)**	—
Deduct: Cumulative undeclared dividends on preferred shares related to the period (*Note 13*)	**—**	(4.4)	**—**	(8.7)
Net earnings attributable to common shareholders	**39.2**	6.7	**1,081.8**	23.8
Weighted average number of basic and diluted common shares	**137,252,440**	152,307,196	**144,738,230**	152,307,196
Earnings per common share – Basic and fully diluted	**$ 0.29**	$ 0.04	**$ 7.47**	$ 0.16
Continuing operations - Basic and fully diluted	**$ 0.14**	$ (0.10)	**$ 0.08**	$ (0.19)
Discontinued operations - Basic and fully diluted	**0.15**	0.14	**7.39**	0.35

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7. LONG-TERM INVESTMENTS

	June 30, 2019	December 31, 2018
Investments in equity instruments (*Note 16*) [(a)]	101.2	54.0
Investment in corporate and government bonds [(b)]	77.6	154.9
Total	**178.8**	208.9

(a) Includes the investment in Cardlytics at June 30, 2019 and December 31, 2018. On February 14, 2019, Aimia completed the sale of its investment in Fractal Analytics for cash consideration of $9.8 million (US $7.4 million).

(b) The investment in corporate and government bonds amounted to $174.2 million at June 30, 2019 (December 31, 2018: $223.9 million) of which $96.6 million was classified as short-term investments (December 31, 2018: $69.0 million) and $77.6 million as long-term investments (December 31, 2018: $154.9 million).

8. EQUITY-ACCOUNTED INVESTMENTS

As at	June 30, 2019	December 31, 2018
Investment in PLM Premier, S.A.P.I. de C.V. [(a)]	53.2	67.5
Other equity-accounted investments in joint ventures	16.7	16.0
Total	**69.9**	83.5

(a) During the three and six months ended June 30, 2019, Aimia received distributions from PLM of $5.8 million (US$4.4 million) and $24.7 million (US$18.6 million), respectively, compared to distributions of $4.4 million (US$3.4 million) and $8.8 million (US$6.8 million) for the three and six months ended June 30, 2018, respectively.

Share of net earnings of equity-accounted investments	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Investment in PLM Premier, S.A.P.I. de C.V.	6.4	5.6	12.9	15.0
Other equity-accounted investments in joint ventures	0.9	(0.2)	1.3	—
Total	**7.3**	5.4	**14.2**	15.0

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

Presented below is the summarized statement of operations for PLM, excluding amounts relating to identifiable assets and goodwill recognized on a step basis. The information reflects the amounts presented in the financial statements of PLM adjusted for differences in accounting policies between the Corporation and PLM.

Summarized statement of operations

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Revenue	**80.4**	76.8	**157.5**	145.5
Cost of rewards and operating expenses	(56.3)	(53.5)	(111.5)	(100.0)
Depreciation and amortization	(1.0)	(0.6)	(1.6)	(1.3)
Operating income	**23.1**	22.7	**44.4**	44.2
Net financial income (expense)	(1.9)	(3.7)	(1.2)	(0.9)
Income tax recovery (expense)	(6.3)	(5.5)	(13.3)	(9.2)
Net earnings	**14.9**	13.5	**29.9**	34.1

Reconciliation of summarized statement of operations to Aimia's share of net earnings

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net earnings for the year	**14.9**	13.5	**29.9**	34.1
Share of net earnings of PLM @ 48.9%	7.3	6.6	14.6	16.7
Amortization expense related to identifiable assets recognized on a step basis	(0.9)	(1.0)	(1.7)	(1.7)
Aimia's share of PLM net earnings	**6.4**	5.6	**12.9**	15.0

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9. DEFERRED REVENUE

A reconciliation of deferred revenue is as follows:

	Loyalty Units		Loyalty Services and Other		Total	
As at	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Opening balance	**2,962.8**	3,236.2	**5.4**	10.0	**2,968.2**	3,246.2
Loyalty Units issued – Gross Billings	**12.0**	46.8	**—**	—	**12.0**	46.8
Other – Gross Billings	**—**	—	**59.8**	154.4	**59.8**	154.4
Revenue recognized	**(6.0)**	(12.5)	**(59.7)**	(154.6)	**(65.7)**	(167.1)
Cost of rewards - Air Miles Middle East program [(a)]	**(16.6)**	(30.6)	**—**	—	**(16.6)**	(30.6)
Deferred revenue relating to the disposal of businesses (*Note 5*)	**(2,904.4)**	(243.4)	**(0.7)**	(4.6)	**(2,905.1)**	(248.0)
Gross Billings related to discontinued operations (*Note 5*)	**28.3**	1,277.5	**0.9**	29.1	**29.2**	1,306.6
Revenue related to discontinued operations (*Note 5*)	**(35.3)**	(1,299.8)	**(1.0)**	(29.6)	**(36.3)**	(1,329.4)
Cost of rewards related to discontinued operations - Nectar program (*Note 5*) [(a)]	**—**	(23.0)	**—**	—	**—**	(23.0)
Foreign currency and other adjustments	**(1.3)**	11.6	**(1.2)**	0.7	**(2.5)**	12.3
Ending balance	**39.5**	2,962.8	**3.5**	5.4	**43.0**	2,968.2
Represented by:						
Current portion	**36.3**	42.0	**3.5**	4.6	**39.8**	46.6
Held for sale (*Note 5*)	**—**	2,911.3	**—**	0.8	**—**	2,912.1
Long-term	**3.2**	9.5	**—**	—	**3.2**	9.5

(a) Gross Billings from the sale of loyalty units are deferred until the loyalty units are redeemed and the reward is provided to the member. With respect to the Air Miles Middle East program (and the Nectar program until its disposal), Aimia has determined that it acted as an agent in the delivery of the rewards to the members for the six months ended June 30, 2019 and for the year ended December 31, 2018, therefore, the expenses charged by the suppliers are recorded against the deferred revenue, with only the margin being recognized as revenue.

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MEASUREMENT UNCERTAINTY

Aimia may be required to provide rewards to members for unexpired Loyalty Units accounted for as Breakage on the Loyalty Units issued to date for which the revenue has been recognized or deferred and for which no liability has been recorded. The potential redemption cost for such Loyalty Units is estimated to be $2.9 million at June 30, 2019.

The potential redemption costs, noted above, have been calculated on the basis of the current average redemption cost, reflecting actual prices with Redemption Partners and the experienced mix of the various types of rewards that members have selected, based on past experience.

10. PROVISIONS

	Card Migration Provision	Onerous Contract Provision	Total
Balance at December 31, 2017	**2.4**	**17.2**	**19.6**
Provision recorded during the year	—	—	—
Provision used during the year	(1.0)	(3.3)	(4.3)
Provision reversed during the year	(1.3)	—	(1.3)
Foreign exchange translation adjustment	—	1.3	1.3
Balance at December 31, 2018	**0.1**	**15.2**	**15.3**
Provision recorded during the period	—	—	—
Provision used during the period	—	(1.4)	(1.4)
Provision reversed during the period	—	—	—
Provision relating to the disposal of businesses (*Note 5*)	(0.1)	(10.6)	(10.7)
Foreign exchange translation adjustment	—	(0.1)	(0.1)
Balance at June 30, 2019	**—**	**3.1**	**3.1**
Represented by:			
Current portion	**—**	**3.1**	**3.1**
Long-term portion	**—**	**—**	**—**

ONEROUS CONTRACT PROVISION

Upon the disposal of the U.S. CEL Business, the costs under an IT outsourcing arrangement in the US were considered onerous as the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. As a result, a provision of $20.3 million was recorded during the second quarter of 2017 in general and administrative expenses.

Based on the terms of the Agreement for the sale of the Aeroplan Program and related assets, a portion of the unavoidable costs has transfered to the buyer at the closing of the transaction on January 10, 2019 (*Note 5*). This portion of the provision was presented as held for sale at December 31, 2018. This portion of the provision was

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derecognized upon the completion of the sale of the Aeroplan Program and related assets on January 10, 2019 (*Note 5*).

The remaining provision represents the remaining payments to be made under the arrangement by Aimia until June 2020.

11. LONG-TERM DEBT

The following is a summary of Aimia's authorized and outstanding revolving facility and Senior Secured Notes:

	Authorized at June 30, 2019	Drawn at June 30, 2019	Drawn at December 31, 2018
Revolving facility [(a)]	N/A	—	51.1
Senior Secured Notes Series 4 [(b)]	N/A	—	250.0
Unamortized transaction costs	N/A	—	(0.2)
Total long-term debt		**—**	**300.9**
Less: current portion [(a)(b)]		—	300.9
Long-term debt		**—**	**—**

(a) Following the completion of the sale of the Aeroplan Program and related assets (*Note 5*), the revolving facility was fully repaid and terminated. In connection with the termination of the credit facility, previously issued irrevocable letters of credit in the aggregate amount of $10.0 million have been replaced by security in the form of cash collateral.

In 2018, in connection with the consent required for the release of one of Aimia's subsidiary guarantors under its credit agreement, Aimia reduced its overall debt level with a $100.0 million repayment made at closing of the Nectar transaction (*Note 5*) on January 31, 2018. The overall size of the facility was also reduced to $208.0 million. Depending on the Corporation's credit ratings, the interest rates applicable to the revolving facility ranged between Canadian prime rate plus 1.00% to 2.00% and the Bankers' Acceptances and LIBOR rates plus 2.00% to 3.00%. In addition, Aimia had agreed to other amendments which included quarterly debt pay-downs contingent on positive free cash flow performance, revised conditions around acquisitions and disposals, and tighter restrictions on common and preferred dividends payments, among others.

In May, August and November 2018, repayments of $20.2 million, $10.0 million and $18.8 million, respectively, were made on the revolving facility, representing 50% of the reported free cash flow in the the first three quarters of 2018.

(b) The issued Senior Secured Notes Series 4 in the principal amount of $250.0 million, bearing interest at 6.85% per annum based on the Corporation's credit ratings, were early redeemed on February 8, 2019 following the completion of the sale of the Aeroplan Program and related assets (*Note 5*). Additionally, Aimia paid interest accrued on the Senior Secured Notes Series 4 up to repayment date, representing $4.0 million, as well as an early redemption premium of $2.8 million.

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12. 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. No amount has been recorded in these financial statements with respect to the indemnification and guarantee agreements.

Aeroplan transaction

Refer to *Note 5* for a description of the indemnification clauses related to the disposal of Aeroplan Inc.

Nectar transaction (Note 5)

As part of the sale of Nectar and related assets, the Corporation agreed to provide indemnification to the buyer in the event that the buyer suffers losses as a result of certain pre-completion actions and breaches of the purchase agreement, including breaches of covenants and representations and warranties. The terms of the indemnification obligations vary in duration, from 18 months to two years for certain types of indemnities, while terms for tax indemnification obligations are generally aligned to the applicable statute of limitations. The maximum potential future payments that the Corporation could be required to make under these indemnifications are generally contractually limited to a specified amount. 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.

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CLASS ACTIONS

Class action contesting changes to Aeroplan's mileage accumulation and expiry rules

Following the completion of the sale of the Aeroplan Program and related assets on January 10, 2019 (*Note 5*), any liability associated with the class action, including the liability related to the proposed settlement, has transferred to Air Canada.

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

Upon the completion of the sale of the Aeroplan Program and related assets on January 10, 2019 (*Note 5*), 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 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 financial statements at December 31, 2018 and June 30, 2019.

OTHER CLAIMS AND LITIGATION

From time to time, Aimia becomes involved in various claims and litigation as part of its normal course of business. While the final outcome thereof cannot be predicted, based on the information currently available, management believes the resolution of current pending claims and litigation will not have a material impact on Aimia's financial position and results of operations.

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13. DIVIDENDS

Quarterly dividends declared to preferred shareholders of Aimia during the six months ended June 30, 2019 were as follows:

	2019		2018	
Three months ended	Amount	Per preferred share	Amount	Per preferred share
Series 1				
March 31,	1.1	0.28125	—	—
June 30,	1.1	0.28125	—	—
Total	**2.2**	**0.56250**	—	—
Series 2				
March 31,	1.0	0.33676	—	—
June 30,	1.0	0.33857	—	—
Total	**2.0**	**0.67533**	—	—
Series 3				
March 31,	2.4	0.39063	—	—
June 30,	2.2	0.37569	—	—
Total	**4.6**	**0.76632**	—	—

As communicated on June 14, 2017, the Corporation was prohibited from paying dividends declared on May 10, 2017 originally scheduled to have been paid on June 30, 2017, as well as declaring any further dividends on any of the outstanding common shares or preferred shares, based on Aimia's determination that the capital impairment test set forth in paragraph 42(b) of the *Canada Business Corporations Act* (the "CBCA") would not be satisfied.

Following the approval of a reduction in stated capital by the common shareholders on January 8, 2019, and having taken into account the effect of the sale of the Aeroplan Program (*Note 5*) on the Corporation's financial position, the Board of Directors approved the following matters on February 22, 2019:

- a reduction to the stated capital account maintained in respect of the common shares to an aggregate amount of $1.0 million;
- the payment on March 29, 2019 of the dividends originally declared on May 10, 2017 to common and preferred shareholders. At December 31, 2018, the dividends declared but not paid to common and preferred shareholders, representing an amount of $34.7 million, were presented in accounts payable and accrued liabilities;
- the payment on March 29, 2019 of cumulative preferred dividends not previously declared and recorded amounting to $26.0 million at December 31, 2018; and
- the payment on March 29, 2019 of the first quarterly dividends in 2019 of $0.28125 per Series 1 preferred share, $0.336760 per Series 2 preferred share and $0.390625 per Series 3 preferred share, amounting to $4.5 million.

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In reaching its decision, the Board of Directors considered the Corporation's ability to satisfy the applicable tests under the CBCA and the Corporation's obligation to pay unpaid dividends with a view to remaining in good standing with the applicable rules and policies of the Toronto Stock Exchange (the “TSX”) and maintaining its listing on TSX.

Aimia is subject to Part VI.1 tax under the Income Tax Act (Canada) (the “ITA”) at an imposed tax rate of 40% associated to dividends paid on its Preferred shares. At June 30, 2019 the gross amount of Part VI.1 tax payable is $15.6 million. In prior years when Aimia paid dividends on its Preferred Shares, Aimia transferred all of its Part VI.1 tax liability to its related Canadian subsidiaries, which included Aeroplan Inc. (*Note 5*) to offset the Part VI.1 tax by reducing the taxable income of its Canadian subsidiaries and Part 1 tax liability. However, following the sale of Aeroplan, Aimia and its related Canadian subsidiaries do not have sufficient Canadian taxable income to benefit entirely from the Part VI.1 tax deduction to offset the Part 1 tax. Any unused Part VI.1 tax deduction will be carried forward as non-capital losses under the rules specifically provided under the ITA.

On August 13, 2019, the Board of Directors of Aimia declared quarterly dividends of $0.28125 per Series 1 preferred share, $0.342605 per Series 2 preferred share and $0.375688 per Series 3 preferred share, in each case payable on September 30, 2019.

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14. CAPITAL STOCK

SERIES 3 PREFERRED SHARES

On February 25, 2019, the Corporation announced that it did not intend to exercise its right to redeem all or any number of the currently outstanding 6,000,000 Series 3 Preferred Shares on March 31, 2019. As a result of the decision not to redeem all or any number of the Series 3 Preferred Shares and subject to certain conditions set out in the rights, privileges, restrictions and conditions attaching to such shares, the holders of the Series 3 Preferred Shares had the right to convert all or any number of their Series 3 Preferred Shares, on a one-for-one basis, into Cumulative Floating Rate Preferred Shares, Series 4 (the "Series 4 Preferred Shares") of Aimia on April 1, 2019.

Based on the results of the conversion process and in accordance with the rights, privileges, restrictions and conditions attaching to the Series 3 Shares and the Series 4 Shares, since there would be less than 1,000,000 Series 4 Shares outstanding on April 1, 2019, after having taken into account all Series 3 Shares tendered for conversion into Series 4 Shares, holders of Series 3 Shares who elected to tender their shares for conversion will not have their Series 3 Shares converted into Series 4 Shares on April 1, 2019. As a result, no Series 4 Shares were issued on April 1, 2019.

With respect to the Series 3 Shares outstanding on or after April 1, 2019, holders of the Series 3 Shares are entitled to receive quarterly fixed, cumulative, preferential cash dividends, as and when declared by the company'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 will be 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 Shares.

REDUCTION OF STATED CAPITAL - COMMON SHARES

On February 22, 2019, the Board of Directors approved a reduction of the stated capital account maintained in respect of the common shares to an aggregate of $1.0 million. The reduction of 1,348.3 million has been added to the contributed surplus of the Corporation. This reduction of stated capital did not result in any change to the total shareholders' equity.

SUBSTANTIAL ISSUER BID

On March 27, 2019, Aimia's Board of Directors approved a substantial issuer bid (“the Offer”) of up to $150 million to repurchase a portion of its outstanding common shares for cancellation, commencing on April 11, 2019. The Offer expired at 5:00 p.m. (Eastern time) on May 21, 2019.

In accordance with the terms and conditions of the Offer, Aimia purchased for cancellation 34,883,702 common shares at a purchase price of $4.30 per Share, for aggregate consideration of approximately $150.6 million, including transaction costs. Share capital was reduced by $0.2 million and the remaining $150.4 million was accounted for as a reduction of contributed surplus.

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NORMAL COURSE ISSUER BID

On June 3, 2019, the Corporation announced it has received approval from the Toronto Stock Exchange respecting the establishment of a normal course issued bid. The Corporation has received approval to purchase up to 8,879,302 of its issued and outstanding common shares during the period from June 6, 2019 to no later than June 5, 2020.

From June 6, 2019 to June 30, 2019, Aimia repurchased 3,464,772 common shares for a total consideration of $12.8 million. Of this total, 3,151,876 common shares were paid and cancelled during the period representing $11.6 million, with the remainder being paid and cancelled during the third quarter of 2019. Share capital was reduced by an immaterial amount and the remaining $12.8 million was accounted for as a reduction of contributed surplus.

15. COMMITMENTS

As at June 30, 2019, the non-cancellable estimated future minimum payments under various short-term operating leases and other contractual obligations are as follows:

(in millions of Canadian dollars)	Total	2019	2020	2021	2022	2023	Thereafter
Short-term operating leases	0.8	0.8	—	—	—	—	—
Technology infrastructure and other	21.3	17.1	3.9	0.3	—	—	—
Total	**22.1**	**17.9**	**3.9**	**0.3**	**—**	**—**	**—**

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16. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair Value Hierarchy

Financial instruments recorded at fair value on the balance sheet 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.

	Hierarchy	June 30, 2019	December 31, 2018
Financial assets			
Investments in equity instruments (*Note 7*)	Levels 1 & 3	**101.2**	54.0

Investments in equity instruments and convertible notes of Cardlytics

Since the first quarter of 2018, the fair value of the investment in equity instruments of Cardlytics is based on the quoted market value for the publicly traded equity securities following Cardlytics's initial public offering on February 9, 2018. During the three and six months ended June 30, 2019, fair value gains of $37.7 million (2018: $27.5 million) and $60.2 million (2018: $33.8 million), respectively, have been recorded in the consolidated statements of operations related to the investment in Cardlytics.

Investment in Fractal Analytics

The fair value of the investment in Fractal Analytics was determined using a market approach consisting of a valuation technique based on the transaction price of recent transactions carried out by other investors involving similar instruments and comparison of financial indicators for similar companies. The value determined was then adjusted for, as deemed necessary, changes in market conditions, the performance of the investee and the passage of time. This approach required management to use judgement in identifying similar transactions, instruments and companies and to make estimates in determining the fair value of such instruments.

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During the fourth quarter of 2018, a fair value gain of $6.5 million has been recorded in the consolidated statement of operations.

On February 14, 2019, Aimia completed the sale of its investment in Fractal Analytics for cash consideration of $9.8 million (US $7.4 million). Due to the investment being recorded at fair value at December 31, 2018, no gain or loss was recorded in the consolidated statement of operations in the first quarter upon the sale of the investment.

Financial assets and liabilities at amortized costs

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

At June 30, 2019, the fair value of investments in corporate and government bonds is based on the quoted market price of the investments. At December 31, 2018, the fair value of the Senior Secured Notes was estimated as being the quoted market value for the publicly traded debt securities, while the fair value of borrowings under the revolving facility was calculated using a discounted cash flow model.

Aimia's long-term investments in corporate and government bonds and long-term debt carrying amounts at June 30, 2019 and December 31, 2018, which were measured at amortized cost, and the fair value thereof, were as set out in the following table.

		June 30, 2019		December 31, 2018	
	Hierarchy	Carrying	Fair Value	Carrying	Fair Value
Investments in corporate and government bonds (including current portion)	Level 1	174.2	175.7	223.9	223.0
Long-term debt (including current portion)	Levels 1 & 3	—	—	300.9	301.9

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17. ADDITIONAL FINANCIAL INFORMATION

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

A) STATEMENTS OF FINANCIAL POSITION

INTANGIBLE ASSETS

	June 30, 2019	December 31, 2018
Accumulation partners' contracts and customer relationships	**9.6**	10.7
Software and technology	**2.4**	3.8
Trade names	**8.5**	8.9
Total	**20.5**	23.4

The International ISS business cash-generating unit has been tested for impairment in the second and fourth quarters of 2018 given delays in the execution of management's business plan and lost clients. As a result, projected Gross Billings and Adjusted EBITDA have been reduced, resulting in lower projected cash flows. Based on the results of the impairment tests conducted in the second and fourth quarters of 2018, the Corporation recorded impairment charges of $8.0 million and $20.4 million, respectively, relating to the International ISS business. The impairment charges have been recorded against the software and technology assets and are presented in impairment charges in the consolidated statement of operations. The recoverable amounts of the International ISS cash-generating units in the second and fourth quarters of 2018 were based on fair value less costs of disposal calculations.

RESTRUCTURING LIABILITIES

Over the past few years, Aimia has engaged in a series of restructuring programs related to integrating and aligning our businesses, exiting certain activities, outsourcing certain internal functions and engaging in other actions designed to reduce our cost structure and improve productivity. As a result of these initiatives, Aimia recorded various severance provisions. Management continues to evaluate our business and, therefore, in future years, there may be additional provisions for new plan initiatives, as well as changes in estimates to amounts previously recorded, as payments are made or actions are completed.

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	Total
Balance at December 31, 2017	**7.0**
Liability recorded during the year	18.9
Payments made during the year	(19.1)
Foreign exchange translation adjustment	(0.4)
Balance at December 31, 2018	**6.4**
Liability recorded during the period	10.3
Payments made during the period	(13.5)
Foreign exchange translation adjustment	—
Balance at June 30, 2019	**3.2**

Restructuring expenses recorded during the three and six months ended June 30, 2019 and 2018 for each segment are presented below:

Segment	Three Months Ended June 30,		Six Months Ended June 30,	
Segment	2019	2018	2019	2018
Loyalty Solutions	1.3	0.6	6.6	0.8
Corporate and Other	3.7	6.3	3.7	6.5
Discontinued operations - Aeroplan	—	3.2	—	3.8
Discontinued operations - Nectar	—	—	—	0.4
Total	**5.0**	10.1	**10.3**	11.5

Restructuring expenses recorded during the three and six months ended June 30, 2019 consisted primarily of severance costs related to headcount reductions associated with the Corporation's execution of the new strategic plan.

OTHER LONG-TERM ASSETS

As at	June 30,	December 31,
	2019	2018
Tax deposit (Note 5)	**24.3**	—
Other deposit	**3.3**	—
Prepayments	**1.4**	—
Total	**29.0**	—

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OTHER LONG-TERM LIABILITIES

As at	June 30, 2019	December 31, 2018
Post-employment benefits	**4.6**	7.0
Lease liability	**4.2**	—
Share-based compensation and other performance awards liability	**3.1**	4.1
Total	**11.9**	11.1

B) STATEMENTS OF CASH FLOWS

CHANGES IN OPERATING ASSETS AND LIABILITIES

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Restricted cash	**0.9**	(5.7)	**0.2**	(4.0)
Accounts receivable	**(8.2)**	3.3	**(51.3)**	4.0
Inventories	**0.5**	0.6	**0.4**	3.2
Prepaid expenses and deposits	**(18.3)**	(9.4)	**(19.5)**	(19.0)
Accounts payable and accrued liabilities	**(9.0)**	15.1	**(2.4)**	50.1
Customer deposits	**(0.3)**	(1.4)	**1.5**	(2.6)
Provisions	**(0.7)**	(0.9)	**(1.4)**	(2.8)
Other long-term liabilities	**(1.5)**	(0.4)	**(2.9)**	(4.9)
Deferred revenue	**(6.4)**	(16.7)	**(18.1)**	(73.3)
Total	**(43.0)**	(15.5)	**(93.5)**	(49.3)

C) STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

INCOME TAX EFFECTS

The defined benefit plan's actuarial gains (losses) attributable to the Aeroplan Program (*Note 5*) for the three and six months ended June 30, 2018 were net of deferred income tax expenses of $1.1 million and $1.5 million, respectively.

18. SUBSEQUENT EVENTS

Subsequent to June 30, 2019, Aimia completed its NCIB process and repurchased 5,414,530 common shares for a total consideration of $19.9 million.