AIMIA

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2020 and 2019

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.

May 12, 2020

(signed) "Philip Mittleman"

PHILIP MITTLEMAN
Interim 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 March 31, 2020 (unaudited)	2019 (unaudited) (Restated - Note 2(f))
Revenue	Note 4	$ **29.6**	$ 34.7
Operating expenses			
Compensation and benefits		**15.1**	25.9
Technology		**10.4**	17.1
Professional, advisory and service fees		**4.9**	4.1
Rent and office costs		**0.9**	2.0
Travel and employee expenses		**0.8**	1.4
Depreciation and amortization		**1.1**	1.0
Other		**1.9**	2.2
		35.1	53.7
Operating loss		**(5.5)**	(19.0)
Financial income		**1.5**	2.5
Financial expenses	Note 8	**(0.2)**	(6.4)
Net fair value gain on investments in equity instruments	Note 13	**—**	22.5
Net financial income		**1.3**	18.6
Share of net earnings (loss) of equity-accounted investments	Note 7	**(5.1)**	6.9
Earnings (loss) before income taxes		**(9.3)**	6.5
Income tax (expense) recovery			
Current		**(0.3)**	(11.5)
Deferred		**—**	1.8
		(0.3)	(9.7)
Net loss from continuing operations		**(9.6)**	(3.2)
Net earnings from discontinued operations	Note 15	**—**	1,050.3
Net earnings (loss)		$ **(9.6)**	$ 1,047.1
Weighted average number of shares		**93,838,438**	152,307,196
Earnings (loss) per common share			
Continuing operations - Basic and fully diluted	Note 5	$ **(0.14)**	$ (0.05)
Discontinued operations - Basic and fully diluted	Note 5	**0.00**	6.90
	Note 5	$ **(0.14)**	$ 6.85

AIMIA

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(in millions of Canadian dollars)	Three Months ended March 31, 2020	2019
	(unaudited)	(unaudited)
Net earnings (loss)	**$ (9.6)**	$ 1,047.1
Other comprehensive income (loss):		
Items that may be reclassified subsequently to net earnings (loss)		
Foreign currency translation adjustments	**7.9**	(1.9)
Items that will not be reclassified subsequently to net earnings (loss)		
Defined benefit plans actuarial losses, net of tax	**(0.3)**	(0.3)
Other comprehensive income (loss)	**7.6**	(2.2)
Comprehensive income (loss)	**$ (2.0)**	$ 1,044.9
Comprehensive income (loss):		
Continuing operations	**(2.0)**	(5.1)
Discontinued operations	**—**	1,050.0
	$ (2.0)	$ 1,044.9

AIMIA

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at *(in millions of Canadian dollars)*		March 31, 2020 (unaudited)	December 31, 2019
ASSETS			
Current assets			
Cash and cash equivalents		**$ 122.4**	$ 98.6
Restricted cash	Note 15	**94.0**	97.1
Short-term investments		**96.1**	86.6
Income taxes receivable		**5.4**	—
Accounts receivable		**54.7**	66.8
Inventories		**1.6**	0.9
Prepaid expenses and deposits		**12.8**	18.2
		387.0	368.2
Long-term assets			
Deferred income taxes		**5.9**	5.9
Cash held in escrow	Note 15	**2.3**	2.3
Long-term investments	Note 6	**9.5**	67.5
Equity-accounted investments	Note 7	**66.0**	74.6
Property and equipment		**1.4**	1.5
Intangible assets	Note 14A	**18.9**	18.9
Other long-term assets	Note 14A	**38.2**	32.9
		$ 529.2	$ 571.8
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	Note 14A	**$ 42.5**	$ 60.9
Income taxes payable	Note 10	**—**	13.6
Provisions		**1.6**	1.4
Customer deposits		**19.6**	19.9
Deferred revenue	Note 4	**22.2**	23.9
		85.9	119.7
Long-term liabilities			
Other long-term liabilities	Note 14A	**8.8**	11.7
Deferred income taxes		**1.5**	1.5
Deferred revenue	Note 4	**2.4**	3.3
		98.6	136.2
Total equity	Note 11	**430.6**	435.6
		$ 529.2	$ 571.8
Contingencies and commitments	Notes 9 & 12		

Approved by the Board of Directors

(signed) David Rosenkrantz
David Rosenkrantz
Director

(signed) Jordan G. Teramo
Jordan G. Teramo
Director

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

AIMIA

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the three months ended March 31, 2019 and 2020 (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, 2018		152,307,196	$ 1,665.1	$ (3,139.5)	$ 24.3	$ 1,155.2	$ (294.9)
Change in accounting policy				(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				1,047.1			1,047.1
Other comprehensive income (loss):							
Foreign currency translation adjustments					(1.9)		(1.9)
Defined benefit plans actuarial losses, net of tax				(0.3)			(0.3)
Total comprehensive income (loss)		—	—	1,046.8	(1.9)	—	1,044.9
Transactions with owners, recorded directly in equity							
Dividends	Note 10			(30.5)			(30.5)
Reduction of stated capital account - common shares			(1,348.3)			1,348.3	—
Accretion related to stock-based compensation plans						(0.2)	(0.2)
Total contributions by and distributions to owners		—	(1,348.3)	(30.5)	—	1,348.1	(30.7)
Balance, March 31, 2019		152,307,196	$ 316.8	$ (2,134.0)	$ 22.4	$ 2,503.3	$ 708.5
Balance, December 31, 2019		**93,848,235**	**$ 231.7**	**$ (2,083.7)**	**$ 9.8**	**$ 2,277.8**	**$ 435.6**
Total comprehensive income (loss)							
Net loss				**(9.6)**			**(9.6)**
Other comprehensive income (loss):							
Foreign currency translation adjustments					**7.9**		**7.9**
Defined benefit plans actuarial losses, net of tax				**(0.3)**			**(0.3)**
Total comprehensive income (loss)		**—**	**—**	**(9.9)**	**7.9**	**—**	**(2.0)**
Transactions with owners, recorded directly in equity							
Common shares repurchased	Note 11	**(9,906)**					**—**
Dividends	Note 10			**(3.2)**			**(3.2)**
Accretion related to stock-based compensation plans						**0.2**	**0.2**
Total contributions by and distributions to owners		**(9,906)**	**—**	**(3.2)**	**—**	**0.2**	**(3.0)**
Balance, March 31, 2020		**93,838,329**	**$ 231.7**	**$ (2,096.8)**	**$ 17.7**	**$ 2,278.0**	**$ 430.6**

AIMIA

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions of Canadian dollars)		Three Months ended March 31, 2020 (unaudited)	2019 (unaudited)
CASH FLOWS FROM (USED IN)			
Operating activities			
Net earnings (loss)		**$ (9.6)**	$ 1,047.1
Adjustments for:			
Depreciation and amortization		**1.1**	1.0
Share-based compensation and other performance awards		**(0.1)**	0.7
Share of net earnings (loss) of equity-accounted investments		**5.1**	(6.9)
Net financial income		**(1.3)**	(18.6)
Income tax expense		**0.3**	10.8
Gain on disposal of businesses and other assets		**—**	(1,043.6)
Changes in operating assets and liabilities	Note 14B	**(12.9)**	(50.5)
Other		**0.2**	1.2
		(7.6)	(1,105.9)
Cash generated from (used in) operating activities before the following items:		**(17.2)**	(58.8)
Interest received		**1.2**	2.2
Distributions received from equity-accounted investments	Note 7	**9.5**	18.9
Interest paid		**(0.2)**	(7.6)
Income taxes paid	Note 10	**(19.1)**	(2.0)
Net cash from (used in) operating activities	Note 15	**(25.8)**	(47.3)
Investing activities			
Net proceeds from (payments for) the disposal of businesses and other assets	Note 15	**—**	485.8
Restricted cash	Notes 8 & 15	**3.1**	(110.0)
Cash held in escrow	Note 15	**—**	(2.3)
Proceeds from disposal of investments in equity instruments	Note 6	**—**	9.8
Proceeds from disposal of investments in corporate and government bonds		**48.6**	223.1
Purchases of investments in corporate and government bonds		**—**	(223.1)
Net cash from (used in) investing activities	Note 15	**51.7**	383.3
Financing activities			
Dividends	Note 10	**(3.2)**	(65.2)
Repurchase of common shares	Note 11	**(0.1)**	—
Principal elements of lease payments		**(0.4)**	(0.3)
Repayment of the revolving facility	Note 8	**—**	(51.1)
Repayment of Senior Secured Notes	Note 8	**—**	(250.0)
Net cash used in financing activities		**(3.7)**	(366.6)
Net change in cash and cash equivalents		**22.2**	(30.6)
Translation adjustment related to cash		**1.6**	(1.2)
Cash and cash equivalents, beginning of period		**98.6**	311.9
Cash and cash equivalents, end of period		**$ 122.4**	$ 280.1

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)

THESE FINANCIAL STATEMENTS CONTAIN THE FOLLOWING NOTES:

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 777 Bay Street, Suite 2901, Toronto, Ontario, M5G 2C8.

As announced on April 29, 2020, the Corporation has updated its corporate strategy to become an investment holding company with a focus on long-term investments in public and private companies, on a global basis, through controlling or minority stakes (*Note 16*).

Aimia, through its subsidiaries, currently operates one reportable and operating segment, namely, Loyalty Solutions. The Corporation also reports results for Corporate and Other (*Note 3*).

Loyalty Solutions

Within the Loyalty Solutions segment, Aimia provides clients with full-service 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 coalition program, as well as Intelligent Shopper Solutions ("ISS"), Aimia's international data analytics and insights services business. The Loyalty Solutions segment includes an investment in the Aimia Kantar Insights joint venture, a joint venture with Kantar providing data analytics and insights services. On April 29, 2020, Aimia announced it has signed a binding letter agreement to merge its Loyalty Solutions business with Kognitiv Corporation (*Note 16*).

Corporate and Other

Corporate and Other includes central operating costs, including costs related to public company disclosure and Board costs, executive leadership, 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. Until their respective disposals, Aimia also held minority interests in Cardlytics and Fractal Analytics (*Note 13*).

Discontinued Operations (Note 15)

Discontinued operations include the results of the Aeroplan coalition loyalty program and related assets until their disposal on January 10, 2019.

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 note 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, 2019.

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 May 12, 2020.

Impact of COVID-19 on the condensed interim financial statements

Over the past weeks, we have seen the major impact that the COVID-19 pandemic is having on human health, the global economy and associated government measures to curb the spread of the virus, which included varying degrees of self-quarantine and border closures. Aimia has been addressing the COVID-19 situation and its impact globally, working to mitigate the potential impacts to our employees and business. The web-based nature of Aimia's Loyalty Solutions suite of platforms and our ability to work remotely to deliver the loyalty services to our customers has enabled Aimia to operate in this difficult context.

The turbulence in the financial markets has impacted certain lines in our financial statements. Foreign exchanges rates have fluctuated significantly during the period. The strengthening of US dollar against various currencies, including the Mexican peso and Canadian dollar, resulted in significant foreign exchange losses in our PLM joint venture, which negatively impacted their performance and our share of their net earnings (loss). It also significantly impacted the foreign currency translation adjustment associated with our international subsidiaries. There was no other material impact on the Corporation's results in the quarter.

The Corporation currently does not expect material change to its business plan that could affect the recoverability of assets associated with its operating businesses. While we anticipate reduced cash flows and difficult upcoming months for our PLM and BIGLIFE joint ventures as a result of the reduced capacity of their associated airlines partners, Aimia does not expect the long-term profitability of these programs to be affected at this time. Aimia will continue to monitor the situation closely and perform an impairment review if conditions suggest that these assets or investments might be impaired.

(b) Basis of Measurement

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

- Investments in equity instruments are measured at fair value (*Notes 6 & 13*);
- 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.

(c) Presentation Currency

These interim financial statements are expressed in Canadian Dollars.

(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, 2019. Please also refer to the Impact of COVID-19 section above (*Note 2(a)*).

(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, 2019, except as described below.

Changes in Accounting Policies

The Corporation added precision to its accounting policies as detailed below:

FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

Recognition and Initial Measurement

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

The added precision has no impact on comparative information presented in these financial statements. There is no other change to the "Financial Instruments and Hedge Accounting" policy. Refer to the Corporation's audited annual consolidated financial statements for the year ended December 31, 2019 for the complete accounting policies.

Changes in Accounting Policies - Revised standards

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

IFRS 9/IAS 39 and IFRS 7 Amendments, Interest rate benchmark reform

The IASB issued amendments to IFRS 9, IAS 39 and IFRS 7 - Financial Instruments: Disclosures. The amendments are effective for annual reporting periods beginning on or after January 1, 2020. The Corporation has assessed the impact of the amendments and concluded that they had no impact on its consolidated financial statements.

IFRS 3 Amendments, Definition of a business

The IASB issued amendments to IFRS 3 - *Business combinations* to revise the definition of a business. The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020 and to asset acquisitions that occur on or after the beginning of that period.

IAS 1 and IAS 8 Amendments, Definition of material

The IASB issued amendments to IAS 1 - *Presentation of financial statements* and IAS 8 - *Accounting policies, changes in accounting estimates and errors* to revise the definition of material. The amendments are effective for annual reporting periods beginning on or after January 1, 2020. The Corporation has assessed the impact of the amendments and concluded that they had no impact on its consolidated financial statements.

Conceptual framework

The IASB issued the revised *Conceptual framework for financial reporting* to replace its 2010 conceptual framework. The revised conceptual framework is effective for annual periods beginning on or after January 1, 2020, with earlier application permitted. The Corporation assessed the revised conceptual framework and concluded that there is no impact on its consolidated financial statements.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

(f) Change in presentation of expenses

The disposal of the Aeroplan coalition loyalty program and related assets (*Note 15*) represented a significant change in the nature of the Corporation's operations. Following a review of its financial statements, the Corporation believes that a classification of its expenses by nature instead of by function is more aligned with the services the Corporation is rendering and therefore provides information that is more useful and relevant to the users of its financial statements. That classification of expenses by nature was first applied in the Corporation's audited consolidated financial statements for the year ended December 31, 2019 and was applied retrospectively.

Comparative information has been reclassified as follows:

	Three months Ended March 31, 2019		
	As originally presented	Change in classification	Restated
Statement of operations (extract)			
Revenue	**34.7**	—	**34.7**
Cost of sales			
Cost of rewards and direct costs	**2.0**	(2.0)	**—**
Depreciation and amortization	**0.2**	(0.2)	**—**
Amortization of accumulation partner's contract, customer relationships and technology	**0.8**	(0.8)	**—**
	3.0	(3.0)	**—**
Operating Expenses			
Selling and marketing expenses	**28.6**	(28.6)	**—**
General and administrative expenses	**22.1**	(22.1)	**—**
	50.7	(50.7)	**—**
Compensation and benefits	**—**	25.9	**25.9**
Technology	**—**	17.1	**17.1**
Professional, advisory and service fees	**—**	4.1	**4.1**
Rent and office costs	**—**	2.0	**2.0**
Travel and employee expenses	**—**	1.4	**1.4**
Depreciation and amortization	**—**	1.0	**1.0**
Other	**—**	2.2	**2.2**
	—	53.7	**53.7**
Operating loss	**(19.0)**	**—**	**(19.0)**

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

3. SEGMENTED INFORMATION

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. The Loyalty Solutions segment includes an investment in the Aimia Kantar joint venture. On April 29, 2020, the Corporation announced the merger of Aimia's Loyalty Solutions with Kognitiv Corporation (*Note 16*).

Corporate and Other includes central operating costs, including costs related to public company disclosure and Board costs, executive leadership, 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. Until their respective disposals, Aimia also held minority interest in Cardlytics and Fractal Analytics (*Note 13*).

Accounting policies applied for the Loyalty Solutions segment and Corporate and Other are identical to those used for the purposes of the consolidated financial statements.

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

	Three Months Ended March 31,					
	2020	2019 (c)	2020	2019 (c)	2020	2019 (c)
Operating Segment	**Loyalty Solutions**		**Corporate and Other**		**Continuing operations**	
Revenue	**29.6**	34.7	**—**	—	**29.6**	34.7
Operating expenses	**27.1**	45.6	**8.0**	8.1	**35.1**	53.7
Operating income (loss) (a)	**2.5**	(10.9)	**(8.0)**	(8.1)	**(5.5)**	(19.0)
Additions to non-current assets (b)	**—**	—	**—**	—	**—**	—
Non-current assets (b)	**19.9**	22.6	**0.4**	0.5	**20.3**	23.1

(a) The reconciliation of the consolidated operating income (loss) to the consolidated earnings (loss) before income taxes for the three months ended March 31, 2020 and March 31, 2019 is presented in the consolidated statements of operations.

(b) Non-current assets include amounts relating to intangible assets and property and equipment.

(c) 2019 financial information was restated to reflect the change in the presentation of expenses. Refer to *Note 2*(f) for additional information.

Non-current assets

As at	March 31,	
(in millions of Canadian dollars)	2020	2019
Canada	**1.4**	0.9
United Arab Emirates	**17.7**	19.1
Other	**1.2**	3.1
Total	**20.3**	23.1

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

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

4. REVENUE

DISAGGREGATION OF REVENUE

Geographic Information

	Three Months Ended March 31,	
	2020	2019
Canada	**7.7**	7.9
United Kingdom	**7.0**	8.3
United Arab Emirates	**3.8**	5.4
United States	**5.4**	5.5
Australia	**2.5**	4.5
Other	**3.2**	3.1
Total	**29.6**	34.7

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

Type of service

	Three Months Ended March 31,	
	2020	2019
Loyalty Services	**25.4**	29.7
Loyalty Services - Platforms setup and implementation	**1.5**	0.9
Loyalty Units	**2.7**	4.1
Total	**29.6**	34.7

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

DEFERRED REVENUE

A reconciliation of deferred revenue is as follows:

	Loyalty Units		Loyalty Services		Total	
As at	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Opening balance	**24.8**	2,962.8	**2.4**	5.4	**27.2**	2,968.2
Loyalty Units issued – Gross Billings	**2.1**	16.2	**—**	—	**2.1**	16.2
Gross Billings	**—**	—	**27.3**	122.8	**27.3**	122.8
Revenue recognized	**(2.7)**	(12.2)	**(26.9)**	(121.8)	**(29.6)**	(134.0)
Cost of rewards - Air Miles Middle East program [(a)]	**(3.9)**	(27.3)	**—**	—	**(3.9)**	(27.3)
Deferred revenue relating to the disposal of businesses (*Note 15*)	**—**	(2,904.4)	**—**	(0.7)	**—**	(2,905.1)
Gross Billings related to discontinued operations (*Note 15*)	**—**	28.3	**—**	0.9	**—**	29.2
Revenue related to discontinued operations (*Note 15*)	**—**	(35.3)	**—**	(1.0)	**—**	(36.3)
Foreign currency and other adjustments	**1.4**	(3.3)	**0.1**	(3.2)	**1.5**	(6.5)
Ending balance	**21.7**	24.8	**2.9**	2.4	**24.6**	27.2
Represented by:						
Current portion	**19.3**	21.5	**2.9**	2.4	**22.2**	23.9
Long-term	**2.4**	3.3	**—**	—	**2.4**	3.3

(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, Aimia has determined that it acted as an agent in the delivery of the rewards to the members for the three months ended March 31, 2020 and for the year ended December 31, 2019; therefore, the expenses charged by the suppliers are recorded against the deferred revenue, with only the margin being recognized as revenue.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

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 $1.5 million as at March 31, 2020.

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.

5. EARNINGS (LOSS) PER COMMON SHARE

	Three Months Ended March 31,	
	2020	2019
Net earnings (loss) attributable to equity holders of the Corporation	**(9.6)**	1,047.1
Deduct: Dividends declared on preferred shares related to the period (*Note 10*)	**(3.2)**	(4.5)
Net earnings (loss) attributable to common shareholders	**(12.8)**	1,042.6
Weighted average number of basic and diluted common shares	**93,838,438**	152,307,196
Earnings (loss) per common share – Basic and fully diluted	**$ (0.14)**	$ 6.85
Continuing operations - Basic and fully diluted	**$ (0.14)**	$ (0.05)
Discontinued operations - Basic and fully diluted	**—**	6.90

6. LONG-TERM INVESTMENTS

	March 31, 2020	December 31, 2019
Investment in corporate and government bonds [(a)]	9.5	67.5
Total	**9.5**	67.5

(a) The investment in corporate and government bonds amounted to $105.6 million as at March 31, 2020 (December 31, 2019: $154.1 million) of which $96.1 million was classified as short-term investments (December 31, 2019: $86.6 million) and $9.5 million as long-term investments (December 31, 2019: $67.5 million). The remaining long-term investment in corporate and government bonds has been early redeemed in April 2020.

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7. EQUITY-ACCOUNTED INVESTMENTS

As at	March 31, 2020	December 31, 2019
Investment in PLM Premier, S.A.P.I. de C.V. [(a)]	52.0	61.1
Other equity-accounted investments in joint ventures	14.0	13.5
Total	**66.0**	74.6

(a) During the three months ended March 31, 2020, Aimia received distributions from PLM of $9.5 million (US$6.4 million), respectively, compared to distributions of $18.9 million (US$14.2 million) for the three months ended March 31, 2019.

Share of net earnings (loss) of equity-accounted investments	Three Months Ended March 31,	
	2020	2019
Investment in PLM Premier, S.A.P.I. de C.V.	(5.2)	6.5
Other equity-accounted investments in joint ventures	0.1	0.4
Total	**(5.1)**	6.9

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 March 31,	
	2020	2019
Revenue	**73.5**	77.1
Cost of rewards and operating expenses	(51.5)	(55.2)
Depreciation and amortization	(0.4)	(0.6)
Operating income	**21.6**	21.3
Net financial income (expense)	(26.5)	0.7
Income tax expense	(3.9)	(7.0)
Net earnings (loss)	**(8.8)**	15.0

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

	Three Months Ended March 31,	
	2020	2019
Net earnings (loss)	**(8.8)**	15.0
Share of net earnings of PLM @ 48.9%	(4.3)	7.3
Amortization expense related to identifiable assets recognized on a step basis	(0.9)	(0.8)
Aimia's share of PLM net earnings (loss)	**(5.2)**	6.5

8. LONG-TERM DEBT

Following the completion of the sale of the Aeroplan Program and related assets (*Note 15*), the Corporation's 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. Additionally, 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. 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.

9. CONTINGENT LIABILITIES

GUARANTEES AND INDEMNIFICATIONS

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

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

Aeroplan transaction

Refer to *Note 15* for a description of the indemnification clauses related to the disposal of Aeroplan Inc.

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 15*), 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 15*), 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 consolidated financial statements as at December 31, 2019 and March 31, 2020.

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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10. DIVIDENDS

Quarterly dividends declared to preferred shareholders of Aimia during the three months ended March 31, 2020 and 2019, excluding cumulative preferred dividends not previously declared and not recorded as at December 31, 2018, were as follows:

	2020		2019	
Three months ended	Amount	Per preferred share	Amount	Per preferred share
Series 1				
March 31,	0.8	0.28125	1.1	0.28125
Total	**0.8**	**0.28125**	1.1	0.28125
Series 2				
March 31,	0.7	0.33670	1.0	0.336760
Total	**0.7**	**0.33670**	1.0	0.336760
Series 3				
March 31,	1.7	0.375688	2.4	0.390625
Total	**1.7**	**0.375688**	2.4	0.390625

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 15*) 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. As 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; and

- the payment on March 29, 2019 of cumulative preferred dividends not previously declared and recorded amounting to $26.0 million as at December 31, 2018.

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 the TSX.

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Given the facts listed above, the Corporation's common and preferred dividends activity for the three months ended March 31, 2019 was as follows:

Three Months Ended March 31,	2019	
	Declared	Paid
Preferred dividends originally declared on May 10, 2017	—	4.3
Cumulative preferred dividends not previously declared and recorded	26.0	26.0
Quarterly preferred dividends	4.5	4.5
Total preferred dividends on Series 1, Series 2 and Series 3	**30.5**	**34.8**
Common dividends originally declared on May 10, 2017	**—**	**30.4**
Total common and preferred dividends	**30.5**	**65.2**

Aimia is subject to Part VI.1 tax under the Income Tax Act (Canada) (the "ITA") at an imposed tax rate of 40% associated with dividends paid on its preferred shares. For the three months ended March 31, 2020 and March 31, 2019, the gross amount of Part VI.1 tax expense is $1.3 million and $13.9 million, respectively. 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 15*) 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.

During the three months ended March 31, 2020, the Corporation paid $18.7 million of Part VI.1 tax.

On May 12, 2020, the Board of Directors of Aimia declared quarterly dividends of $0.300125 per Series 1 preferred share and $0.375688 per Series 3 preferred share, in each case payable on June 30, 2020.

11. CAPITAL STOCK

PREFERRED SHARES, SERIES 1 AND PREFERRED SHARES SERIES 2

On February 24, 2020, the Board of Directors resolved that the Corporation would not exercise its right to redeem all or any number of the currently issued and outstanding 2,921,275 Cumulative Rate Reset Preferred Shares, Series 1 (the "Series 1 Preferred Shares") nor all or any number of the currently issued and outstanding 2,161,865 Cumulative Floating Rate Preferred Shares, Series 2 (the "Series 2 Preferred Shares") on March 31, 2020. As a result and subject to certain conditions set out in the rights, privileges, restrictions and conditions attaching to the Series 1 Preferred Shares, the holders of the Series 1 Preferred Shares had the right to convert all or any number of their Series 1 Preferred Shares, on a one-for-one basis, into Series 2 Preferred Shares and; subject to certain conditions set out in the rights, privileges, restrictions and conditions attaching to the Series 2 Preferred Shares, the holders of the Series 2 Preferred Shares had the right to convert all or any number of their Series 2 Preferred Shares, on a one-for-one basis, into Series 1 Preferred Shares of Aimia; in each case on March 31, 2020.

During the conversion notice period, 1,774,254 Series 2 Preferred Shares were tendered for conversion into Series 1 Preferred Shares. In accordance with the rights, privileges, restrictions and conditions attaching to the Series 2 Preferred Shares and the Series 1 Preferred Shares, since there would be fewer than 1,000,000 Series 2 Preferred Shares outstanding on March 31, 2020, after having taken into account all Series 2 Preferred Shares tendered for conversion into Series 1 Preferred Shares, all Series 2 Preferred Shares have been automatically converted into Series 1 Preferred Shares on March 31, 2020.

In addition, despite the fact that, during the conversion notice period, 17,370 Series 1 Preferred Shares were tendered for conversion into Series 2 Preferred Shares, since there would be fewer than 1,000,000 Series 2 Preferred Shares outstanding on March 31, 2020, after having taken into account all Series 1 Preferred Shares tendered for conversion into Series 2 Preferred Shares, holders of Series 1 Preferred Shares who elected to tender their shares for conversion did not have their Series 1 Preferred Shares converted into Series 2 Preferred Shares on March 31, 2020 in accordance with the rights, privileges, restrictions and conditions attaching to the Series 1 Preferred Shares and the Series 2 Preferred Shares.

As a result, all 2,161,865 Series 2 Preferred Shares have been automatically converted into Series 1 Preferred Shares on March 31, 2020 and no Series 2 Preferred Shares remain issued and outstanding after March 31, 2020. As of March 31, 2020, there is 5,083,140 issued and outstanding Series 1 Preferred Shares, all of which are listed on the Toronto Stock Exchange. The dividend rate for the five-year period from and including March 31, 2020 up to but excluding March 31, 2025 will be 4.802%, being 3.75% over the five-year Government of Canada bond yield, as determined in accordance with the rights, privileges, restrictions and conditions attaching to the Series 1 Preferred Shares.

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PREFERRED SHARES, SERIES 3

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 Corporation's Board of Directors, subject to compliance with the provisions of the *Canada Business Corporations Act*. The annual dividend rate for the five-year period from and including March 31, 2019 up to but excluding March 31, 2024 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.

SUBSTANTIAL ISSUER BIDS

On March 27, 2019, Aimia's Board of Directors approved a substantial issuer bid to repurchase a portion of its outstanding common shares for cancellation, commencing on April 11, 2019. In accordance with the terms and conditions of this substantial issuer bid, Aimia purchased for cancellation 34,883,702 common shares. In addition, on November 18, 2019 Aimia's Board of Directors approved an additional substantial issuer bid to repurchase a portion of its outstanding common shares for cancellation. In accordance with the terms and conditions of this substantial issuer bid, Aimia purchased for cancellation 14,705,863 common shares. Of this amount, 9,906 common shares were officially canceled in January 2020.

12. COMMITMENTS

As at March 31, 2020, the non-cancellable estimated future minimum payments under various short-term operating leases and other contractual obligations are as follows:

	Total	2020	2021	2022	2023	2024	Thereafter
Short-term operating leases	1.2	1.2	—	—	—	—	—
Technology infrastructure and other	3.6	3.3	0.3	—	—	—	—
Total	**4.8**	**4.5**	**0.3**	**—**	**—**	**—**	**—**

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair Value Hierarchy

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

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

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

Level 3 - valuation techniques with significant unobservable market inputs.

A financial instrument is classified at the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. As of March 31, 2020 and December 31, 2019, the Corporation did not have any financial instrument measured at fair value.

Investments in equity instruments of Cardlytics

The fair value of the investment in equity instruments of Cardlytics was based on the quoted market value for its publicly traded equity securities. During the year ended December 31, 2019, the Corporation disposed of all of its investment in Cardlytics. During the three months ended March 31, 2019, a fair value gain of $22.5 million was recorded in the consolidated statements of operations related to the investment in Cardlytics.

Investment in Fractal Analytics

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 as 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 financial liabilities at amortized cost

The carrying amounts reported in the consolidated statement of financial position 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.

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As at March 31, 2020, the fair value of investments in corporate and government bonds is based on the quoted market price of the investments. Aimia's investments in corporate and government bonds carrying amount as at March 31, 2020 and December 31, 2019, which were measured at amortized costs, and the fair value thereof, were as set out in the following table.

		March 31, 2020		December 31, 2019	
	Hierarchy	Carrying	Fair Value	Carrying	Fair Value
Investments in corporate and government bonds (including current portion)	Level 1	105.6	106.0	154.1	155.0

14. ADDITIONAL FINANCIAL INFORMATION

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

A) STATEMENTS OF FINANCIAL POSITION

INTANGIBLE ASSETS

As at	March 31, 2020	December 31, 2019
Accumulation partners' contracts and customer relationships	**9.3**	8.9
Software and technology	**0.6**	1.2
Trade names	**9.0**	8.8
Total	**18.9**	18.9

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 as at December 31, 2018	**6.4**
Liability recorded during the year	14.2
Payments made during the year	(16.5)
Balance as at December 31, 2019	**4.1**
Liability recorded during the period	1.3
Payments made during the period	(5.5)
Foreign exchange translation adjustment	0.1
Balance as at March 31, 2020	**—**

Restructuring expenses recorded during the three months ended March 31, 2020 and 2019 for each segment are presented below:

	Three Months Ended March 31,	
Segment	2020	2019
Loyalty Solutions	0.1	5.3
Corporate and Other	1.2	—
Total	**1.3**	5.3

Restructuring expenses recorded during the three months ended March 31, 2020 consisted primarily of severance costs related to headcount reductions associated with restructuring of the Corporation's executive leadership team.

OTHER LONG-TERM ASSETS

As at	March 31,	December 31,
	2020	2019
Tax deposit *(Note 15)*	**32.1**	26.7
Other deposit	**3.0**	2.9
Net investment in a lease	**1.9**	2.1
Prepayments	**1.2**	1.2
Total	**38.2**	32.9

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OTHER LONG-TERM LIABILITIES

As at	March 31, 2020	December 31, 2019
Post-employment benefits	**3.6**	2.9
Lease liability	**3.8**	4.3
Share-based compensation and other performance awards	**1.4**	4.5
Total	**8.8**	11.7

B) STATEMENTS OF CASH FLOWS

CHANGES IN OPERATING ASSETS AND LIABILITIES

	Three Months Ended March 31,	
	2020	2019
Restricted cash	**(5.1)**	(0.7)
Accounts receivable	**15.4**	(43.1)
Inventories	**(0.7)**	(0.1)
Prepaid expenses and deposits	**6.2**	(1.2)
Accounts payable and accrued liabilities	**(23.1)**	6.6
Customer deposits	**(0.8)**	1.8
Provisions	**—**	(0.7)
Other long-term liabilities	**(0.4)**	(1.4)
Deferred revenue	**(4.4)**	(11.7)
Total	**(12.9)**	(50.5)

15. 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 in 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.

During the year ended December 31, 2019, Aimia received notices of reassessment for the 2012 through 2017 taxation years and notices of assessment for the 2018 and 2019 taxation years from the CRA for an aggregate amount of $26.9 million, including $4.1 million interest. Aimia received notices of reassessment for the 2012 through 2017 taxation years and the notice of assessment for the 2018 taxation year from Revenu Québec for a total amount of $5.5 million, including interest of $0.3 million. Aimia has funded the amounts due upon receipt of the assessments from the restricted cash account. Aimia also received a refund of $0.3 million of interest from the CRA. The restricted cash account balance was $67.7 million as at March 31, 2020.

A notice of reassessment for the 2019 taxation year is also expected from Revenu Québec, which should result in estimated income taxes payable of $0.8 million. The amount will also be funded from the restricted cash account upon receipt.

Aimia, in conjunction with Aeroplan Inc., has initiated the process to vigorously contest these matters. Based on external advice it has received, the Corporation believes that it is more likely than not that Aeroplan Inc. will prevail in the recourse procedures available to taxpayers in these situations, which could eventually lead to a court contestation. Based on this assessment, Aimia did not record any income tax expenses related to discontinued operations in its financial statements (*Note 14)*. 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 [b)]	**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;
- $16.0 million of transaction and termination fees paid during the year ended December 2019.

(b) As of March 31, 2019 the preliminary gain on disposal of the Aeroplan program was $1,043.6 million. During three month ended June 30, 2019, the gain on disposal was adjusted by $19.5 million, being an additional $19.7 million related to final closing adjustments related to working capital, offset by $0.2 million of transaction fees.

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

	Three Months Ended March 31,	
	2020	2019
Results of the Aeroplan Program and related assets		
Revenue from Loyalty Units	—	35.3
Revenue from Loyalty Services and Other	—	1.0
Total revenue	—	36.3
Cost of rewards and direct costs	—	24.5
Gross margin	—	11.8
Operating expenses before share-based compensation and other performance awards	—	4.2
Share-based compensation and other performance awards	—	(0.2)
Total operating expenses	—	4.0
Operating income	—	7.8
Gain on disposal of businesses and other assets	—	1,043.6
Income tax (expense) recovery	—	(1.1)
Net earnings from the Aeroplan Program and related assets	—	1,050.3

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

	Three Months Ended March 31,	
	2020	2019
Net cash flows of the Aeroplan Program and related assets		
Cash flows from (used in):		
Operating activities	—	(27.6)
Investing activities		
Net proceeds from the disposal of businesses and other assets	—	485.8
Restricted cash	—	(100.0)
Cash held in escrow	—	(2.3)
Total	—	355.9

16. SUBSEQUENT EVENTS

Amendments to Investment Policy

On April 2, 2020, the Corporation announced that the Board of Directors had broadened the Company's investment policy to permit Aimia to invest excess cash, recorded in the Company's financial statements as short-term investments, long-term investments and cash and cash equivalents, in a diversified portfolio of public company securities, fixed income securities and hybrid securities. This is in addition to existing permitted investments in investment grade commercial paper and corporate, federal and provincial government bonds, and bankers' acceptances or term deposits.

After March 31, 2020, the Corporation has invested $21.0 million (US$14.9 million) in various public company securities. None of these investments give any form of significant ownership or control by Aimia in those companies. As such, going forward, these financial assets will be measured at fair value through profit and loss.

Agreement to merge Aimia Loyalty Solutions with Kognitiv Corporation

On April 29, 2020, Aimia and Kognitiv Corporation announced that they have jointly entered into a definitive agreement to merge Aimia’s Loyalty Solutions segment with Kognitiv Corporation to create a new technology and loyalty solutions company.

The newly merged entity, to be known as Kognitiv, will receive a total of $35.0 million (US$25.0 million) in funding in the form of 12% convertible preferred equity: $21.0 million (US$15.0 million) from Aimia and $14.0 million (US$10.0 million) from Kognitiv's investors. To this date, Aimia has already advanced $3.5 million (US$2.5 million) of that investment in the form of a convertible note that will be converted into convertible preferred shares upon closing of the transaction. Upon closing of both the merger and the investment, Kognitiv Corporation investors will own 51% and Aimia will own 49% of the merged Kognitiv Corporation.

The transaction is expected to close on or before May 29, 2020 after the satisfaction of customary closing conditions, including regulatory approvals. Aimia is currently assessing the impact that the transaction will have on its financial statements.

Agreement to acquire Mittleman Brothers LLC

On April 29, 2020, Aimia announced it has signed a definitive agreement to acquire Mittleman Brothers LLC ("MB"). Mittleman Brothers LLC owns Mittleman Investment Management, LLC ("MIM"), an SEC-registered investment adviser that provides discretionary portfolio management to institutional investors and high-net-worth individuals. The total consideration will include $7.0 million (US$5.0 million) in cash and 4.0 million shares of Aimia stock, of which 2,667,667 common shares are held back for earn-out and performance related targets. The performance related targets include a significant increase in MIM's assets under management and/or Aimia's share price trading at a weighted average of $6.00/share or higher over a consecutive 20 day trading period. The performance related targets are to be achieved prior to the fourth anniversary of the closing of the transaction.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

Aimia's acquisition of MB is subject to due diligence and customary closing conditions. Aimia is currently assessing the impact that the transaction will have on its financial statements.

New Corporate Strategy

As announced on April 29, 2020, the recently reconstituted board of directors of Aimia formed an ad hoc Strategic Review Committee to explore and review strategic alternatives to create lasting shareholder value. The result of that process is a decision by the Board of Directors to focus on long-term investments in public and private companies, on a global basis, through controlling or minority stakes.

In light of the different skills required by the change in strategy, the board of directors has appointed Philip Mittleman as interim Chief Executive Officer, replacing Jeremy Rabe. It is expected that the appointment will be made permanent upon closing of the Mittleman Brothers LLC transaction. The Corporation expects to record severance expenses in accordance with Mr. Rabe's compensation agreement.

Aimia is currently assessing the impact that the new corporate strategy, combined with the transaction agreements with Kognitiv Corporation and MB, will have on its future financial reporting.

Letter of intent to negotiate amendments to PLM shareholders agreement and CPSA

On May 12, 2020, Aimia announced it had signed a binding letter of intent with Aeromexico reflecting the parties agreement in principle to negotiate certain changes to the PLM shareholders agreement as well as certain amendments to the Commercial Participation and Service Agreement ("CPSA").

Investment in Clear Media Limited

As of May 12, 2020, Aimia acquired approximately 45.6 million common shares in Clear Media Limited (HK:100), an outdoor advertising firm operating in China, totaling approximately $59.0 million. Those common shares were acquired at prevailing market rates through a series of common share purchases in the open market, which included 19.6 million common shares previously held through Mittleman Investment Management's assets under management.