AIMIA

MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the three months ended March 31, 2020 and 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Aimia Inc. (together with its direct and indirect subsidiaries, where the context requires, "Aimia" or the "Corporation") was incorporated on May 5, 2008 under the laws of Canada.

The following management's discussion and analysis of financial condition and results of operations (the "MD&A") presents a discussion of the financial condition and results of operations for Aimia.

The MD&A is prepared as at May 12, 2020 and should be read in conjunction with the accompanying condensed interim consolidated financial statements of Aimia for the three months ended March 31, 2020 and the notes thereto, the audited consolidated financial statements of Aimia for the year ended December 31, 2019 and the notes thereto, and Annual Information Form dated February 24, 2020.

The earnings and cash flows of Aimia are affected by certain risks. For a description of those risks, please refer to the Risks and uncertainties affecting the business section.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

Forward-looking statements are included in this MD&A. These forward-looking statements are identified by the use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will", "would" and "should", and similar terms and phrases, including references to assumptions. Such statements may involve but are not limited to comments with respect to strategies, expectations, planned operations or future actions.

Forward-looking statements, by their nature, are based on assumptions and are subject to important risks and uncertainties. Any forecasts, predictions or forward-looking statements cannot be relied upon due to, among other things, changing external events and general uncertainties of the business and its corporate structure. Results indicated in forward-looking statements may differ materially from actual results for a number of reasons, including without limitation, failure of the proposed merger of Aimia's Loyalty Solutions with Kognitiv and the proposed acquisition of Mittleman Brothers LLC being completed on the contemplated terms and in a timely manner or at all, the announcement and pending completion of the Proposed Transactions, whether or not completed, may cause uncertainty around the Corporation's business, failure to successfully negotiate the proposed amendments of the PLM shareholders agreement with Aeromexico or the CPSA between Aeromexico and PLM on the same terms as set forth in the letter of intent or at all, failure to realize the anticipated benefits from the transactions with Kognitiv and/or Mittleman Brothers, the execution of the strategic plan, business and industry disruptions related to natural disasters, security issues and global health crises particularly as they might affect the airline, travel and hospitality sectors, airline industry changes and increased airline costs, investment risks, including in connection with how and when to deploy and invest Aimia's considerable cash and other liquid assets, investment partnerships risks, reliance on key personnel, market price and trading volume of the common shares and preferred shares, passive foreign investment company risk, industry competition, failure to protect intellectual property rights, technological disruptions and inability to use third-party software and outsourcing, regulatory matters - privacy, failure to safeguard databases, cyber security and consumer privacy, uncertainty of dividend declarations and/or payments on either common shares or preferred shares, tax losses, foreign operations, interest rate and currency fluctuations, retail market/economic conditions, legal proceedings, audit by tax authorities, as well as the other factors identified throughout this MD&A and throughout Aimia's public disclosure records on file with the Canadian securities regulatory authorities. The *forward-looking statements contained herein represent Aimia's expectations as of May 12, 2020, and are subject to change after such date. However, Aimia disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required under applicable securities regulations.*

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THIS MD&A CONTAINS THE FOLLOWING SECTIONS:

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GLOSSARY

"Accumulation Partners" - means Commercial Partners that purchase coalition loyalty services, including Loyalty Units;

"Aeroplan" - means Aeroplan Inc. (formerly Aimia Canada Inc.);

"Aeroplan Program" - means the coalition loyalty program owned and operated by Aeroplan, which was sold on January 10, 2019;

"Aimia" or the "Corporation" - means Aimia Inc., and where the context requires, includes its subsidiaries and affiliates;

"Aeromexico" - means Aerovias de Mexico, S.A de C.V.;

"ALP - Enterprise" - means the Aimia Loyalty Platform - Enterprise;

"ALP - SAAS" - means the Aimia Loyalty Platform - SAAS;

"Aimia Middle East" - means Aimia Middle East Free Zone LLC, the company that owns and operates the Air Miles Middle East program;

"Average Cost of Rewards per Loyalty Unit" - means for any reporting period, the cost of rewards for such period divided by the number of Loyalty Units redeemed for rewards during the period;

"BIGLIFE" - means BIGLIFE Sdn Bhd (formerly Think Big Digital Sdn Bhd), the owner and operator of BIG Loyalty, AirAsia's loyalty program;

"Breakage" - means the estimated Loyalty Units sold which are not expected to be redeemed. By its nature, Breakage is subject to estimates and judgment. The breakage estimate of the Air Miles Midde East program at March 31, 2020 is 30% (March 31, 2019: 30%);

"Broken Loyalty Units" - means Loyalty Units issued, but not expired and not expected to be redeemed;

"Cardlytics" - means Cardlytics, Inc., a publicly traded US-based company;

"CGU" - means cash-generating unit;

"Commercial Partners" - means Accumulation Partners and Redemption Partners;

"CPSA" - means the Commercial Participation and Services Agreement dated as of September 13, 2010, between Aeromexico and PLM, as amended;

"CRA" - means the Canada Revenue Agency;

"Future Redemption Costs" - means the total estimated liability of the future costs of rewards for Loyalty Units which have been sold and remain outstanding, net of Breakage and valued at the Average Cost of Rewards per Loyalty Unit, experienced during the most recent rolling twelve-month period;

"GAAP" - means generally accepted accounting principles in Canada which are in accordance with IFRS;

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"Gross Billings" - means gross proceeds from the sale of loyalty services rendered or to be rendered and Loyalty Units;

"IFRS" - means International Financial Reporting Standards;

"Loyalty Units" - means the miles, points or other loyalty program units issued by Aimia's subsidiaries under the respective programs owned and operated by each of the entities;

"Nectar", "Nectar U.K." or the "Nectar Program" - means the coalition loyalty program in the United Kingdom, which was sold on January 31, 2018;

"PLM" - means PLM Premier, S.A.P.I. de C.V., together with its predecessor Premier Loyalty & Marketing, S.A.P.I. de C.V., owner and operator of Club Premier, a Mexican coalition loyalty program;

"Redemption Partners" - means Commercial Partners that offer air travel, shopping discounts or other rewards to members upon redemption of Loyalty Units;

"Unbroken Loyalty Units" - means Loyalty Units issued, not expired and expected to be redeemed;

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OVERVIEW

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. Refer to the sections *Strategic Update* and *Subsequent Events* for additional information.

Aimia Inc. currently operates a loyalty solutions business, which is a well-recognized, global full-service provider of next-generation loyalty solutions for many of the world's leading brands in the retail, consumer packaged goods ("CPG"), travel & hospitality, financial services and entertainment verticals.

Aimia is focused on growing long-term value through its new corporate strategy and existing business and investments, including the Club Premier program in Mexico, which it jointly controls with Aeromexico through its investment in PLM, and an investment alongside Air Asia in travel technology company BIGLIFE, the operator of BIG Loyalty.

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

Loyalty Solutions

Within the Loyalty Solutions segment, Aimia provides full-service solutions for leading retail, CPG, travel & hospitality, financial services and entertainment brands. Loyalty Solutions helps brands identify and target key customer segments to deliver personalized brand experiences. Its proprietary SmartJourney® methodology uses unique algorithms, AI and machine learning techniques to classify, quantify and predict consumer behavior across customer journey milestones.

Operating over 100 programs in over 36 markets globally, Loyalty Solutions provides a holistic approach to help clients attract, activate, engage and grow customers to become brand advocates. Loyalty Solutions offers professional services to support strategy and program design, program management and measurement, campaign and customer experience, advanced analytics, and partnerships and rewards, supported by proprietary loyalty technology and data analytics platforms.

The Loyalty Solutions suite of platforms and services is powered by its flagship product offering, the Aimia Loyalty Platform (“ALP”). These platforms support over 200 million program members worldwide and more than 10 billion transactions and interactions per year. Depending on client requirements, ALP is delivered through one of two global technology solutions, ALP-SaaS or ALP-Enterprise, and is supplemented by a suite of additional technology and data platforms and program optimization services.

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 insights services business. The Air Miles Middle East program counts more than 1.9 million enrolled members from across the UAE, Qatar and Bahrain. Members can collect Air Miles from over 80 market-leading companies, including HSBC. The program offers a wealth of unique member redemption experiences such as flight, hotel and car rental rewards through the program’s travel shop and its points exchange with leading airlines including Emirates, Etihad and Qatar

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Airways. Air Miles Middle East also offers variety of strong retail partners where members can redeem in-store for products and services. ISS delivers a full suite of flexible, customer-centric merchandising solutions to a global, mainly grocery retailer, client base through its ISS business. ISS combines advanced data management capabilities, leading edge software solutions, proven analytics, customer-centric retailing consultancy and global sector experience to help its clients increase the loyalty of their customers and grow sales. ISS's robust solutions are designed to process massive data volumes at industry leading speeds, making complex analytics and AI scalable across client organizations.

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. Please refer to the section *Subsequent Events* for additional information.

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.

Discontinued Operations

Discontinued operations include the results of the Aeroplan coalition loyalty program and related assets until their disposal on January 10, 2019. Please refer to the section *Discontinued Operations and Disposal of Businesses and Other Assets* for additional information.

Q1 2020 HIGHLIGHTS

Simplified and streamlined the current operating business

In the three months ended March 31, 2020, the effects of Aimia's accelerated transformation and simplification of its business to become more efficient with a lean, agile operating structure and a scale of operations designed to achieve profitability have been observed. Aimia continued to deliver a significantly reduced cost structure through headcount reduction, lower technology costs, offices consolidation initiatives and revised travel policy. As a result of those actions, the Corporation reported a positive Adjusted EBITDA of $5.1 million . Please refer to the section *Quarter Ended March 31, 2020 Compared to Quarter Ended March 31, 2019* for additional information.

Conversion of Preferred Shares Series 2 into Preferred Shares Series 1

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 nor all or any number of the currently issued and outstanding 2,161,865 Cumulative Floating Rate Preferred Shares, Series 2 on March 31, 2020. As a result, 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 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.

Based on the preferred shares that were tendered for conversion, in accordance with the rights, privileges, restrictions and conditions attaching to the Series 1 Preferred Shares and the Series 2 Preferred Shares, 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. Please refer to the section *Capital Stock* for additional information.

Reconstitution of Board of Directors

During the three months ended March 31, 2020, the Board of Directors (the "Board"), completed the disciplined governance process contemplated by the comprehensive settlement agreement with Mittleman Brothers LLC and with Charles Frischer and, upon unanimous recommendation of an Ad Hoc Nominating Committee, the Board has been reconstituted with the departure of six independent directors and the appointment of six new, non-management directors.

At this time, the Board is now comprised of seven directors as follows: Karen Basian, Charles Frischer, Sandra Hanington, Michael Lehmann, Philip Mittleman (appointed Interim CEO on April 29, 2020), David Rosenkrantz and Jordan G. Teramo. It is also expected that Christopher Mittleman will become Chief Investment Officer and will join Aimia's Board as a result of Aimia's definitive agreement to acquire Mittleman Brothers LLC. Please refer to the section *Subsequent Events* for additional information.

COVID-19

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 actively 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 be well positioned to operate in this difficult context all the while ensuring the safety of our employees and clients.

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 the 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.

As the result of the negative impacts from COVID-19 on its business, PLM is expecting lower Gross Billings, PLM Adjusted EBITDA and cash flow in 2020. Consequently, Aimia now expects no distributions from PLM operations in the second half of this year. While we anticipate difficult upcoming months for our PLM and BIGLIFE joint ventures as

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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.

Subsequent Events

Agreement to merge Loyalty Solutions with Kognitiv Corporation

On April 29, 2020, Aimia announced it has signed a binding letter agreement to merge its Loyalty Solutions business, which includes ISS and the Air Miles Middle East program, with Kognitiv Corporation, an innovator in loyalty peer-to-peer trading and collaborative commerce, with over $1.3 billion in transactions on its peer-to-peer platform in the past fiscal year, allowing asset owners to connect to more than 20 loyalty partners.

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. Please refer to the section *Subsequent Events* for additional information.

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 purchase price consists of $7.0 million (US$5.0 million) in cash and 4 million shares of Aimia stock, of which 2,667,667 shares are held back for earn-out and performance related targets, namely 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. Aimia's acquisition of MB is subject to due diligence and customary closing conditions. Please refer to the section *Subsequent Events* for additional information.

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 CPSA. Please refer to the section *Subsequent Events* for additional information.

Investment in Clear Media Limited

As of May 12, 2020, Aimia acquired approximately 45.6 million common shares in Clear Media Limited (HK:100). Please refer to the section *Subsequent Events* for additional information.

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STRATEGIC UPDATE

New Corporate Strategy

As announced on April 29, 2020, the recently reconstituted board of directors of Aimia formed an ad hoc Strategic Review Committee, chaired by David Rosenkrantz and including Karen Basian, Charles Frischer and Sandra Hanington, 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. The targeted companies will exhibit durable economic advantages, evidenced by a well-established track record of substantial free cash flow generation over complete business cycles, guided by strong, experienced management teams. Aimia is now positioned to invest wherever a suitable opportunity can be identified, in any sector. In addition, Aimia will consider investments that may efficiently utilize the Corporation's approximately $700 million in operating and capital loss carryforwards to further enhance stakeholder value.

Philip Mittleman appointed Interim CEO

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. It is expected that the appointment will be made permanent upon closing of the Mittleman Brothers LLC transaction.

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 and performance indicators.

PERFORMANCE INDICATORS (INCLUDING CERTAIN NON-GAAP FINANCIAL MEASURES)

GAAP FINANCIAL MEASURES

To measure performance, the Corporation uses and presents several financial measures in accordance with GAAP, including, but not limited to, Revenue, Operating expenses, Operating Income (Loss), Net earnings (loss) and Earnings (Loss) by Common Share. The summary of Aimia's significant accounting policies is included in Note 2 of our audited consolidated financial statements for the year ended December 31, 2019 dated February 24, 2020.

Please refer to the section *CRITICAL ACCOUNTING ESTIMATES* for a discussion on the identified areas that are the most subject to judgments, inherently uncertain and which could change significantly in subsequent periods, as well as section *CHANGE IN ACCOUNTING POLICIES* for the list of revised accounting standards and accounting policies adopted during the three months ended March 31, 2020 and their impacts on the consolidated financial statements.

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NON-GAAP FINANCIAL MEASURES

Adjusted EBITDA

Adjusted EBITDA is not a measurement based on GAAP, is not considered an alternative to net earnings in measuring profitability, does not have a standardized meaning and is not comparable to similar measures used by other issuers. A reconciliation to operating income is provided.

Unless otherwise noted, Adjusted EBITDA for the current and comparable periods exclude the results of discontinued operations.

Adjusted EBITDA is used by management to evaluate performance. Management believes Adjusted EBITDA assists investors in comparing Aimia's performance on a consistent basis excluding depreciation and amortization and impairment charges related to non-financial assets, which are non-cash in nature and can vary significantly depending on accounting methods as well as non-operating factors such as historical cost. Management believes that the inclusion of distributions and dividends received or receivable from equity-accounted investments in Adjusted EBITDA assists investors by adding a performance indicator representative of earnings from equity-accounted investments accessible to the Corporation.

Following the disposal of Aeroplan, the importance of coalition loyalty businesses has significantly reduced in Aimia's consolidated businesses portfolio. As a result, management has modified the Corporation's calculation of Adjusted EBITDA to exclude the elements that were specific to coalition loyalty. Previous reporting periods Adjusted EBITDA, presented within this document, are presented in a manner consistent with the current calculation.

Adjusted EBITDA is operating income adjusted to exclude depreciation, amortization and impairment charges related to non-financial assets. Adjusted EBITDA also includes distributions and dividends received or receivable from equity-accounted investments.

For a reconciliation of Adjusted EBITDA to operating income (loss), please refer to the *SUMMARY OF CONSOLIDATED OPERATING RESULTS AND RECONCILIATION OF ADJUSTED EBITDA AND FREE CASH FLOW* included in the *Operating and Financial Results* section. Adjusted EBITDA should not be used as an exclusive measure of cash flow because it does not account for the impact of working capital growth, capital expenditures, debt repayments and other sources and uses of cash, which are disclosed in the statements of cash flows.

Free Cash Flow and Free Cash Flow before Dividends Paid

Free Cash Flow and Free Cash Flow before Dividends Paid are non-GAAP measures, do not have a standardized meaning and are not comparable to similar measures used by other issuers. They are used in order to provide a consistent and comparable measurement of cash generated from operations and used as indicators of financial strength and performance.

Free Cash Flow is defined as cash flows from operating activities (including continuing and discontinued operations), as reported in accordance with GAAP, less adjustments for (all reported in accordance with GAAP):

a) total capital expenditures (including continuing and discontinued operations);
b) principal elements of lease payments; and
c) dividends paid.

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Free Cash Flow before Dividends Paid is defined as cash flows from operating activities as reported in accordance with GAAP, less capital expenditures and principal elements of lease payments as reported in accordance with GAAP. Free Cash Flow before Dividends Paid is presented for both continuing and discontinued operations.

Free Cash Flow before Dividends Paid per common share is calculated as follows: Free Cash Flow before Dividends Paid less dividends paid on preferred shares over the weighted average number of basic and diluted common shares outstanding for the period.

For a reconciliation of Free Cash Flow and Free Cash Flow before Dividends Paid to cash flows from operations (GAAP), please refer to the *SUMMARY OF CONSOLIDATED OPERATING RESULTS AND RECONCILIATION OF ADJUSTED EBITDA AND FREE CASH FLOW* included in the *Operating and Financial Results* section.

Constant Currency

Because exchange rates are an important factor in understanding period to period comparisons, the presentation of various financial metrics on a constant currency basis or after giving effect to foreign exchange translation, in addition to the reported metrics, help improve the ability to understand operating results and evaluate performance in comparison to prior periods. Constant Currency information compares results between periods as if exchange rates had remained constant over the periods. Constant Currency is derived by calculating current period results using foreign currency exchange rates from the same period in the prior year. Results calculated on a Constant Currency basis should be considered in addition to, not as a substitute for, results reported in accordance with GAAP and may not be comparable to similarly titled measures used by other companies. Constant Currency is a basis of consideration mostly for Aimia’s foreign operations (those with a functional currency which is not the Canadian dollar). The Loyalty Solutions segment operates under varying foreign currencies, primarily the US and Australian dollars, British Pound and the United Arab Emirates Dirham.

OPERATING AND FINANCIAL RESULTS

Certain of the following financial information of Aimia has been derived from, and should be read in conjunction with, the condensed interim consolidated financial statements for the three months ended March 31, 2020 and 2019, and the related notes. Results of the Corporation are not significantly impacted by seasonality.

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SUMMARY OF CONSOLIDATED OPERATING RESULTS AND RECONCILIATION OF ADJUSTED EBITDA AND FREE CASH FLOW

	Three Months Ended March 31,				Variance %
(in millions of Canadian dollars, except share and per share information)	2020		2019 [i]		Q1
Continuing operations					
Total revenue	**29.6**		34.7		(14.7)
Operating Expenses	**(35.1)**	(f)	(53.7)	(f)	(34.6)
Operating loss	**(5.5)**	(f)	(19.0)	(f)	71.1
Depreciation and amortization [a]	**1.1**		1.0		10.0
Operating loss excluding depreciation and amortization [b]	**(4.4)**	(f)	(18.0)	(f)	75.6
Distributions from equity-accounted investments	**9.5**		18.9		(49.7)
Adjusted EBITDA [b]	**5.1**	(f)	0.9	(f)	**
Adjusted EBITDA as a % of Total Revenue	***17.2%***		*2.6 %*		*14.6 pp*
Including continuing and discontinued operations, unless otherwise noted					
Net earnings (loss) attributable to equity holders of the Corporation	**(9.6)**	(f)	1,047.1	(e)(f)(g)	
Net earnings (loss) attributable to equity holders of the Corporation - Continuing operations	**(9.6)**	(f)	(3.2)	(e)(f)	
Net earnings (loss) attributable to equity holders of the Corporation - Discontinued operations	**—**		1,050.3	(g)	
Weighted average number of common shares	**93,838,438**		152,307,196		
Earnings (loss) per common share [c]	**(0.14)**	(f)	6.85	(e)(f)(g)	
Earnings (loss) per common share - Continuing operations - Basic and fully diluted [c]	**(0.14)**	(f)	(0.05)	(e)(f)	
Earnings (loss) per common share - Discontinued operations - Basic and fully diluted	**—**		6.90	(g)	
Cash from (used in) operating activities	**(25.8)**	(h)	(47.3)		
Principal elements of lease payments	**(0.4)**		(0.3)		
Free Cash Flow before Dividends Paid [b]	**(26.2)**	(h)	(47.6)		45.0
Free Cash Flow before Dividends Paid - Continuing operations [b]	**(26.2)**	(h)	(20.0)		
Free Cash Flow before Dividends Paid - Discontinued operations [b]	**—**		(27.6)		
Free Cash Flow before Dividends Paid per common share [b][d]	**(0.31)**		(0.54)		
Dividends paid to equity holders of the Corporation	**(3.2)**		(65.2)		
Free Cash Flow [b]	**(29.4)**	(h)	(112.8)		73.9
Total assets	**529.2**		871.2		
Total long-term liabilities	**12.7**		21.6		

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

(b) A non-GAAP measurement. Please refer to *Performance Indicators (including certain non-GAAP financial measures)*.

(c) After deducting cumulative preferred shares dividends (whether declared or not).

(d) Free Cash Flow before Dividends Paid per common share is calculated after deducting dividends paid on preferred shares.

(e) Includes net fair value gains (losses) related to investments in equity instruments of $22.5 million for the three months ended March 31, 2019.

(f) Includes stock-based compensation and other performance awards expense (reversal) of $(0.1) million and $0.9 million for the three months period ended March 31, 2020 and 2019, respectively.

(g) Includes the impact of the preliminary gain of $1,043.6 million on the disposal of the Aeroplan Program and related assets during the the three months ended March 31, 2019. 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.

(h) Includes $18.7 million of Part VI.1 tax paid during the three months ended March 31, 2020 as a result of preferred dividends paid in 2019, which included $26.0 million cumulative preferred dividends not previously declared. Refer to the *Dividends* section for additional information.

(i) 2019 financial information was restated to reflect the change in the presentation of expenses. Refer to the *Changes in Accounting Policies* section for additional information.

** Information not meaningful.

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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. Please refer to the section *Subsequent Events* for additional information.

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.

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.

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The table below summarizes the relevant financial information by operating segment for the three months ended March 31, 2020 and 2019:

	Three Months ended March 31,					
(in millions of Canadian dollars)	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)	**2.5**	(10.9)	**(8.0)**	(8.1)	**(5.5)**	(19.0)
Adjusted EBITDA [(a)]	**3.6**	(10.0)	**1.5**	10.9	**5.1**	0.9
Included in Adjusted EBITDA:						
Distributions from equity-accounted investments	**—**	—	**9.5**	18.9	**9.5**	18.9
Additions to non-current assets [(b)]	**—**	—	**—**	—	**—**	—
Non-current assets [(b)]	**19.9**	22.6	**0.4**	0.5	**20.3**	23.1

(a) non-GAAP measurement. Please refer to *Performance Indicators (including certain non-GAAP financial measures)*.

(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 the *Changes in Accounting Policies* section for additional information.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

GEOGRAPHIC INFORMATION

Revenue from continuing operations

	Three Months Ended March 31,	
(in millions of Canadian dollars)	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.

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

QUARTER ENDED MARCH 31, 2020 COMPARED TO QUARTER ENDED MARCH 31, 2019

CONSOLIDATED OPERATING RESULTS

	Three Months Ended March 31,				Variance		Variance C.C.[b][c]	
(in millions of Canadian dollars unless otherwise noted)	2020		2019[e]		$	%	$	%
Revenue	**29.6**		34.7		(5.1)	(14.7)	(5.3)	(15.3)
Operating expenses	**35.1**		53.7		(18.6)	(34.6)	(18.8)	(35.0)
Operating loss from continuing operations	**(5.5)**		(19.0)		13.5	71.1	13.5	71.1
Included in Operating expenses and Operating loss:								
Depreciation and amortization [a]	**1.1**		1.0		0.1	10.0	0.1	10.0
Share-based compensation and other performance awards	**(0.1)**		0.9		(1.0)	**	(1.0)	**
Adjusted EBITDA from continuing operations [b]	**5.1**		0.9		4.2	**	4.1	**
Adjusted EBITDA as a % of Total Revenue	***17.2 %***		*2.6 %*		**	*14.6 pp*	**	*14.4 pp*
Included in Adjusted EBITDA:								
Distributions from equity-accounted investments	**9.5**		18.9		(9.4)	(49.7)	**	**
Including continuing and discontinued operations, unless otherwise noted								
Net earnings (loss) attributable to equity holders of the Corporation	**(9.6)**		1,047.1	*(d)(f)*	(1,056.7)	**	**	**
Net earnings (loss) attributable to equity holders of the Corporation - Continuing operations	**(9.6)**		(3.2)	*(d)*	(6.4)	**	**	**
Net earnings (loss) attributable to equity holders of the Corporation - Discontinued operations	**—**		1,050.3	*(f)*	(1,050.3)	**	**	**
Free Cash Flow before Dividends Paid [b]	**(26.2)**	*(g)*	(47.6)		21.4	45.0	**	**
Free Cash Flow before Dividends Paid - Continuing operations [b]	**(26.2)**	*(g)*	(20.0)		(6.2)	(31.0)	**	**
Free Cash Flow before Dividends Paid - Discontinued operations [b]	**—**		(27.6)		27.6	**	**	**
Free Cash Flow [b]	**(29.4)**	*(g)*	(112.8)		83.4	73.9	**	**

Refer to section entitled Notations to Financial Tables for details on notations in the table above beginning on page 51.

A discussion of Aimia's consolidated operating results follows. For a detailed discussion of the segmented operating results, refer to the section entitled *Segmented Operating Results*.

Aimia's ability to generate Revenue is a function of the underlying behaviour of loyalty services clients and coalition partners, which are affected by the general economic conditions present in the countries in which the loyalty programs are operated and the services are rendered.

Total Revenue generated for the three months ended March 31, 2020 amounted to $29.6 million, a decrease of $5.1 million or 14.7%. On a constant currency basis, total revenue decreased by $5.3 million or 15.3% and is explained mostly by a decrease in revenue from Loyalty Services, primarily attributable to lost clients and reduced existing client spend, offset in part by an increase in revenue from new clients. The variance is also explained by a decrease in revenue from Loyalty Units due to lower yield and lower miles redemption.

Operating expenses amounted to $35.1 million for the three months ended March 31, 2020, a decrease of $18.6 million or 34.6%. On a constant currency basis, operating expenses decreased by $18.8 million or 35.0% and is mostly attributable to a decrease in compensation and benefits of $11.0 million explained by lower global headcount related expenses, lower share-based compensation and other performance awards expense as well as lower severance expenses in the Loyalty Solutions segment. Also explaining this variance is a decrease in technology expenses of $6.7 million, due to lower spending associated with lost clients, operational efficiencies and timing of expenses, offset in part by IT decoupling costs.

Depreciation and amortization, including amortization of Accumulation Partners' contracts, customer relationships and technology, increased by $0.1 million.

Operating Income (Loss) amounted to $(5.5) million for the three months ended March 31, 2020, an improvement of $13.5 million. On a constant currency basis, operating income (loss) improved by $13.5 million, a direct result of the factors described above.

Adjusted EBITDA amounted to $5.1 million for the three months ended March 31, 2020, an increase of $4.2 million. On a constant currency basis, Adjusted EBITDA improved by $4.1 million, a direct result of the factors described above offset by lower distributions from equity-accounted investments of $(9.4) million, mostly explained by the exceptional distribution from PLM in the three months ended March 31, 2019.

Net Financial Income for the three months ended March 31, 2020 consist mostly of interest income of $1.7 million earned on cash and cash equivalents, short-term and long-term investments in bonds as well as net investment in a lease. Net financial income for the three months ended March 31, 2019 includes net fair value gains of $22.5 million on investments in equity instruments and interest income of $2.5 million offset in part by interest expense of $4.9 million on long-term debt, including an early redemption premium of $2.8 million related to the Senior Secured Notes Series 4, and other net financial expenses of $1.5 million.

Share of net earnings (loss) from equity-accounted investments amounted to $(5.1) million for the three months ended March 31, 2020, a decrease of $12.0 million. While the performance of our joint ventures was broadly in line with the same period in the prior year, the strengthening of the US dollar against the Mexican peso resulted in a significant foreign exchange loss during the period. The effect of the COVID-19 pandemic on PLM and BIGLIFE will significantly impact their operating results beginning April 2020 and onwards. Aimia does not expect the long-term profitability of these programs to be affected at this time.

Net Earnings (Loss) for the three months ended March 31, 2020 and 2019 include the effect of $(0.3) million and $(11.5) million of current income tax recoveries (expenses), respectively, as well as nil and $1.8 million of deferred income tax recoveries (expenses), respectively. Net earnings (loss) for the three months ended March 31, 2019 also include net earnings (loss) from discontinued operations of $1,050.3 million.

Current income taxes are primarily related to Part VI.1 tax expense recognized in our Canadian operations offset by a Part 1 tax recovery related to a foreign operation. For the quarter ended March 31, 2020, deferred income tax expense related to our Canadian loyalty operations have been recognized while the deferred income tax recoveries related to our Canadian corporate and foreign operations have not been recognized.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Free Cash Flow Before Dividends Paid for the three months ended March 31, 2020 amounted to $(26.2) million compared to $(47.6) million for the three months ended March 31, 2019, an favourable variance of $21.4 million, which included a favourable variance of $27.6 million from discontinued operations. Free Cash Flow before Dividends Paid from continuing operations for the three months ended March 31, 2020 amounted to $(26.2) million, an unfavourable variance of $6.2 million which is mainly the result of:

- a decrease in cash from operating activities of $6.1 million, explained primarily by:
  - higher net income taxes paid of $17.1 million, of which $18.7 million paid related to Part VI.1 tax during the three months ended March 31, 2020 as a result of preferred dividends paid in 2019, which included $26.0 million cumulative preferred dividends not previously declared;
  - lower distributions from equity-accounted investments of $9.4 million;
  - a decrease in revenue of $5.1 million; offset by
  - lower operating expenses of $17.7 million, before certain non-cash impacting items;
  - a $6.4 million increase in net interest received; and
  - a $1.4 million favourable variance in the change in net operating assets.

- higher principal elements of lease payments of $0.1 million.

Free Cash Flow for the three months ended March 31, 2020 amounted to $(29.4) million compared to $(112.8) million for the three months ended March 31, 2019. The favourable variance of $83.4 million is a result of the factors described above in Free Cash Flow before Dividends Paid, and to a decrease in dividends paid of $62.0 million.

Adjusted EBITDA, Free Cash Flow Before Dividends Paid and Free Cash Flow are non-GAAP measures. Please refer to the *PERFORMANCE INDICATORS (INCLUDING CERTAIN NON-GAAP FINANCIAL MEASURES)* section for additional information on these measures.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

SEGMENTED OPERATING RESULTS

This section provides a discussion of the segmented operating results.

LOYALTY SOLUTIONS

	Three Months Ended March 31,		Variance		Variance C.C. (b)(c)	
(in millions of Canadian dollars unless otherwise noted)	2020	2019(d)(e)	$	%	$	%
Revenue	**29.6**	34.7	(5.1)	(14.7)	(5.3)	(15.3)
Operating expenses	**27.1**	45.6	(18.5)	(40.6)	(18.8)	(41.2)
Operating income (loss)	**2.5**	(10.9)	13.4	**	13.5	**
Included in Total operating expenses and Operating loss:						
Depreciation and amortization (a)	**1.1**	0.9	0.2	22.2	0.2	22.2
Share-based compensation and other performance awards	**0.3**	(0.2)	0.5	**	0.5	**
Adjusted EBITDA (b)	**3.6**	(10.0)	13.6	**	13.5	**
Adjusted EBITDA as a % of Total Revenue	***12.2 %***	*(28.8)%*	**	*41.0 pp*	**	*40.7 pp*
Included in Adjusted EBITDA:						
Distributions from equity-accounted investments	**—**	—	—	**	**	**

Refer to section entitled Notations to Financial Tables for details on notations in the table above beginning on page 51.

Total Revenue amounted to $29.6 million for the three months ended March 31, 2020, a decrease of $5.1 million or 14.7%. On a constant currency basis, total revenue decreased by $5.3 million or 15.3% and is explained mostly by a decrease in revenue from Loyalty Services, primarily attributable to lost clients and reduced existing client spend, offset in part by an increase in revenue from new clients. The variance is also explained by a decrease in revenue from Loyalty Units due to lower yield and lower miles redemption.

Operating expenses amounted to $27.1 million for the three months ended March 31, 2020, a decrease of $18.5 million or 40.6%. On a constant currency basis, operating expenses decreased by $18.8 million or 41.2% and is mostly attributable to a decrease in compensation and benefits expenses of $9.6 million explained by lower headcount related expenses and lower severances, slightly offset by higher share-based compensation and other performance awards expense. Technology expenses also decreased by $7.3 million due to lower spending associated with lost clients, operational efficiencies and timing of expense. The decrease is also explained by reduced rent and office costs of $1.1 million due to our offices consolidation initiatives.

Depreciation and amortization, including amortization of Accumulation Partners' contracts, customer relationships and technology, increased by $0.2 million.

Operating Income (Loss) amounted to $2.5 million for the three months ended March 31, 2020, an improvement of $13.4 million. On a constant currency basis, operating loss decreased by $13.5 million, a direct result of the factors described above.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Adjusted EBITDA amounted to $3.6 million for the three months ended March 31, 2020, an increase of $13.6 million. On a constant currency basis, Adjusted EBITDA increased by $13.5 million, mostly explained by lower operating expenses, offset in part by lost clients and lower ongoing revenues for the existing client base.

Adjusted EBITDA is a non-GAAP measure. Please refer to the *PERFORMANCE INDICATORS (INCLUDING CERTAIN NON-GAAP FINANCIAL MEASURES)* section for additional information on this measure.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

CORPORATE AND OTHER

	Three Months Ended March 31,		Variance	
(in millions of Canadian dollars unless otherwise noted)	2020	2019(c)(d)	$	%
Operating expenses	**8.0**	8.1	(0.1)	(1.2)
Operating loss	**(8.0)**	(8.1)	0.1	1.2
Included in Total operating expenses and Operating loss:				
Depreciation and amortization (a)	**—**	0.1	(0.1)	**
Share-based compensation and other performance awards	**(0.4)**	1.1	(1.5)	**
Adjusted EBITDA (b)	**1.5**	10.9	(9.4)	(86.2)
Included in Adjusted EBITDA:				
Distributions from equity-accounted investments	**9.5**	18.9	(9.4)	(49.7)

Refer to section entitled Notations to Financial Tables for details on notations in the table above beginning on page 51.

Operating expenses amounted to $8.0 million for the three months ended March 31, 2020, a decrease of $0.1 million or 1.2% and is mostly attributable to a decrease in compensation and benefits costs of $1.4 million driven by lower headcount related expenses and share-based compensation and other performance awards as a result of the decrease in the Corporation's share price. This decrease was offset by higher severances of $1.2 million explained by restructuring of the Corporation's executive leadership team. Offsetting the decrease in operating expense is an increase in technology expenses of $0.6 million explained by IT decoupling and transition costs associated with the sale of the Aeroplan business and related assets.

Operating Income (Loss) amounted to $(8.0) million for the three months ended March 31, 2020, an improvement of $0.1 million, a direct result of the factors described above.

Adjusted EBITDA amounted to $1.5 million for the three months ended March 31, 2020, a decrease of $9.4 million, attributable to lower distributions from equity-accounted investments of $9.4 million explained by the exceptional distribution from PLM in the three months ended March 31, 2019.

Adjusted EBITDA is a non-GAAP measure. Please refer to the *PERFORMANCE INDICATORS (INCLUDING CERTAIN NON-GAAP FINANCIAL MEASURES)* section for additional information on this measure.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

SUMMARY OF QUARTERLY RESULTS

This section includes sequential quarterly data for the eight quarters ended March 31, 2020.

	2020	2019				2018 [i]		
(in millions of Canadian dollars, except per share amounts)	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenue	**29.6**	**35.0**	33.3	31.0	34.7	36.8	42.5	42.8
Operating expenses	**(35.1)**	**(55.4)**	(45.4)	(52.7)	(53.7)	(100.5) *(d)*	(58.6)	(82.3) *(e)*
Operating income (loss) from continuing operations	**(5.5)**	**(20.4)**	(12.1)	(21.7)	(19.0)	(63.7) *(d)*	(16.1)	(39.5) *(e)*
Adjusted EBITDA from continuing operations [a]	**5.1**	**(13.2)**	(4.4)	(14.8)	0.9	(23.9)	(7.2)	(22.7)
Included in Adjusted EBITDA:								
Distributions from equity-accounted investments	**9.5**	**5.8**	6.7	5.8	18.9	5.4	5.4	4.4
Net earnings (loss) attributable to equity holders of the Corporation	**(9.6)**	**4.9** *(f)*	16.9 *(f)*	43.5 *(c)(f)*	1,047.1 *(c)(f)*	(126.2) *(d)(f)(g)*	21.7 *(f)*	11.1 *(e)(f)*
Net earnings (loss) attributable to equity holders of the Corporation - Continuing operations	**(9.6)**	**4.9** *(f)*	17.2 *(f)*	24.0 *(f)*	(3.2) *(f)*	(144.4) *(f)(g)*	3.2 *(f)*	(11.2) *(e)(f)*
Net earnings (loss) attributable to equity holders of the Corporation - Discontinued operations	**—**	**—**	(0.3)	19.5 *(c)*	1,050.3 *(c)*	18.2 *(d)*	18.5	22.3
Earnings (loss) per common share [b]	**(0.14)**	**0.20** *(f)*	0.11 *(f)*	0.29 *(c)(f)*	6.85 *(c)(f)*	(0.86) *(d)(f)(g)*	0.11 *(f)*	0.04 *(e)(f)*
Earnings (loss) per common share - Continuing operations [b]	**(0.14)**	**0.20** *(f)*	0.11 *(f)*	0.14 *(f)*	(0.05) *(f)*	(0.98) *(f)(g)*	(0.01) *(f)*	(0.10) *(e)(f)*
Earnings (loss) per common share - Discontinued operations	**—**	**—**	—	0.15 *(c)*	6.90 *(c)*	0.12 *(d)*	0.12	0.14
Free Cash Flow before Dividends Paid [a]	**(26.2)** *(h)*	**(12.3)**	(3.2)	(56.0)	(47.6)	17.1	37.5	20.0
Free Cash Flow before Dividends Paid - Continuing operations [a]	**(26.2)** *(h)*	**(12.1)**	(3.1)	(56.0)	(20.0)	(12.8)	(11.3)	(28.2)
Free Cash Flow before Dividends Paid - Discontinued operations [a]	**—**	**(0.2)**	(0.1)	—	(27.6)	29.9	48.8	48.2
Free Cash Flow [a]	**(29.4)** *(h)*	**(16.7)**	(7.6)	(60.3)	(112.8)	17.1	37.5	20.0

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(a) A non-GAAP measurement. Please refer to *Performance Indicators (including certain non-GAAP financial measures)*.

(b) After deducting cumulative preferred shares dividends (whether declared or not) for the period and after adding the excess of preferred shares' assigned value over consideration paid for the repurchase.

(c) Includes the impact of the gain of $19.5 million and $1,043.6 million related to the disposal of the Aeroplan Program and related assets during the three months ended June 30, 2019 and March 31, 2019, respectively.

(d) Operating expenses, operating loss and net loss attributable to equity holders of the Corporation for the three months ended December 31, 2018 include an impairment charge of $20.4 million related to the International ISS business and an impairment charge of $10.0 million related to the Middle East loyalty solutions business.

(e) Operating expenses, operating loss and net earnings attributable to equity holders of the Corporation include an impairment charge of $8.0 million recorded during the three months ended June 30, 2018 related to the International ISS business.

(f) Includes net fair value gains (losses) related to investments in equity instruments of $5.6 million for the three months ended December 31, 2019, $23.8 million for the three months ended September 30, 2019, $37.7 million for the three months ended June 30, 2019, $22.5 million for the three months ended March 31, 2019, $(49.6) million for the three months ended December 31, 2018, $12.7 million for the three months ended September 30, 2018 and $27.5 million for the three months ended June 30, 2018.

(g) Includes the impact of the loss of $3.8 million which recorded was during the three months ended December 31, 2018 related to the disposal of the Nectar Program and related assets.

(h) Includes $18.7 million of Part VI.1 tax paid during the three months ended March 31, 2020 as a result of preferred dividends paid in 2019, which included $26.0 million cumulative preferred dividends not previously declared. Refer to the *Dividends* section for additional information.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FINANCING STRATEGY, LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2020, Aimia had $122.4 million of cash and cash equivalents, $94.0 million of restricted cash, $96.1 million of short-term investments and $9.5 million of long-term investments in bonds, for a total of $322.0 million. Approximately $8.0 million of the total amount is invested in Bankers' Acceptances and term deposits maturing on various dates through to April 2020 and $105.6 million is mostly invested in corporate, federal and provincial government bonds maturing at various dates between June 2020 and October 2021. In April 2020, the Corporation has early redeemed its bonds scheduled to mature in 2021. These sources of capital, excluding an amount of $67.7 million remaining in a restricted account related to the 2013 CRA audit, provide sufficient resources to fund its working capital, capital expenditures and capital allocation requirements as well as preferred shares dividends, if and when declared and paid, for the foreseeable future.

The following table provides a reconciliation between Adjusted EBITDA and Free Cash Flow for the periods indicated:

	Three Months ended March 31,	
(in millions of Canadian dollars , except per share information)	2020	2019
Adjusted EBITDA [(a)]	**5.1**	0.9
Share-based compensation and other performance awards	**(0.1)**	0.9
Income taxes paid, net	**(19.1)**	(2.0)
Net cash interest received (paid)	**1.0**	(5.4)
Cash used in operating activities from continuing operations before change in operating assets and liabilities and other	**(13.1)**	(5.6)
Change in operating assets and liabilities and other	**(12.7)**	(14.1)
Cash used in operating activities - Continuing operations	**(25.8)**	(19.7)
Cash used in operating activities - Discontinued operations	**—**	(27.6)
Cash used in operating activities	**(25.8)**	(47.3)
Principal elements of lease payments - Continuing operations	**(0.4)**	(0.3)
Free Cash Flow before Dividends Paid [(a)]	**(26.2)**	(47.6)
Free Cash Flow before Dividends Paid - Continuing operations [(a)]	**(26.2)**	(20.0)
Free Cash Flow before Dividends Paid - Discontinued operations [(a)]	**—**	(27.6)
Free Cash Flow before Dividends Paid per common share [(a)(b)]	**(0.31)**	(0.54)
Dividends paid to equity holders of the Corporation	**(3.2)**	(65.2)
Free Cash Flow [(a)]	**(29.4)**	(112.8)

(a) A non-GAAP measurement. Please refer to *Performance Indicators (including certain non-GAAP financial measures)*.

(b) After deducting dividends paid on preferred shares.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following table provides an overview of Aimia's cash flows for the periods indicated:

	Three Months ended March 31,	
(in millions of Canadian dollars)	2020	2019
Cash and cash equivalents, beginning of period	**98.6**	**311.9**
Cash used in operating activities	(25.8)	(47.3)
Cash from investing activities	51.7	383.3
Cash used in financing activities	(3.7)	(366.6)
Translation adjustment related to cash	1.6	(1.2)
Cash and cash equivalents, end of period	**122.4**	**280.1**

OPERATING ACTIVITIES

Cash from operating activities is generated primarily from the collection of Gross Billings and is reduced by the cash required to provide loyalty services, cash required to deliver rewards when Loyalty Units are redeemed and by operating expenses as well as interest and income taxes paid. Cash from operating activities also include distributions received from equity-accounted investments.

Cash flows used in operating activities amounted to $(25.8) million for the three months ended March 31, 2020, compared to $(47.3) million for the three months ended March 31, 2019. Cash flows used in operating activities attributable to the continuing operations amounted to $(25.8) million for the three months ended March 31, 2020, compared to $(19.7) million for the three months ended March 31, 2019.

Please refer to the *Free Cash Flow Before Dividends Paid* caption within the *Quarter Ended March 31, 2020 Compared to Quarter Ended March 31, 2019* sections for explanations on the variances in cash flows from operating activities.

INVESTING ACTIVITIES

Investing activities for the year ended March 31, 2020 reflect the net proceeds from investments in corporate and government bonds of $48.6 million as well as $3.1 million of net cash collateral was released. Investing activities for the period ended March 31, 2019 include 485.8 million of net proceeds associated with the disposal of the Aeroplan Program and related assets as well as proceeds of $9.8 million from the sale of the Corporation's investment in Fractal Analytics. Additionally, investing activities for the three months ended March 31, 2019 reflect an amount of $100.0 million originally set aside in a restricted account until the conclusion of an ongoing CRA audit, $10.0 million originally set aside in a restricted account to act as cash collateral for previously issued irrevocable letters of credit and $2.3 million set aside in an escrow account to cover potential general indemnity claims related to the sale of the Aeroplan Program.

There were no capital expenditures presented as investing activities for the three months ended March 31, 2020 and 2019, due to the impairment charges taken in the Loyalty Solutions segment in previous years.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FINANCING ACTIVITIES

Financing activities for the year ended March 31, 2020 reflect the payment of $3.2 million related to preferred dividends, as well as the principal elements of lease payments of $0.4 million. Financing activities for the three months ended March 31, 2019 reflect the repayment of the revolving facility of $51.1 million and the early redemption of the Senior Secured Notes Series 4 of $250.0 million. Financing activities for the three months ended March 31, 2019 also reflect the payment of $65.2 million related to common and preferred dividends, as well as the principal elements of lease payments of $0.3 million.

LIQUIDITY

Aimia anticipates that cash requirements will be comfortably met from the Corporation's significant existing cash and cash equivalents and investment in bonds.

The amount held in cash and cash equivalents and investments, as well as the types of securities in which it may be invested, are based on policies established by management, which are reviewed periodically (refer to the *Subsequent events* section). As of March 31, 2020, the Corporation held $322.0 million in cash and cash equivalents, restricted cash and investments.

CREDIT FACILITIES AND LONG-TERM DEBT

Following the completion of the sale of the Aeroplan Program and related assets (refer to the *Discontinued Operations and Disposal of Businesses and Other Assets* section), 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

INVESTMENTS IN EQUITY INSTRUMENTS, ASSOCIATES AND JOINT ARRANGEMENTS

The table below summarizes Aimia's investments in equity instruments, associates and joint arrangements at March 31, 2020:

Name	Nature of business	Nature of investment	Reporting segment	Country of incorporation and place of business	% of ownership interest	Measurement method
PLM	Coalition Loyalty	Joint venture	Corporate and Other	Mexico	48.9	Equity
BIGLIFE	Coalition Loyalty	Joint venture	Corporate and Other	Malaysia	20.0	Equity
Aimia Kantar Insights	Data Analytics and Insights	Joint venture	Loyalty Solutions	United States	50.0	Equity

EQUITY-ACCOUNTED INVESTMENTS

As at	March 31,	December 31,
(in millions of Canadian dollars)	2020	2019
Investment in PLM [(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,	
(in millions of Canadian dollars)	2020	2019
Investment in PLM	(5.2)	6.5
Other equity-accounted investments in joint ventures	0.1	0.4
Total	**(5.1)**	6.9

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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,	
(in millions of Canadian dollars)	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

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

	Three Months Ended March 31,	
(in millions of Canadian dollars)	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

PLM Adjusted EBITDA - Definition and reconciliation

Adjusted EBITDA for PLM ("PLM Adjusted EBITDA") is operating income adjusted to exclude depreciation, amortization and impairment charges related to non-financial assets, as well as adjusted for certain factors particular to PLM, such as changes in deferred revenue and Future Redemption Costs.

Change in deferred revenue is calculated as the difference between Gross Billings and revenue recognized, including recognition of Breakage.

Future Redemption Costs represent management's estimated future cost of rewards in respect of Loyalty Units sold which remain outstanding and unbroken at the end of any given period. Future Redemption Costs are revalued at the end of any given period by taking into account the most recently determined average unit cost per Loyalty Unit redeemed for that period (cost of rewards / Loyalty Units redeemed) and applying it to the total Unbroken Loyalty Units outstanding at the end of that period. As a result, Future Redemption Costs and the change in Future Redemption Costs must be calculated at the end of any given period and for that period. The simple addition of sequential inter-period changes to arrive at a cumulative change for a particular period may result in inaccurate results depending on the fluctuation in the Average Cost of Rewards per Loyalty Unit redeemed for the period in question.

PLM Adjusted EBITDA is not a measurement based on GAAP, is not considered an alternative to net earnings in measuring profitability, and is not comparable to similar measures used by other issuers. Aimia and PLM's management do not believe that PLM Adjusted EBITDA has an appropriate directly comparable GAAP measure. However, a reconciliation to operating income is provided below.

PLM Adjusted EBITDA is used by Aimia and PLM's management to evaluate performance. Aimia and PLM's management believe PLM Adjusted EBITDA assists investors in comparing PLM's performance on a consistent basis without regard to depreciation and amortization and impairment charges related to non-financial assets, which are non-cash in nature and can vary significantly depending on accounting methods, and non-operating factors such as historical cost.

	Three Months Ended March 31,	
(in millions of Canadian dollars)	2020	2019
Operating income	**21.6**	21.3
Depreciation and amortization	0.4	0.6
Operating income excluding depreciation and amortization [(a)]	**22.0**	21.9
Adjustments:		
Change in deferred revenue		
Gross Billings	86.2	81.9
Revenue	(73.5)	(77.1)
Change in Future Redemption Costs [(b)]	(4.5)	0.3
Subtotal of adjustments	**8.2**	5.1
PLM Adjusted EBITDA [(a)]	**30.2**	27.0

(a) A non-GAAP measurement.

(b) Represents the change in the estimated Future Redemption Cost liability for any quarter (for interim periods) or fiscal year (for annual reporting purposes). For the purposes of this calculation, the opening balance of the Future Redemption Cost liability is revalued by retroactively applying to all prior periods the latest available Average Cost of Rewards per Loyalty Unit. It is calculated by multiplying the change in estimated Unbroken Loyalty Units outstanding between periods by the Average Cost of Rewards per Loyalty Unit for the period.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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 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.

CONTINGENT LIABILITIES AND GUARANTEES

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 the *Discontinued Operations and Disposal of Businesses and Other Assets* section for a description of the indemnification clauses related to the disposal of Aeroplan.

Class actions

a) 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, any liability associated with the class action, including the liability related to the proposed settlement, has transferred to Air Canada. For more information on the Aeroplan transaction, please refer to the *Discontinued Operations and Disposal of Businesses and Other Assets* section.

b) 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, Aimia will bear 50% of the liability and costs, if any, associated with these class action proceedings against Aeroplan, up to a cap of

$25 million for Aimia, after which Air Canada is solely responsible. For more information on the Aeroplan transaction, please refer to the *Discontinued Operations and Disposal of Businesses and Other Assets* section.

Management believes that Aeroplan has a strong defence 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 litigations

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

SUMMARY OF CONTRACTUAL OBLIGATIONS AND COMMITMENTS

As at March 31, 2020, estimated future minimum payments under Aimia's contractual obligations and commitments are as follows:

(in millions of Canadian dollars)	Total	2020	2021	2022	2023	2024	Thereafter
Short-term operating leases	1.2	1.2	—	—	—	—	—
Lease liabilities including interest	6.2	1.5	1.7	1.5	1.3	0.2	—
Technology infrastructure and other	3.6	3.3	0.3	—	—	—	—
Total Contractual Obligations and Commitments	**11.0**	**6.0**	**2.0**	**1.5**	**1.3**	**0.2**	**—**

CAPITAL STOCK

At March 31, 2020, Aimia had 93,838,329 common shares, 5,083,140 Series 1 Preferred Shares and 4,355,263 Series 3 Preferred Shares issued and outstanding for an aggregate amount of $231.7 million. In addition, there were 3,362,520 stock options issued and outstanding under the Aimia Long-Term Incentive Plan.

COMMON 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.

PREFERRED SHARES

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.

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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:

Three months ended	2020		2019	
(in millions of Canadian dollars, except per share information)	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 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.

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	
(in millions of Canadian dollars)	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 (refer to the *Discontinued Operations and Disposal of Businesses and Other Assets* section) 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.

EARNINGS (LOSS) PER COMMON SHARE

	Three Months Ended March 31,	
(in millions of Canadian dollars, except share and per share information)	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	**(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

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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.

A discussion of the operating results of the discontinued operations for the three months ended March 31, 2020 and 2019 follows.

	Three Months ended March 31,	
(in millions of Canadian dollars unless otherwise noted)	2020	2019
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	—	(1.1)
Net earnings from the Aeroplan Program and related assets	—	1,050.3
Adjusted EBITDA [(a)]	—	7.8
Adjusted EBITDA as a % of Total Revenue	—	*21.5%*

(a) A non-GAAP measurement. Please refer to *Performance Indicators (including certain non-GAAP financial measures)*.

Cash flows from (used in) the Aeroplan Program and related assets included within the consolidated statements of cash flows are as follows:

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

(a) A non-GAAP measurement. Please refer to *Performance Indicators (including certain non-GAAP financial measures)*.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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 "Kognitiv Proposed Transaction").

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 "MB Proposed Transaction"). 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.

The MB Proposed Transaction is subject to due diligence and customary closing conditions. Aimia is currently assessing the impact that the transaction will have on its financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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").

As part of the proposed transactions, PLM will provide financial support to Aeromexico of $70.0 million (US$50.0 million) in the form of a loan under the existing intercompany loan facility. Subject to final agreement on certain terms and conditions, PLM would provide a further $70.0 million (US$50.0 million) through pre-purchases of award tickets and Aimia and Aeromexico will negotiate certain modifications to the shareholders agreement which would include the grant to Aeromexico of a 7-year option to purchase Aimia’s 48.9% equity interest in PLM at an Adjusted EBITDA multiple of 7.5x, with a minimum floor of $560.0 million (US$400.0 million) for Aimia’s stake and a 20-year extension to the CPSA until September 13, 2050, among other changes.

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

CHANGES IN ACCOUNTING POLICIES

The 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.

Adoption of revised accounting 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Change in accounting policy

Financial Instruments and Hedge Accounting

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.

Change in presentation of expense

The disposal of the Aeroplan coalition loyalty program and related assets 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Comparative information has been reclassified as follows:

	Three months ended March 31, 2019		
(in millions of Canadian dollars)	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)**

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with the International Financial Reporting Standards ("IFRS") requires management to make estimates, judgments and assumptions that management believes are reasonable based upon the information available. These estimates, judgments and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results can differ from those estimates (refer to *Caution regarding forward-looking information*). Significant estimates made in the preparation of the consolidated financial statements include those used in accounting for breakage, income taxes, the determination of amortization period for long-lived assets, the impairment considerations on long-lived assets, particularly future cash flows and cost of capital as well as provisions and contingencies.

CONTROLS AND PROCEDURES

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Corporation has adopted disclosure controls and procedures, with management's assistance, that are under the responsibility of the Chief Executive Officer and Chief Financial Officer, in order to provide reasonable assurance that they are made aware of material information. The Corporation has also adopted internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS.

A material change in internal control over financial reporting (ICFR) is a change that has, or is reasonably likely to materially affect, the issuer's ICFR. During the interim period ended on March 31, 2020, the Corporation has implemented the Workday financial system for its financial operations. The Workday solution enhances and streamlines the Corporation's financial operations by placing all entities on the same transactional platform.

Given the material nature of the transactions that are now processed through this new system, management considers this implementation to be a material change in ICFR. Accordingly, management has evaluated this change, and determined that ICFR under the Workday system has been appropriately designed.

Because of inherent limitations, internal controls over financial reporting and disclosure controls can provide only reasonable assurances and may not prevent or detect misstatements. Furthermore, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Audit, Finance and Risk Committee reviewed this MD&A, and the condensed interim consolidated financial statements, and the Board of Directors of Aimia approved these documents prior to their release.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RISKS AND UNCERTAINTIES AFFECTING THE BUSINESS

The results of operations and financial condition of Aimia are subject to a number of risks and uncertainties and are affected by a number of factors outside of the control of Management.

For more information, and for a complete description of the risk factors that could materially affect the business, please refer to the corresponding section in the MD&A of the Corporation for the financial years ended December 31, 2019 and 2018 filed on SEDAR on February 24, 2020, which is amended and supplemented by the addition of the following risk factors.

The risks described therein and in the MD&A of the Corporation for the financial years ended December 31, 2019 and 2018 may not be the only risks faced by Aimia. Other risks which currently do not exist or which are deemed immaterial may surface and have a material adverse impact on Aimia's results of operations and financial condition.

Business and Industry Disruptions Related to Global Health Crises, Natural Disasters and Security Issues

Strong demand for air travel in the loyalty programs operated by Aimia’s investee companies creates a significant dependency on the airline industry in general. Any disruptions or other material adverse changes in the airline industry, whether domestic or international, affecting any airline related to any of the loyalty programs which Aimia invests in could have a material adverse impact on its business. This could manifest itself in an inability to fulfill member’s flight redemption requests or to provide sufficient accumulation opportunities, and would adversely affect Aimia’s financial results as a result of lower returns on investment, particularly our investments in PLM as operator of the Club Premier business and in BIGLIFE as the operator of BIG Loyalty given those investments’ exposure to the airline and travel sectors. A reduction in member use of these loyalty programs could impact their ability to retain their current commercial partners and members and to attract new commercial partners and members and adversely affect returns on investments. Such disruptions or changes may result from global health crises, war, terrorist attacks and security measures, casualty losses, extreme weather events, global and changes in domestic and foreign regulation. The global airline and travel industry is facing a severe and abrupt drop in traffic as a result of the coronavirus (“COVID-19”) pandemic and the travel restrictions imposed in many countries around the world. The system-wide impact of the COVID-19 pandemic began to be felt in traffic and sales figures commencing in early March 2020. There is very limited visibility on travel demand given government restrictions in place and concerns about travel due to the COVID-19 virus and passenger expectations about the need for certain precautions such as physical distancing. We cannot predict the full impact or the timing for when conditions improve. Aimia is actively monitoring the situation and will respond as the impact of the COVID-19 pandemic evolves, which will depend on a number of factors including the course of the pandemic, government actions, and traveller reaction, none of which can be predicted with any degree of certainty.

Execution of the Strategic Plan

On April 29, 2020, Aimia announced that, following the comprehensive strategic review process undertaken by a special committee of independent directors (the “Special Committee”), the Board of Directors approved the Special Committee’s recommendation that Aimia focus on long-term investments in public and private companies, on a global basis, through controlling or minority stakes. The targeted companies will exhibit durable economic advantages, evidenced by a well-established track record of substantial free cash flow generation over complete business cycles, guided by strong, experienced management teams.

There can be no assurance that the strategic plan will succeed in whole or in part. Implementation of this plan presents various managerial, organizational, administrative, operational and other challenges, and Aimia's organizational, administrative and operational systems may require adjustments in order to appropriately implement the plan and manage Aimia's long-term growth and profitability. In addition, Aimia has a very lean senior leadership team upon which the successful execution of the strategic plan is dependent. Any failure to implement and/or improve Aimia's systems, procedures and controls efficiently and in a manner such as to properly account for the execution of the strategy could have a material adverse effect on Aimia's business, financial condition and operating results. The strategic plan may be affected by the following items:

- Aimia's ability to source, diligence, analyze and execute upon accretive, cash-flow generative new investment and/or acquisition targets, particularly with a lean senior leadership team; and

- Aimia's ability to recruit, develop, motivate and retain talented employees as required to implement and execute the strategic plan.

If Aimia is unable to successfully execute on any or all of the initiatives contained in the strategic plan, its revenues, operating results, profits and asset values would be adversely affected. Further, even if Aimia successfully implements such plan, there can be no guarantee that it will be able to achieve its intended long-term growth, profitability and asset values, including generating and/or enhancing revenues, operating results and profitability. Modifications to the strategic plan may be required to achieve such objectives. Further, while Aimia currently has sufficient resources to undertake its strategic plan, there can be no assurance that its financial resources will continue to be sufficient in the future to fund potential new investment and/or acquisition opportunities and, consequently, Aimia may be required to obtain additional financing in order to successfully implement its strategic plan. Failure to secure any such financing may result in delays in implementing the strategic plan and, if required funding is unavailable, or only available on unfavourable terms, Aimia's ability to pursue its business strategy may be adversely affected and consequently Aimia's business, financial condition and results of operation may be adversely impacted.

Closing of either of the Kognitiv Proposed Transaction or the MB Proposed Transaction may be delayed, may be completed on different terms, or may not occur at all

The completion of each of the Kognitiv Proposed Transaction and MB Proposed Transaction (the "Proposed Transactions") is subject to a number of conditions precedent, certain of which are outside the control of the parties to the agreements governing each of the transactions. A substantial delay in satisfying these conditions precedent could delay the closing of the applicable transaction (or could result in the applicable transaction not completing due to one or more conditions precedent not being satisfied) and may adversely affect the business, financial condition or results of the Corporation. There is no certainty, nor can the Corporation provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. Aimia and each of the counter-parties to the Proposed Transactions has the right to terminate the applicable agreement in certain circumstances. Accordingly, there is no certainty, nor can the Corporation provide any assurance, that either of the Proposed Transactions will not be terminated before its completion. In addition, certain costs related to the Proposed Transactions, such as legal, accounting and certain financial advisor fees, must be paid by the Corporation even if the Proposed Transactions are not completed. Any of the foregoing circumstances or events may adversely affect the market price of the Common Shares and/or Preferred Shares.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The announcement and pending completion of the Proposed Transactions, whether or not completed, may cause uncertainty around the Corporation’s business

Each of the Proposed Transactions is dependent upon satisfaction of various conditions and, as a result, its completion is subject to uncertainty. In response to this uncertainty, the Corporation’s clients may delay or defer decisions concerning the Corporation and their current and anticipated ongoing business during the pendency of the Proposed Transactions, and may instead, where applicable, enter into alternative material contracts or business arrangements. Similarly, current and prospective employees of the Corporation may experience uncertainty about their future role with the Corporation and its affiliates until the completion of the Proposed Transactions. This may adversely affect the Corporation’s ability to attract or retain key employees in the period until the Proposed Transactions are completed or thereafter. In addition, management attention and resources may be diverted from the operation of the Corporation’s business, including other strategic opportunities and operational matters, while working toward the completion of the Proposed Transactions. Finally, certain restrictions imposed on the conduct of the Corporation’s business during the period between the execution of the agreements governing the Proposed Transactions and the consummation of the Proposed Transactions or the termination of the Proposed Transactions may have a negative effect on the operation of the Corporation’s business.

Execution of the proposed amendments to the Shareholders Agreement with Aeromexico and to the CPSA between Aeromexico and PLM may be on different terms than those contained in the Letter of Intent, or may not occur at all

The proposed amendments to the Shareholders Agreement with Aeromexico and of the CPSA between Aeromexico and PLM are each subject to negotiation between the parties thereto. There can be no assurance that the parties will come to agreement on the proposed amendments on the terms contained in the Letter of Intent or at all. Failure to come to agreement on the terms of the proposed amendments, on the terms contained in the Letter of Intent, or at all after the announcement of the Letter of Intent may adversely affect the market price of the Common Shares and/or Preferred Shares.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

NOTATIONS TO FINANCIAL TABLES

This section includes the notations to the tables included under the *Quarter Ended March 31, 2020 Compared to Quarter Ended March 31, 2019* section.

QUARTER ENDED MARCH 31, 2020 COMPARED TO QUARTER ENDED MACH 31, 2019

CONSOLIDATED OPERATING RESULTS

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

(b) A non-GAAP measurement. Please refer to *Performance Indicators (including certain non-GAAP financial measures)*.

(c) Represents the variance on a constant currency basis.

(d) Includes net fair value gain related to investments in equity instruments of $22.5 million for the three months ended March 31, 2019.

(e) 2019 information was restated to reflect the change in the presentation of expenses. Refer to the *Changes in Accounting Policies* section for additional information.

(f) Includes the impact of the preliminary gain of $1,043.6 million on the disposal of the Aeroplan Program and related assets during the the three months ended March 31, 2019. 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.

(g) Includes $18.7 million of Part VI.1 tax paid during the three months ended March 31, 2020 as a result of preferred dividends paid in 2019, which included $26.0 million cumulative preferred dividends not previously declared. Refer to the *Dividends* section for additional information.

** Information not meaningful or not applicable.

LOYALTY SOLUTIONS

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

(b) A non-GAAP measurement. Please refer to *Performance Indicators (including certain non-GAAP financial measures)*.

(c) Represents the variance on a constant currency basis.

(d) 2019 information was restated to reflect the change in the presentation of expenses. Refer to the *Changes in Accounting Policies* section for additional information.

** Information not meaningful or not applicable.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

CORPORATE AND OTHER

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

(b) A non-GAAP measurement. Please refer to *Performance Indicators (including certain non-GAAP financial measures)*.

(c) 2019 information was restated to reflect the change in the presentation of expenses. Refer to the *Changes in Accounting Policies* section for additional information.

** Information not meaningful or not applicable.

ADDITIONAL INFORMATION

Additional information relating to Aimia and its operating businesses, including Aimia's Annual Information Form dated February 24, 2020, is available on SEDAR at **www.sedar.com** or on Aimia's website at **corp.aimia.com** under "Investors".