Aimia Inc.

Aimia Reports Third Quarter 2018 Results

Adjusted EBITDA at $55.5 million and Free Cash Flow at $37.5 million

Ongoing progress towards finalizing the Aeroplan transaction

MONTREAL, Nov. 14, 2018 /CNW Telbec/ - Data-driven marketing and loyalty analytics company Aimia Inc. (TSX: AIM) today reported its financial results for the quarter ended September 30, 2018.

Chief Executive Officer, Jeremy Rabe, commented: "Q3 marked another quarter of solid cash generation. Redemptions continued to trend in line with our expectations and spend on Aeroplan credit cards remained strong.

"Maintaining a strong cash and liquidity position, alongside business simplification and cost reduction, remain our key short term priorities. In our loyalty services businesses, the core competencies and solutions we can bring have led to us being recognized as an industry leader cited for its global reach and strategy capabilities. Our skills have been deployed building programs for blue chip client accounts serving hundreds of millions of loyalty members around the world. What we need - and are putting in place - is a more efficient service delivery model to improve profitability and generate better returns for our shareholders."

Strategic highlights:

- Aimia continues to progress negotiations with the Consortium towards a year end closing of the Aeroplan transaction
- Customer focused realignment of loyalty services businesses underway and expected to drive improving financial results
- Investments delivered solid distributions and mark-to-market gains in the quarter

Q3 highlights – GAAP basis:

- Consolidated Total Revenue up by 6.3% to $372.7 million
- Net earnings at $21.7 million, up by $62.0 million
- Cash from operating activities at $45.6 million

Q3 highlights – Continuing operations, with variances on a like-for-like basis: [(1)(2)]

- Coalitions Gross Billings down 3.8% to $323.7 million; Consolidated Gross Billings down 4.2% to $362.8 million on a like-for-like basis
- Adjusted EBITDA at $55.5 million; Adjusted EBITDA margin (excluding restructuring expense) at 15.6%
- Net earnings at $21.7 million
- $37.5 million of Free Cash Flow generated in the quarter

This quarterly earnings release should be read in conjunction with the consolidated financial statements and the MD&A which can be accessed on SEDAR as well as at: https://www.aimia.com/investors/quarterly-reports/

Please refer to "Notes" for details on notations that appear in this Press Release.

Consolidated Financial Highlights[(1)]

HIGHLIGHTS [(1)]	**Three Months Ended September 30,**			
(in millions of Canadian dollars, except per share amounts)	**2018**	**2017**	**YoY % Change**	**YoY % Constant Currency (C.C.)**

Continuing operations				
Gross Billings	**362.8**	380.4	(4.6)	(4.9)
Total Revenue	**372.7**	350.5	6.3	6.1
Operating Income (loss)	**2.3**	(18.3)	**	**
Adjusted EBITDA	**55.5**	51.3	8.2	7.8
Net Earnings (loss) from Continuing operations[4]	**21.7**	(42.5)	**	**
ROIC[3]	**7.9%**	5.1%	2.8 pp	**
Consolidated (unless otherwise noted)				
Net Earnings (loss)[4]	**21.7**	(40.3)	**	**
Earnings (loss) per Common Share - Continuing operations[4]	**0.11**	(0.31)	**	**
Earnings per Common Share - Discontinued operations	**0.00**	0.02	**	**
Adjusted Net Earnings per Common Share - Continuing operations[4]	**0.33**	0.04	**	**
Adjusted Net Earnings per Common Share - Discontinued operations	**-**	0.05	**	**
Cash from Operating Activities	**45.6**	63.1	(27.7)	**
Free Cash Flow before Dividends Paid	**37.5**	51.9	(27.7)	**
Free Cash Flow before Dividends Paid per Common Share	**0.25**	0.34	(26.5)	**

** Information not meaningful

Strategic Update

Agreement in principle to acquire the Aeroplan business

On August 21, 2018, Air Canada, The Toronto-Dominion Bank, Canadian Imperial Bank of Commerce, Visa Canada Corporation (collectively, "the Consortium") and Aimia Inc. announced that they had entered into an agreement in principle for the acquisition of Aimia's Aeroplan loyalty business. The aggregate purchase price consists of $450 million in cash and is on a cash-free, debt-free basis. Assuming completion of the transaction, the Aeroplan miles liability would remain with Aeroplan and no longer be owned by Aimia. The transaction remains subject to the satisfactory conclusion of definitive transaction documents, Aimia shareholder approval, and certain other conditions, including due diligence, receipt of customary regulatory approvals and completion by the Consortium of credit card loyalty program and network agreements for future participation in Air Canada's new loyalty program.

Future strategic direction

The company continues to focus on delivering flexibility, value and an improved member experience to its 5 million engaged Aeroplan members.

Delivering improved returns and cash generation from the company's other assets also remains a focus for management.

The Board of Directors has formally commenced a process to review and evaluate the future strategic direction of Aimia assuming and following completion of the proposed Aeroplan transaction. As part of that process, the Board of Directors has asked Management to present it with alternative visions and plans regarding the Corporation's mid- and long-term strategic future and direction, including as a leading player in loyalty management. The Board of Directors has, in its review process, decided to form a committee to be comprised of independent directors for the purpose of receiving and considering any such Management recommendation(s). The Board of Directors is currently actively engaged in these matters, and the Corporation will publicly disclose the results of its review process setting out the vision and direction of the Corporation once it has formally made decisions or determinations with respect to the foregoing.

Operational Performance

Consolidated Gross Billings at $362.8 million

Consolidated Gross Billings were down $17.6 million to $362.8 million in the quarter. Excluding the impact of disposals of non-core assets, Consolidated Gross Billings were down 4.2%.

- **Coalitions** Gross Billings were down 3.8% to $323.7 million. Despite a strong conversion campaign from a financial card partner and higher credit cardholder spend per card, a lower number of active credit cards and less promotional activity along with the absence of a non-air conversion campaign, a lost retail partner and reduced bonusing from an existing partner, drove an overall decline of 4.3% for Loyalty Units Gross Billings. Loyalty Services Gross Billings were up by 5.8%, due to higher ancillary services.
- **Insights and Loyalty Solutions** Gross Billings were down 7.3% to $39.5 million. Gross Billings from Loyalty Units were down 15.9% due to revised pricing terms in the Air Miles Middle East program. Loyalty Services billings were 4.4% below last year due to client losses and a lower volume of set up fees compared to last year. Recurring billings from loyalty platforms and related services increased in the quarter.

Adjusted EBITDA at $55.5 million; continuing to make progress on operating expenses

- Adjusted EBITDA was $55.5 million or 15.3% of Gross Billings, compared to $51.3 million in the prior year. Lower operating expenses and the timing of severance expenses globally, along with higher distributions from equity-accounted investments, were partly offset by reduced business contributions. Excluding restructuring and the impact of business disposals, adjusted EBITDA was $56.5 million, compared to $60.5 million in the prior year.
- Operating expenses were down $15.4 million to $101.8 million, with $9.4 million of the decrease attributable to the Coalitions business reflecting timing of severance expenses and lower headcount. The remaining variance was mostly attributable to a $5.3 million decrease in the Insights and Loyalty Solutions business due to lower headcount and reduced IT and operations spend, offset by higher share-based compensation, as well as a $0.9 million reduction related to business disposal.
- Total headcount at September 30, 2018, was down by around 20% to 1,610, from 2,025 at September 30, 2017, partly as a result of business disposals.

Free Cash Flow generation at $37.5 million to contribute to further debt paydown

- Cash from operating activities in continuing operations was $45.6 million, an increase of $7.1 million mainly reflecting favourable changes in net operating assets, operating expense reductions, higher distributions from investments and lower net interest and taxes paid, offset in part by lower billings and higher redemption expense.
- Higher availability was a driver of increased Aeroplan redemptions, along with a higher redemption cost per mile which reflected unfavourable foreign exchange impacts and product mix.
- Free Cash Flow was $37.5 million, compared to $51.9 million in the prior year. The variance is mainly explained by a decrease of $23.1 million related to discontinued operations. Total capital expenditures from continuing operations were $8.1 million, a decrease of $1.6 million mainly attributable to lower spend in the Coalitions division. Free Cash Flow per Common Share from continuing operations was $0.25.

Balance sheet

- Cash and investments in bonds at September 30, 2018, was $552.6 million. Total debt levels (including drawn letters of credit) of $328.4 million at September 30, 2018, are expected to decrease to approximately $309.6 million during the fourth quarter, with $18.8 million of the cash generated in the third quarter expected to be used to reduce the drawn amount on the company's credit facility during the fourth quarter.

Solid performance from investments

- The company's investment in loyalty program Club Premier continued to generate a meaningful distribution at $4.5 million (2017: $4.2 million), reflecting a solid underlying business and a growing member base. In the third quarter, Gross Billings from Loyalty Units were up 5% to US$61.3 million, while Adjusted EBITDA was up 2% to US$21.6 million. Total members were up 0.6 million to 5.9 million at September 30, 2018.
- The company's stake in Cardlytics, a publicly-listed purchase intelligence company, was valued at $96.2 million at September 30,

2018, reflecting a $12.7 million gain in the quarter.

Return on Invested Capital

For the 12 months ended September 30, 2018, ROIC was 7.9%, compared to 5.1% for the 12 months ended September 30, 2017. An increase in adjusted operating income after taxes and a decrease in average Invested Capital, due in part to the reduction in the average net debt, both contributed to the increase in ROIC.

2018 Guidance

The company's previously provided guidance for the year ending December 31, 2018, remains unchanged, with the exception of Coalitions Adjusted EBITDA margin guidance which is being increased from the "above 18%" guidance originally issued on February 14, 2018. Aimia's restated 2018 guidance is as follows:

- Coalitions Gross Billings: around $1.3 billion
- Coalitions Adjusted EBITDA margin: above 19%
- Coalitions Free Cash Flow (on a pre-tax basis): between $155 million and $175 million
- Consolidated Free Cash Flow before Dividends Paid (on a pre-tax basis): between $120 million and $145 million

The above guidance is based on current expectations around redemption expense at Aeroplan and is on an IFRS 15 basis. It further assumes that Aimia includes the Aeroplan program until December 31, 2018.

The guidance excludes the impact of taxes and restructuring, and costs that may be incurred as a result of the agreement in principle announced on August 21, 2018. Further to the utilization of prior tax loss carry forwards, the company expects to pay cash taxes in 2018. Cash taxes could be around $20 million based on current expectations around profitability, mainly against profit generated in the Coalitions business. Restructuring expenses (which are now expected to total between $15 million and $20 million) and payments (which are now expected to total between $20 million and $25 million) are also excluded from the guidance.

See "Forward-Looking Statements" below regarding assumptions underlying the above guidance and risks related thereto.

Dividends

Based on restrictions currently in place under the *Canada Business Corporations Act* and the company's credit facility agreement, as amended, the company believes that it will not be in a position to declare or pay dividends in 2018. However, it will continue to assess its ability to declare and pay dividends on its outstanding preferred shares on a quarterly basis.

Quarterly Conference Call and Audio Webcast Information

Aimia will host a conference call to discuss its third quarter 2018 financial results at 8:30 a.m. EST today (Wednesday, November 14, 2018). The call will be webcast at: https://event.on24.com/wcc/r/1652774/E61A064CBA4500BD30D54A4B33984C6E

Analysts intending to ask questions can dial into the call at 1-888-231-8191 (647-427-7450 for the Toronto area).

A slide presentation intended for simultaneous viewing with the conference call is available at: https://www.aimia.com/investors/presentations/ and an archived audio webcast will be available at: https://www.aimia.com/investors/events/ for 90 days following the original broadcast.

This quarterly earnings release was reviewed by Aimia's Audit Committee and was approved by the company's Board of Directors, on the Audit Committee's recommendation, prior to its release.

Notes

1. Non-GAAP financial measures (Adjusted EBITDA, ROIC, Adjusted Net Earnings per common share, Free Cash Flow before Dividends Paid and Free Cash Flow before Dividends Paid per Common Share) and constant currency are explained in the section entitled "Non-GAAP Financial Measures".

2. Continuing operations refers to consolidated results (i.e. excluding discontinued operations). Like-for-like variances are calculated on the basis of 2017 consolidated results excluding "Other Businesses", as set out in the table below.

3. ROIC for the twelve-month period ended September 30, 2017 includes the unfavourable impact of the onerous contract provision of $14.9 million, net of an income tax recovery of $5.4 million, calculated on the basis of the Canadian statutory tax rate in effect during the period.

4. Net Loss, Loss from continuing operations per Common Share and Adjusted Net Earnings from continuing operations per Common Share for the three months ended September 30, 2017 include the loss of $19.9 million on the disposal of the Canadian Air Miles trademarks and a related net income tax expense of $1.2 million.

Appendix

The table below for the three months ending September 30, 2018, sets out financial metrics and reconciliations along with year-on-year variances on the basis of the Consolidated results excluding the 2017 results of "Other Businesses" as defined in the company's MD&A:

	Three Months Ended September 30,								
	Coalitions		**ILS**		**Consolidated**				
	2018	**2017**	**2018**	**2017**	**2018**	**2017**	**2017 (excl. Other Businesses) (1)**	**YoY %**	**YoY % (excl. Other Businesses)(1)**
Gross Billings	**323.7**	**336.5**	**39.5**	**42.6**	**362.8**	**380.4**	**378.7**	**-4.6%**	**-4.2%**
Total revenue	338.9	313.7	34.2	35.5	372.7	350.5	348.8	6.3%	6.9%
Cost of rewards and direct costs	214.0	198.7	4.3	3.1	218.1	201.8	201.8	8.1%	8.1%
Total operating expenses	**66.3**	**75.7**	**35.7**	**41.0**	**101.8**	**117.2**	**116.3**	**-13.1%**	**-12.5%**
Total operating expenses before restructuring	65.8	67.5	35.2	39.2	100.8	107.1	106.3	-5.9%	-5.2%
Adjusted EBITDA	62.7	59.2	(7.2)	(8.7)	55.5	51.3	50.5	8.2%	9.9%
Adjusted EBITDA margin %	19.4%	17.6%	-18.2%	-20.4%	15.3%	13.5%	13.3%	1.8 pp	2.0 pp
Adjusted EBITDA before restructuring	**63.2**	**67.4**	**(6.7)**	**(6.9)**	**56.5**	**61.4**	**60.5**	**-8.0%**	**-6.6%**
Adjusted EBITDA margin % (before restructuring)	**19.5%**	**20.0%**	**-17.0%**	**-16.2%**	**15.6%**	**16.1%**	**16.0%**	**-0.5 pp**	**-0.4 pp**
Included in Adjusted EBITDA:									
Change in									

Future Redemption Costs	14.8	(7.1)	(0.7)	0.4	14.1	(6.7)	(6.7)	**	**
Cost of rewards recorded against deferred revenue	-	-	(6.9)	(7.6)	(6.9)	(7.6)	(7.6)	**	**
Distributions from equity-accounted investments	4.5	4.2	0.9	-	5.4	4.2	4.2	28.6%	28.6%
Free Cash Flow before Dividends Paid (continuing operations)					**37.5**	**28.8**	**28.1**	**30.2%**	**33.5%**
Free Cash Flow before Dividends Paid (continuing operations) (before restructuring and taxes)					40.9	36.4	34.9	12.4%	17.2%
Restructuring expenses - divisional structure	0.5	8.2	0.5	1.8	1.0	10.1	10.0	**	**
Restructuring payments - divisional structure					4.1	6.7	6.7	**	**
Taxes paid (received)					(0.7)	0.9	0.1	**	**

** Information not meaningful

(1) Consolidated results less Other Businesses. Other Businesses include the results of the U.S. Channel and Employee Loyalty ("CEL") business, the New Zealand business and the royalty revenue related to the Canadian Air Miles trademarks, until their respective disposals.

HIGHLIGHTS [1]	**Nine Months Ended September 30,**			
(in millions of Canadian dollars, except per share amounts)	**2018**	**2017**	**YoY % Change**	**YoY % Constant Currency (C.C.)**
Continuing operations				
Gross Billings	**1,087.7**	1,171.0	(7.1)	(7.1)
Total Revenue	**1,154.1**	1,114.2	3.6	3.6
Operating Loss[3][4]	**(1.5)**	(54.4)	97.2	98.3
Adjusted EBITDA[4]	**163.1**	123.7	31.9	32.1
Net Earnings (Loss) from Continuing operations[3][4][6][8][9]	**46.6**	(68.7)	**	**
ROIC[5]	**7.9%**	5.1%	2.8 pp	**
Consolidated (unless otherwise noted)				
Net Earnings (loss)[3][4][6][7][8][9]	**54.2**	(55.8)	**	**
Earnings (loss) per Common Share - Continuing operations[3][4][6][8][9]	**0.22**	(0.53)	**	**
Earnings per Common Share - Discontinued operations[7]	**0.05**	0.08	(37.5)	**
Adjusted Net Earnings per Common Share - Continuing operations[4][6][8][9]	**0.90**	0.26	**	**
Adjusted Net Earnings per Common Share - Discontinued operations[7]	**0.05**	0.21	(76.2)	**
Cash from Operating Activities[10]	**116.8**	118.3	(1.3)	**
Free Cash Flow before Dividends Paid[10]	**97.9**	82.2	19.1	**
Free Cash Flow before Dividends Paid per Common Share[10]	**0.64**	0.51	25.5	**

**Information not meaningful

Notes

1. Non-GAAP financial measures (Adjusted EBITDA, ROIC, Adjusted Net Earnings per common share, Free Cash Flow before Dividends Paid and Free Cash Flow before Dividends Paid per Common Share) and constant currency are explained in the section entitled "Non-GAAP Financial Measures".

2. Continuing operations refers to consolidated results (i.e. excluding discontinued operations).

3. Operating Loss, Net Earnings and Earnings from continuing operations per Common Share for the nine months endedSeptember 30, 2018 include an impairment charge of$8.0 million related to the International ISS business.

4. Operating Loss, Adjusted EBITDA, Net Loss, Loss from continuing operations per Common Share and Adjusted Net Earnings from continuing operations per Common Share for the nine months ended September 30, 2017 include the unfavourable impact of the onerous contract provision of $20.3 million related to an IT outsourcing arrangement in the US.

5. ROIC for the twelve-month period ended September 30, 2017 includes the unfavourable impact of the onerous contract provision of $14.9 million, net of an income tax recovery of$5.4 million, calculated on the basis of the Canadian statutory tax rate in effect during the period.

6. Net Earnings, Earnings from continuing operations per Common Share and Adjusted Net Earnings from continuing operations per Common Share for the nine months ended September 30, 2018 include the unfavourable impact of the reversal of the contingent

consideration receivable related to the sale of the Canadian Air Miles trademarks of $5.3 million as well as an income tax recovery of$1.3 million.

7. Net Earnings, Earnings from discontinued operations per Common Share and Adjusted Net Earnings from discontinued operations per Common Share for the nine months ended September 30, 2018 include the impact of the gain of$5.4 million on the disposal of the Nectar Program and related assets.

8. Net Loss, Loss from continuing operations per Common Share and Adjusted Net Earnings from continuing operations per Common Share for the nine months ended September 30, 2017 include the gain on the disposal of the U.S. CEL Business of$5.4 million and the fair value gain on the convertible notes of Cardlytics of $7.7 million.

9. Net Loss, Loss from continuing operations per Common Share and Adjusted Net Earnings from continuing operations per Common Share for the nine months ended September 30, 2017 include the loss of$19.9 million on the disposal of the Canadian Air Miles trademarks and a related net income tax expense of $1.2 million.

10. Cash from Operating Activities, Free Cash Flow before Dividends Paid and Free Cash Flow before Dividends Paid per Common Share for the nine months ended September 30, 2018 include a rent prepayment of$11.8 million related to a London office space. The prepayment covers the period from February 2018 to December 2019.

About Aimia

Aimia Inc.'s (TSX:AIM) data-driven marketing and loyalty analytics provides clients with the customer insights they need to make smarter business decisions and build relevant, rewarding and long-term one-to-one relationships, evolving the value exchange to the mutual benefit of both our clients and consumers.

Aimia partners with groups of companies and individual companies to help generate, collect and analyze customer data and build actionable insights.

Our businesses include Aeroplan in Canada and Air Miles Middle East. The provision of loyalty strategy, program development, implementation and management services for other clients are underpinned by leading products and technology platforms such as the Aimia Loyalty Platform – Enterprise and Aimia Loyalty Platform – SaaS, and through our analytics and insights business, including Intelligent Shopper Solutions. In other markets, we own stakes in loyalty programs, such as Club Premier in Mexico and Think Big, a partnership with Air Asia and Tune Group. Our clients are diverse, and we have industry-leading expertise in the fast-moving consumer goods, retail, financial services, and travel and airline industries globally to deliver against their unique needs.

For more information about Aimia, visit www.aimia.com.

Non-GAAP Financial Measures

Aimia uses the following non-GAAP financial measures which it believes provides investors and analysts with additional information to better understand results as well as assess its potential. GAAP means generally accepted accounting principles in Canada and represents

International Financial Reporting Standards ("IFRS"). Please refer to the MD&A on pages 7 to 11 for a complete definition on all non-GAAP financial measures and page 18 for a reconciliation of non-GAAP financial measures to GAAP.

Adjusted EBITDA

Adjusted EBITDA is not a measurement based on GAAP, is not considered an alternative to operating income or net earnings in measuring performance, and is not comparable to similar measures used by other issuers. We do not believe that Adjusted EBITDA has an appropriate directly comparable GAAP measure. As an alternative, we do however provide a reconciliation to operating income on page 18 of the Management Discussion & Analysis (MD&A) for the three and nine months ended September 30, 2018. Adjusted EBITDA is used by management to evaluate performance, and to measure compliance with debt covenants. Management believes Adjusted EBITDA assists investors in comparing the company'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. Unless otherwise noted, Adjusted EBITDA for the current and comparable periods exclude the results of discontinued operations.*

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 the business, such as changes in deferred revenue and Future Redemption Costs. Adjusted EBITDA also includes distributions and dividends received or receivable from equity-accounted investments. Adjusted EBITDA should not be used as an exclusive measure of cash flow because it does not account for the impact of working capital growth, capital expenditures, debt repayments and other sources and uses of cash, which are disclosed in the statements of cash flows.

Return on Invested Capital

Return on invested capital ("ROIC") is not a measurement based on GAAP and is not comparable to similar measures used by other issuers. ROIC is used by management to assess the efficiency with which it allocates its capital to generate returns.

ROIC is calculated as adjusted operating income after taxes expressed as a percentage of the average invested capital. Adjusted operating income after taxes and invested capital exclude the effect of discontinued operations. Adjusted operating income after taxes is Adjusted EBITDA less depreciation and amortization, tax effected at the Canadian statutory rate, on a rolling twelve-month basis. A description of Adjusted EBITDA as well as its reconciliation to operating income is presented in the preceding section. Invested capital is the sum of net equity (calculated as total equity less net assets of discontinued operations), deferred revenue margin related to continuing operations (calculated as deferred revenue less future redemption cost liability, tax effected at the Canadian statutory rate), accumulated amortization of Accumulation Partners' contracts and customer relationships related to continuing operations, and net debt (calculated as long-term debt, including the current portion, less cash and cash equivalents), averaged between the beginning and ending balance over a rolling twelve-month period.

Adjusted Net Earnings

Adjusted Net Earnings 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.

Adjusted Net Earnings provides a measurement of profitability calculated on a basis consistent with Adjusted EBITDA. Net earnings attributable to equity holders of the company are adjusted to exclude Amortization of Accumulation Partners' contracts, customer relationships and technology, share of net earnings (loss) of equity accounted investments and impairment charges related to nonfinancial assets. Adjusted Net Earnings includes the Change in deferred revenue and Change in Future Redemption Costs, net of the income tax effect and non-controlling interest effect (where applicable) on these items at an entity level basis. Adjusted Net Earnings also includes distributions and dividends received or receivable from equity-accounted investments.

Adjusted Net Earnings per Common Share

Adjusted Net Earnings per Common Share is not a measurement based on GAAP, is not considered an alternative to Net Earnings per Common Share in measuring profitability per Common Share and is not comparable to similar measures used by other issuers. Adjusted Net Earnings per common share is presented for both continuing and discontinued operations.

Adjusted Net Earnings per Common Share provides a measurement of profitability per Common Share on a basis consistent with Adjusted Net Earnings. Calculated as Adjusted Net Earnings less dividends declared on preferred shares and cumulative undeclared dividends on preferred shares in the period divided by the number of weighted average number of basic and diluted common shares.

Free Cash Flow, Free Cash Flow before Dividends Paid and Free Cash Flow before Dividends paid per Common Share

Free Cash Flow and Free Cash Flow before Dividends Paid are non-GAAP measures 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, as reported in accordance with GAAP, less adjustments for: (a) total capital expenditures as reported in accordance with GAAP; and (b) dividends paid.

Free Cash Flow before Dividends Paid is defined as cash flows from operating activities as reported in accordance with GAAP, less capital expenditures as reported in accordance with GAAP.

Free Cash Flow before Dividends Paid per Common Share is a measurement of cash flow generated from operations on a per share basis. It is calculated as follows: Free Cash Flow before Dividends Paid minus dividends paid on preferred shares and non-controlling interests over the weighted average number of common shares outstanding.

Reconciliation to GAAP

For a reconciliation of the above Non-GAAP financial measures to GAAP, please refer to page 18 of the Management Discussion & Analysis for the three and nine months ended September 30, 2018.

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 ILS segment operates under varying foreign currencies.

Forward-Looking Statements

Forward-looking statements are included in this news release. These forward-looking statements are typically identified by the use of terms such as "outlook", "guidance", "target", "forecast", "assumption" and other similar expressions or future or conditional terms such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will", "would", and "should". Such statements may involve but are not limited to comments with respect to strategies, expectations, planned operations or future actions.

The above guidance (including Gross Billings, Adjusted EBITDA margin and Free Cash Flow before Dividends Paid) constitutes forward-looking statements. Aimia made a number of economic and market assumptions in preparing its above guidance as well as assumptions regarding currencies and the performance of the economies in which the company operates and market competition and tax laws applicable to the company's operations. The company cautions that the assumptions used to prepare the above guidance, although reasonable at the time they were made, may prove to be incorrect or inaccurate. In addition, the above guidance does not reflect the potential impact of any non-recurring or other special items or of any new material commercial agreements, dispositions, mergers, acquisitions, other business combinations or other transactions that may be announced or that may occur after November 14, 2018. The financial impact of these transactions and non-recurring and other special items can be complex and depends on the facts particular to each of them. We therefore cannot describe the expected impact in a meaningful way or in the same way we presently know about the risks affecting our business. Accordingly, our actual results could differ materially from our expectations as set forth in this news release.

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, the likelihood of definitive agreements relating to our proposed sale of Aimia Canada Inc. being entered into and, if signed, the likelihood of such a transaction being completed, dependency on significant Accumulation Partners and clients, reliance on Redemption Partners, greater than expected redemptions for rewards, unfunded future redemption costs, supply and capacity costs, regulatory matters, failure to safeguard databases, cyber security and consumer privacy, retail market/economic conditions, industry competition, Air Canada liquidity issues or air travel industry disruption, airline industry changes and increased airline costs, changes to coalition loyalty programs, seasonal nature of the business, other factors and prior performance, reliance on key personnel, legal proceedings, foreign operations, labour relations, pension liability, technological *disruptions, inability to use third-party software and outsourcing, failure to protect intellectual property rights, conflicts of interest, leverage and restrictive covenants in current and future indebtedness, uncertainty of dividend declarations and/or payments on either common shares or preferred shares, interest rate and currency fluctuations, credit ratings, audit by tax authorities, as well as the other factors identified 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 ofNovember 14, 2018, 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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