AIMIA INC.

THIRD QUARTER 2020

RESULTS CONFERENCE CALL

NOVEMEBER 11, 2020

DISCLAIMER

CAUTION REGARDING FORWARD LOOKING INFORMATION

Forward-looking statements are included in this transcript. 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, risks and uncertainties to Aimia's investment in PLM arising from Aeromexico's Chapter 11 filings, failure to realize the anticipated benefits from the transactions with Kognitiv and/or Mittleman Brothers or from other investments, 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 transcript 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 November 11, 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.

Aimia Inc.

Third Quarter 2020 Results Conference Call

Event Date/Time: November 11, 2020 — 8:30 a.m. E.T.

Length: 36 minutes

CORPORATE PARTICIPANTS

Tom Tran
Aimia Inc. — Director, Investor Relations

Phil Mittleman
Aimia Inc. — Chief Executive Officer

Michael Lehmann
Aimia Inc. — President

Steve Leonard
Aimia Inc. — Chief Financial Officer

CONFERENCE CALL PARTICIPANTS

Brian Morrison
TD Securities — Analyst

Ryan Gunning
Jefferies — Analyst

Drew McReynolds
RBC — Analyst

PRESENTATION

Operator

Ladies and gentlemen, thank you for standing by and welcome to the Aimia Inc. Third Quarter 2020 Results Conference Call. At this time, all participants are in a listen-only mode.

And after the speakers' presentation, there will be a question-and-answer session. To ask a question during the session, you'll need to press *, 1 on your telephone. If you require any further assistance, please press the *, 0.

I'd now like to hand the conference over to your speaker today, Tom Tran, Head of Investor Relations. Please go ahead, sir.

Tom Tran — Director, Investor Relations, Aimia Inc.

Thank you, James, and welcome, everyone, to this morning's call. Today's presentation is available on SEDAR and will be available on our website.

Before we get underway, I would like to remind everyone to review our forward-looking statements and the cautions and risk factors pertaining to the statements.

With me on the call today are speakers Phil Mittleman, Aimia's CEO; Michael Lehmann, our President; and Steve Leonard, our CFO. Phil will begin with our strategic highlights, followed by Michael, who will cover the performance of our investments before handing the call over to Steve to take you through the results of the quarter. We will have time for your questions at the end.

With that, let me hand it over to Phil.

Phil Mittleman — Chief Executive Officer, Aimia Inc.

Thanks, Tom, and good morning, everyone. I'm excited to share the continued progress that we've made at the company, including several new opportunities to drive future growth.

Starting with our strategic highlights. Aimia's expenses were down 16 percent over last year to $9 million. Corporate expenses were $3 million, excluding expenses associated with stock-based compensation, contingent consideration, currency translation, and depreciation and amortization. We remain on track to achieving an annualized corporate expenses of $15 million, or $12 million on a cash basis, with further savings being evaluated.

Despite the COVID-induced crisis impacting our airline-based loyalty investments, PLM continues to demonstrate signs of recovery and generated $9 million of positive operating cash flow in the quarter.

BIGLIFE has rebranded its loyalty program and has been focusing on expanding its earn-and-redemption ecosystem, while transforming its loyalty points into a universal digital currency to make it more accessible for members.

Kognitiv is making business progress and remains on track to achieving substantial cost synergies and is positioned to achieve its positive EBITDA and cash flow targets during 2021. Mike will cover these in greater detail later in his remarks.

Clear Media continues to make progress towards its privatization. Recently, its board appointed non-executive directors from Ant Group and JCDecaux, both of which are part of the investor consortium.

Since we made our investments, China's economy has experienced a rapid recovery. We believe these positive economic trends bode well for outdoor advertising sales in China.

Aimia repurchased 1.4 million of its common shares under its NCIB during the quarter, bringing year-to-date repurchases to 3 million shares. We believe Aimia's stock is undervalued and opportunistic buybacks provide a significant return to stakeholders. The company has repurchased over 40 percent of its outstanding shares over the past 21 months, with over 1 million shares of insider buying since the board was reconstituted.

As announced last quarter, $67 million held in restricted cash and $2 million held in escrow related to the Aeroplan transaction were released to Aimia. In addition, we are in a notice of objection process to recover $33 million related to an Aeroplan tax assessment.

Moving on to our new investments. Subsequent to the end of the quarter, we acquired approximately 481,000 shares for $10.5 million in JCDecaux, a global leader in outdoor advertising and a member of the Clear Media investment consortium.

JCDecaux represents an attractive investment for Aimia's stakeholders. While its business is experiencing a COVID-related slowdown, JCDecaux is a well-capitalized, well-managed global leader in the outdoor advertising space, with exciting future growth opportunities.

We also committed $6.7 million to a special-purpose vehicle created to pursue a leveraged buyout of a target currently trading at a significant discount to intrinsic value. The investment agreement provides Aimia an option to acquire a stake of up to 25 percent in the target upon the successful consummation of the planned LBO. At this time, half of the $6.7 million commitment has been funded.

Lastly, we acquired 4.2 million shares for $9.2 million in Village Roadshow Limited, the largest owner and operator of theme parks and one of the largest cinema operators across Australia with a long-term history of profitability and dividends. The company is currently trading at a very attractive valuation and is in the midst of a takeover bid.

We believe these new investments have the potential to provide meaningful net asset value growth in the near and long term for Aimia's stakeholders.

Finally, let me spend a moment to provide you an update on our progress with Aeroméxico and PLM. We are encouraged to see the significant progress made by Aeroméxico during the Chapter 11 process to implement the restructuring that is expected to provide the airline with the ability to cut costs and raise additional liquidity, including the recently announced court approval of a DIP financing facility of up to US$1 billion led by Apollo. We believe Aeroméxico will emerge from Chapter 11 as a much stronger airline and thus further strengthen the PLM loyalty program.

Aimia has been working closely with Aeroméxico, PLM, and Apollo throughout the Aeroméxico bankruptcy process, and the parties are progressing toward the formal assumption by Aeroméxico of its agreements with PLM. The CPSA, as recently amended, is being honoured during the bankruptcy process, and we expect Aimia's and PLM's agreement with Aeroméxico to remain intact following their formal assumption. This includes a 20-year CPSA extension between PLM and Aeroméxico, as well as the option for Aeroméxico to acquire Aimia's stake in PLM for US$400 million or 7.5 times EBITDA, whichever is greater, and adjusted for net cash on the balance sheet.

Loyalty programs are coveted, valuable assets, as evidenced by the recent financing transactions involving United and Delta. As the airlines continue their recovery, we expect distributions from PLM to Aimia will resume in 2021, and we'll have more information for you when we report our fourth quarter results. We look forward to sharing more of our progress with you as soon as we can.

And with that, let me turn the floor over to Mike to provide you some further updates on our investment portfolio. Mike?

Michael Lehmann — President, Aimia Inc.

Great. Thanks, Phil, and good morning to everyone. Let's kick off our discussion with PLM, where I'll be speaking to the operating performance in USD, which is PLM's functional currency.

PLM's member base was up 4 percent over last year to 6.9 million enrolled members in the third quarter. While gross billings were down 63 percent over last year to $26 million in the third quarter due to COVID-19, gross billings were up 30 percent over last quarter, driven by growth from airline and banking partners.

Revenues were down 58 percent compared to last year to $27 million but were up $15 million over last quarter due to increased redemption volume. Redemption mix has also begun to normalize in the third quarter with a greater proportion of air rewards being redeemed relative to non-air rewards.

Adjusted EBITDA was $10 million and free cash flow was positive $6 million in the third quarter, growing the cash balance to $48 million compared to last quarter. While the improvement over second quarter is a positive sign, we expect PLM to continue to be negatively impacted by COVID. As such, we do not expect any distributions from PLM in the fourth quarter. However, as we expect the impact of COVID to be temporary and the business returns to healthier results, we expect distributions to Aimia will resume in 2021 calendar year.

Similar to PLM, BIGLIFE's financial results are also affected by the tough operating environment in Asia due to the pandemic, which drove lower accumulation redemption volumes in the third quarter. AirAsia Berhad, the core airline partner, which operates the short-haul Southeast Asian market, has continued to see a recovery in air travel with its reported third quarter results demonstrating sequential quarter-over-quarter growth in passengers carried from Malaysia, India, and Thailand.

Airasia.com was recently launched under a brand-new identity as a Asean's super app to provide its members with the ability to fly, shop, and dine from an expanded reward offering across lifestyle, travel, and financial services categories, all at the convenience from one app.

The repositioning of airasia.com is another step toward the digital transformation and collaboration of AirAsia and the BIGLIFE ecosystem. BIGLIFE has over 25 million enrolled and approximately 7 million active members. The program is leveraging this membership base and data to deliver attractive values to its members and commercial partners using BIG points as a universal digital currency to facilitate transactions. We see significant upside potential for BIGLIFE, and we're continuing to explore opportunities to maximize the value of this unique investment.

Moving on to Kognitiv. In the third quarter, revenues were $25 million and adjusted EBITDA was a loss of $6 million for the merged businesses. Kognitiv is making significant progress with new and existing clients. It has won new clients with a grocery retail program in the Middle East and a real estate investment business in North America involving strategic consulting and loyalty program design, as well as the sale of loyalty platforms and related managed services.

Also, it won new business with an existing multinational CPG client to support a multi-brand program launched across the client's portfolio in the US, with further plans for expansion globally. It also launched a coalition program with a major Asian conglomerate covering grocery, health and beauty, and food and beverage. These business wins underscore the tremendous potential business synergies made possible by the complementary merger of Kognitiv and Aimia Loyalty Solutions.

While the operating businesses integrate and align their go-to-market models and opportunities, we also expect to achieve significant cost savings before the end of 2021 through synergies.

And finally, moving on to Clear Media. The privatization of Clear Media continues, led by its consortium of investors, including the company's current CEO, JCDecaux, and Jack Ma's Ant Group. We expect the management team to execute on its growth-oriented plan to digitize commercial panels, with a goal of attracting new advertising revenue streams.

The privatization process has been happening against a favourable backdrop in China, which has seen a rapid recovery in its economy. Consumer spend continues to recover in China following the gradual loosening of COVID-19 restrictions, with recent retail sales showing consecutive months of year-over-year improvement. We anticipate, as businesses become more confident in Chinese consumer spending, they'll likely become more engaged on the marketing and advertising front as well.

And with that, let me turn it over to Steve to take you through the financial results. Steve?

Steve Leonard — Chief Financial Officer, Aimia Inc.

Thank you, Michael. Let's begin by covering the consolidated results before we move to the segment performance.

In the third quarter, income was negative $1.1 million as the unfavourable foreign exchange impact on the fair value of Clear Media and a small net loss from equity-accounted investments more than offset interest income and investment management fees.

Reported expenses were $8.8 million, down 16 percent compared to last year, due to actions taken this year to downsize the corporate team and reduce other corporate costs.

Within investments and holding segment, expenses were $8.3 million, down from $10.5 million in the same quarter last year. Excluding stock-based compensation of $2.5 million, a foreign exchange loss of $2 million, contingent consideration of $0.7 million, and depreciation and amortization of $0.1 million, corporate expenses on a cash basis were $3 million this quarter, on track with the company's operating cash expense run rate target of $12 million annually.

Within the investment management segment, management fee revenue was $0.4 million and loss before income taxes was negative $0.1 million. Assets under management were US$150 million as of September 30, 2020.

Moving on to cover the major cash movements for the quarter. We ended the third quarter with total cash balance of $173 million, down $18 million from the $191 million last quarter. The main movements in cash this quarter compared to last quarter were, as noted earlier, the $3 million in corporate cash costs. We repurchased 1.4 million common shares for cash consideration of $4.5 million under the NCIB this quarter, with approximately 4 million more shares remaining available to be purchased. We had transaction costs of $1.5 million. We paid preferred dividends of $3.2 million and income tax of $1.7 million. Most of that was related to Part VI tax. And we paid $1.7 million in refundable sales tax that will be recovered in Q4.

Subsequent to the end of the quarter, we also made an investment in JCDecaux for $10.5 million; an investment in Village Roadshow for $9.2 million; and we have an initial commitment of $6.7 million in a special-purpose vehicle, of which half has been funded; and we expect to receive around $5 million in cash related to the Kognitiv closing working capital, taking pro forma cash to approximately $155 million.

And with that, let me turn it over now to Phil to wrap up with a few concluding remarks. Phil?

Phil Mittleman

Thanks, Steve. This is an exciting time for Aimia. 2020 has been a year of significant positive change, and we have been moving at a rapid pace to create stakeholder value. You've seen our continued cost-cutting efforts, our extension with PLM, and the significant progress made towards the assumption of the PLM agreements by Aeroméxico during the bankruptcy process. Kognitiv continues to perform well with contract wins from new and existing clients, and we are very excited about the future of this unique technology asset.

Clear Media's privatization process is proceeding as expected as China's economy rebounds. We made a new investment in JCDecaux, the worldwide leader in outdoor advertising. We invested in a special-purpose vehicle to pursue an LBO and made an investment in Village Roadshow.

We have seen insider buying of over 1 million shares as part of what is now a 10 percent ownership stake at the board level, as well as the opportunistic repurchase of over 40 percent of the outstanding shares by the company over the past 21 months. These actions demonstrate our unwavering commitment to creating lasting stakeholder value.

So with that, we'll turn it over to your questions. Operator, please go ahead.

Q&A

Operator

At this time, I'd like to remind everyone, in order to ask a question, please press *, followed by the number 1 on your telephone keypad. And we'll pause for a moment while we compile the Q&A roster.

Our first question comes from the line of Brian Morrison with TD Securities. Go ahead, please. Your line is open.

Brian Morrison — TD Securities

Thank you. Good morning. First question, Michael, Phil, can you just maybe go into a little bit more detail on the talks of progression with PLM? Maybe ballpark the potential timing for assumption of the contract? And then I think you said this in your prepared remarks, but can you confirm that we expect to see no changes to the CPSA or the economics of the program? Clearly, if you're expecting PLM dividends to resume in 2021, there's been some meaningful steps forward here.

Phil Mittleman

Sure. Hey, Brian. Thanks for the questions. The bankruptcy process is complicated. There's a lot of moving parts and there's kind of a prioritization that takes place along the way. We've always been very confident with our position. Our asset being secured has always made us kind of bankruptcy-remote in terms of where the asset stands.

So we have had a lot of progress there on the legal front, and while we can't get into details in terms of exactly what's happened, we're very confident with where we are in our position in the bankruptcy. We expect, while you can't control the timing of how the process goes, we're hoping that we are formally assumed by the end of the year. And we would expect no change to the economics of the contract and the contract to be honoured as it stands today.

Brian Morrison

Okay. That's helpful. Second question. These post-quarter investments. It looks like the two pubcos are pandemic relief plays. If I'm correct, I think they're up 20 to 30 percent already. Can you just confirm the rationale behind those investments? And that, maybe more importantly, in my view, any details on the LBO target by sector and the cash exposure that would take you to 25 percent equity ownership? That would be appreciated.

Phil Mittleman

Sure. I think you're right about the investments we made in JCDecaux. We did a lot of due diligence on Clear Media, and in the process of doing that due diligence, we learned that JCDecaux is really just an outstanding leader in the space and an incredible partner to have. And so we looked at their business, and they had been, their stock had been, we thought, unduly punished for COVID. So we saw a great opportunity there.

We purchased our stake at around €14 and it's trading at around €19, so we have a nice gain there. They had temporarily suspended their dividend as well. So we would expect that to resume at some point in the future, so we think that'll be a dividend-paying asset. We see a lot of upside there and we're very excited about that.

VRL, Village Roadshow, I can't comment on too much because they're in the midst of a takeover situation right now. There's an offer on the table. We think that the current offer significantly undervalues the company, and we're confident that this should also yield a significant return for Aimia's stakeholders.

So I think those two are very exciting for us. So I think there was—did you have a third question in there too?

Brian Morrison

Yeah. Sorry. The follow-up was on the LBO target.

Phil Mittleman

Oh, sorry. Yeah.

Brian Morrison

Maybe colour by sector. And then the cash exposure to take you up to 25 percent.

Phil Mittleman

Sure. Yeah. We can't comment on the target. We can say that it's—I'll tell you, it's a different sector than we're involved in today, a new sector. It's a company with a 60-year track record of generating strong earnings and free cash flow.

The amount of cash commitment is going to vary based on the leverage ratio it ultimately—and the price, obviously. So I think that I can tell you that we will not commit more than $50 million of our cash to that transaction.

Michael Lehmann

Let me just jump in for a quick sec on, particularly the last. As Phil said, it's too early to give any details; we're in the midst of discussions. But this is a great business. It's a very consistent generator of free cash flow. It's got nice growth. So it's a very attractive model to LBO, MBO.

And like many of Aimia's assets, they're very unique assets and they are not easily replaceable. So this is not something that we can blink and have business and cash flow just run away. This is very, very highly defensible. There's a nice business moat around the business. So it's a great candidate to focus on what we're doing there.

Just two other comments about JCDecaux. While we were doing additional work on the out-of-home market subsequent to the Clear Media investment, we were extremely impressed with JCDecaux's assets and their ability to generate cash flow. You can see it; it's all public documents. Right? They were clearly affected by COVID fears, and as that continued to whittle away at the equity value of JCD, we became more and more interested.

Maybe taking the discussion up just a half a level, we continue to be focused on, at AIMIA, investing in long-term, cash-generating assets. We would love to own a majority stake, possibly all of a company, to further capitalize on our tax loss assets. But during the interim, as we continue to shop and look for those business, as there are opportunities to earn above-average rates of return, risk-adjusted rates of return for our stakeholders, we'll continue to do that.

So, oh, and the last point on Village Roadshow. The quality of these assets are not in question. They got caught in a bad place due to the pandemic. As Phil mentioned, the company is the target of a take-under bid, one that materially undervalues the assets and the long-term potential that that business has. So we're going to continue moving forward with all three of these investments. Two of them are certainly kind of COVID related. The SPV really is not.

But remember, there's kind of a bear market somewhere in the world all the time. All right? And we're going to find ideas and investments to first take a look at and run through our analysis and evaluate if it hits our 15 percent target or not. And if so, we could dip our toe in and make an investment. And who knows? Maybe either JCDecaux or Village Roadshow become a longer-term investment also. You never know until you really get involved.

So they're terrific opportunities now and we see a lot of growth opportunity going forward.

Brian Morrison

Michael, thanks for that colour. Just one follow-up on that. Just in terms of the LBO target, can you give us maybe the geographic segment? And would you potentially be able to utilize tax losses on that asset?

Michael Lehmann

We'd prefer not to focus on the geography right now. So sorry about that.

The ownership of 25 percent in the future, that is a goal—that was put in place as a goal to or a tool to help utilize tax losses. Yes.

Brian Morrison

Thanks very much for the colour.

Phil Mittleman

Yeah, Brian. Just one thing to add. Some people might confuse us with a SPAC. This is not a SPAC. This is an SPV. So we're actually out there acquiring the shares in the open market as we speak, which is another reason why we're kind of keeping that close to the vest.

Brian Morrison

I appreciate that.

Phil Mittleman

Thanks, Brian.

Operator

And again, as a reminder, if you'd like to ask a question, please press * followed by the number 1 on your telephone keypad.

Our next question comes from the line of Hamza Mazari from Jefferies. Go ahead, please. Your line is open.

Ryan Gunning — Jefferies

Hey, guys. This is Ryan Gunning on for Hamza. Just kind of following up on the last question, and you gave good colour already just on your current investments. But could you provide a little bit more of an update just in terms of potential opportunities in the US to utilize those tax losses?

Phil Mittleman

Thanks. Yeah. Hey, Ryan. Yeah. We have a very strong pipeline of potential deals. We obviously want to tap those US NOLs, but the opportunity sets, we can't really control when the opportunity falls on our desk. And so we're taking them as they come.

We anticipate utilizing those NOLs, and I can't give you any further colour other than to say it's definitely high on our list of things we'd like to do. But in the meantime, the opportunities that we've taken advantage of have been fantastic, and we are always looking and are prepared to facilitate something in the US that can tap those NOLs.

So that doesn't give you the answer you want except to say that we are aggressively searching for something in that that would utilize those NOLs.

Ryan Gunning

Got it. That makes sense. And then just a follow-up regarding Clear Media. Just wondering if the recent blocking of Ant's IPO, is that causing any delays in terms of like the privatization or anything like that? Or causing any of the other type hang-ups?

Phil Mittleman

No. If you've followed it in more detail, I guess, the Ant Financial delay was really more involved with their lending services and something really completely unrelated to their minority investment in Clear Media. So it's not affecting us. It has nothing to do with us, and we don't anticipate it will have any effect on Clear Media.

Ryan Gunning

Got it. Thank you.

Michael Lehmann

Thanks, Ryan.

Operator

Our next question comes from the line of Drew McReynolds with RBC. Go ahead, please. Your line is open.

Drew McReynolds — RBC

Yeah. Thanks very much. Good morning. Back on PLM, maybe for you, Phil, on the distributions expected in 2021. Is there a kind of performance measure here of PLM per se? Or is it really a matter of formalizing agreements and getting some of that cash kind of released regardless of really the P&L performance of PLM specifically?

And then just a follow-up on Kognitiv. Nice to see all the incremental disclosure, by the way, as we go by here. To what extent thematically has Kognitiv been impacted by the collapse of leisure and travel through COVID here, just as we kind of look at the numbers that have been disclosed?

Phil Mittleman

Sure. I think, with regard to PLM, as we mentioned, they've honoured their agreements to the tee throughout this process. So the actual assumption of the agreement is a formality because we've actually—it's not like that's going to change the economics of that contract.

You've seen in the quarter how well the company performs. I mean, this is the depths of COVID and generating a lot of free cash. So it really underscores how great these businesses are.

I think that our anticipation to see dividends resume in 2021 is a function of what you can see as their current performance. And then I think you can extrapolate that the airline is recovering. And as that recovery continues, that performance should improve.

So I think for us, our goal is to have PLM's distributions and any other types of cash flow we can generate, at the very least, take our cash flow at the holdco to neutral. You've seen this year alone, we made about $11 million or $12 million so far in these smaller open-market plays. So those are a welcome additional to cash during years when you had like we had this year where obviously PLM's dividends were a little lower. So we don't see any need to have—it's really the status quo that we think will take us back to strong dividends from PLM.

In terms of Kognitiv, I think it's only because COVID has been obviously a horrible thing for the economy and for a lot of companies, but it has brought us a lot of opportunity. And for Kognitiv, as much as they're in a world where you would think COVID would destroy the business or really hurt it, what it's actually done more than that is awoken companies to the need to really get their offerings, loyalty points, and marketing, and enhance it in ways that Kognitiv can help them with.

So these companies, a lot of companies that might not have considered Kognitiv's platform before and can say, wait a minute, we can now—we need more customers to come to our hotels, we need more people to use our frequent flyer miles, we need new people to come and use whatever loyalty products or offerings that they have that they want to use to attract new customers and increase their yields, I think there's a much more heightened interest in Kognitiv's platform and offering.

So net-net, I think there's probably some initial, small initial hit just from people that might've just pulled back on their spending or their plans temporarily. But overall, we see it as something that's really woken people up to what Kognitiv does, and it's created a lot of opportunity.

Drew McReynolds

(unintelligible)

Michael Lehmann

Let me just jump in for a quick second, Drew. So with regard to Kognitiv, Phil's exactly right. It's more of a short-term kind of delay but longer-term opportunity. Because what's going on is the status quo is dead. Right? So the global problem is with the commoditization of consumer goods. This has largely been driven by the rapid shift to e-commerce platforms. And when business is good or when business is okay or when business is great, companies typically don't rock the boat there. Right?

But their boat's been rocked. Right? And everybody, with regard to COVID and work-from-home, et cetera, these are the type of things that have forced change on us. And Kognitiv provides technology and services to enable banks, retailers, loyalty programs. They provide the technology to have those entities collaborate and provide products to consumers, with a particular focus on kind of travel, airline, and any kind of stranded asset there.

So those are clearly in lower demand right now but that demand is kind of pent up, right, and it's coming. And what it's doing is giving companies an opportunity, because of the slower current business opportunities, is they're looking forward and saying, how can we do this better. And one of the ways they can definitively do it better is by adopting Kognitiv-like services. So they can take their stranded assets, which, hotels and airline seats they have every single day, and they can help match with loyalty clients.

So longer term, this is going to be a real opportunity, and we'll look back and perhaps even benefit from the pandemic a bit. Silver linings, as they say. Right?

Drew McReynolds

Yeah. Thanks, Michael. That's good perspective. Last one for me, on the BIGLIFE stake. When it was the old Aimia, just it was an asset that we never really paid much attention to in the grand dynamics of Aimia. It does seem like the value there is growing and appreciating, obviously, in a great part of the world. Is there an opportunity to kind of move your stake up? Or do something a little bit kind of bigger here? To the extent you can talk to that.

Phil Mittleman

Yeah. I think you're right. I think it's a great asset. I don't think we're getting much value for it.

As we mentioned on the last call, we've been focused on it. I think that there is a lot of opportunity there. I think that they have a very large customer base. I think there's—well, the business expanded and increased the value of that stake. So we are very focused on that. And I would just say, give us a little more time and we'll have some more info for you, but we are very focused on it.

Drew McReynolds

That's great. Thank you.

Phil Mittleman

Thank you.

Operator

Our next question comes from the line of Brian Morrison with TD Securities. Go ahead, please. Your line is open.

Brian Morrison

Yeah. Thank you. Just one quick follow-up, guys. I'm just reading this article in the Sydney Herald this morning on Village Roadshow and I'm curious of a few things. One, did you buy this position after the public bid? What is your fundamental assumption of fair value? Are you willing to deploy more capital into this opportunity?

Phil Mittleman

Hey. Yeah. Our cost on Village Roadshow is around A$2.30. I think it's trading around A$2.52. So that's our cost basis.

We are willing to deploy more capital into it. And we think fair value is over $5 a share. And we think, as we said, that this bid is a take-under that really undervalues this asset. It is an opportunistic attempt to take advantage of shareholders by the people trying to buy that stake. So we can't comment further other than to say we're very confident that that value is there, and stay tuned.

Brian Morrison

And sorry. Can you just confirm? Are you the largest shareholder of Village Roadshow?

Phil Mittleman

No. Aimia is not the largest shareholder in Village Roadshow.

Brian Morrison

Thank you.

Michael Lehmann

So there's a management-led group that's a much larger shareholder.

Brian Morrison

Understood.

Phil Mittleman

And I think what you're also—might be confusing you—is that our subsidiary, Mittleman Investment Management, owns a 10 percent stake in Village Roadshow, but that's separate from Aimia's stake that we reported.

Brian Morrison

Thank you.

Operator

And there are no further questions in queue at this time. I'd like to turn the call back over to Mr. Tran.

Tom Tran

Thank you, everyone, for joining today's call and webcast. If you have any further questions, please reach out to Investor Relations.

This concludes today's call. You may now hang up. Thank you.