AIMIA

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2021 and 2020

Unaudited

MANAGEMENT'S REPORT

The accompanying consolidated financial statements of Aimia Inc. are the responsibility of management and have been approved by the Board of Directors. The consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles, which are International Financial Reporting Standards ("IFRS"). The consolidated financial statements include some amounts and assumptions based on management's best estimates which have been derived with careful judgment.

In fulfilling its responsibilities, management of the corporation has developed and maintains a system of internal accounting controls. These controls are designed to provide reasonable assurance that the financial records are reliable for preparation of the financial statements. The Board of Directors reviews and approves the corporation's consolidated financial statements.

August 12, 2021

(signed) "Philip Mittleman"

PHILIP MITTLEMAN
Chief Executive Officer

(signed) "Steven Leonard"

STEVEN LEONARD
Chief Financial Officer

AIMIA

CONSOLIDATED STATEMENTS OF OPERATIONS

(in millions of Canadian dollars, except share and per share amounts)		Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
Income					
Share of net earnings (loss) of equity-accounted investments	Note 6	**$ (2.4)**	$ 4.0	**$ (6.8)**	$ (1.5)
Net change in fair value of investments in equity instruments	Note 5	**4.1**	4.6	**9.5**	4.6
Interest income		**0.2**	0.5	**0.4**	2.0
Revenue from investment management fees		**0.9**	0.1	**1.4**	0.1
Gain on disposal of equity-accounted investments	Note 6	**6.9**	—	**6.9**	—
		9.7	9.2	**11.4**	5.2
Expenses					
Compensation and benefits		**3.4**	0.3	**9.4**	2.8
Professional, advisory and service fees		**1.1**	2.4	**2.1**	4.5
Technology and other office expenses		**1.1**	0.2	**1.9**	3.6
Fair value (gain) loss on contingent consideration	Note 12	**(0.2)**	—	**0.7**	—
Other financial expense (income), net		**0.2**	(1.3)	**—**	(1.1)
Depreciation and amortization		**0.3**	—	**0.6**	—
		5.9	1.6	**14.7**	9.8
Decrease in limited partners' capital liability	Note 14	**0.3**	—	**0.3**	—
Earnings (loss) before income taxes		**4.1**	7.6	**(3.0)**	(4.6)
Income tax (expense) recovery					
Current		**(1.2)**	(1.5)	**(2.5)**	(2.8)
		(1.2)	(1.5)	**(2.5)**	(2.8)
Net earnings (loss) from continuing operations		**2.9**	6.1	**(5.5)**	(7.4)
Net earnings from discontinued operations	Note 13	**0.2**	8.3	**0.2**	12.2
Net earnings (loss)		**$ 3.1**	$ 14.4	**$ (5.3)**	$ 4.8
Weighted average number of shares	Note 4	**90,922,527**	93,844,617	**90,922,527**	93,831,621
Earnings (loss) per common share					
Continuing operations - Basic and fully diluted	Note 4	**—**	$ 0.03	**$ (0.13)**	$ (0.15)
Discontinued operations - Basic and fully diluted	Note 4	**—**	0.09	**—**	0.13
		$ —	$ 0.12	**$ (0.13)**	$ (0.02)

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

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CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(in millions of Canadian dollars)		Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
Net earnings (loss)		**$ 3.1**	$ 14.4	**$ (5.3)**	$ 4.8
Other comprehensive income (loss):					
Items that may be reclassified subsequently to net earnings (loss)					
Foreign currency translation adjustments		**(0.5)**	(3.9)	**(2.7)**	4.0
Reclassification to net earnings of foreign currency translation adjustments related to equity-accounted investments disposed of	Note 6	**0.6**	—	**0.6**	—
Reclassification to net earnings of cumulative translation adjustments related to businesses disposed of	Note 13	**—**	21.6	**—**	21.6
Items that will not be reclassified subsequently to net earnings (loss)					
Defined benefit plans actuarial losses, net of tax		**—**	—	**—**	(0.3)
Other comprehensive income (loss)		**0.1**	17.7	**(2.1)**	25.3
Comprehensive income (loss)		**$ 3.2**	$ 32.1	**$ (7.4)**	$ 30.1
Comprehensive income (loss):					
Continuing operations		**3.0**	2.4	**(7.6)**	(3.1)
Discontinued operations		**0.2**	29.7	**0.2**	33.2
		$ 3.2	$ 32.1	**$ (7.4)**	$ 30.1

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

AIMIA

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at		June 30,	December 31,
(in millions of Canadian dollars)		2021	2020
		(unaudited)	
ASSETS			
Current assets			
Cash and cash equivalents		**$ 120.8**	$ 146.1
Restricted cash and cash held in escrow	Note 13	**1.2**	0.5
Short-term investments	Note 5	**14.8**	18.7
Income taxes receivable		**1.5**	3.1
Accounts receivable		**0.6**	4.0
Prepaid expenses and deposits		**0.8**	1.5
Receivable from related party	Note 13	**—**	4.6
		139.7	178.5
Long-term assets			
Long-term investments	Note 5	**147.4**	72.4
Equity-accounted investments	Note 6	**107.4**	146.4
Customer Relationships	Note 12	**1.2**	1.8
Goodwill	Note 12	**10.8**	11.1
Other long-term assets	Note 11B	**33.8**	34.0
		$ 440.3	$ 444.2
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		**$ 2.9**	$ 3.5
Accounts payable to related party	Note 13	**—**	0.9
Limited partners' capital liability	Notes 2 & 14	**5.9**	—
		8.8	4.4
Long-term liabilities			
Other long-term liabilities		**14.0**	8.5
		22.8	12.9
Total equity		**417.5**	431.3
		$ 440.3	$ 444.2
Contingencies and commitments	Notes 7 & 10		
Subsequent events	Note 15		

Approved by the Board of Directors

(signed) Karen Basian
Karen Basian
Director

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

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

AIMIA

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the six months ended June 30, 2020 and 2021 *(unaudited)*		Common shares outstanding	Share capital	Retained earnings (deficit)	Accumulated other comprehensive income (loss)	Contributed surplus	Total equity
(In millions of Canadian dollars, except share amounts)							
Balance, December 31, 2019		93,848,235	$ 231.7	$ (2,083.7)	$ 9.8	$ 2,277.8	$ 435.6
Total comprehensive income (loss)							
Net earnings				4.8			4.8
Other comprehensive income (loss):							
Foreign currency translation adjustments					4.0		4.0
Reclassification to net earnings of foreign currency differences	Note 13				21.6		21.6
Defined benefit plans actuarial losses, net of tax				(0.3)			(0.3)
Total comprehensive income (loss)		—	—	4.5	25.6	—	30.1
Transactions with owners, recorded directly in equity							
Common shares issued - business acquisition	Note 12	3,072,628	4.4				4.4
Common shares repurchased	Note 9	(1,600,756)				(4.6)	(4.6)
Dividends	Note 8			(6.3)			(6.3)
Contingent common shares to be issued	Note 12			—		1.9	1.9
Total contributions by and distributions to owners		1,471,872	4.4	(6.3)	—	(2.7)	(4.6)
Balance, June 30, 2020		95,320,107	$ 236.1	$ (2,085.5)	$ 35.4	$ 2,275.1	$ 461.1
Balance, December 31, 2020		**92,488,212**	**$ 235.9**	**$ (2,100.8)**	**$ 30.8**	**$ 2,265.4**	**$ 431.3**
Total comprehensive income (loss)							
Net loss				**(5.3)**			**(5.3)**
Other comprehensive income (loss):							
Foreign currency translation adjustments					**(2.7)**		**(2.7)**
Reclassification to net earnings of foreign currency differences related to equity-accounted investment disposed of	Note 6				**0.6**		**0.6**
Total comprehensive income (loss)		**—**	**—**	**(5.3)**	**(2.1)**	**—**	**(7.4)**
Transactions with owners, recorded directly in equity							
Dividends	Note 8			**(6.4)**			**(6.4)**
Total contributions by and distributions to owners		**—**	**—**	**(6.4)**	**—**	**—**	**(6.4)**
Balance, June 30, 2021		**92,488,212**	**$ 235.9**	**$ (2,112.5)**	**$ 28.7**	**$ 2,265.4**	**$ 417.5**

AIMIA

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions of Canadian dollars)		Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
CASH FLOWS FROM (USED IN)					
Operating activities					
Net earnings (loss)		**$ 3.1**	$ 14.4	**$ (5.3)**	$ 4.8
Adjustments for:					
Depreciation and amortization		**0.3**	0.8	**0.6**	1.9
Share-based compensation and other performance awards		**1.2**	(2.0)	**4.7**	(2.1)
Share of net (earnings) loss of equity-accounted investments		**2.4**	(4.2)	**6.8**	0.9
Net financial income		**—**	(1.5)	**(0.4)**	(2.8)
Income tax expense		**1.0**	6.4	**2.3**	6.7
Net change in fair value of investments in equity instruments		**(4.1)**	(4.6)	**(9.5)**	(4.6)
Fair value (gain) loss on contingent consideration	Note 12	**(0.2)**	—	**0.7**	—
Gain on disposal of businesses and other assets	Note 13	**—**	(15.2)	**—**	(15.2)
Gain on disposal of equity-accounted investments	Note 6	**(6.9)**	—	**(6.9)**	—
Changes in Limited Partners' Capital Liability	Note 14	**(0.3)**	—	**(0.3)**	—
Changes in operating assets and liabilities	Note 11C	**0.4**	3.1	**2.5**	(9.8)
Other		**—**	(0.7)	**0.5**	(0.5)
		(6.2)	(17.9)	**1.0**	(25.5)
Cash used in operating activities before the following items:		**(3.1)**	(3.5)	**(4.3)**	(20.7)
Distributions received from equity-accounted investments	Note 6	**5.3**	9.6	**15.1**	19.1
Proceeds from disposal of investments held for trading	Note 5	**17.4**	28.1	**17.4**	28.1
Purchases of short-term investments in equity instruments	Note 5	**—**	(21.1)	**(4.4)**	(21.1)
Interest received		**0.2**	1.3	**0.4**	2.5
Interest paid		**—**	(0.1)	**—**	(0.3)
Income taxes paid		**(1.1)**	(0.3)	**(0.9)**	(19.4)
Net cash from (used in) operating activities	Note 13	**18.7**	14.0	**23.3**	(11.8)
Investing activities					
Business acquisitions, net of cash acquired	Note 12	**—**	(6.2)	**—**	(6.2)
Net proceeds from (payments for) the disposal of businesses and other assets, net of cash disposed	Note 13	**—**	(34.3)	**4.3**	(34.3)
Purchase of long-term investments in equity instruments	Note 5	**(4.4)**	(76.2)	**(20.9)**	(76.2)
Investment in investment funds	Notes 2, 5 & 14	**(24.6)**	—	**(24.6)**	—
Proceeds from disposal of corporate and government bonds		**—**	106.0	**—**	154.6
Restricted cash		**—**	3.8	**—**	6.9
Net cash from (used in) investing activities		**(29.0)**	(6.9)	**(41.2)**	44.8
Financing activities					
Preferred dividends	Note 8	**(3.2)**	(3.1)	**(6.4)**	(6.3)
Repurchase of common shares	Note 9	**—**	(4.5)	**—**	(4.6)
Principal elements of lease payments		**—**	(0.3)	**—**	(0.7)
Net cash used in financing activities		**(3.2)**	(7.9)	**(6.4)**	(11.6)
Net change in cash and cash equivalents		**(13.5)**	(0.8)	**(24.3)**	21.4
Translation adjustment related to cash		**(0.5)**	(0.4)	**(1.0)**	1.2
Cash and cash equivalents, beginning of period		**134.8**	122.4	**146.1**	98.6
Cash and cash equivalents, end of period		**120.8**	121.2	**120.8**	121.2

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Unaudited

THESE FINANCIAL STATEMENTS CONTAIN THE FOLLOWING NOTES:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

1. STRUCTURE OF THE CORPORATION

Aimia Inc. ("Aimia" or the "Corporation") was incorporated on May 5, 2008 under the *Canada Business Corporations Act*. The registered and head office of Aimia is located at 176 Yonge Street, Office 06-128, Toronto, Ontario, M5C 2L7.

The Corporation is a holding company with a focus on long-term investments in public and private companies, on a global basis, through controlling or minority stakes.

Aimia, through its own operations and those of its subsidiaries, currently operates two reportable and operating segments, namely, Holdings and Investment Management (*Note 3*).

Holdings

Holdings includes Aimia's long-term investments comprised of a 48.9% equity stake in PLM, the owner and operator of Club Premier, a Mexican coalition loyalty program, a 48.4% equity stake in Kognitiv Corporation ("Kognitiv"), a B2B technology company enabling collaborative commerce, a 12.3% equity stake in TRADE X, a global B2B cross-border automotive trading platform (*Note 15*), a 10.85% stake in Clear Media Limited, an outdoor advertising firm in China, as well as minority investments in various public company securities.

Holdings also includes central operating costs, including costs related to public company disclosure and Board costs, executive leadership, finance and administration.

Investment Management

Investment Management includes Mittleman Investment Management ("MIM"), an SEC-registered investment adviser that provides discretionary portfolio management to institutional investors and high-net-worth individuals *(Note 12).*

Discontinued Operations (Note 13)

Discontinued operations include the results of Aimia's former Loyalty Solutions segment until June 18, 2020, the date of the closing of the transaction with Kognitiv.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

(a) Statement of Compliance

These condensed unaudited consolidated interim financial statements ("interim financial statements") were prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), and in compliance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34"). Accordingly, certain information and note disclosures normally included in the audited annual consolidated financial statements have been omitted or condensed. These interim financial statements should be read in conjunction with the Corporation's audited annual consolidated financial statements for the year ended December 31, 2020.

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

These interim financial statements were authorized for issue by the Corporation's Board of Directors on August 12, 2021.

Impact of COVID-19 on the condensed interim financial statements

Over the past months, we have seen the 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 includes varying degrees of self-quarantine and border closures. Aimia has been addressing the COVID-19 situation, working to mitigate the potential impacts on its employees and business. Aimia has the ability to perform its activities as a holding company by working remotely without significant disruption.

However, the pandemic is impacting the operations of our investments or certain of their partners to various degrees, which are detailed below.

i. PLM Coalition Program

The PLM coalition program has been impacted by COVID-19. The most significant impact has been on Aeromexico, the airline partner of PLM due to unprecedented border closures and travel restrictions. As the activities of Aeromexico are reduced, the cash inflows of PLM are reduced given lower points accumulation by the program members who accumulate on Aeromexico flights. In addition, the pandemic has impacted businesses and consumers credit card spending which has adversely impacted cash inflows of the program. Partially offsetting these impacts are lower cash outflows due to a significant reduction in points redemption by the program members with respect to airline rewards and cost cutting initiatives put in place by PLM to mitigate the lower levels of operating margins generated.

On June 30, 2020, Aeromexico commenced proceedings under Chapter 11 of the United States Bankruptcy Code ("Chapter 11") to implement a court supervised financial restructuring, while continuing to serve its customers. At this time, the financial restructuring of Aeromexico is still ongoing and it is too early to assess the final outcome for the receivables from Aeromexico that PLM holds. However, a $15.4 million (US$11.5 million) expected credit loss provision has been recorded in the results of PLM related to certain unsecured receivables from Aeromexico in the twelve months ended December 31, 2020, which impacted Aimia's share of net earnings from PLM.

In October 2020, the United States Bankruptcy Court approved on a final basis Aeromexico's Debtor-in-possession ("DIP") financing facility for up to US$1.0 billion, consisting of a senior secured Tranche 1 facility of US$200.0 million, and a senior secured Tranche 2 facility of US$800.0 million. In addition, the airline has since renegotiated terms with its suppliers, including aircraft lessors, and with its unionized labor forces to improve its cost structure and liquidity.

As long as various travel restrictions remain in place, Aimia anticipates reduced cash flows and net earnings for PLM compared to pre-pandemic levels as a result of the reduced air travel demand and capacity of Aeromexico. While Aimia cannot predict the full impact or exact timing for when these adverse conditions may improve, Aimia does not expect these conditions to be permanent. As such, Aimia does not expect the long-term profitability of the program to be affected significantly at this time. Consequently, taking into consideration that previous calculations show that the investment's recoverable value is significantly greater than its carrying amount, Aimia did not consider that the current pandemic nor Aeromexico's Chapter 11 proceedings would have eliminated that difference. This conclusion is based mainly on the following analysis and assumptions:

- PLM's carrying amount as of June 30, 2021 is $47.0 million, which is significantly lower than various valuation markers of that investment, including, but not limited to, previous independent appraisals, a previous unsolicited public offer to purchase the program which Aimia refused, as well as a 7 year option to purchase Aimia's 48.9% equity interest in PLM at a price of US$400 million for Aimia's equity interest or at an Adjusted EBITDA multiple of 7.5x, whichever is greater, plus Aimia's pro-rata share of cash held by PLM, net of any third party financial debt;
- While the airline is an important partner of the program, PLM is not an airline operator and does not have a similar fixed cost structure, nor is it solely dependent on Aeromexico to operate at pre-COVID-19 levels to generate positive earnings itself. For the year ended December 31, 2020, PLM reported net earnings of $30.2 million, including $26.1 million in the fourth quarter, despite the operations slowdown since the beginning of the pandemic and the expected credit loss recorded in 2020 stated above. PLM reported net earnings of $15.5 million and $20.7 million for the three and six months ended June 30, 2021 (refer to *Note 6*) as the operations of Aeromexico gradually recover;
- During the three and six months ended June 30, 2021, the PLM board of directors approved a distribution of US$8.7 million and US$24.8 million, of which Aimia received its share of $5.3 million (US$4.2 million) and $15.1 million (US$12.1 million);
- The current carrying value of PLM represents an implied multiple of 2.8x of 2020 earnings before net financial expense and income tax expense, which is significantly lower than the Adjusted EBITDA multiple stated in the option granted to Aeromexico and comparable company multiples;
- Various operating metrics of Aeromexico have been showing a month over month recovery during the second half of 2020. 2021 operating metrics are also trending above 2020 post-pandemic levels;
- Aimia currently expects that the court supervised financial restructuring will provide the airline additional liquidity and the ability to cut costs during this unprecedented reduction in airline travel, and that Aeromexico will exit Chapter 11 proceedings with an enhanced capital structure as a going concern.

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ii. Kognitiv

Kognitiv's services provided to the travel and hospitality industries have been impacted by the travel restrictions and border closures. The emergence of new COVID-19 variants, extension of travel restrictions and restructuring activities following the ISS transaction have caused additional delays in the execution of Kognitiv's business plan. These delays to the business plan, which have pushed out the achievement of profitability further, are considered to be an indication that Kognitiv's carrying amount might be impaired and thus, Aimia tested the investment for impairment as of June 30, 2021. Based on the results of the impairment test, the carrying amount of the Kognitiv investment was determined to be lower than its recoverable value and therefore, no impairment has been recorded. Refer to *Note 6* for more details.

iii. Clear Media

Clear Media's revenues began to decline substantially in February 2020 amid the outbreak of COVID-19 which further slowed China's economic growth, negatively impacted customers' advertising spend and reduced demand for advertising space. In its March 17, 2021 Annual Results Announcement, Clear Media indicated that its revenue bottomed in March 2020 (prior to Aimia's investment in Clear Media) and that its revenue had been recovering in the second quarter of 2020. The recovery in total monthly revenue continued in the third and fourth quarter of 2020. Total revenue in the fourth quarter of 2020 also slightly exceeded the level of the same period in the prior year. Clear Media further indicated that, in the absence of any significant recurrence of COVID-19 pandemic or adverse macro-economic development, the 2021 total revenue is expected to be materially more than in 2020. On August 3, 2021, Clear Media indicated that, as COVID-19 remained under control, a similar trend was noted for the five months ended May 31, 2021. The investment in the equity instruments of Clear Media is recorded at fair value at each reporting period. The assumptions and estimates used in the valuation of Clear Media are described in *Note 5*.

Aimia continues to monitor the COVID-19 impacts on its investments closely.

(b) Basis of Measurement

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

- Investments in equity instruments are measured at fair value (*Note 5*);
- Liabilities for cash-settled share-based payment arrangements are measured at fair value;
- Contingent consideration related to business acquisition is measured at fair value (*Note 12*).

(c) Presentation Currency

These interim consolidated financial statements are expressed in Canadian Dollars.

(d) Use of Estimates and Judgments

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Corporation's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are the same as those set out in *Note 2* of the Corporation's audited annual consolidated financial statements for the year ended December 31, 2020.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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In addition, information about assumptions and estimation uncertainties described below with a significant risk of resulting in material adjustments within the next year are included within the following notes:

- Impact of COVID-19 on the value of Aimia's investments that are not publicly traded. Refer to section *(Note 2(a))* above;
- Measurement of the fair value of the investment in Clear Media (*Note 5*);
- Measurement of the recoverable value of the investment in Kognitiv (*Note 6*);
- Contingent liabilities (*Note 7*);
- Income tax (*Notes 7 & 11B*).

(e) Accounting Policies

These interim financial statements have been prepared using the same accounting policies as those presented in the Corporation's audited annual consolidated financial statements for the year ended December 31, 2020, except as described below.

Adoption of revised accounting standards

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

IFRS 9/IAS 39 Interest rate benchmark reform (Phase II)

The IASB issued amendments to IFRS 9, IAS 39 and IFRS 7 representing the finalization of Phase II to address issues that might affect financial reporting when an existing interest rate benchmark is replaced with an alternative benchmark interest rate. The amendments are effective for annual reporting periods beginning on or after January 1, 2021. The amendments did not have any impact on its consolidated financial statements.

IFRS 16 COVID-19 rent concession amendment

The IASB published an amendment to IFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. The amendments are effective for annual reporting periods beginning on or after January 1, 2021. The amendment did not have any impact on its consolidated financial statements.

Changes in Accounting Policies

Following the Corporation's investment in Precog Capital Partners, L.P. on June 1, 2021 (*Note 14*), Aimia concluded it had control over the investment fund per the definition of IFRS 10. Therefore, the "Principles of consolidation" accounting policy is updated as follows:

PRINCIPLES OF CONSOLIDATION

Subsidiaries

Subsidiaries are entities over which the Corporation has control. The Corporation controls an entity when the Corporation is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries' financial statements are included in the

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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consolidated financial statements from the date of commencement of control until the date that control ceases. Subsidiaries' accounting policies have been changed, when necessary, to align with the policies adopted by Aimia.

These consolidated financial statements include the accounts of the Corporation and the accounts of its subsidiaries. All inter-company balances and transactions have been eliminated.

The Corporation had the following significant subsidiaries at June 30, 2021:

Name	Nature of business	Country of incorporation and place of business	Proportion of ownership held directly by Aimia Inc. (%)	Proportion of ownership by the group (%)
Aimia Holdings UK Limited	Holding company	United Kingdom	100	
Aimia Holdings UK II Limited	Holding company	United Kingdom	100	
Aimia Holdings US Inc.	Holding company	United States	100	
Mittleman Investment Management	Investment Management	United States		100
Precog Capital Partners, L.P. [(a)]	Investment Fund	United States		81

(a) The 81% ownership represents Aimia's capital portion over the total limited partners capital in Precog Capital Partners L.P. as of June 30, 2021. The limited partners capital that is not owned by Aimia is reported on the statement of financial position as "Limited partners capital liability". Precog's general partner and investment manager is Mittleman Investment Management, a wholly-owned subsidiary of the Corporation.

Limited Partners Capital liability

The Limited Partners' Capital liability represents the capital in Precog Capital Partners, L.P. that is not owned by the Corporation. Following twelve months after a partner's admission to the partnership, such partner can withdraw, at the end of any calendar month, any amount equal to or less than 50% of the partner's capital account balance. Three months later, such partner can withdraw the remainder of the partner's capital account balance. A notice period of 60 days must be given before any withdrawal.

3. SEGMENTED INFORMATION

As of June 30, 2021, Aimia, through its own operations and those of its subsidiaries, operates two reportable and operating segments, namely, Holdings and Investment Management. For each of the operating segments, the Corporation’s Group Chief Executive Officer review internal management reports on a monthly basis.

The Holdings segment includes Aimia's long-term investments comprised of a 48.9% equity stake in PLM, the owner and operator of Club Premier, a Mexican coalition loyalty program, a 48.4% equity stake in Kognitiv, a B2B technology company enabling collaborative commerce, a 10.85% stake in Clear Media Limited, an outdoor advertising firm in China as well as minority investments in various public company securities. Holdings also includes central operating costs, including costs related to public company disclosure and Board costs, executive leadership, finance and administration. Prior to its disposal, the results associated with Aimia's 20% investment in BIGLIFE (*Note 6*) were included in the Holdings segment.

The Investment Management segment includes Mittleman Investment Management, an SEC-registered investment adviser of the same name that provides discretionary portfolio management to institutional investors and high-net-worth individuals.

Accounting policies applied for the Holdings and Investment Management segments 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:

	Three months ended June 30,					
	2021	2020	2021	2020 (b)	2021	2020
Operating Segment	**Holdings**		**Investment Management**		**Total (Continuing operations)**	
Share of net earnings (loss) of equity-accounted investments	**(2.4)**	4.0	**—**	—	**(2.4)**	4.0
Net change in fair value of investments in equity instruments	**4.1**	4.6	**—**	—	**4.1**	4.6
Interest Income	**0.2**	0.5	**—**	—	**0.2**	0.5
Revenue from investment management fees	**—**	—	**0.9**	0.1	**0.9**	0.1
Gain on disposal of equity-accounted investments	**6.9**	—	**—**	—	**6.9**	—
Total Income	**8.8**	9.1	**0.9**	0.1	**9.7**	9.2
Compensation and benefits	**2.9**	0.2	**0.5**	0.1	**3.4**	0.3
Professional, advisory and service fees	**1.1**	2.4	**—**	—	**1.1**	2.4
Technology and other office expenses	**1.0**	0.2	**0.1**	—	**1.1**	0.2
Fair value gain on contingent consideration	**(0.2)**	—	**—**	—	**(0.2)**	—
Other financial expense (income), net	**0.2**	(1.3)	**—**	—	**0.2**	(1.3)
Depreciation and amortization	**—**	—	**0.3**	—	**0.3**	—
Total Expenses	**5.0**	1.5	**0.9**	0.1	**5.9**	1.6
Decrease in limited partners' capital liability	**0.3**	—	**—**	—	**0.3**	—
Earnings before income taxes (a)	**4.1**	7.6	**—**	—	**4.1**	7.6
Total assets (c)	**438.7**	470.6	**1.6**	2.9	**440.3**	473.5

(a) The reconciliation of the consolidated earnings before income taxes to the consolidated net earnings (loss) for the three months ended June 30, 2021 and June 30, 2020 is presented in the consolidated statements of operations.

(b) The Corporation acquired the MIM operations on June 19, 2020.

(c) The allocation of assets to between the Holdings and Investment Management segments as of June 30, 2020 has been adjusted to reflect the results of the finalization of the MIM purchase price allocation (*Note 12*).

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

	Six Months Ended June 30,					
	2021	2020	2021	2020 (b)	2021	2020
Operating Segment	**Holdings**		**Investment Management**		**Total (Continuing operations)**	
Share of net loss of equity-accounted investments	**(6.8)**	(1.5)	**—**	—	**(6.8)**	(1.5)
Net change in fair value of investments in equity instruments	**9.5**	4.6	**—**	—	**9.5**	4.6
Interest Income	**0.4**	2.0	**—**	—	**0.4**	2.0
Revenue from investment management fees	**—**	—	**1.4**	0.1	**1.4**	0.1
Gain on disposal of equity-accounted investments	**6.9**	—	**—**	—	**6.9**	—
Total Income	**10.0**	5.1	**1.4**	0.1	**11.4**	5.2
Compensation and benefits	**8.4**	2.7	**1.0**	0.1	**9.4**	2.8
Professional, advisory and service fees	**2.0**	4.5	**0.1**	—	**2.1**	4.5
Technology and other office expenses	**1.8**	3.6	**0.1**	—	**1.9**	3.6
Fair value loss on contingent consideration	**0.7**	—	**—**	—	**0.7**	—
Other financial expense (income), net	**—**	(1.1)	**—**	—	**—**	(1.1)
Depreciation and amortization	**—**	—	**0.6**	—	**0.6**	—
Total Expenses	**12.9**	9.7	**1.8**	0.1	**14.7**	9.8
Decrease in limited partners' capital liability	**0.3**	—	**—**	—	**0.3**	—
Loss before income taxes (a)	**(2.6)**	(4.6)	**(0.4)**	—	**(3.0)**	(4.6)
Total assets (c)	**438.7**	470.6	**1.6**	2.9	**440.3**	473.5

(a) The reconciliation of the consolidated loss before income taxes to the consolidated net earnings (loss) for the six months ended June 30, 2021 and June 30, 2020 is presented in the consolidated statements of operations.

(b) The Corporation acquired the MIM operations on June 19, 2020.

(c) The allocation of assets to between the Holdings and Investment Management segments as of June 30, 2020 has been adjusted to reflect the results of the finalization of the MIM purchase price allocation (*Note 12*).

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4. EARNINGS (LOSS) PER COMMON SHARE

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net earnings (loss) attributable to equity holders of the Corporation	**3.1**	14.4	**(5.3)**	4.8
Deduct: Dividends declared on preferred shares related to the period (*Note 8*)	**(3.2)**	(3.1)	**(6.4)**	(6.3)
Net earnings (loss) attributable to common shareholders	**(0.1)**	11.3	**(11.7)**	(1.5)
Weighted average number of basic and diluted common shares (a)	**90,922,527**	93,844,617	**90,922,527**	93,831,621
Earnings (loss) per common share – Basic and fully diluted	**$ —**	$ 0.12	**$ (0.13)**	$ (0.02)
Continuing operations - Basic and fully diluted	**$ —**	$ 0.03	**$ (0.13)**	$ (0.15)
Discontinued operations - Basic and fully diluted	**—**	0.09	**—**	0.13

(a) The weighted average number of basic common shares calculation excludes common shares issued and deposited in escrow as part of the MIM transaction (*Note 12*) as they are still subject to forfeitures as of June 30, 2021.

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

5. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair Value Hierarchy

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

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

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

Level 3 - valuation techniques with significant unobservable market inputs.

A financial instrument is classified at the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

	Hierarchy	June 30, 2021	December 31, 2020
Short-term investments			
JCDecaux	Level 1	—	14.1
Newmark Group	Level 1	14.8	4.6
Total		**14.8**	18.7
Long-term investments			
Clear Media Limited	Level 3	66.9	69.0
AirAsia Berhad	Level 1	32.3	—
Cineplex	Level 1	10.5	—
Other equity instruments - held through Precog Capital Partners, L.P. *(Note 14)* [(a)]	Level 1	27.7	—
Special purpose vehicle	Level 2	7.5	3.4
Investment funds	Level 2	2.5	—
Total		**147.4**	72.4

(a) Included in Precog's portfolio of equity instruments is an investment of $3.0 million in Cineplex.

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		Three Months Ended June 30,		Six Months Ended June 30,	
	Hierarchy	2021	2020	2021	2020
Realized fair value gain (loss)					
JCDecaux	Level 1	**6.9**	—	**6.9**	—
Equity instruments portfolio	Level 1	**—**	7.0	**—**	7.0
Net change in unrealized fair value of equity instruments					
JCDecaux	Level 1	**(4.8)**	—	**(3.6)**	—
Newmark Group	Level 1	**2.2**	—	**5.7**	—
Clear Media	Level 3	**(0.9)**	(2.4)	**(2.0)**	(2.4)
AirAsia Berhad	Level 1	**(0.6)**	—	**0.6**	—
Cineplex	Level 1	**1.8**	—	**2.2**	—
Other equity instruments - held through Precog Capital Partners, L.P. *(Note 14)*	Level 1	**(1.4)**	—	**(1.4)**	—
Special purpose vehicle	Level 2	**0.9**	—	**1.1**	—
Net change in fair value of investments in equity instruments		**4.1**	4.6	**9.5**	4.6

Investments in equity instruments of Clear Media Limited

In May 2020, the Corporation invested $76.2 million (HK$419.6 million) to acquire 58,774,450 common shares of Clear Media Limited, representing a 10.85% ownership interest in the company. 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. Aimia did not acquire control or significant influence in the operations of Clear Media Limited. On July 14, 2020, Clear Media announced that the percentage of the public float of the shares of the company had fallen below 15% and that, at the request of the Clear Media, trading in the shares of Clear Media on The Stock Exchange of Hong Kong Limited were suspended with effect from 9:00 a.m. on July 14, 2020.

On July 5, 2021, Ever Harmonic Global Ltd. and Clear Media Limited jointly announced a voluntary conditional offer to acquire all of the shares of Clear Media Limited that are not already owned or agreed to be acquired by the consortium or parties acting in concert with it. The conditional offer proposes to owners of Clear Media Limited shares to accept either (1) the cash alternative (HK$7.12 per common share), or (2) the share alternative (one new holding company share per Clear Media Limited common share). The new holding company will have a direct investment in Ever Harmonic Global Ltd., which in turn will hold 100% of Clear Media Limited common shares. Following Aimia's review of the Composite Document dated August 2, 2021, Aimia has elected to accept the share offer and will maintain an indirect 10.85% shareholding in the privatized Clear Media. The transaction is expected to close in the third quarter of 2021.

As of June 30, 2021, the fair value of the investment in equity instruments of Clear Media Limited has been estimated at $66.9 million (HK$7.12 per common share) and is based on a combination of valuation techniques and inputs, including the July 5, 2021 voluntary conditional offer made by Ever Harmonic Global Ltd. to acquire all outstanding shares of Clear Media at a price of HK$7.12 per common share and a market approach derived using a multiple of

EBITDA as outlined below. Therefore, the resulting unrealized fair value loss to date is almost exclusively due to the strengthening of the Canadian dollar versus the Hong Kong dollar.

The key assumptions used in this valuation includes:

- EBITDA based on historical results (adjusted for change in accounting pronouncements), with historical profitability recovery scenarios by either 2023 or 2024;
- EBITDA (adjusted for change in accounting pronouncements) multiple ranging from 7.5x to 8.0x determined on the basis of publicly available information of comparable companies;
- Discount rates ranging from 17% to 20%;

A change of +/- 1% in the discount rate would have had a +/- $1.7 million impact on the estimated fair value of Clear Media, while a change of +/- 1.0x in normalized EBITDA multiple would have had a +/- $9.0 million impact on the estimated fair value.

Investments in equity instruments of JCDecaux

During the year ended December 31, 2020, the Corporation purchased 481,164 common shares of JCDecaux (DEC.PA), for a total of $10.5 million (€6.8 million). During the three months ended June 30, 2021, the Corporation disposed of all of its JCDecaux common shares for proceeds of $17.4 million (€11.8 million), resulting in a $6.9 million overall realized gain on the investment. The fair value of the investment in equity instruments of JCDecaux was based on the quoted market value for its publicly traded equity securities.

Investments in equity instruments of Newmark Group

The Corporation purchased 500,000 common shares of Newmark Group (NMRK) in the year ended December 31, 2020 as well as an additional 491,700 common shares in the three months ended March 31, 2021 for a total of $9.1 million (US$7.1 million). The fair value of the investment in equity instruments of Newmark Group is based on the quoted market value for its publicly traded equity securities. As of June 30, 2021, the fair value of the investment was $14.8 million and Aimia recognized unrealized fair value gain of $2.2 million and $5.7 million during the three and six months ended June 30, 2021 for this investment.

Investment in AirAsia Berhad

In the three months ended March 31, 2021, the Corporation participated in the second tranche of a private placement of new ordinary shares in AirAsia Berhad. Aimia subscribed for 35.6 million of new common shares for an amount of $9.4 million (MYR30.8 million).

Also, during the three months ended March 31, 2021, Aimia entered into a binding memorandum of understanding with AirAsia Berhad to sell Aimia's investment in BIGLIFE in exchange of 85.9 million of new common shares of AirAsia Berhad. On April 14, 2021, the parties entered into a share sale and purchase agreement under the same terms. This agreement was subject to AirAsia Berhad shareholders approval as well as approval from Bursa Malaysia Securities Berhad (“Bursa Securities”) on the listing of and quotation for the shares on the Main Market of Bursa Securities. With both conditions fulfilled in the three months ended June 30, 2021, the sale of Aimia's investment in BIGLIFE closed on June 28, 2021.

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As of June 30, 2021, the fair value of the total investment in AirAsia Berhad was $32.3 million and Aimia recognized unrealized fair value gain (loss) of $(0.6) million and $0.6 million during the three and six months ended June 30, 2021 for this investment.

Investment in Precog Capital Partners L.P.

On June 1, 2021, the Corporation invested $25.0 million in Precog Capital Partners L.P., an investment fund whose general partner is MIM, a wholly-owned subsidiary of the Corporation (*Note 14*). Aimia concluded it had control over the investment fund per the definition of IFRS 10 and therefore consolidates the fund. Aimia recognized net change in unrealized fair value of equity instruments of $(1.4) million during the three and six months ended June 30, 2021 in regards to the equity instruments held through Precog. Refer to *Notes 2 & 14* for additional details.

Investment in a Special Purpose Vehicle

The Corporation committed an initial $6.4 million (US$5.0 million) to a special purpose vehicle created to pursue a leveraged buyout of a target company. The commitment has been completely funded. Aimia has the option to purchase up to a total of 25% of the potential acquired company in the event the leveraged buyout is consummated. Aimia recognized unrealized fair value gain of $0.9 million and $1.1 million during the three and six months ended June 30, 2021 for this investment.

Investments in equity instruments portfolio

During the three months ended June 30, 2020, the Corporation invested $21.1 million (US$14.9 million) in various public company securities. None of these investments gave any form of significant ownership, control or influence to Aimia. On June 9, 2020, the company completed the sale of this investment portfolio for proceeds of $28.1 million (US$21.0 million) and recorded a net fair value gain of $7.0 million.

Financial assets and financial liabilities at amortized cost

The carrying amounts reported in the consolidated statement of financial position for cash and cash equivalents, restricted cash, accounts receivable, receivable from related party and accounts payable, accounts payable to related party and accrued liabilities approximate fair values based on the immediate or short-term maturities of these financial instruments.

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6. EQUITY-ACCOUNTED INVESTMENTS

As at	June 30, 2021	December 31, 2020
PLM Premier, S.A.P.I. de C.V. [(a)]	47.0	54.9
Kognitiv (*Note 13*)	60.4	75.1
BIGLIFE [(b)]	—	16.4
Total	**107.4**	146.4

(a) During the three and six months ended June 30, 2021, Aimia received distributions from PLM of $5.3 million (US$4.2 million) and $15.1 million (US$12.1 million), compared to distributions of $8.8 million (US$6.4 million) and $18.3 million (US$12.8 million) for the three and six months ended June 30, 2020.

(b) On June 28, 2021, Aimia disposed of its investment in BIGLIFE in exchange of 85.9 million of new common shares of AirAsia Berhad.

Share of net earnings (loss) of equity-accounted investments	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
PLM Premier, S.A.P.I. de C.V.	6.8	(0.2)	8.5	(5.4)
Kognitiv	(8.9)	(0.1)	(14.6)	(0.1)
BIGLIFE	(0.3)	4.3	(0.7)	4.0
Total	**(2.4)**	4.0	**(6.8)**	(1.5)

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

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

Summarized statement of operations

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Revenue	**59.6**	32.5	**96.0**	106.0
Cost of rewards and operating expenses	(42.8)	(35.5)	(70.2)	(87.0)
Depreciation and amortization	(0.7)	(0.9)	(1.4)	(1.3)
Earnings (loss) before net financial expense and income tax expense	**16.1**	(3.9)	**24.4**	17.7
Net financial income (expense)	7.3	9.4	7.2	(17.1)
Income tax expense	(7.9)	(4.1)	(10.9)	(8.0)
Net earnings (loss)	**15.5**	1.4	**20.7**	(7.4)

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net earnings (loss)	**15.5**	1.4	**20.7**	(7.4)
Share of net earnings of PLM @ 48.9%	7.6	0.7	10.1	(3.6)
Amortization expense related to identifiable assets recognized on a step basis	(0.8)	(0.9)	(1.6)	(1.8)
Aimia's share of PLM net earnings (loss)	**6.8**	(0.2)	**8.5**	(5.4)

On June 29, 2020, Aimia announced the signature of a definitive agreement with Grupo Aeromexico S.A.B. de C.V. ("Aeromexico") reflecting the parties' previously announced agreement to make certain changes to the Shareholders Agreement between them and the commercial agreement (CPSA) between Aeromexico and PLM. The changes made to the CPSA include a 20-year extension of the current term to September 12, 2050.

Following the initial $69.3 million (US$50.0 million) loan to Aeromexico made by PLM under the existing PLM intercompany loan facility upon the signing of the letter of intent between Aimia and Aeromexico announced on May 12, 2020, PLM pre-purchased $69.3 million (US$50.0 million) of award tickets upon the execution of the amendments to the CPSA. The loan and pre-purchase are secured by Aeromexico's stake in PLM. Aimia and Aeromexico have also agreed to modify the Shareholders Agreement to grant Aeromexico a 7 year option to purchase Aimia's 48.9% equity interest in PLM at a price of US$400 million for Aimia's equity interest or at an Adjusted EBITDA multiple of 7.5x, whichever is greater, plus Aimia's pro-rata share of cash held by PLM, net of any third party financial debt.

On June 30, 2020, Aeromexico commenced proceedings under Chapter 11 in the United States to implement a court supervised financial restructuring, while continuing to serve its customers. In October 2020, the US Bankruptcy Court approved a DIP financing of up to US$1.0 billion (refer to *Note 2 (a)* for additional details).

INVESTMENT IN KOGNITIV

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

In March 2021, Kognitiv announced a sales transaction and partnership agreement with IRI, a provider of big data, predictive analytics and forward-looking insights for CPG, OTC health care organizations, retailers, financial services and media companies. IRI acquired from Kognitiv the Intelligent Shopper Solutions ("ISS") business. ISS operations are presented as discontinued operations in Kognitiv's summarized statement of operations.

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Summarized statement of operations

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020 [(a)]	2021	2020 [(a)]
Revenue [(b)]	**13.1**	4.0	**27.5**	4.0
Cost of sale and operating expenses [(b)]	**(26.1)**	(4.5)	(52.7)	(4.5)
Depreciation and amortization	**(0.3)**	(0.1)	(0.6)	(0.1)
Loss before net financial income and income tax expense [(b)]	**(13.3)**	(0.6)	**(25.8)**	(0.6)
Net loss	**(16.8)**	(0.2)	**(27.0)**	(0.2)
Included in Net loss:				
Net earnings from discontinued operations [(c)]	**—**	—	**3.2**	—

(a) The Kognitiv transaction closed on June 18, 2020 (*Note 13*).

(b) Revenue, cost of sale and operating expenses and loss before net financial income and income tax expense are presented on a continuing operations basis, excluding ISS discontinued operations.

(c) Net earnings from discontinued operations include ISS operations up to March 17, 2021 and the preliminary gain on disposal. The preliminary gain on disposal has been calculated based on the transaction terms and the values of the net assets disposed of. This includes values from Aimia's notional purchase price allocation process (*Note 13*) for customer relationships and technology intangible assets as well as goodwill that have been allocated to the ISS business based on the relative values of the operations disposed of and the ones retained. The preliminary gain is subject to the finalization of closing working capital and indebtedness.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020 [(a)]	2021	2020 [(a)]
Net loss	**(16.8)**	(0.2)	**(27.0)**	(0.2)
Share of net earnings of Kognitiv	(8.0)	(0.1)	(12.9)	(0.1)
Amortization expense related to identifiable assets recognized on acquisition	(0.4)	—	(0.7)	—
Cumulative undeclared dividends on preferred shares not owned by Aimia	(0.5)	—	(1.0)	—
Aimia's share of Kognitiv net loss	**(8.9)**	(0.1)	**(14.6)**	(0.1)

(a) The Kognitiv transaction closed on June 18, 2020 (*Note 13*).

Impairment test

As detailed in *Note 2 (a),* the emergence of new COVID-19 variants, extension of travel restrictions and restructuring activities following the ISS transaction have caused additional delays in the execution of Kognitiv's business plan. These delays to the business plan, which have pushed out the achievement of profitability further, are considered to be an indication that Kognitiv's carrying amount might be impaired and thus, Aimia tested the investment for impairment as of June 30, 2021.

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The recoverable value was determined using a combination of valuation techniques, including financing raised by Kognitiv subsequent to June 18, 2020, a market approach using multiples of projected revenues and EBITDA, as well as discounted future cash flows. These valuations were based on a new financial long-range plan prepared by Kognitiv's management, which includes key assumptions related to achieving positive EBITDA by 2023 as well as a closing a new financing round prior to the end of 2021.

The other key assumptions for the market approach were as follows:

- 2022 Forecasted Revenues multiple range of 1.2x - 2.2x
- 2023 Forecasted EBITDA multiples range of 7.5x - 8.0x.

The multiples selected were taken from a list of comparable companies offering marketing services and are in line with the implied multiples from the recent disposal of ISS by Kognitiv.

The calculation of the discounted future cash flows was based on the following key assumptions:

- Revenue growth rate up to 2025 averaging 30% to 50% per year and net operating cash flows up to 2025 averaging 17% of revenues;
- Discount rates of 20% to 25%;
- Terminal growth rate of 3%;

Rates selected were determined based on economic indicators and other specific risks related to Kognitiv. Based on the results of the impairment test, the carrying amount of the investment in Kognitiv was determined to be lower than its recoverable value, and therefore no impairment was recorded.

Sensitivity

Based on all other assumptions described above remaining constant, including revenue and EBITDA multiples implied from the recent disposal of ISS by Kognitiv, if the average revenue growth rate up to 2025 would be below 25%, the recoverable value of the investment in Kognitiv would have been determined to be lower than its carrying amount.

INVESTMENT IN BIGLIFE

On March 22, 2021, Aimia entered into a binding memorandum of understanding with AirAsia Berhad to sell Aimia's investment in BIGLIFE in exchange for 85.9 million of new common shares of AirAsia Berhad. On April 14, 2021, the parties entered into a share sale and purchase agreement under the same terms. This agreement was subject to AirAsia Berhad shareholders approval as well as approval from Bursa Malaysia Securities Berhad ("Bursa Securities") on the listing of and quotation for the shares on the Main Market of Bursa Securities. With both conditions fulfilled in the three months ended June 30, 2021, the sale of Aimia's investment in BIGLIFE closed on June 28, 2021.

The fair value of the AirAsia Berhad common shares received on that date was $22.3 million (MYR75.1 million), resulting in a gain on disposal of equity-accounted investment of $6.9 million.

7. CONTINGENT LIABILITIES

GUARANTEES AND INDEMNIFICATIONS

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

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

Kognitiv transaction

Refer to *Note 13* for a description of the indemnification clauses related to the Kognitiv transaction.

Aeroplan transaction

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 (the "SPA").

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 $55.0 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 antispam 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 included 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 tax payment indemnification clause described above, $100.0 million of the purchase proceeds were deposited in a separate interest-bearing account jointly controlled by Aimia and Air Canada pending the conclusion of the 2013 CRA audit.

Since the transaction close, Aimia received notices of reassessment from the CRA and Revenu Québec for the 2012 through 2017 taxation years and notices of assessment for the 2018 and 2019 taxation years. Aimia has funded the amounts due upon receipt of the assessments from the restricted cash account. The remaining restricted cash

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account balance of $66.9 million was released to Aimia in July 2020 in accordance with the terms of the SPA between Aimia and Air Canada.

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 11B*). Should Aeroplan Inc. be successful in its recourse procedures, the $32.9 million remitted to the CRA and Revenu Québec from the original $100.0 million restricted cash account would be returned to Aimia.

CLASS ACTIONS

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

Following 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 Inc., up to a cap of $25.0 million for Aimia, after which Air Canada is solely responsible.

Management believes that Aeroplan Inc. has a strong defense to these class actions and believes that it is more likely than not that its position will ultimately be sustained; therefore, no amount was recorded in the Corporation's consolidated financial statements as at June 30, 2021 and December 31, 2020.

OTHER CLAIMS AND LITIGATION

Claim from former executive

On November 12, 2020, a former executive of the Corporation filed a statement of claim with the Ontario Superior Court against Aimia seeking, among other remedies, an aggregate of at least $9.0 million in compensatory and punitive damages for breach of contract and wrongful dismissal. Aimia intends to vigorously defend against the claim. Given the stage of the proceedings, it is too early to assess whether there will be a material impact as a result of this claim. No amount has been recorded in these financial statements with respect to this claim.

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8. DIVIDENDS

Quarterly dividends declared to preferred shareholders of Aimia for the three and six months ended June 30, 2021 and 2020, were as follows:

	2021		2020	
Three months ended	Amount	Per preferred share	Amount	Per preferred share
Series 1				
March 31,	1.5	0.300125	0.8	0.281250
June 30,	1.6	0.300125	1.5	0.300125
Total	**3.1**	**0.600250**	2.3	0.581375
Series 2				
March 31,	—	—	0.7	0.336700
June 30,	—	—	—	—
Total	**—**	**—**	0.7	0.336700
Series 3				
March 31,	1.7	0.375688	1.7	0.375688
June 30,	1.6	0.375688	1.6	0.375688
Total	**3.3**	**0.751376**	3.3	0.751376
Total preferred dividends on Series 1, Series 2 and Series 3	**6.4**		6.3	

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 and six months ended June 30, 2021, the gross amount of Part VI.1 tax expense is $1.2 million and $2.5 million, respectively (2020: $1.2 million and $2.5 million). In prior years when Aimia paid dividends on its Preferred Shares, Aimia transferred all or part of its Part VI.1 tax liability to its related Canadian subsidiaries to offset the Part VI.1 tax by reducing the taxable income of its Canadian subsidiary and Part 1 tax liability. However, following the sale of Aeroplan and the Kognitiv transaction, Aimia and its related Canadian subsidiaries will 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 six months ended June 30, 2021 and 2020 the Corporation paid $2.6 million and $19.2 million of Part VI.1 tax, respectively.

On August 12, 2021, 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 September 30, 2021 to shareholders of record on August 20, 2021.

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9. CAPITAL STOCK

NORMAL COURSE ISSUER BID

On June 8, 2020, the Corporation announced it had received approval from the Toronto Stock Exchange to purchase up to 6,980,010 of its issued and outstanding common shares under a normal course issuer bid during the period from June 10, 2020 to no later than June 9, 2021.

From June 10, 2020 to June 30, 2020, Aimia repurchased 1,590,850 common shares for a total consideration of $4.6 million. Of this total, 1,555,450 common shares were paid and cancelled during the period representing $4.5 million, with the remainder being paid and cancelled during the third quarter of 2020. Share capital was reduced by a negligible amount and the remaining $4.6 million was accounted for as a reduction of contributed surplus.

From July 1, 2020 to September 30, 2020, Aimia repurchased 1,396,405 common shares for a total consideration of $4.4 million. Share capital was reduced by $0.1 million and the remaining $4.3 million was accounted for as a reduction of contributed surplus.

From October 1, 2020 to December 31, 2020, Aimia repurchased 1,435,490 common shares for a total consideration of $5.6 million. Share capital was reduced by $0.1 million and the remaining $5.5 million was accounted for as a reduction of contributed surplus.

On June 17, 2021, the Corporation announced it had received approval from the Toronto Stock Exchange to purchase up to 7,349,638 of its issued and outstanding common shares under a normal course issuer bid during the period from June 21, 2021 to no later than June 20, 2022.

The Corporation has not repurchased any common shares in the three and six months ended June 30, 2021.

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 were automatically converted into Series 1 Preferred Shares on March 31, 2020.

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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 were 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. The dividend rate of the Series 1 Preferred Shares 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. As of June 30, 2021, there are 5,083,140 issued and outstanding Series 1 Preferred Shares, all of which are listed on the Toronto Stock Exchange.

10. COMMITMENTS

As at June 30, 2021, the non-cancellable estimated future minimum payments under various short-term operating leases and other contractual obligations are as follows:

	Total	2021	2022	2023	2024	2025	Thereafter
Operating leases	0.2	0.1	0.1	—	—	—	—
Technology infrastructure and other	0.3	0.1	0.1	0.1	—	—	—
Total	**0.5**	**0.2**	**0.2**	**0.1**	**—**	**—**	**—**

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11. ADDITIONAL FINANCIAL INFORMATION

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

A) STATEMENTS OF OPERATIONS

REVENUE

All of the Corporation's revenues from customers from continuing operations (investment management fees) have been recognized in the United States. Revenue from customers are attributed to a country on the basis of the country where the contractual and management responsibility for the customer resides.

B) STATEMENTS OF FINANCIAL POSITION

OTHER LONG-TERM ASSETS

As at	June 30,	December 31,
	2021	2020
Tax deposit *(Note 7)*	**32.9**	32.9
Prepayments	**0.9**	1.1
Total	**33.8**	34.0

C) STATEMENTS OF CASH FLOWS

CHANGES IN OPERATING ASSETS AND LIABILITIES

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Restricted cash	**(0.8)**	(0.7)	**(0.8)**	(5.8)
Accounts receivable	**—**	7.7	**3.8**	23.1
Inventories	**—**	1.0	**—**	0.3
Prepaid expenses and deposits	**0.5**	2.9	**0.9**	9.1
Accounts payable and accrued liabilities	**0.7**	(5.4)	**(1.6)**	(28.5)
Customer deposits	**—**	(0.2)	**—**	(1.0)
Other long-term liabilities	**—**	(0.5)	**0.2**	(0.9)
Deferred revenue	**—**	(1.7)	**—**	(6.1)
Total	**0.4**	3.1	**2.5**	(9.8)

12. ACQUISITION OF MITTLEMAN BROTHERS

On June 19, 2020, Aimia announced the closing of the acquisition of all outstanding shares of Mittleman Brothers LLC, a related party to the Corporation and the parent company of Mittleman Investment Management, LLC, a SEC-registered value investment adviser that provides discretionary portfolio management to institutional investors and high-net-worth individuals. The expertise of Mittleman Brothers brings additional capabilities needed to execute Aimia's new strategy. With the close of this transaction, Philip Mittleman was appointed permanent Chief Executive Officer of Aimia, and Christopher Mittleman was appointed as the Chief Investment Officer and a member of the Board of Directors.

The fair value of the total consideration has been estimated at $16.4 million and includes of $14.4 million related to the business acquisition and $2.0 million of deferred compensation. The total consideration consists of $6.3 million (US$4.6 million) in cash paid at closing and up to approximately 4.2 million common shares of the Corporation. The consideration in common shares include 1.5 million common shares that were issued as initial consideration and up to 2.7 million common shares that will be issued to the sellers subject to achievement of certain earn-out and performance related targets. Of those 2.7 million common shares, 1.6 million are subject to forfeiture and/or clawback clauses, and have already been issued and deposited in escrow (the "escrow shares"). The remaining 1.1 million common shares will be issued upon achieving the performance related targets (the "contingent shares").

The performance related targets include a significant increase in MIM's assets under management or Aimia's share price trading at a weighted average of $6.00/share or higher over a consecutive 20 day trading period, in each case, prior to the fourth anniversary of the closing of the transaction.

The fair value associated with the base consideration has been determined using the amount of cash paid and the fair value of the common shares issued at the closing date. The common shares had a fair value of $2.93 per common share, which was based on the quoted price of the common shares on the Toronto Stock Exchange on the closing date. The fair value associated with the contingent consideration has been estimated using the fair value of the common shares at the closing date and probability-weighted scenarios associated with the performance related targets.

A portion of the consideration attributed to Philip Mittleman and Christopher Mittleman (the "Management Sellers") is contingent upon their continued employment with Aimia for a 10-year period (with up to 0.9 million escrow shares available for clawback) and will be accounted for as deferred compensation over that period. The Corporation incurred $0.6 million of transaction costs related to this acquisition which have been recognized as Professional, advisory and service fees expenses in the consolidated statements of operations.

The results of operations of MIM have been consolidated with those of the Corporation since June 19, 2020. The acquisition has been accounted for as a business combination in accordance with IFRS 3, *Business Combinations*, using the acquisition method whereby the net assets acquired and the liabilities assumed are recorded at fair value.

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The following table summarizes the allocations of the consideration paid and the amounts of estimated fair value of the assets acquired and liabilities assumed at the acquisition date:

Purchase price	
Base Consideration - Cash paid	6.3
Base Consideration - Initial shares consideration (share capital)	4.4
Contingent Consideration - contingent shares (contributed surplus)	1.9
Contingent Consideration - escrow shares for non-Management Sellers (other long-term liabilities)	1.8
Total Consideration fair value to allocate	**14.4**
Recognized amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	0.4
Accounts receivable	0.1
Customer Relationships	2.6
Accounts payable and accrued liabilities	(0.5)
Total identifiable net assets (liabilities)	**2.6**
Goodwill	11.8
Total	**14.4**

The resulting goodwill related to the acquisition of MIM is mainly composed of key employees' investment and capital allocation expertise and expected synergies associated with workforce that does not qualify for separate recognition. The resulting goodwill has been allocated to the Holdings cash generating unit, which is the CGU that is expected to significantly benefit from the acquisition and will not be deductible for tax purposes.

Subsequent accounting - escrow shares

Non-Management Sellers

The escrow shares issued in favor of non-Management Sellers are accounted for as a contingent consideration and reported as other long-term liabilities. The other long-term liability associated with the escrow shares for non-Management Sellers is recorded at fair value at period end and any variance versus the initial value recognized as purchase price is recorded in the consolidated statement of operations and is presented in "Fair value loss on contingent consideration". The fair value associated with the contingent consideration is estimated using the fair value of the common shares at the period end and probability-weighted scenarios associated with the performance related targets. During the three and six months ended June 30, 2021, a fair value gain (loss) of $0.2 million and $(0.7) million was recorded in the consolidated statements of operations, due to the change in the share price of the Corporation.

Management Sellers

The escrow shares issued in favor of Management Sellers are accounted for as compensation over the 10-year period post-transaction close. The compensation accrued is estimated using the fair value of the common shares at the period end and probability-weighted scenarios associated with the performance related targets. During the six months ended June 30, 2021, a $0.2 million compensation expense was recorded in the consolidated statements of operations.

13. DISCONTINUED OPERATIONS AND DISPOSAL OF BUSINESSES AND OTHER ASSETS

DISCONTINUED OPERATIONS

Kognitiv transaction - Loss of control in Loyalty Solutions business and related assets

On June 18, 2020, Aimia completed the Kognitiv transaction previously announced on April 29, 2020. The transaction is a contribution of cash and Aimia's Loyalty Solutions business, which includes Intelligent Shopper Solutions and the Air Miles Middle East program, in exchange of an ownership interest in Kognitiv, a B2B technology company enabling collaborative commerce. As part of the transaction, Kognitiv received a total of $28.7 million (US$21.1 million) with $20.4 million (US$15.0 million) coming from Aimia in funding in the form of 12% cumulative convertible preferred equity of Kognitiv and $8.3 million (US$6.1 million) from other investors. These preferred shares have similar voting rights as, and are convertible into, common shares of Kognitiv. Prior to the transaction close, Aimia had advanced $3.5 million (US$2.5 million) of that investment in the form of a convertible note that converted into convertible preferred equity at the transaction close. The fair value of Aimia's investment in Kognitiv at transaction date has been estimated at $88.7 million.

The investors' rights associated with its ownership percentage does not give Aimia control or joint control over Kognitiv or its operations, but rather a significant influence per the definition of IAS 28. Therefore, the transaction is accounted as a loss of control over the Loyalty Solutions business and related assets and a new investment in Kognitiv, which is accounted using the equity method. Under the equity method, net earnings are calculated on the same basis as if the two entities had been consolidated. The difference between the fair value of the investment and the net book value of Kognitiv's assets have been allocated to the fair value of identifiable assets and any remaining difference has been assigned to notional goodwill. The Corporation has identified a total $41.1 million of intangible assets from technology and customer relationships. The resulting residual notional goodwill in regards to this investment is $90.4 million. The proportionate share of Kognitiv's net earnings has been recorded since the closing of the transaction on June 18, 2020 *(Note 6).*

Aimia and Kognitiv have agreed to provide each other transition services until August 30, 2021. Aimia has also agreed to maintain certain guarantees (*Note 7*) as well as security in the form of cash collateral related to certain specified contracts for a period of up to 12 months in the case of guarantees and up to 24 months in the case of cash collateral. The current amount of such cash collateral as of June 30, 2021 is $1.2 million and is included in restricted cash on the statements of financial position.

The transaction agreement also provides that, as of and after the closing date, each of Aimia and Kognitiv 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 as well as for losses suffered as a result of customer terminated contracts pursuant to a change in control clause. With respect to those indemnification clauses, Aimia has no obligation to indemnify Kognitiv unless and until the aggregate amount of the losses incurred exceeds $2.25 million (US$1.7 million), in which case all losses are indemnifiable. Aimia's liability for such indemnity claims shall not exceed $15.0 million in all cases except with respect to (i) Aimia's fundamental representations and (ii) inaccuracy, misrepresentation or breach of any representation or warranty involving fraud, where Aimia's liability is uncapped.

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Consideration associated with the Kognitiv transaction	
Investment in Kognitiv recognized at fair value	88.7
Cash investment	(20.4)
Transaction costs related to the loss of control	(4.3)
Consideration relating to disposed assets and liabilities, net of transaction costs	**64.0**
Final closing adjustments related to working capital	4.3
Future technology decoupling funding	(0.8)
Net consideration	**67.5**
Assets and liabilities disposed of	
Cash and cash equivalents	11.1
Restricted cash	22.3
Accounts receivable	42.5
Inventories	0.6
Prepaid expenses and deposits	9.8
Property and equipment	1.0
Software and technology	0.2
Equity-accounted investment (Aimia Kantar)	0.7
Accumulation partners' contracts and customer relationships	8.6
Trade names	8.6
Other long-term assets	4.3
Accounts payable and accrued liabilities	(28.6)
Customer deposits	(19.2)
Deferred revenue	(22.3)
Other long-term liabilities	(7.0)
Net assets (liabilities) disposed of	**32.6**
Gain before reclassification to net earnings of cumulative translation	**34.9**
Reclassification to net earnings of cumulative translation adjustments	(21.6)
Gain on the loss of control of the Loyalty Solutions business and related assets [(a)]	**13.3**

(a) As of June 30, 2020 the preliminary gain on the loss of control of the Loyalty Solutions business and related assets was $15.2 million. During the three months ended September 30, 2020, the gain on the loss of control was adjusted by $0.1 million, being an increase in transaction costs related to the loss of control. During the three months ended December 31, 2020, the gain on the loss of control was adjusted by an additional $1.8 million, being a reduction of $0.8 million in final closing adjustments related to working capital, as well as reduction of net consideration by $0.8 million related to future technology decoupling funding and an increase of $0.2 million in net assets disposed of.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Results of the Loyalty Solutions business and related assets				
Total revenue	—	22.9	—	52.5
Compensation and benefits	—	10.8	—	23.4
Technology	—	8.9	—	16.8
Professional, advisory and service fees	—	2.1	—	4.9
Rent and office costs	—	0.7	—	1.5
Travel and employee expenses	—	0.2	—	0.9
Depreciation and amortization	—	0.8	—	1.9
Other	—	1.3	—	2.5
Total operating expenses	—	24.8	—	51.9
Operating income	—	(1.9)	—	0.6
Gain on disposal of businesses and other assets	—	15.2	—	15.2
Net financial income (expenses)	—	(0.3)	—	(0.3)
Share of net earnings of equity-accounted investments	—	0.2	—	0.6
Income tax (expense) recovery	**0.2**	(4.9)	**0.2**	(3.9)
Net earnings	**0.2**	8.3	**0.2**	12.2

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net cash flows of the Loyalty Solutions business and related assets				
Cash flows from (used in):				
Operating activities [(a)]	**(0.7)**	3.4	**0.8**	(3.0)
Investing activities - Proceeds (payments) for the disposal of businesses, including cash disposed	—	(34.3)	**4.3**	(34.3)
Financing activities - Principal elements of lease payments	—	(0.3)	—	(0.7)
Total	**(0.7)**	(31.2)	**5.1**	(38.0)

(a) During the three months ended June 30, 2021, cash flows used in operating activities include cash put aside in the form of cash collateral in accordance with the Kognitiv transaction agreement, partly offset by an income tax refund related to discontinued operations. Cash flows from operating activities for the six months ended June 30, 2021, also include $1.5 million of income tax refunds resulting from loss carry-backs on discontinued operations.

14. INVESTMENT IN PRECOG CAPITAL PARTNERS L.P.

On June 1, 2021, the Corporation invested $25.0 million (US$20.7 million) in Precog Capital Partners L.P. ("Precog"), a Delaware limited partnership. The fund may invest in equity, debt or hybrid investments both domestically and internationally of varying market capitalization. Precog's general partner and investment manager is MIM, a wholly-owned subsidiary of the Corporation. The Corporation's capital invested in the fund represented approximately 81% of the total limited partners' capital as of June 30, 2021. As a result of the investment, Aimia concluded it had control over the investment fund per the IFRS 10 definition and therefore is required to consolidate the fund since June 1, 2021.

The investment does not grant to Aimia ownership rights over the capital invested by the other limited partners. Per the limited partnership agreement, twelve months after a partner's admission to the partnership, such partner can withdraw, at the end of any calendar month, any amount equal to or less than 50% of the partner's capital account balance. Three months later, such partner can withdraw the remainder of the partner's capital account balance. A notice period of 60 days must be given before any withdrawal. At this time, Aimia's invested capital in the fund can be withdrawn at the end of any calendar month upon a notice period of 30 days. Based on these withdrawals rights, the limited partners capital balance is considered a liability under IFRS. The Corporation's capital balance in Precog is eliminated on consolidation. The other limited partners' capital balance is reported on the statement of financial position as "Limited Partners Capital liability".

As of June 30, 2021, the fund had 400,000 Aimia shares in its investment portfolio. These shares were acquired by fund prior to Aimia's June 1, 2021 investment and are held on behalf of the other limited partners. The Corporation does not have any direct legal interest of any kind in any securities issued by Aimia held by the partnership and none of the profits and losses resulting from the partnership's ownership of any securities issued by Aimia can be attributed to the Corporation. The Corporation has made the IAS 32.33A irrevocable election not to deduct those shares from its equity, to account for these shares as a financial asset and measure them at fair value through profit or loss in accordance with IFRS 9.

Subsequent accounting

The financial results of Precog are consolidated using the same accounting policies and presentation than other subsidiaries of the Corporation. However, the net change in the other limited partners' capital, resulting from Precog's operations, gets attributed to the "Limited Partners Capital liability" on the consolidated statement of financial position via the line "(Increase) Decrease in limited partners capital liability" in the consolidated statement of operations. This results in no impact on net earnings for the portion of the Precog results that is not allocated to Aimia's capital balance. The management fees paid by Precog to MIM is eliminated on consolidation.

Refer to *Note 5* for more details on the financial performance of Precog during the period.

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15. SUBSEQUENT EVENTS

Investment in TRADE X

On July 27, 2021, Aimia invested $44.0 million (US$35.0 million) in convertible preferred shares of TRADE X, a global B2B cross-border automotive trading platform using a proprietary data and analytics technology. On August 11, 2021, an additional US$10.0 million of convertible preferred shares were issued by TRADE X to other strategic investors in a subsequent closing to achieve its target round size of US$45.0 million, bringing Aimia's fully diluted stake at 12.3%.